

STATE OF WISCONSIN

D

SENATE CHAIR
BRIAN BURKE

316 South, State Capitol
P.O. Box 7882
Madison, WI 53707-7882
Phone: 266-8535



ASSEMBLY CHAIR
JOHN GARD

315 North, State Capitol
P.O. Box 8952
Madison, WI 53708-8952
Phone: 266-2343

JOINT COMMITTEE ON FINANCE

November 15, 2000

Secretary George Meyer
Department of Natural Resources
101 South Webster Street
Madison, WI 53707-7921

Dear Secretary Meyer:

We are writing to inform you that the members of the Joint Committee on Finance have reviewed your request, received on October 30, 2000, pursuant to s. 23.0915(4), Stats., regarding a proposed 240-acre land purchase in Grant County from Trout Unlimited in the amount of \$264,000.

A meeting will be scheduled to further discuss this request. Therefore, the request is not approved at this time.

Sincerely,

Handwritten signature of Brian Burke in black ink.

BRIAN BURKE
Senate Chair

Handwritten signature of John Gard in black ink.

JOHN GARD
Assembly Chair

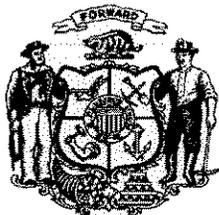
BB:JG:dh

cc: Members, Joint Committee on Finance
Vicky LaBelle, Department of Administration

THE STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

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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

Re: 14-Day Passive Review Approval

Date: October 30, 2000

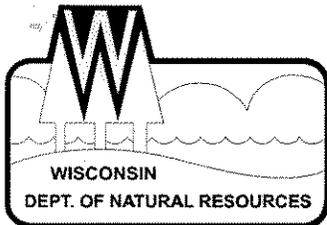
Attached is a copy of a letter from the Department of Natural Resources, received October 30, 2000, concerning the proposed 240-acre land purchase from Trout Unlimited in Grant County for \$264,000. It requires 14-day passive review and approval by the Joint Committee on Finance, pursuant to s. 23.0915(4), Stats., which requires the Department to notify the Committee of all stewardship projects more than \$250,000 in cost.

Please review the material and notify **Senator Burke** or **Representative Gard** no later than **Wednesday, November 15, 2000**, 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

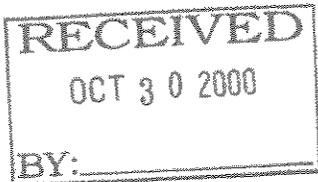


State of Wisconsin \ DEPARTMENT OF NATURAL RESOURCES

Tommy G. Thompson, Governor
George E. Meyer, Secretary

101 S. Webster St.
Box 7921
Madison, Wisconsin 53707-7921
Telephone 608-266-2621
FAX 608-267-3579
TDD 608-267-6897

OCT 30 2000



IN REPLY REFER TO: Fi-2675

→ Honorable Brian Burke
Member State Senate
Room 316S
CAPITOL

Honorable John Gard
Member State Assembly
Room 315N
CAPITOL

Dear Senator ^{Brian}Burke and Representative ^{John}Gard:

The Department is notifying you as co-chairs of the Joint Committee on Finance of a proposed 240-acre land purchase from Trout Unlimited for \$264,000. This notice is pursuant to s. 23.0915(4), Stats., which requires the Department to notify the Joint Committee on Finance of all Stewardship projects more than \$250,000 in cost. The Natural Resources Board approved the purchase at the October meeting. The land is required for Fisheries Management and Public Recreation.

The file number is Fi-2675 and the land is located in Grant County. Attached please find a memo and maps describing this transaction.

I certify that this request for consideration meets all applicable state and federal statutes, rules, regulations, and guidelines. This certification is based upon a thorough and complete analysis of this request.

If you do not notify the Department within 14 working days after this notification that the Committee has scheduled a meeting to review the proposed transaction, the Department will proceed with the approval process. If the Committee has no objections, the Department will forward the proposal to the Governor for his consideration. If you need additional information, please contact Richard Steffes at 266-0201. Mr. Steffes is available to answer any questions you may have in this matter.

Thank you for this consideration.

Sincerely,


George E. Meyer
Secretary

Attach.

cc: Legislative Fiscal Bureau
Department of Administration

CORRESPONDENCE/MEMORANDUM

DATE: October 3, 2000
 TO: Governor Thompson
 FROM: George E. Meyer *George*
 SUBJECT: Proposed Land Acquisition, Trout Unlimited Tract, File # Fi-2675,
 Approval is Requested by December 8, 2000

FILE REF: Fi-2675

1. PARCEL DESCRIPTION:

Grant County Remnant Areas - Blue River
 Grant County

Grantor:

Trout Unlimited
 c/o Bill Wisler, Chapter President
 2831 Mt. Hope Road
 Dodgeville, WI 53533

Acres: 240.0Price: \$264,000Appraised Value: \$264,000; \$258,000Interest: Purchase in fee.Improvements: None of valueLocation: The tract is located twenty miles north of the City of Platteville, in northeastern Grant County.Land Description: The subject area is rolling to nearly level along the Blue River, rising from the banks in all directions. There are several areas of steep rock outcrop on the parcel.

<u>Covertypes Breakdown:</u>	<u>Type</u>	<u>Acreage</u>
	Wooded Upland	200.0
	Pasture	40.0
	TOTAL	240.0

Zoning: Shoreland and FloodplainPresent Use: PasturelandProposed Use: Fisheries Management and Public RecreationTenure: Owned by the Deiter family for many generations. Trout Unlimited purchased this parcel from the Deiter family on June 1, 2000 for \$264,000.Property Taxes: \$2,814.64Agreement Date: August 31, 20002. JUSTIFICATION:

The Harry and Laura Nohr Chapter of Trout Unlimited has agreed to sell 240-acres with 13,000 feet of stream frontage on the Blue River (6,500 feet of stream thread) for the Grant County Fishery Remnant Area project. The acquisition will allow for protection of the scenic natural resources of the parcel, continued fish habitat management, and public access for fishing, hunting and hiking.

The Grant County Fishery Remnant Area project was established in 1961 to manage high quality cold water trout spawning and habitat areas on Grant County streams. Land use practices led to decreased water quality and the loss of natural trout reproduction. The Blue River, along with nearby Castle Rock and the Big Green River are some of the best trout streams in all of Wisconsin. A warden's report on the opening weekend of 1998 on these streams reads: "Among the usual clientele from Wisconsin, Illinois, and Iowa, fishers were checked from Texas, Ohio, Wyoming, Minnesota and California." The Department currently owns fish management easements on about 12 miles of frontage on the Blue River, mostly acquired in the 1960's and early 1970's. The Department has undertaken intensive instream trout habitat improvements on all of its current equity on the Blue River.

This TU property includes 6,500 feet on each bank of the Blue River, a class II trout stream. There are also springs and a small spring tributary on the property. The stream valley is bordered by pine relicts up to 200 feet high with several rock outcroppings that make this a very scenic property. The property has been pastured but is primarily wooded land. The property contains a small, old barn and the ruins of several other buildings located in the southern-most 40 acres. These buildings have no value and will be removed.

The Department purchased a fish management easement on the Blue River on this parcel in 1973 from the previous owners, the Deiter Family. This easement includes land 66 feet on each side of the stream for public access and fishing. There are no fencing rights given in this easement, and so nothing prevents the landowner from excessive grazing or developing feed lots along the riverway.

For the last several years, Department staff has been negotiating with the family to purchase the remaining fee title. Mr. Deiter recently contacted the Department to sell his parcel. He was very interested in preserving the natural qualities of the property and wanted the Department to purchase it. At the time, the Department was not in a position to acquire the parcel, but was still interested. Trout Unlimited acquired the parcel in order to preserve the natural resource values of the property as sale was imminent. TU did not plan to continue ownership and the Department now recommends state purchase so TU can recoup its cost.

The TU property adjoins DNR eased lands that are part of Snow Bottoms Natural Area. The Snow Bottom Natural Area includes the largest concentration of pine relicts in Southwest Wisconsin. The natural area is currently undergoing a feasibility study effort to increase the overall boundary of the project. The plan is expected to be completed later this year. The TU property has the state-endangered purple milkweed as well as fame flower, 5 species of orchids, and northern species such as red-berried elder, leatherwood, and bear berry. Acquisition of the parcel will facilitate natural area management, such as prescribed burning and invasive species removal, on the adjacent natural area property.

Approval of this purchase is recommended to allow for management of fish habitat and protection of fish populations in the Blue River; to provide public access to 13,000 feet of stream frontage on a class II trout stream and to protect the biological diversity of the property.

3. FINANCING:

State Stewardship bond funds are anticipated:

	Funds allotted to program:	Balance after proposed transaction
Stewardship Bond:	\$4,741,999	\$214,596

4. ACQUISITION STATUS OF THE GRANT COUNTY REMNANT AREAS - BLUE RIVER:

Established: 1961
Acres Purchased to Date: 973.35
Acquisition Goal: 1,284.0 Acres
Percent Complete: 75.8%
Cost to Date: \$726,943

5. APPRAISAL:

Appraiser: Robert Bredemus (Private Appraiser)

Valuation Date: January 12, 2000

Appraised Value: \$264,000

Highest and Best Use: Hobby Farms and Outdoor Recreation

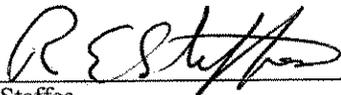
Allocation of Values:

- a. land: 240 acres @ \$1,100 per acre: \$264,000
- b. market data approach used, three comparable sales cited
- c. adjusted value range: \$928 to \$1,184 per acre

Appraisal Review: Ron Olson -- February 23, 2000

Comments: Two appraisals were completed for this transaction. The first was by Robert Bredemus (Private Appraiser) on January 12, 2000 with a valuation of \$264,000. The second appraisal was completed by Michael Augustyn (Private Appraiser) on January 27, 2000 with a valuation of \$258,000. Both appraisals were reviewed and approved, with a final valuation of \$264,000 set as Just Compensation for the parcel.

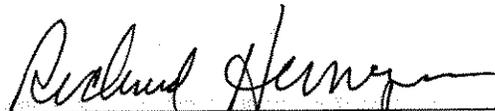
RECOMMENDED:



 Richard E. Steffes

10-4-00

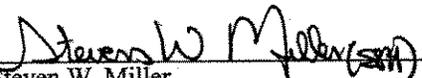
 Date



 Bureau of Legal Services

10/6/00

 Date

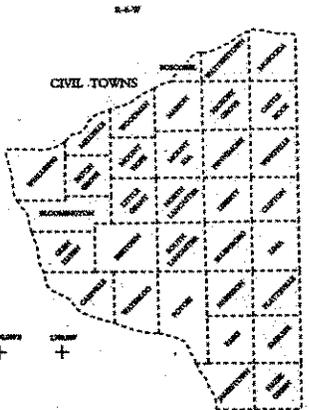
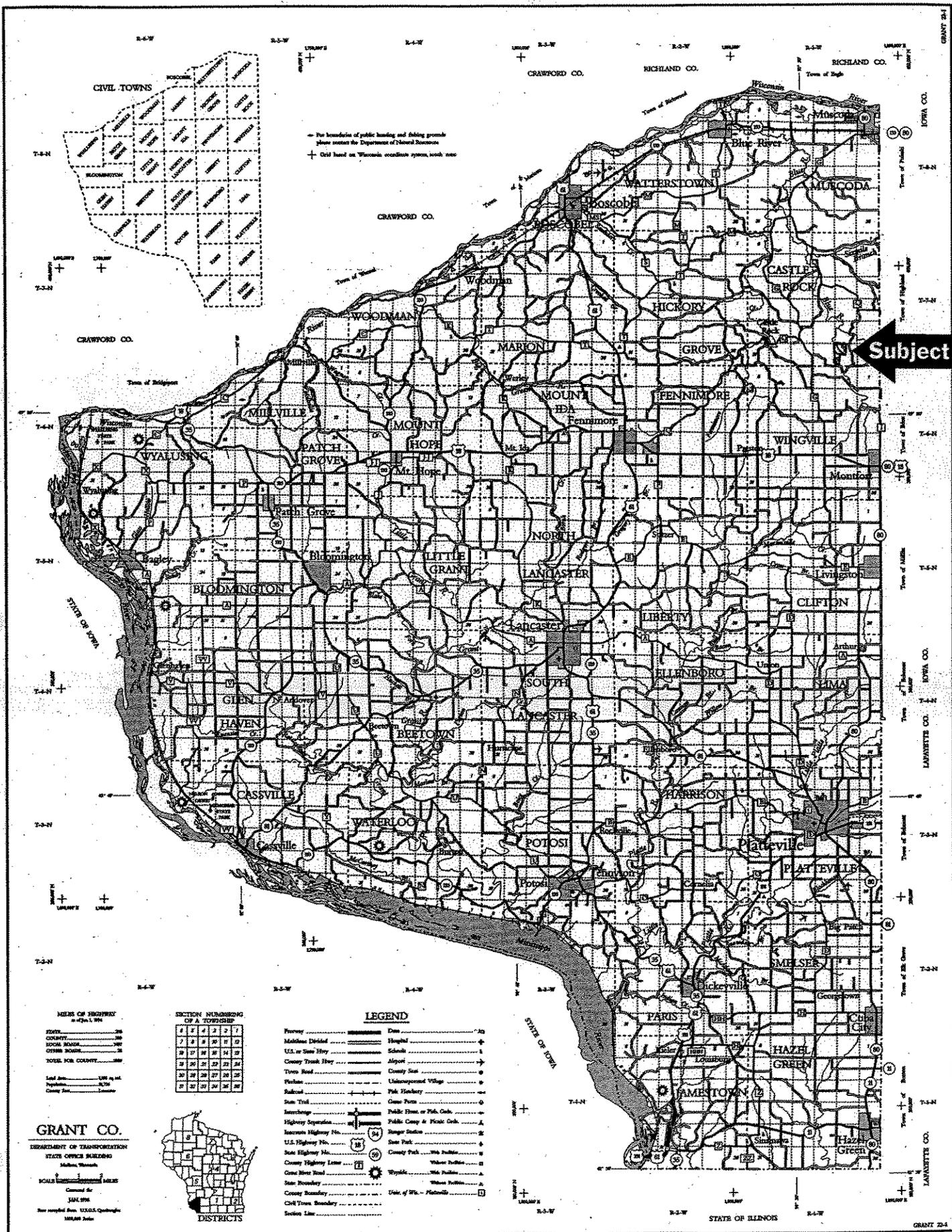


 Steven W. Miller

10/6/00

 Date

RES:jp



For boundaries of public landing and fishing grounds
 please contact the Department of Natural Resources
 + Grid based on Wisconsin coordinate system, north note

Subject

MILES OF HIGHWAY
 as of 1/1/59

STATE	128
COUNTY	28
LOCAL ROAD	387
OTHER ROAD	38
TOTAL FOR COUNTY	581

Land Area: 1,000 sq. mi.
 Population: 12,724
 County Seat: Hazel Green

SECTION NUMBERING
 OF A TOWNSHIP

1	2	3	4	5	6
7	8	9	10	11	12
13	14	15	16	17	18
19	20	21	22	23	24
25	26	27	28	29	30
31	32	33	34	35	36

LEGEND

- | | |
|---|--|
| <ul style="list-style-type: none"> --- Ferry --- Middle-Divided --- U.S. or State Hwy --- County Trunk Hwy --- Town Road --- Paved --- Subdiv. --- Sun Trail --- Interchange --- Highway Separation --- Interstate Highway No. --- U.S. Highway No. --- State Highway No. --- County Highway Letter --- Great River Road --- State Boundary --- County Boundary --- Civil Town Boundary --- Section Line | <ul style="list-style-type: none"> --- Dam --- Ditch --- School --- Airport --- County Seat --- Unincorporated Village --- Park --- Public House or Park Club --- Public Camp or Picnic Club --- Ranger Station --- State Park --- County Park --- Village --- White Building --- White Building --- State of Wis. - Wisconsin |
|---|--|

GRANT CO.
 DEPARTMENT OF TRANSPORTATION
 STATE OFFICE BUILDING
 Madison, Wisconsin
 SOLE DISTRIBUTION SALES
 Contact at
 JAN 1959
 Not available from U.S.G.S. Catalogue
 1948-50 Series



END



END

STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

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ASSEMBLY CHAIR
JOHN GARD

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Phone: 266-2343

JOINT COMMITTEE ON FINANCE

December 12, 2000

Secretary George Lightbourn
Department of Administration
101 East 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 on October 26, 2000, pursuant to s. 16.505(2), Stats., pertaining to a request from the Department of Workforce Development that would provide 13.0 FTE permanent positions and 10.0 FTE project positions.

No objections have been raised to this request and therefore, it is considered approved.

Sincerely,

Handwritten signature of Brian Burke in black ink.

BRIAN BURKE
Senate Chair

Handwritten signature of John Gard in black ink.

JOHN GARD
Assembly Chair

BB:JG:js

cc: Members, Joint Committee on Finance
Jennifer Reinert, Secretary, Department of Workforce Development
Vicky LaBelle, Department of Administration

STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE316 South, State Capitol
P.O. Box 7882
Madison, WI 53707-7882
Phone: 266-8535ASSEMBLY CHAIR
JOHN GARD315 North, State Capitol
P.O. Box 8952
Madison, WI 53708-8952
Phone: 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: Department of Workforce Development s. 16.505/16.515 Request for 13.0 FTE
Permanent Positions and 10.0 FTE Project Positions

Date: December 7, 2000

On November 15, 2000, the Joint Committee on Finance sent a letter to the Secretary of the Department of Administration stating that a meeting would be scheduled to review an October 26, 2000, request under s. 16.505/16.515 that would have provided 13.0 FTE permanent positions and 10.0 FTE project positions to the Department of Workforce Development. Since that time, the member who had objections to the request has withdrawn those objections.

Please review the attached material about this request and notify **Senator Burke** or **Representative Gard** no later than **Monday, December 11, 2000**, if you have any concerns about the request or if you would like the Committee to meet formally to discuss it. If no member requests a Committee meeting, the Co-Chairs of the Committee will send a letter to the Secretary of the Department of Administration stating that no objections have been raised concerning the request and that it has been approved.

Also, please contact us if you need further information.

BB/JG/lj
Attachment

STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

316 South, State Capitol
P.O. Box 7882
Madison, WI 53707-7882
Phone: 266-8535



ASSEMBLY CHAIR
JOHN GARD

315 North, State Capitol
P.O. Box 8952
Madison, WI 53708-8952
Phone: 266-2343

JOINT COMMITTEE ON FINANCE

November 15, 2000

Secretary George Lightbourn
Department of Administration
101 East 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 on October 26, 2000, pursuant to s. 16.515/16.505(2), Stats., pertaining to requests from the Departments of Public Instruction and Workforce Development. No objections have been raised to the request from the Department of Public Instruction.

With regard to the request from the Department of Workforce Development, a meeting will be scheduled to further review this request. Therefore, the request is not approved at this time.

Sincerely,

Handwritten signature of Brian Burke in black ink.

BRIAN BURKE
Senate Chair

Handwritten signature of John Gard in black ink.

JOHN GARD
Assembly Chair

BB:JG:dh

cc: Members, Joint Committee on Finance
John T. Benson, State Superintendent, Department of Public Instruction
Linda Stewart, Secretary, Department of Workforce Development
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

Date: October 26, 2000

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

Attached is a copy of a request from the Department of Administration, received on October 26, 2000, pursuant to s. 16.515/16.505(2), Stats., pertaining to requests from the Departments of Public Instruction and Workforce Development.

Please review the material and notify **Senator Burke** or **Representative Gard**, no later than **Monday, November 13, 2000**, if you have any concerns about the request or if you would like to meet formally to consider it.

Also, please contact us if you need further information.

Attachment

BB/JG/js

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

TOMMY G. THOMPSON
GOVERNOR
GEORGE LIGHTBOURN
SECRETARY



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

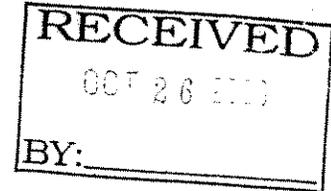
Date: October 26, 2000

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

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

From: George Lightbourn, Secretary
Department of Administration

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



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

AGENCY	DESCRIPTION	1999-2000		2000-01	
		AMOUNT	FTE	AMOUNT	FTE
DPI 20.255(1)(hg)	Personnel certification, teacher supply, information and analysis and teacher improvement			\$ 257,800	
DWD 20.445(1)(gb)	Local agreements				13.0 10.0 *

* Project position authority to end October 31, 2002.

As provided in s. 16.515, the request(s) will be approved on November 16, 2000, unless we are notified prior to that time that the Joint Committee on Finance wishes to meet in formal session about any of the requests.

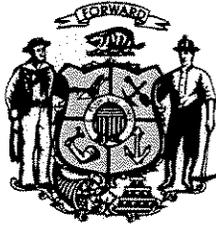
Please contact Vicky LaBelle at 266-1072, or the analyst who reviewed the request in the Division of Executive Budget and Finance, if you have any additional questions.

Attachments

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

TOMMY G. THOMPSON
GOVERNOR

GEORGE LIGHTBOURN
ACTING SECRETARY



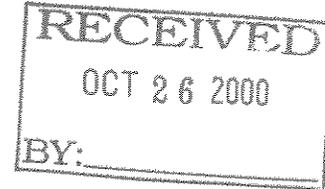
Office of the Secretary
Post Office Box 7864
Madison, WI 53707-7864
Voice (608) 266-1741
Fax (608) 267-3842
TTY (608) 267-9629

Date: October 17, 2000

To: George Lightbourn, Secretary
Department of Administration

From: Joshua Hummert *JH*

Subject: Request Under s. 16.505 and s. 16.515 from the Department of Workforce Development for 20.0 FTE permanent positions and 11.0 FTE project positions.



REQUEST:

The Department of Workforce Development (DWD) requests 19.0 PR FTE permanent positions and 11.0 PR FTE two-year project positions in the agency's PR appropriation under s. 20.445 (1)(gb). The department also requests 1.0 PR-S FTE permanent position in the agency's PR-S appropriation and \$57,100 PR-S annually under s. 20.445 (1)(kc).

REVENUE SOURCES FOR APPROPRIATION(S):

Funds to support these positions will come from DWD's local agreements appropriation under s. 20.445 (1)(gb) and DWD's administrative services appropriation under s. 20.445 (1)(kc). The Division of Workforce Excellence (DWE) in DWD has signed a number of contracts with Workforce Development Boards (WDBs) to provide services under the federal Workforce Investment Act (WIA). WDBs are funded with federal revenue that DWD distributes on a formula basis. Revenue from these contracts would support 19.0 PR FTE permanent positions requested under DWD's local agreements appropriation.

In addition, DWE has signed contracts to provide services to WDBs under the state's Workforce Attachment and Advancement (WAA) program that is funded by the federal Temporary Assistance for Needy Families (TANF) block grant. Revenue from contracts to provide WAA services would support 11.0 PR FTE project positions requested under DWD's local agreements appropriation.

Finally, revenue to support 1.0 PR-S FTE permanent positions in DWD's administrative services appropriation would come from fees charged to all divisions within DWD for administrative services.

BACKGROUND:

Up until 1998, the Job Training Partnership Act (JTPA) was the primary federal program designed to provide job training to economically disadvantaged individuals and other individuals in need of training, such as displaced workers facing serious barriers to

employment. In 1999, Congress replaced JTPA with the Workforce Investment Act (WIA) as the United States' primary job training program. While WIA is generally similar to JTPA, there are differences between the two programs.

One significant difference is the role that the Workforce Development Boards (WDBs) are expected to play under each act. WDBs were first established under JTPA as Private Industry Councils (PICs). PICs were charged with designing and overseeing local job training programs in each of Wisconsin's 17 service delivery areas and received 77% of federal funds for general job training under JTPA. To carry out its plan for providing job training, a PIC could either provide job services itself or contract with a training provider such as DWE. Under WIA, 85% of general job training funds are allocated WDBs, but WDBs are prohibited from providing training services directly unless the Governor determines that another entity is not available to meet local demand for job training services.

The change in the federal law has resulted in an increase in the number of contracts between DWE and WDBs for job training services because WDBs that had provided direct services under JTPA are now in need of training providers. WDBs elected to contract with DWE to provide job-training services for a number of reasons. In some instances, there may not have been a local provider of job training services to meet the WDB's demand for services. DWE also has a reputation for providing quality services. Certain WDBs elected to contract with DWE because the services provided by the state would be of a higher quality than services offered by local providers. According to DWD, WDBs may also have elected to contract with DWE due to the fact that those clients receiving job training would be able to remain at the Job Center. DWD calculates that DWE will need 19.0 PR FTE permanent positions in order to meet the obligations outlined in the various contracts it has entered into.

In 1999 Wisconsin Act 9, DWD was required to develop a program that would help individuals who entered the workforce under the Wisconsin Works (W-2) program retain employment and advance in careers. After developing the program, the department was required to submit the plan to the Joint Committee on Finance (JCF) for approval. JCF approved the Workforce Attachment and Advancement (WAA) program at its December 21, 1999 meeting. The JCF action released \$9,700,000 PRF in FY00 and \$10,000,000 PRF in FY01 for DWD to provide job retention and promotion services.

The federal revenue used for the WAA comes from TANF funds. DWD distributes one-half of WAA funds to W-2 agencies and the other half to WDBs. WAA funds must be used to provide five types of services to individuals eligible for TANF:

- (1) Job readiness training and job training services to unemployed persons;
- (2) Basic job skills development for unemployed or recently employed persons;
- (3) Services to assist recently employed persons with job retention;
- (4) Incumbent worker training to promote job advancement; and
- (5) Services to employers to assist in worker retention and worker advancement.

Like WIA, WAA prohibits WDBs from providing services directly to program participants. While WDBs may choose with whom to contract for services, the department requires that WAA program services be integrated into the existing Job Center delivery system. This is part of Wisconsin's goal to create a one-stop employment system. The primary benefit of a move to a one-stop system is that many users of the system need a combination of services to meet their goals, all of which can be provided at one location. Since DWE has a significant presence in Job Centers, a number of WDBs have chosen to contract with DWE. DWD estimates that DWE will require 11.0 PR FTE two-year project positions to provide the services agreed to in the contracts.

Distribution of Requested DWE Positions			
Name of Job Center	# of current DWE Job Center Staff	# of WAA project positions requested	# of WIA permanent positions requested
Kenosha County Job Center	11	1	1
Milwaukee / Job Center North	13	1	1
Milwaukee / Job Center Northwest	6	0	1
Milwaukee / Job Center Teutonia	15	1	1
Milwaukee / Job Center King Drive	5	0	1
Green Bay / NE Wisconsin JC	21	2	0
Shawano County Job Center	3	0	1
Adams County Job Center	1	0	1
Lincoln County Job Center	1	1	0
Ladysmith Job Center	0	0	1
Medford Job Center	1	0	1
La Crosse County Job Center	18	1	1
Marquette County Job Center	0	0	1
Columbia County Job Center	0	1	1
Dane County Job Center	17	0	3
Dodge County Job Center	6	0	1
Green County Job Center	2	1	1
Iowa County Job Center	4	0	1
LaFayette County Job Center	1	0	1
Richland County Job Center	2	1	0
Rock County Job Center	10	1	3

In 1998, the Secretary of DWD started an initiative to improve the quality of worklife and diversity within the department. The Secretary appointed a council to develop a

department-wide diversity plan and temporarily reassigned a position to act as a quality of worklife coordinator. The council finalized its plan in 1999 and is ready to begin implementation of the plan, but the division that temporarily loaned the position to serve as a quality of worklife coordinator now needs the position to be returned. DWD is requesting a 1.0 PR-S FTE permanent to serve as the department's quality of worklife and diversity coordinator.

ANALYSIS:

Since DOA released its memo on major budget policies on May 31, 2000, the department's stance on approving new positions has been that areas needing additional staff must be met through base reallocations. Exceptions may be made, however, if adding federal positions results in generating more federal revenue for Wisconsin. DWD believes that its request for positions to staff contracts under the WIA and WAA programs meets this requirement. DWD's position is that while the staff would occupy PR positions, the ultimate sources of funding would be the federal WIA and TANF appropriations. This view, however, is not entirely consistent with the intent of the budget policy language. While the state of Wisconsin would arguably receive more federal revenue if these positions were approved, Wisconsin's overall share of federal revenue, as a whole, would remain static. This position request would simply reallocate federal revenue from local entities to the state within Wisconsin.

DWD's request may not meet the DOA's criterion of increasing federal revenue for Wisconsin, but it does appear that the department is in need of at least short-term positions to meet additional demand for its services. Three factors have led to increased demand for DWE services. First, WDBs were prohibited by federal WIA regulations from providing direct services to clients. Second, over the past couple of years DWD has been aggressively trying to expand its role as a provider of job training services. For example, DWD has been strongly encouraging W-2 agencies to contract with DWE for job training services and has been asking about past collaboration with DWE on W-2 requests for proposals. Additionally, when DWD was developing the WAA it chose to require WDBs to meet WIA regulations. Finally WDBs and other organizations that contract with DWE have a high regard for the division's programs.

DWD's rationale for encouraging WDBs and W-2 agencies to contract with DWE instead of pursuing other options is that this system will ensure that the state fully utilizes the Job Center system. If DWE cannot provide enough training services to meet demand, WDBs could pursue a number of options. WDBs may find a private contractor to come into Job Centers or they could find an outside provider. This could mean that workers would not receive case management services at the same location that he or she also receives actual job skills training. DWE, however, has committed itself to providing as many services as possible at one location. If a WDB is located in an area where there are no job-training providers, the Governor may approve a waiver so that the WDB may provide training services directly.

The immediate problem and the reason for this request is DWE's inability to provide the required services under the contracts without additional positions. Currently, to meet

demand, DWE is using LTEs to compensate for the lack of permanent or project positions. This is an imperfect solution for two reasons. One, in Wisconsin's tight labor market it is difficult to attract qualified and experienced job-training employees to enter into LTE positions. Secondly, some areas of the state do not have significant numbers of qualified individuals to provide training services. With permanent positions, it is possible to attract outside interest in jobs in these under-served communities. DWD should receive at least short-term position assistance to allow the department time to adopt a new business model that will allow it to provide job service training with its existing positions.

It may not be necessary to approve the full request, however. There are six Job Centers where DWD is requesting permanent positions that currently have more than 10 DWE staff located at each Job Center. With this level of staffing, it appears reasonable to expect that these Job Centers could either reallocate current staff to meet additional demand or use a combination of LTEs and permanent staff to meet the demand under the contracts. As a result, the request for permanent positions may be reduced by 6.0 PR FTE. Green Bay's Northeast Wisconsin Job Center is requesting 2.0 PR FTE project positions to meet additional demand under the WAA program. Since 21 current DWE staff are located there, it seems reasonable to expect that the Job Center could temporarily reallocate a permanent position or use LTEs to meet the demand for services. The number of project positions, as a result, may be reduced by 1.0 PR FTE project position. In addition, there are 9.25 PRS FTE vacant positions in DWD's administrative services appropriation under s. 20.445(1)(kc) that have been vacant for one year or longer. To offset the increase in total state positions that would result from this request, the Department of Administration could freeze 9.25 PRS FTE vacant positions to be deleted in the 2001-2003 biennial budget.

RECOMMENDATION:

Approve 10.0 PR FTE two-year project positions and 13.0 FTE permanent positions and freeze 9.25 PR-S FTE in the Administrative Services Division that have been vacant for one year or longer to be deleted through the budget.

cc: Rick Chandler
John Montgomery
Bob Hanle

Tommy G. Thompson
Governor

Linda Stewart, Ph.D.
Secretary

Maureen A. Hlavacek
Division Administrator



State of Wisconsin

Department of Workforce Development

ADMINISTRATIVE SERVICES
201 East Washington Avenue
P.O. Box 7946
Madison, WI 53707-7946
<http://www.dwd.state.wi.us/>
e-mail: DWDASD@dwd.state.wi.us

July 21, 2000

George Lightbourn
Secretary
Department of Administration
101 East Wilson Street, 10th Floor
Madison, Wisconsin 53707

Dear Secretary Lightbourn:

The Department of Workforce Development requests authority under s. 16.505 of the statutes for 19.0 FTE permanent positions and 11.0 FTE project positions to meet staffing needs associated with federal programs in the Division of Workforce Excellence. The positions will be funded under appropriation s. 20.445 (1)(gb) – Local Agreements. This is a program revenue, continuing appropriation, however the original funds relating to the purpose of this request are federal funds. These federal funds are granted to local organizations which in turn contract with the Division to provide job services. The 19 permanent positions are associated with staffing needs related to providing services under the new federal Workforce Investment Act (WIA). The 11 project positions are associated with the state's new Workforce Attachment and Advancement program and are funded with Temporary Assistance for Needy Families (TANF) funds. The additional positions are required in order for the Department to fulfill new obligations to provide services under contractual agreements with local partners. Expenditure authority for these funds will be requested through the DOA allotment process as contracts are signed.

The Department also requests, under s. 16.505/515, authority for 1.0 permanent position and \$57,100 PR annually for its Quality of Worklife and Diversity initiatives. This position will be funded under appropriation s. 20.455 (1) (kc) – Administrative Services. This is an annual, program revenue service position that receives funds from fees charged to Divisions within the Department for administrative services.

Request for Permanent Positions for Workforce Investment Act Requirements

The new federal Workforce Investment Act (WIA) went into effect July 1, 2000, replacing the former Job Training and Partnership Act (JTPA). WIA involves a wide array of employment and training services provided to eligible youth and adult participants and special target groups such as dislocated workers, displaced homemakers and others. Under WIA, local Workforce Development Boards (WDBs) are responsible for leading the development, coordination and monitoring of customer driven service delivery systems for workforce preparation and development programs. The WDBs must create and maintain a One-Stop Delivery System with at least one comprehensive physical center that provides core services.

One of the differences between WIA and JTPA is the ability of the planning boards to deliver job training services to clients. Under JTPA, the planning boards, known as Private Industry Councils (PICs), were allowed to deliver services directly to clients, as well as contract for those services. Under WIA, the federal government strongly encourages the planning boards not to provide direct services. Instead boards should focus on their primary responsibilities including long range strategic planning, leadership of workforce initiatives, conducting community and regional employer and job seeker needs assessments, and providing a forum for the mandatory affiliated partners to allocate resources based upon their planning. Wisconsin, like most states, is directing the boards to transition out of providing direct services. Therefore, the new boards will have to contract out for all services.

There are eleven WDBs in Wisconsin. The Department of Workforce Development's Job Service is one of the mandated partners of the One-Stop Delivery System. The Department has encouraged the Boards to contract with Job Service to provide services. With the program beginning July 1st, contracts for services have been signed or are in the final stages. The Division is using LTEs where possible to start providing services. However, the amount of hours that an LTE can work is limited. In addition, it is difficult to find people to work as LTEs and turnover is very high. In order to fulfill our obligations and provide quality services and program continuity for our customers, additional position authority is needed.

Under JTPA, Job Service had contracts for approximately 10 FTEs to deliver services to clients. Based on current negotiations and the fact that the Boards will no longer be able to provide direct services, the Division has identified the need for an additional 22 FTEs as follows: 1.0 in Dodgeville, 1.0 in Monroe, 3.0 in Janesville, 1.0 in Darlington, 1.0 in Medford, 1.0 in Ladysmith, 1.0 in Beaver Dam, 1.0 in Portage, 1.0 in Montello, 3.0 in Madison, 1.0 in La Crosse, 4.0 in Milwaukee, 1.0 in Shawano, 1.0 in Adams and 1.0 in Kenosha. The Division currently has 90.82 permanent positions performing job services under 20.445 (1)(gb). Of those, 9 are vacant at this time. However, 6.0 of these vacancies are committed for other purposes, and are in the process of being filled. Therefore, the Division needs an additional 19.0 FTE positions to fully staff WIA contracts.

Permanent positions are requested, as opposed to project, because of the long-term nature of the program. WIA is authorized for five years. In order to obtain and retain employees to provide continuous, quality services for the duration of the program, permanent position authority is required.

Workforce Attachment and Advancement Program Requirements

1999 Act 9 (the biennial budget act) provided \$19.7 million in TANF funds to create a Workforce Attachment and Advancement Program (WAA) to provide employment services that promote job retention and advancement and improve basic skills and literacy of former W-2 participants and of individuals who have not participated in W-2, but who are eligible for TANF funded assistance. One-half of the funding was provided to W-2 agencies with the other half provided to the Workforce Development Boards. The funds were made available through two-year contracts with the local agencies beginning in January, 2000.

Under WAA, services are provided through the statewide Job Center System and designed to assist low income families and non custodial parents find employment, remain attached to the workforce and advance to higher paying employment. Local

entities are currently in the process of negotiating contracts with Job Service to provide services to eligible recipients. Based on the pending contracts, the Division projects that 11 additional FTE will be required to provide services as follows: 1.0 in Lakeshore, 1.0 in Richland Center, 1.0 in Merrill, 1.0 in Monroe, 1.0 in Janesville, 1.0 in Portage, 2.0 in Milwaukee, 1.0 in La Crosse and 2.0 in Green Bay. Currently, 16.0 project positions are in appropriation 127. These were approved in February, 2000 for contracted services under the W-2 and Food Stamp Employment and Training programs and for placement of persons with disabilities. There are no positions available to provide contracted services under the new WAA program. Therefore, an additional 11 project positions are required in order to provide these services.

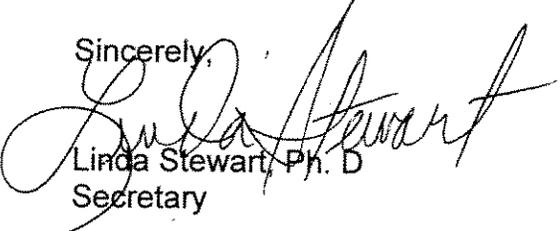
Request for Quality of Worklife and Diversity Position

The Department is currently working on several strategies to improve the quality of worklife and diversity within the Department. The Quality of Worklife initiative began in 1998 with the goal of providing a worklife that supports worker satisfaction, high performance, collaboration, and employee diversity. In March, 1998, an overall assessment of the Department was conducted to assist leadership, management, supervisors and front-line staff understand and respond to issues affecting employee job satisfaction. Each Division then developed a strategy to establish priorities and goals in addressing the issues identified in the assessment. In 1999, a position was loaned from one of the Divisions for a QWL coordinator to assist the Department in creating and implementing a Department-wide plan. The Department plan was finalized in March, 2000.

Also in 1998, the Secretary appointed a Council to develop a department-wide diversity plan. The purpose of the plan is to prepare the Department for the changing workforce and improve customer service by maintaining a Department workforce that is more reflective of the general population. Diversity includes tolerance of individual differences including, but not limited to, one's culture, values and ways of thinking, learning and working, ethnicity and abilities. The Council finalized the plan in June, 1999. Since then the Council has worked on implementing the plan and engaging in a number of diversity activities.

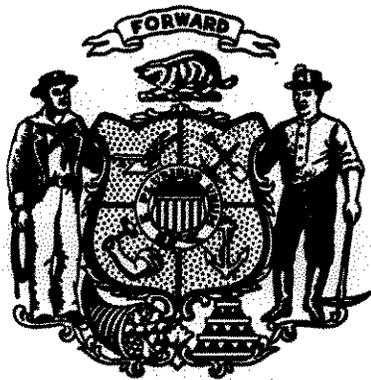
Progress has been made on both the Quality of Worklife and Diversity Initiatives thus far. Plans are in place and the Department has been working on implementation and continued improvements. In order to continue progress, a permanent program and planning analyst position dedicated to these initiatives is needed. The position on loan for the QWL initiative is needed in the Division from which it was loaned. Now that plans are in place, one full-time position can staff both the QWL and Diversity initiatives providing the required coordination to ensure successful implementation of current plans, and creating new activities to advance the initiatives and improve job satisfaction and inclusiveness of all DWD staff.

Sincerely,



Linda Stewart, Ph. D
Secretary

END



END

STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

316 South, State Capitol
P.O. Box 7882
Madison, WI 53707-7882
Phone: 266-8535



ASSEMBLY CHAIR
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Phone: 266-2343

JOINT COMMITTEE ON FINANCE

November 15, 2000

Secretary George Lightbourn
Department of Administration
101 East 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 on October 26, 2000, pursuant to s. 16.515/16.505(2), Stats., pertaining to requests from the Departments of Public Instruction and Workforce Development. No objections have been raised to the request from the Department of Public Instruction.

With regard to the request from the Department of Workforce Development, a meeting will be scheduled to further review this request. Therefore, the request is not approved at this time.

Sincerely,

Handwritten signature of Brian Burke in black ink.

BRIAN BURKE
Senate Chair

Handwritten signature of John Gard in black ink.

JOHN GARD
Assembly Chair

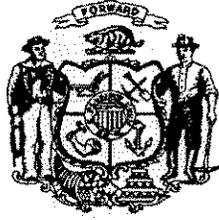
BB:JG:dh

cc: Members, Joint Committee on Finance
John T. Benson, State Superintendent, Department of Public Instruction
Linda Stewart, Secretary, Department of Workforce Development
Vicky LaBelle, Department of Administration

THE STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

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ASSEMBLY CHAIR
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JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

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

Date: October 26, 2000

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

Attached is a copy of a request from the Department of Administration, received on October 26, 2000, pursuant to s. 16.515/16.505(2), Stats., pertaining to requests from the Departments of Public Instruction and Workforce Development.

Please review the material and notify **Senator Burke** or **Representative Gard**, no later than **Monday, November 13, 2000**, if you have any concerns about the request or if you would like to meet formally to consider it.

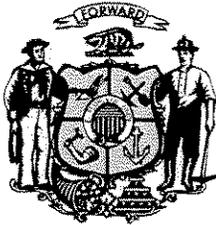
Also, please contact us if you need further information.

Attachment

BB/JG/js

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

TOMMY G. THOMPSON
GOVERNOR
GEORGE LIGHTBOURN
SECRETARY



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

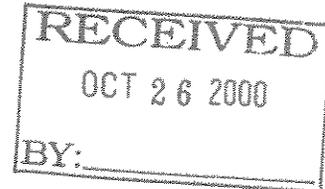
Date: October 26, 2000

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

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

From: George Lightbourn, Secretary
Department of Administration

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



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

AGENCY	DESCRIPTION	1999-2000		2000-01	
		AMOUNT	FTE	AMOUNT	FTE
DPI 20.255(1)(hg)	Personnel certification, teacher supply, information and analysis and teacher improvement			\$ 257,800	
DWD 20.445(1)(gb)	Local agreements				13.0 10.0*

* Project position authority to end October 31, 2002.

As provided in s. 16.515, the request(s) will be approved on November 16, 2000, unless we are notified prior to that time that the Joint Committee on Finance wishes to meet in formal session about any of the requests.

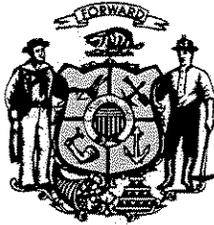
Please contact Vicky LaBelle at 266-1072, or the analyst who reviewed the request in the Division of Executive Budget and Finance, if you have any additional questions.

Attachments

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

TOMMY G. THOMPSON
GOVERNOR

GEORGE LIGHTBOURN
SECRETARY



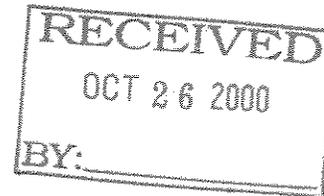
Division of Executive Budget and Finance
Post Office Box 7864
Madison, WI 53707-7864
Voice (608) 266-1736
Fax (608) 267-0372
TTY (608) 267-9629

Date: October 16, 2000

To: George Lightbourn, Secretary
Department of Administration

From: Steven Milioto *SRM*

Subject: Request under s. 16.515 from the Department of Public Instruction for \$257,800 PR in additional expenditure authority.



REQUEST:

The Department of Public Instruction (DPI) is requesting approval of \$257,800 PR in additional expenditure authority in FY01 and thereafter for appropriation s. 20.255 (1)(hg), personnel certification, teacher supply, information and analysis and teacher improvement. The current expenditure authority for this appropriation is \$2,616,100 PR.

REVENUE SOURCES FOR APPROPRIATION(S):

DPI will fund the additional expenditure authority request with revenue derived primarily through the sale of licenses to teachers and public librarians.

BACKGROUND:

DPI certifies teachers and public librarians in Wisconsin by issuing and renewing licenses and permits for a set fee. The collected fees are then deposited in appropriation (1)(hg) and are used to fund the administrative costs associated with the licensure program. These costs include processing license applications and conducting criminal background investigations of each applicant. DPI, with the assistance of the Department of Justice (DOJ), is required to conduct a criminal background investigation on each applicant for issuance or renewal of a license or permit. DOJ charges \$5 for each background investigation of a Wisconsin resident, and \$34 for each investigation assisted by the Federal Bureau of Investigation.

DPI estimates that licensure revenues will total \$2,780,000 in FY01. Ten percent of this amount (\$278,000) is deducted automatically from appropriation 20.255 (1)(hg) to comply with a lapse requirement specified in statute. Additional revenues for FY01 include a carryover cash balance of \$238,100, and \$300,000 in revenue from the

Wisconsin Improvement Program, which places intern teachers in schools. The total estimated revenue for this appropriation in FY01 will be \$3,040,100.

ANALYSIS:

DPI's request for additional expenditure authority reflects anticipated increases in program costs in FY01. In particular, salary costs are expected to be \$237,800 higher in FY01 than they were in FY00. DPI states in its request that the increases are attributable in large part to pay adjustments in the 1999-01 compensation plan, and collective bargaining agreements between the State of Wisconsin and the Wisconsin Education Association Council, the Wisconsin State Employees Union, the Wisconsin Professional Employees Council, Non-Represented Employees and the Wisconsin State Attorneys Association. The Wisconsin Education Association Council accounts for the largest share of the overall increase with 54.43%, or \$129,409.

DPI anticipates additional cost pressures in FY01 for limited term employees (LTEs) and capital equipment expenditures. LTE costs are expected to increase by \$29,800 due to the need for additional assistance at the program and educational levels, while capital equipment costs will increase by \$35,000 as a result of program investment in a new imaging system and new computers and projection devices. In addition, DPI faces \$129,800 in program costs which the agency was unable to fund in FY00 due to reductions in the agency's FY01 s. 16.515 request.

DPI expects a decrease of \$273,500 in supplies and services costs in FY01, due primarily to an anticipated decrease in the number of criminal background investigations required by the department. The cost of background checks in FY00 was \$500,400, while FY01 projected costs for background checks will only total \$300,000.

The request for \$257,800 in additional PR expenditure authority for the teacher licensure program is reasonable given the costs DPI anticipates it will incur in FY01. The additional expenditure authority will insure that DPI meets its statutory obligations.

Category	Estimated FY01 Expenditures
Salary	\$237,800
Fringe	\$98,900
LTE	\$29,800
S&S	-\$273,500
Capital	\$35,000
Carryover Costs	\$129,800
TOTAL	\$257,800

October 16, 2000
Page 3 of 3

RECOMMENDATION:

Approve the department's request for additional permanent expenditure authority of \$257,800 for s. 20.255 (1)(hg).

Memorandum

STATE OF WISCONSIN
DEPARTMENT OF PUBLIC INSTRUCTION

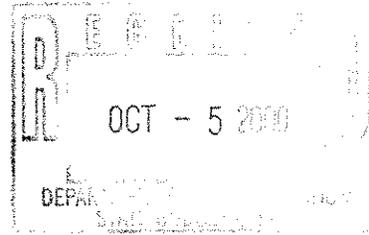


CC BN
AM

DATE: October 5, 2000

TO: Richard Chandler
State Budget Director

FROM: John T. Benson *JTB/ms*
State Superintendent



SUBJECT: Section 16.515, Wis. Stats., Request Related to the Teacher Education and Licensing Program

REQUEST:

The Department of Public Instruction requests an increase in spending authority of \$257,800 in FY01 for appropriation s. 20.255 (1)(hg), personnel certification, teacher supply, information and analysis and improvement.

BACKGROUND:

The state superintendent, under s. 118.19 (10), Wis. Stats., is required, with the assistance of the Department of Justice (DOJ), to conduct a criminal background investigation on each applicant for issuance or renewal of a license or permit. DOJ charges \$5 for each in-state background investigation and \$34 for each FBI-assisted investigation.

In February, 2000, the department requested a \$244,000 increase in spending authority under s. 16.515, Wis. Stats. for FY01. The Department of Administration recommended approval of this request, but the Joint Committee on Finance reduced the increase to \$114,300. Therefore, the chapter 20 appropriation of \$2,501,800 was increased to \$2,616,100 in FY01.

Sec. 20.255 (1)(hg), Wis. Stats., requires that ninety percent of all monies received from the certification of school and public library personnel be credited to this appropriation to fund certification administrative costs. Projected revenues in FY01 from the sale of teacher licenses, based on an estimate of 27,800 licenses and permits issued, total \$2,780,000. The cash balance from June 30, 2000, was \$238,100. The Wisconsin Improvement Program (WIP) places intern teachers in schools, and is expected to generate \$300,000 in revenue in FY01. Therefore, the total revenues available for certification and WIP program purposes total approximately \$3,040,100 in FY01.

RATIONALE:

In FY00, \$1,472,400 was expended on salaries and fringe benefits for permanent staff funded with teacher certification revenues. Projected salary and fringe costs for FY01 total \$1,809,100, a 23 percent increase over FY00. This projected increase results in part from pay adjustments in the 1999-01 compensation plan and collective bargaining agreements between the State of Wisconsin and the Wisconsin Education Association Council (WEAC), the Wisconsin State Employees Union (WSEU), and the Wisconsin Professional Employees Council (WPEC). Non-represented employees funded with licensing revenues received a 3 percent wage increase in FY01 and all employees will receive a 0.7

percent increase in October 2000. The department has also filled 1.5 FTE positions in FY01 that had been vacant in FY00.

The following table compares estimated costs for FY01 with costs from FY00.

	Actual FY00 Expenditures	Estimated FY01 Expenditures
Salary	\$1,096,500	\$1,334,300
Fringe	375,900	474,800
LTE	17,200	47,000
S&S	1,241,300	967,800
Capital	15,000	50,000
TOTAL	\$2,745,900	\$2,873,900

Salaries for limited term employees (LTE) are also expected to increase this year. This assumption is based on a need for additional assistance in the new cycle of program approval at institutions of higher learning, the new process for revoking licenses for the Department of Revenue, and the hiring of state teachers as LTEs in the summer to direct the Teacher World Program.

The projected decrease in the supplies and services line is primarily attributable to an anticipated decrease in the number of criminal background investigations requested by the department. In FY00, the department expended \$500,400 to pay for 15 months of background investigations. In FY01, projected costs for background checks will likely total \$300,000 for 12 months. It is expected that in this and in following years, the department will not fall behind in background investigation payments.

A significant increase in the purchase of capital equipment is foreseen in FY01. An upgrade to the program's imaging system, new computers and projection devices are included in the projected capital expenditures for this year.

In decreasing the department's February, 2000 s. 16.515 request, the Joint Committee on Finance identified costs that it determined to be non-recurring. However, new and increased costs related to department responsibilities have made this request necessary. Had the department's request submitted in February been approved, this request would be decreased by \$129,700, from \$257,800 to \$128,100.

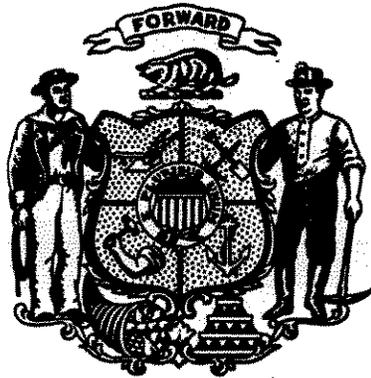
Projected revenues for the personnel certification program will support this request for additional expenditure authority. Anticipated revenues for FY01 will likely total \$3,040,100 (\$2,780,000 in license and permit sales minus \$278,000 lapse to the general fund plus \$300,000 WIP revenues plus \$238,100 cash balance from FY00). Approval of this request would set the new expenditure authority for FY01 at \$2,873,900.

Projected FY01 Expenditures	\$2,873,900
Less Chapter 20 Budget Authority in FY01	2,616,100
Additional Spending Authority Requested	257,800
New Budget Authority	\$2,873,900

Should you have any questions regarding this request, please contact Brian Pahnke at 266-2804.

cc: Steve Dold
 Faye Stark
 Brian Pahnke
 Steve Milioto
 Robert Lang

END



END

THE STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

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Madison, WI 53707-7882
Phone: (608) 266-8535



ASSEMBLY CHAIR
JOHN GARD

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Phone: (608) 266-2343

JOINT COMMITTEE ON FINANCE

November 9, 2000

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

Dear Secretary Lightbourn:

We are writing to inform you that the Joint Committee on Finance has reviewed your request, received October 20, 2000, pursuant to s. 16.515/16.505(2), Stats., pertaining to a request from the Department of Revenue.

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 Zeuske, Department of Revenue
Robert Lang, Legislative Fiscal Bureau
Vicky LaBelle, Department of Administration

THE STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

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ASSEMBLY CHAIR
JOHN GARD

315-N Capitol
P.O. Box 8952
Madison, WI 53708-8952
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 20, 2000

Attached is a copy of a request from the Department of Administration, received October 20, 2000, pursuant to s. 16.515/16.505(2), Stats., pertaining to a request from the Department of Revenue.

Please review the material and notify **Senator Burke** or **Representative Gard** no later than **Wednesday, November 8, 2000**, if you have any concerns about the request or if you would like to meet formally to consider it.

Also, please contact us if you need further information.

Attachment

BB:JG:dh

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

TOMMY G. THOMPSON
GOVERNOR
GEORGE LIGHTBOURN
SECRETARY



Office of the Secretary
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Madison, WI 53707-7864
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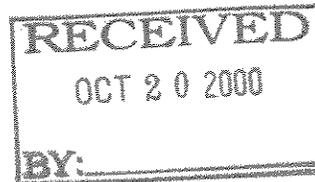
Date: October 20, 2000

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

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

From: George Lightbourn, Secretary
Department of Administration

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



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

AGENCY	DESCRIPTION	1999-2000		2000-01	
		AMOUNT	FTE	AMOUNT	FTE
DOR 20.566(1)(ge)	Administration of local professional football stadium district taxes			\$ 388,600 *	2.5 **

* Expenditure authority decreases to \$207,500 in 2001-02. Ongoing expenditure authority is \$137,600 in 2002-03 and thereafter.

** Includes 1.0 FTE project position ending 06/30/02.

As provided in s. 16.515, the request(s) will be approved on November 10, 2000, unless we are notified prior to that time that the Joint Committee on Finance wishes to meet in formal session about any of the requests.

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

Attachments

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

TOMMY G. THOMPSON
GOVERNOR

GEORGE LIGHTBOURN
SECRETARY



Office of the Secretary
Post Office Box 7864
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Date: October 12, 2000

To: George Lightbourn, Secretary
Department of Administration

From: Paul Ziegler, Policy and Budget Analyst
Division of Executive Budget and Finance 

Subject: Request Under s. 16.505/515 from the Department of Revenue for
Administration of Professional Football Stadium Taxes

REQUEST:

The Department of Revenue (DOR) requests funding and positions to administer the half-cent sales and use tax imposed by the local professional football stadium district. The department requests increased expenditure authority of \$388,600 in fiscal year 2000-01 and \$207,500 in fiscal year 2001-02 in s. 20.566(1)(ge), Administration of local professional football stadium district taxes. Beginning in fiscal year 2000-01, the department also requests 1.5 FTE permanent and 1.0 FTE project positions for this same appropriation. Of the 2001-02 dollar amount requested, \$137,600 is for ongoing funding.

REVENUE SOURCE FOR THE APPROPRIATION:

The source of revenue for the s.20.566(1)(ge) Administration of local professional football stadium district taxes appropriation is 1.5% of the revenue collected by the half-cent sales and use tax imposed by the district.

BACKGROUND:

1999 Act 167 created a local professional football stadium district in Brown County. The district may impose a half-cent sales and use tax to raise funds for renovating Lambeau Field, the home stadium of the Green Bay Packers. All of the requirements for imposing the tax, including passage of a resolution by Brown County residents, have been completed. The tax will be effective November 1, 2000.

Act 167 created s.20.566(1)(ge) for DOR's costs for administering the tax on behalf of the district. No funding or positions were provided at the time. Instead, it was anticipated that the department would make a request under s.16.505/515 once implementation of the tax was certain and a start-date determined. DOR retains 1.5% of the revenue raised by the tax to fund administrative costs.

ANALYSIS:

The department's responsibility to administer the football stadium tax requires it to incur both one-time and ongoing costs.

One-time costs. The November 1st startup of the football stadium tax demands that the department begin informing sellers of taxable goods and services about the new tax. To do so, DOR is printing and distributing several notifications. Since sales tax registrants not located in Brown County may be subject to the tax if they deliver property into Brown County or have nexus within the county, certain notifications will be sent to retailers statewide. Other mailings will be targeted solely at retailers within the football district. The department anticipates that printing and postage costs for these notifications will total \$47,100. DOR also requests one-time funding of \$2,500 for overtime salary costs to accommodate the increased level of phone calls and correspondence the new tax will generate. DOR has begun to incur some of these costs already. Reimbursement will be necessary to properly charge these costs to the football stadium tax appropriation.

Other one-time costs in the request are a project position and contract programming. Introducing a new taxing district into the department's scanning, internet filing, electronic funds transfer and other processing applications requires substantial efforts. The complexity of the current processing environment has increased because the department is transitioning from its obsolete sales tax system to its new Integrated Tax System (ITS). To complete all of the modifications in a timely manner, the department requests a computer programmer project position and \$156,000 for contract programming. The project position would terminate June 30th, 2002.

Continuing costs. Permanent staff is requested for processing and adjusting returns. A half-time position will assist with the additional data verification efforts that scanning of the new tax information will require. \$1,500 for additional LTE salaries is also requested for this purpose. A revenue agent 2 position will review and approve adjustments to football stadium returns. With any new sales tax imposed in the state, the number of reporting errors is expected to increase. The revenue agent 2 will ensure that the proper amount of tax is distributed to each taxing entity.

The department also requests that the football stadium tax bear a portion of other costs from which football sales tax processing will benefit. The department is transforming its existing computer environment where one tax is managed separately from others to an integrated system that will allow information from one tax to be applied in collecting others. While most of the funding for this Integrated Tax System is being paid for by GPR, the department requests that the football stadium tax bear the same ITS costs as the baseball stadium tax (\$45,000 in the first year, 2000-01, and \$30,000 annually thereafter). A further \$32,000 of ongoing funding is requested for the football tax's share of scanning equipment and maintenance costs. Expenditure authority of \$3,400 is requested for the football tax to contribute to general administrative costs such as budgeting and personnel. These specific costs will all be paid for within the 1.5% share of football stadium tax receipts that is assigned to DOR under Act 167, similar to other special sales tax collections.

The table below summarizes the department's request by fiscal year:

	<u>1-time FY01</u>	<u>Ongoing FY01</u>	<u>1-time FY02</u>	<u>Ongoing FY02</u>
<u>Salaries</u>				
Overtime	2,500	0	0	0
Project Position - IS programmer	25,300	0	38,000	0
Perm. Rev. Agent 2 - return processing	0	20,000	0	30,000
Perm. Rev. Tax Asst. - Data Verification	0	7,000	0	10,500
LTE salaries	<u>0</u>	<u>1,000</u>	<u>0</u>	<u>1,500</u>
	27,800	28,000	38,000	42,000
Fringe	9,900	10,000	14,000	15,000
<u>Supplies/Services/Permanent Property</u>				
Printing and Postage	47,100	0	0	0
Contract Programming	156,000	0	0	0
InfoTech Charges	24,000	2,000	14,400	3,000
Scanning maintenance & equipment	0	0	0	32,000
Integrated Tax System	45,000	0	0	30,000
Internal Services to non-GPR functions	0	3,400	0	3,400
Furniture	16,200	0	0	0
PCs/network installation/LAN support	12,000	0	0	5,000
Rent	2,000	4,000	3,000	6,000
Phone service/training/supplies	<u>300</u>	<u>900</u>	<u>500</u>	<u>1,200</u>
	302,600	10,300	17,900	80,600
Total Request	340,300	48,300	69,900	137,600

Fiscal year totals are \$388,600 in 2000-01 and \$207,500 in 2001-02.

APPROPRIATION BALANCE:

DOR expects that the start-up costs of the new tax will create a temporary deficit in the cash balance of the appropriation. By FY04, however, the overall balance is expected to be positive.

DOR projects the appropriation balance as follows:

	<u>FY01</u>	<u>FY02</u>	<u>FY03</u>	<u>FY04</u>
Opening Balance	0	-219,100	-163,200	-24,700
Revenues	169,500	265,500	280,500	297,000
Expenditures & Reserves	<u>388,600</u>	<u>209,600</u>	<u>142,000</u>	<u>144,200</u>
Ending Balance	-219,100	-163,200	-24,700	128,100

George Lightbourn, Secretary
Department of Administration
October 12, 2000
Page 4

RECOMMENDATION:

Approve the request to provide expenditure authority for administration of the new tax.



State of Wisconsin • DEPARTMENT OF REVENUE

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Tommy G. Thompson
Governor

Cate Zeuske
Secretary of Revenue

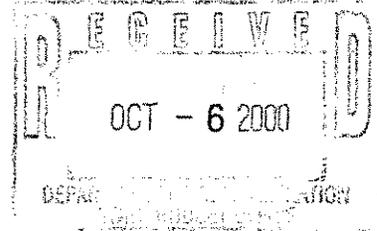
MEMORANDUM

October 6, 2000

TO: Richard G. Chandler
State Budget Director

FROM: Cate S. Zeuske
Secretary of Revenue

SUBJECT: s. 16.505/515 Request for Position and Expenditure Authority under s.
20.566(1)(ge) – Administration of Local Professional Football Stadium District
Taxes



The Department of Revenue (DOR) requests 1.5 FTE permanent positions, a 1.0 FTE project position, and expenditure authority of \$388,600 in fiscal year 2000-01 and \$207,500 in fiscal year 2001-02 under s. 20.566(1)(ge) to administer the professional football stadium sales and use tax. DOR requests \$137,600 for fiscal year 2001-02 as ongoing funding.

BACKGROUND

1999 Wisconsin Act 167 created a local professional football stadium district in Brown County to raise funds for improvements to Lambeau Field, the home stadium of the Green Bay Packers professional football team. Act 167 authorized the stadium district to impose a 0.5% sales and use tax in Brown County as a revenue source for the stadium. The tax becomes effective following district adoption of a resolution to impose the tax, approval of the resolution by a majority of electors in a county-wide referendum, agreement between the Green Bay Packers and the City of Green Bay on how to fund maintenance of stadium facilities and how to distribute proceeds from the naming rights related to stadium facilities, and delivery of a certified copy of the resolution to the Secretary of Revenue after passage of the referendum but at least 30 days before the effective date. All statutory requirements were met to impose the tax effective November 1, 2000.

ADDITIONAL FUNDING REQUEST

Act 167 requires DOR to administer the football stadium sales and use tax in the same manner as state, county and baseball stadium sales and use taxes. The football stadium district will benefit from processes already established for sales and use tax administration. Lines have been added to existing sales and use tax return forms to enable reporting of receipts, purchases and tax amounts applicable to the football stadium district, and the changes fit within the normal forms revision process. Revised forms are now being printed. The forms will be mailed to

registered sellers beginning with the regular distribution in late October for the months of October, November, and December 2000. Inventories of obsolete forms have been depleted so that no significant quantities of forms have to be discarded. Only a small number of seasonal taxpayers will require reprints of forms for tax periods in which the new tax must be reported. Additional accounting to ensure accurate distribution of proceeds to the football stadium district, and additional taxpayer registration and field audit activity associated with the new tax can be absorbed by existing resources.

Significant football stadium appropriation costs will be incurred in other areas. One-time costs are being incurred by notifying taxpayers about the new tax and providing taxpayer assistance. Both one-time computer applications development costs and ongoing processing costs result from adding football stadium tax lines to return forms. Other ongoing costs represent this appropriation's allocation of increasing sales and use tax systems development and support costs.

Taxpayer Notification and Assistance

Three notifications are required to ensure that registered sellers begin collecting tax on the effective date. The first is a special edition of the *Sales and Use Tax Report*, which is intended to provide all Wisconsin sales and use tax registrants with information about the new tax, including technical information about types of sales or consumption that are taxable for the football stadium district. Registrants who are not located in Brown County may be subject to the football stadium tax if they deliver property into Brown County or are in some other way "engaged in business" in Brown County.

A total of 185,000 copies of the *Tax Report* have been printed. Of these, 170,445 are now being mailed to registrants. A special mailing is needed rather than including them with the return mailings since the timing of return mailings will not ensure that all registrants receive a copy of the *Tax Report* prior to the effective date. In addition to postage cost, this mailing entails a significant cost for sorting at DOA. The remaining 14,555 copies will be retained for taxpayers or others who request them.

The second notification was a special mailing on September 28, 2000 to 6,653 registrants located within the football stadium district. This mailing included a new 5.5% sales tax rate card for the combined state tax and football stadium tax. A total of 20,000 new rate cards have been printed. The extras will be retained for mailing to new registrants and an estimated 1,000 current registrants outside the district who will request them.

The third notification will consist of 180,000 flyers that will be inserted into initial mailings of revised forms to remind registrants to report and remit football stadium tax as of November 1, 2000. In late October, flyers will be mailed to 58,000 monthly filers along with their forms for the months of October, November and December 2000. In late December, flyers and forms for periods ending with December 2000 will be mailed to 107,000 quarterly and annual filers. Flyers will also be included with mailings to an estimated 15,000 new registrants who request forms covering prior periods that include the effective date.

DOR staff will be required to handle increased numbers of taxpayer calls, correspondence and conferences as the new tax becomes effective. Many taxpayer questions are anticipated regarding taxability of transactions initiated prior to November 1, 2000. An estimated 64 hours of permanent staff overtime will be required to complete processing of correspondence and remove other workload backlogs resulting from imposition of the new tax.

Return Processing

One-time changes to computer applications are being made to allow processing of returns with football stadium tax lines in the scanning system, the Internet filing system, and the sales tax processing system. These changes are expected to require a total of 2,400 hours of contracted programmer time and supporting expenses.

The additional return lines will generate ongoing costs through increased workloads in data capture and return adjustment. Data capture functions, which include scanning and imaging of returns and verification of scanned data, will require additional resources similar to resources previously allocated to the baseball stadium tax appropriation. This includes a 0.5 FTE permanent position, plus 200 additional LTE hours annually at the Revenue Tax Assistant classification.

Taxpayer errors related to the football stadium tax lines are expected to result in as many computer adjustments to returns as errors related to the baseball stadium tax lines. Although the football stadium district has fewer taxpayers than the baseball stadium district, many errors are expected due to entry of figures on the wrong district line and confusion among taxpayers reporting for more than one district. Also, the higher tax rate in the football stadium district will cause a larger portion of football stadium tax adjustments to exceed tolerances and require staff attention. A 1.0 FTE permanent return adjustment position at the Revenue Agent 2 classification will be required in addition to the 2.0 FTE return adjustment positions previously authorized for baseball stadium tax. This position will review and approve adjustments, handle taxpayer appeals and other correspondence, and process payments on adjustments.

Many other recent developments in sales and use tax administration as well as implementation of the football stadium tax have dramatically increased the support requirements of sales and use tax computer systems. The main sales tax processing system, which is based on an obsolete database technology, is increasingly difficult to support. A complex mix of systems has evolved, including special programs to strip off stadium tax data which cannot be processed by the main system. Several initiatives have increased complexity, including electronic funds transfer, scanning of returns, and Internet filing. These capabilities carry substantial support requirements, particularly when they all must be modified to allow for a new taxing district. Added to the current mix is a wide array of new analytical work related to design of the new Integrated Tax System (ITS), which will replace current sales and use tax systems in fiscal year 2001-02. A 1.0 FTE project position at the IS Programmer/ Analyst-Senior classification is required through fiscal year 2001-02 to support current systems.

Ongoing Development and Support

ITS is currently in a critical phase that includes the actual design, development and construction of the first release of the system. This release will include many core functional components and will focus on sales and use tax. Development of ITS relies on contracted applications development services that have been acquired through multi-year masterlease arrangements. This requires substantial funding from GPR and several program revenue sources, including the baseball stadium tax and county tax appropriations. Additional ITS funding is needed from the football stadium tax appropriation for modifying ITS designs and developing ITS applications to accommodate the new tax. The same ITS amounts authorized for the baseball stadium tax appropriation, \$45,000 one time and \$30,000 ongoing, are also requested for the football stadium tax appropriation.

Base funding is also required in the football stadium tax appropriation for ongoing maintenance, upgrades and replacement of scanning equipment. All sales and use tax returns are scanned and imaged, rather than processed through key entry. Scanning equipment support funding is currently allocated among the GPR, county tax, and baseball stadium tax appropriations. Needs for upgrade and replacement of this equipment are expected to grow in the coming years. Equipment will be replaced, and additional scanning capacity will be acquired. This will require funding allocations for equipment support to be extended to the football stadium tax appropriation. Fixed assets of \$30,600 and maintenance of \$1,400 currently authorized in the baseball stadium tax appropriation are also requested for the football stadium tax appropriation. Base funding is also required for this appropriation's allocation of program revenue service costs, which are administrative overhead costs that are charged to all DOR program revenue appropriations.

SUMMARY OF REQUEST

The following is a detailed summary of the position and expenditure authority requested for the costs of administering the football stadium tax:

COST ITEM	UNITS	UNIT COST	2000-01	2000-01	2001-02	2001-02
			ONE-TIME COST	ONGOING COST	ONE-TIME COST	ONGOING COST
Permanent Salaries						
Inquiry and technical assistance (OT)						
Revenue Agent 3	64 hrs	\$26,006	\$2,497			
Applications Development						
IS Prog./Analyst - Senior	1.0 FTE	\$18,251	\$25,308		\$37,962	
Return processing and adjustment						
Revenue Agent 2	1.0 FTE	\$14,401		19,969		29,954
Data Verification						
Revenue Tax Assistant-Obj.	0.5 FTE	\$10,080		6,989		10,483
Total Permanent Salaries			\$27,805	\$26,958	\$37,962	\$40,437

COST ITEM	UNITS	UNIT COST	2000-01	2000-01	2001-02	2001-02
			ONE-TIME COST	ONGOING COST	ONE-TIME COST	ONGOING COST
LTE Salaries						
Data Verification						
Rev. Tax Asst.	200 hrs	\$7,705		\$1,027		\$1,541
Fringe Benefits						
			\$9,860	\$10,018	\$13,997	\$15,027
Supporting Expenses						
Contract Programming (6 mo.)	2,400 hrs	\$65 /hr	\$156,000			
InfoTech - Development (6 mo.)	2.0	\$7,200	14,400			
InfoTech - System maintenance	1.0	\$14,400	9,600		\$14,400	
InfoTech - Production	1.0	\$3,000		\$2,000		\$3,000
Scanning upgrade/replace						30,600
Scanning maintenance						1,400
ITS cost allocation			45,000			30,000
Program Revenue Service				3,400		3,400
Printing - Tax Report	185,000	\$46.27 /m	8,560			
Printing - Name/address insert	170,445	\$3.13 /m	533			
Printing - Rate Cards	20,000	\$21.05 /m	421			
Printing - Flyers	180,000	\$3.74 /m	674			
Printing - Brown Co. notification	6,653	\$6.05 /m	40			
Printing - Envelopes	177,098	\$13.84 /m	2,451			
Postage - Tax report	170,445	\$0.183	31,191			
DOA sort - Tax report	170,445	\$0.01	1,704			
Postage - Brown Co. notification	6,653	\$0.183	1,217			
Postage - Other rate cards	1,000	\$0.27	270			
Furniture / telephone	3.0	5,400	16,200			
PC / network installation	3.0	4,000	12,000			
Rent	2.0	3,000		4,000		6,000
Rent	1.0	3,000	2,000		3,000	
Software/PC upgrades/LAN supp.						5,000
Revenue Agent training				400		400
Telephone service	1.0 FTE	400	267		400	
Telephone service	1.5 FTE	400		400		600
Office supplies	1.0 FTE	100	67		100	
Office supplies	1.5 FTE	100		100		150
Total Supporting Expenses			\$302,595	\$10,300	\$17,900	\$80,550
Total Costs (rounded)			\$340,300	\$48,300	\$69,900	\$137,600

REVENUE SOURCE FOR APPROPRIATION

The source of revenue deposited in the appropriation under s. 20.566(1)(ge), Administration of Local Professional Football Stadium District Taxes, is 1.5% of the taxes imposed by the local professional football stadium district to cover costs incurred in administering, enforcing and collecting the tax.

APPROPRIATION BALANCE ANALYSIS

The appropriation cash flow projection though FY06 is attached. The total annual appropriation revenues are calculated by applying the 1.5% administrative fee to estimated football stadium tax revenues. Appropriation costs are shown for each fiscal year based on the initial analysis plus adjustments for reserves.

The cash flow analysis shows positive and increasing ending balances in the appropriation after the initial costs are recouped in FY04. Although the administrative fee is the same for both the football and baseball stadium taxes, the football stadium tax administrative fee generates more appropriation revenue per taxpayer than the baseball stadium tax administrative fee because of the larger tax rate imposed in the football stadium district. The new appropriation could be balanced in future fiscal years by either reducing the administrative fee or returning most of the unexpended annual balance to the football stadium district.

Sincerely,


Cate S. Zeuske
Secretary of Revenue

Attachment

FOOTBALL STADIUM TAX CASH FLOW ANALYSIS

10/6/00

	FY00	FY01	FY02	FY03	FY04	FY05	FY06
Beginning Balance		0	(219,100)	(163,200)	(24,700)	128,100	296,500
Estimated Revenues		169,500	265,500	280,500	297,000	315,000	336,000
Estimated Expenses		(388,600)	(209,600)	(142,000)	(144,200)	(146,600)	(148,700)
Lapse to GPR-E	0						
Ending Balance	0	(219,100)	(163,200)	(24,700)	128,100	296,500	483,800

EXPENDITURES

Base Level Costs		388,600	207,500	137,600	137,600	137,600	137,600
Adjustments - DOR					-	-	-
Adjustments - GOV					-	-	-
Adjustments - LEG					-	-	-
Reserves			2,100	4,400	6,600	9,000	11,100
Carryover							
ITS Costs					-	-	-
Total Est Costs		388,600	209,600	142,000	144,200	146,600	148,700

REVENUES

1.5% Fee effective FY01		169,500	265,500	280,500	297,000	315,000	336,000
Total Est Revenues		169,500	265,500	280,500	297,000	315,000	336,000

RESERVES

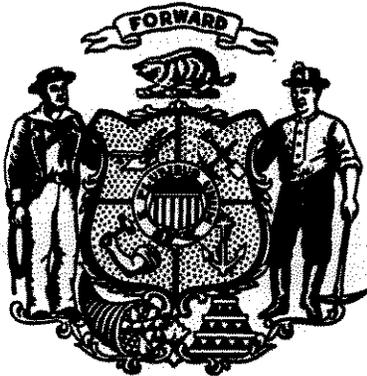
	Amount	Rate					
Employee Comp	40,437	0.035	1,700	3,400	5,100	6,900	8,600
Health Ins	400	0.12	400	1,000	1,500	2,100	2,500
Space Rent		0.035	-	-	-	-	-
Other							
Vfringe	1.212						
Total Est Reserves			2,100	4,400	6,600	9,000	11,100

CURRENT INCOME			55,900	138,500	152,800	168,400	187,300
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STADIUM TAX REVENUE ESTIMATE

	11,300,000	17,700,000	18,700,000	19,800,000	21,000,000	22,400,000
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END



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