

STATE OF WISCONSIN

SENATE CHAIR
Howard Marklein

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ASSEMBLY CHAIR
Mark Born

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JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Howard Marklein
Representative Mark Born

Date: January 2, 2025

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

DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor
Kathy Blumenfeld, Secretary



December 30, 2024

Joint Finance Committee
Received Jan 02 2025

Mr. Richard Champagne, Interim 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. Champagne 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 2024. The source of the Interfund Borrowing coverage is the Budget Stabilization Fund.

On November 1, 2024, the **Worker's Compensation Fund** cash balance closed at a negative \$2.4 million. The cash balance remained negative through November 30, 2024, when it closed at a negative \$3.3 million (its intramonth low).


On November 18, 2024, the **Local Government Fund** cash balance closed at a negative \$634.56 million. The cash balance remained negative through November 30, 2024, when it closed at a negative \$636.56 million (its intramonth low). The fund became negative due to a delay in processing a newly required statutory transfer. As of the date of this letter, the fund is not negative, and future transfers will be processed in a timely manner.

On November 4, 2024, the **University Trust - Principal** cash balance closed at a negative \$2.2 million (its intramonth low). The cash balance remained negative through November 12, 2024, when it closed at a positive \$1.77 million.

The Worker's Compensation Fund, Local Government Fund and University Trust - Principal shortfalls were due to the difference in the timing of revenues and expenditures. As of the date of this letter, 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,

DocuSigned by:

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Kathy K. Blumenfeld
Secretary