

State of Wisconsin

SENATE CHAIR
Alberta Darling

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P.O. Box 7882
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Phone: (608) 266-5830



ASSEMBLY CHAIR
John Nygren

309 East, State Capitol
P.O. Box 8593
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Joint Committee on Finance

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Alberta Darling
Representative John Nygren

Date: June 21, 2017

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

Attached is a copy of a request from the Department of Administration, received June 21, 2017, 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, July 11, 2017**, 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 21, 2017
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)

JUN 21 2017
J.F. Finance

SA

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)(i)	Emergency planning and reporting; administration			\$84,100*	

*One-time expenditure authority.

As provided in s. 16.515, the request(s) will be approved on July 13, 2017, 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 19, 2017
To: Waylon Hurlburt
From: Cindy Dombrowski *cd*
 Executive Policy and Budget Manager
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>
DMA 20.465(3)(i)	Emergency planning and reporting; administration			\$84,100*	

* One-time expenditure authority.

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>
DMA 20.465(3)(i)	Emergency planning and reporting; administration			\$84,100*	

* One-time expenditure authority.

WRH APPROVAL WRH (FORWARD TO GAIL TAPPEN)



**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
TTY (608) 267-9629

Date: June 19, 2017

To: Scott A. Neitzel, Secretary
Department of Administration

From: Cindy Dombrowski *cd*
Executive Policy and Budget Manager

Subject: Request Under s. 16.515 from the Department of Military Affairs for
Emergency Planning and Reporting

Request:

The Department of Military Affairs requests increased expenditure authority of \$84,100 PR in fiscal year 2016-17 in the emergency planning and reporting administration appropriation under s. 20.465(3)(i).

Revenue Sources for Appropriation(s):

The revenue source for the emergency planning and reporting; administration appropriation under s. 20.465(3)(i) is fees collected from facilities required to report housing extremely hazardous substances in amounts in excess of the chemical-specific levels defined in federal law.

Background:

The Emergency Planning and Community Right-to-Know Act (EPCRA) of 1986 was created to help communities plan for chemical emergencies and requires industries to report on the storage, use and release of hazardous substances to the federal, state and local units of government. The state, local and tribal governments use the reported information to prepare against potential risks associated with the chemicals being stored in their communities. The EPCRA program is managed within Wisconsin Emergency Management (WEM) at the Department of Military Affairs.

Analysis:

To operate the EPCRA program, WEM utilizes the Wisconsin Hazmat Online Planning and Reporting System (WHOPRS). This on-line reporting and planning system allows the department to calculate and collect fees from facilities housing hazardous materials and to maintain and update required reports. The system was designed for Wisconsin facilities to meet their reporting requirements under state and federal

regulation, and to assist counties, tribes and first responders in planning activities related to responding to chemical-related emergencies. The system required an upgrade, and in July 2016, the department purchased the new software and license for \$55,000. It was then identified that there was insufficient server capacity to complete the upgrade and in December 2016, the department purchased additional server space for \$54,500.

In addition to the upgraded server capacity need, the system upgrade required an updated maintenance and support contract to ensure any systems issues would be resolved timely and efficiently, and minimize any disruption to facilities, counties, tribes and the state. The department entered into a contract with IDSI International, Inc., for a managed help desk for the WHOPRS systems maintenance needs. The cost of the 12-month contract is \$15,000.

Lastly, the department installed a new Voice Over Internet Protocol (VOIP) system for WEM which necessitated the purchase of new telephones for EPCRA staff, with a cost of \$900.

The department has indicated it used existing expenditure authority for a portion of the server costs. The costs and remaining expenditure authority need for the server upgrades, licensing requirements, telephones and maintenance costs are as follows:

<u>Equipment</u>	<u>Cost</u>	<u>Need</u>
WHOPRS Server	\$54,500	\$13,200
WHOPRS Software and License	55,000	55,000
VOIP Phones	900	900
Help Desk	<u>15,000</u>	<u>15,000</u>
Total	\$125,400	\$84,100

As of June 19, 2017, due to the upgrades described above, the department has insufficient expenditure authority to cover the expenses incurred and expected to be incurred during fiscal year 2016-17. The department has indicated this is due to an error in understanding the nature of the impacted appropriation and acknowledges the mistake. However, as the upgrades have already taken place, the department has requested supplemental expenditure authority to cover the projected shortfall.

As an alternative, the department could reallocate some or all of the costs to its Wisconsin Emergency Management GPR general program operations appropriation under s. 20.465(3)(a). While it would appear the department may have sufficient authority to do so, the department has indicated that it is behind in its allocation of project costs to this appropriation and cannot specify whether sufficient authority would be available to fund the costs of the WHOPRS equipment and licensing costs.

While it is uncommon to make a request for supplemental expenditure authority after a purchase has been made, and the department acknowledges its error in doing so, the EPCRA program relies on the WHOPRS system for calculating and billing facilities;

Scott A. Neitzel, Secretary

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and the facilities and state, local and tribal governments rely on the system for required reporting and monitoring. The upgrade was necessary and as such, it appears reasonable to approve the request at this time.

Recommendation:

Approve the request.



STATE OF WISCONSIN

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

May 30, 2017

Mr. Scott Neitzel, Secretary
Department of Administration
101 East Wilson Street
Madison, WI 53703

Dear Secretary Neitzel:

Under s. 16.515, Wis. Stats., the Department of Military Affairs requests a supplement of \$84,100 PR in SFY2017 to the department's emergency planning and reporting administration appropriation under s. 20.465(3)(i) to support costs related to implementing necessary software modifications identified by a stakeholder users group.

Background

The Wisconsin Division of Emergency Management (WEM) in the Department of Military Affairs is responsible for leading the state's disaster response and recovery mission through mitigation, preparedness, response and recovery planning and operations.

The Emergency Planning and Community Right-to-Know Act (EPCRA) is a state and federally mandated program directed by WEM that requires communities to prepare for hazardous chemical releases through emergency planning and provides essential information for emergency responders by maintaining a database of hazardous chemical storage information.

Under s. 323.60(5), Wis. Stats., an owner or operator of a facility is required to report annually to WEM if there were extremely hazardous substances present in amounts in excess of the chemical-specific threshold planning quantities specified in federal law. WEM collects fees that are set in the administrative code from reporting facilities and uses the revenue to support state activities to direct and manage the EPCRA program and to provide grants to local emergency planning committees for supplies, equipment and activities related to maintaining, reviewing, exercising and implementing the required emergency response plans. WEM uses an online reporting and planning system to calculate and collect fees, maintain and update reports, and to provide information on hazardous chemicals to local authorities for planning and response. The IT system upgrade began in SFY2017 and will cause this appropriation to go into deficit of \$84,100 by the end of SFY2017. The IT System, WHOPRS, was provided a free upgrade; however, the upgrade requires a higher capacity server, including server licensing needs, than WEM had used on the prior version of WHOPRS. Additionally, the WHOPRS upgrade required maintenance and support (IDSI Managed Help Desk) to ensure any system issues are resolved timely and efficiently to allow the system to be utilized by state and county staff.

The items making up this supplement request consist of:

Equipment	Cost
WHOPRS Server and Server License Software	\$68,200
VOIP Phone	\$ 900
IDS Managed Help Desk	\$15,000
TOTAL	\$84,100

Justification

WEM is requesting a one-time expenditure authority increase to implement the necessary equipment and help desk services identified in order to improve the ability of county emergency managers to access hazardous materials emergency response plans online and to upgrade system usability and security. There are sufficient revenues in the EPCRA program to support the expenditure increase. In SFY 2017, the EPCRA program was budgeted to spend \$1,043,800 on local emergency planning grants and \$1,165,900 for state administrative services. The appropriation currently has a balance of \$404,123 and remaining estimated expenditures of \$488,223. Even if no additional funds are received this year, the program revenue ending balance will total at least \$468,818; however, no other funding exists to cover these equipment costs.

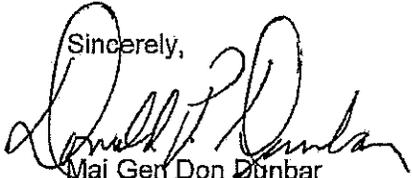
	SFY2017 Budget	Expended Through May 25, 2017	Remaining Authority
Local Grants	\$1,043,800	\$ 741,348	\$302,452
Administration	\$1,165,900	\$1,064,229	\$101,671
Total	\$2,209,700	\$1,805,577	\$404,123
Estimated Expenditures from May 26-June 30, 2017			\$488,223
Expenditure Authority Deficit			\$(84,100)
Revenue balance through May 25, 2017			\$468,818

Estimated expenditures include salary and fringe of EPCRA staff, and general and ongoing supply line costs such as copy machine rental, temporary workers, travel, IT equipment, telephone, etc... The additional expenditure authority would be utilized to pay for the three items causing the deficit: WHOPRS Server and server licensing, VOIP phone and WHOPRS ongoing IT maintenance and support.

If the PR supplement is not approved we would be required to ask for a GPR supplemental request.

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

Sincerely,



Maj Gen Don Dunbar
The Adjutant General
Department of Military Affairs