

State of Wisconsin

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Alberta Darling

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ASSEMBLY CHAIR
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Joint Committee on Finance

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Alberta Darling
Representative John Nygren

Date: June 27, 2016

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

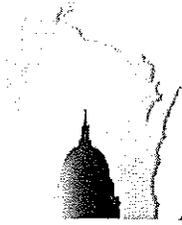
Attached is a copy of a request from the Department of Administration, received June 27, 2016, pursuant to s. 16.515/16.505(2), Stats., on behalf of the Department of Justice.

Please review the material and notify **Senator Darling** or **Representative Nygren** no later than **Friday, July 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: June 27, 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
Subject: s. 16.515/16.505(2) Request(s)

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

<u>AGENCY</u>	<u>DESCRIPTION</u>	<u>2015-16</u>		<u>2016-17</u>	
		<u>AMOUNT</u>	<u>FTE</u>	<u>AMOUNT</u>	<u>FTE</u>
DOJ 20.455(2)(kd)	Drug law enforcement, crime laboratories, and genetic evidence activities	\$1,000,000			

As provided in s. 16.515, the request(s) will be approved on July 19, 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: June 17, 2016
To: Michael Heifetz
From: Andrew Potts
Subject: Section 16.515 Request

Attached is a s. 16.515 request analysis for your approval and processing. Listed below is a summary of each item:

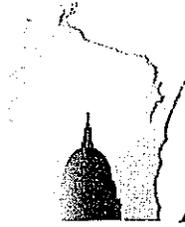
DOA RECOMMENDATION:

<u>AGENCY</u>	<u>DESCRIPTION</u>	<u>2015-16</u>		<u>2016-17</u>	
		<u>AMOUNT</u>	<u>FTE</u>	<u>AMOUNT</u>	<u>FTE</u>
DOJ 20.455(2)(kd)	Drug law enforcement, crime laboratories, and genetic evidence activities	\$1,000,000			

AGENCY REQUEST:

<u>AGENCY</u>	<u>DESCRIPTION</u>	<u>2015-16</u>		<u>2016-17</u>	
		<u>AMOUNT</u>	<u>FTE</u>	<u>AMOUNT</u>	<u>FTE</u>
DOJ 20.455(2)(kd)	Drug law enforcement, crime laboratories, and genetic evidence activities	\$1,000,000			

MGH APPROVAL 06-20-16  (FORWARD TO KIRSTEN GRINDE)



**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

SCOTT WALKER
GOVERNOR

SCOTT A. NEITZEL
SECRETARY

Division of Executive Budget and Finance
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Date: June 17, 2016

To: Scott A. Neitzel, Secretary
Department of Administration

From: Andrew R. Potts
Executive Policy and Budget Analyst

Subject: Request under s. 16.515 from the Department of Justice to increase expenditure authority for the implementation of 2015 Wisconsin Act 369.

Request:

The Department of Justice requests increased expenditure authority of \$1,000,000 in fiscal year 2015-16 in the drug law enforcement, crime laboratories, and genetic evidence activities appropriation under s. 20.455(2)(kd).

Revenue Sources for Appropriation(s):

The drug law enforcement, crime laboratories, and genetic evidence activities appropriation under s. 20.455(2)(kd) is a program revenue annual appropriation. The revenue source is the crime laboratories and drug law enforcement surcharges and deoxyribonucleic acid analysis surcharges transferred from the crime laboratories; deoxyribonucleic acid analysis appropriation under s. 20.455(2)(Lm). The revenue transfer is equal to the amount appropriated to the appropriation under s. 20.455(2)(kd).

Background:

Under current law, persons found guilty of committing crimes and certain civil forfeitures are subject to various court-imposed surcharges. A person found guilty of a felony, misdemeanor or civil forfeiture (except civil forfeitures related to smoking violations, failure to wear a seatbelt or failure to provide proof of motor vehicle insurance) is subject to the crime laboratories and drug law enforcement surcharge. The crime laboratories and drug law enforcement surcharge is \$13 and is deposited in the crime laboratories; deoxyribonucleic acid analysis appropriation under s. 20.455(2)(Lm). A person found guilty of a felony or misdemeanor is subject to the deoxyribonucleic acid analysis (DNA) surcharge. The DNA surcharge is \$250 per felony conviction and \$200 per misdemeanor conviction, and is deposited into the crime laboratories; deoxyribonucleic acid analysis appropriation under s. 20.455(2)(Lm).

Scott A. Neitzel, Secretary

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The funds in the crime laboratories; deoxyribonucleic acid analysis appropriation provide for DNA analysis services performed by the Department of Justice and pay for the costs of mailing and materials for the submission of biological specimens by the Department of Corrections, Department of Health Services and law enforcement agencies. In addition, the appropriation serves as a parent appropriation and transfers funds to the following appropriations:

- Crime laboratory equipment and supplies appropriation under s. 20.455(2)(jb) in the Department of Justice;
- Drug law enforcement, crime laboratories, and genetic evidence activities appropriation under s. 20.455(2)(kd) in the Department of Justice; and
- Deoxyribonucleic acid evidence activities appropriation under s. 20.475(2)(km) in the District Attorneys.

On June 30 of each year, the unencumbered balance in each appropriation reverts to the parent appropriation.

The drug law enforcement, crime laboratories, and genetic evidence activities appropriation supports activities relating to drug law enforcement, drug law violation prosecution assistance, criminal investigative operations and activities of the state and regional crime laboratories. The appropriation supports 74.5 FTE PR positions, including special agents, assistant attorneys general and state crime laboratory technicians.

The Internet Crimes Against Children (ICAC) Task Force is a unit within the Department of Justice's Division of Criminal Investigation. The task force investigates and prosecutes individuals who use the Internet to exploit children. The task force has 36.0 FTE positions assigned to it, including special agents and criminal analysts, and a total budget of \$3,198,200, from the following sources: \$2,695,000 GPR, \$317,300 PR-S and \$185,900 PR-F.

On April 19, 2016, Governor Walker signed 2015 Wisconsin Act 369 into law. Act 369 primarily grants the department administrative subpoena authority to allow ICAC Task Force investigators to acquire information about a suspected Internet predator without the need for a search warrant. In addition, Act 369 created a new appropriation, the Internet crimes against children appropriation, under s. 20.455(2)(hd). The act transferred \$1,000,000 from the drug law enforcement, crime laboratories, and genetic evidence activities appropriation under s. 20.455(2)(kd) to the new appropriation. Under Act 369, the monies transferred to the Internet crimes against children appropriation shall be used for "criminal investigative operations and law enforcement relating to Internet crimes against children, prosecution of Internet crimes against children, and activities of state and local Internet crimes against children task forces." The department intends to utilize these funds for the activities of the ICAC Task Force.

Analysis:

The department is seeking to increase the expenditure authority of the drug law enforcement, crime laboratories, and genetic evidence activities appropriation to offset the transfer of \$1,000,000 to the Internet crimes against children appropriation. The Internet crimes against children appropriation is an "all monies transferred" program revenue appropriation, which allows the department to request expenditure authority through an administrative process. However, an expenditure authority increase to the drug law enforcement, crime laboratories, and genetic evidence activities appropriation requires approval of the Joint Committee on Finance under the passive review process of s. 16.515.

The drug law enforcement, crime laboratories, and genetic evidence activities appropriation has \$8,584,297 in expenditure authority in fiscal year 2015-16. Through the end of April, the department had expended \$6,824,619 and encumbered \$294,568, for a balance of \$1,465,110. The department indicates that it anticipates \$1,594,210 in expenditures in May and June, leaving a deficit of \$129,100. Act 369 requires a transfer of \$1,000,000 from the drug law enforcement, crime laboratories, and genetic evidence activities appropriation to the Internet crimes against children appropriation. Based on the department's projections, this transfer would cause a cash deficit of \$1,129,100 in the drug law enforcement, crime laboratories, and genetic evidence activities appropriation.

The crime laboratories; deoxyribonucleic acid analysis appropriation (parent appropriation) had an opening cash balance of \$3,171,531. For fiscal year 2015-16, the appropriation has projected revenues of \$14,871,250 and projected expenditures of \$14,341,800, which includes the transfers to the three child appropriations mentioned earlier. This results in a net positive cash flow of \$529,450 and a projected ending balance of \$3,700,981. Transferring an additional \$1,000,000 to the drug law enforcement, crime laboratories, and genetic evidence activities appropriation would result in a net negative cash flow of \$470,550 and an ending balance of \$2,700,981 for fiscal year 2015-16. The department projects \$14,871,250 in revenue and \$15,430,500 in expenditures in fiscal year 2016-17.

On April 15, 2016, the department submitted a preliminary fringe benefit supplement request summary to the State Budget Office. The summary indicated that the department will request an additional \$180,700 in expenditure authority in the drug law enforcement, crime laboratories, and genetic evidence activities appropriation to cover a shortfall in funding for fringe benefits. On June 17, 2016, the department indicates that it reestimated the required supplement to be \$129,100. In addition, the department revised its original estimate of total projected expenditures from \$9,549,674 (using April estimates) to \$9,713,397.

Scott A. Neitzel, Secretary

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Table 1 illustrates the projected fiscal year 2015-16 balance in the drug law enforcement, crime laboratories, and genetic evidence activities appropriation under s. 20.455(2)(kd) with approval of the department's s. 16.515 request and without the request.

**Table 1: Fiscal Year 2015-16 Condition Statement:
Appropriation under s. 20.455(2)(kd)**

	With Request	Without Request
Revenues		
Current Expenditure Authority	\$8,584,297	\$8,584,297
s. 16.515 Request	1,000,000	
Fringe Benefit Supplement (est)	<u>129,100</u>	<u>129,100</u>
Total Projected Available	\$9,713,397	\$8,713,397
Expenditures		
Expended/Encumbered (April 30)	\$7,119,187	\$7,119,187
Anticipated Expenses	1,594,210	1,594,210
Act 369 Transfer	<u>1,000,000</u>	<u>1,000,000</u>
Total Projected Expenditures	\$9,713,397	\$9,713,397
Projected Closing Balance	\$0	(\$1,000,000)

Recommendation:

Approve an increase in expenditure authority of \$1,000,000 in the drug law enforcement, crime laboratories, and genetic evidence activities appropriation.



STATE OF WISCONSIN
DEPARTMENT OF JUSTICE

BRAD D. SCHIMEL
ATTORNEY GENERAL

Andrew C. Cook
Deputy Attorney General

17 West Main Street
P.O. Box 7857
Madison, WI 53707-7857

Date: May 13, 2016

To: Scott Neitzel, Secretary
Department of Administration

From: Bonnie Cyganek, Administrator *BC*
Division of Management Services

Subject: Request for Expenditure Authority Increase Under s. 16.515

REQUEST

The Department of Justice requests additional expenditure authority of \$1,000,000 PR-S in fiscal year (FY) 2015-16 in the drug law enforcement, crime laboratories and genetic evidence activities appropriation under s. 20.455 (2)(kd) in order to implement the funding transfers required by 2015 Wisconsin Act 369, Alicia's Law.

BACKGROUND

2015 Wisconsin Act 369 gives law enforcement agencies a new tool to combat internet crimes against children (ICAC) by creating an administrative subpoena process to reduce the time needed to identify the location and identity of internet users implicated in online crimes against children. In addition, Act 369 transfers \$1,000,000 in FY 2015-16 from the appropriation under s. 20.455 (2)(kd) to a new appropriation, s. 20.455 (2)(hd), to increase funding for criminal investigative operations, law enforcement operations and prosecutions of internet crimes against children and the activities of state and local ICAC task forces.

The program revenue in appropriation 20.455 (2)(kd) comes from the crime lab and drug law enforcement and DNA surcharges collected in appropriation 20.455 (2)(Lm). The amount of revenue transferred from appropriation 20.455 (2)(Lm) to 20.455 (2)(kd) is limited to the amount in the Chapter 20 schedule. In order to transfer \$1,000,000 in revenue from 20.455 (2)(kd) to the new appropriation 20.455 (2)(hd), the Chapter 20 amount for appropriation 20.455 (2)(kd) will need to be increased or a cash deficit will be created.

The department expects to fully expend the current authority in appropriation 20.455 (2)(kd). The appropriation supports 74.5 full-time equivalent positions, including special agents, assistant attorneys general and state crime lab technicians,

and other critical justice functions in the Division of Criminal Investigations, Division of Legal Services and Division of Law Enforcement Services. With over three quarters of the fiscal year completed, it is not possible to reduce expenditures by \$1,000,000 before the end of the fiscal year. The FY 2015-16 status of appropriation 20.455 (2)(kd) through April 2016 is as follows:

Budget	Expended	Encumbered	Anticipated*	Uncommitted Balance
\$ 8,584,297	\$ 6,824,619	\$ 294,568	\$ 1,430,487	\$ 34,623

* Anticipated costs are the salary and fringe necessary for the remaining pay periods.

The remaining uncommitted balance of \$34,623 will be expended to support program operations through June 2016.

There is sufficient revenue to support the transfer. Based on projected revenues and expenses in 20.455 (2)(Lm), including transfers of revenue to other appropriations and the Act 369 transfer to the new appropriation, the department is projecting a cash balance of \$2,700,981 at the end of FY 2015-16.

FY	Opening Balance	Projected Expenditures*	Projected Revenues	Ending Balance
2016	\$ 3,171,531	\$15,341,800	\$14,871,250	\$ 2,700,981

* Projected expenditures include the \$1,000,000 transfer to 20.455 (2) (hd).

Thank you for your consideration of this request. Please contact Michelle Gauger at (608) 267-6714 or email gaugermc@doj.state.wi.us with any questions.