

Committee Name:
Joint Committee – Finance
(JC–Fi)

Appointments

99hr_JC–Fi_Appt_pt00

Committee Hearings

99hr_JC–Fi_CH_pt00

Committee Reports

99hr_JC–Fi_CR_pt00

Clearinghouse Rules

99hr_JC–Fi_CRule_99–

Executive Sessions

99hr_JC–Fi_ES_pt00

Hearing Records

99hr_ab0000

99hr_sb0000

Misc.

99hr_JC–Fi__Misc__s.13.10_pt13c2

Record of Committee Proceedings

99hr_JC–Fi_RCP_pt00

VI. Department of Corrections – Jon Litscher, Secretary

The department requests 1.0 FTE GPR position and the release of \$718,200 GPR from the Committee's appropriation under s. 20.865(4)(a) to the department's general program operations appropriation under s. 20.410(1)(a) and services for community corrections appropriation under s. 20.410(1)(b) in fiscal year 2000-01 to fund information technology costs associated with upgrading network computer connections for field offices in the Division of Community Corrections.

Governor's Recommendation

Approve the Request.

STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION
101 East Wilson Street, Madison, Wisconsin

TOMMY G. THOMPSON
GOVERNOR

GEORGE LIGHTBOURN
SECRETARY



Office of the Secretary
Post Office Box 7864
Madison, WI 53707-7864
Voice (608) 266-1741
Fax (608) 267-3842
TTY (608) 267-9629

Date: September 11, 2000

To: Members, Joint Committee on Finance

From: George Lightbourn, Secretary
Department of Administration

Subject: Section 13.10 Request from the Department of Corrections for Upgraded Network Computer Connections for Division of Community Corrections' Field Offices

Request

The department requests 1.0 FTE GPR position and the release of \$718,200 GPR from the Committee's appropriation under s. 20.865(4)(a) to the department's general program operations appropriation under s. 20.410(1)(a) and services for community corrections appropriation under s. 20.410(1)(b) in fiscal year 2000-01 to fund information technology costs associated with upgrading network computer connections for field offices in the Division of Community Corrections (DCC).

Background

Forty-one DCC field offices connect to the department's computer network via telephone hook-ups and modems. The department has more than 400 dial-in users attempting to access the network via 23 connections. This has resulted in blocked access for many users.

Analysis

The department plans to allocate \$718,200 to upgrade network computer connections for DCC field offices throughout the state using a combination of T-1 lines, virtual private networks (VPNs), and integrated services digital network (ISDN) lines.

The funding would allow the department to add additional BadgerNet T-1 data lines at nine DCC field locations at a total cost of \$177,500. This includes \$106,200 in one-time costs to install servers and related equipment to set up BadgerNet at each site and \$71,300 in ongoing costs for monthly charges to maintain the sites. Each of these sites has five or more employees who require access to the department's information systems. BadgerNet provides advanced telecommunications services to state agencies and other eligible users by the State of Wisconsin Department of Administration.

BadgerNet offers statewide data, voice and video network services utilizing a combination of both state-owned equipment and vendor provided services.

The funding would also allow the department to develop and install virtual private networks (VPNs) at 22 additional sites at a total cost of \$387,800. This includes \$317,800 in one-time costs to install servers, firewalls, VPN devices, modems and related equipment to set up the networks at each site, and \$70,400 in ongoing costs for monthly charges to maintain the sites. Each of these 22 locations has two to four employees. Multiple internet service providers will provide a secure way for the 22 local networks to connect to the department's network and send encrypted information over the internet to the department's data systems. This connectivity will provide similar functionality at a lower ongoing cost than DOA now provides for BadgerNet T-1 line customers.

The funding would allow ten enhanced supervision neighborhood sites in Madison and Racine to access the network through ISDN lines at a total cost of \$101,100. This includes \$53,500 in one-time costs to install routers and switches and set up ISDN lines at each site, and \$10,800 on-going charges based on monthly ISDN charges at each site. This portion of the request also includes \$36,800 in funding for server setup, router configuration and general project management for the neighborhood sites requiring ISDN access to the network from Madison and Racine. The ISDN lines will allow four offices in Madison and six in Racine to connect to the system at a lower cost than BadgerNet or VPN technology.

The requested FTE position will provide support for the nine T-1 BadgerNet sites, the 22 VPN connections, which is a new technology for the department, and the ten ISDN sites that have not been part of the department's network in the past. The position will assume responsibility for maintenance and upgrades of servers, maintenance and upgrades to assure ongoing VPN and ISDN connections at each site, and monitoring the contracts with the Internet service providers for the VPN sites.

The Division of Technology Management recommends approval of the request as a pilot of alternatives to Badgernet and intends to work with the Department of Corrections to assist in implementation of the pilot.

The department requests that the funding come from funding currently set aside for contract beds in the Committee's appropriation. The department does not anticipate requesting additional funding for contract beds in fiscal year 2001.

Recommendation

Approve the Request.

Tommy G. Thompson
Governor

Jon E. Litscher
Secretary



Mailing Address

VI

149 East Wilson Street
Post Office Box 7925
Madison, WI 53707-7925
Telephone (608) 266-2471
Fax (608) 267-3661

State of Wisconsin Department of Corrections

DATE: August 25, 2000

TO: The Honorable Brian Burke, Co-Chair
Joint Committee on Finance
Room 316 South, State Capitol
Madison, WI 53702

The Honorable John Gard, Co-Chair
Joint Committee on Finance
Room 315 North, State Capitol
Madison, WI 53702

FROM: Jon E. Litscher, Secretary
Department of Corrections

A handwritten signature in cursive that reads "Jon E. Litscher/as".

SUBJECT: §13.10 Request – Upgraded Network Computer Connections for Division of
Community Corrections Field Offices

Request

The Department of Corrections (DOC) requests 1.0 GPR FTE position and the transfer of \$718,200 GPR in FY01 from the Joint Committee on Finance (JCF) supplemental appropriation under §20.865(4)(a) to the Department's appropriations under §20.410(1)(a), General program operations (\$565,700) and §20.410(1)(b), Services for community corrections (\$152,500) to fund information technology costs associated with upgrading network computer connections for Division of Community Corrections' (DCC) field offices.

Background

Forty-one DCC field offices connect to the agency's computer network via telephone hook-ups along with modems. While the department has more than 400 dial-in users, the department only has the ability to connect 23 dial-in users at one-time to the department's computer network. During normal office hours the 23 connections are constantly occupied, resulting in blocked access for most of the users for hours or days at a time. One office with newly trained staff has recently reported being unable to secure access for an entire month.

Timely access to data is important because staff and public safety can be jeopardized when DOC staff do not have access to or cannot enter offender information. For example, if staff is unable to access the data system to enter information a local police officer may apprehend a probationer and release that person because data indicating the probationer should be held is missing or inaccessible.

Analysis

As the table below indicates, of the funding requested, \$513,900 would be for one-time costs associated with upgrading the network computer connections for DCC field offices and \$204,300 would be for ongoing costs associated with maintaining these connections. Annualized costs of the positions will be fully funded in the 2001-03 biennial budget through the full funding decision item per the Department of Administration's 2001-03 budget instructions.

DCC Field Offices Connectivity Upgrades

	<u>Ongoing S&S</u>	<u>One-time Costs</u>
9 T-1 Sites	\$71,300	\$106,200
22 VPN Sites	\$70,400	\$317,400
10 Neighborhood Sites	\$10,800	\$53,500
Support	<u>\$51,800</u>	<u>\$36,800</u>
Totals	\$204,300	\$513,900

A portion of the one-time costs will allow the department to add an additional T-1 data line at nine DCC field locations. Each of these nine sites has five or more employees who require access to the Department's information systems. The Department will also develop and install a virtual private network (VPN) for connectivity upgrades at 22 additional sites. Each of these 22 locations has between 2 and 4 employees. Multiple internet service providers will provide a secure way for the 22 local networks to connect to the Department's network and send encrypted information over the internet to the Department's data systems. This connectivity will provide similar functionality at a lower ongoing cost than the Department of Administration (DOA) now provides for T-1 line Badgernet customers. In addition, there are 10 enhanced supervision neighborhood sites requiring Integrated Services Digital Network (ISDN) access to the network. Four of these sites are in the Madison; six are in the greater Racine area. The Department is also requesting \$36,800 associated with server setup, router configuration and general project management.

The ongoing costs of \$204,300 will provide for the monthly charges incurred for the Badgernet, VPN and ISDN lines and for 1.0 GPR FTE in the DOC Bureau of Technology Management (BTM) to support these connections. BTM has neither sufficient FTE nor funding to contract with a vendor to provide technical support for 41 offices that will be connected via T1, VPN, or ISDN lines to the Department's network. These connections create a significant workload issue for BTM. With the dial-in service, BTM supported one dial-in server on-site at BTM; this dial-in server will continue to be used for mobile staff and staff working from non-DOC locations including home. The requested FTE is to support 9 new T1 locations, 22 VPN connections which is a new technology for the state, and 10 neighborhood supervision offices that have not been part of the Department's network in the past. Following the setup of T1 lines, servers, and ISDN connections at each site, this position will assume responsibility for the maintenance and upgrades of servers in each location, maintenance and upgrades to assure ongoing VPN and ISDN connections for each of the sites. In addition, this position will monitor the provision of service contracts with the Internet service provider(s) for the VPN locations.

The expectation is that the funding requested from the JCF supplemental appropriation will be derived from funding currently set-aside for contract beds. It is currently anticipated that the Department will not request additional funding for contract beds in FY01.

Summary

DOC is requesting the transfer of \$718,200 in FY01 from the JCF supplemental appropriation for the one-time and ongoing costs to upgrade the network computer connections for DCC field offices.

cc: Robert Lang, Legislative Fiscal Bureau
George Lightbourn, Department of Administration

Prepared by: Cathy Halpin, Bureau of Budget and Facilities Management
267-0934

VII. Department of Corrections – Jon Litscher, Secretary

The department requests 13.25 FTE GPR positions and the release of \$1,186,000 GPR from the Committee's appropriation under s. 20.865(4)(a) in fiscal year 2000-01 to fund expansion of the Fox Lake Correctional Institution Education Program and the upgrading of Educational Local Area Network software and hardware for the Division of Adult Institutions, the Division of Juvenile Corrections, and the Division of Community Corrections.

Governor's Recommendation

Modify the request. Approve 11.25 FTE GPR positions and the release of \$1,079,300 GPR from the Committee's appropriation under s. 20.865(4)(a) in fiscal year 2000-01.

STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION
101 East Wilson Street, Madison, Wisconsin

TOMMY G. THOMPSON
GOVERNOR

GEORGE LIGHTBOURN
SECRETARY



Office of the Secretary
Post Office Box 7864
Madison, WI 53707-7864
Voice (608) 266-1741
Fax (608) 267-3842
TTY (608) 267-9629

Date: September 11, 2000

To: Members, Joint Committee on Finance

From: George Lightbourn, Secretary
Department of Administration

Subject: Section 13.10 Request from the Department of Corrections for Position Authority and Educational Programming Funding

Request

The department requests 13.25 FTE GPR positions and the release of \$1,186,000 GPR from the Committee's appropriation under s. 20.865(4)(a) in fiscal year 2000-01 to fund expansion of the Fox Lake Correctional Institution (FLCI) Education Program and the upgrading of Educational Local Area Network software and hardware for the Division of Adult Institutions (DAI), the Division of Juvenile Corrections (DJC), and the Division of Community Corrections (DCC).

Background

1999 Wisconsin Act 9 placed \$16,198,600 GPR in fiscal year 1999-2000 and \$49,001,400 GPR in fiscal year 2000-01 into the Committee's appropriation s. 20.865(4)(a) for cost increases for currently approved out-of-state contract beds, additional out-of-state contract beds, community corrections purchase of services and operating costs associated with the opening of two 150-bed workcenters. There is currently a balance of \$21,448,600 GPR in the Committee's appropriation reserved for the Department of Corrections' needs.

Analysis

Position authority and funding are requested to expand adult education programming at FLCI. The proposed expansion would utilize nine classrooms on second shift, with a projected cost of \$464,600 GPR for nine months in fiscal year 2000-01, and would create 9.0 FTE teacher positions to provide basic literacy instruction (0 - 8th grade skills) for 90 inmates, and HSED continuing instruction (9th - 12th grade skills) for 180 inmates. The remaining positions consist of 1.0 FTE teacher supervisor to oversee the teachers, 1.0 FTE program assistant to assist the teachers and supervisor with enrollment needs, and 1.25 FTE officer positions to provide security to the academic area during second-shift programming. The department requested a transfer of \$868,300 to DAI, but it was

subsequently determined that the amount was an error and that it should be \$871,300.

The department used an updated post-shift formula in calculating the need for the additional 1.25 FTE officer positions. Salaries for this request were calculated using routine funding scalars for the 2001-03 biennial budget instead of current scalars.

Funding is also requested to upgrade educational computer systems for DAI, DJC, and DCC at a total cost of \$668,900. The request covers annual basic technical support including server maintenance, help desk support, on-site problem resolution and license upgrades for 563 desktop computers on the education LAN at a cost of \$530 per workstation, and upgrade costs of \$199,950 for 93 workstations in DAI. DJC uses 216 of the computers, DCC uses 136 and DAI uses 211. The department has received information that the costs to upgrade the 93 workstations in DAI will be \$2,065 per workstation instead of \$2,150, a difference of \$7,905.

The department also requests \$48,400 in funding and position authority for a network support professional to support the Educational LANs at each of the 21 adult and juvenile institutions statewide. This position would be responsible for providing technical support, installation and maintenance of new and existing workstations, maintenance of technical support for each institution library, and testing of new and upgraded educational software to ensure compliance with department standards and certification requirements for organizations such as the Wisconsin Technical College System.

Included in the request is a one-time cost to upgrade DAI and DJC sites to provide the capacity to run the basic literacy software and the vocational instruction software for Microsoft Office 2000, which is the standard established by the Wisconsin Technical College System. Without the requested upgrades, the literacy software cannot be used and the office computer skills training programs will not be accredited by the WTC system.

When inmates enter the prison system, they are given math and reading tests. The results of those tests determine each inmate's education level. Based on the initial tests and FLCI's population as of August 18, 2000, approximately 490 inmates at FLCI are currently defined as functionally illiterate, meaning they read below the ninth grade level. Current educational programming at FLCI includes adult basic education, high school equivalency diploma, principles of adult learning system, and a variety of vocational programs. This request will increase the capacity of educational programming at FLCI from 180 to 450 inmates.

The state has made a commitment to provide inmates with educational programming. For that reason, it is recommended that the 9.0 FTE teachers be approved to provide 270 additional inmates with basic education at FLCI.

It is also recommended that 1.17 FTE officers be approved to provide security during the education classes, which will be provided on second shift. The officers are being reduced from 1.25 FTE to reflect the old post shift formula. The department recently updated its post-shift formula for officer positions and calculated that officers will work on average about 210 days/year out of a total work year of 261 days. The current post-shift formula is based on officers working 224 days/year. The department's 2001-03 budget request will request using the new formula. The review and recommendations on revising the formula should be made within the context of the biennial budget and not through the s. 13.10 process. Therefore the requested increases for officer positions have been recalculated using the existing post-shift formula and fiscal year 2000-01 funding scalers.

The 1.0 FTE teacher supervisor and 1.0 program assistant address general operational issues rather than being directly related to providing educational programming to inmates. These positions and resource requests have been removed in the recommendation.

Upgrading the educational LANs is an integral part of providing effective education to inmates. Based on the revised cost estimate, it is recommended that \$660,995 GPR be approved for this purpose.

Recommendation

Modify the request. Approve 11.25 FTE GPR positions and the release of \$1,079,300 GPR from the Committee's appropriation under s. 20.865(4)(a) in fiscal year 2000-01.

Prepared by: Jana D. Steinmetz
266-2213

Tommy G. Thompson
Governor

Jon E. Litscher
Secretary



Mailing Address

149 East Wilson Street
Post Office Box 7925
Madison, WI 53707-7925
Telephone (608) 266-2471
Fax (608) 267-3661

State of Wisconsin
Department of Corrections

DATE: August 25, 2000

TO: The Honorable Brian Burke, Co-Chair
Joint Committee on Finance
Room 316 South, State Capitol
Madison, WI 53702

The Honorable John Gard, Co-Chair
Joint Committee on Finance
Room 315 North, State Capitol
Madison, WI 53702

FROM: Jon E. Litscher, Secretary *Jon E. Litscher*
Department of Corrections

SUBJECT: §13.10 Request – Education Initiative

Request

The Department of Corrections requests position authority of 13.25 GPR FTE and a transfer of \$1,186,000 GPR in FY01 from the Committee's appropriation under §20.865(4)(a) for the expansion of the Fox Lake Correctional Institution (FLCI) Education Program and the upgrading of Educational Local Area Network (LAN) software and hardware for the Division of Adult Institutions (DAI), the Division of Juvenile Corrections (DJC), and the Division of Community Corrections (DCC). Of the funds requested, \$868,300 would be transferred to §20.410(1)(a), general program operations for Adult Corrections, \$242,600 would be transferred to §20.410(3)(a), general program operations for DJC, and \$72,100 would be transferred to §20.410(1)(b), general program operations for DCC.

Background

Expansion of Adult Education Programming in Fox Lake Correctional Institution

The Fox Lake Correctional Institution has an operating capacity of 691, with 1,175 inmates in residence as of 8/18/00. Of those inmates, approximately 490 have functional literacy needs. Current educational programming at this facility includes:

- Adult basic education, high school equivalency diploma, and principles of adult learning system; and
- A variety of vocational programs.

Upgrading Educational Computer Systems

Due to the overwhelming need for educational programming throughout the adult and juvenile institutions and correctional centers, there is a need to expand educational technological support. Funding is needed for two types of support:

- (1) To cover annual basic education technical support (server maintenance, help desk, on-site problem resolution, license upgrades, etc.) for 563 desktop computers on the education LAN. Of the 563 computers, 216 are used for the DJC, 136 for the DCC, and 211 for the DAI; and
- (2) A one-time cost for upgrading DJC and DAI sites so that they have the capacity to run the basic literacy software and the vocational instruction software for Microsoft Office 2000, which is the standard established by the Wisconsin Technical College System. Without the requested upgrades, the literacy software cannot be used and the office computer skills training programs will not be accredited by the WTC system.

Funds in Committee's Appropriation

The 1999-01 biennial budget (1999 Act 9) placed \$16,198,600 GPR in FY00 and \$49,001,400 GPR in FY01 into the Committee's appropriation §20.865(4)(a) for cost increases of currently approved out-of-state contract beds, additional out-of-state contract beds, community corrections purchase of services and operating costs associated with the opening of two 150-bed workcenters.

The Joint Finance Committee has authorized the release of \$43,751,400 from this appropriation to date. The following balance of funds currently remains in the Committee's appropriation and is identified for the Department of Corrections:

PURPOSE	FY 01
Funding for Contract Beds	\$18,050,500
Funds for SOR Website	\$331,100
Workhouses	\$3,067,000
TOTAL	\$21,448,600

Analysis

Expansion of Adult Education Programming in Fox Lake Correctional Institution

Of the total inmate population in Wisconsin, it is estimated that nearly 48% are functionally illiterate (reading below the 9th grade level). Currently, approximately 2,292 inmates are receiving some type of adult basic education (ABE) Department-wide. Approximately another 7,866 inmates needing ABE instruction are not receiving these services.

The ability of inmates to enter society and successfully obtain employment remains a high priority for the DOC. Education in the institutions has been a positive way to teach inmates necessary skills as well as keeping them from sitting idle. In Governor Thompson's 2000 State-of-the-State address he stated that he is "instructing the Department of Corrections to target the

necessary resources for basic reading skills and GED studies so that no inmate will leave prison without being able to read and fill out a job application.” This request is a result of that charge given to the Department.

The proposed expansion of Fox Lake educational program would serve an additional 270 inmates. The expansion will provide an increased capacity of 90 inmates in Basic Literacy Instruction (0-8th grade skills) and 180 inmates in HSED Continuing Instruction (9-12th grade skills). Class size for each of these components is 30 inmates per teacher.

The additional staff being requested for this program are:

FTE	CLASSIFICATION & DESCRIPTION
3.00	Teachers to provide basic instruction
6.00	Teachers to provide HSED level instruction
1.00	Teacher Supervisor (to provide second shift supervision)
1.00	Program Assistant to assist with enrollment needs
1.25	Officer 1 to secure the academic area
12.25	TOTAL

The proposed expansion of this program is designed for second shift implementation at FLCI. Currently, almost all programs at FLCI run on a first-shift schedule, using all available space. The proposed expansion allows for utilization of the same space but at alternative times. The physical facility is limited to nine academic classrooms being available on second shift. The projected cost for these positions is \$464,600 GPR in FY01.

Upgrading Educational Computer Systems

The Department of Corrections’ 1999 Educational Technology Plan includes the following goals:

- Provide offenders with access to educational technology to promote learning;
- Adopt minimum educational technology standards;
- Upgrade hardware and software as resources become available; and
- Distribute surplus hardware according to the plan developed by the Educational Technology Committee.

Upgrading Educational LANs to an efficient and standardized level is essential for the Education staff to meet the plans, goals, and mandates it has been presented with. Without the requested upgrades to the educational LANS, the literacy software cannot be used and the education program will not meet the Wisconsin Technical College System standards. The table below provides detail on the estimated costs of upgrading the Education LAN.

Annual basic education support (563 desktop computers @ \$530 ea)	\$298,390
One-time cost for upgrading DJC	\$128,060
One-time cost for upgrading DAI (93 workstations @ \$2150 ea)	\$199,950
Infrastructure costs at various DAI sites (hubs, wiring upgrades, etc.)	\$42,500
TOTAL	\$668,900

In addition, the Department requests \$48,400 and 1.0 GPR FTE Network Support Professional to support the Educational LAN. The Bureau of Technology Management (BTM) has neither sufficient FTE nor funding to contract with a vendor to provide technical support for the Educational LANs. The Educational LANs create a significant workload issue for BTM. The requested FTE is needed to provide technical support to 21 institutions located throughout the state and include all DOC juvenile and adult facilities. This position will assume responsibility for:

- the installation of new workstations;
- the maintenance of 563 workstations;
- the installation, maintenance, and upgrades for an educational LAN server in each institution;
- the testing of new and upgraded educational and operating system software;
- the installation and maintenance of installed educational software to assure compliance with Department standards and with certification requirements from organizations such as the Wisconsin Technical College System; and
- the maintenance of technical support for the libraries in each institution.

Annualized costs for this request will be fully funded in the 2001-03 biennial budget through the full funding decision item per the Department of Administration's 2001-03 budget instructions.

Summary

The Department of Corrections requests position authority of 13.25 GPR FTE and the transfer of \$1,186,000 GPR in FY01 from the Committee's appropriation under §20.865(4)(a) for the expansion of the Fox Lake Correctional Institution (FLCI) Education Program and the upgrading of Educational Local Area Network (LAN) software and hardware for the Division of Adult Institutions (DAI), the Division of Juvenile Corrections (DJC), and the Division of Community Corrections (DCC). Of the funds requested, \$868,300 should be transferred to §20.410(1)(a), general program operations for the DAI, \$242,600 should be transferred to §20.410(3)(a), general program operations for the DJC, and \$72,100 should be transferred to §20.410(1)(b), services for Community Corrections for the DCC.

cc: Robert Lang, Legislative Fiscal Bureau
George Lightbourn, Department of Administration

Prepared By: Lucie Widzinski-Pollock, Bureau of Budget and Facilities Management
266-5070

Nathan White, Bureau of Budget and Facilities Management
264-6749

STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION
101 East Wilson Street, Madison, Wisconsin

TOMMY G. THOMPSON
GOVERNOR

GEORGE LIGHTBOURN
SECRETARY



R-1
Office of the Secretary
Post Office Box 7864
Madison, WI 53707-7864
Voice (608) 266-1741
Fax (608) 267-3842
TTY (608) 267-9629

September 11, 2000

The Honorable Brian Burke
State Senate
316 South, State Capitol
Madison, WI 53702

The Honorable John Gard
State Assembly
315 North, State Capitol
Madison, WI 53702

Dear Senator Burke and Representative Gard:

Attached is our report as required under s. 16.50, Wisconsin Statutes, on the number of federally funded positions approved during the April 1 to June 30, 2000 quarter. Also shown are changes in positions approved by the UW-System and by the Legislature during the same period. There were 35.44 federal positions approved in the quarter and 2.61 deleted for a net increase of 32.83 FTE.

Of the new federal positions created, the University of Wisconsin received 19.05 FTE, the Department of Health and Family Services received 5.39, and Department of Natural Resources received 10.0 FTE.

Also attached is our report on the surplus positions created for the same quarter.

We would be happy to answer any questions you may have on these reports.

Sincerely,

A handwritten signature in cursive script, appearing to read "George Lightbourn".

George Lightbourn
Secretary

Attachments (2)

REPORT ON SURPLUS POSITIONS AUTHORIZED
APRIL 1 TO JUNE 30, 2000

Agency	C		D, E		Reason for Double-fill
	Unclassified Service Leaves	Medical, Education or Personal Leaves	A, B, I, X	Double-filled Positions	
Administration					
GPR		+1.0		+1.0	
PR		+1.0; -6.0		+2.0	
Corrections					
GPR				+9.0	
PR	+1.0			+1.0	
District Attorneys					
GPR		-4.5			
Employe Trust Funds					
SEG				+1.0	Incumbent Retiring
Health and Family Services					
GPR				+8.25; -.50	
PR		-5		+2.0; -1.0	
FED				+3.75; -.50	
Higher Education Aids Board					
GPR				+1.0	Training
Insurance					
PR				+4.0	Training
Justice					
GPR	-1.0	+1.0; -1.0		-1.0	
FED		-2.0			
Military Affairs					
GPR				-.25	
FED				-.75	

REPORT ON SURPLUS POSITIONS AUTHORIZED
APRIL 1 TO JUNE 30, 2000

Agency	C Unclassified Service Leaves	D, E Medical, Education or Personal Leaves	A, B, I, X Double-filled Positions	Reason for Double-fill
Natural Resources				
GPR			+1.0; -1.0	Incumbent retiring
PR		+1.0		
SEG	+1.0			Leave to the unclassified service
Transportation				
SEG			+5.0	Incumbent retiring
Veteran's Affairs				
PR			+2.0	Medical Leave
Workforce Development				
GPR		+1.0		
FED		+1.78		

Pool Code Types

- A= Understudy, 3 months or longer.
- B= Overlap replacement, less than 3 months for on-the-job training.
- C= Leave of absence replacement. Temporary hire during permanent employee's authorized leave to unclassified service.
- D= Leave-of-absence designation when permanent employee's authorized leave is less than 12 months.
- E= Leave-of-absence replacement. Temporary hire during permanent employee's authorized leave which is expected to last more than 12 months.
- I= Extended illness or worker's compensation (employee using accumulated sick leave or being paid through worker's compensation).
- X= DOA approved hire in anticipation of attrition (high turnover positions).

REPORT ON POSITIONS AUTHORIZED - APRIL 1 TO JUNE 30, 2000

Agency	Budgeted Positions for FY00*3/31/00)		Approved Under s. 16.50		UW Approved		JFC or Misc. Leg.*		Totals as of 06/30/2000
	Adds	Deletes	Adds	Deletes	Adds	Deletes	Adds	Deletes	
Administration	1,124.68								1,126.68
GPR	173.11								173.11
PRO/PRS	873.46								873.46
Federal	71.41								73.41
SEG	6.70		2.00						6.70
Adolescent Pregnancy Prevention and Pregnancy Services Board									
GPR	1.50								1.50
	1.50								1.50
Aging and Long-Term Care									
GPR	27.90								27.90
PRO/PRS	10.65								10.65
	17.25								17.25
Agriculture, Trade & Consumer Protection									
GPR	734.16								734.16
PRO/PRS	292.61								292.61
Federal	298.97								298.97
SEG	68.33								68.33
	74.25								74.25
Arts Board									
GPR	12.00								12.75
PRO/PRS	5.00								5.00
Federal	1.00				0.75				1.75
	6.00								6.00
Child Abuse & Neglect Prevention Board									
PRO/PRS	4.00								4.00
	4.00								4.00
Circuit Court									
GPR	509.00								509.00
	509.00								509.00

REPORT ON POSITIONS AUTHORIZED - APRIL 1 TO JUNE 30, 2000

Agency	Budgeted Positions for FY00*3/31/00)		Approved Under s. 16.50		UW Approved		JFC or Misc. Leg.*		Totals as of 06/30/2000
	Adds	Deletes	Adds	Deletes	Adds	Deletes	Adds	Deletes	
Commerce	495.05								511.05
GPR	80.40								80.40
PRO/PRS	287.75	14.00	2.00						303.75
Federal	29.20								29.20
SEG	97.70								97.70
Corrections	8,866.95								8,866.95
GPR	7,418.30								7,418.30
PRO/PRS	1,444.65								1,444.65
FED	4.00								4.00
Court of Appeals	75.50								75.50
GPR	75.50								75.50
District Attorneys	394.60								397.60
GPR	375.60								375.60
PRO/PRS	19.00		3.00						22.00
Educational Communications Board	94.50								94.50
GPR	61.75								61.75
PRO	32.75								32.75
Elections Board	13.00								13.00
GPR	13.00								13.00
Employe Trust Funds	203.85								203.85
GPR	3.50								3.50
SEG	200.35								200.35
Employment Relations Commission	31.50								31.50
GPR	28.50								28.50
PR	3.00								3.00

REPORT ON POSITIONS AUTHORIZED - APRIL 1 TO JUNE 30, 2000

Agency	Budgeted Positions for FY00*3/31/00)		Approved Under s. 16.50		UW Approved		JFC or Misc. Leg.*		Totals as of 06/30/2000
	Adds	Deletes	Adds	Deletes	Adds	Deletes	Adds	Deletes	
Employment Relations Department	86.00								86.00
GPR	80.05								80.05
PRO/PRS	5.95								5.95
Ethics Board	6.50								6.50
GPR	3.00								3.00
PRO/PRS	3.50								3.50
Financial Institutions	168.50								168.50
PR	168.50								168.50
Governor's Office	48.05								48.05
GPR	48.05								48.05
Health and Family Services	6,281.46								6,292.35
GPR	1,886.05								1,886.05
PRO/PRS	3,382.00		5.00						3,387.00
Federal	1,005.41		5.39						1,011.30
SEG	8.00			0.50					8.00
Higher Educational Aids Board	13.00								13.00
GPR	12.36								12.36
PR	0.00								0.00
SEG	0.64								0.64
FED	0.00								0.00

REPORT ON POSITIONS AUTHORIZED - APRIL 1 TO JUNE 30, 2000

Agency	Budgeted Positions for FY00*3/31/00)		Approved Under s. 16.50		UW Approved		JFC or Misc. Leg.*		Totals as of 06/30/2000
	Adds	Deletes	Adds	Deletes	Adds	Deletes	Adds	Deletes	
Historical Society	180.40								180.73
GPR	144.75								144.75
PRO/PRS	25.80	0.33							26.13
Federal	6.60								6.60
SEG	3.25								3.25
Insurance	134.00								134.00
PRO	120.25								120.25
SEG	13.75								13.75
Investment Board	104.50								104.50
PRO	104.50								104.50
Judicial Commission	2.00								2.00
GPR	2.00								2.00
Justice	565.90								567.90
GPR	415.15								415.15
PRO/PRS	135.25	2.00							137.25
Federal	15.50								15.50
SEG	0.00								0.00
Legislature	580.00								580.00
Legislators - GPR	132.00								132.00
Assembly Staff - GPR	253.50								253.50
Senate Staff - GPR	194.50								194.50
Legislative Technology Services- GPR	24.00								24.00
Retirement Committee - GPR	3.00								3.00
Revisor of Statutes - GPR	11.00								11.00

REPORT ON POSITIONS AUTHORIZED - APRIL 1 TO JUNE 30, 2000

Agency	Budgeted Positions for FY00*3/31/00)		Approved Under s. 16.50		UW Approved		JFC or Misc. Leg.*		Totals as of 06/30/2000
	Adds	Deletes	Adds	Deletes	Adds	Deletes	Adds	Deletes	
Legislative Reference Bureau - GPR	56.00								56.00
Legislative Audit Bureau	89.80								89.80
GPR	68.00								68.00
PRS	21.80								21.80
Legislative Fiscal Bureau - GPR	35.00								35.00
Legislative Council - GPR	35.17								35.17
Lieutenant Governor's Office	7.75								7.75
GPR	7.75								7.75
Lower Wisconsin State Riverway Board	2.00								2.00
SEG	2.00								2.00
Military Affairs	386.53								386.53
GPR	121.65								121.65
PRO/PRS	28.60								28.60
Federal	236.28								236.28
Natural Resources	2,947.77								2,964.77
GPR	512.78								512.78
PRO/PRS	271.14		5.00						276.14
Federal	456.46		10.00						466.46
SEG	1,707.39		2.00						1,709.39
Personnel Commission	10.00								10.00
GPR	10.00								10.00
Public Defender	527.55								527.55
GPR	523.55								523.55
PRO/PRS	4.00								4.00

REPORT ON POSITIONS AUTHORIZED - APRIL 1 TO JUNE 30, 2000

Agency	Budgeted Positions for FY00*3/31/00)		Approved Under s. 16.50		UW Approved		JFC or Misc. Leg.*		Totals as of 06/30/2000
	Adds	Deletes	Adds	Deletes	Adds	Deletes	Adds	Deletes	
Public Instruction	645.30								645.30
GPR	334.37								334.37
PRO/PRS	78.42								78.42
Federal	232.51								232.51
Public Lands	11.00								11.00
PR	11.00								11.00
Public Service Commission	192.50								192.50
PRO/PRS	191.50								191.50
Federal	1.00								1.00
Regulation and Licensing	137.50								137.50
PRO	137.50								137.50
Revenue	1,306.20								1,306.20
GPR	1,095.25								1,095.25
PRO/PRS	76.95								76.95
Federal	0.00								0.00
SEG	134.00								134.00
Secretary of State	8.50								8.50
PRO	8.50								8.50
State Fair Park Board	51.20								51.20
PRO	51.20								51.20
State Treasurer	18.50								18.50
GPR	1.00								1.00
PRO/PRS	15.50								15.50
SEG	2.00								2.00

REPORT ON POSITIONS AUTHORIZED - APRIL 1 TO JUNE 30, 2000

Agency	Budgeted Positions for FY00*3/31/00)		Approved Under s. 16.50		UW Approved		JFC or Misc. Leg.*		Totals as of 06/30/2000
	Adds	Deletes	Adds	Deletes	Adds	Deletes	Adds	Deletes	
Supreme Court	196.50								196.50
GPR	111.50								111.50
PRO/PRS	79.00								79.00
SEG	5.00								5.00
FED	1.00								1.00
TEACH									
GPR	6.00								6.00
	6.00								6.00
Transportation	3,913.95								3,913.95
PRO/PRS	16.00								16.00
Federal	951.57								951.57
SEG	2,946.38								2,946.38
Tourism									
GPR	62.25								62.25
PR	58.25								58.25
	1.00								1.00
SEG	3.00								3.00
University of Wisconsin									
GPR	28,332.40								28,363.88
PRO/PRS	18,326.94								18,326.94
Federal	6,311.33				10.32				6,321.65
SEG	3,608.44				19.05	2.11			3,629.60
	85.69								85.69
U.W. Hospitals & Clinic Board									
PR	1,556.71								1,556.71
	1,556.71								1,556.71
Veterans Affairs									
GPR	905.30								905.30
PRO/PRS	8.80								8.80
SEG	744.24								744.24
FED	146.76								146.76
	5.50								5.50

REPORT ON POSITIONS AUTHORIZED - APRIL 1 TO JUNE 30, 2000

Agency	Budgeted Positions for FY00*3/31/00)		Approved Under s. 16.50		UW Approved		JFC or Misc. Leg.*		Totals as of 06/30/2000
	Adds	Deletes	Adds	Deletes	Adds	Deletes	Adds	Deletes	
Wisconsin Technical College									
System	81.05								82.05
GPR	39.40								39.40
PRO/PRS	12.00								12.00
Federal	29.65		1.00						30.65
Workforce Development									
GPR	2,443.70								2,443.70
PRO/PRS	301.17								301.17
Federal	681.32								681.32
SEG	1,453.71								1,453.71
	7.50								7.50
TOTALS	64,842.48		48.47		4.50	29.37	2.11	0.00	64,926.93
GPR	33,904.91		0.00		0.00	0.00	0.00	0.00	33,904.91
PRO/PRS	17,308.62		30.08		2.00	10.32	0.00	0.00	17,351.02
Federal	8,178.59		16.39		0.50	19.05	2.11	0.00	8,216.64
SEG	5,450.36		2.00		0.00	0.00	0.00	0.00	5,452.36

STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION
101 East Wilson Street, Madison, Wisconsin

TOMMY G. THOMPSON
GOVERNOR

GEORGE LIGHTBOURN
SECRETARY



R-2
Division of Housing &
Intergovernmental Relations
101 East Wilson Street, 4th Floor
Post Office Box 8944
Madison, WI 53708-8944
Voice (608) 266-0288
Fax (608) 267-6917
TTY (608) 267-9629
Central Division E-Mail Address:
dohweb@doa.state.wi.us

Date: August 25, 2000

To: Senator Brian Burke, Co-Chair
Representative John Gard, Co-Chair
Joint Committee on Finance
Room 315-N Capitol
Madison, WI 53708-8952

From: George Lightbourn, Secretary
Department of Administration

Subject: Consolidation of Certain State Fleets

Under Act 9, Laws of 1999, the department is required to submit a fleet consolidation plan to the co-chairpersons of the Joint Committee on Finance for its consideration. The plan is to address possible consolidation of DOA, DNR, DOT and UW-Madison fleets. Section 9158 (1d) of Act 9 directs the department to file this plan by the 3rd quarterly meeting under s. 13.10 in the year 2000.

The department has received a draft consultant report regarding the fleets operated by this agency and DNR, DOT and the UW-Madison. The draft report is comprehensive and addresses strategic opportunities for efficiencies, savings and improvement of all operations.

We are reviewing the report and recommendations with affected owner agencies. I anticipate making the final report available to the Committee on or before the actual scheduled meeting date and look forward to making recommendations to you at that time. In the meantime, we will continue our efforts with these agencies to plan for continuous improvements in all fleet operations.

cc: Richard Chandler
Robert Lang
Linda Seemeyer
Paul McMahan

STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION
101 East Wilson Street, Madison, Wisconsin

TOMMY G. THOMPSON
GOVERNOR

GEORGE LIGHTBOURN
SECRETARY



Office of the Secretary
Post Office Box 7864
Madison, WI 53707-7864
Voice (608) 266-1741
Fax (608) 267-3842
TTY (608) 267-9629

Date: September 11, 2000

To: Senator Brian Burke, Co-chair
Representative John Gard, Co-chair
Members Joint Committee on Finance
Room 315-N Capitol
Madison, WI 53708-8952

From: George Lightbourn, Secretary
Department of Administration

A handwritten signature in black ink, reading "George Lightbourn".

Subject: Consolidation Study of Certain State Fleets

Under Act 9, Laws of 1999, the department is required to submit a fleet consolidation plan to the co-chairpersons of the Joint Committee on Finance. The plan is to address possible consolidation of DOA, DNR, DOT and UW-Madison fleets. I have enclosed a copy of the executive summary of a study prepared by DMG Maximus, a nationally recognized fleet management consultant, which outlines several opportunities to improve fleet operations and reduce costs over a five-year period. A copy of the full study has been forwarded to the Legislative Fiscal Bureau for their review.

I believe this study can serve as the basis for a highly useful fleet business plan. The DMG study involved review of DOA, DNR, DOT, and UW-Madison fleets and was overseen by an interagency management team. One early result of this study is improved cooperation and planning between our agencies during the last 12 months. DOA, DNR, DOT and the UW-Madison will continue to work cooperatively to improve our fleet operations.

I want to summarize for the Committee in the following pages how we plan to proceed to implement opportunities for ensuring efficiency and greater savings that are recommended in the report. The theme in this endeavor is that more concerted interagency cooperation in the purchase, operation, maintenance and management of our four fleets yields a practical, functional consolidation that will provide the greatest benefit to the taxpayer.

BACKGROUND

Vehicles and other motorized equipment represent a major investment for the State of Wisconsin. The statewide fleet currently consists of approximately 8,000 units with a

replacement value of \$200 million. Operating costs exceed \$40 million annually. While ownership of these assets is decentralized, DOA is required under s. 16.04 of the Wis. Stats. to "ensure optimum efficiency and economy in the fleet management and maintenance activities of all agencies...". There are currently four large fleet-owning agencies (DOA, DNR, DOT and the UW-Madison) which control 6,800 vehicles and other motorized equipment. The remaining 1,200 vehicles are spread across Corrections, H&FS, and other UW campuses.

As part of the 1999-2001 biennial budget, the Governor proposed consolidating management of these fleets with an implementation plan to be submitted to the Joint Committee on Finance for consideration under s.13.10. The statutory language stated that the plan could include transfer of both assets and personnel but did not require such transfer. Subsequently the department contracted with a nationally recognized fleet management consultant to study the four fleets and make recommendations on how the department could best achieve fleet efficiencies. The consultant examined all major functional areas including: vehicle acquisition and disposal, vehicle assignment and use, vehicle replacement, fleet maintenance, financial management, and management information systems. The study was guided by a steering committee consisting of representatives of the four fleet management organizations.

A significant finding and conclusion of this study by the consultant was that, "While we found that there are significant opportunities to improve the management of the State's fleet resources, we believe these opportunities can be pursued just as well by coordinating the activities of the existing, independent fleet management organizations as by consolidating them in the Department of Administration." The department concurs with this finding.

ACTION PLAN

The following section prioritizes the DMG Maximus recommendations and outlines a 5-year action plan. DNR, DOT and the UW-Madison have been actively involved in setting these priorities. Achieving these goals will require a collaborative effort by all fleet-owning agencies. The action plan is based on DMG's conclusion that the state's fleets are currently managed efficiently in terms of the ratio of vehicles to staff; however, there are opportunities to manage the fleet more effectively through targeted investments and operational improvements. These will yield significant savings over the next five years.

First Priority:

Install a centralized fleet management system. Of the DMG study recommendations, the department's highest priority is the installation and integration of the *Fleet Anywhere* fleet management system statewide. The cost and utilization information obtained from this system will be key to implementing several other study recommendations.

The state acquired this system a year ago for use by all state fleet-owning agencies. It has been installed on a central server and is being used by DOA, DNR and DOT. Over the next year these agencies will fully integrate this system into their operations. The UW-Madison and several smaller agencies will be brought online during the 2001-03

biennium. The department's goal is to have 95% of the state's on-the-road vehicles and 50% of the heavy motorized equipment tracked through the system by the end of the 2001-03 biennium. Programming resources may be requested in the biennial budget to accomplish this goal.

Standardize methodology for calculating per-mile costs. Within the next three months the department will form a working committee composed of representatives of major agencies and the State Controller's Office to review the current methodology and make recommendations for standardizing the turndown rate cost components. The committee will also be tasked with recommending statutory or administrative changes to simplify and streamline the process. This goal can be accomplished within existing resources.

Outsource commercial maintenance and repair management. As indicated in the study, state agencies currently outsource most vehicle maintenance. However, the study identified significant potential savings through better maintenance management. There are two approaches that can be used to accomplish this goal. The first is to contract with a vendor who obtains discounted rates with national chains of commercial vehicle maintenance providers. Under this model employees contact the vendor who refers them to an approved maintenance shop. This model is currently used by DOT and the study recommends extending the contract to all fleets. The second model seeks to accomplish the same goal by contracting directly with maintenance shops and providing employees with a list of pre-approved maintenance vendors. Under this model the vendors must contact the fleet maintenance manager for approval of repairs over a certain threshold. DOA recently completed a bid using this model and now has contracted with approximately 200 maintenance shops throughout the state. The results of these two approaches will be evaluated over the next year. Reducing maintenance costs will be one of the department's major performance objectives for the 2001-03 biennium.

Consolidate motor pool operations in Madison. The study identified potential savings through better utilization of the three Madison motor pool operations (DOA, DOT, and UW-Madison). Recommendations to improve pool operations include: 1) avoid capital costs by reducing idle rates, 2) increase utilization by providing shuttle service between office buildings and the pool locations, and 3) enable employees to use vehicles from any of the pools. The department will take the following actions on these recommendations following additional consultation with DOT, DNR and the UW:

- ◆ Form a working committee to recommend optimal non-availability rates, idle rates, and pool size based on annualized dispatch statistics and cost analysis. The committee will consider the trade-off between lower capital and higher costs for personal vehicle use and private lease rates.
- ◆ Pilot a shuttle service between downtown office buildings and the DOA motor pool.
- ◆ Implement a software system that will enable state employees to use vehicles from any pool location.

The pilot shuttle service can be implemented within base resources. However, a more extensive network would likely require additional authority. Implementing a motor pool software system will require additional resources for licensing and installation.

Second Priority:

Broaden the mission of the fleet management programs. Under this proposal all motorized equipment would be subject to fleet management. As a first step, the department will complete a statewide inventory of such equipment. DMG estimates that additional savings can be realized through expanded management of assets such as heavy equipment; however, minimal data was available to DMG during the study. The inventory will provide a clearer picture of the opportunities for improvement and savings by expanding fleet management.

Streamline vehicle purchase process. The department will form a working committee composed of the major fleet owning agencies to study and make recommendations in this area. Recommendations may include both statutory and administrative changes and these areas may be reflected in the biennial budget bill.

Restructure cost charge-back systems. While the department believes this idea may have merit, significant programming and staff resources would be required to implement this recommendation. The department will form a working committee to study this issue and develop a charge-back model that recognizes the public sector environment. The goal is to complete the study by mid-FY02 with intent to implement changes for the FY03 rate-year.

Review fleet replacement planning and financing processes. The study indicates that current replacement criteria are within industry norms. However, due to budgetary constraints, vehicles are not being replaced according to schedule resulting in higher maintenance costs and lower reliability. Additional appropriation authority will be requested in the department's 2001-03 biennial budget request to reduce the average vehicle age to industry norms.

Restructure fleet management organizations. The study made several recommendations regarding the organizational structures for DOA, DNR and the UW-Madison including additional staff for DOA and the UW. DOA will work with the agencies to better define centralized staffing needs. Any increases will be accomplished through internal position authority reallocation.

Consolidate Madison area maintenance operations. This is a longer-term goal. DOA will work with DNR, DOT, and UW-Madison to assess maintenance operations, including the impact of the contracts mentioned above and the mix of activities currently provided under contract.

SUMMARY

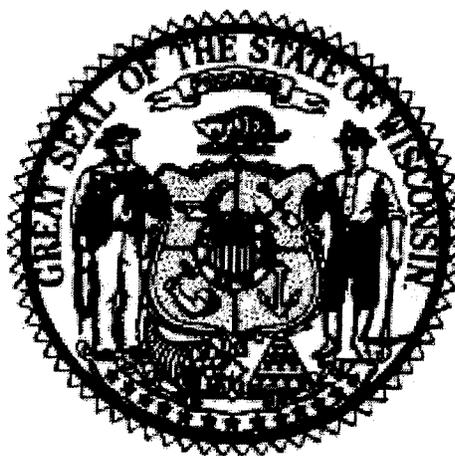
The department will continue to work with the interagency committee over the next several weeks to devise a strategic plan that moves us toward the individual recommendations and establishes an oversight process that keeps us on track and on target. In addition, the other agencies that manage fleets will be invited to participate in

the interagency group. The report provides us with a blue print that may be modified as we construct a more effective management process. DOA will work closely with the agencies to determine resource needs and the optimum allocation of base resources to implement the recommendations. I expect this will occur through a number of subcommittees of the interagency general fleet study committee. As implied or indicated above, we may need to return to the Committee under s.16.515, or under the biennial budget, to secure approval to modify or shift resources, or allow investments of staff and dollars (expenditure authority) to accomplish this either within or across agencies.

At the September 13.10 meeting, Robert Cramer, Administrator of the Division of State Agency Services, will be present to formally deliver my report to the Committee and address any questions the Committee may have at this time.

cc: Richard Chandler
Robert Lang
Robert Cramer
Linda Seemeyer
George E. Meyer, DNR
Terrence D. Mulcahy, DOT
David Ward, UW-Madison

**FINAL REPORT
ON
CONSOLIDATION OF
FLEET MANAGEMENT
PROGRAMS**



DEPARTMENT OF ADMINISTRATION

AUGUST 2000



**FLEET MANAGEMENT
SERVICES GROUP**

TABLE OF CONTENTS

EXECUTIVE SUMMARY	i
INTRODUCTION	1
OVERVIEW OF MAJOR STATE FLEET MANAGEMENT PROGRAMS	5
DEPARTMENT OF ADMINISTRATION.....	6
DEPARTMENT OF NATURAL RESOURCES	10
DEPARTMENT OF TRANSPORTATION.....	15
UNIVERSITY OF WISCONSIN, AT MADISON	17
FINDINGS.....	21
FLEET MANAGEMENT CONSOLIDATION OPPORTUNITIES	21
COST SAVING OPPORTUNITIES	23
RECOMMENDATIONS.....	27
BROADEN THE MISSION OF THE FLEET MANAGEMENT PROGRAMS	28
RESTRUCTURE COST CHARGE-BACK SYSTEMS.....	30
STANDARDIZE METHODOLOGY FOR CALCULATING PER-MILE COSTS	32
IMPLEMENT <i>FLEETANYWHERE</i> STATE WIDE.....	34
STREAMLINE VEHICLE PURCHASE APPROVAL PROCESS.....	37
OUTSOURCE COMMERCIAL MAINTENANCE AND REPAIR MANAGEMENT	41
REVIEW FLEET REPLACEMENT PLANNING AND FINANCING PROCESSES.....	46
RESTRUCTURE FLEET MANAGEMENT ORGANIZATIONS	48
CONSOLIDATE FLEET MANAGEMENT FUNCTIONS WITHIN DNR.	48
CONSOLIDATE FLEET MANAGEMENT FUNCTIONS WITHIN UW	49
RESTRUCTURE DOA BUREAU OF TRANSPORTATION	54
CONSOLIDATE MOTOR POOL OPERATIONS IN MADISON.....	59
CONSOLIDATE MADISON-AREA MAINTENANCE OPERATIONS	75
CONCLUSION.....	78

EXECUTIVE SUMMARY

This report presents the results of an assessment of opportunities to improve the management of the State of Wisconsin's vehicle fleet by consolidating the fleet management programs of the Department of Administration (DOA), the Department of Natural Resources (DNR), the Department of Transportation (DOT), and the University of Wisconsin at Madison (UW).

The issue of consolidation of fleet management functions has been raised in the State a number of times in recent years. The Legislature included a provision in the Fiscal Year 2000 budget directing DOA to present a plan to the Joint Committee on Finance outlining how the Department would consolidate the fleet management functions of DNR with those of DOA. This report was postponed until September of this year so that the fleet management programs of DOT and UW could also be included in the review.

DOA engaged the Fleet Management Services Group of DMG-MAXIMUS to assist it in assessing the feasibility and potential benefits of consolidating fleet management programs. The Fleet Group has evaluated fleet management practices in more than two dozen states, and has specifically evaluated the desirability of consolidating fleet management programs for several of them, including Missouri, South Carolina, New Jersey, Utah, Arizona, and Iowa.

HOW THE STUDY WAS CONDUCTED

Our approach to conducting this study involved reviewing each agency's fleet management program in order to document the business processes and operational practices used to deliver services to fleet user groups. This process allowed us to develop a high-level understanding of the strengths and weaknesses of each agency's fleet management endeavors, as well as to identify areas of potential overlap and duplication of effort.

Our study examined all major functional areas of fleet management in which these agencies engage, including:

- ❑ Vehicle acquisition and disposal¹;
- ❑ Vehicle assignment and use;
- ❑ Vehicle replacement;
- ❑ Fleet maintenance;
- ❑ Fleet funding and financial management; and
- ❑ Management information systems.

We evaluated the practices and performance of each program using a variety of methods, including 1) review of documentary material on fleet-related policies and processes; 2) interviews of fleet management officials and personnel, senior officials in the departments in which the fleet management programs reside, representatives of fleet user groups, and other appropriate State officials; 3) development and analysis of quantitative information on fleet conditions and performance; and 4) site visits to fleet facilities throughout the state and observation of shop conditions and operations.

We used the information assembled through these methods to evaluate the performance of each fleet services organization and to assess the potential to effect improvements through consolidation primarily in three ways:

- ❑ By developing quantitative measures of performance, calculating corresponding performance statistics, and comparing these statistics with industry benchmarks;
- ❑ By evaluating the inherent soundness of fleet management and operating policies and processes and, where appropriate, by comparing them with best practices in the industry; and
- ❑ By directly analyzing and assessing the appropriateness of fleet-related conditions such as vehicle age and utilization levels, and by identifying any possible areas of overlap and duplication of effort among fleet management programs.

¹ The term "vehicles" is used throughout this report to refer to the vehicles, motorized equipment, and trailers comprising the State's fleets.

The conduct of the study was guided by a steering committee consisting of representatives of the four major fleet management organizations and of the departments in which they reside. Meetings were held with the steering committee periodically to discuss study objectives, progress, and preliminary findings and recommendations.

It is important for readers to note that many of the opportunities for improvement identified in this report are the result of policies, practices, and/or past decisions that are beyond the control of the particular organizations reviewed herein. Consequently, our findings and recommendations should be viewed as constructive criticism aimed at improving the overall management of the State's fleet assets rather than the singling out of particular organizations for criticism or censure.

We also wish to emphasize that DMG-MAXIMUS was *not* commissioned to conduct a formal assessment of the State's fleet management practices. We examined these practices primarily in order to assess the appropriateness of consolidating the fleet management functions of four specific organizations, not in order to critique their inherent soundness on an agency-by-agency basis. Consequently, discussions in this report of opportunities to improve particular practices are considerably more general in nature than would be the case if we were conducting an in-depth fleet management program review. Having conducted many such reviews, we are fully prepared to elaborate upon the rationales for, and approaches to implementing, particular business process recommendations contained herein, or to further discuss their consistency with industry best practices. Doing so in this report, however, would extend well beyond the intended scope of this study.

OVERVIEW OF MAJOR STATE FLEET MANAGEMENT PROGRAMS

The State of Wisconsin owns and operates a fleet of approximately 8,000 vehicles and pieces of motorized equipment. This total includes on-road vehicles such as cars and trucks, and

off-road equipment such as backhoes, snowmobiles, and boats. Responsibility for managing approximately 6,800 of these units currently resides with the four organizations – the departments of Administration, Natural Resources, and Transportation; and the University of Wisconsin at Madison – included in this review. The remaining fleet vehicles owned by the State are managed by other UW campuses, the Department of Corrections, and a number of smaller agencies.

The State's vehicle and equipment fleet represents a considerable capital investment. We estimate the replacement cost of the vehicles included in this study at \$165 million. Adding vehicles belonging to those organizations not included in this study would raise this figure to approximately \$200 million. Annual operating costs for the 6,800 vehicles included in this review total an additional \$39 million.

Aside from the significant financial investment that this group of assets represents, vehicles and equipment are essential tools for supporting the delivery of services to the citizens of Wisconsin. It is no exaggeration to say that the State could not function without them. Consequently, the State has a vital interest in ensuring that its fleet management programs are capable of performing at a high level of effectiveness; poor fleet management practices can have a dramatic negative impact on the effectiveness of State government.

The table below provides an overview of the fleet management programs for the four agencies included in this review.

Key Statistics on Major State Fleet Management Programs

Agency	Number of Vehicles	Number of Fleet staff	FY 1999 Expenditures
DOA	2,350	17 (1)	\$ 15,121,000
DNR	1,900	22	\$ 7,837,000(2)
DOT	1,500	7	\$ 14,340,000
UW	1,050	14	\$ 2,243,000(3)
Total	6,800	60	\$ 39,541,000

- (1) Includes 6 positions with statewide program responsibilities such as new vehicle purchasing and vanpool coordination.
- (2) Does not include expenditures on off-road and specialty equipment.
- (3) Cost only covers 550 vehicles in central fleet program and does not include depreciation or capital costs for 200 of these units.

The fleet management programs of the four departments included in our review are similar in many respects. They all engage in the purchase, maintenance, repair, fueling, and disposal of vehicles. However, the practices that each organization employs to fulfill these responsibilities vary to a considerable degree. This is partly due to differences in focus and approach stemming from the distinct managerial and operational culture of each agency. However, it is also a result of the low level of cooperation and interchange of information between the State's fleet management organizations.

KEY FINDINGS AND RECOMMENDATIONS

The guiding principle of our examination of the organization of fleet management functions in the State was that any changes to existing institutional arrangements relating to fleet management should be pursued only to the extent that they 1) will yield significant improvements in fleet management economy and effectiveness; and 2) will not undermine the *raison d'être* of all fleet management organizations: meeting the needs of organizations that use vehicles and equipment to do their jobs.

While we found that there are significant opportunities to improve the management of the State's fleet resources, we believe these opportunities can be pursued just as well by coordinating

the activities of the existing, independent fleet management organizations as by consolidating them in the Department of Administration. Focusing on better coordination of fleet management endeavors will allow the State to avoid incurring significant consolidation-related costs – such as paying the book value of assets transferred from segregated funds to the DOA fleet fund – without diminishing the benefits that such a transfer could reasonably be expected to achieve.

The primary reason that consolidation would not produce any direct cost savings is that staffing of each of the fleet management programs reviewed is already so lean that consolidation would not produce any opportunities for reducing current headcounts. The following chart illustrates the current fleet management staffing profile for State agencies in relation to industry averages.

Ratio of Fleet Management Staff to Vehicles

Organization	Staff	Vehicles	Ratio
Industry Average	NA	NA	1:30
DOA	17 (1)	2,350	1:135
DNR	22	1,900	1:86
DOT	7	1,400	1:200
UW	14	1,050	1:75
Total State Fleet	60	6,700	1:111

(1) Without the six positions assigned to statewide program coordination activities, DOA's ratio would be 1:213.

As this table suggests, fleet management staffing in the State has been held to a level that is from 250 percent (UW) to nearly 700 percent (DOT) lower than industry average staffing levels. Given this staffing profile, fleet program employees from all agencies deserve credit for providing their customers with services that, for the most part, compare favorably with both other public sector jurisdictions and private sector service providers.

While our review has revealed that the State's fleet management programs are relatively *efficient* (at least in terms of staffing levels), we believe that there are a number of opportunities

to improve the *effectiveness* of these programs. These opportunities fall into three broad categories: adoption of best management practices, organizational restructuring, and greater inter-program coordination of activities. Our primary findings and recommendations are summarized below:

- ❑ Efforts to optimize management of State vehicles are hindered by generally poor relations between fleet management programs, a contentious and overly political environment, and the absence of cooperation among programs in a number of key areas.
- ❑ State agencies (with the exception of DOT and to a lesser degree DNR) do not consider most off-road and auxiliary equipment part of their fleet management program. Consequently, a large number of very expensive assets are not receiving an appropriate level of management.
- ❑ UW's fleet management program is poorly organized, lacks management focus, suffers from poor staff working conditions, and under performs the programs of other State agencies.
- ❑ DOA is understaffed given its legislative mandate to ensure the efficiency and economy of the State's fleet management programs.
- ❑ Opportunities exist to reduce fleet management program costs and improve service through adoption of best practices in such areas as vendor management, charge-back methodology, and management information systems.
- ❑ Opportunities may exist to reduce the number of motor pool vehicles in Madison, and to improve services through better coordination between agencies and by making DOA's operation more convenient through the use of a shuttle service.

Our key recommendations for addressing these improvement opportunities are as

follows:

- ❑ Broaden the mission of each fleet management program to include off-road and auxiliary equipment. Subjecting hundreds of pieces of expensive and complicated equipment to professional fleet management will provide the State with significant cost saving and operational improvement opportunities.
- ❑ Restructure cost charge-back systems to promote better cost recognition and control by consumers of fleet services. Current charge-back systems all employ usage rates and base charges on average costs by type of vehicle. This practice obscures actual costs, does not provide motivation for users to take proper care of their vehicles (they will pay the average rate regardless of their behavior), and in the case of DNR and DOT (which bill exclusively by the mile) does not provide motivation for customers to turn in under-utilized equipment because they avoid paying capital costs (depreciation) if vehicles are not used. Directly charging customers their actual fleet service costs results in a more

equitable distribution of fleet costs and provides proper motivation for fleet consumers to make sound business decisions.

- Implement the *FleetAnywhere* management information system statewide. DOA, DNR, and DOT have already implemented, or are in the process of implementing, this system. UW should also implement this system so that the State can develop a consistent source of data for fleet performance statistics; facilitate the identification and analysis of common vehicle and fleet performance trends and conditions that might impact the operation of all State fleets; and facilitate information sharing among the State's fleet management organizations.
- Outsource commercial maintenance and repair management. DOT has outsourced management of maintenance vendors to PHH, a large vehicle leasing and management company. We believe that this action has contributed to DOT having the lowest maintenance costs of all of the agencies included in this study. While other agencies already outsource a great amount of actual repair work (particularly DOA), following DOT's lead on outsourcing maintenance management will enable the State to lower maintenance costs, and will also allow staff to focus their efforts on other fleet management responsibilities.
- Consolidate and restructure fleet management activities at UW. Fleet management functions at UW are largely decentralized, which has contributed to a lack of management focus and general poor performance. We believe that consolidating fleet management activities under a new professional fleet manager position is a first step towards addressing this situation.
- Restructure the DOA Bureau of Transportation. We believe that DOA does not have enough staff to spend adequate time and resources on the proactive formulation, implementation, and monitoring of efficient and effective fleet management processes (as required by State statute). In order to address this situation, we recommend that four positions be added to the Bureau of Transportation. In our view, this will not only result in more effective fleet management operations for the State, but it will also help to produce a more cooperative environment and build consensus among stakeholders by providing resources to base fleet management decisions on analytical processes instead of past practice or conjecture.
- Consolidate motor pool operations in Madison. Better coordination and collaborative management of motor pool operations in Madison will facilitate better customer service and may provide an opportunity to reduce the fleet after demand level performance measures have been established. Adding shuttle bus service between the capitol and DOA's motor pool will improve customer service and may also increase pool vehicle use.

Implementation of the recommendations above will lead to better management of the State's fleet and will provide a number of cost saving opportunities. The following table provides a summary of investments and cost-saving opportunities over a five-year period.

Summary of Investments and Cost-saving Opportunities Over Five Years

Category	Investments	Savings	Cost Avoidance	Net Savings and Cost Avoidance
Motor Pool	\$ 160,000 (1)	NA (2)	NA (3)	\$ (160,000)
UW	\$ 500,000 (4)	\$ 999,000 to \$1,996,000 (5)	\$1,600,000 to \$3,200,000 (6)	\$2,099,000 to \$4,696,000
Maintenance	\$ 625,000 (7)	\$3,680,000 (8)		\$3,055,000
Heavy Equipment	\$ 625,000 (7)	\$ 205,000 to \$ 410,000 (9)	\$ 300,000 to \$ 600,000 (10)	\$ (120,000) to \$ 385,000
Totals	\$1,910,000	\$4,884,000 to \$6,086,000	\$1,900,000 to \$3,800,000	\$4,874,000 to \$7,976,000

(1) Estimated cost of running shuttle bus for five years.

(2) Administrative consolidation and better management of Madison based pools should facilitate future vehicle reductions and produce cost-savings. Precise reduction levels will not be known until future demand patterns are documented.

(3) See above.

(4) Cost of Fleet Manager position plus \$75,000 for *FleetAnywhere* implementation and training.

(5) Range of operating savings potential (five to ten percent) through better management of fleet. Assumes first two years at one and three percent reductions for the low end of range and three and five percent for the high end of range.

(6) Based on fleet size reduction of 5 to 10 percent. Assumes that vehicles sold would have had to be replaced at least once over a five year period had they remained in the fleet.

(7) One-half of the five-year cost of the four new positions recommended for DOA. It should be noted that it is difficult to isolate the costs and benefits of these positions to specific improvement initiatives, as these positions will serve to improve all aspects of the State's fleet management programs.

(8) Based on DNR and UW reducing maintenance costs to DOT's current level and DOA reducing its cost per VEU to a benchmark level of \$600. Assumes no savings in the first year.

(9) Based on saving 5 to 10 percent per year of the projected operating costs of construction equipment managed by the four agencies included in this review. Including all construction equipment statewide would greatly increase the potential savings.

(10) Based on avoiding replacing equipment removed from the fleet.

The improvement strategy we are proposing will require a series of significant operational and cultural changes, and additional investments in the State's fleet management programs. Therefore, the strategy will not be easy to implement, and it will not be successful without the uncompromising commitment of all levels within State government. The Governor and the Legislature need to commit the resources required to make the investments that are the foundation of the strategy, and must support the operational changes that will lead to a more cooperative and positive approach to improving State fleet operations. Management and staff need to commit to making the operational, cultural, and political changes that will be needed to make the State's investments work. The strategy will be a resounding failure without these commitments. On the other hand, the personal and professional satisfaction that will come with establishing a fleet program that can be competitive with the best in the industry can, in our view, sustain the necessary commitment.

If this strategy is implemented immediately and in its entirety, within three to five years the State will have a service- and cost-competitive fleet operation. This, in turn, will have a positive impact on the productivity of fleet user organizations, which translates into better and more cost-effective delivery of state services. "Cherry picking" selected, easy-to-implement or no-cost components of the strategy to pursue, rather than implementing the recommendations in their entirety, will *not* produce the desired result of a more cost-effective State fleet operation. *All components are essential to success.*