



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #781

Stray Voltage Research Funding (PSC -- Agencywide and University of Wisconsin System)

[LFB 2001-03 Budget Summary: Page 571, #4]

CURRENT LAW

Public utilities that produce electricity and electric cooperatives are assessed for their proportionate share of the annual amounts specifically appropriated to the PSC for stray voltage research. During the 1999-01 biennium, \$175,000 PR annually was appropriated to the PSC for this purpose. Of the annual amounts received from the Commission's stray voltage research assessments, the first \$175,000 PR annually must then be transferred to a stray voltage research appropriation under the University of Wisconsin System. A total of \$175,000 PR annually is also appropriated to a PR continuing appropriation under the University of Wisconsin to support stray voltage research activities.

GOVERNOR

Delete \$175,000 PR annually of base level expenditure authority under the PSC funded from electric utility and cooperative assessments for stray voltage research activities. Continue \$175,000 PR annually of base level expenditure authority under the University of Wisconsin System's stray voltage research appropriation.

DISCUSSION POINTS

1. Provisions of 1999 Wisconsin Act 9 created s. 196.856 of the statutes, which directs the following annual assessments by the PSC: electric utilities are assessed for 91% of the amounts appropriated annually to the Commission for stray voltage research and electric cooperatives are assessed for the remaining 9% of such amounts. The Act 9 provisions direct the transfer of the first \$175,000 assessed each year to the UW to support a stray voltage research program. Act 9 also

requires the UW Board of Regents to establish such a program.

2. The PSC made these required assessments in January of 2000 (for the 1999-00 fiscal year) and in June of 2000 (for the 2000-01 fiscal year), based on the \$175,000 PR appropriated annually to the Commission to support stray voltage research. Further, in accordance with the provisions of s. 20.155(1)(jm) of the statutes, \$175,000 PR annually (in this case, the total amount of each annual assessment) has been (or shortly will be) transferred to the University of Wisconsin System's PR continuing appropriation for stray voltage research. Funds appropriated to a continuing appropriation remain available until fully expended or until the Legislature acts to repeal the appropriation.

3. The effect of deleting the Commission's base level expenditure authority for stray voltage research in both the 2001-02 and 2002-03 fiscal years is to eliminate any annual assessment of utilities and electric cooperatives for this purpose during the next biennium. Without such an assessment, no additional funds will be received by the PSC for transfer to the UW's stray voltage research appropriation.

4. Although the current statutory assessment and transfer language would suggest that the stray voltage research project will be an on-going program, discussions with both UW and PSC staff involved with the project indicate that the Act 9 budget initiative was intended to fund the UW's stray voltage research as a one-time activity. Consequently, no assessments beyond the current biennium are indicated as being required, since additional UW projects are not currently anticipated.

5. In light of the facts that: (a) the required annual assessments of electric utilities and cooperatives have now been made sufficient to fund the current budget of the UW's stray voltage research project; (b) all of the required fund transfers to the UW will have been made by the end of the 2000-01 fiscal year; and (c) no further stray voltage research that would require funding from PSC assessments of electric utilities and cooperatives is currently being planned at the UW beyond the completion of the current project, the Committee could consider deleting the Commission's stray voltage research assessment authority and its associated stray voltage research appropriation.

6. The UW will continue the current stray voltage research project through its scheduled completion date of June 30, 2003. Consequently, the Act 9 statutory language directing the UW Board of Regents to maintain such a program should be retained through the June 30, 2003, scheduled conclusion of the project, at which time this research directive language could also be repealed.

7. The bill continues a base level expenditure estimate of \$175,000 PR annually under the UW stray voltage research funding appropriation. The UW has developed a budget of estimated expenditures for the stray voltage research project of \$145,500 PR in 2001-02 and \$102,800 in 2002-03. Accordingly, the estimated level of expenditures under this appropriation could be adjusted to delete \$29,500 PR in 2001-02 and \$72,200 PR in 2002-03 to more accurately portray the likely funding requirements for the UW's stray voltage research. This appropriation could also be repealed after June 30, 2003.

8. Alternatively, if the Committee believes that additional future stray voltage research projects could still be developed at the UW that should also be funded through future PSC assessments of electric utilities and electric cooperatives, it could choose to leave the current law assessment, appropriation structure and research language in place. The funding adjustment for the UW's current stray voltage project during the 2001-03 biennium should still be made under this alternative, however.

ALTERNATIVES TO BASE

1. Approve the Governor's recommendation.

Alternative 1	PR
2001-03 FUNDING (Change to Base)	- \$350,000
<i>[Change to Bill]</i>	<i>[\$0]</i>

2. Modify the Governor's recommendation by reducing the expenditure authority under the University of Wisconsin stray voltage research appropriation by \$29,500 PR in 2001-03 and \$72,200 PR in 2002-03 to reflect the current project budget.

Alternative 2	PR
2001-03 FUNDING (Change to Base)	- \$451,700
<i>[Change to Bill]</i>	<i>-\$101,700]</i>

3. Modify the Governor's recommendation by: (a) reducing the expenditure authority under the University of Wisconsin stray voltage research appropriation by \$29,500 PR in 2001-03 and \$72,200 PR in 2002-03 to reflect the current project budget and repealing this appropriation on July 1, 2003; (b) repealing the PSC's stray voltage research appropriation and associated authority to make such assessments; (c) repealing the statutory language requiring the UW Board of Regents to establish a stray voltage research program, effective July 1, 2003.

Alternative 3	PR
2001-03 FUNDING (Change to Base)	- \$451,700
<i>[Change to Bill]</i>	<i>-\$101,700]</i>

4. Maintain current law.

Alternative 4	PR
2001-03 FUNDING (Change to Base)	\$0
<i>[Change to Bill]</i>	<i>[\$350,000]</i>

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