



Legislative Fiscal Bureau

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May 23, 2001

Joint Committee on Finance

Paper #168

Tribal Gaming Revenue Allocations

Management Assistance Grant Program (DOA -- General Agency Provisions)

CURRENT LAW

1999 Act 9 (the biennial budget) created the management assistance grant program. The program is intended to provide financial assistance to counties to fund public security (public safety), public health, public infrastructure, public employee training and economic development. Grants are to be provided to any county that does not contain any incorporated municipalities and has a geographic area of less than 400 square miles. In addition, the county is required to maintain its financial records in accordance with accounting procedures established by the Department of Revenue (DOR). Finally, the county must submit a detailed expenditure plan that identifies how the funds are proposed to be expended and how those expenditures meet the program's goals. The Department of Administration (DOA) administers the program. Act 9 established grant amounts at \$500,000 annually for each eligible county.

GOVERNOR

No provision. However, the Department of Administration has submitted a budget errata report indicating that the Governor intended to repeal the program's appropriation at the end of the 2000-01 biennium.

DISCUSSION POINTS

1. Grants are limited to Menominee County, because it is the only county that does not contain any incorporated municipalities and has a geographic area of less than 400 square miles.

Since its creation in 1961, Menominee County has had difficulty meeting its financial needs due to a limited property tax base. In response to this concern, the Legislative Audit Bureau (LAB) evaluated the County's financial condition in 1998. The evaluation highlighted a series of financial problems faced by Menominee County.

2. The LAB evaluation was followed by a statutorily authorized task force that reviewed the County's management practices in 1999. The task force was directed to report its findings to the Joint Committee on Finance and to make recommendations regarding additional aid for Menominee County. The task force recommended creating a management assistance grant program and providing \$500,000 annually for at least five years to be used in the areas of public safety, health, infrastructure, employee training and economic development.

3. Later that year, the Legislature created the management assistance grant program as part of 1999 Act 9, the biennial budget. Act 9 established grant amounts at \$500,000 annually for each eligible county and set aside \$500,000 in tribal gaming revenue for each year of the 1999-01 biennium in the PR appropriation of the Joint Committee on Finance. The authorized amounts were to be transferred to DOA's management assistance grant appropriation under the s. 13.10 process upon request from DOA and a finding that a county has met the eligibility criteria of the grant program.

4. At its meeting on May 3, 2000, under s. 13.10 of the statutes, the Joint Committee on Finance released \$500,000 from its appropriation to the management assistance grant program for distribution to Menominee County. The funds were to be used for computer-related expenses and the purchase of equipment for the highway and sheriff's departments. Subsequently, DOA staff indicated that the funds had been expended in a manner consistent with the County's initial request.

5. At its meeting on April 24, 2001, under s. 13.10 of the statutes, the Joint Committee on Finance released an additional \$500,000 from its appropriation to the management assistance grant program for distribution to Menominee County. The grant monies are to be used to purchase equipment for the highway department, replace two minivans of the human services department, pave and repair roads, purchase two voting machines, fund a full-time deputy position in the sheriff's department and escrow funds for constructing an office and maintenance facility for the highway department. The Committee placed \$133,500 of the \$500,000 in unallotted reserve and instructed DOA to conduct an independent evaluation of the condition of the office and maintenance facility of the County's highway department. DOA must release the \$133,500 if it finds that the condition of the buildings warrants their replacement.

6. The Joint Committee on Finance has reviewed grant requests on two occasions. If the Committee believes the program is not achieving its intended objectives, the appropriation for the program could be repealed, as recommended by the Governor. If the Committee selects this alternative (Alternative 1), provisions authorizing the program and directing the Committee to review DOA grant requests also could be repealed. However, if the Committee believes the program is achieving its objectives, funding for the program could be continued. Depending on the level of the Committee's satisfaction, the Committee could continue to review requests under the s.

13.10 process (Alternative 2) or that process could be eliminated (Alternative 3).

ALTERNATIVES TO BILL

1. Approve the Governor's recommendation, submitted after the budget was introduced, to repeal the appropriation for the management assistance grant program. In addition, remove the statutory provision regarding the release of funding for the appropriation by the Joint Committee on Finance and the statutory provision authorizing the program. Specify that these provisions shall become effective on June 30, 2001, or on the effective date of the bill, whichever is later.

2. Place \$500,000 annually in tribal gaming revenues in the PR appropriation of the Joint Committee on Finance to be transferred under s. 13.10 to the management assistance grant program appropriation upon request by DOA and a finding that a county has met the eligibility criteria of the grant program.

Alternative 2	PR
2001-03 FUNDING (Change to Bill)	\$1,000,000

3. Appropriate \$500,000 PR annually in tribal gaming revenues to the management assistance grant program appropriation. Remove the statutory provision regarding the release of funding for the appropriation by the Joint Committee on Finance.

Alternative 3	PR
2001-03 FUNDING (Change to Bill)	\$1,000,000

Prepared by: Rick Olin