STATE OF WISCONSIN

SENATE CHAIR
Howard Marklein

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JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Howard Marklein
Representative Mark Born

Date: December 30, 2021

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

HM:MB:jm

STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION
Tony Evers, Governor
Joel Brennan, Secretary

December 30, 2021

DEC 30 2021
JT. Finance

Mr. Michael Queensland, Chief Clerk
Wisconsin Senate
B20 South, State Capitol
Madison, WI 53702

Mr. Edward Blazel, Chief Clerk
Wisconsin Assembly
17 West Main Street, Room 401
Madison, WI 53703

Dear Mr. Queensland and Mr. Blazel:

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 2021.

On November 1, 2021, the **Worker's Compensation Fund** cash balance closed at a negative $902 thousand. The cash balance was negative through November 30, 2021, when it closed at a negative $1.649 million. On November 24, 2021, the cash balance closed at a negative $1.654 million (its intramonth low).

On November 15, 2021, the **Police and Fire Protection Fund** cash balance closed at a negative $29.92 million (its intramonth low). The cash balance was negative through November 30, 2021, when it closed at a negative $25.32 million.

On November 1, 2021, the **Bond Security and Redemption Fund** cash balance closed at a negative $79.43 million (its intramonth low). The cash balance was negative until November 2, 2021, when it closed at a positive $409 thousand.

On November 9, 2021, the **Environmental Improvement Fund** cash balance closed at a negative $2.00 million. The cash balance was negative through November 30, 2021, when it closed at a negative $2.34 million. On November 18, 2021, the cash balance closed at a negative $2.66 million (its intramonth low).

The Worker's Compensation Fund, Police and Fire Protection Fund, Bond Security and Redemption 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