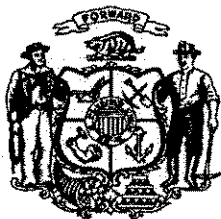


THE STATE OF WISCONSIN

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

March 7, 2000

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

Dear Secretary Lightbourn:

We are writing to inform you that the Joint Committee on Finance has reviewed your request, received February 16, 2000, pursuant to s. 16.515/16.505(2), Stats., pertaining to requests from the Board on Aging and Long Term Care, the University of Wisconsin System, and the Department of Transportation.

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

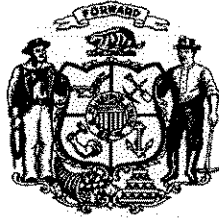
BB:JG:dh

cc: Members, Joint Committee on Finance
Executive Director George Potaracke, Board on Aging and Long Term
Care
President Katharine Lyall, University of Wisconsin System
Secretary Charles Thompson, Department of Transportation
Robert Lang, Legislative Fiscal Bureau
Vicky LaBelle, Department of Administration

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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

Re: s. 16.515/16.505, Stats. Request

Date: February 16, 2000

Attached is a copy of a request from the Department of Administration, received February 16, 2000, pursuant to s. 16.515/16.505(2), Stats., pertaining to requests from the Board on Aging and Long Term Care, the University of Wisconsin System, and the Department of Transportation.

Please review the material and notify **Senator Burke** or **Representative Gard** no later than **Monday, March 6, 2000**, 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:dh



Legislative Fiscal Bureau

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

March 4, 2000

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Request Under Section 16.515/505: University of Wisconsin-Madison Intercollegiate Athletics 1999-01 Budget

INTRODUCTION

The Department of Administration (DOA) has approved a request under s. 16.515 that would modify the 1999-01 expenditure authority for three appropriations related to the UW-Madison Division of Intercollegiate Athletics (Division). The first item would provide \$2,035,100 PR in 1999-00 and \$2,126,100 PR in 2000-01 to the s. 20.285(5)(h) appropriation for UW-Madison intercollegiate athletics auxiliaries, which is used to fund the operations of the Division. If approved, total funding would be \$38,878,500 PR in 1999-00 and \$38,969,500 PR in 2000-01. The second recommended item would decrease the s. 20.285(5)(i) appropriation by \$95,000 PR annually for non-income sports, which funds parking expenses and student scholarships. If approved, non-income sports spending authority would be \$300,000 PR annually. Lastly, DOA's recommendation would decrease the s. 20.285(5)(j) gifts and grants appropriation by \$86,400 PR in 1999-00 and \$508,100 PR in 2000-01 and provide position authority for 17.85 PR positions starting in 1999-00. If approved, the gifts and grants appropriation would be \$3,872,400 PR in 1999-00 and \$3,450,700 PR in 2000-01.

In total, the Division's request approved by DOA would increase expenditure authority by \$1,853,700 PR in 1999-00 and \$1,523,000 PR over funding provided under 1999 Act 9 and under s. 13.10 meetings in 1997-98 and 1998-99. Unlike in the past, these amounts do not include funding provided for pay plan supplements, which will now be handled at the Finance Committee's fourth quarterly s. 13.10 meeting, along with all other PR funded agencies requesting pay plan supplements.

As provided under s. 16.515, the Committee's 14-day passive review period runs through March 7, and this request will be approved on March 8, 2000, unless the Committee notifies DOA that it wishes to meet under s. 13.10 on the request.

BACKGROUND

Since 1991, expenditure and position authority for the Division's budget has been typically provided through the s. 16.515/505 process rather than the biennial budget. This process was agreed upon at the June 30, 1991, s. 13.10 meeting of the Joint Committee on Finance during which the Committee approved a motion to require that any allotment increases requested by the Division be submitted to DOA no later than December of the fiscal year for which the request is being made. DOA would then review the request and forward its recommendations to the Joint Committee on Finance, which would review the request under the 14-day passive review process.

At the Finance Committee's April, 1999, s. 13.10 meeting, the Committee modified the budget setting process for the Division due in part to concerns over: (a) reviewing current budgets half way or later through the fiscal year; and (b) the Division's projected excess of expenditures over revenues in 1998-99 of approximately \$1.1 million. Under the process approved in April 1999, the Division was required to submit its 1999-01 budget request to the DOA and the Finance Committee by October 31, 1999. DOA would submit its recommendations on the Division's request to the Committee by November 30, 1999, and the Committee would then review DOA's recommendations under the 14-day passive review process. Further, beginning for the 2001-03 biennium, the Division was requested to prepare budget requests for inclusion in the Governor's biennial budget bill.

The Division was also required to submit to DOA and the Joint Finance Committee, by October 31, 1999, the following: (a) a five-year financial forecast for the Division; (b) the results of a detailed review of all athletic budgets, including a list of expenditures that could be reduced, and on overall profile of all the sport teams including a summary of eligible services and/or expenses that would be associated with each sport; and (c) any other long-term budget actions reviewed, developed or implemented by the Athletics Board that could affect future budgets for the Division.

On November 11, 1999, a copy of the Division's five-year financial plan was submitted to the DOA and the Finance Committee. At that time, no information was provided regarding the Division's 1999-01 budget. The reasons cited for not provided the required budget information included: (a) pay plans for the employees had not been submitted to or approved by the Joint Committee on Employment Relations (JCOER); and (b) neither the Athletics Board nor the Board of Regents had approved system unit budgets for 2000-01. On November 19, 1999, additional material was submitted relating to the Division's 1999-01 budget. However, the material provided was not formally submitted for Committee approval because JCOER had not approved the pay plan and the Board of Regents had not approved the budget amounts.

On January 12, 2000, the Division submitted its request for additional expenditure authority, as approved by the Board of Regents, for 1999-00. In addition, the Division included an estimated 2000-01 budget, which at that time had not been approved by the Athletic Board, the Chancellor or the Board of Regents, but was indicated to be consistent with the Division's five-year plan.

SUMMARY OF REQUEST

As part of the UW-Madison Intercollegiate Athletics s. 16.515 request, expenditure authority is requested for the following purposes identified below by each appropriation. These budget increases do not include funding provided for pay plan supplements. In the past, pay plan increases were included in the Division's budget requests; however, in an effort to move the Division's budget process from an annual to a biennial process and to expedite the submission of the Division's 1999-01 budget request, it was determined that Athletics' pay plan supplement requests could be reviewed along with all other PR funded agencies.

Because detailed 1999-00 expenditure data without the pay plan supplement amounts is currently unavailable, for purposes of the budget details below pay plan amounts are included. Data for 2000-01 is taken from the Athletic Board's financial statements, as detailed expenditure data by appropriation is currently not available.

1999-00 BUDGET REQUEST

Athletics Division Operations. The appropriation for UW-Madison athletics auxiliary enterprises is currently \$36,843,400 PR for 1999-00. This amount includes expenditure authority approved under: (a) the September 1998 s. 13.10 meeting (\$247,400); and (b) the April 1999 s. 13.10 meeting (\$5,062,800); and (c) 1999 Act 9 (\$31,533,200). Funding provided under the September 1998 s. 13.10 meeting was provided as one-time; however, due to the on-going costs the funding supports, it appears reasonable to include the funding in the Division's base budget. The increase of \$2,035,100 PR in 1999-00 recommended by DOA would bring the Division's funding for operations to \$38,878,500 PR, as requested by the Division. DOA's recommended level of increased expenditure authority differs from the Division's request because the Division assumed a lower amount of base level funding.

The Division has indicated that the major components of the total proposed expenditure increase of \$2,035,100 PR operations would include:

Sports (\$900,000). The Division anticipates expending \$846,600 in 1999-00 for women's hockey. This \$746,600 increase over 1998-99 base level funding of \$100,000 is the result of the start of the new women's sport in 1999-00. The Division indicates that of the total expenditures for women's hockey approximately \$270,000 would be for salaries and fringe benefits and \$575,000 would be for supplies and expenses. The major supplies and expense costs would include travel

(\$170,000), rental of ice time (\$100,000), equipment (\$83,000), meals (\$70,000) and recruiting (\$40,000).

In addition to increased funding for women's hockey, additional funding of approximately \$150,000 would be provided to extend football staff's contracts from 11 months to 12 months. The Division indicates that the reason for this change was to keep coaches salaries competitive with other major Division 1 schools.

Marketing and Ticketing Budgets (\$630,000). The Division also indicates that additional expenditure authority is needed for the marketing and ticketing department budgets to reflect the actual spending history for those two departments. Over the last several years, those offices had increased expenditures due to changes related to gender equity and the opening of the Kohl Center. Specifically, the Division indicates the budgets need to be increased in order provide for the selling of more sponsorships, increased advertising and increased marketing staff for women's sports. In addition, the Division notes that as more tickets are sold to Kohl Center events LTE and overtime staffing costs increase and along with increased ticket revenues, credit card processing fees increase. Based on information provided by the Division, it is estimated that the budgets for these two offices would increase by approximately \$630,000.

Support Services (\$580,000). The recommended increases for support services include increased expenditure authority for administration (\$60,800), funding to explore the feasibility of building women's hockey locker facilities at the Dane County Coliseum (\$50,000), medical payments to reconcile actual expenses with paid amounts (\$250,800) and computer services funding for computer upgrades and staff costs (\$218,400).

Other spending modifications are the result of various increases and decreases to team budgets related to travel and post season play.

Non-Income Sport Expenditure Increases. The Division requested a decrease in non-income sports expenditure authority of \$95,000 PR annually. The appropriation for non-income sports is currently \$395,000 PR for 1999-00. This amount includes expenditure authority approved under: (a) the April 1999 s. 13.10 meeting (\$67,400); and (b) 1999 Act 9 (\$327,600).

The recommended reduction in this appropriation reflects the change in administration of parking for events held in athletic facilities from the Athletics Division to the UW-Madison's Department of Transportation Services (DTS). Because most of the expenses for parking are now incurred by the DTS rather than the Division, spending authority needed by the Division can be reduced. If DOA's recommendation to reduce expenditure authority by \$95,000 PR annually is approved, the appropriation would total \$300,000, which would be used to fund sport scholarships for various women's and men's teams.

Gifts and Grants. The Division's current request and DOA's recommendations would delete \$86,400 PR in 1999-00, for a total gift and grants appropriation of \$3,872,400 PR in 1999-00.

Currently, the 1999-00 gifts and grants appropriation totals \$3,958,800 PR. This amount includes expenditure authority provided under 1999 Act 9 (\$5,914,800) less the reduction in funding approved at the April, 1999 s. 13.10 meeting (\$1,956,000). In addition, while originally not requested by the Division, DOA recommends providing position authority for 17.85 PR positions under this appropriation to reflect the number of positions funded by gifts and grants at the Division.

In 1998-99, funding from gift and grants appropriations was used primarily for capital expenditures, scholarships and funding 5.2 PR positions. Under the Division's 1999-00 request, capital expenditures from gifts and grants would decrease by \$978,200 in 1999-00 to reflect anticipated available revenues for capital expenses. Expenditure authority for scholarships provided through gifts and grant moneys would increase due to the addition of women's hockey and the funding of 14 hockey scholarships. In addition, women's crew scholarships would be increased by four to the NCAA maximum. The increase in total scholarship funding from this appropriation would be approximately \$296,600 in 1998-99.

Additional expenditure authority (\$743,500) would also be provided to fund gifts and grants positions. According to UW System staff, 20.8 FTE positions are budgeted in this appropriation. However, DOA's position reports indicate that only 2.95 positions are currently authorized under this appropriation. According to Division and UW System staff, it was assumed that UW System had the authority to create gifts and grants funded positions without legislative approval. However, such authority does not exist under current law.

Of the 20.8 positions, DOA indicates that 15.6 were created in 1999-00: (a) 3.6 positions, with two-year appointments, in the Division's ticket office and financial operations area; (b) 4.0 positions in the newly-created annual fund office which will manage the preferential seating plans and annual donations; (c) 6.0 positions created as a result of LTE conversions throughout the Division; and (d) 2.0 Kohl Center positions, conference and guest service coordinator and food manager.

UW System indicates that the remaining 5.2 positions were in existence prior to 1999-00 and include: (a) 3.2 FTE related to outreach and special event coordination; and (b) 2.0 vacant positions, one in NCAA compliance and the other in the concessions area. The Division indicates that other than the 2.0 vacant positions, all the positions are currently filled.

Division 1999-00 Revenues. Revenues received by the Division are from a variety of sources. Revenues for auxiliary enterprises are primarily from sports ticket sales, radio and television contracts, NCAA revenue sharing, marketing, promotions, licensing and concessions. Non-income sports revenues are generated from parking fees assessed during sporting events. Revenues for the gifts and grant appropriation are raised through Division fundraisers, anonymous donations and the preferential seating programs for basketball and hockey. In addition, the Division receives \$633,900 GPR annually.

Based on its 1999-00 budget request, the Division estimated total revenues from all funds would be approximately \$41,298,300 and expenditures would be approximately \$41,253,100, excluding funding for camps and clinics and the golf course. Based on these estimates, the Division would have had a positive ending balance of approximately \$45,200 for 1999-00. Based on its updated February 2000 financial statements, the Division estimates a positive ending balance of approximately \$802,800 for its operations in 1999-00, which would be added to its reserve balance.

2000-01 BUDGET REQUEST

As required by the Joint Finance Committee, the Division has also submitted its 2000-01 proposed budget. This budget which was approved by the Athletics Board on February 25, has yet to be approved by the Chancellor or the Board of Regents. Because the 2000-01 budget was just approved, Division staff does not currently have detailed information of expenditure modifications by appropriation. As noted above, DOA has approved the Division's request to modify the 2000-01 appropriations as follows: (a) increase expenditure authority for the auxiliary enterprises appropriation by \$2,126,100 PR; (b) reduce expenditure authority by \$95,000 PR for non-income sports; and (c) reduce gifts and grants expenditure authority by \$508,100 PR. These amounts do not include pay plan increases, which will be handled through a separate process.

According to February financial statements, the total projected expenditures for the Division would increase by approximately \$1.6 million in 2000-01. Financial statements provided by the Division indicate that the major components of this increase include increases for salaries for football staff (\$300,000), funding for new positions (\$90,000), funding for an e-commerce contingency (\$250,000) and providing additional expenditure for post season play (\$390,000). In addition, approximately \$208,000 is added to the Division budget to reflect state GPR funding for the Division that in the past has been credited to the UW System accounts rather than the Division's.

The Division indicates that specific revenues are expected to cover the costs of post season play, state fringe benefits, and the contingency for implementing electronic commerce for ticketing and donations. These revenues would be part of an estimated total increase in revenues of approximately \$4.1 million. Of this amount, approximately \$2.4 million would be from increase ticket sales as a result of more games, increased attendance and increased men's basketball ticket prices (\$2 for general public seating). An additional, \$1.7 million in revenues is anticipated from fundraising, which would include the implementation of the preferential seating plan for football games.

The Division's budget projects ending 2000-01 with a net margin of \$822,800, which would be added to its reserve balance. This is based on receiving \$45,375,000 in revenues and expending \$44,552,200, excluding funding and expenditures for camps and clinics and the golf course.

RESERVE BALANCE

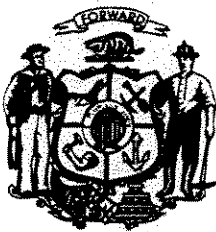
In response to the financial difficulties of the Athletics Division in the late 1980s, UW System and UW-Madison policies require that the Division maintain an adequate unencumbered reserve balance to be held against operating expenses, debt service and deferred repairs and maintenance/capital assets requirements. The actual reserve total for 1998-99 was \$2,822,520. Based on the Athletics Board's February 2000 financial statements, the budgeted reserve balance is estimated to increase to \$3,625,300 in 1999-00 and \$4,448,100 in 2000-01.

If you have any questions about this request, please contact this office.

Prepared by: Tricia Collins

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

TOMMY G. THOMPSON
GOVERNOR
GEORGE LIGHTBOURN
SECRETARY



Office of the Secretary
Post Office Box 7864
Madison, WI 53707-7864
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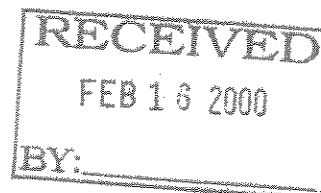
Date: February 16, 2000

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

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

From: George Lightbourn, Secretary
Department of Administration

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



George Lightbourn

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:

AGENCY	DESCRIPTION	1999-2000		2000-01	
		AMOUNT	FTE	AMOUNT	FTE
BOALTC 20.432(1)(k)	Contracts with state agencies	\$ 59,900 *	1.00 *	\$ 34,900 *	1.00 *
UWS	UW-Madison				
	Intercollegiate Athletics				
20.285(5)(h)	Auxiliary enterprises	\$2,035,100		\$2,126,100	
20.285(5)(i)	Nonincome sports	-95,000		-95,000	
20.285(5)(j)	Gifts and grants	-86,422	17.85	-508,100	17.85
DOT	Chemical testing,				
20.395(5)(di)	training and services, state funds	\$ 142,000 *			

* One-time expenditure authority.

As provided in s. 16.515, the request(s) will be approved on March 8, 2000, 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

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

TOMMY G. THOMPSON
GOVERNOR

GEORGE LIGHTBOURN
SECRETARY



Office of the Secretary
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Date: February 8, 2000

To: George Lightbourn, Secretary
Department of Administration

From: Gretchen A. Fossum, Budget Analyst *GAF*
State Budget Office

Subject: Request Under s. 16.505/515 from the Board on Aging and Long-Term Care

REQUEST:

The Board on Aging and Long-Term Care (BOALTC) requests a one-time increase in expenditure authority of \$70,900 PRS in FY00 and \$23,900 PRS in FY01 in s. 20.432(1)(k), contracts with state agencies. BOALTC is also requesting a one-time increase in position authority of 1.00 FTE PRS for six months in FY00 and three months in FY01.

REVENUE SOURCES FOR APPROPRIATION(S):

BOALTC receives funding from the Department of Health and Family Services (DHFS) from the federal Health Care Financing Administration (HCFA) and Title III of the Older Americans Act. DHFS will be receiving an additional \$94,800 in this current biennium for Medigap hotline services and the ombudsman program.

ANALYSIS:

BOALTC provides Medicare eligible individuals information on a variety of insurance products through the Medigap hotline. Because of significant changes in the Medicare program in recent years, HCFA has made funding available to the states for assisting beneficiaries in understanding the federal changes. As part of a public education campaign, the federal government has mailed handbooks to Medicare beneficiaries to guide them through the health care system. The Board is requesting a project medigap counselor to answer increased consumer questions from the hotline due to the mailing and to provide advice to Medicare beneficiaries under the age of sixty-five who are receiving benefits due to a disability, which is one of the HCFA requirements for the use of the new funds.

In its biennial budget submission, the Board had requested GPR funding for a photocopier and the development and distribution of public information materials. These items were denied in the budget and the Board is now requesting that the items be funded with new federal funds available from DHFS. In addition, the Board's computers are in need of replacement and the agency continues to be responsible for unsupplemented risk management costs.

The Boards detailed request is as follows:

	<u>FY00</u>	<u>FY01</u>
Salary	\$13,300	\$6,700
Fringe	4,800	2,400
Supplies for medigap position	5,500	2,700
One-time position costs	4,600	
Photocopier replacement	4,200	
Computer replacements	27,200	8,800
Public information materials	8,000	
Unsupplemented risk management	3,300	3,300
Total	\$70,900	\$23,900

The Board's medigap position request needs to be adjusted to reflect actual salary and fringe costs and to reflect a timeframe of three months in FY00 and six months in FY01. The following table details revised expenditures:

	<u>FY00</u>	<u>FY01</u>
Salary	\$7,300	\$14,500
Fringe	2,700	5,300
Supplies for medigap position	2,600	5,200
One-time position costs	4,200	
Photocopier replacement	4,200	
Computer replacements	27,200	6,600
Public information materials	8,000	
Unsupplemented risk management	3,300	3,300
Total	\$59,900	\$34,900

RECOMMENDATION:

Modify the request. Approve the increase in position authority of 1.00 PRS project medigap counselor with the revised timeframe of three months in FY00 and six months in FY01.

CC JAK
JM
GF

November 22, 1999

To: Richard Chandler, Budget Director
Department of Administration

Fr: George F. Potaracke

Re: s. 16.505/16.515 Request

The Board on Aging and Long Term Care requests an increase of \$94,845 PRS in expenditure authority in s. 20.432(1)(k), contracts with state agencies, and position authority for one FTE project position.

The Board has been receiving funds through DHFS from grants awarded by the federal Administration on Aging to support the long-term care ombudsman program, and by the federal Health Care Financing Administration to support the activities of the Medigap Helpline. The Board has been informed by the Bureau of Aging and Long Term Care Resources (DHFS) that additional funds are available for BOALTC to enhance its capabilities to serve its expanding group of consumers, and to upgrade its current services. A total of \$70,919 is available in FY 00 and \$23,926 in FY01 for a grand total of \$94,845.

Medigap Helpline

The Board requests authority to add one FTE project position to its current program staff of four permanent FTEs for a period of January 1, 2000 through September 30, 2000.

Position Justification:

Congress enacted significant changes to the Medicare program one year ago. HCFA is now making available to Medicare insurance counseling programs additional funds to expand services to beneficiaries. This year HCFA is asking that greater service be targeted to Medicare beneficiaries under the age of 65, receiving benefits due to disability. The Board will hire an additional FTE to concentrate the Medigap services toward this target group. There are roughly 72,000 Wisconsin citizens who could benefit from this service. The counselor will link consumers to BadgerCare, Pathways to Independence and the HIRSP plan whenever appropriate. Specific printed materials will also be developed for broad distribution throughout Wisconsin.

Budget detail:

	FY00	FY01
Salary	13,303	6,718
Fringe	4,816	2,408
Supplies		
Rent	1,600	800
Telephone	1,600	800
Postage	1,050	525
Supplies	250	125
Training	300	100
Printing	700	350
Equipment		
Office furniture	1,200	
Computer/Accessories	3,400	
TOTAL	28,219	11,826

s. 16.505/16.515 Request
November 22, 1999
Page 2.

Ombudsman Program

Program needs not funded through the biennial budget and delayed until other funds have come available include:

Photocopier replacement	4,200	
Computer replacements/accessories	27,200	8,800
Development and distribution of printed materials	8,000	
Unsupplemented insurance premiums	3,300	3,300
Subtotal	42,700	12,100
Grand Total	70,919	23,926

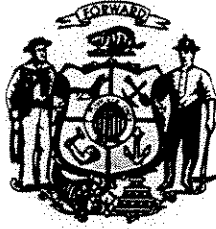
Summary

The Board on Aging and Long Term Care seeks authority to hire one FTE project position for the Medigap helpline with funds made available through the Health Care Financing Administration, and expenditure authority to use funds now available from the federal Administration on Aging and HCFA to purchase services and replace equipment in a timely fashion. The total request for this biennium is \$ 94,845.

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

TOMMY G. THOMPSON
GOVERNOR


GEORGE LIGHTBOURN
SECRETARY



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Date: February 9, 2000

To: George Lightbourn, Secretary
Department of Administration

From: Erin Kalinosky 
Executive Budget and Policy Analyst

Subject: Request Under s. 16.505/515 from the University of Wisconsin System for UW-Madison Intercollegiate Athletics

REQUEST:

The UW System requests approval of \$2,064,957 additional PR expenditure authority for the appropriation under s. 20.285 (5) (h), *Intercollegiate Athletics Auxiliary Enterprises*; a reduction of \$95,000 PR for the appropriation under s. 20.285 (5) (i), *Nonincome sports*; and a reduction of \$86,422 PR in the appropriation under s. 20.285 (5) (j), *Gifts and grants*. UW System also requests approval of 17.85 FTE positions in the appropriation under s. 20.285 (5) (j), *Gifts and grants*. UW System further requests approval of the Division of Intercollegiate Athletics' estimated budget for Fiscal Year 2000-01.

REVENUE SOURCES FOR APPROPRIATION(S):

Revenues in the appropriation under s. 20.285 (5) (h) are generated from UW-Madison athletic events, golf course receipts, concerts and other special events. Revenues under s. 20.285 (5) (i) are generated from parking fees for events held at athletics facilities. Gifts, grants, donations and athletic booster club contributions received by the Division of Intercollegiate Athletics are deposited as revenues under s. 20.285 (5) (j).

BACKGROUND:

Historically, the Division's annual budget has been set through the s. 16.505/515, Wisconsin statutes, process. The rationale behind this policy was that the fluctuation of athletic team expenses and divisional revenues made it difficult to accurately establish the Division's budget during the regular biennial budget process.

Under a motion passed at the Joint Committee on Finance's April, 1999 s. 13.10 meeting, the Division was required to submit a 1999-01 budget request under s. 16.505/515 to the Committee and to the Department of Administration (DOA) by November 1, 1999. Under the motion, DOA was directed to submit its recommendation to the Committee by November 30, 1999, so that the Committee could set the Division's 1999-01 budget as a part of its December 1999, s.13.10 meeting. The Committee further requested that the Division, beginning with the 2001-03 biennium, prepare biennial budget requests for inclusion in the Governor's biennial budget bill. The intent behind this motion was to bring the Division back into the biennial budget process, rather than continuing with annual s.16.505/515 requests to set the Division's budget.

The Division did not meet the November 30 deadline because it did not yet have final numbers for pay plan increases. In the past, the Division included the amounts needed for pay plan increases in its s.16.505/515 request. Because the UW's pay plan had not been approved by the Joint Committee on Employment Relations (JCOER) as of November 1, 1999, the Division delayed submitting its 1999-01 budget request. JCOER approved UW's pay plan request at its January 25, 2000 meeting. The Division formally submitted its s.16.505/515 request on January 12, 2000, which includes its budget request for Fiscal Year 1999-00 and an estimated 2000-01 budget.

ANALYSIS:

The Division's request includes \$2,604,957 in additional expenditure authority for the appropriation under s. 20.285 (5) (h) *Auxiliary Enterprises*. The request assumes a current allotment base of \$36,273,500. However, a portion of approved increases to this appropriation under the Committee's past s. 13.10 actions were not incorporated into the allotment base. When those full amounts are included, the base is \$36,843,400.

In both instances, the increases were approved for Fiscal Year 1998-99. However, Legislative Fiscal Bureau (LFB) staff indicate that the funding was intended to be provided on an on-going basis, and therefore, should be built into the current allotment base for the *Auxiliary Enterprises* appropriation. Given that the approved increases were provided to meet on-going salary/fringe benefit costs, as well as continuing program-related projects, it seems reasonable to provide the increases on an on-going basis.

Including the past increases under s. 13.10 actions in the Division's current allotment base results in an effective requested increase in spending authority of \$2,035,100 for the *Auxiliary Enterprises* appropriation. LFB staff indicates that the approved increases from the Committee's past s. 13.10 actions would be formally incorporated into the allotment base upon approval of the Division's current s. 16.505/515 request.

The Division's request for Fiscal Year 1999-00 includes increases in spending authority that were approved by the Athletics Board and the UW System Board of Regents at its December, 1999 meeting. Please note that the requests are for non-pay plan spending authority only, as agreed to by UW-Madison Vice Chancellor Torphy, LFB staff and SBO staff. The Division will include its requests for pay plan amounts in a subsequent request, to be taken up during the Committee's fourth quarterly meeting under s. 13.10, as is the procedure for other Program Revenue agencies. It was concluded that removing the amounts for pay plan increases from the Division's budget requests for Fiscal Years 1999-00 and 2000-01, and addressing them later, would simplify the transition to including the Division's budget request in UW System's biennial budget request.

The major components of the request include the following:

Program-Related Increases (*Auxiliary Enterprises* and *Non-Income Sports*)

The request includes a total of \$2,035,100 in program-related cost increases for *Auxiliary Enterprises*, and a total decrease of \$95,000 for *Nonincome sports*. Major items accounting for the overall increase in the *Auxiliary Enterprises* appropriation are detailed below.

Auxiliary Enterprises

- Women's Ice Hockey: the Division projects spending approximately \$850,000 on the women's ice hockey program, excluding the cost of scholarships, which are paid for from the grant-in-aid budget in the Division's *Gifts and Grants* appropriation. This includes approximately \$270,000 for salaries and fringe benefits, and \$580,000 in supplies and expenses. Because the Division had placed \$100,000 in reserve for the development of the women's hockey program in Fiscal Year 1999-00, projected spending for the current Fiscal Year represents an increase of \$750,000.
- Marketing and Ticket Office Operations: the budget for these two areas increased by approximately \$630,000 over Fiscal Year 1998-99. According to Division budget staff, the marketing and ticket office budgets were increased in part to more accurately reflect actual spending levels for these two areas over the past several years.

Actual spending has increased over the past several years for a number of reasons. As corporate sponsorship increases (as it has this year), the marketing department incurs greater financial obligations. The marketing budget was also increased to meet requests from the Athletic Board's Planning and Equity Committee to increase advertising for women's sports, in order to promote gender equity. With the addition of concerts and special events held at the Kohl Center, the Division sells more tickets, which increases ticket office staffing needs (primarily student, LTE and overtime staff). And as ticket revenue increases, so do the Division's credit card processing fees, the expense of which is recorded in the ticket office budget.

- Changes in Football Staff's employment contracts: the Division has extended the football staff's contracts from 11 to 12 months, in order to raise actual compensation levels and keep the football coaches' salaries competitive with other major Division I schools. The total cost of extending the contracts is approximately \$150,000, including fringe benefits.
- Administration: total increases of \$632,700 included general administrative increases of \$110,800, computer services related increases of \$218,400, and increases of \$303,500 related to sports medicine and medical payments.

The remainder of the request is for minor increases and decreases to the various athletic team budgets related to team travel and post season play, all of which appear reasonable.

Non Income Sports

- Accounting change: Parking revenue is administered by UW-Madison's Department of Transportation Services (DTS). The revenue collected by the Athletic Department from season ticket holders for parking passes is recorded in the Division's s. 20.285 (5) (i), *Non-Income Sports* appropriation. However, a portion of the revenue is transferred to the DTS to cover expenses related to administering parking. Because the DTS now directly collects a greater portion of parking revenues to cover administrative expenses, the parking-related spending authority needed by the Division has decreased.

Capital Budget Projects, Scholarships, New Positions (*Gifts and Grants*)

In Fiscal Year 1998-99, the Division spent over \$2.6 million on capital facility projects, including construction of the Goodman softball diamond complex, turf replacement at Camp Randall Stadium and various other capital expenditures. The Division's request for reduced expenditure authority in the appropriation under s. 20.285 (5)(j) *Gifts and grants* (-\$86,422) reflects a reductions of \$978,222 in capital expenditures and \$148,405 in supplies and expenses. This decrease is offset in part by spending increases of \$1,040,144, due to an expansion of scholarships for the women's programs, and the addition of several gift-funded positions.

- Scholarships for women's programs: the Division has budgeted 14 scholarships for the women's ice hockey program for Fiscal Year 1999-00, and plans an increase to 18 scholarships (the NCAA limit) in 2000-01. Funding for women's crew scholarships was completed this year by adding 6 new scholarships in that program (the Division is now at the NCAA limit for women's crew). The total increase due to additional scholarships (\$210,000) and increases in other grant-in-aid totals \$296,600.
- Gift-funded positions: the Division requests 17.85 FTE positions, to be funded from its s. 20.285 (5) (j) *Gifts and Grants* appropriation. According to Division budget staff, 20.8 FTE positions are budgeted in the Division's *Gifts and Grants* appropriation. UW officials indicate that 5.2 FTE positions were created and filled prior to Fiscal Year 1999-2000. DOA records, however, indicate that the Division is currently authorized for only 2.95 FTE under this appropriation. UW System therefore requests additional position authority, in order to align the level of positions authorized by DOA with the actual number of positions existing under the Division's s. 20.285 (5) (j) appropriation. The salary and fringe benefit costs for these positions total \$743,544.

Conversations with UW officials suggest that in creating the additional 17.85 FTE positions, the Division assumed UW System had the authority to create positions in the *Gifts and Grants* appropriation without legislative approval. While this is true for the System's major gifts and donations appropriation [s. 20.285 (1) (j)], this authority was not extended to the separate Athletics Division gifts and grants appropriation when it was created in the 1989-91 biennial budget.

Prior to 1989, Athletic Department revenues and expenditures were accounted for under appropriations within the *University Education, Research and Public Service* program; gifts and donations to the Athletics Department were credited to s. 20.285 (1) (j) *Gifts and Donations*. Confusion over positions authorization requirements may have arisen due to the fact that UW System has the authority to create and abolish positions without legislative approval under certain program revenue appropriations, including s. 20.285 (1) (j) *Gifts and Donations*. It appears that UW officials assumed positions created in the new appropriation under s. 20.285 (5) (j) – like those created under s. 20.285 (1) (j) – did not require legislative approval, because it was also funded with gifts and grants revenues.

Of the 20.8 positions in the Division's *Gifts and Grants* appropriation, 15.6 were created during Fiscal Year 1999-2000:

- 3.6 FTE research/internship positions in the Division's ticket office and financial operations area.
- 4.0 FTE positions appointed to the newly created Annual Fund office, as a result of the Division absorbing the development and fund raising functions from the UW Foundation. Two of these positions were created by converting Limited Term Employee (LTE) positions to permanent positions.
- 6.0 additional LTE conversions, throughout the Athletics department (marketing specialist, football equipment manager, computer services technician, custodial supervisor and two assistant strength coaches). The Division believes that the tight labor market, along with local unions' criticisms regarding employment of LTEs for permanent functions, dictates that they hire permanent employees in order to retain staff. The Division regards these positions as essential to the Division's operations.

- 2.0 FTE related to Kohl Center functions (coordinator for conferences and guest services, and food production manager).

The remaining 5.2 FTE positions existed prior to Fiscal Year 1999-2000:

- 3.2 FTE positions related to outreach and special event coordination that have been funded under this appropriation for a number of years.
- 2.0 FTE vacant positions – one related to NCAA compliance, the other in the concessions area. The Division intends to fill both of these vacancies soon.

It appears that the Division did not intentionally circumvent the statutes, but rather, acted under a misunderstanding, when it created these new positions without seeking legislative approval. For this reason, and because the Division projects revenues adequate to fund the positions in both Fiscal Years 1999-00 and 2000-01, it seems reasonable to approve the request to authorize 17.85 FTE positions, and build the \$743,600 in costs for these positions into the Division's base budget.

2000-01 Budget Request

The Division's request for Fiscal Year 2000-01 is an estimate, and has not yet been approved by the Athletic Board, the Chancellor or the Board of Regents. According to the Division, however, the request is consistent with its five-year strategic plan, which has been adopted by the above mentioned groups.

For Fiscal Year 2000-01, the Division requests the following changes to the allotment levels requested for Fiscal Year 1999-00: \$913,500 additional expenditure authority for the appropriation under s. 20.285 (5)(h), *Intercollegiate Athletics Auxiliary Enterprises* (additional \$2,126,100 PR over 2000-01 base); no change requested for the appropriation under s. 20.285 (5)(i), *Nonincome sports*; a reduction of \$421,700 in the appropriation under s. 20.285 (5)(j), *Gifts and grants* (reduction of \$508,100 PR over 2000-01 base).

The changes included in the Division's estimated 2000-01 budget do not include amounts for pay plan increases, which will be handled in a separate request to the Committee at its fourth quarterly s. 13.10 meeting of Fiscal Year 2000-01.

Division budget staff are not able to provide details concerning the individual components of the requested increase in spending authority for the *Auxiliary Enterprises* appropriation, because the 2000-01 budget will not be formally approved by the Athletics Board until its February 25, 2000 meeting. However, the financial statements circulated at the most recent meeting of the Athletic Board Finance Committee (1/13/2000) suggest that increases related to post-season play and concessions/game day expenses associated with additional events would comprise most of the requested increase in spending authority.

The projected increase in expenditures for Fiscal Year 2000-01 (\$1.6 million) will be offset by increased revenues:

- Ticket sales – an additional \$2.4 million (additional games and increased attendance at sporting events)
- Fundraising revenue – an additional \$1.3 million (the Division will begin to collect annual donations for the football preferential seating plan that goes into effect for the Fall 2001 season)
- Big Ten revenue – an additional \$300,000

Estimates for other types of revenue are somewhat lower for 2000-01, the Division's figures tend to represent conservative estimates, rather than anticipated decreases (e.g., catering, concerts and events, suite rentals, corporate sponsorships, guarantees for non-conference away games for men's football and basketball). The Division estimates a net

increase in operating revenue in Fiscal Year 2000-01 of approximately \$3.4 million. The Division estimates greater spending on capital and maintenance projects in Fiscal Year 2000-01, resulting in a somewhat smaller, but positive, net margin than in Fiscal Year 1999-00.

It is important to note that the financial statements from which this information was gathered are from an initial draft of the Division's 2000-01 budget. Actual revenue and expenditures will likely vary from these estimates. For example, the Division's budget for scholarships for non-resident student athletes will be affected by tuition increases for those students, which will not be known until this summer, when the Board of Regents sets tuition rates for 2000-01. Due to the difficulty of projecting revenue and actual expenditures, the Division may find it necessary to come forward with a s.16.505/515 request during Fiscal Year 2000-01 to request modifications to the level of spending authority approved under this request.

Revenues

The Division projects revenue for 1999-00 of approximately \$41,940,100; Division revenues are projected to exceed budgeted expenditures by \$675,000, according to the Division's most recent financial statements (1/13/2000). These figures do not incorporate actual revenue and expenditures for the football team's appearance at the 2000 Rose Bowl. Initial estimates suggest that the Rose Bowl appearance generated a surplus of approximately \$240,000.

The Division projects approximately \$44,779,300 in revenues for Fiscal Year 2000-01. Given budgeted expenditures, the Division expects to close Fiscal Year 2000-01 with a positive net margin of approximately \$570,800. Considering the current positive fiscal condition of the Division, it appears reasonable to conclude that the Athletic Department will meet or exceed its revenue projections for Fiscal Years 1999-00 and 2000-01.

Accumulated Deficit / Reserve Fund Status

The Division has accumulated an operating reserve of \$2,822,520 as of the close of Fiscal Year 1998-99. The reserve is projected to be \$3,497,532 for Fiscal Year 1999-00, and \$4,068,310 for Fiscal Year 2000-01 (1/13/2000 financial statements). These most recent projections for year-end reserve balances are greater than those estimated in the Division's Five-Year Strategic Financial Plan, demonstrating an improved fiscal outlook. The Division retains its goal of accumulating a reserve balance of \$10 million by the close of Fiscal Year 2004-05, a level which accounts for the debt service obligations associated with the Kohl Center and other capital projects planned over the next five years.

RECOMMENDATION:

- (1) Approve \$2,035,100 additional PR expenditure for the appropriation under s. 20.285 (5) (h).
- (2) Approve the remainder of the request as is.

cc: Rick Chandler
Bob Hanle

UNIVERSITY OF
WISCONSIN
MADISON

January 12, 2000

MEMORANDUM

CC BN
EK

To: George Lightbourn
Secretary, Department of Administration

From: John Torphy
Vice Chancellor for Administration, UW-Madison

Subject: S.16.515 Request for Intercollegiate Athletics

The purpose of this memo is to comply with the policy of the Joint Committee on Finance regarding increases in the 1999-2000 allotment authority for Intercollegiate Athletics at UW-Madison. This request is for increased expenditure authority for the Program Revenue appropriations under s.20.285(5)(h), s.20.285(5)(i) and s.20.285(5)(j). The request increases allotment authority to the spending levels approved by the Board of Regents for 1999-2000, subject to approval by the Department of Administration and the Joint Committee on Finance.

Pursuant to my conversation with your staff and the staff of the Legislative Fiscal Bureau, the expenditure authority included here does not include estimated pay plan. The additional expenditure authority required for salary and fringe benefit increases will be provided subsequent to legislative action on those items and will be handled in a manner consistent with procedures for program revenue appropriations at UW System and UW-Madison.

The following is a table showing the requested increases by appropriation:

<u>Appropriation</u>	<u>Current Allotment</u>	<u>Requested Allotment</u>	<u>Change Requested</u>
s.20.285(5)(h)	\$36,273,543 ^{1/}	\$38,878,500	\$2,604,957
s.20.285(5)(i)	\$395,000	\$300,000	(\$95,000)
s.20.285(5)(j)	\$ 3,958,822	\$ 3,872,400	(\$86,422)

^{1/} Note: Our records at UW-Madison show an approved current allotment level of \$36,843,405, but I cannot find a record of DOA/JFC approval of that figure.

The allotment request for s.20.285(5)(h) [Fund 528] relates primarily to increases resulting from adding women's ice hockey, changes in the football staff's employment contracts from 11 months to 12 months and the marketing and ticket office operations.

The decrease for s.20.285(5)(i) [Fund 530] is the result of an accounting change between the Division of Intercollegiate Athletics and the Department of Transportation Services.

Vice Chancellor for Administration

Transportation Services now incurs the direct parking expenses associated with managing the University's parking operations.

Finally, the decrease in s.20.285(5)(j) [Fund 533] is the result of the department's decision to reduce its capital and maintenance commitments during the 1999-2000 fiscal year. The reduction in capital expenditures offset the increases in Fund 533 related to scholarships for women's ice hockey and several gift funded positions.

Pursuant to staff requests and responding to the April 1999 action of the Joint Committee on Finance, I am also enclosing an estimated 2000-01 budget for the Division. This estimated budget also excludes compensation increases projected for both 1999-2000 and 2000-01. Please be aware that this estimated 2000-01 budget has not been approved by the Athletic Board, the Chancellor or the Board of Regents. However, it is consistent with the Five-Year Plan which has been adapted by these groups.

Please let me know if you have any questions.

JT:ns

Enclosure

cc: Katharine Lyall
David Ward
Pat Richter
Jamie Pollard
Erin Kalinosky
Bob Lang
Tricia Collins
Debbie Durcan
Freda Harris
Bill Richner

Estimated Intercollegiate Athletics 2000-01 Budget

By Appropriation

s.20.285(5)(a)	\$ 633,900
s.20.285(5)(h)	39,792,000
s.20.285(5)(i)	300,000
s.20.285(5)(j)	3,450,700
s.20.285(1)(gm)	3,100,700
TOTAL	\$47,277,300

Combined

Salaries	\$12,023,200
Fringe Benefits	3,484,600
Supplies and Expenses	23,768,200
Capital	2,634,400
Aid to Students	2,230,600
Special Purpose	3,136,300
TOTAL	\$47,277,300

ORIGINAL

February 3, 2000

Post-It™ brand fax transmittal memo 7671		# of pages	1
To	Erin	From	John Torphy
Co.		Co.	UW-Madison
Dept.		Phone #	263-2509
Fax #	267-0372	Fax #	263-7449

Erin -

Regarding Fund 533 Positions:

1. The budgeted total is 20.8 FTE
2. Of those two are currently vacant, (one in compliance; a second in the concessions area)
3. Of the remaining positions:
 - a. 3.6 FTE are employees-in-training (Research/Intern category) - a category for the academic staff equivalent of LTE's. They work in the ticket office and financial operations. Similar appointments have been used in the past on Fund 533 (e.g., I looked at the October 98 payroll and found a .95 FTE.) These positions are limited to two year appointments.
 - b. 4.0 FTE have been appointed to the Annual Fund office now that Athletics has absorbed the development/fund raising function from the UW Foundation. (Two of the individuals were Foundation employees prior to the transfer.)
 - c. 6.0 FTE are LTE conversions. In other words, these were ongoing, permanent sets of activities in which we employed people on a half time basis to meet the LTE requirements. With the tightening labor market and the criticisms of local unions regarding employment of LTE's for permanent functions, we converted these functions to six positions, on Fund 133, just as we did for some of the Fund 528 positions, which JFC approved.
 - d. 3.2 FTE involve people/positions payrolled in whole (Jim Bakken and Duane Kleven) and in part (Andrea Nilsen and Nancy Eifert) which I believe have been on Fund 533 for a long period.
 - e. 2.0 FTE related to Kohl Center functions - 1 FTE serves as the coordinator for conferences and guest services; 1 FTE has been hired as the food service manager following the decision by the Union to end its food service contract with the Kohl Center.

20.285 (S)(j)

(Fund 533)

FTE

Budgeted Positions: 20.80

Authorized (B-2): 2.95

Requested Position Authority 17.85

John Torphy
Vice Chancellor
UW-Madison

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

TOMMY G. THOMPSON
GOVERNOR

GEORGE LIGHTBOURN
SECRETARY



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

Date: February 9, 2000

To: George Lightbourn, Secretary
Department of Administration

From: John M. Etzler *JME*
Executive Budget and Policy Analyst

Subject: Request under s. 16.515 from the Department of Transportation for additional spending authority for the chemical test section

REQUEST:

The Department of Transportation (DOT) requests a one-time increase in expenditure authority of \$142,100 PR in FY00 in s. 20.395 (5) (di) (Chemical testing, training and services, state funds) for the purchase of equipment and services to support the chemical test section.

REVENUE SOURCES FOR APPROPRIATION:

Section 20.395 (5) (di) receives funds transferred from the Department of Health and Family Services (DHFS) appropriation under s. 20.435 (6) (hx) (Services related to drivers, receipts) which is funded from the driver improvement surcharge assessed to individuals convicted of operating a vehicle while intoxicated.

BACKGROUND:

Persons convicted of operating while intoxicated (OWI) offenses must pay a \$340 driver improvement surcharge, a portion of which is kept by the county in which the offense occurred and a portion of which is collected by the state. The state's portion is deposited in a DHFS appropriation and is used to support various state programs related to substance abuse, including DOT's chemical test section.

The chemical test section within the Division of State Patrol maintains and tests equipment used in the enforcement of the state's operating while intoxicated laws. In addition, the section provides training and certification for State Patrol personnel, as well as local law enforcement, in the operation of such equipment. Currently, the chemical test section has a budget of \$1,041,500 PR in FY00 that supports 13.0 FTE and 3.0 LTE positions as part of its mission. Eight Chemical Test Coordinators and three LTE's provide on-going training to law enforcement personnel on the use of the intoximeters and preliminary breath testing (PBT) equipment. Staff conduct training at local sites around the state.

Prior to 1997 Act 27, the chemical test section was funded from the segregated transportation fund. Act 27 transferred the costs of the chemical test section to OWI surcharge revenue and provided one-time funding to replace 325 breath-testing instruments (intoximeters) used by local law enforcement and the State Patrol. The OWI surcharge was increased from \$300 to \$340, with 31.29 percent of all OWI surcharge revenue transferred from DHFS to DOT to fund the transfer and new equipment.

1999 Wisconsin Act 9 required any unencumbered balance in the chemical test section PR appropriation be transferred back to the DHFS appropriation at the end of each fiscal year, beginning with FY00. Act 9 also increased funding by \$94,100 PR in FY00 and \$30,800 PR in FY01 to hire and support 3.0 LTE positions for training local and state law enforcement officials on the newly purchased intoximeters. In addition, \$33,300 PR in FY00 and \$58,900 PR in FY01 was provided for information technology hardware and software and supplies associated with the new equipment. Act 9 also provided one-time funding of \$290,000 PR to replace 493 PBT instruments. PBTs are used by State Patrol officers to help determine whether a driver may be intoxicated and should be arrested and given a more accurate breath test or a blood or urine test. Unlike intoximeter test results, the data from PBT's are not admissible as evidence in court.

ANALYSIS:

DOT is requesting one-time expenditure authority of \$142,100 PR to support the additional training requirements associated with the new intoximeters and PBTs. DOT staff indicate the chemical test section will provide initial training on use of the intoxilyzers to approximately 540 law enforcement officials this year. In addition, over 2,500 local and state law enforcement officials require recertification training from the chemical test section each year. This training directly impacts the ability of state and local law enforcement to apprehend and adjudicate OWI offenders.

The request includes expenditure authority for the purchase of 15 additional intoximeter units that will be deployed in the field and used in rotation with existing equipment as part of a preventive maintenance program. In addition, DOT is requesting funds to purchase a LCD projector for each training coordinator so that presentations and training sessions can be made directly from their laptop computer. Laptop computer docking stations are also requested to provide additional storage capacity and expanded peripheral (e.g., printer and disk drive) slots. The storage drives requested will allow the trainers to back-up their presentations and other vital information in a cost-effective manner.

Funding is also requested to purchase surge protectors, inverters, and fuel cells. Surge protectors will prevent damage to the intoximeters from electrical spikes associated with lightning strikes and the inverters will allow the trainer to save time by plugging-in the intoximeter to an automobile cigarette lighter outlet to warm the machine to room temperature en route to a training session or calibration test. The intoximeter can take from 20 minutes to over two hours to warm-up depending on its use. The fuel cells are used with the intoximeters and PBTs to determine breath-alcohol content during a test. Due to the large number of training sessions and the limited shelf life of the fuel cells, additional fuel cells are necessary to keep the program functioning. In addition, funds are requested to attend the International Association of Chemical Testing conference. The

IACT conference will provide fundamental up-to-date training and information to chemical test section staff on breath alcohol testing requirements.

Expenditure Items Requested

	Number of Units	Total Cost
LCD Projectors	8	\$34,700
Laptop Docking Stations	8	\$3,200
Storage Drives	10	\$1,300
Intoximeter Inverters	8	\$5,000
Surge Protectors	200	\$20,000
Fuel Cells	90	\$8,800
IACT Training	n/a	\$5,000
Intoximeters	15	\$64,100
	TOTAL REQUESTED	\$142,100

The chemical testing training and services appropriation had an unexpended revenue balance of \$182,400 PR at the end of FY99 that carried over to FY00. Even with the additional expenditure authority requested, it is estimated that the chemical testing, training and services appropriation will have approximately \$40,400 in unexpended revenue at the end of FY00. These additional funds will be transferred back to the DHFS appropriation at the end of FY00.

**Chemical Testing, Training and Services
Appropriation**

(Projected Revenues and Expenditures)

FY00 Beginning Balance	\$182,400
Revenues	\$1,041,500
<i>Subtotal</i>	<i>\$1,223,900</i>
Chapter 20 Expenditure Authority	\$1,041,500
New Expenditure Authority	\$142,000
<i>Subtotal</i>	<i>\$1,183,500</i>
FY00 Ending Balance	\$40,400

RECOMMENDATION:

Approve the request.



Wisconsin Department of Transportation

www.dot.state.wi.us

Tommy G. Thompson
Governor

Charles H. Thompson
Secretary

Office of the Secretary
4802 Sheboygan Ave., Rm. 120B
P.O. Box 7910
Madison, WI 53707-7910

Telephone: 608-266-1113
FAX: 608-266-9912
E-Mail: sec.exec@dot.state.wi.us

February 4, 2000

Richard G. Chandler, State Budget Director
Division of Executive Budget and Finance
101 East Wilson Street
10th Floor, Administration Building
Madison, Wisconsin 53707-7864

Subject: s. 16.515 Request

Dear Mr. Chandler,

The Department of Transportation requests a program revenue appropriation supplement of \$142,100 under s. 16.515 for s. 20.395 (5) (di) *Chemical testing, training and services, state funds*. This appropriation handles state funds received by the Department to operate the statewide Chemical Test Program. Chapter 20 contains expenditure authority of \$1,041,500 for fiscal year 2000-01.

The 1997-99 biennial budget established this program revenue appropriation to support the ongoing Chemical Test Section operations within the Division of State Patrol. The Chemical Test Section deploys and maintains 325 evidential breath testing instruments statewide. The Section also trains approximately 5,000 operators statewide and provides the annual certification training on the evidential breath testing instruments. In addition, the Section provides training on the proper use of Preliminary Breath Testing devices.

The Department requests a one time program revenue appropriation supplement to procure needed equipment and services that will support and enhance the statewide mission of the Chemical Test Section. The need for the request was unforeseen in nature due to the transfer of revenues one month prior to the end of fiscal year 1999-00. The initial allotment amount was insufficient to accomplish the purpose for which it was made and required the transfer of expenditures to State Patrol's SEG appropriation to complete training programs in fiscal year 1999-00. As indicated earlier, the 1997-99 biennial budget provided the statutory and budget authority to operate the statewide Chemical Test Program within this program revenue annual appropriation.

Richard G. Chandler, State Budget Director
February 4, 2000
Page 2

Revenue Sources for Appropriation. The source of revenue deposited in the appropriation under s. 20.395 (5) (di) is from the driver improvement surcharge that is collected with every operating while intoxicated conviction and deposited in the Department of Health and Family Services appropriation under s. 20.435 (6) (hx). Sufficient revenues exist within the appropriation to cover the requested supplement.

Your expedient consideration of the Departments request is greatly appreciated. If you have any questions regarding this request, please contact Joshua Peacock at 264-8715.

Sincerely,

Charles H. Thompson

Charles H. Thompson
Secretary