



Legislative Fiscal Bureau

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June 5, 2007

Joint Committee on Finance

Paper #128

Department of Defense Excess Property Program (DOA -- Office of Justice Assistance)

Bill Section

CURRENT LAW

Section 1033 of the National Defense Authorization Act of 1997, permits the federal Department of Defense (DOD) to transfer excess military property to law enforcement agencies. A law enforcement agency is eligible to participate in the program if it has at least one full-time law enforcement officer who has arrest and apprehension powers. The excess property can be used for general law enforcement activities, but may not be utilized in connection with the operation of a jail. The excess equipment is available from DOD on a "where is, as is" basis.

The Wisconsin Technical College System Foundation (WTCSF) administers the program on behalf of Wisconsin law enforcement agencies through an agreement with the Department of Administration's Office of Justice Assistance (OJA). The Office provides federal homeland security funding under the Law Enforcement Terrorism Prevention Program (LETPP) to cover the administrative costs of the program incurred by the WTCSF, including transportation costs.

GOVERNOR

Maintain current law.

DISCUSSION POINTS

1. By letter to the Co-Chairs of the Joint Committee on Finance dated March 19, 2007, the Secretary of the Department of Administration requested an additional \$365,000 GPR annually in funding to transfer the administrative costs incurred by WTCSF to operate the DOD excess

equipment program from federal homeland security funding to the general fund. The \$365,000 GPR annually to operate the program would provide: (a) \$165,000 annually for personnel costs to fund the salaries and fringe benefits of 10 individuals who work on the program on a part-time basis including an administrator, warehouse staff, maintenance staff, and equipment screeners; (b) \$100,000 annually in transportation costs to re-locate equipment nationwide to Wisconsin; (c) \$65,000 annually for indirect costs including administration, accounting, office rent, insurance, and office supplies; (d) \$15,000 annually for warehouse rent; (e) \$15,000 annually for travel costs; and (f) \$5,000 annually to the Lakeshore Technical College. Due to the requirements of the federal homeland security funding, the homeland security funding is provided to Lakeshore Technical College which contracts with WTCSF to administer the excess equipment program. The \$5,000 in annual funding is retained by the Lakeshore Technical College for project management costs. [If the Committee approves the transfer of administrative funding for this program to GPR, however, the \$5,000 in annual project management costs for the Lakeshore Technical College could be deleted.]

2. The DOD excess equipment program was eliminated from the Wisconsin Department of Transportation budget during calendar year 2004. The program was transferred to federal homeland security funding under OJA with the understanding that the program would move to self-funding status within three years. While measures have been considered to generate program revenue to partially support the program (including charging participating law enforcement agencies a \$200 annual enrollment fee and charging local law enforcement agencies for the costs of transportation), the program remains completely funded by federal homeland security funding. Under the March 19, 2007, request, the program would shift to GPR-funding, which would provide all of the funding for the program for the 2007-09 biennium.

3. Office staff indicates that while the program can remain funded with federal homeland security funding through June 30, 2007, federal funding is not available to support the program during 2007-08. Federal funding will not be available for 2007-08, as the applications for federal homeland security funding submitted by the Office for federal fiscal year (FFY) 2006 and FFY 2007 awards did not include a request for funding for the DOD excess equipment program. Federal rules preclude the Office from funding a purpose which was not identified in the application for homeland security funding.

4. The program provides a wide variety of excess equipment to law enforcement including: (a) clothes; (b) boots; (c) blankets; (d) first aid supplies; (e) body armor and other protective equipment; (f) blankets; (g) tools; (h) office supplies (including storage cabinets, chairs, copiers, printers, fax machines, lamps, and telephones); (i) cameras; (j) video cameras; (k) computers; (l) televisions; (m) boats; (n) cars; (o) motorcycles; (p) trucks; (q) all-terrain vehicles; and (r) weapons.

5. As the DOD excess equipment program assists law enforcement agencies in the acquisition of equipment utilized by law enforcement, the Committee could consider providing \$365,000 GPR annually to providing ongoing funding for the program's budgeted costs. Funding could be provided to DOA's federal resource acquisition support grants GPR annual appropriation.

6. The Committee could consider requiring law enforcement agencies to offset some of the state costs of operating the program. As these agencies are the beneficiaries of the program, it could be argued that they should help fund the costs of operating the program.

7. Foundation staff indicates that there are currently 301 law enforcement agencies enrolled to participate in the program for 2007. If the Committee were to require participating law enforcement agencies to pay a \$200 annual enrollment fee as has been considered in the past, as much as \$60,000 annually could be collected to offset program costs. If the Committee were to also require law enforcement agencies to cover the transportation costs associated with excess equipment being received by these agencies, required state funding for the program could be reduced by an additional \$100,000 annually.

8. The Committee could also consider requiring OJA to again support the DOD excess equipment program beginning in the 2008-09 state fiscal year utilizing FFY 2008 homeland security LETPP funding. It may be worth noting, however, that Office staff indicates that applying to the federal government to support the DOD excess equipment program with federal homeland security funding could reduce the competitiveness and scoring of Wisconsin's application for homeland security funding, reducing the size of Wisconsin's award. Programs that receive ongoing federal homeland security funding are rated lower than projects that use federal funding on a short-term basis to get established.

9. It may also be worth noting that the amount of homeland security funding received by Wisconsin has been undergoing reductions in recent years. The LETPP program (which currently supports the DOD excess equipment program) is one of five subprograms under the federal Homeland Security Grant Program. While the FFY 2005 LETPP award totaled \$7,195,400 FED, the LETPP award for FFY 2006 was reduced to \$6,330,000 FED. While federal funding under the five subprograms under the Homeland Security Grant Program totaled \$34,014,100 FED in FFY 2005, the cumulative award for these five subprograms was reduced to \$24,430,900 FED in FFY 2006. As a result, the Committee may wish to consider whether the funding of the DOD excess equipment program is a priority use of homeland security funding for the Legislature.

10. The Committee could also consider deleting all state funding for the program as the cost of equipping local law enforcement agencies is primarily the responsibility of local units of government. Under this alternative, if law enforcement agencies wish to continue to utilize the program, law enforcement agencies would collectively need to identify a means to provide ongoing administrative funding for the program.

ALTERNATIVES TO BILL

1. Approve the administration's March 19 request to provide \$365,000 GPR annually to the Department of Administration's federal resource acquisition support grants appropriation to provide administrative funding to operate the Department of Defense excess property program.

ALT 1	Change to Bill Funding	Change to Base Funding
GPR	\$730,000	\$730,000

2. Reduce funding under the recommendation by: (a) \$100,000 annually to reflect an expectation that the Wisconsin Technical College System Foundation (WTCSF) will require law enforcement agencies to cover the transportation costs associated with excess equipment being received by these agencies; (b) \$60,000 annually to reflect an expectation that the WTCSF will create a \$200 annual enrollment fee for law enforcement agencies participating in the program; and (c) \$5,000 annually to reflect the deletion of funding to the Lakeshore Technical College for project management.

ALT 2	Change to Bill Funding	Change to Base Funding
GPR	\$400,000	\$400,000

3. Modify the recommendation to provide \$365,000 GPR in 2007-08. Direct the Department of Administration's Office of Justice Assistance to include in its application for federal homeland security funding for federal fiscal year 2008, a request to fund the Department of Defense excess property program.

ALT 3	Change to Bill Funding	Change to Base Funding
GPR	\$365,000	\$365,000

4. Maintain current law.

ALT 4	Change to Bill Funding	Change to Base Funding
GPR	\$0	\$0

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