



Legislative Fiscal Bureau

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June 6, 2007

Joint Committee on Finance

Paper #228

Standard Budget Adjustments (DOC -- Departmentwide)

Bill Agency

[LFB 2007-09 Budget Summary: Page 103, #1]

CURRENT LAW

Under the Department of Administration's 2007-09 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 \$91,042,000 and -4.25 positions in 2007-08 (\$83,624,700 GPR, \$7,412,300 PR and -4.25 PR positions, and \$5,000 SEG) and \$90,822,900 and -11.0 positions in 2008-09 (\$83,497,100 GPR and -5.0 GPR positions, \$7,320,800 PR and -6.0 PR positions, and \$5,000 SEG) for standard budget adjustments as follows: (a) turnover reduction of -\$8,394,200 GPR and -\$669,200 PR annually; (b) removal of non-continuing elements from base of -\$88,400 GPR and -\$222,500 PR and -4.25 PR positions in 2007-08, and -\$216,000 GPR and -5.0 GPR positions and -\$332,000 PR and -6.0 PR positions in 2008-09; (c) full funding of continuing salaries and fringe benefits of \$59,628,700 GPR and \$5,887,900 PR annually; (d) reclassifications of \$3,400 GPR annually; (e) overtime of \$24,672,700 GPR, \$1,889,300 PR, and \$4,900 SEG in 2007-08 and \$24,672,700 GPR, \$1,907,300 PR, and \$4,900 SEG in 2008-09; and (f) night and weekend differential of \$7,802,500 GPR, \$526,800 PR, and \$100 SEG annually. It should be noted that with overtime and night and weekend differential, these costs are removed when calculating full funding of salaries and fringe benefits. Thus, funding for overtime and night and weekend differential represent the estimated total funding for these items (not an increase from base funding).

MODIFICATION

a. *Overtime Funding.* Delete \$482,100 GPR and \$37,100 PR in 2007-08 and \$479,400 GPR and \$37,500 PR in 2008-09 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 overtime fringe benefits, the variable fringe benefit rate applies and, if applicable, the add-on protective fringe benefit rate. The variable fringe benefit rate for Corrections for 2007-09 is 19.45%, and the add-on protective fringe benefit is 4.6%. In calculating overtime for Corrections, the 2005-07 fringe benefit rates were inadvertently used. Applying the 2007-09 fringe benefit rates to the overtime calculations results in a reduction to the bill of \$482,100 GPR and \$37,100 PR in 2007-08 and \$479,400 GPR and \$37,500 PR in 2008-09.

	Change to Bill		Change to Base	
	Funding	Positions	Funding	Positions
GPR	-\$961,500	0.00	\$166,160,300	- 5.00
PR	- 74,600	0.00	14,658,500	- 6.00
SEG	<u>0</u>	<u>0.00</u>	<u>10,000</u>	<u>0.00</u>
Total	-\$1,036,100	0.00	\$180,828,800	- 11.00

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