

**INFORMATION**  
**July 30, 2021**

**HIGHER EDUCATIONAL AIDS BOARD**

**BOARD REPORT #22-03**

**2021-2023 BIENNIAL BUDGET REQUEST**



STATE OF WISCONSIN  
DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor  
Joel Brennan, Secretary  
Brian Pahnke, Administrator


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## CORRESPONDENCE/Memorandum

**Date:** July 21, 2021

**To:** Connie Hutchison, Executive Secretary  
Higher Educational Aids Board

**cc:** Sherrie Nelson, Administrative Policy Advisor  
Higher Educational Aids Board

**From:** Brian Pahnke   
State Budget Director

**Subject:** Budget Approval Memo

Now that the biennial state budget bill has been signed by the Governor as 2021 Wisconsin Act 58, your assigned state budget analyst has prepared a formal summary of relevant budget provisions for budget execution.

The purpose of this memo is to provide more explicit information on budget intent, some of which may not be apparent from published sources, and to give some guidance on issues of statewide interest, such as position reductions and lapses.

The memo includes the following items:

- I. General Overview
- II. Items of Special Agency Interest
- III. Lapses, Position Reductions or Reallocations
- IV. Required Reports, Studies or Legislative Approvals

### **I. General Overview**

Agencies will need to manage within the overall Chapter 20 amounts as enacted in Act 58. All agencies are expected to obtain a copy of the Legislative Fiscal Bureau's Summary of 2021 Wisconsin Act 58 when it is published or posted and be aware of its provisions. All decision items and other requirements signed into law by the Governor should be covered in the summary.

Compensation Reserve. The compensation reserve includes the estimated cost of a 2 percent general wage adjustment in January of each fiscal year, as well as additional funding for market and parity pay adjustments for select classifications identified in the 2021-23 compensation plan.

Turnover Calculation Change. The budget modified the standard budget adjustment for turnover to increase the rate from 3 percent to 4 percent for any appropriation that was subject to 3 percent turnover in the Governor's budget. This modification will be reflected in the budgeted salary line for affected appropriations.

Position Reconciliation. In order to ensure that HCM and the State Budget System are reconciled, the Department of Administration will direct agencies to reconcile positions in the fall of 2021 as well as in the spring of 2022 in preparation for the 2023-25 biennial budget process.

## **II. Items of Special Agency Interest**

Items of special interest to your agency include the following:

1. Provide \$5,000,000 GPR in fiscal year 2022-23 in the Joint Committee on Finance's supplemental appropriation for a nurse educator program. If release of the funds is approved, the funding will be transferred to a new, continuing appropriation under s. 20.235.
2. Provide \$60,500 GPR annually for full funding of continuing position salaries and fringe benefits.

## **III. Lapses, Position Reductions or Reallocations**

For several agencies, the budget includes a reduction in either expenditure authority or positions related to making the fiscal year 2020-21 administrative lapse permanent or eliminating positions that had been vacant for 24 months or longer. In certain other cases, agencies are required to reallocate existing positions to implement budget initiatives. Your agency is affected by the following:

1. Reduce the board's general program operations appropriation by \$8,100 GPR in each of fiscal years 2021-22 and 2022-23.

## **IV. Required Reports, Studies or Legislative Approvals**

Agencies should carefully review the nonstatutory provisions in Act 58 that pertain to them. This language will directly impact many projects over the next two years. These requirements for your agency include the following:

1. The board must request release of the funding for a nurse educator program from the Joint Committee on Finance under s. 13.10.

If you have any questions regarding the information in this memo, please contact your assigned state budget analyst.