

Scott McCallum
Governor

Jennifer Reinert
Secretary



State of Wisconsin

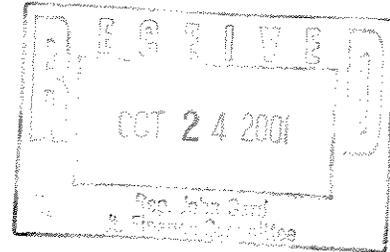
Department of Workforce Development

DT20
OFFICE OF THE SECRETARY
201 East Washington Avenue
P.O. Box 7946
Madison, WI 53707-7946
Telephone: (608) 266-7552
Fax: (608) 266-1784
<http://www.dwd.state.wi.us/>
e-mail: dwdsec@dwd.state.wi.us

October 24, 2001

The Honorable Brian Burke, Co-Chair
Joint Committee on Finance
State Capitol, Room 316 South
Madison, Wisconsin 53707

The Honorable John Gard, Co-Chair
Joint Committee on Finance
State Capitol, 315 North
Madison, Wisconsin 53707



SUBJECT: Notification of Withdrawal of Block Grant Expenditure Request

Dear Senator Burke and Representative Gard:

On behalf of the Governor, I am withdrawing the request previously submitted under 16.54 (2) (a) 2 for the use of Temporary Assistance for Needy Family (TANF) funds for Wisconsin Works (W-2). The request was for the reallocation of \$5,088,500 TANF currently designated for W-2 contracts that expire December 31, 2001, to support a contract for Employment Services Access Coordination (ESAC) program services in Milwaukee County.

Thank you for your prompt attention to this letter.

Sincerely,

Jennifer Reinert
Secretary

Cc: Members, Joint Committee on Finance
Bob Lang, Legislative Fiscal Bureau
Secretary Lightbourn

Scott McCallum
Governor

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Joint Committee on Finance
State Capitol, Room 316 South
Madison, Wisconsin 53707

The Honorable John Gard, Co-Chair
Joint Committee on Finance
State Capitol, 315 North
Madison, Wisconsin 53707

Dear Senator Burke and Representative Gard:

The purpose of this letter is to notify members of the Joint Committee on Finance that the Department of Workforce Development (DWD) is withdrawing its impending request to use TANF funds to finance a contract with Milwaukee County to perform certain services in the W-2 Welfare Reform Program. The reasons for our withdrawal of this request are explained in the background information provided below.

The W-2 Welfare Reform Program has been in operation for approximately four years. During this period of time, the W-2 Program has produced many spectacular successes on behalf of clients who have participated in the program. Many thousands of W-2 participants have been assisted in achieving their goals of self-sufficiency and economic independence. Many others are entering the program with the expectation and hope of success.

Notwithstanding these acknowledged successes, W-2 has also fallen short of its intended mark in a number of areas and it remains an evolving program. These shortcomings have been carefully chronicled in numerous studies, including two Legislative Audit Bureau (LAB) reports. One of these reports focused on financial irregularities by some W-2 Agencies in Milwaukee. The other concentrated on program insufficiencies that documented failures in the program to serve significant sections of the eligible Wisconsin population.

It is certainly a clear expectation of the legislature that when the LAB dramatically highlights deficiencies in a program, the responsible administrative agency will take immediate action to remedy these difficulties. That is what DWD has done in a vigorous manner and these reform efforts are in response to LAB findings and have led to the pending request before Joint Finance.

In anticipation of the critical LAB review of the W-2 Program (Report 01-7, Wisconsin Works (W-2) Program) issued in April 2001, DWD formed a W-2 Milwaukee Advisory Committee to respond to the findings in the report.

This committee was charged with the responsibility of recommending a set of actions to respond to LAB findings and to improve the performance of the W-2 Program.

The Milwaukee W-2 Advisory Committee is comprised of appointees representing the Deans of the two business schools in Milwaukee, the president of the Wisconsin AFL-CIO, the president of the Greater Milwaukee Committee, the Mayor of Milwaukee, the County Executive of Milwaukee County, and a broad section of other parties interested in the successful operation of W-2.

Members of the W-2 Milwaukee Advisory Committee have spent literally hundreds of hours conducting public forums, interviewing W-2 clients, conducting work shops and performing extensive program analysis on W-2's successes and insufficiencies. This review by the Advisory Committee is one of the most thorough of W-2 since its inception.

The stated and understood objective of the W-2 Advisory Committee was to preserve the basic philosophical underpinnings of W-2 as a work first program, but to recommend within the parameters of W-2 any actions that could strengthen the program on behalf of its clients.

The members of the W-2 Milwaukee Advisory Committee have submitted a comprehensive set of sweeping recommendations to make W-2 the most innovative and effective welfare reform program in the nation. All of this has been accomplished within the original philosophical parameters of the W-2 program.

We believe proponents of the W-2 program should applaud this initiative because it strengthens the success of the program and ensures its continuing programmatic vitality. Opponents of W-2 should applaud this initiative as well because it directly addresses all of the identified deficiencies upon which program critics have focused their attention.

The net result, if these program improvement recommendations are effectively implemented, is to achieve a material improvement in the economic lives of countless Milwaukee County citizens.

Our pending s. 16.54 request to the Joint Committee on Finance is being withdrawn at this time for two reasons.

The first is that DWD requires additional time to ensure that the full implementation of the W-2 Program reforms recommended by the Milwaukee Advisory Committee is executed in the most effective manner possible.

We simply need more time to work out additional details in the implementation of these recommendations.

The Honorable Brian Burke
The Honorable John Gard
October 24, 2001
Page 3 of 3

The second reason for our withdrawal of the s. 16.54 request is that the department has not been successful in communicating the full significance of these reforms to all the members of the Joint Committee on Finance.

Therefore, in keeping with our absolute commitment to working cooperatively with the legislature on this matter, and all matters, we will be resubmitting a new s. 16.54 request to the Joint Committee on Finance at a later date. In the interim we will be working aggressively with individual members of the Committee to ensure that the W-2 reform package reflects the perspectives of individual members who have long historical involvement with this important program.

The department is committed to the implementation of the W-2 reforms recommended by the Advisory Panel. This absolute commitment is the result of our unshakable belief that these reforms will substantially improve the quality of life for a very substantial number of Milwaukee County residents. The W-2 Program has in countless ways been an extraordinary success. But meaningful improvements can be made. That is what motivates this department to be relentless in its pursuit of continuous improvement in this program, which is so centrally important to the lives of the W-2 clients it is intended to serve.

In the immediate weeks ahead, I will be asking members of the Committee to work closely with us to ensure the successful implementation of W-2 reforms that will make such a positive difference in people's lives.

Sincerely,



Jennifer Reinert
Secretary

Cc: Members, Joint Committee on Finance
Bob Lang, Legislative Fiscal Bureau
Secretary Lightbourn

Scott McCallum
Governor

Jennifer Reinert
Secretary



State of Wisconsin

Department of Workforce Development

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October 10, 2001

The Honorable John Gard, Co-Chair
Joint Committee on Finance
308 East, State Capitol
Madison, WI 53708



Dear Representative Gard:

On October 4, 2001, I received a letter from the Joint Committee on Finance requesting the Department of Workforce Development submit a proposal in accordance with s. 16.54(2)(a)2, Wis. Stats., regarding our intent to enter into a contract with the Milwaukee County Department of Human Services for Employment System Access Coordination (ESAC) program services.

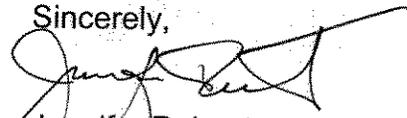
Prior to receiving the letter signed by the full Committee, I had already communicated to Assembly Chairman John Gard, in writing, that the Department would submit such a request. A copy of my letter to Assembly Chairman Gard is attached.

The Department has agreed to submit a request because there is some ambiguity regarding legislative intent in terms of the allocation in question. Therefore, the statement in the Committee's letter that the Department has a "desire to circumvent the Joint Committee's authority to approve contracts" is not an accurate representation of our intention.

Following established procedures, the Department's request for federal expenditure authority under s. 16.54(2)(a)2 has been forwarded to Department of Administration Secretary George Lightbourn and will be subsequently forwarded to you under Governor McCallum's signature.

In order to provide you with additional information about this request, I will be requesting meetings with each member of the Committee in the immediate future.

Sincerely,



Jennifer Reinert
Secretary

Attachment

cc: Secretary George Lightbourn, Department of Administration

Scott McCallum
Governor

Jennifer Reinert
Secretary



State of Wisconsin

Department of Workforce Development

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October 4, 2001

The Honorable John Gard
Assembly Chair
Joint Committee on Finance
308-E Capitol
P.O. Box 8952
Madison, WI 53708-8952

Dear Representative Gard:

As we have discussed, the Department of Workforce Development intends to enter into a \$5.1 million contract with the Milwaukee County Department of Human Services for Employment System Access Coordination (ESAC) program services. You have requested, as Assembly Chair of the Joint Committee on Finance, that the Department of Workforce Development and the Governor submit a request to the Joint Committee on Finance for the contract in accordance with s. 16.54(2)(a)2, Wis. Stats. In response, the Department agrees to submit a request in accordance with s. 16.54(2)(a)2, Wis. Stats., for this purpose.

Sincerely,

A handwritten signature in black ink that reads "Jennifer Reinert". The signature is written in a cursive style with a long, sweeping underline that extends to the right.

Jennifer Reinert

cc: The Honorable Brian Burke, Joint Committee on Finance Senate Chair
Members, Joint Finance Committee
Secretary George Lightbourn, Department of Administration

Scott McCallum
Governor

Jennifer Reinert
Secretary



State of Wisconsin

Department of Workforce Development

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October 4, 2001

The Honorable John Gard
Assembly Chair
Joint Committee on Finance
308-E Capitol
P.O. Box 8952
Madison, WI 53708-8952

Dear Representative Gard:

As we have discussed, the Department of Workforce Development intends to enter into a \$5.1 million contract with the Milwaukee County Department of Human Services for Employment System Access Coordination (ESAC) program services. You have requested, as Assembly Chair of the Joint Committee on Finance, that the Department of Workforce Development and the Governor submit a request to the Joint Committee on Finance for the contract in accordance with s. 16.54(2)(a)2, Wis. Stats. In response, the Department agrees to submit a request in accordance with s. 16.54(2)(a)2, Wis. Stats., for this purpose.

Sincerely,

A handwritten signature in black ink that reads "Jennifer Reinert". The signature is fluid and cursive, written over a light gray background.

Jennifer Reinert

cc: The Honorable Brian Burke, Joint Committee on Finance Senate Chair
Members, Joint Finance Committee
Secretary George Lightbourn, Department of Administration

STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

317-E Capitol
P.O. Box 7882
Madison, WI 53707-7882
Phone: 266-8535



ASSEMBLY CHAIR
JOHN GARD

308-E Capitol
P.O. Box 8952
Madison, WI 53708-8952
Phone: 266-2343

JOINT COMMITTEE ON FINANCE

September 27, 2001

Secretary Jennifer Reinert
Department of Workforce Development
201 E. Washington Ave., Room 400x
Madison, WI 53707-7946

Dear Secretary Reinert:

This letter concerns the Department of Workforce Development's intention to award a \$5.1 million "front door" contract to Milwaukee County to help clients navigate services offered through Wisconsin Works and related public assistance programs. The contract would have a term of October 1, 2001 through December 31, 2003. According to the Department's press release dated September 18, 2001, county workers would help with registration, provide information on services and benefits, help determine the individual and family needs in relation to their employability and ensure access to entitlement programs.

The proposed contract was not discussed during deliberations on the 2001-03 biennial budget and there is no specific statutory allocation for this contract in the biennial budget act. It is my understanding that the funds for this contract would come from anticipated underspending by Employment Solutions, Inc. in its W-2 contract ending December 31, 2001. According to s. 16.54(2)(a)2 of the statutes, certain federal block grant funds (including TANF) that are not allocated in s. 49.175 may not be expended unless approved by the Joint Committee on Finance through a 14-day passive review process. Because the proposed contract with Milwaukee County

was not specified in s. 49.175, the Department and the Governor should submit a request to the Joint Committee on Finance for the contract in accordance with s. 16.54(2)(a)2, and should not proceed with the contract until it is approved by the Committee.

Sincerely,

A handwritten signature in cursive script that reads "John G. Gard".

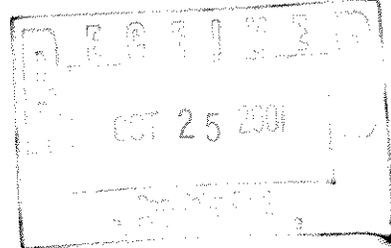
JOHN GARD
Assembly Chair

cc: Members, Joint Finance Committee



AFSCME®

WISCONSIN OFFICE • 8033 Excelsior Drive, Suite A • Madison, Wisconsin 53717-1903 • Telephone 608/836-6666



To: Members, Joint Committee on Finance
From: Beth Smith, Policy Analyst
Date: October 24, 2001
Re: W-2 Contract in Milwaukee County

As you know, the Governor and Department of Workforce Development have requested that the JFC re-appropriate funds from the state's block grant for Temporary Assistance to Needy Families (TANF) to help improve the effectiveness of the W-2 Program in Milwaukee County.

This request re-appropriates \$5,088,500 currently allocated under s.49.175(1)(b) for W-2 contracts with an end date of December 31, 2001. The funds will be used to support a contract for the Employment Services Access Coordination (ESAC) Program. This program was developed as part of recommendations by Secretary Reinert's Milwaukee W-2 Advisory Panel.

The essence of the program is to ensure W-2 clients are getting access to all the benefits to which they are entitled. This is especially critical in light of audits which found W-2 helped relatively few clients out of poverty, and that two of the private W-2 agencies misspent funds that should have benefited program participants.

Under ESAC, county employees will make the initial assessments of people seeking assistance, rather than the private agencies. Workers will inform W-2 clients about available services including food stamps and job training, and determine the "job readiness" of participants. This "front door" approach will help ensure that W-2 clients receive all the information they need about the entitlements and support services which are available to them. In the past, clients may not have received such information due to a departmental policy known as the "light touch".

We strongly urge you to support the Governor's request to re-appropriate these funds.

Thank you for your attention.

in the public service

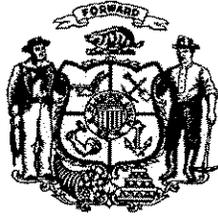
American Federation of State, County and Municipal Employees, AFL-CIO



THE STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

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ASSEMBLY CHAIR
JOHN GARD

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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: 14 Day Passive Review Approval of Federal Block Grant Funds

Date: October 17, 2001

Attached is a copy of a request from the Governor, received October 17, 2001, seeking approval to re-appropriate certain funds from the state's Temporary Assistance for Needy Families (TANF) block grant for a new purpose.

Pursuant to s. 16.54(2)(a)2., Stats., the Governor may not encumber or expend federal block grant funds authorized under any federal law enacted after August 31, 1995, without notifying the Joint Committee on Finance of the grant and the proposed expenditures. If the Co-Chairs of the Committee do not notify the Governor within 14 working days after receiving the request that a meeting has been scheduled to review the proposal, the moneys may be expended.

Please review the material and notify **Senator Burke** or **Representative Gard** no later than **Friday, November 2, 2001**, if you have any concerns about the request or if you would like the Committee to meet formally to discuss it.

Also, please contact us if you need further information.

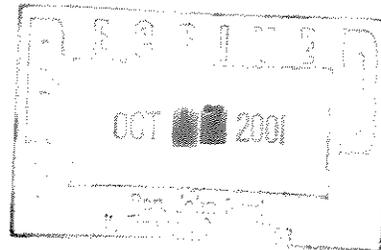
Attachment

BB:JG:dh



SCOTT McCALLUM

Governor
State of Wisconsin



The Honorable Brian Burke, Co-Chair
Joint Committee on Finance
State Capitol, Room 316 South
Madison, Wisconsin 53707

The Honorable John Gard, Co-Chair
Joint Committee on Finance
State Capitol, 315 North
Madison, Wisconsin 53707

SUBJECT: Notification of Federal Block Grant

Dear Senator Burke and Representative Gard:

Attached is a request for expenditure of block grant funds being made available to the state by the federal government. Pursuant to s. 16.54(2)(a)2., the grant funds will be made available for encumbering through the allotment process within 14 working days after the date of this notification letter, unless you notify me that a meeting has been scheduled for the Joint Committee on Finance to review the proposed expenditure of grant monies.

Please also contact Deputy State Budget Director Jim Johnston (266-1353) in the Department of Administration if you have any additional questions or if you schedule a meeting to review the proposed expenditure.

Thank you for your prompt attention to this notification letter.

Sincerely,

A handwritten signature in cursive script that reads "Scott McCallum".

Scott McCallum
Governor

Date: 10, 16, 2001

Attachments

Scott McCallum
Governor

Jennifer Reinert
Secretary



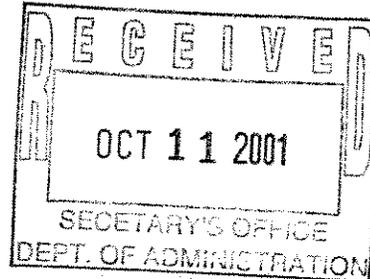
State of Wisconsin

Department of Workforce Development

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October 10, 2001

Mr. George Lightbourn, Secretary
Wisconsin Department of Administration
101 East Wilson Street, 10th Floor
Madison, WI 53703



Dear Secretary Lightbourn:

The following request is being submitted by the Department of Workforce Development (DWD) to assure that recommendations related to improving the effectiveness of W-2 in serving its clients can be effectively and efficiently implemented in Milwaukee County.

DWD requests that the Joint Committee on Finance re-appropriate certain funds from the state's block grant for Temporary Assistance to Needy Families (TANF) for a new purpose. The request would re-appropriate \$5,088,500 currently allocated under s. 49.175(1)(b) for W-2 contracts with an end date of December 31, 2001. These funds would be used to support a contract for Employment Services Access Coordination (ESAC) program services in Milwaukee County.

The reallocation of funds under s. 49.175, within certain limits, can be accomplished with the approval of the Governor. However, there is some ambiguity regarding legislative intent in terms of the allocation in question. Therefore, to ensure consistent interpretation of legislative intent, DWD is seeking the Committee's concurrence in the proposed use of these funds, and requests approval under s. 16.54(2)(a)2 of the statutes.

Under s. 16.54(2)(a)2, the Governor is required to notify the Committee of proposed uses of such funds, unless they have been previously anticipated and "allocated" to specific programs detailed in s. 49.175 of the statutes. Proposals outside the s. 49.175 allocations are subject to a 14-day review by the Committee. The particular funds the Department proposes to use for the ESAC contract were allocated in 2001 Wis. Act 16. We propose to use funding already allocated under s. 49.175(1)(b) for the ESAC contract, which will result in no additional cost to the state beyond what was anticipated in Act 16.

I believe the purposes of the proposed contract are clearly consistent with the purposes of the allocation under s. 49.175(1)(b), which is for W-2 administration and ancillary services. A review of the circumstances under which the need for ESAC program services was determined, the types of services the ESAC is to provide, and the purposes of establishing the contract support this view.

The need for ESAC program services in Milwaukee County developed out of the large investment of time and effort made by the Milwaukee W-2 Advisory Panel that I formed in March 2001, to review and generate practical ideas for improving the effectiveness of W-2 in serving its Milwaukee clients. The Advisory Panel made several recommendations for system change in Milwaukee, including the establishment of a "navigation" function. This recommendation evolved into the ESAC program services contract. Services to be provided under the contract include, but are not limited to, completing client registration, performing initial employability screening, reviewing employment system options, assuring access to income maintenance services, offering benefits counseling, and coordinating services across systems.

DWD believes establishment of ESAC program services is necessary for a variety of reasons. In particular, establishment of the ESAC will:

- address concerns regarding W-2 service delivery identified by the Legislative Audit Bureau in its April 2001 audit of the program;
- better match consumers with the available employment and training dollars, including child care funding, currently invested in Milwaukee County, which in FY 2001 totaled more than \$270 million;
- allow W-2 agencies to concentrate their available resources on ensuring appropriate in-depth assessments of need are completed and appropriate strategies developed to remove barriers to employment by providing up-front screening and better match participants to available programs; and
- ensure a "level playing field" by providing all applicants with the same opportunity, access, and knowledge of services. This last function will be particularly critical when the Milwaukee W-2 Advisory Panel's recommendation to establish an "open district," designed to expand consumer choice and improve customer service, is implemented within Milwaukee County.

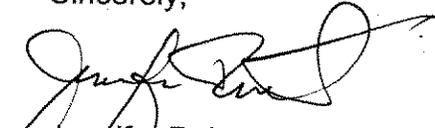
Approval of this request will allow certain funds within s. 49.175(1)(b) to be re-budgeted to support the ESAC contract. In particular, the re-budgeted funds would be taken from an encumbrance on an existing W-2 contract with Employment Solutions, Inc. (ESI). As you may be aware, ESI will cease to be a W-2 service provider at the end of this calendar year. Although more than two months remain prior to that time, we are aware of the fact that there will be sufficient underspending in the existing ESI contract to support the proposed ESAC contract. It is unusual to identify a pattern of underspending prior to the conclusion of a contract cycle. However, DWD has developed this detailed knowledge of expenditure patterns within ESI as a result of the extensive effort that has been invested in ensuring the efficient exit of ESI from the W-2 program. Similar estimates for other W-2 providers are not currently available.

Secretary Lightbourn
October 10, 2001
Page 3

The ESI contract is currently funded from the portion of s. 49.175(1)(b) provided for contracts that end on December 31, 2001. If the Department's request is approved, the new ESAC contract will begin prior to that date. The Department can de-obligate the amount of the ESAC contract from the ESI contract, making it available to the Committee for re-appropriation. To the extent the purpose may be viewed as different than an existing allocation (for example, a contract period different than anticipated in Act 16), the Committee has the authority under s.16.54 to approve its use for the specific purpose of the ESAC contract.

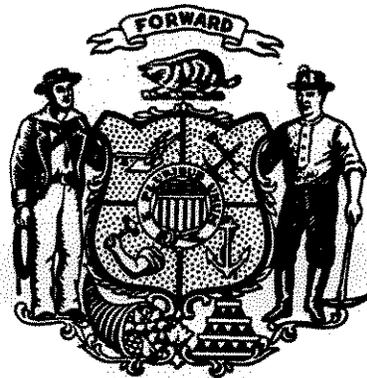
If you have any questions regarding this contract, please contact Jennifer L. Noyes, Executive Assistant, at 261-9458.

Sincerely,



Jennifer Reinert
Secretary

END



END

THE STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

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Madison, WI 53707-7882
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ASSEMBLY CHAIR
JOHN GARD

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JOINT COMMITTEE ON FINANCE

October 30, 2001

The Honorable Scott McCallum
Room 115 East - State Capitol
Madison, Wisconsin 53702

Dear Governor McCallum:

We are writing to inform you that the Joint Committee on Finance has reviewed your request, received October 11, 2001, relating to the expenditure of funds from the Local Law Enforcement Block Grant as proposed by the Office of Justice Assistance, pursuant to s. 16.54(2)(a)2, Stats.

No objections have been raised to this request. 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

BB:JG:dh

cc: Members, Joint Committee on Finance
Jerry Baumbach, Executive Director, Office of Justice Assistance
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

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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

Re: 14 Day Passive Review Approval of Federal Block Grant Funds

Date: October 11, 2001

Attached is a copy of a request from the Governor, received October 11, 2001, seeking approval of the expenditure of block grant funds being made available to the state by the federal government.

Pursuant to s. 16.54(2)(a)2, Stats., the Governor may not encumber or expend federal block grant funds authorized under any federal law enacted after August 31, 1995, without notifying the Joint Committee on Finance of the grant and the proposed expenditures. If the Co-Chairs of the Committee do not notify the Governor within 14 working days after receiving the request that a meeting has been scheduled to review the proposal, the moneys may be expended.

Please review the material and notify **Senator Burke** or **Representative Gard** no later than **Monday, October 29, 2001**, if you have any concerns about the request or if you would like the Committee to meet formally to discuss it.

Also, please contact us if you need further information.

Attachment

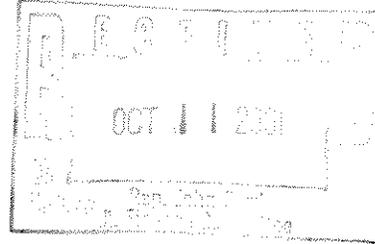
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SCOTT McCALLUM

**Governor
State of Wisconsin**

The Honorable Brian Burke, Co-Chair
Joint Committee on Finance
State Capitol, Room 316 South
Madison, Wisconsin 53707



The Honorable John Gard, Co-Chair
Joint Committee on Finance
State Capitol, 315 North
Madison, Wisconsin 53707

SUBJECT: Notification of Federal Block Grant

Dear Senator Burke and Representative Gard:

Attached is a request for expenditure of block grant funds being made available to the state by the federal government. Pursuant to s. 16.54 (2) (a) 2., the grant funds will be made available for encumbering through the allotment process within 14 working days after the date of this notification letter, unless you notify me that a meeting has been scheduled for the Joint Committee on Finance to review the proposed expenditure of grant monies.

Please also contact State Budget Director David Schmiedicke (266-1035) in the Department of Administration if you have any additional questions or if you schedule a meeting to review the proposed expenditure.

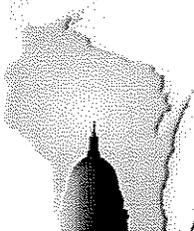
Thank you for your prompt attention to this notification letter.

Sincerely,

SCOTT McCALLUM
Governor

Date: 9/19/01

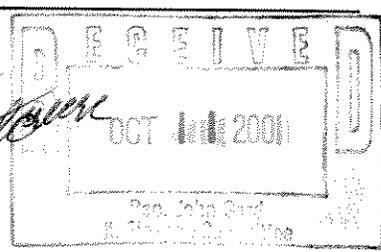
Attachments



**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

SCOTT McCALLUM
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: September 12, 2001
To: Scott McCallum, Governor
From: George Lightbourn, Secretary
Subject: Notification of Federal Local Law Enforcement Block Grant per 1995
Wisconsin Act 132 [s. 16.54 (2) (a) 2.]



Recommendation:

Approve the expenditure of funds from the Local Law Enforcement Block Grant (LLEBG) as proposed by the Office of Justice Assistance (OJA).

Description of Purposes of Expenditure:

In the FFY01 budget, the federal government provided approximately \$3.0 million in LLEBG funds to the State of Wisconsin. Under the grant's formula defined by federal statutes, the federal Bureau of Justice Assistance will make direct formula awards to local law enforcement agencies whose *Part I Violent Index Crimes* were significant enough to warrant an award of \$10,000 or more. These direct awards total approximately \$2.4 million.

The remaining \$601,485 will be awarded to the State of Wisconsin for distribution to local law enforcement agencies to support community policing efforts and to purchase specialized equipment. Only agencies that did not benefit from a direct grant are eligible for these indirect awards.

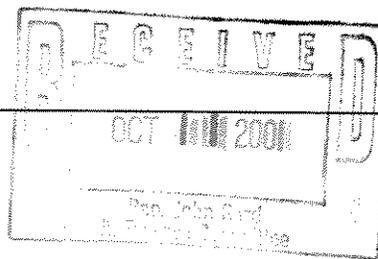
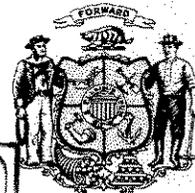
This is an appropriate purpose and allocation of federal funds based on the goals established in ss. 16.964 and 20.505 (6) (p). No state match is required, but local law enforcement agency recipients are required to provide a ten percent match.

Attached for your signature are a notification cover letter and a memo prepared by OJA to be submitted to the Joint Committee on Finance outlining this progressive proposal.

Prepared by: Andrew J. Statz, 267-0370

STATE OF WISCONSIN OFFICE OF JUSTICE ASSISTANCE

SCOTT MCCALLUM, GOVERNOR
JERRY BAUMBACH, EXECUTIVE DIRECTOR



August 28, 2001

The Honorable Brian Burke, Co-Chair
316 South Capitol

The Honorable John Gard, Co-Chair
315 North Capitol

Joint Committee on Finance
Madison, WI 53702

RE: FFY2001 Local Law Enforcement Block Grant

Dear Senator Burke and Representative Gard:

This letter is being submitted pursuant to section 16.54(2)(a), Wis. Stats. The Federal Budget for fiscal year 2001 provides \$601,485 in Local Law Enforcement Block Grant (LLEBG) funds to the State of Wisconsin. The State is expected to administer these funds on behalf of the more rural jurisdictions in the state. Approximately \$3,000,000 in FFY 2001 funds are being awarded to the larger jurisdictions in Wisconsin directly from the federal administering agency. (Per Federal Statute, local agency award amounts are determined by a formula based on the number of Part I Violent Index Crimes as reported through the Uniform Crime Reporting System. Direct awards are offered to those agencies which generate an award of \$10,000 or more.)

Wisconsin has now received approval of its FFY 2001 application for the state share of funds. By Statute, this award may be subawarded in any amount to local and state law enforcement agencies not eligible for a direct federal award. Subgrants may be made for any of the following purposes: new staff, equipment purchases, new court and adjudication projects, multi-jurisdictional task forces, and crime prevention programs. Funds may not be used to supplant existing funds sources and a ten percent cash match is required.

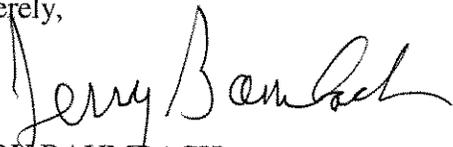
Similar to last year, I purposed to use these limited funds to assist rural communities in the state in enhancing community policing and crime prevention efforts. To allocate these funds as broadly as possible, most funds would be offered for equipment purchases and upgrades, in the areas of patrol, community policing, and crime prevention. OJA has provided similar grants with FFY 1999 and FFY 2000 funds, focusing first on the most rural counties and cities in the state. With only the limited funds available each year, there are still many jurisdictions which have not been offered funds.

The Office of Justice Assistance does not use funds from this award for administrative costs. All funds would be expended for the benefit of law enforcement agencies. The recipient agencies would be required to provide a ten percent cash match. Funds would be expended through Chapter 20.505(6)(p), Wis. Stats., Federal Aid, Criminal Justice Improvement Projects, Local Assistance. This

allocation is included in the Office of Justice Assistance's budget authority in its Chapter 20 appropriation for local assistance awards.

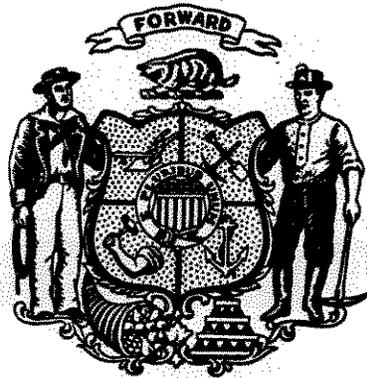
I am excited about this opportunity to enhance community policing and crime prevention efforts in the more rural areas of the State. I encourage your endorsement of this proposal.

Sincerely,

A handwritten signature in cursive script that reads "Jerry Baumbach". The signature is written in black ink and is positioned above the printed name.

JERRY BAUMBACH
Executive Director

END



END

THE STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

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



ASSEMBLY CHAIR
JOHN GARD

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

JOINT COMMITTEE ON FINANCE

November 7, 2001

Secretary George Lightbourn
Department of Administration
101 East Wilson Street, 10th Floor
Madison, Wisconsin 53703

Dear Secretary Lightbourn:

We are writing to inform you that the members of the Joint Committee on Finance have reviewed your request, received October 19, 2001, pursuant to s. 16.505, Stats., pertaining to a request from the Department of Health and Family Services.

No objections have been raised concerning 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

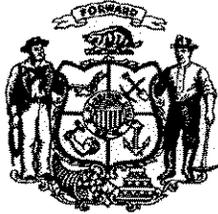
BB:JG:dh

cc: Members, Joint Committee on Finance
Secretary Phyllis Dubé, Department of Health and Family Services
Robert Lang, Legislative Fiscal Bureau
Vicky La Belle, Department of Administration

THE STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

317-E Capitol
P.O. Box 7882
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Phone: (608) 266-8535



ASSEMBLY CHAIR
JOHN GARD

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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

Re: s. 16.515/16.505, Stats. Request

Date: October 22, 2001

Attached is a copy of a request from the Department of Administration, received October 19, 2001, pursuant to s. 16.515/16.505(2), Stats., pertaining to a request from the Department of Health and Family Services.

Please review the material and notify **Senator Burke** or **Representative Gard** no later than **Tuesday, November 6, 2001**, 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

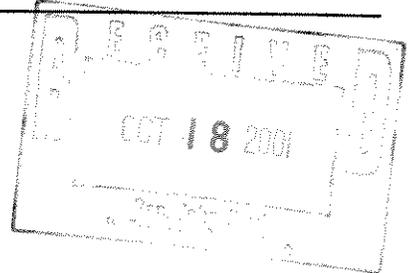


**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

**SCOTT McCALLUM
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: October 18, 2001
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)

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>2001-2002</u>		<u>2002-03</u>	
		<u>AMOUNT</u>	<u>FTE</u>	<u>AMOUNT</u>	<u>FTE</u>
DHFS 20.435(3)(kx)	Interagency and intra- agency programs		0.75		0.75

As provided in s. 16.515, the request(s) will be approved on November 8, 2001, 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



**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

SCOTT McCALLUM
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: October 11, 2001

To: George Lightbourn, Secretary
Department of Administration

From: Robert Blaine *RJB*
Executive Policy and Budget Analyst

Subject: Request under s. 16.505 from the Department of Health and Family Services (DHFS) for 0.75 PR positions.

REQUEST:

The department requests an increase in 0.75 FTE PR-S from the appropriation under s. 20.435 (3)(kx). The position for the Bureau of Regulation and Licensing would support the department's ongoing efforts for the licensing and monitoring of child care providers. This request would partially restore a position reduction required by 2001 Wisconsin Act 16.

REVENUE SOURCES FOR APPROPRIATION(S):

The appropriation under s. 20.435 (3)(kx) is an interagency program revenue appropriation. The specific funds to support this position are federal Child Care Development Fund (CCDF) funds appropriated at the Department of Workforce Development (DWD). Under 2001 Wisconsin Act 16, \$24,293,900 FED in fiscal year 2000-01 and \$15,484,000 FED in fiscal year 2002-3 at DWD is allocated for the indirect child care program, of which \$4,549,500 FED in fiscal year 2001-02 and \$4,733,700 FED in fiscal year 2002-03 is reserved for child care licensing activities at DHFS. The 0.75 FTE requested would be funded within the existing CCDF allocation for licensing; thus, no increase in expenditure authority or CCDF revenue would be needed.

BACKGROUND:

Under 2001 Wisconsin Act 16, the department was required to delete \$200,000 PR-S and 4.0 FTE PR-S in the Bureau of Child Care licensing. This reduction was enacted during Legislative review of the biennial budget to address a shortfall between operations costs in the Bureau and the availability of CCDF revenues to support those

costs. The department currently estimates that it can achieve the \$200,000 PR reduction through eliminating only 3.25 vacant FTE and by achieving administrative savings through training existing staff to perform tasks currently provided by an outside vendor.

ANALYSIS:

The department currently has 3.25 vacant PR-S FTE in the bureau whose deletion will save \$186,900 PR-S. The department also could save \$19,000 PR-S in each year by training staff in its Southeast regional office to perform computer desktop support services for field staff in that region, a function performed currently by contract staff. While eliminating this contract would effect only one regional office, the department is exploring expanding this change to other counties to achieve further administrative savings in the future.

The workload in the bureau is determined by several factors, including the number of licensed child care providers, the number of new providers requesting licenses, and the number of complaints and enforcement actions in a given fiscal year. The total number of licensed child care facilities has grown from 4,772 in the 1993-94 fiscal year to 5,299 in the 1999-2000 fiscal year. While the number of new licenses requested each year has been relatively steady, at under 800 requests per year, the number of complaints and the number of enforcement actions have increased by 6% and 32% respectively since the 1997 calendar year. The figures suggest that the workload in the bureau has been relatively steady, if not increasing, over the past several years.

The bureau currently does not have a sufficient number of vacancies to achieve the mandated \$200,000 PR-S reduction; thus, if this request is not approved, the Bureau would be required to eliminate 0.75 incumbent FTE. A reduction in staff would limit the number of monitoring visits and reduce the amount of technical assistance it provides to child care providers.

RECOMMENDATION:

Approve the request.

EF
RB

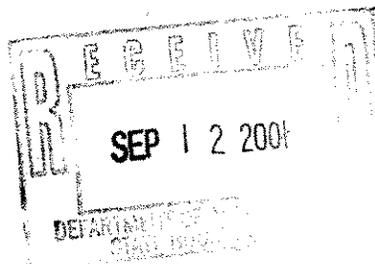


State of Wisconsin
Department of Health and Family Services

Scott McCallum, Governor
Phyllis J. Dubé, Secretary

CC DS
JJ
VL
JAK.

September 10, 2001



David P. Schmiedicke
State Budget Director
Wisconsin Department of Administration
101 East Wilson Street
Madison, WI 53702

Dear Mr. Schmiedicke:

Under the provisions of s. 16.505, the Department requests an increase of .75 FTE PRS in the appropriation under s. 20.435(3)(kx), numeric 365, for child day care licensing activities.

Source of Revenue

The appropriation under s. 20.435(3)(kx), numeric 365, contains federal Child Care Development Fund (CCDF) revenues. These funds are transferred to DHFS from the Department of Workforce Development.

During its deliberations on the 2001-2003 biennial budget, the Joint Finance Committee eliminated 4.0 FTE PRS child care licensing positions that were budgeted to CCDF revenues. It deleted the positions after the Department had indicated that the cost of existing CCDF-funded licensing positions would exceed funding provided in the budget by approximately \$200,000 per year. In April 2001, the Department had notified licensing staff that it would need to reduce staffing by 3.0 to 5.0 FTE based on the expected funding allocations in the 2001-2003 budget. The Department indicated that the exact number of FTE would be dependent on the costs of the specific positions selected for elimination.

Since April, a total of 3.25 FTE licensing positions have become vacant as a result of staff transferring to other positions within the Department. It is projected that these vacant positions will result in annual savings of \$186,900. In addition, the Department has determined that it can save an additional \$19,000 in CCDF funds by reducing personal computer desktop support service costs for field staff. Currently, the Department pays for contract staff based in the regional offices who assist employees

with questions and problems regarding the operation of their desktop computers. The Department has recently been able to train licensing staff to assume those duties in the Southeastern Region, eliminating the need for contract staff in that region. As a result, the Department has realized \$205,900 in savings through the elimination of only 3.25 FTE and has sufficient CCDF revenue to fund the remaining .75 FTE deleted in the biennial budget. For this reason, the Department requests that the .75 FTE be restored.

The Department is responsible for licensing and monitoring over 5,000 child care facilities in the state. Child care licensing staff inspect and issue licenses to qualified new applicants, conduct ongoing monitoring visits and license continuation reviews, investigate complaints, take enforcement actions against non-compliant facilities, and provide technical assistance, training, and information to providers and the public. As a result of the staff reduction, the Department has had to reduce the frequency of monitoring visits and the amount of technical assistance offered to most day care providers. Monitoring visits and technical assistance are two of the most effective ways to promote quality care by providers. If .75 FTE PRS are restored, DHFS can conduct more monitoring visits and provide more technical assistance than it can if 4.0 FTE are permanently eliminated.

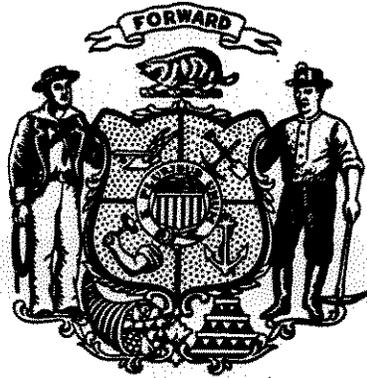
Thank you for considering this request. If you or your staff have questions, please contact Andrew Forsaith at 266-7684.

Sincerely,



Phyllis J. Dubé
Secretary

END



END

STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE



ASSEMBLY CHAIR
JOHN GARD

317-E Capitol
P.O. Box 7882
Madison, WI 53707-7882
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308-E Capitol
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Phone: 266-2343

JOINT COMMITTEE ON FINANCE

November 8, 2001



Mr. George F. Lightbourn, Secretary
Department of Administration
101 E. Wilson Street, 10th Floor
Madison, WI 53703

Dear Secretary Lightbourn:

On October 18, 2001, the Department of Administration (DOA), pursuant to s. 79.10(11)(b) of the statutes, provided the Committee with an estimate of total funds available for distribution under the lottery and gaming credit for property taxes levied in 2001 (paid in 2002). On October 30, 2001, DOA provided the Committee with a second letter, which includes a revised lottery and gaming credit estimate that reflects certain corrections. With these modifications, the amount available for the lottery and gaming credit would total \$105,995,600. The Committee is authorized to revise the DOA estimate and may do so at a meeting that takes place before November 1, 2001. If the Committee chooses to accept the DOA estimate, no Committee action is required.

This letter is to notify you that the Committee did not meet to reestimate the amount available for the lottery and gaming credit; DOA may, therefore, notify the Department of Revenue that the amount available for distribution under the lottery and gaming credit is \$105,995,600.

The Legislative Fiscal Bureau analysis of lottery sales and expenses and other gaming-related revenues is in agreement with the DOA estimate. The Fiscal Bureau concludes that the certified amount of \$105,995,600 would support an estimated average lottery and gaming credit of \$76. For your information, the Fiscal Bureau memorandum dated October 30, 2001, relating to this analysis, is attached.

Sincerely,



BRIAN BURKE
Senate Chair



JOHN GARD
Assembly Chair

BB:JG:dh

Attachment

cc: Members, Joint Committee on Finance



Legislative Fiscal Bureau

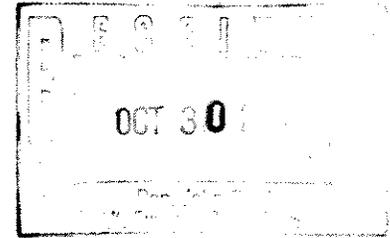
One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

October 30, 2001

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Estimate of Available Funds for the 2001(02) Lottery and Gaming Credit



On October 18, 2001, the Department of Administration (DOA), pursuant to s. 79.10(11)(b) of the statutes, provided the Joint Committee on Finance with an estimate of total funds available for distribution under the lottery and gaming credit for property taxes levied in 2001 (paid in 2002). The Department of Revenue (DOR) must be notified of the total amount available for distribution under the lottery and gaming credit by November 1, 2001. This estimate provides DOR with the basis for calculating the fair market value, termed the credit base, necessary to distribute the lottery and gaming credit. The credits are calculated by multiplying the credit base by school tax rates.

The Committee is authorized to revise the DOA estimate and may do so at a meeting that takes place before November 1, 2001. If the Committee chooses to accept the DOA estimate, no Committee action is required.

In its letter, dated October 12, 2001, DOA estimated that a total of \$103,663,600 would be available for the 2000(01) lottery and gaming credit. This amount was based on estimated 2001-02 lottery sales of \$407.9 million. On October 30, 2001, DOA provided the Committee with a revised lottery fund condition statement that reflects a correction of the estimated farmland tax relief credit payment in 2001-02 and an adjustment in the lottery sales estimate from \$407.9 million to \$412.0 million. With these modifications, the amount available for the lottery and gaming credit would total \$105,995,600. Our analysis agrees with this revised amount and an updated lottery fund condition statement is attached. Certification of this amount would result in an estimated average lottery and gaming credit of \$76. The DOA letter of October 30, 2001, and the revised DOA lottery fund condition for 2001-02, are also provided as attachments to this memorandum.

Under 2001 Act 16, the 2001-03 biennial budget act, lottery sales were estimated at \$403.6 million in 2001-02 and \$402.9 million in 2002-03. Actual 2000-01 lottery sales totaled \$401.2

million. The revised sales estimate of \$412.0 million in 2001-02 was projected on the basis of higher on-line sales experienced in August, 2001, and a reassessment of lottery sales for the balance of the year based on the current economic slowdown. The following table shows actual sales by game type in 2000-01, and 2001-02 sales estimates under Act 16 and under the revised projection.

<u>Game Type</u>	<u>Actual 2000-01</u>	<u>Estimated Sales</u>	
		<u>Act 16 2001-02</u>	<u>Revised Projection 2001-02</u>
Scratch	\$233,165,400	\$232,755,500	\$226,834,700
Pull-Tab	4,778,900	4,200,100	4,778,900
On-Line	<u>163,244,300</u>	<u>166,691,500</u>	<u>180,395,300</u>
Total	\$401,188,600	\$403,647,100	\$412,008,900

The certification of the lottery and gaming credit proceeds available for distribution in 2001(02) will require that this amount be paid to property owners. In the event that the projected sales that support the distribution amount are not realized, the lottery fund includes a reserve (approximately \$8.2 million) that can be utilized for credit payments. This reserve amount is adequate to support credit payments if actual sales are up to \$21.0 million less than the projected \$412.0 million. To the extent the reserve would need to be utilized, the effect would be to reduce the credit amount in the subsequent tax year. Similarly, if 2001-02 lottery sales exceed the \$412.0 million projection, the additional funds would be available for distribution for 2002(03) property tax credits.

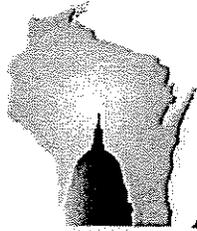
In summary, 2001-02 lottery sales of \$412.0 million would result in \$105,995,600 in lottery and gaming credits. This amount would result in an average credit of \$76. Unless the Committee meets to certify another number before November 1, 2001, the \$105,995,600 projection will be used by DOR to set the credit base for determining 2001(02) lottery and gaming credits.

Attachments

**2001-02 Lottery Fund Condition Statement
October, 2001**

Fiscal Year Opening Balance	\$12,670,500
Operating Revenues	
Ticket Sales	\$412,008,900
Retailer Fees and Miscellaneous	<u>84,000</u>
Gross Revenues	\$412,092,900
Expenditures	
Prizes	\$233,259,900
Retailer Compensation	28,940,600
Vendor Payments	12,584,600
General Program Operations	21,519,600
Appropriation to DOJ	285,300
Appropriation to DOR	203,900
Program Reserves	<u>259,400</u>
Total Expenditures	\$297,053,300
Net Proceeds	\$115,039,600
Interest Earnings	\$2,042,200
Gaming-Related Revenue	1,717,200
Total Available for Tax Relief*	\$131,469,500
Appropriations for Tax Relief	
Lottery and Gaming Credit	\$105,995,600
Farmland Tax Relief Credit	<u>17,232,000</u>
Total Appropriations for Tax Relief	\$123,227,600
Gross Closing Balance	\$8,241,900
Reserve (2% of Gross Revenues)	\$8,241,900
Net Closing Balance	\$0

*Opening balance, net proceeds, interest earnings and gaming-related revenue.



WISCONSIN DEPARTMENT OF
ADMINISTRATION

SCOTT McCALLUM
GOVERNOR
GEORGE LIGHTBOURN
SECRETARY
Office of the Secretary
Post Office Box 7864
Madison, WI 53707-7864
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Fax (608) 267-3842
TTY (608) 267-9629

October 30, 2001

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

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

Dear Senator Burke and Representative Gard:

Under the provisions of s. 79.10 (11), each October the Department of Administration must submit to the Joint Committee the department's estimate of the total funds available for distribution under the lottery credit.

The department estimated on October 15 that \$103,663,600 would be available for distribution in December 2001. Ensuing discussions between the Legislative Fiscal Bureau and Department of Revenue staff have produced agreement regarding a revised estimate. Now, the estimated amount available for distribution through the Lottery Credit in December 2001 is \$105,995,600. A more detailed calculation of this estimate is attached for your review.

Following the committee's approval or revision of this estimate, DOA will inform the Department of Revenue of the total amount available for distribution under the lottery credit and DOR will calculate the estimated fair market value necessary to distribute the total amount of revenue available.

Sincerely,

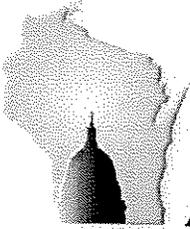

George Lightbourn
Secretary

cc: Members, Joint Committee on Finance
Richard G. Chandler, Secretary of Revenue

Lottery Fund Condition Statement

	Estimate October, 2001 2001-02
Fiscal Year Opening Balance	12,670,500
Operating Revenues	
Ticket Sales	412,008,900
Retailer Fees and Miscellaneous	84,000
Gross Revenues	412,092,900
Expenditures	
Prizes	233,259,900
Basic Retailer Compensation	28,940,600
Vendor Payments	12,584,600
General Program Operations	21,519,600
Appropriation to DOJ Enforcement	285,300
Appropriation to DOR Administration	203,900
Lottery and Gaming Cert - Local Costs	0
Program Reserves	259,400
Total Expenditures	297,053,300
Net Proceeds*	115,039,600
Interest Earnings	2,042,200
Gaming-Related Revenue	1,717,200
Total Available for Tax Relief *	131,469,500
Appropriations for Tax Relief	
Lottery and Gaming Tax Credit	105,995,600
Farmland Tax Relief Credit	17,232,000
Total Appropriations for Tax Relief	123,227,600
Gross Closing Balance	8,241,900
Reserve (2% of Gross Revenues)	8,241,900
Change in Encumbrance Balance	
Net Closing Balance	0

* Opening balance, net proceeds, interest earnings and gaming-related revenue.

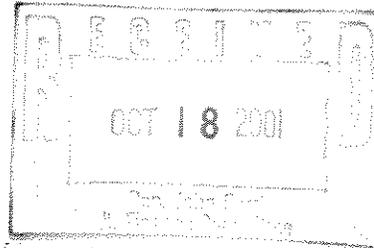


**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

SCOTT McCALLUM
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Madison, WI 53707-7864
Voice (608) 266-1741
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October 12, 2001

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



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

Dear Senator Burke and Representative Gard:

Under the provisions of s. 79.10 (11), each October the Department of Administration must submit to the Joint Committee the department's estimate of the total funds available for distribution under the lottery credit.

Total funds available for distribution equal existing and projected lottery proceeds and interest for FY01 less the amounts estimated to be expended for Department of Justice gaming enforcement and the Farmland Tax Relief and less the required 2% reserve under s. 20.003 (5).

The department's estimate indicates that \$103,663,600 will be available for distribution in December 2001 under current law. Please note that this estimate is not affected by the lapse requirement of 2001 Wisconsin Act 16 s. 9101 (23r). A more detailed calculation of the department's estimate is included for your review.

Following the committee's approval or revision of this estimate, DOA will inform the Department of Revenue of the total amount available for distribution under the lottery credit and DOR will calculate the estimated fair market value necessary to distribute the total amount of revenue available.

Sincerely,


George Lightbourn
Secretary

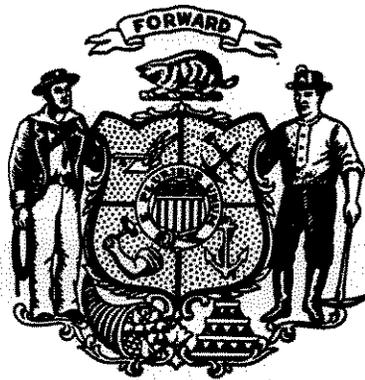
cc: Members, Joint Committee on Finance
Richard G. Chandler, Secretary of Revenue

OCTOBER 2001 LOTTERY FUND ESTIMATE

	<u>Estimated FY2001-02</u>
REVENUES	
Ticket Sales	407,868,600
Miscellaneous Revenue	84,000
GROSS REVENUE	<u>407,952,600</u>
 PROGRAM EXPENDITURES	
Prizes	231,249,000
 General Program Operations	
Retailer Commission	28,671,500
On-line Vendor Fee	12,370,500
Board Operating Expenses	20,437,800
* Transfer to Unallotted Reserve under 2001 WI Act 16 s. 9101 (23r)	1,081,800
Total Operations Expenditures	<u>293,810,600</u>
DOJ Gaming Enforcement	285,300
DOR Credit Administration	203,900
 TOTAL EXPENDITURES AND RESERVES	 294,299,800
 NET PROCEEDS (Gross Revenues minus Expenditures/Reserves)	 <u>113,652,800</u>
 TOTAL AVAILABLE FOR PROPERTY TAX RELIEF	
Opening Balance	12,669,500
Net Proceeds	113,652,800
Gaming Revenue	1,717,200
Interest Earnings	2,035,200
	<u>130,074,700</u>
 PROPERTY TAX RELIEF	
Farmland Tax Relief Credit	18,252,000
Lottery Credit	103,663,600
	<u>121,915,600</u>
 GROSS CLOSING BALANCE	 8,159,100
 RESERVE (2% of gross revenue)	 8,159,100
 NET CLOSING BALANCE	 0
 Average Credit -- assuming 1.35 mil parcels	 \$77

* Note: A legal review of this transfer is underway.

END



END

THE STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

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



ASSEMBLY CHAIR
JOHN GARD

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

JOINT COMMITTEE ON FINANCE

November 16, 2001

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 October 29, 2001, pursuant to s. 16.515/16.505(2), Stats., pertaining to a request from 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

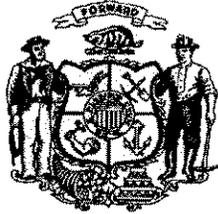
BB:JG:dh

cc: Members, Joint Committee on Finance
Secretary James Harsdorf, Dept. 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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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: October 30, 2001

Attached is a copy of a request from the Department of Administration, received October 29, 2001, pursuant to s. 16.515/16.505(2), Stats., pertaining to a request from the Department of Agriculture, Trade and Consumer Protection.

Please review the material and notify **Senator Burke** or **Representative Gard** no later than **Thursday, November 15, 2001**, 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



**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

**SCOTT McCALLUM
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: October 29, 2001

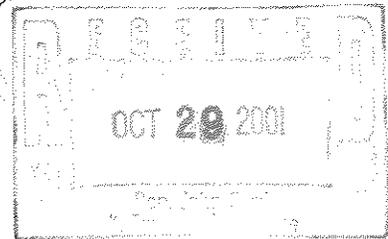
To: The Honorable Brian Burke, Co-Chair
Joint Committee on Finance

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



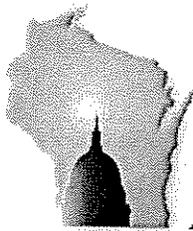
Enclosed are request(s) that have been approved by this department under the authority granted in s. 16.515 and s. 16.505(2). The explanation for each request is included in the attached materials. Listed below is a summary of each item:

<u>AGENCY</u>	<u>DESCRIPTION</u>	<u>2001-2002</u>		<u>2002-03</u>	
		<u>AMOUNT</u>	<u>FTE</u>	<u>AMOUNT</u>	<u>FTE</u>
DATCP 20.115(7)(k)	Agricultural resource management services		1.00		1.00

As provided in s. 16.515, the request(s) will be approved on November 19, 2001, 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



**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

SCOTT McCALLUM
GOVERNOR

GEORGE LIGHTBOURN
SECRETARY

Division of Executive Budget and Finance
Post Office Box 7864
Madison, WI 53707-7864
Voice (608) 266-1736
Fax (608) 267-0372
TTY (608) 267-9629

Date: October 15, 2001

To: George Lightbourn
Secretary

From: William D. Walker
Executive Policy and Budget Analyst

Subject: Request under s. 16.505 from the Department of Agriculture, Trade and Consumer Protection for an agricultural engineering specialist position.

Request:

The Department of Agriculture, Trade and Consumer Protection is requesting 1.0 FTE PR-S permanent agricultural engineering specialist position under s. 20.115 (7) (k) (agricultural resource management services) to perform conservation engineering services in northern Wisconsin. The appropriation is a continuing program revenue - service appropriation. Any necessary expenditure authority modification can be approved through the allotment process.

Revenue Source for the Appropriation:

Revenues for the appropriation under s. 20.115 (7) (k) are generated from charges to other state agencies for agricultural resource management services provided by the department. Funds for the requested position would be paid by the Department of Natural Resources and would derive from a grant to that department from the U.S. Environmental Protection Agency.

Background:

The Department of Agriculture, Trade and Consumer Protection is designated as the central agency of the state responsible for setting and implementing statewide soil and water conservation policies and administering the state's soil and water conservation programs. The conservation programs have been established to meet the water quality standards set by the Department of Natural Resources. Counties, through county land conservation committees, are responsible to develop and adopt standards for erosion control and nonpoint source water pollution. The Department of Agriculture, Trade and Consumer Protection provides counties and landowners with technical advice and assistance, including conservation engineering services. Typical

conservation projects include stabilizing stream banks to improve fish populations and protecting shorelines to improve water quality.

The 1999-2001 biennial budget provided the department with 1.0 FTE agricultural engineer position and associated funding of \$65,400 GPR in fiscal year 1999-2000 and \$80,000 GPR in fiscal year 2000-01. The position provides training, consultation and oversight to county conservation staff for an eighteen-county area in northern Wisconsin. The position is located in Phillips. Funds for the position were transferred from the agricultural resource management program's soil and water resource management grant program appropriation to the program's general operations appropriation.

The requested agricultural engineering specialist position would also be located in the Phillips office and would provide conservation engineering services to the same northern county area.

Analysis:

The position would be part of the department's soil and water resource management program and would be located in the conservation engineering section of the land and water resources bureau. The conservation engineering section employs seven agricultural engineers and four engineering specialists. In addition to the one-engineer office in Phillips, there are offices in Appleton, Juneau, Richland Center and Eau Claire. Except for the Phillips office, each office is staffed by an agricultural engineer and an engineering specialist and provides services to between eleven and thirteen counties. Two engineers work out of the Madison office, one as section chief and the other providing support to the field offices. The bureau currently has 32.0 FTE positions but expects to lose 2.0 FTE positions due to the five percent state operations budget reduction included in the 2001-03 biennial budget.

The overall conservation engineering workload in the north has grown since the passage of the 1999-2001 biennial budget due to several factors. First, more county boards are developing land and water resource plans. They are doing so under pressure from environmental and conservation groups and because the allocation of state soil and water conservation funds is in part dependent on the establishment of such plans. Second, northern county lakeshores are facing strong development pressure with an associated need for shoreland conservation engineering services.

Third, northern counties are increasing their regulatory efforts. Since the Phillips engineer was hired, twelve of the eighteen northern counties she serves have revised their existing shoreland zoning ordinances to include construction site erosion control requirements. Additionally, eight of the eighteen northern counties have received lake planning grants as a step toward compliance with the state's smart growth initiatives. More will do so as the smart growth deadline draws closer. All eighteen northern counties have recently adopted non-metallic mining ordinances to comply with state

law. Six of these have asked for assistance in developing site reclamation plans. Counties anticipate that nonpoint source pollution rules proposed by the Departments of Natural Resources and Agriculture, Trade and Consumer Protection will necessitate stricter land management requirements on landowners.

Finally, the burden on the northern office has risen because the federal Natural Resources Conservation Service (NRCS) has undertaken new responsibilities to work with the northern Native American Tribes. As a result, NRCS is less able to provide services to counties.

Prior to the hiring of the Phillips engineer, the department had a northern workload of approximately five projects at one time. The current engineer is attempting to manage sixteen major projects and thirty-six minor projects. As a result, the waiting list for her to begin work on new projects is nearly two months. This has resulted in complaints from northern counties and from landowners who must comply with state and local regulations.

In an effort to remedy the situation, the department has made temporary assignments of engineering staff from the four southern field offices and from the Madison office. The use of temporary staff has proven unacceptable for several reasons. Administratively, temporary assignments impose high travel costs and reduce the number of staff available to manage southern office workloads. Also, northern projects involve unique geologic characteristics, such as soil types, that are difficult for temporary engineers to develop expertise in. Finally, projects often extend beyond the tenure of temporarily assigned staff, resulting in inadequate service levels at project end.

The department has also tried to direct grant funds to northern counties to support the hiring of private-sector engineers. However, private-sector engineers are scarce in the north and are more expensive than department engineers.

The EPA grant that will fund the position has been approved and funds will be available beginning October 1, 2001. The grant is part of the core EPA grant and will provide funding indefinitely.

Recommendation:

Approve the requested 1.0 FTE PR-S permanent agricultural engineering specialist position under s. 20.115 (7) (k) (agricultural resource management services).

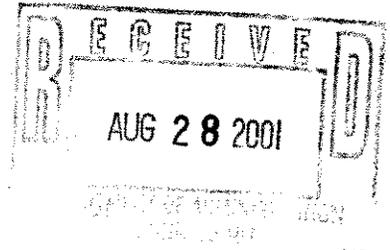


State of Wisconsin
Scott McCallum, Governor

Department of Agriculture, Trade and Consumer Protection
James E. Harsdorf, Secretary

BW
CC KG
DS
JJ
VL

DATE: August 20, 2001
TO: David P. Schmiedicke, State Budget Director
Department of Administration
FROM: James E. Harsdorf, Secretary *James E. Harsdorf*
Department of Agriculture, Trade and Consumer Protection



SUBJECT: Section 16.505/515 Request for 1.0 FTE PR-funded Position and an Increase in Expenditure Authority for the Agricultural Resource Management Services Program

Request

The Department of Agriculture, Trade and Consumer Protection (DATCP) requests an on-going increase of \$67,000 in expenditure authority and 1.0 permanent FTE to perform conservation engineering services in northern Wisconsin using PR funds in appropriation s. 20.115(7)(k), Agricultural Resource Management Services – 319 Grant.

Background

The department has submitted a grant proposal to the WI Department of Natural Resources (DNR) for \$67,000 of Clean Water Act Section 319 grant funds. The DNR has indicated that it will include the department's proposal in its grant application to the U.S. Environmental Protection Agency (EPA) for federal fiscal year funding that will begin on October 1, 2001. The DNR has also indicated that the EPA will likely fund our proposal.

Funds requested of the DNR will pay for salary, fringe benefits, and associated support costs for one agricultural engineering specialist position. This position will be located in northern Wisconsin and will assist 18 counties with their increasing conservation workload. A copy of our proposal and a cost breakdown are attached for your information.

We are using this s. 16.505 process to request 1.0 FTE so that it is possible to use federal funds once they are provided by the DNR.

Analysis

The Problem

Through *1999 Wis. Act 9*, the department was given authority and funding for one agricultural engineer to be located in northern Wisconsin. The workload in the northern 18 counties has grown considerably since then. State and local programs are increasing to meet the needs of expanding development around lakes and larger agricultural operations moving into these counties. There are other issues of concern:

- Nearly 50 county Land Conservation Department staff in the northern 18 counties do not have access to DATCP engineering staff for technical assistance, training, and certification.
- State-funded projects in these counties include five active large-scale priority watershed projects, two small-scale projects, and four priority lake projects.
- Development around lakes is occurring at an increasing rate. Engineering assistance is needed to address shoreline protection measures including: bioengineering practices, rock riprap, buffer strips, critical area stabilization, and other similar practices.
- Many of the northern counties are starting to adopt construction site erosion control ordinances and engineering assistance is needed to assist with ordinance compliance.
- Many of the counties have large acreage of forested land and need engineering assistance with forestry conservation practices.
- With the statewide implementation of performance standards and the agricultural prohibitions, many farmers in northern Wisconsin will need engineering practices to meet the new requirements.
- There are numerous lake districts in these counties and they are receiving increasing numbers of lake planning grants. In a short time, these lake plans will result in practice installation. Installation of conservation practices will require engineering assistance.
- Farmers and other landowners in these counties often request assistance for practices such as wetland restoration, embankment ponds and water control structures. These individuals are not participating in any federal projects and, therefore, are not eligible for assistance from federal engineering staff.

Consequences

Four other Wisconsin field offices, established in 1993, were each staffed with one agricultural engineer and one engineering specialist. The tandem are responsible for providing engineering services to between 11 and 13 counties. The location and number of these staff is not adequate to deal with the demands of the northern 18 counties. Neither is there sufficient USDA Natural Resources Conservation Service staff to assist northern farmers and landowners.

Alternatives

Since 1993, alternatives considered and acted upon have included the following, in chronological order:

- No direct technical assistance for northern counties.
- Short assignments of Madison engineering staff to assist northern landowners.
- Short assignments of engineering staff from other field office to assist northern landowners.
- Special grant allocations to northern counties so they can hire private-sector engineers to assist northern landowners.
- Creation of a one-engineer office in Phillips, Wisconsin.

All of the alternatives identified above have been tried and exhausted. The department has concluded that the workload in northern counties now exceeds services that can be provided by one engineer located in Phillips, Wisconsin. As the EPA and DNR are willing to provide additional funds, one additional FTE will be needed so that additional technical assistance can be provided to landowners in the 18 northern Wisconsin counties.

Revenue Sources for Appropriation

The source of revenue deposited to the appropriation s. 20.115(7)(k), Agricultural Resource Management Services – 319 Grant, is federal Clean Water Act Section 319 funds. Future funding will depend upon the success of annual proposals submitted to the DNR for inclusion in their application to the EPA.

Contact Person

Please contact Dave Jelinski at 224-4621 for further information.