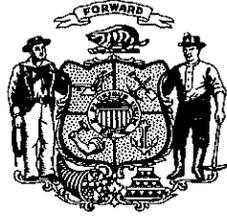


State of Wisconsin

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: April 24, 2018

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

Attached is a copy of a request from the Department of Administration, received April 24, 2018, 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, May 11, 2018**, 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



STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION

Scott Walker, Governor
Ellen Nowak, Secretary

Date: April 23, 2018

To: The Honorable Alberta Darling, Co-Chair
Joint Committee on Finance

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

From: Ellen E. Nowak, Secretary
Department of Administration

APR 24 2018
St. Finance

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>2017-18</u>		<u>2018-19</u>	
		<u>AMOUNT</u>	<u>FTE</u>	<u>AMOUNT</u>	<u>FTE</u>
DOJ 20.455(2)(gr)	Handgun purchaser record check; checks for licenses or certifications to carry concealed weapons		8.0*		8.0*

* Project positions ending April 19, 2020.

As provided in s. 16.515, the request(s) will be approved on May 14, 2018, 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: April 13, 2018
To: Waylon Hurlburt
From: Michael R. Schmidt
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>	<u>2017-18</u>		<u>2018-19</u>	
		<u>AMOUNT</u>	<u>FTE</u>	<u>AMOUNT</u>	<u>FTE</u>
DOJ 20.455(2)(gr)	Handgun purchaser record check; checks for licenses or certifications to carry concealed weapons		8.0*		8.0*

* Project positions ending April 19, 2020

AGENCY REQUEST:

<u>AGENCY</u>	<u>DESCRIPTION</u>	<u>2017-18</u>		<u>2018-19</u>	
		<u>AMOUNT</u>	<u>FTE</u>	<u>AMOUNT</u>	<u>FTE</u>
DOJ 20.455(2)(gr)	Handgun purchaser record check; checks for licenses or certifications to carry concealed weapons		8.0**		8.0**

** Project positions ending April 19, 2020

WRH APPROVAL WRH (FORWARD TO GAIL TAPPEN)



**STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION**

Scott Walker, Governor
Ellen Nowak, Secretary
Waylon Hurlburt, Administrator

Date: April 13, 2018

To: Ellen Nowak, Secretary
Department of Administration

From: Michael R. Schmidt
Executive Policy and Budget Analyst

Subject: Request under s. 16.505 from the Department of Justice for position authority to extend 8.0 FTE project positions to execute the handgun purchaser record check and concealed weapon licensing system

Request:

The Department of Justice requests the extension of 8.0 FTE two-year project positions which are scheduled to expire April 19, 2018, to be authorized through April 19, 2020, to perform handgun background checks and issue concealed carry licenses within the time limits required by 2011 Wisconsin Act 35.

Revenue Sources for Appropriation(s):

The revenue source is firearm restriction record search and concealed carry licensing fee revenues in the handgun purchaser record check; checks for licenses or certifications to carry concealed weapons appropriation under s. 20.455(2)(gr). The appropriation is a program revenue, all moneys received appropriation, and any expenditure authority adjustments will be handled administratively.

Under current law, the department is required to charge \$10 for handgun purchaser record checks. For new concealed carry license applications, current law requires the department to charge \$10 as a background check fee and the department may charge up to a maximum application fee of \$37. By administrative rule, the department has set the concealed carry license application fee at \$30. For lost, destroyed or unreadable concealed carry licenses, current law requires the department to charge a \$12 replacement fee. For concealed carry license renewal applications, the department is required to charge the \$10 background check fee and may charge up to a maximum of \$12 for the renewal application. By administrative rule, the department has set the renewal concealed carry application fee at \$12.

Background:

On July 8, 2011, Governor Walker signed 2011 Wisconsin Act 35 into law creating a process for eligible residents to obtain a license to carry a concealed weapon. Effective November 1, 2011, Wisconsin residents could begin applying for a license to carry a concealed weapon. Each approved applicant must receive a department-issued license, which contains information specified in the act, within strict statutory time parameters. Act 35 requires the

department to review and either deny or issue a new or renewal license within 21 days of receipt of an application, and a replacement license within 14 days. Once approved, the licenses are renewable every five years for a fee of \$22 per applicant (i.e., \$10 statutorily required background check fee, plus \$12 statutorily required renewal fee). Therefore, initial licenses began expiring on November 1, 2016. Licensees are eligible to renew their licenses up to 120 days prior to expiration, so the department began receiving renewals in July 2016.

The department's Firearms Unit personnel perform all the operational functions for the statutorily prescribed background checks, including handgun purchase background checks and concealed carry background checks. The processing of applications is performed by justice program associates. Prior to May 2017, justice program associates were known as license permit program associates.

Act 35 authorized \$236,700 in fiscal year 2011-12 for salaries and fringe benefits to fill 1.0 FTE PR permanent position and 10.0 LTE six-month positions. The Firearms Unit had 6.0 FTE permanent justice program associate positions created in separate legislation. To meet the statutorily-required processing time frames and consistently high volume of concealed carry applications, the department submitted various s. 16.505/515 requests for additional permanent and project positions. The table below illustrates the relevant Act 35 and s. 16.505/515 position history for the program.

Approval Date	Method	Positions
July 8, 2011	Act 35	1.0 FTE PR permanent license permit associate created 10.0 FTE six-month project positions created through mid-March 2012
December 14, 2011	16.505/515	8.5 FTE PR permanent positions created (6.0 FTE license permit associates, 1.0 FTE justice records supervisor, 1.0 FTE information system specialist and 0.5 FTE attorney) 6.0 FTE PR project positions created with flexible titles through June 30, 2013
July 2, 2013	16.505/515	5.0 FTE PR project positions created December 14, 2011, extended one year until June 30, 2014 1.0 FTE PR permanent operations program associate created 1.0 FTE PR project information systems specialist created until June 30, 2015
July 3, 2012	16.505/515	8.0 FTE PR project license permit associate positions created until July 3, 2014

Approval Date	Method	Positions
July 7, 2014	16.505/515	2.0 FTE project positions created December 14, 2011, extended one year to June 30, 2015. 3.0 FTE project positions created July 3, 2012, extended one year to July 3, 2015.
August 24, 2015	16.505/515	3.0 FTE project positions created July 3, 2012, extended one year to July 3, 2016.
April 1, 2016	16.505/515	3.0 FTE permanent license permit associates created 8.0 FTE project positions created through April 17, 2018

Justice program associates have a salary of \$15.42 per hour and justice program associate seniors have a salary of \$16.76 per hour. If the 8.0 FTE project positions are extended, the estimated remaining costs for fiscal year 2017-18 will be: \$61,032 for salaries, \$21,462 for fringe benefits, and \$15,123 for supplies and services, for a total of \$100,617. If the project positions are extended, the estimated costs for fiscal year 2018-19 will be: \$297,024 for salaries, \$104,446 for fringe benefits, and \$73,600 for supplies and services, for a total of \$475,070.

Analysis:

The department is currently authorized 8.0 FTE project positions to assist the 21.5 FTE permanent positions in the Firearms Unit; 6.0 FTE of these project positions are justice program associates and 2.0 FTE of these project positions are justice program associate seniors. Of the Firearms Unit's 29.5 FTE positions, 24.0 FTE are justice program associate positions. To continue meeting the statutory requirements of the concealed carry program, the department is requesting to extend the 8.0 FTE justice program associate project positions for two years.

The department receives large volumes of conviction and other court firearm restriction information. This information must be cross-checked against the application database and, if a match is found, the appropriate suspension or revocation action must be taken. The department is also responsible for reissuing suspended licenses once a court restriction has been lifted, and for fixing address changes and issuing replacement licenses for those that have been stolen or lost.

New concealed carry permit applications appear to have peaked at approximately 2,000 applications per week for the 24-month period immediately after the concealed carry permit program was created. During the application peak, justice program associates in the Firearms Unit processed between 71 and 118 applications per person per week. During fiscal year 2013-14, the unit processed approximately 722 applications per week, or about

24 applications per person per week. During fiscal year 2014-15, the unit processed approximately 875 applications per week, or about 36 applications per person per week. Due to the low volume of applications, the department declined to renew several project positions, which expired in 2014 and 2015.

The department anticipated a 24-month renewal influx mirroring the initial application period as the first concealed weapon licensees became eligible for renewal in July 2016. The department anticipated a renewal rate between 75 and 80 percent. The 8.0 FTE project positions subject to this request were provided to address the anticipated renewal influx, together with 3.0 FTE permanent positions approved for anticipated ongoing workload.

The department's electronic concealed carry application process was implemented in July 2016, which increased efficiency and efficacy in processing and issuing licenses. The department estimates that approximately 10 percent of applications can be automatically processed by the system, leaving 90 percent of the applications to be manually processed by a justice program associate.

During the 24-month renewal period peak, the department experienced a 63 percent renewal rate and new applications remained steady at around 45,000. The 63 percent renewal rate is based on a week-to-week comparison between the new applications when the program was created, and the number of renewal applications received five years later, which smooths out the influx of renewal applications that were received beginning in July 2016. In calendar year 2016, the department processed approximately 2,288 total applications, with the renewals coming in the second half of 2016, or about 97 applications processed per person per week. In calendar year 2017, the department processed approximately 1,991 applications, or about 83 applications per person per week.

In addition to a concealed carry weapon license being eligible for renewal up to 120 days prior to the expiration of the license, licensees are eligible to renew their licenses up to 90 days after they expire. Therefore, since the license renewal influx may have a latency period extending into 2019, it would be reasonable to extend 8.0 FTE project positions for two years to accommodate any renewal influx period latency.

Assuming the trend of new applications remains steady at 45,000 and based on a 63 percent renewal rate for 68,759 new applications in calendar year 2013, and 37,550 new applications in calendar year 2014, the department is projected to receive 1,665 applications per week in 2018, and with 8.0 FTE project positions assisting the 16.0 FTE permanent justice program associate positions, each justice program associate will process 69 applications per person per week. The department is projected to receive 1,287 applications per week in 2019 and, with the 8.0 FTE project positions assisting the 16.0 FTE permanent justice program associate positions, each justice program associate will process about 54 applications per week. In calendar year 2020, the department is projected to receive 1,406 applications per week and with the 8.0 FTE project positions through April 17, 2020, each justice program associate positions will process 77 applications per week.

Funds to support this request will come from the licensing fee revenue received from the concealed carry permit applications and handgun purchaser record checks. New and renewal

Ellen Nowak, Secretary
Page 5
April 13, 2018

concealed carry license fee revenue is expected to generate approximately \$2.7 million in fiscal year 2017-18 and \$2.3 million in fiscal year 2018-19. The appropriation currently has a cash balance of approximately \$94,000.

Recommendation:

Approve the request.



STATE OF WISCONSIN
DEPARTMENT OF JUSTICE

BRAD D. SCHIMMEL
ATTORNEY GENERAL

Paul W. Connell
Deputy Attorney General

Delanie M. Breuer
Chief of Staff

114 East, State Capitol
P.O. Box 7857
Madison, WI 53707-7857
608/266-1221
TTY 1-800-947-3529

February 21, 2018

SENT VIA INTERDEPARTMENTAL MAIL

Mr. Waylon Hurlburt, Administrator
Division of Executive Budget and Finance
Department of Administration
101 East Wilson Street, 10th Floor
Madison, WI 53702

Re: Wisconsin Statute §16.505

Dear Mr. Hurlburt:

Under Wis. Stat. § 16.505 (2), the Department of Justice requests to extend 8.0 full-time equivalent program revenue-funded positions in the handgun purchaser record check; checks for licenses or certifications to carry concealed weapons appropriation under § 20.455 (2)(gr) for two years. This extension is necessary to maintain current levels of staffing and perform handgun purchase background checks and conceal carry license issuance within required timeframes. The positions were created in April 2016 for two years, and expire on April 17, 2018.

Background

The Department of Justice Firearms Unit is responsible for conducting statutorily required handgun purchase background checks and issuing concealed carry licenses. Justice Program Associate (JPA) positions process firearms eligibility determination background checks for both programs.

The department projects that the workload of the firearms unit will remain steady or increase over time as licenses issued in prior years are due for renewal while new license issuance remains steady, averaging over 45,000 applications per year. A concealed carry renewal application requires the same firearms eligibility background check as a new application.

Year	New Applications	Renewal Applications	Total Applications
FY 2013	84,891	0	84,891
FY 2014	44,416	0	44,416
FY 2015	39,483	0	39,483
FY 2016	54,629	0	54,629
FY 2017	44,330	104,212	156,357

The department also processes handgun transfer requests through the Handgun Hotline. The number of handgun transfer requests continue to increase year-over-year since fiscal year 2015.

Year	Transfer Requests
FY 2013	151,519
FY 2014	105,807
FY 2015	108,699
FY 2016	155,154
FY 2017	157,061

In total, the Firearms Unit conducted 336,852 background checks in fiscal year 2017, including new and renewed concealed carry licenses, handgun transfer requests, replacement licenses, reinstatements, revocations and name changes. Approximately 90 percent of the background checks are not automatic and require staff engagement.

During fiscal year 2018, demand for handgun purchase background checks remains high while new concealed carry applications are consistent with levels in prior years. The work required to update the concealed carry database with new information, like convictions, firearms restrictions and address and name changes, continues to grow as the active licenses in the database increase. In addition to the work related directly to handgun sales and concealed carry licensing, the Firearms Unit maintains and bills Wisconsin gun dealer accounts, answers telephone inquiries from the public, processes appeals of decisions, and maintains records mandated by the FBI including validation of Wisconsin mental health records. The Firearms Unit receives approximately 400 requests a month from the FBI regarding federal firearms background checks that require approximately one hour of work each for research and determinations on potential firearm disqualifications.

The Firearms Unit has limited ability to manage the workload or slow down the processing of applications and requests. The Firearms Unit is staffed 7 days a week, 360 days a year. Normal hours of business are 8:30am to 9:00pm Monday-

Mr. Waylon Hurlburt
February 21, 2018
Page 3

Friday, and 9:00am to 5:00pm Saturdays and Sundays, including some holidays. However, the unit continually strives to increase efficiency and timeliness. The average number of background checks completed per JPA position has increased from 150 in 2015 to 185.

The majority of the Firearms Unit's work is governed by statutory deadlines, including processing appeals and responding to inquiries from the FBI National Instant Criminal Background Check System (NICS). The Unit must also maintain timeliness on tasks not subject to mandatory deadlines, like updating Indicator for Firearms Sales (IFFS) flags in the FBI's NICS and responding to public inquiries and telephone calls. If these positions are not extended, the department will not be able to maintain acceptable turnaround times on these critical responsibilities.

Revenue Source

The department collects revenues from fees for issuing or renewing a concealed carry license and for conducting background checks prior to handgun purchases. The revenue will continue to be sufficient to support the positions.

Appropriation 20.455 (2)(gr)			
	FY16	FY17	FY18 YTD
Opening Balance	\$3,560,306	\$1,104,029	\$2,224,738
Revenues	\$3,415,189	\$5,717,327	\$2,453,263
Expenditures/Transfers	\$5,871,466	\$4,596,617	\$2,361,883
Ending Balance	\$1,104,029	\$2,224,738	\$2,316,118

Thank you for your consideration of this request. If you have questions or require additional information, please contact Michelle Gauger at gaugermc@doj.state.wi.us or (608) 267-6714.

Very truly yours,



Paul W. Connell
Deputy Attorney General

PWC:MGC:alm