



Legislative Fiscal Bureau

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

May 26, 2005

Joint Committee on Finance

Paper #220

Standard Budget Adjustments (DOC -- Departmentwide)

[LFB 2003-05 Budget Summary: Page 119, #1]

CURRENT LAW

Under the Department of Administration's 2005-07 budget instructions to state agencies, standard budget adjustments are defined as "a category of cost changes common across all agencies that are considered 'housekeeping' in nature and are required to continue a base level of services into the next biennium. In some cases, the decisions provide funding for costs that were authorized and included in the agencies' adjusted base, but at less than a full-annualized level."

GOVERNOR

Provide \$34,545,700 and -17.6 positions in 2005-06 (\$34,341,700 GPR and -2.0 GPR positions, \$24,400 FED and -0.60 FED position, \$3,191,600 PR and -15.0 PR positions, and -\$12,000 SEG) and \$34,108,100 and -17.6 positions in 2006-07 (\$31,557,000 GPR and -2.0 positions, \$0 FED and -0.60 FED position, \$2,563,100 PR and -15.0 PR positions, and -\$12,000 SEG) for the following adjustments to the base budget: (a) turnover reduction (-\$10,433,600 GPR and -\$925,800 PR annually); (b) removal of non-continuing items (-2.0 GPR positions, -\$8,100 FED and -0.60 FED position, and -\$304,600 PR and -15.0 PR positions in 2005-06; -2.0 GPR positions, -\$32,500 FED and -0.60 FED position, and -\$952,000 PR and -15.0 PR positions in 2006-07); (c) full funding of salary and fringe benefits (\$11,803,200 GPR, \$32,500 FED, \$1,811,800 PR, and -\$16,700 SEG annually); (d) reclassifications within the Parole Commission (\$10,100 GPR annually); (e) overtime costs (\$21,736,600 GPR, \$1,933,800 PR, and \$4,600 SEG in 2005-06; \$21,951,900 GPR, \$1,952,700 PR, and \$4,600 SEG in 2006-07); (f) night and weekend pay differential (\$8,207,200 GPR, \$676,400 PR, and \$100 SEG annually); and (g) full funding of lease costs (\$18,200 GPR annually).

MODIFICATION

a. *Turnover Reduction.* Delete \$143,200 PR annually associated with turnover reductions.

Explanation: Turnover reduction is a budget calculation that reduces agency base permanent salaries in any appropriation with 50 or more full-time equivalent permanent positions assuming that at any point in time during the upcoming biennium a certain percentage of positions will be vacant and that refilled positions will generally be filled at a lower salary level. The 2005-07 budget instructions for state agencies indicate that the turnover reduction rate for all agencies is 3%. In calculating turnover for Corrections, a turnover rate of 2% was used for some positions in protective service in the Division of Juvenile Corrections, while a 3% rate was applied to all other positions. Applying the required 3% turnover rate to all positions would result in a turnover reduction to the bill of an additional \$143,200 PR annually. Total turnover would be -\$10,433,600 GPR and -\$1,069,000 PR annually.

b. *Overtime.* Delete \$215,300 GPR and \$200 PR in 2005-06 and \$430,600 GPR and \$300 PR in 2006-07 associated with overtime funding.

Explanation: In the calculation of full funding of salaries and fringe benefits, salaries and fringe benefits associated with overtime costs are removed. Budgeted overtime is then added back through the overtime item. For PR appropriations and segregated funds, the 2005-07 budget instructions indicate that state agencies should incorporate pay plan increases in each year of the biennium. While Corrections' overtime decision item included the pay plan increase in each year for its PR appropriations and segregated funds, the pay plan increase was also applied to overtime calculations for the Department's GPR appropriations. Removing the pay plan increase from the overtime calculations for the GPR appropriations results in a reduction to the bill of -\$215,300 GPR in 2005-06 and -\$430,600 GPR in 2006-07. The modification of -\$200 PR in 2005-06 and -\$300 PR in 2006-07 is the result of an overtime calculation error.

<u>Modification</u>	<u>GPR</u>	<u>PR</u>	<u>TOTAL</u>
2005-07 FUNDING (Change to Bill)	-\$645,900	-\$286,900	-\$932,800

Prepared by: Chris Carmichael