



STATE OF WISCONSIN  
DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor  
Joel Brennan, Secretary

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January 29, 2021

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

Ms. Kay Inabnet, Assistant Chief Clerk  
Wisconsin Assembly  
17 West Main Street, Room 401  
Madison, WI 53703

Dear Mr. Queensland and Ms. Inabnet:

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 2020.

On December 1, 2020, the **Worker's Compensation Fund** cash balance closed at a negative \$2.30 million. The cash balance was negative until December 23, 2020, when it closed at a positive \$1.28 million. On December 11, 2020, the cash balance closed at a negative \$2.95 million (its intramonth low).

On December 1, 2020, the **Police and Fire Protection Fund** cash balance closed at a negative \$31.57 million (its intramonth low). The cash balance was negative through December 31, 2020, when it closed at a negative \$27.27 million.

On December 8, 2020, the **Environmental Improvement Fund** cash balance closed at a negative \$1.70 million (its intramonth low). The cash balance was negative until December 9, 2020, when it closed at a positive \$5.97 million.

On December 1, 2020, the **Veterans Trust Fund** cash balance closed at a negative \$248 thousand. The cash balance was negative until December 11, 2020, when it closed at a positive \$2.80 million. On December 10, 2020, the cash balance closed at a negative \$1.19 million (its intramonth low).

The Worker's Compensation Fund, Police and Fire Protection Fund, Environmental Improvement Fund and Veterans Trust 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. Michael Queensland, Chief Clerk  
Ms. Kay Inabnet, Assistant Chief Clerk  
Page 2  
January 29, 2021

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,

A handwritten signature in cursive script that reads "Joel Brennan".

Joel T. Brennan  
Secretary