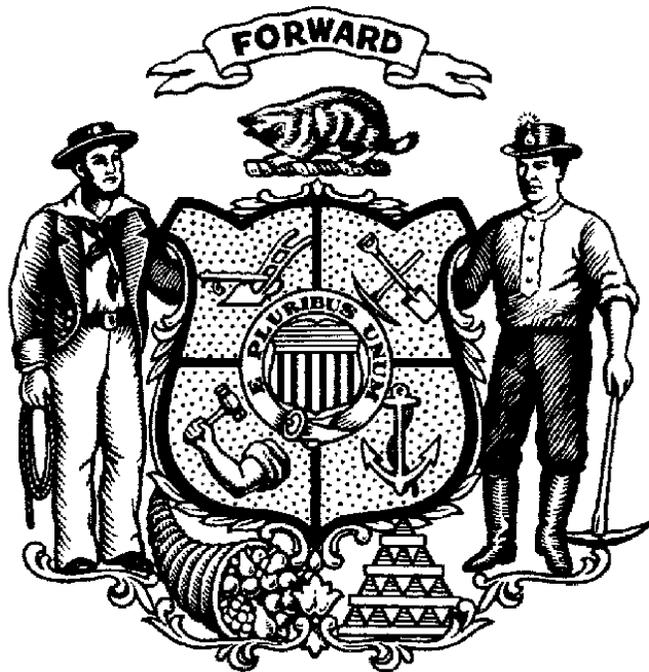


State of Wisconsin

Board of Commissioners of Public Lands



Agency Budget Request
2013 – 2015 Biennium
September 17, 2012

Table of Contents

Cover Letter	3
Description	5
Mission.....	6
Goals	7
Performance Measures	8
Organization Chart	10
Agency Total by Fund Source.....	11
Agency Total by Program	12
Agency Total by Decision Item (DIN).....	14
Program Revenue and Balances Statement	15
Decision Items	17



Douglas La Follette, *Secretary of State*
Kurt Schuller, *State Treasurer*
J.B. Van Hollen, *Attorney General*
Tia Nelson, *Executive Secretary*

101 E. Wilson Street
2nd Floor
PO Box 8943
Madison, WI 53708-8943

608 266-1370 INFORMATION
608 266-0034 LOANS
608 267-2787 FAX
bcpl.wisconsin.gov

Managing Wisconsin's trust assets for public education

September 17, 2012

The Honorable Scott Walker, Governor
Honorable Members of the Joint Committee on Finance
Honorable Members of the Wisconsin Legislature

Gentlemen and Mesdames:

I am pleased to submit the 2013-2015 Biennial Budget Request of the Board of Commissioners of Public Lands. The agency is entirely funded by program revenue. No General Purpose Revenues are required for agency operations. Our budget request reflects a "cost to continue" for current agency operations and includes no additional programs or personnel. The .3% decrease over the prior biennial budget is due to standard budget adjustments.

The Board of Commissioners of Public Lands (BCPL) was created pursuant to Article X, Section 7 of the Wisconsin Constitution in 1848 to support public education. The Board is comprised of the Attorney General, State Treasurer and Secretary of State. With the assistance of the agency's professional staff, the BCPL manages four school trust funds, approximately 77,000 acres of school trust lands, and Wisconsin's original land records.

A majority of the assets of the school 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 school trust assets are invested in state and municipal bonds and the State Investment Fund. The earnings from these managed investments provide funding for school trust fund beneficiaries. The primary beneficiaries are K-12 public school libraries throughout the State of Wisconsin. The funds provided through the BCPL represent the entire school library budget for many districts. The other school trust funds benefit the University of Wisconsin system.

The BCPL also manages what remain of school trust lands, the majority of which are located in the northern part of the State. These lands are administered primarily for revenue generation through sustainable timber management. The lands are also used for hunting, fishing, and trapping, protection of water quality and wildlife habitat, and public 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 that are less than 0.2% of the value of the school trust funds the BCPL manages. We have increased operational efficiencies and held the line on agency expenses while managing more trust fund investments than at any time in agency history. The agency was granted "land bank authority" in 2006 by unanimous votes in the legislature. This has made possible the realignment of school trust lands into more productive timber management units. Since that time the BCPL has increased timber producing lands by 10% while increasing public access to school trust lands by 16%.

We respectfully request your consideration and approval of our 2013-15 biennial budget. 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

This page intentionally left blank

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, bonds 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 manage school trust funds and school trust lands for the benefit of public education. The BCPL invests the principal of four trust funds that currently total over \$893 million in state and municipal bonds and in loans to municipalities and school districts through the State Trust Fund Loan Program. The BCPL manages the school trust lands which currently total approximately 77,000 acres to produce revenue through sustainable timber management. The school trust lands are also used for hunting, fishing, trapping, protection of water quality, wildlife habitat and outdoor recreation. The agency is funded entirely by income earned on loans and other 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. The other trust funds benefit the University of Wisconsin System.

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

2011 AND 2012 GOALS AND ACTUALS

Prog. No.	Performance Measure	Goal 2011	Actual 2011	Goal 2012	Actual 2012
1.	Number of loans to post.	1,300	1,643	1,300	1,568
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

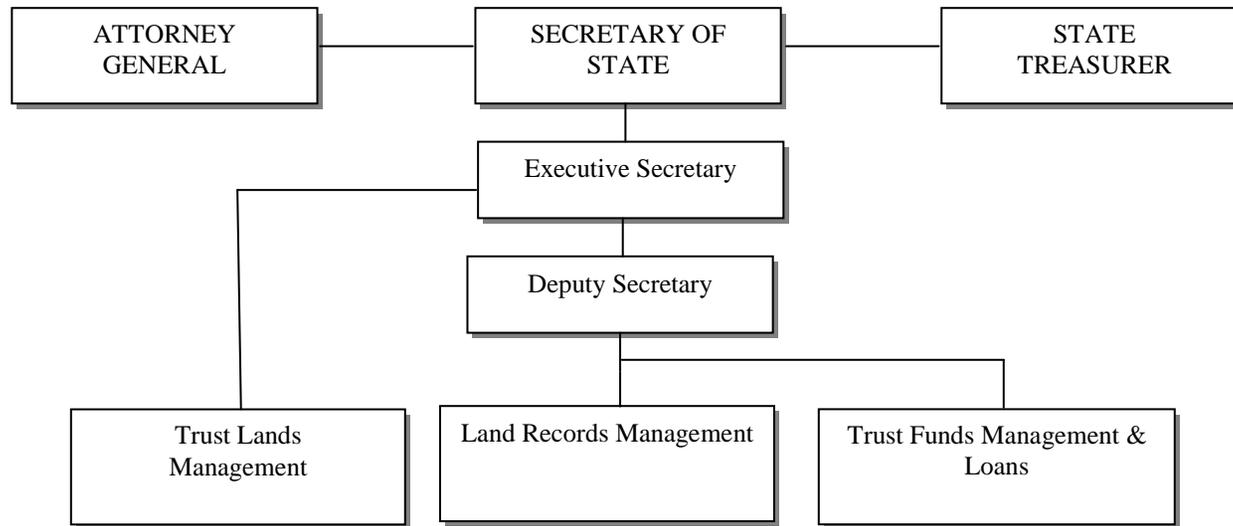
Note: Based on fiscal year.

2013, 2014 AND 2015 GOALS

Prog. No.	Performance Measure	Goal 2013	Goal 2014	Goal 2015
1.	Number of loans to post.	1,200	1,200	1,200
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

1315 Biennial Budget

Source of Funds		ANNUAL SUMMARY						BIENNIAL SUMMARY			
		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	S	\$1,613,963	\$1,494,500	\$1,488,900	\$1,490,500	8.50	8.50	\$2,989,000	\$2,979,400	(\$9,600)	-0.3%
Total		\$1,613,963	\$1,494,500	\$1,488,900	\$1,490,500	8.50	8.50	\$2,989,000	\$2,979,400	(\$9,600)	-0.3%
PR Federal	L	\$67,362	\$52,700	\$52,700	\$52,700	0.00	0.00	\$105,400	\$105,400	\$0	0.0%
Total		\$67,362	\$52,700	\$52,700	\$52,700	0.00	0.00	\$105,400	\$105,400	\$0	0.0%
Grand Total		\$1,681,325	\$1,547,200	\$1,541,600	\$1,543,200	8.50	8.50	\$3,094,400	\$3,084,800	(\$9,600)	-0.3%

Agency Total by Program

507 Board of Commissioners of Public Lands

1315 Biennial Budget

Source of Funds	ANNUAL SUMMARY						BIENNIAL SUMMARY			
	Prior Year Actual	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										
Non Federal										
PR	\$1,613,963	\$1,494,500	\$1,488,900	\$1,490,500	8.50	8.50	\$2,989,000	\$2,979,400	(\$9,600)	-0.32%
S	\$1,613,963	\$1,494,500	\$1,488,900	\$1,490,500	8.50	8.50	\$2,989,000	\$2,979,400	(\$9,600)	-0.32%
Total - Non Federal	\$1,613,963	\$1,494,500	\$1,488,900	\$1,490,500	8.50	8.50	\$2,989,000	\$2,979,400	(\$9,600)	-0.32%
S	\$1,613,963	\$1,494,500	\$1,488,900	\$1,490,500	8.50	8.50	\$2,989,000	\$2,979,400	(\$9,600)	-0.32%
Federal										
PR	\$67,362	\$52,700	\$52,700	\$52,700	0.00	0.00	\$105,400	\$105,400	\$0	0.00%
L	\$67,362	\$52,700	\$52,700	\$52,700	0.00	0.00	\$105,400	\$105,400	\$0	0.00%
Total - Federal	\$67,362	\$52,700	\$52,700	\$52,700	0.00	0.00	\$105,400	\$105,400	\$0	0.00%
L	\$67,362	\$52,700	\$52,700	\$52,700	0.00	0.00	\$105,400	\$105,400	\$0	0.00%
PGM 01 Total	\$1,681,325	\$1,547,200	\$1,541,600	\$1,543,200	8.50	8.50	\$3,094,400	\$3,084,800	(\$9,600)	-0.31%
PR	\$1,681,325	\$1,547,200	\$1,541,600	\$1,543,200	8.50	8.50	\$3,094,400	\$3,084,800	(\$9,600)	-0.31%
L	\$67,362	\$52,700	\$52,700	\$52,700	0.00	0.00	\$105,400	\$105,400	\$0	0.00%
S	\$1,613,963	\$1,494,500	\$1,488,900	\$1,490,500	8.50	8.50	\$2,989,000	\$2,979,400	(\$9,600)	-0.32%
TOTAL 01	\$1,681,325	\$1,547,200	\$1,541,600	\$1,543,200	8.50	8.50	\$3,094,400	\$3,084,800	(\$9,600)	-0.31%
L	\$67,362	\$52,700	\$52,700	\$52,700	0.00	0.00	\$105,400	\$105,400	\$0	0.00%
S	\$1,613,963	\$1,494,500	\$1,488,900	\$1,490,500	8.50	8.50	\$2,989,000	\$2,979,400	(\$9,600)	-0.32%

Agency Total by Program

507 Board of Commissioners of Public Lands

1315 Biennial Budget

Agency Total	\$1,681,325	\$1,547,200	\$1,541,600	\$1,543,200	8.50	8.50	\$3,094,400	\$3,084,800	(\$9,600)	-0.31%
--------------	-------------	-------------	-------------	-------------	------	------	-------------	-------------	-----------	--------

Agency Total by Decision Item

Board of Commissioners of Public Lands

1315 Biennial Budget

Decision Item	1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
2000 Adjusted Base Funding Level	\$1,547,200	\$1,547,200	8.50	8.50
3003 Full Funding of Continuing Position Salaries and Fringe Benefits	(\$18,500)	(\$18,500)	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	(\$2,100)	(\$500)	0.00	0.00
TOTAL	\$1,541,600	\$1,543,200	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	(\$5,700)	\$0	\$0
Transfer of interest earned and coded to fund 763 appr 902 to cover current year expenditures	\$1,608,300	\$1,500,200	\$1,510,500	\$1,533,600
Total Revenue	\$1,608,300	\$1,494,500	\$1,510,500	\$1,533,600
Expenditures	\$1,614,000	\$1,494,500	\$0	\$0
Health Insurance Reserves	\$0	\$0	\$8,600	\$16,700
2000 Adjusted Base Funding Level	\$0	\$0	\$1,494,500	\$1,494,500
3005 Reclassifications and Semiautomatic Pay Progression	\$0	\$0	\$15,000	\$15,000
3010 Full Funding of Lease and Directed Moves Costs	\$0	\$0	(\$2,200)	(\$600)
Compensation Reserve	\$0	\$0	\$13,100	\$26,500
3003 Full Funding of Continuing Position Salaries and Fringe Benefits	\$0	\$0	(\$18,500)	(\$18,500)
Total Expenditures	\$1,614,000	\$1,494,500	\$1,510,500	\$1,533,600
Closing Balance	(\$5,700)	\$0	\$0	\$0

Program Revenue

	CODES	TITLES
DEPARTMENT	507	Board of Commissioners of Public Lands
PROGRAM	01	Trust lands and investments
SUBPROGRAM		
NUMERIC APPROPRIATION	30	Federal aid -- flood control

Revenue and Expenditures	Prior Year Actuals	Base Year Estimate	1st Year Estimate	2nd Year Estimate
Opening Balance	\$0	\$0	\$0	\$0
Federal Aid-Flood Control	\$67,400	\$52,700	\$52,700	\$52,700
Total Revenue	\$67,400	\$52,700	\$52,700	\$52,700
Expenditures	\$67,400	\$52,700	\$0	\$0
2000 Adjusted Base Funding Level	\$0	\$0	\$52,700	\$52,700
Total Expenditures	\$67,400	\$52,700	\$52,700	\$52,700
<u>Closing Balance</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Decision Item (DIN) - 2000

Decision Item (DIN) Title - Adjusted Base Funding Level

NARRATIVE

Adjusted Base Funding Level

Decision Item by Line

1315 Biennial Budget

	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	\$569,800	\$569,800
02	Turnover	\$0	\$0
03	Project Position Salaries	\$0	\$0
04	LTE/Misc. Salaries	\$82,200	\$82,200
05	Fringe Benefits	\$227,600	\$227,600
06	Supplies and Services	\$606,000	\$606,000
07	Permanent Property	\$8,900	\$8,900
08	Unallotted 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	\$1,547,200	\$1,547,200
18	Project Positions Authorized	0.00	0.00
19	Classified Positions Authorized	7.50	7.50
20	Unclassified Positions Authorized	1.00	1.00

Decision Item by Numeric

Board of Commissioners of Public Lands

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	\$1,494,500	\$1,494,500	8.50	8.50
	30 Federal aid -- flood control	\$52,700	\$52,700	0.00	0.00
	Trust lands and investments SubTotal	\$1,547,200	\$1,547,200	8.50	8.50
	Adjusted Base Funding Level SubTotal	\$1,547,200	\$1,547,200	8.50	8.50
	Agency Total	\$1,547,200	\$1,547,200	8.50	8.50

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	S	\$1,494,500	\$1,494,500	8.50	8.50
	PR Federal	L	\$52,700	\$52,700	0.00	0.00
	Total		\$1,547,200	\$1,547,200	8.50	8.50
Agency Total			\$1,547,200	\$1,547,200	8.50	8.50

Decision Item (DIN) - 3003

Decision Item (DIN) Title - Full Funding of Continuing Position Salaries and Fringe Benefits

NARRATIVE

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

Decision Item by Line

1315 Biennial Budget

	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	(\$3,800)	(\$3,800)
02	Turnover	\$0	\$0
03	Project Position Salaries	\$0	\$0
04	LTE/Misc. Salaries	\$0	\$0
05	Fringe Benefits	(\$14,700)	(\$14,700)
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	(\$18,500)	(\$18,500)
18	Project Positions Authorized	0.00	0.00
19	Classified Positions Authorized	0.00	0.00
20	Unclassified Positions Authorized	0.00	0.00

Decision Item by Numeric

Board of Commissioners of Public Lands

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	(\$18,500)	(\$18,500)	0.00	0.00
	Trust lands and investments SubTotal	(\$18,500)	(\$18,500)	0.00	0.00
	Full Funding of Continuing Position Salaries and Fringe Benefits SubTotal	(\$18,500)	(\$18,500)	0.00	0.00
	Agency Total	(\$18,500)	(\$18,500)	0.00	0.00

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	(\$18,500)	(\$18,500)	0.00	0.00
	Total		(\$18,500)	(\$18,500)	0.00	0.00
Agency Total			(\$18,500)	(\$18,500)	0.00	0.00

Decision Item (DIN) - 3005

Decision Item (DIN) Title - Reclassifications and Semiautomatic Pay Progression

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 Line

1315 Biennial Budget

	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	Unallotted 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

Decision Item by Numeric

Board of Commissioners of Public Lands

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 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

Decision Item (DIN) - 3010

Decision Item (DIN) Title - Full Funding of Lease and Directed Moves Costs

NARRATIVE

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

Decision Item by Line

1315 Biennial Budget

	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	(\$2,100)	(\$500)
07	Permanent Property	\$0	\$0
08	Unallotted 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	(\$2,100)	(\$500)
18	Project Positions Authorized	0.00	0.00
19	Classified Positions Authorized	0.00	0.00
20	Unclassified Positions Authorized	0.00	0.00

Decision Item by Numeric

Board of Commissioners of Public Lands

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	(\$2,100)	(\$500)	0.00	0.00
	Trust lands and investments SubTotal	(\$2,100)	(\$500)	0.00	0.00
	Full Funding of Lease and Directed Moves Costs SubTotal	(\$2,100)	(\$500)	0.00	0.00
	Agency Total	(\$2,100)	(\$500)	0.00	0.00

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	(\$2,100)	(\$500)	0.00	0.00
	Total		(\$2,100)	(\$500)	0.00	0.00
Agency Total			(\$2,100)	(\$500)	0.00	0.00