

STATE OF WISCONSIN

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Alberta Darling

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JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Alberta Darling
Representative John Nygren

Date: December 29, 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



STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION

Scott Walker, Governor
Scott A. Neitzel, Secretary

December 29, 2017

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

DEC 29 2017
J. Finance

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 November 2017.

On November 1, 2017, the **Workers Compensation Fund** cash balance closed at a negative \$678 thousand. The cash balance was negative until November 15, 2017 when it closed at a positive \$198 thousand. On November 9, 2017, the cash balance closed at a negative \$834 thousand (its intra-month low).

On November 24, 2017, the **History Preservation Partnership Trust Fund** cash balance closed at a negative \$29 thousand (its intra-month low). The cash balance was negative until November 28, 2017 when it closed at a positive \$33 thousand.

On November 1, 2017, the **University Trust - Principal Fund** cash balance closed at a negative \$148 thousand (its intra-month low). The cash balance was negative until November 2, 2017 when it closed at a positive \$5.43 million.

The Workers Compensation Fund, History Preservation Partnership Trust Fund, and University Trust – Principal Fund shortfalls were due to the difference in the timing of revenues and expenditures. The shortfalls were not in excess of the statutory interfund borrowing limitations and did not exceed the balances of the funds available for interfund borrowing.

Mr. Jeffrey Renk
Mr. Patrick Fuller
Page 2
December 29, 2017

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