

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: April 20, 2001

To: Members, Joint Committee on Finance

From: George Lightbourn, Secretary
Department of Administration

Subject: Section 13.10 Request from the Department of Public Instruction for increased energy and utility costs at the Wisconsin School for the Deaf and the Wisconsin Center for the Blind and Visually Impaired residential school campus.

Request

The department requests a supplement of \$142,700 GPR from the Committee's appropriation under s. 20.865(4)(a) in fiscal year 2000-01 for the department's energy costs to the school for the deaf and center for the blind and visually impaired appropriation under s. 20.255(1)(c) to pay for higher fuel costs.

Background

Currently, DPI receives \$348,000 GPR annually to cover energy and utility costs at the Wisconsin School for the Deaf (WSD) and the Wisconsin Center for the Blind and Visually Impaired (WCBVI) residential school campus. While funding has been sufficient to meet energy and utility costs in the past, DPI estimates that the current level of funding will be insufficient in FY01.

DPI attributes the increased need for additional expenditure authority to rapidly rising prices for natural gas and heating oil, an abnormally cold winter, increased costs associated with electrical, water and fire prevention services at the two campuses and expanded use of buildings on the WCBVI campus.

Analysis

DPI's expected FY01 fuel and utility shortfall for the two residential school campuses is attributable to a number of factors. First, natural gas and heating oil prices have increased substantially in the period between January 2000 and January 2001, with natural gas prices rising by 100 percent and heating oil prices rising by 28 percent. The rise in fuel prices coincided with a colder than normal winter heating season.

Members, Joint Committee on Finance

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Also contributing to the shortfall are increased costs associated with electrical, water, and fire prevention services at the two residential schools. In addition, Woodruff Hall and a section of the Primary Education Center building on the WCBVI campus were not occupied in FY00, but were put to use in FY01. This led to additional heating and utility needs that contributed to the current shortfall.

The department states that both residential school campuses, at the direction of the Department of Administration, have turned to burning oil in an effort to lower heating costs in this fiscal year. DPI also maintains that the two campuses are complying with the state's energy conservation guidelines in a further attempt to constrain costs.

The request for \$142,700 in additional GPR expenditure authority for heating and utility costs at the two state residential school campuses is reasonable given the unexpected costs DPI anticipates it will incur in FY01. The rise in natural gas and heating oil prices, a colder than normal winter, the need for additional electrical, water and fire prevention services at the two residential schools, and additional heating and utility costs associated with expanded building use at the WCBVI campus have all contributed to a rise in costs beyond what was anticipated by the department.

Recommendation

Approve the request. Provide the supplement from the reserved portion of the Committee's appropriation under s. 20.865(4)(a).

Prepared by: Steven Milioto

6-1103



State of Wisconsin Higher Educational Aids Board

131 West Wilson Street, Madison, Wisconsin
Post Office Box 7885 Phone: (608) 267-2206
Madison, WI 53707-7885 Fax: (608) 267-2808



Scott McCallum
Governor

E-Mail: HEABmail@heab.state.wi.us
Web Page: <http://heab.state.wi.us>

Jane M. Hojan-Clark
Executive Secretary

March 15, 2001

The Honorable Senator Brian Burke, Co-Chair
The Honorable Representative John Gard, Co-Chair
Joint Committee on Finance
State Capitol
Madison, WI 53702

RE: Administrative Memorandum for the Minnesota-Wisconsin Interstate Tuition Reciprocity Program

Dear Senator Burke, Representative Gard, and Members:

I have attached the Administrative Memorandum for the Minnesota-Wisconsin Interstate Tuition Reciprocity Program. Under S. 39.47 (2g) it is required that this memorandum be submitted to the Joint Committee on Finance for its approval.

The memorandum essentially outlines administrative procedures for the program. It includes the application process, the procedure for computing interstate reimbursement, and tuition rate related information.

Sincerely,

Jane Hojan-Clark
Executive Secretary
Higher Educational Aids Board

**ADMINISTRATIVE MEMORANDUM FOR THE
MINNESOTA-WISCONSIN INTERSTATE TUITION
RECIPROCITY PROGRAM**

TO: All Interested and Concerned Parties

FROM: Robert Poch, Director
Minnesota Higher Education Services Office
and
Jane Hojan-Clark, Executive Secretary
State of Wisconsin Higher Educational Aids Board

SUBJECT: Administrative Memorandum for the Minnesota-Wisconsin Interstate
Higher Education Agreement, 2001-2002 Academic Year

DATE: July, 2001

INTRODUCTION

In order to implement the statutory authority and the formal interstate agreement negotiated between the two states, this administrative agreement has been prepared to specify administrative procedures of the program.

DURATION OF THE AGREEMENT AND PROCEDURES FOR MODIFICATION

This memorandum is subject to the principles and conditions of the Minnesota-Wisconsin Public Higher Education Reciprocity Agreement and is to be effective July 1, 2001. The memorandum is subject to annual review by both administrative agencies.

ADMINISTRATIVE PROCEDURES

To insure procedural regularity and compatibility, the two administering agencies have agreed to follow the procedures outlined in this memorandum:

1. Public Information

After formal adoption of the agreement, each agency executive will direct a detailed written communication regarding the administration of the program to the institutions of post-secondary education, all secondary schools, and other interested individuals, and organizations in his state. Prior to the start of each

academic year, the two administering agencies will cooperatively develop and implement training workshops for personnel from participating institutions of higher education if such workshops are deemed necessary by both agencies.

2. **Application Form**

A common application and procedure will be used in both states. All students from each state will complete the same application and submit it to the respective administering agency in their home states. Both new and continuing students will use the same application. The application will require general and institutional information. Each administering agency will print a supply of applications on paper of a mutually agreed upon color for distribution to institutions of post-secondary education in its home state, and secondary schools in its home state. Either state may adopt a paperless application process, in lieu of or in addition to, the paper application. The student needs to complete one application. This application will provide reciprocity for the student in continuous attendance. Should the student not attend an institution for 365 days, the student must reapply for reciprocity. Should a change in the student's residence occur, the student and/or the institutions must notify the appropriate administering agency in writing of the change.

3. **Residency**

The administering agency in the student's home state will make a determination of residency based on the information provided by the student during the application process. The agency reserves the right to refuse eligibility if the information provided by the student does not substantiate the claim of residency.

4. **Approval and Certification Year**

Once eligibility is determined, it shall continue through the academic year for which certification has been granted. Should a student's residency status for fee assessment purposes change during the academic year, the originating state's responsibility to the student under the agreement will cease with the beginning of the first term following establishment of residency in the other state. The certification year begins with the Fall of each academic year and ends with the last

Summer session or workshop which begins before the first day of the Fall term of the succeeding academic year. The student that is in attendance and has earned credits during the 2001-2002 academic year, will automatically have reciprocity benefits renewed for the 2002-2003 academic year unless notification has been received by the administering agency of a change in residency.

5. Application Deadline

Applications must be postmarked or electronically submitted no later than the last day of scheduled classes of the first term for which the student expects to receive benefits under the agreement. Eligibility shall continue for the remainder of the academic/certification year. The administering agencies will cooperate in a mutual exchange of academic calendar information.

6. Coordinative Procedures

Periodically throughout the certification year, the administering agencies will exchange alphabetical listings of all residents of their respective states who are participating in the reciprocity program. The administering agencies will also provide alphabetical listings of their state's residents eligible for participation in the agreement to the designated institutions of post-secondary education in the other state. Nothing shall prohibit agencies from exchanging data in electronic format.

7. Institutional Monitoring

Each administering agency will be responsible for monitoring institutions in its home state for compliance with the provisions and spirit of the agreement.

PROCEDURE FOR COMPUTATION OF INTERSTATE REIMBURSEMENT

1. Definition of Terms.

Terminology used in the computation of the net state interstate reimbursement is described in the Agreement.

2. Student Categories.

In determining the net state interstate reimbursement obligation, the following categories of student enrollment institutions and associated instructional costs will

be used:

A. Undergraduate Students

1. Undergraduate students enrolled at the University of Wisconsin-Madison, the Minnesota-Twin Cities and the University of Minnesota-Morris.
2. Undergraduate students enrolled at the University of Wisconsin-Milwaukee and the University of Minnesota-Duluth.
3. Undergraduate students enrolled at the University of Wisconsin Comprehensive institutions and the Minnesota State Universities and the University of Minnesota-Crookston.
4. Undergraduate students enrolled at the University of Wisconsin System Colleges and the Minnesota Community Colleges.
5. Undergraduate students enrolled at consolidated Minnesota Community and Technical Colleges.

B. Graduate Students

1. Graduate students enrolled at the University of Wisconsin-Madison and the University of Minnesota-Twin Cities.
2. Graduate students enrolled at the University of Wisconsin-Milwaukee and the University of Minnesota-Duluth.
3. Graduate students enrolled at the University of Wisconsin Comprehensive institutions and the Minnesota State Universities.

C. Professional Students

1. Law school students enrolled at the University of Wisconsin-Madison and the University of Minnesota-Twin Cities.
2. Pharm D students enrolled at the University of Wisconsin-Madison and the University of Minnesota-Twin Cities.

The total costs and the reciprocity cost differentials for each of the categories of students and institutions listed in this section will be determined after each state's operating budget for public higher education systems has been finalized. These cost differentials will be based on actual costs per student for the 2001-2002

academic year.

3. **Reciprocity Tuition.**

Institutions covered under this agreement will charge the following reciprocity tuition rates to students who are determined eligible to receive tuition reciprocity benefits during the 2001-2002 academic year.

A. Undergraduate Students

UW-MADISON (per semester term/per semester credit)

Minnesota residents attending UW-Madison will be charged the UM-Twin Cities undergraduate resident tuition rate. Students taking 12-18 credits per term will be charged the per term rate. Students taking 1-11 credits will be charged the per credit rate. Students taking more than 18 credits per term will be charged the term rate plus the per credit rate for each additional credit over 18.

UM-TWIN CITIES (per semester term/per semester credit)

Wisconsin residents attending UM-Twin Cities will be charged the UW-Madison undergraduate resident tuition rate plus 25% of the difference between the UW-Madison undergraduate resident tuition rate and the UM-Twin Cities undergraduate resident rate. Students taking 12-18 credits per term will be charged the per term rate. Students taking 1-11 credits will be charged the per credit rate. Students taking more than 18 credits per term will be charged the term rate plus the per credit rate for each additional credit over 18.

UM-MORRIS (per semester term/per semester credit)

Wisconsin residents attending UM-Morris will be charged the UW-Madison undergraduate resident tuition rate. Students taking 12-18 credits per term will be charged the per term rate. Students taking 1-11 credits will be charged the per credit rate. Students taking more than 18 credits will be charged the

term rate plus the per credit rate for each credit over 18.

UW-MILWAUKEE (per semester term/per semester credit)

Minnesota residents attending UW-Milwaukee will be charged the UM-Duluth undergraduate resident tuition rate. Students taking 12-18 credits per term will be charged the per term rate. Students taking 1-11 credits will be charged by the per credit rate. Students taking more than 18 credits per term will be charged the term rate plus the per credit rate for each additional credit over 18.

UM-DULUTH (per semester term/per semester credit)

Wisconsin residents attending UM-Duluth will be charged the UW-Milwaukee undergraduate resident tuition rate. Students taking 12-18 credits per term will be charged the per term rate. Students taking 1-11 credits will be charged the per credit rate. Students taking more than 18 credits per term will be charged the term rate plus the per credit rate for each additional credit over 18.

WISCONSIN UNIVERSITY COMPREHENSIVE (per semester term/per semester credit) Minnesota residents attending Wisconsin Comprehensives will be charged a weighted average of the undergraduate resident tuition rates for MN State Universities and UM-Crookston. Minnesota residents attending the University of Wisconsin Stout and Eau Claire campuses will be charged the weighted average plus the tuition differential rates in place at the University of Wisconsin Stout and Eau Claire, the sum of which may not exceed the undergraduate tuition rate charged to Wisconsin residents attending those institutions. If the Minnesota weighted average tuition is larger than the undergraduate tuition rate charged to Wisconsin residents attending the University of Wisconsin Eau Claire and Stout campuses, only the Minnesota weighted average tuition will be charged. Students taking 12-18 credits per term will be charged the per term rate. Students taking 1-11 credits will be charged the per credit rate. Students taking more than 18 credits per term will be charged the term rate plus the per credit rate for each

additional credit over 18.

MINNESOTA STATE UNIVERSITIES/UM-CROOKSTON (per semester/per credit) Wisconsin residents attending Minnesota State Universities and UM-Crookston will be charged the weighted average Wisconsin Comprehensive undergraduate resident tuition rate. Students taking 12-18 credits will be charged the per term rate. Students taking 1-11 credits will be charged the per credit rate. Students taking more than 18 credits per term will be charged the term rate plus the per credit rate for each additional credit over 18.

UNIVERSITY OF WISCONSIN SYSTEM COLLEGES (per semester term/per semester credit)

Minnesota residents attending University of Wisconsin System Colleges will be charged the Minnesota Community College undergraduate resident tuition. Students taking 12-18 credits will be charged the per term rate. Students taking 1-11 credits will be charged the per credit rate. Students taking more than 18 credits per term will be charged the term rate plus the per credit rate for each additional credit over 18.

MINNESOTA COMMUNITY COLLEGES (per semester term/per credit)

Wisconsin residents enrolled at Minnesota Community Colleges will be charged the University of Wisconsin System College undergraduate resident tuition rate. Students taking 12-18 credits will be charged the per term rate. Students taking 1-11 credits will be charged the per credit rate. Students taking more than 18 credits per term will be charged the term rate plus the per credit rate for each additional credit over 18.

MINNESOTA CONSOLIDATED COLLEGES (per semester term/per credit)

Wisconsin residents enrolled at Minnesota Consolidated Colleges will be charged the University of Wisconsin System College undergraduate resident tuition rate. Students taking 12-18 credits will be charged the per term rate. Students taking 1-11 credits will be charged the per credit rate. Students taking more than 18 credits per term will be charged the term rate plus the per

credit rate for each additional credit over 18.

WISCONSIN TECHNICAL COLLEGES

Minnesota residents attending Wisconsin Technical Colleges will be charged the Wisconsin Technical College undergraduate resident tuition rate.

MINNESOTA TECHNICAL COLLEGES

Wisconsin residents attending Minnesota Technical Colleges will be charged the Minnesota Technical College undergraduate resident tuition rate.

B. Graduate Students

UW-MADISON

Graduate Rate (per semester term/per semester credit) Minnesota residents attending UW-Madison will be charged the higher of the UM-Twin Cities or UW-Madison graduate resident tuition rate. Students taking 8+ credits will be charged the per term rate. Students taking 1-7 credits will be charged the per credit rate.

Business Masters Rate (per semester term/per semester credit) Minnesota residents attending UW-Madison Business Masters program will be charged the higher of the UM-Twin Cities or the UW-Madison Business Masters resident tuition rate if they first enrolled in the program during the 1998-99 academic year or thereafter. Minnesota residents who enrolled in the UW-Madison Business Master program prior to the beginning of the 1998-99 academic year will be charged the UM-Twin Cities graduate school resident tuition rate. Students taking 8+ credits will be charged the per term rate. Students taking 1-7 credits will be charged the per credit rate.

UM-TWIN CITIES

Graduate Rate (per semester term/per semester credit) Wisconsin residents attending UM-Twin Cities will be charged the higher of the UW-Madison graduate resident tuition rate or the UM-Twin Cities graduate resident tuition rate. Tuition plateaus will be based on the banding mechanism in place for the University of Minnesota - Twin Cities Graduate School. (Currently,

students taking 6 - 14 credits are charged the term rate, students taking 1- 5 credits are charged the per credit rate and students taking more than 14 credits are charged the term rate plus the per credit rate for each additional credit over 14 credits. This is subject to any changes taking place for the 2001-2002 academic year.)

Business Masters Rate (per semester term/per semester credit) Wisconsin residents attending UM-Twin Cities will be charged the higher of the UW-Madison Business Masters resident tuition rate or the UM-Twin Cities Business Masters resident tuition rate if they first enrolled in the program during the 1998-99 academic year or thereafter. Wisconsin residents who enrolled in the UM-Twin Cities Business Master programs prior to the beginning of the 1998-99 academic year will be charged the UW-Madison Business Masters program resident tuition rate. Tuition plateaus will be based on the banding mechanism in place for the University of Minnesota - Twin Cities Business Masters Program. (Currently, students taking 12 - 19 credits are charged the term rate, students taking 1 - 11 credits are charged the per credit rate and students taking more than 19 credits are charged the term rate plus the per credit rate for each additional credit over 19 credits. This is subject to any changes taking place for the 2001-2002 academic year.) Those students enrolled prior to the first semester of the 1989-90 academic year will be charged the higher of the UW-Madison graduate resident tuition rate or the UM- Twin Cities graduate resident tuition rate.

UW-MILWAUKEE

Graduate Rate (per semester term/per semester credit) Minnesota residents attending UW-Milwaukee will be charged the higher of the UW-Milwaukee graduate resident tuition rate or the UM-Duluth graduate resident tuition rate. Students taking 8+ credits per term will be charged the per term rate. Students taking 1-7 credits will be charged the per credit rate.

Business Masters (per semester term/per semester credit) Minnesota residents attending UW-Milwaukee will be charged the higher of the UW-Milwaukee Business Masters resident tuition rate or the UM-Duluth Business Masters resident tuition rate if they first enrolled in the program during the 1998-99 academic year or thereafter. Minnesota residents who enrolled in

the UW-Milwaukee Business Master program prior to the beginning of the 1998-99 academic year will be charged the UM-Duluth graduate school resident tuition rate. Students taking 8+ credits will be charged the per term rate. Students taking 1-7 credits will be charged by the per credit rate.

UM-DULUTH

Graduate Rate (per semester term/per semester credit) Wisconsin residents attending UM-Duluth will be charged the higher of the UM-Duluth graduate resident tuition rate or the UW-Milwaukee graduate resident tuition rate. Tuition plateaus will be based on the banding mechanism in place for the University of Minnesota - Duluth Graduate School. (Currently, students taking 6 - 14 credits are charged the term rate, students taking 1- 5 credits are charged the per credit rate and students taking more than 14 credits are charged the term rate plus the per credit rate for each additional credit over 14 credits. This is subject to any changes taking place for the 2001-2002 academic year.)

Business Masters (per semester term/per semester credit) Wisconsin residents attending UM-Duluth will be charged the higher of the UM-Duluth Business Masters resident tuition rate or the UW-Milwaukee Business Masters resident tuition rate if they first enrolled in the program during the 1998-99 academic year or thereafter. Wisconsin residents who enrolled in the UM-Duluth Business Master programs prior to the beginning of the 1998-99 academic year will be charged the UW-Milwaukee Business Masters program resident tuition rate. Tuition plateaus will be based on the banding mechanism in place for the University of Minnesota - Duluth Business Masters Program. (Currently, students taking 12 - 19 credits are charged the term rate, students taking 1- 11 credits are charged the per credit rate and students taking more than 19 credits are charged the term rate plus the per credit rate for each additional credit over 19 credits. This is subject to any changes taking place for the 2001-2002 academic year.) Those enrolled prior to the first semester of the 1989-90 academic year will be charged the higher of the UW-Milwaukee graduate resident tuition rate or the UM-Duluth graduate resident tuition rate.

WISCONSIN UNIVERSITY COMPREHENSIVE

Graduate Rate (per semester term/per semester credit) Minnesota residents attending Wisconsin University Comprehensives will be charged the higher of the Wisconsin University Comprehensive graduate resident tuition rate or the Minnesota State University graduate resident tuition rate. Students taking 9+ credits will be charged the per term rate. Students taking 1-8 credits will be charged by the per credit rate.

Business Masters (per semester term/per semester credit) Minnesota residents attending Wisconsin University Comprehensive Business Masters will be charged the higher of the Wisconsin University Comprehensive Business Masters resident tuition rate or the Minnesota State University Business Masters resident tuition rate. Students taking 9+ credits will be charged the per term rate. Students taking 1-8 credits will be charged by the per credit rate.

MINNESOTA STATE UNIVERSITIES

Graduate Rate (per semester credit) Wisconsin residents attending Minnesota State Universities will be charged the higher of the Minnesota State Universities graduate resident tuition rate or the Wisconsin University Comprehensive graduate resident tuition rate. Tuition plateaus will be based on the banding mechanism in place for the Minnesota State Universities graduate programs.

Business Masters (per semester credit) Wisconsin residents attending Minnesota State Universities Business Masters will be charged the higher of the Minnesota State Universities Business Masters resident tuition rate or the Wisconsin University Comprehensive Business Masters resident tuition rate. Tuition plateaus will be based on the banding mechanism in place for the Minnesota State Universities Business Masters program. Those students enrolled prior to the first semester of the 1989-90 academic year will be charged the higher of the Minnesota State Universities graduate resident tuition rate or the Wisconsin University Comprehensive graduate resident tuition rate.

C. Professional Students

UW-MADISON

Law (per semester term/per semester credit) Minnesota residents enrolled at UW-Madison Law school will be charged the higher of the UW-Madison Law school resident tuition rate or the UM-Twin Cities Law school resident tuition rate. Students taking 12+ credits will be charged the per term rate. Students taking 1-11 credits will be charged by the per credit rate.

Pharm.D. (per semester term/per semester credit) **Minnesota** residents enrolled at UW-Madison Pharm.D. will be charged the higher of the UW-Madison Pharm.D. resident tuition rate or the UM-Twin Cities Pharm.D. resident tuition rate. Students taking 12+ credits will be charged the per term rate. Students taking 1-11 credits will be charged by the per credit rate.

UM-TWIN CITIES

Law (per semester term/per semester credit) Wisconsin residents who enrolled at the UM-Twin Cities Law school after the 1995-96 academic year will be charged the higher of the UM-Twin Cities Law School resident tuition rate or the UW-Madison Law school resident tuition rate. Tuition plateaus will be based on the banding mechanism in place for the University of Minnesota - Twin Cities Law School. (Currently, students taking 12 or more credits are charged the term rate and students taking 1- 11 credits are charged the per credit rate This is subject to any changes taking place for the 2001-2002 academic year.) Wisconsin residents who enrolled at the UM-Twin Cities Law School before or during the 1995-96 academic year will be charged the UW-Madison Law school resident tuition rate.

Pharm.D. (per semester term/per semester credit) Wisconsin residents attending UM-Twin Cities Pharm.D. will be charged the higher of the UM-Twin Cities Pharm.D. resident tuition rate or the UW-Madison Pharm.D. resident tuition rate. Tuition plateaus will be based on the banding mechanism in place for the University of Minnesota - Twin Cities College of Pharmacy. (Currently, students taking 12 or more credits are charged the term rate and students taking 1- 11 credits are charged the per credit rate. This is subject to any changes taking place for the 2001-2002 academic year.)

Eligible students enrolled in professional academic programs not available in their home state will be charged the resident tuition of the school attended.

4. Institutional Procedures.

After each academic term, each administering agency will provide three copies of the cooperatively designed final certification (enrollment status) list to the other state's participating public institutions. The list will include the names of all students who have been certified as eligible for participation in the reciprocity agreement during that term. Using these lists, each institution will enter the number of credits carried by category (undergraduate or graduate) and the amount of the reciprocity tuition paid by each student certified. The institutions will cross out the names of these certified students who did not enroll or withdrew at any time during the period of that term for which the student is eligible for a tuition/fee refund. The institutions will certify by signature for correctness of this data and will send two copies of this completed certification list to the administering agency in their home states. Nothing shall prohibit participating schools and agencies from exchanging data in electronic format.

5. Agency Procedures.

A. Each administering agency will be responsible for the timely return of the completed certification lists from the institutions in its home state. The administering agency will forward one copy of each institution's completed certification list to the administering agency in the other state.

B. The data provided by the institutions for each term on the certification lists will be balanced for each institution and any adjustments adequately documented for subsequent auditing.

C. Once the data for each term have been balanced, a copy of the results will be supplied to the agency in the other state, along with a report of the number of undergraduate and graduate students for whom nonresident tuition has been waived under the agreement. Each state will certify to the other state the number of students, the number of credits carried and the total amount of reciprocity tuition paid by each student at each institution. Student and credit hour totals for each

institution will be grouped by category and the school and category totals will be grouped by each agency. This information will be used by each state to facilitate the computation of the net interstate reimbursement obligation and to monitor institutional reporting. The deadline for such reconciliation for each term shall be 90 days from the conclusion of that term. Subsequent changes to institutional certifications shall be only with consent of both agencies.

D. The net state reimbursement obligation will be calculated and paid in a manner described in the Agreement.

6. Common Data Format and Coordinated Planning.

To insure compatibility of information pertaining to the program, both agencies will adopt a common data format and share data maintenance and reporting responsibilities.

To improve the information about the program for purposes of research, planning and evaluation, both agencies agree to collect and maintain any mutually agreed upon data.

VI. Department of Public Instruction – Jerome Landmark, State Schools Administrator

The department requests a supplement of \$142,700 GPR from the Committee's appropriation under s. 20.865(4)(a) in fiscal year 2000-01 for the department's energy costs to the school for the deaf and center for the blind and visually impaired appropriation under s. 20.255(1)(c) to pay for higher fuel costs.

Governor's Recommendation

Approve the request. Provide the supplement from the reserved portion of the Committee's appropriation under s. 20.865(4)(a).



State of Wisconsin Department of Public Instruction

Mailing Address: P.O. Box 7841, Madison, WI 53707-7841
125 South Webster Street, Madison, WI 53702
(608) 266-3390 TDD (608) 267-2427 FAX (608) 267-1052
Internet Address: www.dpi.state.wi.us

John T. Benson
State Superintendent

Steven B. Dold
Deputy State Superintendent

Date: March 13, 2001
To: Senator Brian Burke, Co-chairperson
Representative John Gard, Co-chairperson
Joint Committee on Finance
From: John T. Benson
State Superintendent
Subject: S. 13.10 Request - Utilities and Heating

Request

The Department of Public Instruction requests an increase of \$142,700 GPR to appropriation s. 20.255 (1) (c) to cover unanticipated costs related to heating, water, and electricity for buildings at the Wisconsin School for the Deaf (WSD) in Delavan and the Wisconsin Center for the Blind and Visually Impaired (WCBVI) residential school campus in Janesville.

Background

General purpose revenue is appropriated to the department to pay for heating and utility costs incurred by the two state residential schools. In the past, sufficient funds were available to offset these costs. However, in FY01, several factors contributed to higher than anticipated costs for heating and utilities.

According to the DOA's Wisconsin Energy Bureau, all of the following items have been contributing factors to statewide energy cost increases this year: natural gas prices rose over 100 percent between January 2000 and January 2001; the price of heating oil increased by 28 percent over the same time period; Wisconsin's winter heating season, as of January 2001, was 27 percent colder than the 1999-00 winter season and 8.5 percent colder than normal.

Adding to the projected shortfall in the appropriation is an anticipated 12 percent increase in electrical, water, and fire prevention services in 2001. Finally, this year's heating and utility needs exceed last year's needs because Woodruff Hall and a section of the Primary Education Planning Center building on the WCBVI campus were not occupied in 1999-2000; all areas are in use this year.

Analysis

The appropriation for residential school energy costs has been set at \$348,000 GPR annually since 1998-99 and has been sufficient to cover its intended purpose. The following table compares funds appropriated to actual energy costs for the residential schools since 1996-97:

Fiscal Year	Budget Appropriation	Total Expenditures
1996-97	\$302,600	\$302,500
1997-98	\$338,300	\$304,900
1998-99	\$348,000	\$305,400
1999-00	\$348,000	\$295,800

Projected expenditures for 2000-01 are as follows:

Fiscal Year	Campus	Budget Appropriation	Total Expenditures
2000-01	WSD	\$180,600	\$273,000
	WCVBI	\$167,400	\$217,700
	Total	\$348,000	\$490,700
		Shortfall	\$142,700

The above projection is based on the following:

	Natural Gas/Oil	Electric	Water	Total
WSD	\$145,500	\$105,300	\$22,200	\$273,000
WCVBI	\$136,200	\$70,600	\$10,900	\$217,700
Total	\$281,700	\$175,900	\$33,100	\$490,700

At the direction of the Department of Administration, both schools have burned oil since January in an effort to hold down heating costs and have complied with the Governor's executive order of January 26, 2001, directing state agencies to adhere to conservation guidelines. Despite these measures, the amount in appropriations 20.255 (1) (c) is inadequate to meet projected expenditures for the remainder of this fiscal year.

The department's request represents a 41 percent increase in the appropriation for energy costs. In a survey conducted in February 2001, the *Milwaukee Journal Sentinel* found increases of 30 percent to nearly 250 percent in the heating bills of schools, churches, and hospitals. This request is a reasonable response to an unforeseen rise in energy costs, an abnormally cold heating season, and the needs of students and staff in a residential school setting.

We appreciate your consideration of this request.

Agency: Public Instruction

Recommendations:

Agenda Item VI: Alternative 2, approve request

Comments: Fuel costs for heating the state's residential schools, School for the Deaf and Center for the Blind and Visually Impaired, went through the roof this past winter, but not quite as much as was estimated by DPI. The smaller amount in Alternative 2 is adequate to fund the shortfall, and the funding mechanism appears OK.

Prepared by: Bob



Legislative Fiscal Bureau

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

April 24, 2001

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Public Instruction: Section 13.10 Request for Energy Costs at the State Residential Schools -- Agenda Item VI

REQUEST

The Department of Public Instruction (DPI) requests a one-time transfer of \$142,700 GPR in 2000-01 from the Joint Committee on Finance supplemental appropriation [s. 20.865(4)(a)] to the appropriation for energy costs at the state residential schools [s. 20.255(1)(c)] for utility costs at the Wisconsin School for the Deaf (WSD) and the Wisconsin Center for the Blind and Visually Impaired (WCBVI).

BACKGROUND

The State of Wisconsin currently operates a residential school for deaf children, located in Delevan, and a residential school for visually impaired children, located in Janesville. A child who is deaf or visually impaired is placed at the residential school if the individualized education program for the child specifies the school as the appropriate placement. Currently, approximately 158 students attend the WSD and 65 students attend the WCBVI. The residential school in Delevan has an area of approximately 11,000 gross square feet. The residential school in Janesville has an area of approximately 7,750 gross square feet.

Base funding of nearly \$8.3 million and 134 positions all funds is provided for the WSD, while nearly \$6.8 million and 99 positions all funds are provided for the WCBVI. A separate appropriation from the general fund is made for energy costs at the residential schools, with base funding of \$348,000 GPR. Of that appropriation, \$180,600 is allocated to the WSD, while \$167,400 is allocated to the WCBVI.

ANALYSIS

Between 1996-97 and 1999-00, total expenditures from the energy costs appropriation for the state residential schools ranged from approximately \$295,000 to \$305,000, and the amount appropriated was sufficient to cover the expenditures in each year. The Department projects that utility costs at the WSD will increase by 64.3% in 2000-01, while utility costs at the WCBVI will increase by 69.3%. The increase is largely driven by increases in the cost of natural gas and heating oil combined with the colder winter heating season. Table 1 shows the 1999-00 actual cost and 2000-01 costs as projected by DPI in its request by utility at the WSD. With a budget allocation of \$180,600, the projected \$273,000 in expenditures would result in a shortfall of \$92,400.

TABLE 1

Utility Costs at the Wisconsin School for the Deaf

Utility	1999-00	2000-01	Change	
			Amount	Percent
Electricity	\$88,100	\$105,300	\$17,200	19.5%
Natural Gas/Oil	54,400	145,500	91,100	167.5
Water	<u>23,700</u>	<u>22,200</u>	<u>-1,500</u>	<u>-6.3</u>
TOTAL	\$166,200	\$273,000	\$106,800	64.3%

Table 2 shows the 1999-00 actual cost and 2000-01 projected costs by utility at the WCBVI. The allocation for utility costs for the WCBVI is \$167,400, resulting in a \$50,300 shortfall.

TABLE 2

Utility Costs at the Wisconsin Center for the Blind and Visually Impaired

Utility	1999-00	2000-01	Change	
			Amount	Percent
Electricity	\$61,600	\$70,600	\$9,000	14.6%
Natural Gas/Oil	56,500	136,200	79,700	141.1
Water	<u>10,500</u>	<u>10,900</u>	<u>400</u>	<u>3.8</u>
TOTAL	\$128,600	\$217,700	\$89,100	69.3%

Since the Department submitted its request in March, additional payment data for 2000-01 has become available. While most of the projections made in the March request are consistent with actual billings received since DPI submitted its request, a February billing for natural gas and oil for the WCBVI was approximately \$8,900 less than DPI projected. Thus, the Committee could chose

to reduce the amount of funding to be transferred to the residential school energy costs appropriation to \$133,800 to reflect this updated information.

The Department has proposed funding the projected shortfall in its energy costs appropriation from the Committee's supplemental appropriation. The Committee has insufficient unreserved funds remaining to supplement the balance of the Department's projected utilities funding shortfall. However, the Committee does have remaining reserved funding in 2000-01 for the Department of Corrections contract beds. Reflecting Committee action through December, 2000, \$14,410,200 GPR in 2000-01 remains in the Committee's appropriation reserved for prison bed contracts. The Department of Corrections has indicated that it will not be requesting these funds for this purpose. Thus, the Committee may wish to transfer funding in 2000-01 from this appropriation to the state residential schools energy costs appropriation to fund DPI's request.

ALTERNATIVES

1. Approve the Department's request to transfer \$142,700 GPR in 2000-01 as one-time funding from the Joint Committee on Finance supplemental appropriation [s. 20.865(4)(a)] to the DPI appropriation for energy costs at the state residential schools [s. 20.255(1)(c)].

2. Transfer \$133,800 GPR in 2000-01 as one-time funding from the Joint Committee on Finance supplemental appropriation [s. 20.865(4)(a)] from monies reserved for Department of Corrections contract beds to the DPI appropriation for energy costs at the state residential schools [s. 20.255(1)(c)] to reflect reestimated utility expenditures.

3. Deny the request.

MO# Alt 2

Prepared by: Russ Kava

2 BURKE	<input checked="" type="radio"/>	<input checked="" type="radio"/>	N	A
1 DECKER	<input checked="" type="radio"/>	<input checked="" type="radio"/>	N	A
MOORE	<input checked="" type="radio"/>	<input checked="" type="radio"/>	N	A
SHIBILSKI	<input checked="" type="radio"/>	<input checked="" type="radio"/>	N	A
PLACHE	<input checked="" type="radio"/>	<input checked="" type="radio"/>	N	A
WIRCH	<input checked="" type="radio"/>	<input checked="" type="radio"/>	N	A
DARLING	Y	<input checked="" type="radio"/>	N	A
WELCH	Y	<input checked="" type="radio"/>	N	A
GARD	Y	<input checked="" type="radio"/>	N	A
KAUFERT	Y	<input checked="" type="radio"/>	N	A
ALBERS	Y	<input checked="" type="radio"/>	N	A
DUFF	Y	<input checked="" type="radio"/>	N	A
WARD	Y	<input checked="" type="radio"/>	N	A
HUEBSCH	Y	<input checked="" type="radio"/>	N	A
HUBER	<input checked="" type="radio"/>	<input checked="" type="radio"/>	N	A
RILEY	<input checked="" type="radio"/>	<input checked="" type="radio"/>	N	A

AYE 8 NO 8 ABS 0

PUBLIC INSTRUCTION

Energy Costs at State Residential Schools

Motion:

Move to transfer \$130,000 GPR in 2000-01 as one-time funding from the Joint Committee on Finance supplemental appropriation [s. 20.865(4)(a)] from monies reserved for Department of Corrections contract beds to the DPI appropriation for energy costs at the state residential schools [s. 20.255(1)(c)] to reflect reestimated utility expenditures.

MO# 206

BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
WELCH	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
HUBER	Y	N	A
RILEY	Y	N	A

AYE 16 NO 0 ABS



Legislative Fiscal Bureau

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

June 27, 2001

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

FROM: Bob Lang, Director

SUBJECT: Section 13.10 Items

The purpose of this memorandum is to bring two items to your attention that require action by the Joint Committee on Finance under s. 13.10 of the statutes.

Elementary and Secondary School Aids. Under s. 121.15(3m)(c), annually, by June 30, the Committee is required to determine the amount to be appropriated as general school aid for the following school year. Two years ago, because of the timing of the state's budget, the Committee waited until September to set the amount for 1999-00. Given the fact that the 2001-03 budget is not yet resolved, the Committee may wish to delay its action on this item for the 2001-02 school year until a later date.

UW Hospitals and Clinics Authority. Under s. 13.094(1), the Committee is required, every five years, to review the lease agreements between the University of Wisconsin and the UW Hospitals and Clinic Authority. The first review is to be conducted by June 29, 2001.

As a part of this provision, the Legislative Audit Bureau is required to conduct a performance evaluation of the Authority. This audit was completed and distributed on June 21. The Joint Legislative Audit Committee has scheduled a meeting to review the audit on June 28. This item can then be placed on the Finance Committee's agenda for its next meeting under s. 13.10

If you have questions regarding either of these items, please contact me.

BL/sas

cc: Members, Joint Committee on Finance



Legislative Fiscal Bureau

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

August 31, 2001

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Paper for the Committee's September 5 Meeting

Attached is a paper, prepared by this office, on establishing the general school aid appropriation level for 2001-02.

This paper relates to Agenda Item XIV on the Committee's meeting under s. 13.10.

The meeting is scheduled to begin at 2:00 p.m. in Room 411 South, State Capitol.

BL/bh



Legislative Fiscal Bureau

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

September 5, 2001

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Public Instruction: Determination of General School Aids for 2001-02 under s. 121.15(3m)(c) -- Agenda Item XIV

Under s. 121.15(3m)(c) of the statutes, the Joint Committee on Finance is required to annually determine an amount to appropriate for general school aids under s. 20.255(2)(ac) in order to meet the state's commitment to fund two-thirds of partial school revenues.

BACKGROUND

The state has a goal of funding two-thirds of K-12 partial school revenues. For the purposes of the two-thirds funding goal, state funding is defined as the sum of state general and categorical school aids, the school levy tax credit and the operations of the Wisconsin School for the Deaf and the Center for the Blind. With certain limited exceptions, partial school revenues is defined as the sum of state school aids and property taxes levied for school districts.

Each year by May 15, the Departments of Public Instruction and Administration and the Legislative Fiscal Bureau must jointly certify to the Joint Committee on Finance an estimate of the amount necessary in the general school aids appropriation which, in combination with the amounts provided in the other state aid and levy credit appropriations, would achieve the two-thirds funding level in the following school year. Annually, by June 30, the Committee must determine the amount to be appropriated in the following school year.

DPI is required to provide each school district with an estimate on October 15 of the total amount of general school aids that the school district will receive in the current school year. Any adjustments to the October 15th aid estimate are made in September of the following school year. By mid-October, DPI also provides school districts with updated information to use in calculating revenue limits. School districts calculate their revenue limits and subtract the general school aids amount estimated by DPI in the October 15 aid run in order to determine the maximum property tax

levy allowed under revenue limits. School districts are required to determine the amount necessary to be raised to operate the school district by November 1 and certify the school property tax levy to each appropriate municipal clerk by November 6 of each year.

ANALYSIS

Under s. 20.255(2)(ac) of the statutes, the amount appropriated for general school aids is the amount determined by Joint Finance in each fiscal year. Joint Finance was required to determine this funding amount for 2001-02 under s. 121.15(3m)(c) of the statutes by June 30, 2001. In a biennial budget year, legislative consideration of statutory changes to general and categorical school aid funding, revenue limits and other K-12 school finance provisions can complicate this certification process.

Consistent with the school finance provisions included in Enrolled SB 55 (the 2001-03 biennial budget as passed by the Legislature), \$4,066,569,600 was appropriated in general school aids in 2001-02 to meet the two-thirds funding goal. In approving SB 55 as 2001 Act 16, the Governor made one partial veto related to revenue limit flexibility [Item A-6] that would affect the amount of general school aids that would need to be appropriated in 2001-02 to maintain two-thirds funding. As passed by the Legislature, SB 55 would have allowed a school district to increase its revenue limit, beginning in 2001-02, in an amount equal to statewide average allowable revenue per pupil in the previous school year multiplied by 0.78%, multiplied by a weighting factor to account for the property value per pupil of the district, multiplied by the district's current three-year rolling average pupil enrollment. A total of \$15 million in 2001-02 and \$30 million in 2002-03 was provided in general school aids under Enrolled SB 55 related to this provision. The Governor's partial veto deleted the revenue flexibility provisions. Thus, to maintain two-thirds funding, the Committee could certify a general school aids amount in 2001-02 that is \$15 million less than the Enrolled SB 55 appropriation, or \$4,051,569,600.

DPI will need to know the funding amount provided for general school aids in 2001-02 by early October at the latest, in order to provide school districts with aid estimates on October 15. Thus, if the Committee makes a determination of the general school aids funding level at this time, there would still be an opportunity for the Committee to make a re-determination pending possible legislative consideration of an override of vetoes in the early October floorperiod.

CONCLUSION

Determine the general school aids funding level under s. 20.255(2)(ac) for 2001-02 to be \$4,051,569,600, consistent with the provisions of 2001 Act 16.

Prepared by: Russ Kava

MO#	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A
	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N
	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
BURKE																
DECKER																
MOORE																
SHIBESKI																
PLACHE																
WIRCH																
DARLING																
ROSENZWEIG																
GARD																
KAUFERT																
ALBERS																
DUFF																
WARD																
HUEBSCH																
HUBER																
COGGS																
LASSI																
AYE																
NO																
ABS																

XIV. Department of Public Instruction – David Carlson, Director, School Financial Services

As required under s. 121.15(3m)(c), the Joint Committee on Finance must determine the amount appropriated as general equalization aid under s. 20.255(2)(ac) for the 2001-02 school year.

END



END



STATE OF WISCONSIN
ETHICS BOARD

James R. Morgan
Chairman
Paul M. Holzem
David L. McRoberts
Joanne R. Orr
Dorothy C. Johnson
Gordon B. Baldwin

On the capitol square at:
44 EAST MIFFLIN STREET, STE 601
MADISON, WISCONSIN 53703-2800
phone: 608/266-8123
fax: 608/264-9309
ethics@ethics.state.wi.us
http://ethics.state.wi.us

Roth Judd
Director

June 20, 2001

Senator Brian Burke, Co-Chair
Joint Committee on Finance
State Capitol, RM 317E
Madison, WI INTER-D

Representative John Gard, Co-Chair
Joint Committee on Finance
State Capitol, RM 308E
Madison, WI INTER-D

**Re: Request for \$25,000 under
§ 13.101(3), *Wisconsin Statutes*
and notice that additional
requests are likely in 2001-1002**

Dear Senator Burke and Representative Gard:

Because of several matters requiring the Ethics Board's immediate attention, I am requesting that the Joint Committee on Finance, at its June 2001 meeting, appropriate and encumber \$25,000 for the Ethics Board for immediate use in connection with fact-finding concerning possible violations of statutes the Legislature has directed the Ethics Board to administer. The

Senator Brian Burke
Representative John Gard
June 8, 2001
Page 2

Board is likely to incur substantial fact-finding costs during the first few months of fiscal year 2001-2002. As consequence, the Board is likely to need to return to the Joint Committee as early as the Committee's September 2001 meeting to request a supplement.

In keeping with your committee's instructions in prior years I shall expect:

1. To proceed to incur expenses in connection with the investigation of possible violations of the lobbying law and ethics code and those laws' enforcement,
2. To keep you, the co-chairs, informed at least quarterly of costs the Ethics Board incurs as investigations proceed, and
3. That, in order to meet the financial obligations the Ethics Board has incurred for investigations, to request supplemental funding from the Joint Committee under §13.10 *Wisconsin Statutes* for established financial obligations for work already completed.

I will very much appreciate your confirmation that I should proceed in the manner just indicated or other instruction if you think a different course is more appropriate.

From time to time matters involving possible violations of the lobbying law and Ethics Code come to the Ethics Board's attention and merit the Board's review. The Board investigates most of these matters using existing staff resources. However, the Ethics Board's small staff of 6.5 FTE's sometimes requires outside assistance. The Legislature has not made available an appropriation that permits the Board to carry out its statutory directive to investigate matters that merit the hiring of special fact-finding assistance.

In fiscal year 1999-2000 the Ethics Board spent \$9,778.99 for assistance with investigations and during the same period collected and deposited to the state school fund penalties amounting to \$6,842.50. So far during the nearly complete fiscal year 2000-2001 the Ethics Board has collected and deposited to the state school fund even more (\$4,365) than it has paid for special assistance with fact-finding (\$2,557).

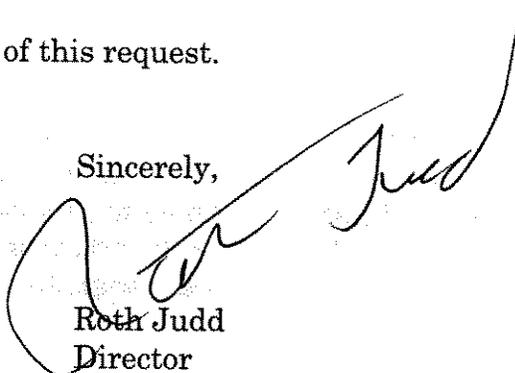
I will continue to exercise prudence with respect to expenditures related to enforcement of the statutes the Ethics Board administers, but I alert you that

Senator Brian Burke
Representative John Gard
June 8, 2001
Page 3

the Ethics Board may turn to your committee for a supplement to meet investigations' costs -- as early as September 2001 --as the Joint Committee has prescribed annually since 1989.

Thank you for your consideration of this request.

Sincerely,

A handwritten signature in cursive script, appearing to read "Roth Judd", is written over the typed name and title.

Roth Judd
Director

cc: Bob Lang, Legislative Fiscal Bureau
Paul Onsager, Legislative Fiscal Bureau
Dan Caucutt, Committee Secretary
Deborah Uecker, Dept. of Administration
Members, State of Wisconsin Ethics Board

**13.10 Meeting
September 5, 2001
Agenda Item VIII**

Issue: Ethics Board - Request to Cover Investigation Expenditures

Staff Recommendation: Alternative 1

Comments:

The Ethics Board is seeking \$25,000 GPR to fund an ongoing investigation costs to address possible violations of Wisconsin's Code of Ethics for Public Officials. There is not much doubt they need the money, the question is really more about where it should come from. The Board does have money in their PR appropriation available, which is generated by annual fees assessed to lobbyists.

U.S. Courts have ruled that it is unconstitutional under the First Amendment to impose a lobbying fee that amounts to a tax. As such, Roth Judd is concerned that using the PR to fund this investigation (which does not involve lobbying activity) would be improper. Alternative 1 funds the request fully with GPR. Seems fine to me, although there will likely be GOP attempts to go for Alternative 2 which funds the request with PR.

Prepared by: Julie



Legislative Fiscal Bureau

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

September 5, 2001

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Ethics Board: Section 13.10 Request to Cover Investigation Expenditures -- Agenda Item VII

REQUEST

The Ethics Board (Board) requests a one-time supplement of \$25,000 GPR in 2000-01 from the Joint Committee on Finance's GPR appropriation under s. 20.865(4)(a) to the Board's GPR general program operations appropriation under s. 20.521(1)(a) to cover investigation costs to investigate possible violations of Wisconsin's Code of Ethics for Public Officials.

BACKGROUND

The Board administers Wisconsin's lobbying law and the Code of Ethics for Public Officials. The Board has the authority to investigate the circumstances surrounding possible violations of the lobbying law or the ethics code. Investigations of possible violations may be the result of verified complaints filed with the Board or from the receipt of information from other sources.

Following the receipt of a verified complaint, or information from other sources, that provides a reasonable basis for the belief that a violation of the lobbying laws or the ethics code has been committed or that an investigation of a possible violation is warranted, the Board may investigate the circumstances concerning the possible violation. The Board need not pass a resolution to conduct this initial phase of an investigation. As the Board does not have investigators on staff, investigations generally require the retention of outside special assistants. Special assistants are never retained to work on a specific investigation without Board approval.

The Board may not invoke its subpoena powers in any investigation without first authorizing the investigation by a resolution, which must state the nature and purpose of the investigation and the actions or activities to be investigated. Upon adoption of such a resolution, the Board must mail

a copy of the resolution to each alleged violator who is identified in the resolution, together with a notice informing the alleged violator that the person is the subject of the investigation authorized by the resolution and a general statement of the applicable statutes with respect to such investigation. If the Board has not already done so, the Board then normally engages an attorney, although non-attorneys are sometimes used, to act as a special assistant to conduct the investigation. If a hearing is ultimately held on the alleged violation, the Board then hires a hearing examiner (usually a retired judge) to conduct the hearing.

The Ethics Board has no appropriation to fund investigation costs. As a result, the Joint Committee on Finance developed a procedure, which began to evolve in 1988-89, of directing the Ethics Board to: (a) incur only such expenses as the Board finds are required; (b) submit a written report to the Committee each quarter regarding any special investigative assistance costs being incurred by the Board; and (c) request supplemental funding for investigation costs under s. 13.101 or s. 16.515 of the Statutes after the actual costs for such outside assistance for the fiscal year are known.

ANALYSIS

Under current law, Board records obtained or prepared in connection with an investigation are not open for public inspection or subject to public disclosure unless: (a) such records are made public in the course of a hearing by the Board to determine if a violation of the ethics or lobbying laws occurred; (b) such records are made public in the course of a prosecution referred to a district attorney or to the Attorney General; or (c) the information from investigation and hearing records pertains to the location of individuals and assets of individuals as requested, under the child and spousal support and establishment of paternity and medical liability support program, by the Department of Workforce Development or by a county child support agency. As a result, while the Board indicates that it has two active investigations for which it expects to incur substantial investigation costs in 2001-02, Board staff may not disclose the details of those investigations, except to indicate that both investigations involve potential violations of the ethics code.

In August, 2000, the Executive Director of the Board requested and the Committee provided confirmation that, as in the past, any request for funding by the Ethics Board for investigations costs should be deferred until all special investigation costs for the fiscal year were known. In 2000-01, excluding the two active investigations, the Board incurred investigation costs in the amount of \$2,600 and the Board has indicated that it will not be seeking supplemental funding from the Committee for these investigation costs. The following table identifies the amounts expended by the Board for investigation costs in recent fiscal years.

<u>Fiscal Year</u>	<u>Investigation Costs</u>
1992-93	\$12,700
1993-94	28,600
1994-95	37,700
1995-96	12,500
1996-97	10,200
1997-98	6,100
1998-99	7,500
1999-00	9,800
2000-01	2,600*

*Excluding active investigations.

In recent years the Board has incurred lower investigation costs, but the Board now indicates that it will incur higher investigation costs with the two current investigations. As the Board has no investigators on staff, more involved investigations require the retention of outside, special investigative assistants. The Board negotiates an annual contract with each special assistant, which indicates the hourly rate to be paid the assistant, if the assistant's services are utilized during the year. Board staff indicates that the goal in negotiating these contracts is to retain special assistants at 2/3rds of their normal billing rate. The Board currently has six special assistant contracts, which have been approved by the Governor, with hourly rates ranging from \$65 to \$150 per hour.

The Board's activities are primarily funded through a combination of general purpose revenues and program revenues generated by lobbying fees. In March of this year the Board projected that its general program operations; program revenue appropriation, which is funded through lobbying fees, would begin the 2001-03 biennium with an opening balance of \$259,300, and would end the 2001-03 biennium with a balance of \$160,700. Balances in this appropriation would, therefore, be sufficient to cover the Board's s. 13.10 request for \$25,000.

U.S. Courts have ruled, however, that it is unconstitutional under the First Amendment to the U.S. Constitution to impose a lobbying fee that amounts to a tax. Under these decisions, a lobbying fee may only be imposed to offset the costs of administering legitimate regulation of lobbying activity. These courts have held that if a lobbying fee exceeds this limitation, it amounts to an unconstitutional tax on the right of citizens to petition the Legislature. While no Wisconsin court has ruled on this point, Board staff have taken the position that lobbying fees may only be used to offset the costs of regulating lobbying activity.

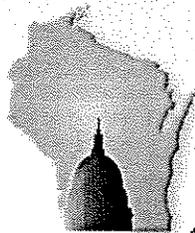
According to a study conducted by Board staff, Board staff spend 55% of their time on lobbying activity. In addition, approximately 54% of the Board's 2000-01 budget was supported by lobbying fees. If 55% of the current \$25,000, s. 13.10 request was funded using program revenue from lobbying fees, \$13,700 PR from s. 20.521(1)(g) would be utilized. On the other hand, Board staff indicate that neither of the two current investigations involve alleged violations of Wisconsin's

VII. Ethics Board – Roth Judd, Executive Director

The board requests a one-time supplement of \$25,000 GPR in fiscal year 2000-01 from the Committee's appropriation under s. 20.865(4)(a) to the board's general program operations appropriation under s. 20.521(1)(a) for investigations costs.

Governor's Recommendation

Approve one-time supplement of \$25,000 PR from the Committee's s. 20.865(4)(g) appropriation to s. 20.521(1)(g) in fiscal year 2000-01.



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: June 29, 2001

To: Members, Joint Committee on Finance

From: George Lightbourn, Secretary
Department of Administration 

Subject: Section 13.10 Request from the Ethics Board for Investigations Funding

Request

The board requests a one-time supplement of \$25,000 GPR in fiscal year 2000-01 from the Committee's appropriation under s. 20.865(4)(a) to the board's general program operations appropriation under s. 20.521(1)(a) for investigations costs.

Background

The Ethics Board administers Wisconsin's lobbying law and the Code of Ethics for public officials. The board has the authority to investigate the circumstances surrounding possible violations of the lobbying law or the ethics code. Possible violations may come to the board's attention as a result of a formal complaint filed with the board or from the receipt of information from other sources. Preliminary investigations of alleged violations are initiated if the board concludes that there is a reasonable basis for reviewing whether a violation has occurred. To initiate a preliminary investigation, the board adopts a resolution. Board staff review the matter to determine whether the facts merit further consideration and investigation by the board in a formal investigation. If the board concludes that a violation of the ethics code or lobbying law may have taken place, it adopts a resolution to begin a formal investigation. The board then engages an attorney or law firm to act as a special assistant and to perform the investigation. If a hearing is held, the board hires a hearing examiner, usually a retired judge, to conduct the hearing.

The board's annual expenditures for investigations and hearing regarding ethics violations has varied over the years, as indicated below.

Ethics Board Investigation Costs

Fiscal Year	Total Costs	Funding Source
2000-01	*\$2,557	General Operating Budget
1999-00	\$9,779	General Operating Budget
1998-99	\$7,495	General Operating Budget
1997-98	\$6,121	Supplies and Services
1996-97	\$10,174	Supplies and Services
1995-96	\$12,518	Lobbying Fees (Vacancy)
1994-95	\$37,740	Supplies and Services
1993-94	\$28,600	13.10 - ½ Lobbying Fees and ½ JCF Supplement
1992-93	\$12,700	13.10
1991-92	\$743	Supplies and Services
1990-91	0	-
1989-90	\$3,900	Supplies and Services
1988-89	\$36,100	13.10 - \$34,200 JCF and rest from Supplies and Services
1987-88	\$900	Supplies and Services
1986-87	\$35,000	Supplies and Services and Fringe Benefits
1985-86	\$6,300	Supplies and Services
1984-85	\$3,500	Supplies and Services
1983-84	0	-

* 2000-01 investigation costs are those costs paid as of June 8, 2001

Analysis

The Ethics Board has an operating budget of \$512,700 (\$226,700 GPR and \$286,000 PR in fiscal year 2000-01). Currently, the board lacks a dedicated appropriation to pay the costs of its investigations of possible violations of lobbying laws and the ethics code. Funding required for investigations must come from existing budgeted resources or from supplemental funding through the s. 13.10 or s. 16.515 process. Since 1989, in the absence of a statutory appropriation to pay the costs of its investigations, the board has adopted the practice of notifying the Committee early in the fiscal year that it may incur investigative costs that exceed budget available. It has then deferred requests for supplemental funding until all investigative costs for the fiscal year have been incurred.

In an August 1, 2000 letter the Executive Director of the Ethics Board requested confirmation from the Joint Committee on Finance as to how to proceed with supplemental funding requests for the retention of special investigative assistance. The Co-Chairs of the Joint Committee on Finance responded, as in the past since

1989, that the board should defer any request for supplemental funding until all special counsel costs for the fiscal year have been incurred. Throughout the year on a periodic basis, the board reported to the Co-Chairs of the Joint Committee on Finance regarding the costs for such assistance.

The board has conducted five formal investigations in 2000-01, of which three required the board to hire counsel. The cost for counsel was \$2,557 as of June 20, 2001, which the board paid from its base GPR supplies and services budget. Two investigations, both requiring special council, are currently under review. The board estimates the cost of the investigations will be at least \$25,000. Any additional funds needed may be requested at the next s. 13.10 meeting in the fall of 2001. The Ethics Board reports total forfeitures of \$4,365 to date, collected and deposited in the state school fund, as a result of the five investigations completed during the year.

Since the 1991-93 biennium, the operating costs of the Ethics Board have been split approximately equally between GPR and PR funding. In fiscal year 2000-01 the board's budget is 45 percent funded from GPR and 55 percent funded from program revenues. Program revenues are generated from fees from lobbyists and the organizations that employ lobbyists to regulate lobbying activity in the state. Currently the board's PR appropriation has an unappropriated revenue balance of \$341,438. The board projected a \$231,877 opening balance in this appropriation for fiscal year 2001-02 in its 2001-03 budget request, leaving a balance of \$109,561 in excess funds, before possible PR salary supplements of up to \$12,100 may be approved. The Ethics Board's GPR general program operations appropriation has a current uncommitted balance of \$1,148. However, \$1,134 of that amount is held in unallotted reserve to lapse to the general fund at the end of fiscal year 2000-01. The board may also receive up to \$10,500 in GPR salary supplements if approved by DOA. Board expenses until the end of the fiscal year will require all available GPR funding remaining.

Recommendation

Approve one-time supplement of \$25,000 PR from the Committee's s.20.865(4)(g) appropriation to s. 20.521(1)(g) in fiscal year 2000-01.

Prepared by: Deborah A. Uecker
267-0371



STATE OF WISCONSIN
ETHICS BOARD

James R. Morgan
 Chairman
 Paul M. Holzem
 David L. McRoberts
 Joanne R. Orr
 Dorothy C. Johnson
 Gordon B. Baldwin

On the capitol square at:
 44 EAST MIFFLIN STREET, STE 601
 MADISON, WISCONSIN 53703-2800
 phone: 608/266-8123
 fax: 608/264-9309
 ethics@ethics.state.wi.us
 http://ethics.state.wi.us

Roth Judd
 Director

June 20, 2001

Senator Brian Burke, Co-Chair
 Joint Committee on Finance
 State Capitol, RM 317E
 Madison, WI INTER-D

Representative John Gard, Co-Chair
 Joint Committee on Finance
 State Capitol, RM 308E
 Madison, WI INTER-D

**Re: Request for \$25,000 under
 § 13.101(3), *Wisconsin Statutes*
 and notice that additional
 requests are likely in 2001-1002**

Dear Senator Burke and Representative Gard:

Because of several matters requiring the Ethics Board's immediate attention, I am requesting that the Joint Committee on Finance, at its June 2001 meeting, appropriate and encumber \$25,000 for the Ethics Board for immediate use in connection with fact-finding concerning possible violations of statutes the Legislature has directed the Ethics Board to administer. The

Senator Brian Burke
Representative John Gard
June 8, 2001
Page 2

Board is likely to incur substantial fact-finding costs during the first few months of fiscal year 2001-2002. As consequence, the Board is likely to need to return to the Joint Committee as early as the Committee's September 2001 meeting to request a supplement.

In keeping with your committee's instructions in prior years I shall expect:

1. To proceed to incur expenses in connection with the investigation of possible violations of the lobbying law and ethics code and those laws' enforcement,
2. To keep you, the co-chairs, informed at least quarterly of costs the Ethics Board incurs as investigations proceed, and
3. That, in order to meet the financial obligations the Ethics Board has incurred for investigations, to request supplemental funding from the Joint Committee under §13.10 *Wisconsin Statutes* for established financial obligations for work already completed.

I will very much appreciate your confirmation that I should proceed in the manner just indicated or other instruction if you think a different course is more appropriate.

From time to time matters involving possible violations of the lobbying law and Ethics Code come to the Ethics Board's attention and merit the Board's review. The Board investigates most of these matters using existing staff resources. However, the Ethics Board's small staff of 6.5 FTE's sometimes requires outside assistance. The Legislature has not made available an appropriation that permits the Board to carry out its statutory directive to investigate matters that merit the hiring of special fact-finding assistance.

In fiscal year 1999-2000 the Ethics Board spent \$9,778.99 for assistance with investigations and during the same period collected and deposited to the state school fund penalties amounting to \$6,842.50. So far during the nearly complete fiscal year 2000-2001 the Ethics Board has collected and deposited to the state school fund even more (\$4,365) than it has paid for special assistance with fact-finding (\$2,557).

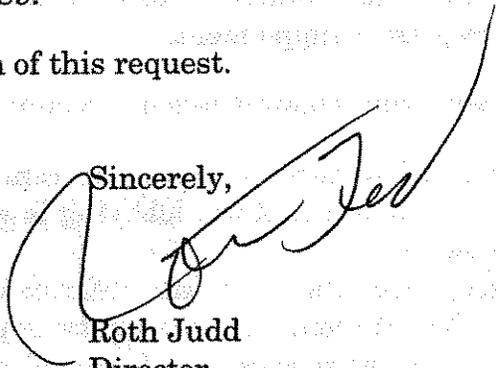
I will continue to exercise prudence with respect to expenditures related to enforcement of the statutes the Ethics Board administers, but I alert you that

Senator Brian Burke
Representative John Gard
June 8, 2001
Page 3

the Ethics Board may turn to your committee for a supplement to meet investigations' costs -- as early as September 2001 -- as the Joint Committee has prescribed annually since 1989.

Thank you for your consideration of this request.

Sincerely,



Roth Judd
Director

cc: Bob Lang, Legislative Fiscal Bureau
Paul Onsager, Legislative Fiscal Bureau
Dan Caucutt, Committee Secretary
Deborah Uecker, Dept. of Administration
Members, State of Wisconsin Ethics Board



STATE OF WISCONSIN ETHICS BOARD

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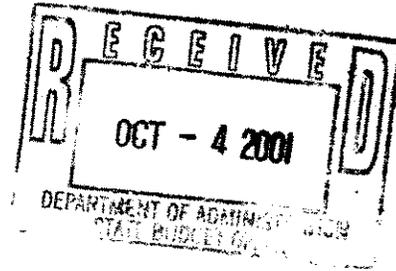
On the capitol square at:
44 EAST MIFFLIN STREET, STE 601
MADISON, WISCONSIN 53703-2800
phone: 608/266-8123
fax: 608/264-9309
email: ethics@mail.state.wi.us

Roth Judd
Director

October 2, 2001

Senator Brian Burke, Co-Chair
Joint Committee on Finance
State Capitol, RM 317E
Madison, WI INTER-D

Representative John Gard, Co-Chair
Joint Committee on Finance
State Capitol, RM 308E
Madison, WI INTER-D



RE: Quarterly Update for supplemental
appropriation under §13.101(3), *Wisconsin Statutes*

By letter of June 20, 2001, I informed you that in keeping with your committee's instructions in prior years, I would continue to notify you of costs the Ethics Board incurs for investigating possible violations of Wisconsin's ethics code and lobbying law on a quarterly basis. The board incurred expenses totaling \$10,954.08 during the period July 1, 2001 through September 30, 2001.

I will continue to report to you quarterly regarding expenses that the Ethics Board incurs for enforcement of the lobby laws and ethics code.

Sincerely,

Roth Judd
Director

/hh

cc: Members, Joint Committee on Finance
Dan Caucutt, DOA ✓
Deb Uecker, Budget Analyst
Bob Lang, Legislative Fiscal Bureau
Paul Onsager, LFB