STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor
Kathy Blumenfeld, Secretary

March 29, 2024

Ms. Linsay Hale, Acting 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 Ms. Hale 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 February 2024. The source of the Interfund Borrowing coverage is the Budget Stabilization Fund.

On February 1, 2024, the **Police and Fire Protection Fund** cash balance closed at a negative $6.9 million. The cash balance remained negative through February 29, 2024, when it closed at a negative $2.4 million. On February 15, 2024, the cash balance closed at a negative $7.0 million (its intramonth low).

The Police and Fire Protection Fund's shortfall was due to the difference in the timing of revenues and expenditures. The shortfall was 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,

Kathy Blumenfeld

Kathy K. Blumenfeld
Secretary