



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

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Joint Committee on Finance

Paper #940

Safe-Ride Grant Program (DOT -- Other Divisions)

[LFB 2001-03 Budget Summary: Page 679, #8]

CURRENT LAW

The operating while intoxicated (OWI) driver improvement surcharge, which is currently \$345, is assessed upon every OWI conviction. Of the revenue generated from the surcharge, 38.5% is deposited in a Department of Health and Family Services clearinghouse appropriation and transferred to various agencies for programs related to alcohol abuse and law enforcement. (A separate item in the bill would increase the surcharge to \$355 to partially fund an increase for the Wisconsin State Laboratory of Hygiene.)

The Secretary of the Department of Administration must transfer 3.76% of the OWI driver improvement surcharge revenue that is deposited in the DHFS clearinghouse appropriation to the DOT appropriation for the safe-ride grant program. Under the safe-ride program, DOT makes grants to counties, municipalities or nonprofit corporations to cover 50% of the cost of transporting intoxicated persons from the premises of an establishment that is licensed to sell alcoholic beverages to their residences.

GOVERNOR

Delete the requirement that the DOA Secretary must transfer 3.76% of the OWI driver improvement surcharge revenue deposited in the DHFS clearinghouse appropriation to the DOT appropriation for the safe-ride grant program. Instead, specify that the DOA Secretary may transfer funds to this appropriation after consultation with the DOT Secretary. Specify that the unencumbered balance in the safe-ride grant program appropriation shall be transferred back to the DHFS appropriation on June 30 of each year.

DISCUSSION POINTS

1. The bill would replace the formula for determining how much OWI surcharge revenue is credited to the safe-ride grant program with a requirement that the amount be determined by the DOA Secretary in consultation with DOT, which is the same procedure used for the allocation of surcharge revenue to the other programs funded from this source.

2. The formula for determining the amount of surcharge revenue that is deposited in the safe-ride grant appropriation and the safe-ride grant program were created by 1999 Act 109. Act 109 also raised the surcharge by \$5, from \$340 to \$345. The intention of the formula was to credit \$5 to the safe-ride grant program from each OWI surcharge that is paid.

3. DOA indicates that the bill would replace the formula in order to simplify the allocation of funds and avoid problems that may be caused when the amount of the surcharge is changed. For instance, if the surcharge is raised to fund a certain program, the percentage formula, unless modified, would dictate that the amount of funds allocated to the safe-ride grant program would increase as well, even if this may not be the Legislature's intent. Eliminating the formula would allow DOA to continue to fund the program at a constant level and provide an increased amount to the programs that were intended to benefit from the increase.

4. Unlike the other programs funded with surcharge revenue, there is no funding reflected in the Chapter 20 appropriation schedule for the safe-ride grant program. As long as the amount of funding for the program is determined by formula, the appropriation schedule does not determine how much funding is available for the program. Eliminating the formula would allow the DOA Secretary, in consultation with the DOT Secretary, to determine how much funding is transferred for this program without any legislative guidance. The Committee could reflect an amount in the Chapter 20 schedule to make clear the intended level of funding.

5. DOA estimates that the surcharge will generate \$3,598,900 annually during the 2001-03 biennium, absent any increase in the surcharge. If the 3.76% formula were used to allocate funds to the safe-ride grant program, \$135,400 PR would be provided for the program. This amount could be reflected in the appropriation schedule.

6. Although the safe-ride program is currently funded with a continuing appropriation, the bill would require unencumbered amounts to lapse to the DHFS clearinghouse appropriation on June 30 of each year. This change effectively converts the appropriation into an annual appropriation, though it would still be designated as a continuing appropriation in the Chapter 20 schedule. If the Committee decides to reflect an amount in the Chapter 20 schedule for the program, it may also be desirable to change the appropriation to an annual appropriation, similar to most other appropriations funded with OWI surcharge revenue.

ALTERNATIVES

1. Approve the Governor's recommendation to delete the requirement that the DOA

Secretary must transfer 3.76% of the OWI driver improvement surcharge revenue deposited in the DHFS clearinghouse appropriation to the DOT appropriation for the safe-ride grant program. Instead, specify that the DOA Secretary may transfer funds to this appropriation after consultation with the DOT Secretary. Specify that the unencumbered balance in the safe-ride grant program appropriation shall be transferred back to the DHFS appropriation on June 30 of each year.

2. Modify the Governor's recommendations as follows: (a) provide \$135,400 PR annually for the safe-ride grant program to reflect an amount of funding in the Chapter 20 appropriation schedule equal to an estimate of 3.76% of the state's share of OWI surcharge revenue; and (b) convert the safe-ride grant program appropriation to an annual appropriation.

<u>Alternative 2</u>	<u>PR</u>
2001-03 FUNDING (Change to Bill)	\$270,800

3. Maintain current law.

Prepared by: Jon Dyck