State of Wisconsin

Board of Commissioners of Public Lands

Agency Budget Request
2011 – 2013 Biennium
September 15, 2010

State of Wisconsin

Board of Commissioners of Public Lands

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BOARD OF COMMISSIONERS OF PUBLIC LANDS 1848

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Managing Wisconsin's trust assets for public education.

September 15, 2010

The Honorable James E. Doyle, Governor
Honorable Members of the Joint Committee on Finance
Honorable Members of the Wisconsin Legislature

Gentlemen and Mesdames:

I am pleased to submit the 2011-2013 Biennial Budget Request of the Board of Commissioners of Public Lands. The agency is funded entirely by program revenue, and no General Purpose Revenues are required for the agency's operating expenses. Our budget request reflects a "cost to continue" for current agency operations, and includes no additional programs or personnel. The 2.3% increase over the biennium is due to standard budget adjustments, with the majority of the increase from the projected end of state employee furloughs.

The Board of Commissioners of Public Lands (BCPL) was created pursuant to Article X, Section 7 of the Wisconsin Constitution in 1848 and is comprised of the Attorney General, State Treasurer and Secretary of State. With the assistance of the agency's professional staff, BCPL manages four Trust Funds, nearly 80,000 acres of Trust Lands, and Wisconsin's original land records.

A majority of the assets of the Trust Funds are held in the Common School Fund and invested in loans to Wisconsin municipalities and school districts through the State Trust Fund Loan Program, one of the largest public lending programs in the state. Other trust assets are currently invested in State of Wisconsin bonds that fund veteran home loans and the State Investment Fund. The earnings from these managed investments provide funding for Trust Fund beneficiaries. The primary beneficiaries are K-12 public school libraries throughout the State of Wisconsin, and the funds provided through BCPL represent the entire school library budget for many districts. Other beneficiaries include the University of Wisconsin system.

BCPL also manages what remains of Trust Lands, most of which are scattered across the northern part of the State. Land management goals include timber production, natural areas protection, and increased public access to Trust Lands for hunting, fishing and recreation.

We are pleased to be able to accomplish so much with a highly-specialized staff of 8.5 FTE positions and overall agency expenses of less than 0.2% of the Trust Funds we manage. Though we are managing more monies and more real estate transactions then ever before, we have held the line on agency expenses.

We respectfully request your consideration and approval of our 2011-13 biennial budget request. We look forward to working with you to ensure this agency continues to accomplish its goals in an effective and efficient manner. Should you have any questions, please do not hesitate to contact me.

Sincerely,

Tia Nelson
Executive Secretary

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AGENCY DESCRIPTION

The Board is Wisconsin's oldest state agency, created by Article X of the state constitution in 1848. The Board is comprised of the Attorney General, State Treasurer and Secretary of State. It is a program revenue agency with revenues derived from loans and other fixed income investments. The Board is supported by 8.5 full-time employees. The Board manages four Trust Funds, the remaining Trust Lands and Wisconsin's original land records. The Board administers one of the largest public lending programs in the state.

MISSION

The primary mission of the Board is to invest the principal of four trust funds that currently total over $834 million for the benefit of public education and manage, primarily for timber production, approximately 76,000 acres of trust lands. The Board operates the popular State Trust Fund Loan Program, which makes loans to school districts and municipalities throughout the state. The agency is funded entirely by income earned on loans and fixed income investments (program revenue). After payment of agency expenses, the net income of each trust is distributed to the respective trust fund beneficiaries. Each year, Common School Fund income is transferred to DPI for distribution to public school districts throughout the state to support public school libraries. Normal School Fund income is distributed to provide scholarships for U.W. Madison and U.W. Extension students and also provide funding to DPI to assist schools in fulfilling their environmental education requirements. Income on the University Fund and the Agriculture College Fund is distributed to the UW. In fiscal years 2008-09 and 2009-10, $67.5 million of trust fund income was distributed to support these activities.

PROGRAMS, GOALS, OBJECTIVES AND ACTIVITIES

Program 1: Trust Lands and Investments

Goal: Reduce the amount of time required to post annual state trust fund loan payments.

Objective/Activity: Post all payments within 30 days after the close of the annual payment period, which is March 15 to April 1.

Goal: Ensure the efficient, accurate and timely timber scaling (measuring) and invoicing of all timber sales.

Objective/Activity: Reduce the number of hours required to scale timber and prepare invoices for timber sales by automating the process to allow data entry on-site.

PERFORMANCE MEASURES

2009 AND 2010 GOALS AND ACTUALS

Prog. No.	Performance Measure	Goal 2009	Actual 2009	Goal 2010	Actual 2010
1.	Number of loans to post.	1,300	1,575	1,300	1,659
1.	Days required to post.	2	2	2	2
1.	Annual number of hours required to prepare scale tickets and invoices.	65	65	65	65

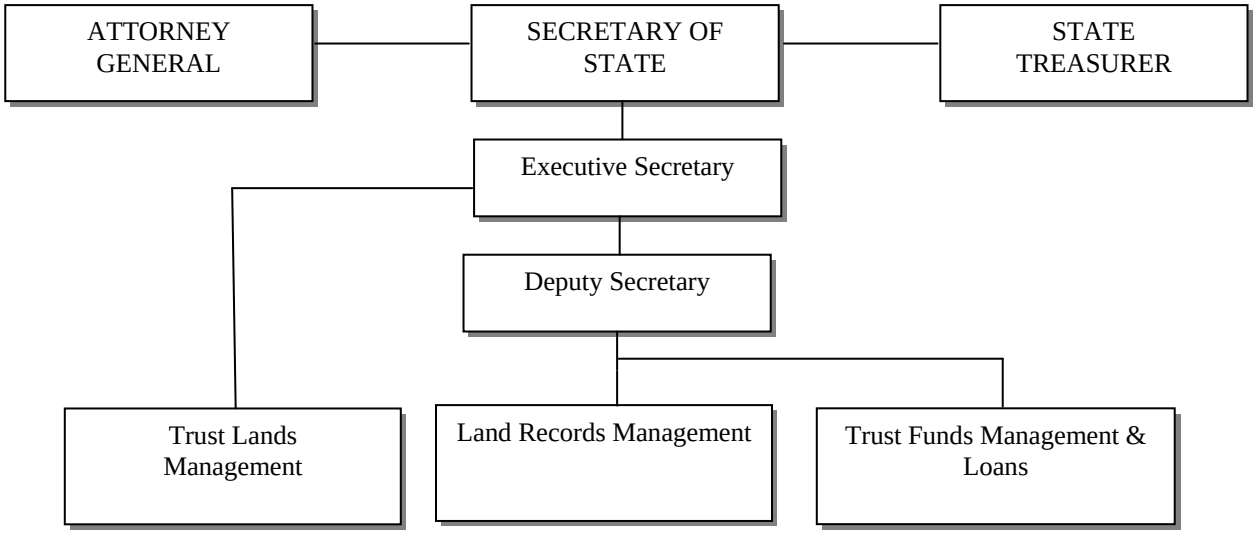
Note: Based on fiscal year.

2011, 2012 AND 2013 GOALS

Prog. No.	Performance Measure	Goal 2011	Goal 2012	Goal 2013
1.	Number of loans to post.	1,300	1,300	1,300
1.	Days required to post.	2	2	2
1.	Annual number of hours required to prepare scale tickets and invoices.	65	65	65

Note: Based on fiscal year.

BOARD OF COMMISSIONERS OF PUBLIC LANDS



Agency Total by Fund Source

Board of Commissioners of Public Lands

		ANNUAL SUMMARY						BIENNIAL SUMMARY			
Source of Funds		Prior Year Total	Adjusted Base	1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE	Base Year Doubled (BYD)	Biennial Request	Change From (BYD)	Change From BYD %
PR	A	$0	$0	$0	$0	0.00	0.00	$0	$0	$0	
PR	S	$1,408,884	$1,503,700	$1,539,500	$1,539,500	8.50	8.50	$3,007,400	$3,079,000	$71,600	2.4%
Total		$1,408,884	$1,503,700	$1,539,500	$1,539,500	8.50	8.50	$3,007,400	$3,079,000	$71,600	
PR Federal	L	$39,330	$52,700	$52,700	$52,700	0.00	0.00	$105,400	$105,400	$0	0.0%
Total		$39,330	$52,700	$52,700	$52,700	0.00	0.00	$105,400	$105,400	$0	0.0%
Grand Total		$1,448,214	$1,556,400	$1,592,200	$1,592,200	8.50	8.50	$3,112,800	$3,184,400	$71,600	

Agency Total by Program & SubProgram

Board of Commissioners of Public Lands

		ANNUAL SUMMARY					BIENNIAL SUMMARY			
Source of Funds		Adjusted Base	1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE	Base Year Doubled (BYD)	Biennial Request	Change From (BYD)	Change From BYD %
01	**Trust lands and investments**									
PR	A	$0	$0	$0	0.00	0.00	$0	$0	$0	
	S	$1,503,700	$1,539,500	$1,539,500	8.50	8.50	$3,007,400	$3,079,000	$71,600	2.38%
PR Federal	L	$52,700	$52,700	$52,700	0.00	0.00	$105,400	$105,400	$0	0.00%
Total		**$1,556,400**	**$1,592,200**	**$1,592,200**	**8.50**	**8.50**	**$3,112,800**	**$3,184,400**	**$71,600**	
PGM 01 Total		**$1,556,400**	**$1,592,200**	**$1,592,200**	**8.50**	**8.50**	**$3,112,800**	**$3,184,400**	**$71,600**	**2.30%**
Agency Total		**$1,556,400**	**$1,592,200**	**$1,592,200**	**8.50**	**8.50**	**$3,112,800**	**$3,184,400**	**$71,600**	**2.30%**

Agency Total by Decision Item

Board of Commissioners of Public Lands

Decision Item	1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
2000 Adjusted Base Funding Level	$1,556,400	$1,556,400	8.50	8.50
3003 Full Funding of Continuing Position Salaries and Fringe Benefits	$18,400	$18,400	0.00	0.00
3005 Reclassifications and Semiautomatic Pay Progression	$15,000	$15,000	0.00	0.00
3010 Full Funding of Lease and Directed Moves Costs	$2,400	$2,400	0.00	0.00
Agency Total	$1,592,200	$1,592,200	8.50	8.50

Program Revenue

	CODES	TITLES
DEPARTMENT	507	Board of Commissioners of Public Lands
PROGRAM	01	Trust lands and investments
SUBPROGRAM		
NUMERIC APPROPRIATION	28	Trust lands and investments -- general program operations

Revenue and Expenditures	Prior Year Actuals	Base Year Estimate	1st Year Estimate	2nd Year Estimate
Opening Balance	**$0**	**$0**	**$0**	**$0**
Transfer of interest earned and coded to fund 763 appr 902 to cover current year expenditures	$1,408,900	$1,503,700	$1,596,100	$1,597,200
Total Revenue	**$1,408,900**	**$1,503,700**	**$1,596,100**	**$1,597,200**
Expenditures	**$1,408,900**	**$1,503,700**	**$0**	**$0**
Space Lease Reserve	$0	$0	$2,100	$2,100
27th Pay Period Reserve	$0	$0	$26,800	$0
Compensation Reserve	$0	$0	$13,900	$28,100
Health Insurance Reserves	$0	$0	$13,800	$27,500
2000 Adjusted Base Funding Level	$0	$0	$1,503,700	$1,503,700
3003 Full Funding of Continuing Position Salaries and Fringe Benefits	$0	$0	$18,400	$18,400
3010 Full Funding of Lease and Directed Moves Costs	$0	$0	$2,400	$2,400
3005 Reclassifications and Semiautomatic Pay Progression	$0	$0	$15,000	$15,000
Total Expenditures	**$1,408,900**	**$1,503,700**	**$1,596,100**	**$1,597,200**
Closing Balance	**$0**	**$0**	**$0**	**$0**

Decision Item by Line

	CODES	TITLES
DEPARTMENT	507	Board of Commissioners of Public Lands

	CODES	TITLES
DECISION ITEM	2000	Adjusted Base Funding Level

	Expenditure items	1st Year Cost	2nd Year Cost
01	Permanent Position Salaries	$539,500	$539,500
02	Turnover	$0	$0
03	Project Position Salaries	$0	$0
04	LTE/Misc. Salaries	$82,200	$82,200
05	Fringe Benefits	$269,500	$269,500
06	Supplies and Services	$603,600	$603,600
07	Permanent Property	$8,900	$8,900
08	Unalloted Reserve	$0	$0
09	Aids to Individuals Organizations	$0	$0
10	Local Assistance	$52,700	$52,700
11	One-time Financing	$0	$0
12	Debt Service	$0	$0
13		$0	$0
14		$0	$0
15		$0	$0
16		$0	$0
17	**Total Cost**	**$1,556,400**	**$1,556,400**
18	Project Positions Authorized	0.00	0.00
19	Classified Positions Authorized	7.50	7.50
20	Unclassified Positions Authorized	1.00	1.00

DIN 2000 NARRATIVE

Adjusted Base Funding Level

Decision Item by Fund Source

Board of Commissioners of Public Lands

	Source of Funds		1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
Decision Item	**2000**	**Adjusted Base Funding Level**				
	PR	A	$0	$0	0.00	0.00
	PR	S	$1,503,700	$1,503,700	8.50	8.50
	PR Federal	L	$52,700	$52,700	0.00	0.00
	Total		**$1,556,400**	**$1,556,400**	**8.50**	**8.50**
Agency Total			**$1,556,400**	**$1,556,400**	**8.50**	**8.50**

Program	Decision Item/Numeric	1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
	2000	**Adjusted Base Funding Level**			
01	**Trust lands and investments**				
	28 Trust lands and investments -- general program operations	$1,503,700	$1,503,700	8.50	8.50
	30 Federal aid -- flood control	$52,700	$52,700	0.00	0.00
	31 Payments to American Indian tribes or bands for raised sunken logs	$0	$0	0.00	0.00
	35 Trust lands and investments -- interagency and intra-agency assistance	$0	$0	0.00	0.00
	Trust lands and investments SubTotal	**$1,556,400**	**$1,556,400**	**8.50**	**8.50**
	Adjusted Base Funding Level SubTotal	**$1,556,400**	**$1,556,400**	**8.50**	**8.50**
	Agency Total	**$1,556,400**	**$1,556,400**	**8.50**	**8.50**

Decision Item by Line

	CODES	TITLES
DEPARTMENT	507	Board of Commissioners of Public Lands

	CODES	TITLES
DECISION ITEM	3003	Full Funding of Continuing Position Salaries and Fringe Benefits

	Expenditure items	1st Year Cost	2nd Year Cost
01	Permanent Position Salaries	$15,300	$15,300
02	Turnover	$0	$0
03	Project Position Salaries	$0	$0
04	LTE/Misc. Salaries	$0	$0
05	Fringe Benefits	$3,100	$3,100
06	Supplies and Services	$0	$0
07	Permanent Property	$0	$0
08	Unalloted Reserve	$0	$0
09	Aids to Individuals Organizations	$0	$0
10	Local Assistance	$0	$0
11	One-time Financing	$0	$0
12	Debt Service	$0	$0
13		$0	$0
14		$0	$0
15		$0	$0
16		$0	$0
17	**Total Cost**	**$18,400**	**$18,400**
18	Project Positions Authorized	0.00	0.00
19	Classified Positions Authorized	0.00	0.00
20	Unclassified Positions Authorized	0.00	0.00

DIN 3003 NARRATIVE

Standard Budget Adjustment - Full Funding of Continuing Position Salaries and Fringe Benefits

Decision Item by Fund Source

Board of Commissioners of Public Lands

	Source of Funds		1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
Decision Item	**3003**	**Full Funding of Continuing Position Salaries and Fringe Benefits**				
	PR	S	$18,400	$18,400	0.00	0.00
	Total		**$18,400**	**$18,400**	**0.00**	**0.00**
Agency Total			**$18,400**	**$18,400**	**0.00**	**0.00**

Program	Decision Item/Numeric	1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
	3003	**Full Funding of Continuing Position Salaries and Fringe Benefits**			
01	**Trust lands and investments**				
	28 Trust lands and investments -- general program operations	$18,400	$18,400	0.00	0.00
	Trust lands and investments SubTotal	**$18,400**	**$18,400**	**0.00**	**0.00**
	Full Funding of Continuing Position Salaries and Fringe Benefits SubTotal	**$18,400**	**$18,400**	**0.00**	**0.00**
	Agency Total	**$18,400**	**$18,400**	**0.00**	**0.00**

Decision Item by Line

	CODES	TITLES
DEPARTMENT	507	Board of Commissioners of Public Lands

	CODES	TITLES
DECISION ITEM	3005	Reclassifications and Semiautomatic Pay Progression

	Expenditure items	1st Year Cost	2nd Year Cost
01	Permanent Position Salaries	$15,000	$15,000
02	Turnover	$0	$0
03	Project Position Salaries	$0	$0
04	LTE/Misc. Salaries	$0	$0
05	Fringe Benefits	$0	$0
06	Supplies and Services	$0	$0
07	Permanent Property	$0	$0
08	Unalloted Reserve	$0	$0
09	Aids to Individuals Organizations	$0	$0
10	Local Assistance	$0	$0
11	One-time Financing	$0	$0
12	Debt Service	$0	$0
13		$0	$0
14		$0	$0
15		$0	$0
16		$0	$0
17	**Total Cost**	**$15,000**	**$15,000**
18	Project Positions Authorized	0.00	0.00
19	Classified Positions Authorized	0.00	0.00
20	Unclassified Positions Authorized	0.00	0.00

DIN 3005 NARRATIVE

Standard Budget Adjustment - Reclassifications and Semiautomatic Pay Progression

The agency has very few staff members, most of which have specialized technical training and skills that are critical to support the agency's missions. The agency is currently paying compensation that is marginally competitive with the marketplace for these positions. In order to prevent an exodus of agency staff members leaving for more lucrative employment positions, pay progression increases are needed for retention purposes.

Decision Item by Fund Source

Board of Commissioners of Public Lands

	Source of Funds		1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
Decision Item	**3005**	**Reclassifications and Semiautomatic Pay Progression**				
	PR	S	$15,000	$15,000	0.00	0.00
	Total		**$15,000**	**$15,000**	**0.00**	**0.00**
Agency Total			**$15,000**	**$15,000**	**0.00**	**0.00**

Program	Decision Item/Numeric	1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
	3005	**Reclassifications and Semiautomatic Pay Progression**			
01	**Trust lands and investments**				
	28 Trust lands and investments -- general program operations	$15,000	$15,000	0.00	0.00
	Trust lands and investments SubTotal	**$15,000**	**$15,000**	**0.00**	**0.00**
	Reclassifications and Semiautomatic Pay Progression SubTotal	**$15,000**	**$15,000**	**0.00**	**0.00**
	Agency Total	**$15,000**	**$15,000**	**0.00**	**0.00**

Decision Item by Line

	CODES	TITLES
DEPARTMENT	507	Board of Commissioners of Public Lands

	CODES	TITLES
DECISION ITEM	3010	Full Funding of Lease and Directed Moves Costs

	Expenditure items	1st Year Cost	2nd Year Cost
01	Permanent Position Salaries	$0	$0
02	Turnover	$0	$0
03	Project Position Salaries	$0	$0
04	LTE/Misc. Salaries	$0	$0
05	Fringe Benefits	$0	$0
06	Supplies and Services	$2,400	$2,400
07	Permanent Property	$0	$0
08	Unalloted Reserve	$0	$0
09	Aids to Individuals Organizations	$0	$0
10	Local Assistance	$0	$0
11	One-time Financing	$0	$0
12	Debt Service	$0	$0
13		$0	$0
14		$0	$0
15		$0	$0
16		$0	$0
17	**Total Cost**	**$2,400**	**$2,400**
18	Project Positions Authorized	0.00	0.00
19	Classified Positions Authorized	0.00	0.00
20	Unclassified Positions Authorized	0.00	0.00

DIN 3010 NARRATIVE

Standard Budget Adjustment - Full Funding of Lease and Directed Moves Costs

Decision Item by Fund Source

Board of Commissioners of Public Lands

	Source of Funds		1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
Decision Item	**3010**	**Full Funding of Lease and Directed Moves Costs**				
	PR	S	$2,400	$2,400	0.00	0.00
	Total		**$2,400**	**$2,400**	**0.00**	**0.00**
Agency Total			**$2,400**	**$2,400**	**0.00**	**0.00**

Program	Decision Item/Numeric	1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
	3010	**Full Funding of Lease and Directed Moves Costs**			
01	**Trust lands and investments**				
	28 Trust lands and investments -- general program operations	$2,400	$2,400	0.00	0.00
	Trust lands and investments SubTotal	**$2,400**	**$2,400**	**0.00**	**0.00**
	Full Funding of Lease and Directed Moves Costs SubTotal	**$2,400**	**$2,400**	**0.00**	**0.00**
	Agency Total	**$2,400**	**$2,400**	**0.00**	**0.00**