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: February 3, 2020

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
Tony Evers, Governor
Joel Brennan, Secretary

January 31, 2020

FEB 03 2020
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 December 2019.

On December 1, 2019, the **Utility Public Benefits Fund** cash balance closed at a negative $13.58 million. The cash balance was negative through December 31, 2019, when it closed at a negative $6.55 million. On December 2, 2019, the cash balance closed at a negative $15.69 million (its intramonth low).

On December 1, 2019, the **Police and Fire Protection Fund** cash balance closed at a negative $19.52 million (its intramonth low). The cash balance was negative through December 31, 2019, when it closed at a negative $13.44 million.

On December 10, 2019, the **Environmental Improvement Fund** cash balance closed at a negative $4.26 million. The cash balance was negative until December 12, 2019, when it closed at a positive $7.63 million. On December 11, 2019, the cash balance closed at a negative $4.73 million (its intramonth low).

The Utility Public Benefits Fund, Police and Fire Protection Fund, and Environmental Improvement 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.

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,

Joel T. Brennan
Secretary