STATE OF WISCONSIN

SENATE CHAIR
Alberta Darling

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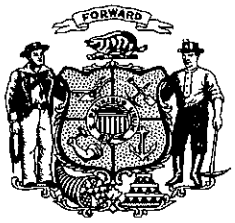
Madison, WI 53707-7882
Phone: (608) 266-5830



ASSEMBLY CHAIR
John Nygren

309 East, State Capitol
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Phone: (608) 266-2343

JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Alberta Darling
Representative John Nygren

Date: September 5, 2017

Re: DOA Report to JFC

Attached is a report on temporary reallocation of balances from the Department of Administration, pursuant to s. 20.002(11)(f), Stats.

This report is being provided for your information only. No action by the Committee is required. Please feel free to contact us if you have any questions.

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
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August 31, 2017

SEP 05 2017
Jt. Finance

Mr. Jeffrey Renk, Chief Clerk
Wisconsin Senate
B20 South, State Capitol
Madison, WI 53702

Mr. Patrick Fuller, Chief Clerk
Wisconsin Assembly
17 West Main Street, Room 401A
Madison, WI 53703

Dear Mr. Renk and Mr. Fuller:

This report is transmitted as required by s. 20.002(11)(f), Wisconsin Statutes, (for distribution to the appropriate standing committees under s. 13.172(3), Wisconsin Statutes) and confirms that the Department of Administration has found it necessary to exercise the "temporary reallocation of balances" authority provided by this section in order to meet payment responsibilities and cover resulting negative cash balances during the month of July 2017.

On July 1, 2017, the **Medical Assistance Trust Fund** cash balance closed at a negative $120.56 million (its intramonth low). The cash balance was negative through July 31, 2017, when it closed at a negative $115.86 million.

On July 31, 2017, the **Mediation Fund** cash balance closed at a negative $9 thousand (its intramonth low).

On July 21, 2017, the **History Preservation Partnership Trust Fund** cash balance closed at a negative $16 thousand (its intramonth low). The cash balance was negative until July 25, 2017, when it closed at a positive $9 thousand.

On July 1, 2017, the **Environmental Fund** cash balance closed at a negative $16.99 million (its intramonth low). The cash balance was negative until July 11, 2017, when it closed at a positive $311 thousand.

The Medical Assistance Trust Fund, Mediation Fund, History Preservation Partnership Trust Fund and Environmental Fund shortfalls were due to the difference in the timing of revenues and expenditures. These shortfalls were not in excess of the statutory interfund borrowing limitations and did not exceed the balances of the funds available for interfund borrowing.

The distribution of interest earnings to investment pool participants is based on the average daily balance in the pool and each fund's share. Therefore, the monthly calculation by the State Controller's Office will automatically reflect the use of these temporary reallocations of balance authority, and as a result, the funds requiring the use of the authority will effectively bear the interest cost.

Sincerely,

Scott A. Neitzel
Secretary