

State of Wisconsin

SENATE CHAIR
Alberta Darling

317 East, State Capitol
P.O. Box 7882
Madison, WI 53707-7882
Phone: (608) 266-5830



ASSEMBLY CHAIR
John Nygren

309 East, State Capitol
P.O. Box 8593
Madison, WI 53708-8953
Phone: (608) 266-2343

Joint Committee on Finance

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Alberta Darling
Representative John Nygren

Date: February 25, 2016

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

Attached is a copy of a request from the Department of Administration, received February 25, 2016, pursuant to s. 16.515/16.505(2), Stats., on behalf of the Department of Military Affairs.

Please review the material and notify **Senator Darling** or **Representative Nygren** no later than **Tuesday, March 15, 2016**, if you have any concerns about the request or if you would like the Committee to meet formally to consider it.

Also, please contact us if you need further information.

Attachments

AD:JN:jm



**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

SCOTT WALKER
GOVERNOR
SCOTT A. NEITZEL
SECRETARY
Office of the Secretary
Post Office Box 7864
Madison, WI 53707-7864
Voice (608) 266-1741
Fax (608) 267-3842

Date: February 24, 2016
To: The Honorable Alberta Darling, Co-Chair
Joint Committee on Finance
The Honorable John Nygren, Co-Chair
Joint Committee on Finance
From: Scott A. Neitzel, Secretary
Department of Administration *GAN*
Subject: s. 16.515/16.505(2) Request(s)

RECEIVED
FEB 25 2016
BY *St. Finance*

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	2015-16		2016-17	
		AMOUNT	FTE	AMOUNT	FTE
DMA 20.465(3)(g)	Program services		1.13		1.13
DMA 20.465(3)(i)	Emergency planning and reporting		-0.13		-0.13

As provided in s. 16.515, the request(s) will be approved on March 16, 2016, 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 Kirsten Grinde at 266-1353, or the analyst who reviewed the request in the Division of Executive Budget and Finance, if you have any additional questions.

Attachments

Date: February 12, 2016
To: Michael Heifetz
From: Christopher McElgunn
Subject: Section 16.505(2) Request

Attached is a s. 16.505(2) request analysis for your approval and processing. Listed below is a summary of each item:

DOA RECOMMENDATION:

<u>AGENCY</u>	<u>DESCRIPTION</u>	2015-16		2016-17	
		<u>AMOUNT</u>	<u>FTE</u>	<u>AMOUNT</u>	<u>FTE</u>
DMA 20.465(3)(g)	Program services		1.13		1.13
DMA 20.465(3)(i)	Emergency planning and reporting		-0.13		-0.13

AGENCY REQUEST:

<u>AGENCY</u>	<u>DESCRIPTION</u>	2015-16		2016-17	
		<u>AMOUNT</u>	<u>FTE</u>	<u>AMOUNT</u>	<u>FTE</u>
DMA 20.465(3)(g)	Program services		1.13		1.13
DMA 20.465(3)(i)	Emergency planning and reporting		-0.13		-0.13

MH APPROVAL

MA 02-15-16

(FORWARD TO KIRSTEN GRINDE)



**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

SCOTT WALKER
GOVERNOR

SCOTT A. NEITZEL
SECRETARY

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

Date: February 12, 2016

To: Scott A. Neitzel, Secretary
Department of Administration

From: Christopher McElgunn
Executive Policy and Budget Analyst

Subject: Request under s. 16.505(2) from the Department of Military Affairs for the creation of program revenue-funded positions.

Request:

The Department of Military Affairs requests the creation of 1.0 FTE program revenue position and the reallocation of 0.13 FTE program revenue position between appropriations to properly reflect the program revenue funding source of a new position created in the 2015-17 biennial budget.

Revenue Source for Appropriation:

The 1.13 FTE positions would be funded from the department's program services appropriation under s. 20.465(3)(g). The revenue source for the positions is moneys received for conferences, training and other services provided by the division of emergency management; assessments for costs incurred in the inspection and analysis of radioactive waste; and assessments for costs incurred by state agencies to establish and maintain radiological emergency response plans related to nuclear generating facilities. There is sufficient funding to support the requested positions and related expenses. The appropriation under s. 20.465(3)(g) is a program revenue continuing, all moneys received appropriation, and any expenditure authority adjustments will be handled administratively.

The corresponding deletion of the 0.13 FTE program revenue position is in the department's emergency planning and reporting; administration appropriation under s. 20.465(3)(i).

Background:

Section 1033 of the National Defense Authorization Act of 1997 permits the Department of Defense to transfer excess military property to state and local law enforcement agencies for use in counterdrug, counterterrorism and other law enforcement activities. Excess military property available under the program includes aircraft, tactical and utility vehicles, firearms and a wide variety of equipment, supplies and tools. There is no charge for the equipment, although the receiving law

enforcement agency is required to pay all costs related to the transportation, repair and disposal of property and must maintain adequate insurance coverage on the property.

The Department of Military Affairs' Division of Emergency Management, generally referred to as Wisconsin Emergency Management, is responsible for directing and coordinating statewide emergency management activities to prepare for and effectively respond to emergencies. Programs administered by Wisconsin Emergency Management include: the Homeland Security grant program; the Emergency Management Planning Grant; disaster planning and response, training and exercises; radiological emergency preparedness; hazard mitigation; emergency fire and police services; the State Disaster Fund; and administration of the Emergency Planning and Community Right to Know Act.

In November 2013, following the elimination of the Office of Justice Assistance, the Governor designated Wisconsin Emergency Management in the Department of Military Affairs to provide oversight for the 1033 Military Surplus Property Program. The Office of Justice Assistance had contracted with the not-for-profit Wisconsin Technical College Foundation to perform some of the administrative services required for program participation, including outreach to and registration of participating law enforcement agencies; identification, acquisition, distribution and disposal of property; operation of a warehouse location and Web site; and maintenance of inventory and other records. In 2015 Wisconsin Act 55, the 2015-17 biennial budget, responsibility for all facets of the 1033 Military Surplus Property Program, including those tasks previously performed by the Wisconsin Technical College Foundation, was reassigned to Wisconsin Emergency Management.

Additionally, Act 55 created a financial management position to enhance Wisconsin Emergency Management's ability to meet increased federal reporting and compliance requirements. The position was budgeted 25 percent GPR, 25 percent Emergency Planning and Community Right to Know Act program revenue, and 50 percent Emergency Management Planning Grant federal revenue. However, the correct funding split for these administrative activities is 25 percent GPR, 12.5 percent radiological emergency preparedness program revenue, 12.5 percent Emergency Planning and Community Right to Know Act program revenue, and 50 percent Emergency Management Planning Grant federal revenue.

Analysis:

The Department of Military Affairs requests position authority to create 1.0 FTE position to administer the 1033 Military Surplus Property Program and, in addition, to redistribute the funding allocation of a financial management position created in Act 55.

1033 Military Surplus Property Program

Administration of the 1033 Military Surplus Property Program has rapidly evolved as a result of changes in federal, state and local requirements. On January 16, 2015,

President Obama issued Executive Order 13688, "Federal Support for Local Law Enforcement Equipment Acquisition," to identify actions that can improve federal support for the appropriate use, acquisition and transfer of controlled equipment by state, local and tribal law enforcement agencies. Executive Order 13688 specifically authorized the establishment of a working group to reexamine the equipment available to local agencies and how it is used. The working group's recommendations, including the prohibition of certain items previously available, were accepted by the President and became effective on October 1, 2015. Under this authority, agencies that have received any of the prohibited items are required to return them by April 1, 2016, and must pay for shipping.

The complex and evolving federal, state and local requirements related to the use of certain types of military property by law enforcement agencies, require a permanent, full-time program manager to ensure that agencies that purchase equipment through the program are complying with all records, training, reporting and use provisions. Wisconsin Emergency Management utilizes a lean staffing model, with very little redundancy between positions, to maximize the use of department funding. As a result, the department lacks the capacity to take on these additional duties and fulfill its state mission. Denial of the request would negatively impact Wisconsin Emergency Management's ability to effectively implement essential preparedness activities and to address significant, emerging homeland security risks.

Administrative Funding Split

The transfer of 0.13 FTE position between program revenue appropriations would correctly reflect the costs of the position using the department's administrative position funding split.

Denial of the request will require the department to continue the inefficient process of transferring the costs of the positions from the emergency planning and reporting administration appropriation to the program services appropriation to maintain compliance with state cost allocation plans.

Recommendation:

Approve the request. The additional program revenue position authority will assist the department with ensuring proper administration of the 1033 Military Surplus Property Program. Additionally, the adjustment in the funding allocation for the financial management position between the department's program services appropriation and the emergency planning and reporting; administration appropriation will allow for a proper funding allocation that aligns with the department's cost allocation plans.



STATE OF WISCONSIN

DEPARTMENT OF MILITARY AFFAIRS
OFFICE OF THE ADJUTANT GENERAL
STATE BUDGET & FINANCE
P.O. BOX 14587
MADISON, WI 53708-0587

DATE: September 18, 2015

TO: Mr. Scott Neitzel, Secretary
Department of Administration

FROM: Major General Donald P. Dunbar, The Adjutant General
Department of Military Affairs

SUBJECT: Request for Position Authority under s. 16.505 (2)

Under s. 16.505 (2), Wis. Stats., the Department of Military Affairs requests the creation of 1.0 full-time equivalent (FTE) position in the department's emergency planning program services appropriation under s. 20.465 (3)(g) to restore a position erroneously deleted in the 2015-17 biennial budget. In addition, the department requests the creation of 0.125 FTE position in the department's emergency planning program services appropriation under s. 20.465 (3)(g) and the deletion of 0.125 FTE position in the department's emergency planning and reporting administration appropriation under s. 20.465 (3)(i) to correctly reflect the program revenue funding source of a new position created in the 2015-17 biennial budget.

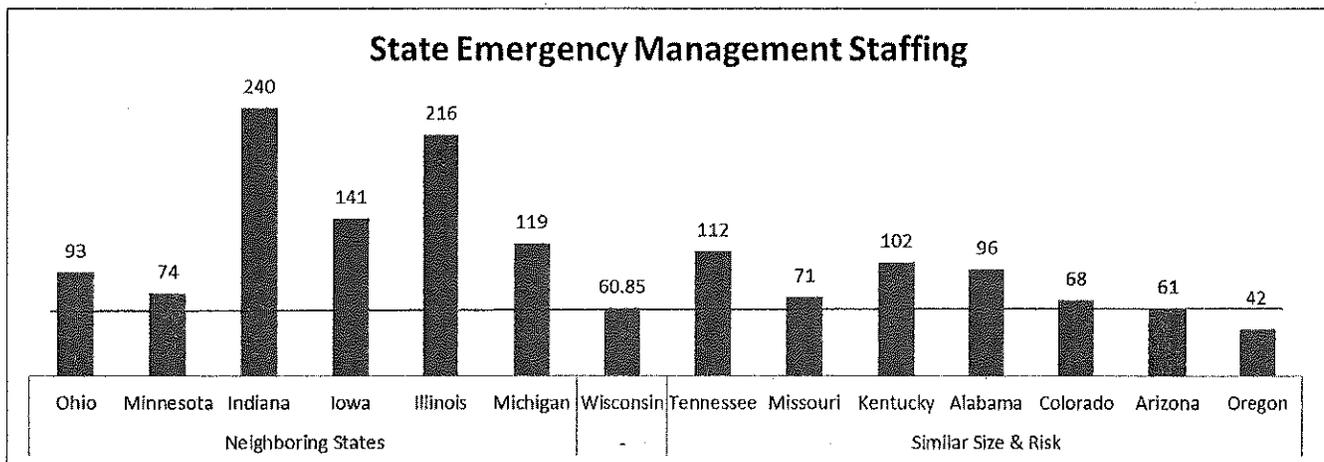
Background

The Department of Military Affairs is responsible for directing and coordinating statewide emergency management activities to prepare for and effectively respond to emergencies. The Division of Emergency Management, generally referred to as Wisconsin Emergency Management (WEM), coordinates with local, tribal, state and federal agencies, as well as the volunteer and private sectors, to plan for, prepare for, and respond to natural disasters or man-made emergencies. Major WEM programs include the Homeland Security grant program; the Emergency Management Planning Grant (EMPG), disaster planning and response, training and exercises; radiological emergency preparedness (REP); hazard mitigation; emergency fire and police services; the State Disaster Fund, and administration of the Emergency Planning and Community Right to Know Act (EPCRA).

WEM staff have primary responsibility for supporting, training and providing resources to local units of government that will act as the first responders to disasters and they directly

administer numerous state and federal grant programs, oversee and direct hazardous materials and emergency preparedness planning and exercises, and coordinate and support disaster response. WEM has adopted a “whole community” approach to preparedness that emphasizes intergovernmental and public-private collaboration, effective coordination and enhanced communication. This approach has been shown to improve disaster preparedness, resulting in a more effective response and better outcomes, but requires a substantial manpower investment and consistent efforts to implement effectively.

WEM has substantially fewer staff to handle these essential planning, preparation and administration responsibilities than other neighboring states and states with similar size and emergency management risk profiles.



Source: National Emergency Management Association survey available at http://www.nemaweb.org/index.php?option=com_content&view=article&id=211&Itemid=383

During the FY 2013-15 biennium, administrative responsibility for the 1033 Military Surplus Property Program was transferred from the Department of Administration to WEM. Under s. 13.10, Wis. Stats., WEM requested and was provided one-time GPR funding during fiscal years 2013 and 2014 by the Joint Committee on Finance. The Governor recommended providing ongoing funding to support the program in the FY 2015-17 biennial budget request and WEM provided the Legislative Fiscal Bureau a two-year program budget which included transferring an existing WEM position from EMPG federal funding to GPR funding to act as the day-to-day program manager. Administration of the Military Surplus Property Program is not an allowable activity under any of WEM’s grants. However, the motion adopted by the Joint Committee on Finance deleted the grant-funded position but did not recreate the position with GPR funding, resulting in a net decrease of 1.0 FTE position in WEM.

In the FY 2015-17 biennial budget, the Governor also recommended providing an additional financial management position to improve WEM’s ability to meet increasing federal reporting and compliance requirements. The position was funded 25 percent GPR, 25 percent EPCRA program revenue and 50 percent EMPG federal funding, however, the appropriate funding

split for general WEM administrative activities is 25 percent GPR, 12.5 percent REP program revenue, 12.5 percent EPCRA program revenue and 50 percent EMPG federal revenue.

Justification

Under WEM's lean staffing model, the unintentional reduction of one position will negatively impact the program's ability to effectively implement the essential preparedness activities identified in the state's All-Hazards Emergency Response Plan. Specifically, the denial of this request will impair WEM's efforts to address significant, emerging homeland security risks including cybersecurity threats and will delay initiatives intended to develop a more resilient and secure state.

The military property program is funded by a combination of GPR and program revenue received from law enforcement participation fees, repayments of shipping and other costs, and sales of surplus equipment and supplies. In the biennial budget, WEM had requested ongoing GPR funding, which was provided, and to transfer an existing federally funded position to GPR. In this request, WEM is requesting to create a program-revenue funded position under s. 16.505. The military property program revenue appropriation has a sufficient balance to fully support the costs of the position. No additional funding or expenditure authority is required if this position is approved.

Because of the complex and evolving federal, state and local requirements related to the use of certain types of military property by law enforcement agencies, it is essential to have a permanent, full-time program manager to ensure agencies are effectively complying with all records, training, reporting and equipment use provisions.

The second part of this request will transfer .125 FTE position between program revenue appropriations to correctly charge the costs of the position using WEM's approved administrative position funding split. If this transfer is not approved, WEM will need to transfer the position costs manually to maintain compliance with state cost allocation plans.

Thank you for your consideration of this request. If you have questions or require additional information on this request, please contact Michelle Gauger at (608) 242-3155.