



Legislative Fiscal Bureau

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B

May 2, 2001

Joint Committee on Finance

Paper #425

Arbitration Awards Affecting City of Milwaukee Police Officers (Employment Relations Commission)

[LFB 2001-03 Budget Summary: Page 285, #4]

CURRENT LAW

ALT 2

An arbitrator appointed to resolve a collective bargaining impasse involving the City of Milwaukee and its police officers may unilaterally determine the economic and noneconomic issues in dispute without regard to the parties' respective bargaining positions. Without restriction because of enumeration, the arbitrator is currently authorized to include in the compulsory, final and binding arbitration award any of the following matters: (1) all items of compensation; (2) working hours, overtime standards, and the criteria for the assignment and scheduling of work; (3) seniority issues, promotional programs, criteria and procedures for merit increases, and work rules (except those work rules created by law); (4) any educational programs for police officers deemed appropriate; (5) a system for resolving disputes under the contract, including final and binding arbitration; (6) the duration of the contract; and (7) a system for administration of the collective bargaining agreement between the parties by an employee of the Police Department who is not directly accountable to the Chief of Police or the Milwaukee Board of Fire and Police Commissioners in matters relating to that administration.

GOVERNOR

Authorize an arbitrator appointed to resolve a collective bargaining impasse between the City of Milwaukee and its police officers to include provisions in an arbitration award relating to the establishment of a system for conducting interrogations of members of the police department that is limited to the hours between 7 a.m. and 5 p.m. on working days, if the interrogations could lead to disciplinary action, demotion or dismissal. Define "working day" to include all days except Saturday, Sunday and current state government holidays. Specify that this new authority would first apply to petitions for arbitration involving City of Milwaukee police officers that are filed after the general effective date of the biennial budget act.

DISCUSSION POINTS

1. Under current law governing the issuance arbitration awards affecting the City of Milwaukee and its police officers, an arbitrator may include in the final award, without restriction, any matter that is a mandatory subject of bargaining. Matters that relate to wages, hours and conditions of employment are deemed mandatory subjects of bargaining and may be included in a party's final offer, which the arbitrator, in turn, can consider in fashioning an arbitration award. The Legislature has also specifically enumerated certain matters, which then become mandatory subjects of bargaining, that an arbitrator may include in his or her final award.

2. Proposals that do not relate primarily to wages, hours and conditions of employment are deemed permissive subjects of bargaining and may be included among the items that are addressed in the final arbitration award only if the parties agree to their inclusion. Where permissive subjects of bargaining are included in a final offer, they are treated as mandatory subjects of bargaining for the remainder of the arbitration process.

3. Where the parties do not agree on whether a matter is a mandatory subject of bargaining, the parties may petition the Employment Relations Commission for a declaratory ruling to determine the issue. The Commission is required to make its ruling within 15 days of receiving the petition.

4. The effect of including a specific reference to matters relating to the establishment of a system for conducting disciplinary interrogations of members of the police department that is limited to the hours between 7 a.m. and 5 p.m. on working days in the listing of items that an arbitrator may include in a compulsory, final and binding arbitration award is to establish by statute that this matter is a mandatory subject of bargaining.

5. Proponents of the proposed modification have argued that the procedure would enhance the right of an employee, who is potentially subject to a disciplinary interrogation, to have informed union or other representation present at the time of the interrogation, if the proceeding was conducted during normal business hours. Employees who may be subject to an immediate disciplinary interrogation following an alleged infraction, especially if that proceeding occurs outside of normal business hours, may have a difficult time securing informed representation when needed. Further, since the City is likely to object to the including interrogation procedures as a mandatory subject of bargaining, the matter must be addressed legislatively. If the Committee believes that these arguments generally have merit, then it could act to include the Governor's recommendation.

6. Opponents of the proposed modification have raised concerns that delaying an interrogation to normal business hours and requiring the individual subject to the proceeding to appear again at that time will have increased overtime cost implications for the City. Further, a collective bargaining process already exists through which the parties should be able to develop a mutually agreeable procedure to ensure that the employee's rights are maximized and the City's exposure to higher costs are minimized. If the Committee believes that these arguments generally

EMPLOYMENT RELATIONS COMMISSION

Days on Which Milwaukee Police Interrogations May Be Held

[LFB Paper #425]

Motion:

Move to: (a) authorize an arbitrator appointed to resolve a collective bargaining impasse between the City of Milwaukee and its police officers to include in an arbitration award provisions relating to the establishment of a system for conducting interrogations of members of the police department that is limited to the hours between 7 a.m. and 5 p.m. on any day of the week, if the interrogations could lead to disciplinary action, demotion or dismissal; and (b) specify that this new authority would first apply to petitions for arbitration involving City of Milwaukee police officers that are filed after the general effective date of the biennial budget act.

Note:

Under the Governor's recommendation the and 5 p.m. on any working day.

MO#

BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
WELCH	Y	N	A
2 GARD	Y	N	A
1 KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
COGGS	Y	N	A
HUBER	Y	N	A

a limited to 7 a.m.

AYE 2 NO 14 ABS _____

have merit, then it could choose to maintain current law.

ALTERNATIVES TO BASE

1. Approve the Governor's recommendation to: (a) authorize an arbitrator appointed to resolve a collective bargaining impasse between the City of Milwaukee and its police officers to include in an arbitration award provisions relating to the establishment of a system for conducting interrogations of members of the police department that is limited to the hours between 7 a.m. and 5 p.m. on working days, if the interrogations could lead to disciplinary action, demotion or dismissal; (b) define "working day" to include all days except Saturday, Sunday and current state government holidays; and (c) specify that this new authority would first apply to petitions for arbitration involving City of Milwaukee police officers that are filed after the general effective date of the biennial budget act.

2. Maintain current law.

Prepared by: Tony Mason

MO# A111

BURKE	Y	<input checked="" type="radio"/> N	A
DECKER	Y	<input checked="" type="radio"/> N	A
MOORE	Y	<input checked="" type="radio"/> N	A
SHIBILSKI	<input checked="" type="radio"/> Y	N	A
PLACHE	Y	<input checked="" type="radio"/> N	A
WIRCH	Y	<input checked="" type="radio"/> N	A
DARLING	<input checked="" type="radio"/> Y	N	A
WELCH	<input checked="" type="radio"/> Y	N	A
GARD	<input checked="" type="radio"/> Y	N	A
KAUFERT	<input checked="" type="radio"/> Y	N	A
ALBERS	<input checked="" type="radio"/> Y	N	A
DUFF	<input checked="" type="radio"/> Y	N	A
WARD	<input checked="" type="radio"/> Y	N	A
HUEBSCH	<input checked="" type="radio"/> Y	N	A
COGGS	Y	<input checked="" type="radio"/> N	A
HUBER	Y	<input checked="" type="radio"/> N	A

AYE 9 NO 7 ABS _____

EMPLOYMENT RELATIONS COMMISSION

Limitation on Conducting Certain Interrogations of Members of Police Departments
In Counties, Cities, Towns and Villages

[LFB Paper #425]

Motion:

Move to require police departments in 2nd, 3rd and 4th class cities, towns and villages and sheriff's departments in counties that have systems for conducting interrogations of their law enforcement personnel to limit the time during which the interrogations may occur to the hours between 7 a.m. and 5 p.m. on working days, if the interrogations could lead to disciplinary action, demotion or dismissal, unless otherwise provided under a collective bargaining agreement. Define "working day" to include all days except Saturday, Sunday and current state government holidays.

Note:

Under current law, there is no limitation with respect to when a police department in a 2nd, 3rd or 4th class city, a town, a village or a county sheriff's department may conduct an interrogation that could lead to disciplinary action, demotion or dismissal of law enforcement personnel. For those municipalities with existing internal organizational systems for conducting such interrogations, this motion would limit the times during which the interrogations could be conducted; however, these limitations could be superseded by a collective bargaining agreement.

MO# _____

BURKE	Y	<input checked="" type="radio"/> N	A
DECKER	Y	<input checked="" type="radio"/> N	A
1 MOORE	<input checked="" type="radio"/> Y	<input checked="" type="radio"/> N	A
2 SHIBILSKI	<input checked="" type="radio"/> Y	<input checked="" type="radio"/> N	A
PLACHE	Y	<input checked="" type="radio"/> N	A
WIRCH	Y	<input checked="" type="radio"/> N	A
DARLING	<input checked="" type="radio"/> Y	<input checked="" type="radio"/> N	A
WELCH	<input checked="" type="radio"/> Y	<input checked="" type="radio"/> N	A
GARD	<input checked="" type="radio"/> Y	<input checked="" type="radio"/> N	A
KAUFERT	Y	<input checked="" type="radio"/> N	A
ALBERS	Y	<input checked="" type="radio"/> N	A
DUFF	Y	<input checked="" type="radio"/> N	A
WARD	Y	<input checked="" type="radio"/> N	A
HUEBSCH	Y	<input checked="" type="radio"/> N	A
COGGS	Y	<input checked="" type="radio"/> N	A
HUBER	Y	<input checked="" type="radio"/> N	A

AYE 5 NO 11 ABS _____

AMENDMENT TO PAPER #425

Motion:

Move to specify that the provisions of alternative #1 of Paper #425 shall not apply to criminal investigations.

MO#			
BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
WELCH	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
2 DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
COGGS	Y	N	A
HUBER	Y	N	A

AYE 16 NO 0 ABS _____

AGENCY: Employment Relations Commission (Base Agency)

LFB PAPER #: 426

ISSUE: Staff Support for Collective Bargaining Training Activities

ALTERNATIVE: 2

SUMMARY: You're swapping GPR for PR here, so either Alt. 1 or 2 is ok. LFB points out arguments for supporting the additional expenditure authority in Alt. 2 on page 4, item #16. This alternative will allow WERC to continue to contract with DER to provide labor/management cooperative training to supervisors and union members in state agencies. They started a cooperative agreement with a federal grant DER won. This will allow them to continue with that contract & carry through with the training activities they've set up.

Also, Alternative 2 will allow WERC to capture a \$25,000 grant from AFSCME International to its local Council 24 to help continue these training activities.

You save a little more GPR (\$9,800 over the biennium) by going with alternative #1. However, by continuing the contract with DER by going with Alt. 2, you get the extra \$25,000 from AFSCME.

Alt 2



Legislative Fiscal Bureau

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May 2, 2001

Joint Committee on Finance

Paper #426

Staff Support for Collective Bargaining Training Activities (Employment Relations Commission)

CURRENT LAW

Public and private employers and labor unions may request the Wisconsin Employment Relations Commission (WERC) to assemble a list ("panel") of arbitrators who are not employees or members of the Commission to arbitrate contract grievances. The WERC is required to provide training programs on a regular basis to prepare individuals to serve as outside arbitrators.

The WERC also offers periodic sessions to train employers and employees in consensus bargaining techniques and labor/management cooperation programs. Modest fees are charged to participants in all of these programs and are credited to an annual program revenue account that supports collective bargaining training activities. The base level expenditure authority for this appropriation is \$12,000 PR annually.

GOVERNOR

Continue base level expenditure authority of \$12,000 PR annually for collective bargaining training expenses.

DISCUSSION POINTS

1. The following table summarizes the number of collective bargaining training sessions offered by WERC staff and the total amount of fee revenues collected from the session participants since the 1997-98 fiscal year.

<u>Fiscal Year</u>	<u>Number of Training Sessions</u>	<u>Revenues Collected</u>
1997-98	13	\$23,700
1998-99	21	33,200
1999-00	17	21,000
2000-01*	14	16,500

*Data through March 31, 2001.

2. Most of the sessions offered by the WERC during the last several years have been either the consensus bargaining training program or the labor/management cooperation program. The former program emphasizes the development and use of problem-solving techniques (such as interest-based bargaining and "win-win" bargaining approaches) that can be used effectively during actual contract negotiations. The latter program emphasizes consensus decision-making and problem solving approaches that may be used in resolving disputes and grievances that arise once a collective bargaining agreement is already in place.

3. The training programs are often structured to address issues of concern to management and labor interests in a specific unit of government (such as a municipality or a school district) and may be offered by the Commission in a variety of half-day, one-day, one and one-half day and two-day formats to meet participants' needs. The training consists of face-to-face lectures delivered by qualified WERC staff and group exercises to be completed by the trainees. Fees charged to individuals involved in one-day (or less) formats are \$70 per participant. For individuals involved on training programs lasting more than one day, the fee charged is \$110 per participant.

4. Frequently, in an effort to encourage participant follow-through in applying the approaches covered in earlier, formal training sessions, the Commission will allow recent trainees to sit in on subsequent "refresher" training sessions at no additional cost to the participant.

5. These training sessions are typically coordinated and conducted by a Commission staff member who functions as director of labor/management cooperation programs. Additional assistance is generally provided, as needed, by one or more Commission attorneys and by one of the Commissioners, who has a strong interest in consensus building collective bargaining techniques. All of these agency positions are currently entirely GPR-funded.

6. On March 31, 2001, there was an unappropriated revenue balance of \$65,300 PR in the collective bargaining training appropriation account. In addition, based on the last three full fiscal years (1997-98 through 1999-00), program receipts credited to this appropriation account have averaged \$26,000 PR-REV annually. The collective bargaining training revenue stream appears to be reasonably reliable; furthermore, the opportunity would appear to exist for the Commission to generate yet additional revenues if it began to charge a fee for post-training course "refresher" sessions or promoted additional basic training sessions.

7. Based on the current unappropriated balance in the collective bargaining training appropriation account and likely future revenues into this account, an argument can be advanced

that there are sufficient funds available to convert a portion of the position that functions as director of labor/management cooperation programs from GPR funding to PR funding.

8. However, insufficient revenues are available to convert 1.0 FTE position entirely from GPR to PR funding. The portion of the position that could be converted will depend on what additional expenditures the Committee authorizes to be funded from this appropriation.

9. Base level supplies and services funding of \$12,000 PR annually associated with offering the current program of training sessions is budgeted to this appropriation. These expenditures support the purchase of training equipment and instructional materials and some limited travel-related expenses. These costs appear reasonable, and the level of funding provided appears to be consistent with actual program needs. In the 1999-00 fiscal year, less than \$1,000 PR in supplies and services expenditure authority remained unused by the end of the year.

10. Allowing for a continuation of \$12,000 PR annually of base level supplies and services funding, the collective bargaining training appropriation could additionally support the conversion of 0.3 FTE and \$29,700 annually associated with the mediator position at the WERC engaged in directing labor/management cooperative programs from GPR to PR funding.

11. However, on April 13, 2001, this Committee approved a s. 16.515 request from the WERC to provide increased expenditure authority of \$20,200 PR in 2000-01 under the collective bargaining training appropriation. The purpose of the increased expenditure authority is to permit the WERC to contract with the Department of Employment Relations (DER) to continue to deliver labor/management cooperative training to supervisors and union members in state agencies and to offer such training to interested local governments. While the Committee's action to provide \$20,200 PR in 2000-01 will have the effect of reducing the current unappropriated balance under collective bargaining training account by an equivalent amount, this adjustment has already been taken into account in developing the above 0.3 FTE funding conversion proposal.

12. The WERC originally sought \$50,000 PR under its s. 16.515 request, with \$20,200 PR provided in the 2000-01 fiscal year and the remaining \$29,800 PR provided in the 2001-02 fiscal year. The total proposed budget would have supported: (a) DER meeting and administrative costs to design the program's expansion and the associated development of training modules (\$23,400 PR); (b) workshops and training forums (\$18,900 PR); (c) website development (\$3,500 PR); and (d) newsletter production and distribution (\$4,200 PR).

13. In approving the WERC request for 2000-01 only, the Committee advised the agency that the question of providing additional expenditure authority of \$29,800 PR in 2001-02 under the collective bargaining training appropriation would be addressed as part of this body's biennial budget deliberations.

14. DER has developed a consensus bargaining approach as part of biennial contract negotiations between the Wisconsin State Employees Union (WSEU) and the state as employer. DER was initially successful in securing a \$90,000 grant in 1997-98 from the Federal Mediation and Conciliation Service to create a Joint Labor/Management Committee to identify, communicate and replicate "best practices" in labor/management cooperation. The initial federal grant was used

to prepare "best practice" documents and presentations and to offer several regional training forums.

15. The initial federal grant has now been fully expended. The proposal to have WERC fund a contract extension with DER into 2001-02 would permit the latter agency to continue the development of appropriate labor/management cooperation practices for state agencies.

16. Arguments in favor of providing additional expenditure authority of \$29,800 PR in 2001-02 would include the following:

- The best practice teams organized in a number of state agencies arguably have had a tangible benefit for the state by directly reducing state agency costs associated with grievance and discharge arbitrations. DER believes that the agency staff involvement costs foregone in 1999-00 as a result of the reduced number of arbitrations in that year compared to historic caseload patterns amounted to \$303,800 (all funds) on grievance arbitrations and \$152,500 (all funds) on discharge arbitrations. However, it should be noted that these amounts were not lapsed from agency budgets. Staff time and base funding were simply freed for other activities.

- DER could continue to develop and evaluate training interventions and processes that facilitate team-building relationships.

- DER could involve new teams and state agency work sites in learning "best practices" approaches thereby making it more likely that additional grievance related costs could be avoided.

- DER could continue follow-up training for past participants in the program.

- Continuation of the contract would help maximize an additional \$25,000 grant from AFSCME International to its local Council 24 to help continue these "best practice" approaches in state government agencies.

17. Arguments against providing additional expenditure authority of \$29,800 PR in 2001-02 would include the following:

- The additional amounts provided for a contract with DER would have the effect of reducing the portion of the WERC mediator position that could be converted from GPR funding to PR funding. No more than 0.25 FTE position and \$24,800 annually could be converted from GPR to PR funding, if the DER contract continuation amounts of \$29,800 PR in 2001-02 are also funded at this time by the Committee.

- There does not appear to be any reason why WERC staff could not offer some of this type of training to state agency personnel and also charge fees that would help support Commission activities supported by the collective bargaining training appropriation.

- The \$20,200 PR already provided for 2000-01 should be sufficient to support most of DER's costs associated with the actual design of the program's expansion and the development of training modules. DER could explore other funding options, such as charging additional participant fees to fund the additional raining sessions.

18. If the Committee chooses to convert a portion of the WERC staff function associated with the supervision of the agency's labor/management cooperative training program and not provide any additional funding to permit the WERC to contract with DER in 2000-01 to deliver similar training to supervisors and union members primarily in state agencies, then it could convert 0.3 FTE position and \$29,700 annually from GPR to PR funding.

19. Alternatively, if the Committee chooses to convert a portion of the WERC staff function associated with the supervision of the agency's labor/management cooperative training program and also provide \$29,800 PR in 2001-02 to the agency's collective bargaining training appropriation to permit the WERC to contract with DER in 2000-01 to deliver similar training to supervisors and union members primarily in state agencies, then it could convert 0.25 FTE position and \$24,800 annually from GPR to PR funding.

ALTERNATIVES TO BASE

1. Convert 0.3 FTE position and \$29,700 annually associated with the supervision of the WERC's labor/management cooperative training program from GPR to PR funding, to be supported from collective bargaining training fees.

<u>Alternative 1</u>	<u>GPR</u>	<u>PR</u>	<u>TOTAL</u>
2001-03 FUNDING (Change to Base)	- \$59,400	\$59,400	\$0
[Change to Bill]	- \$59,400	59,400	\$0]
2002-03 POSITIONS (Change to Base)	- 0.30	0.30	0.00
[Change to Bill]	- 0.30	0.30	0.00]

2. Convert 0.25 FTE position and \$24,800 annually associated with the supervision of the WERC's labor/management cooperative training program from GPR to PR funding, to be supported from collective bargaining training fees, and provide \$29,800 PR in 2001-02 to the collective bargaining training appropriation to permit the WERC to contract with the Department of Employment Relations to deliver labor/management cooperative training to supervisors and union members primarily in state agencies.

<u>Alternative 1</u>	<u>GPR</u>	<u>PR</u>	<u>TOTAL</u>
2001-03 FUNDING (Change to Base)	- \$49,600	\$79,400	\$0
[Change to Bill]	- \$49,600	79,400	0]
2002-03 POSITIONS (Change to Base)	- 0.25	0.25	0.00
[Change to Bill]	- 0.25	0.25	0.00]

3. Maintain current law.

Prepared by: Tony Mason

MO#

BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
WELCH	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
COGGS	Y	N	A
HUBER	Y	N	A

AYE NO ABS

EMPLOYMENT RELATIONS COMMISSION

LFB Summary Items for Which No Issue Paper Has Been Prepared

Item #	Title	MO# _____
1	Standard Budget Adjustments	BURKE Y N A
3	SASI Initiative	DECKER Y N A
		MOORE Y N A
		SHIBILSKI Y N A
		PLACHE Y N A
		WIRCH Y N A
		DARLING Y N A
		WELCH Y N A

LFB Summary Item to be Addressed in a Subsequent

Item #	Title	MO# _____
2	Base Budget Reductions	GARD Y N A
		KAUFERT Y N A
		ALBERS Y N A
		DUFF Y N A
		WARD Y N A
		HUEBSCH Y N A
		COGGS Y N A
		HUBER Y N A

AYE _____ NO _____ ABS _____

LFB Summary Items for Introduction as Separate Legislation

Item #	Title
5	Selection by School Districts of Group Health Insurance Providers Made a Permissive Subject of Bargaining Under Certain Circumstances
6	Waukesha Public Schools
7	Waukesha Public Schools

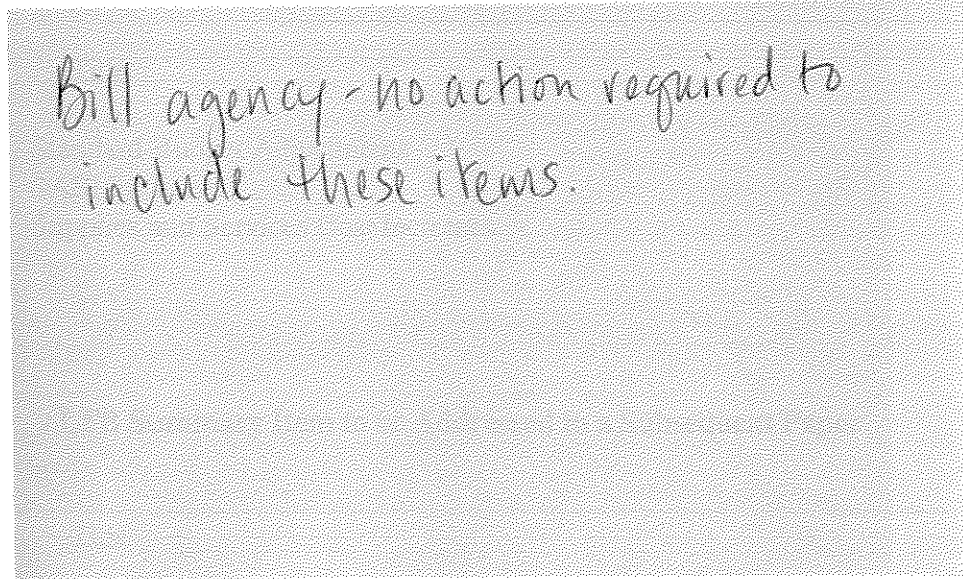
Base agency - vote required to include these items.

PERSONNEL COMMISSION

LFB Summary Items for Which No Issue Paper Has Been Prepared

Item #

1
3
4



Item #

2

Base Budget Reductions

MO# _____

BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
WELCH	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
COGGS	Y	N	A
HUBER	Y	N	A

AYE _____ NO _____ ABS _____

AGENCY: Military Affairs

Paper #: 610

ISSUE: Reimbursement of Certain County and Municipal Worker's Compensation and Liability Costs Due to Emergency Management Activities

ALTERNATIVE: 2 (no action necessary)

SUMMARY:

The governor wants to fund workers comp benefits for county employees working in emergency management fields by changing the account to a sum-sufficient appropriation.

FB thinks this sets a very bad precedent. Costs like these can be extremely high, and giving them the green light to pay them without any limitations or review could seriously deplete already tight GPR funds. Best just to leave it to the s. 13.10 process.

BY: Julie

AK 2



Legislative Fiscal Bureau

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May 2, 2001

Joint Committee on Finance

Paper #610

Reimbursement of Certain County and Municipal Worker's Compensation And Liability Costs Due to Emergency Management Activities (Military Affairs -- Emergency Government)

[LFB 2001-03 Budget Summary: Page 454, #3]

CURRENT LAW

Under s. 166.03(8) of the statutes, county, municipal and volunteer emergency management workers are considered employees of the local emergency management agency with which they are attached. These individuals are eligible for worker's compensation benefits, are indemnified against tort liability to third persons incurred in the performance of emergency management activities and are held harmless for the costs of damaging government-owned equipment used in the performance of their duties.

The statutes also limit the total liability of the emergency management agency's sponsoring municipality or county for any of the above costs to not more than \$1 per capita during any calendar year based on the sponsoring jurisdiction's population. The statutes further require the Department of Military Affairs (DMA) to reimburse the sponsoring jurisdiction for the excess costs above this \$1 per capita limit. The payment is required to be made from the agency's Division of Emergency Government general program operations appropriation. Base level funding in this appropriation is \$580,600 GPR annually.

GOVERNOR

Modify the source of funding for reimbursements of worker's compensation benefits, awards for injuries to others and losses from the destruction of equipment incurred by employees or volunteers with a county or municipality that is engaged in emergency management activities. Specify that if the total amount of such costs and liabilities exceeds \$1 per capita for the jurisdiction's population, the state would reimburse the county or municipality from an existing Program Supplements GPR-funded sum sufficient appropriation for the payment of judgments

against the state and its officers, rather than from the Division of Emergency Management's GPR-funded sum certain general program operations appropriation. Modify the statutory purposes of the Program Supplements sum sufficient appropriation to authorize payments for these emergency management-related costs. No funding adjustments would be made to either of these appropriation as a result of these proposed modifications.

DISCUSSION POINTS

1. Funds to reimburse municipal or county jurisdictions for the excess costs of injuries, tort liability coverage or damage to government-owned equipment for employees or volunteers engaged in emergency management activities have never been budgeted under the Division of Emergency Management's general program operations appropriation.

2. The principal reason that such funds have not been budgeted is that the state has almost never been required to make such a payment to reimburse a county or municipality for such costs. The only recent instance occurred in Manitowoc County during the spring of 2000, when an emergency management volunteer suffered a serious injury during storm clean-up operations. The Division subsequently became exposed to a potentially significant worker's compensation liability.

3. As a result, DMA sought an emergency supplement at this Committee's July 12, 2000, meeting under s. 13.10. Through a variety of appropriations transfers and supplementations, the Committee provided the Division with \$215,399 GPR in 2000-01 to fund the potential worker's compensation liability. Ultimately, less than \$110,000 GPR was actually needed in worker's compensation payments by the Division.

4. The Department argues that the unpredictable and uncontrollable nature of these costs make budgeting for them under a GPR sum certain appropriation nearly impossible. Consequently the agency requested, and the Governor recommended, that these types of expenditures be made from a GPR sum sufficient appropriation, in this case, the Program Supplements appropriation for the payment of judgments against the state and its officers. The agency would then not have to commit any of the Division of Emergency Government's general program operations funding for these purposes or request additional supplements from this Committee. If the Committee believes that this revised funding mechanism has merit, it could approve the Governor's recommendation.

5. However, in light of the scarcity of GPR funds in the current budget cycle, the Committee may want to consider whether or not it wishes to establish a mechanism under which occasional, but potentially significant, liabilities could be charged to a sum sufficient appropriation and be paid automatically to the full extent of that liability.

6. Inasmuch as the types of events that would trigger a payment from GPR funds are quite infrequent (the agency notes only one instance in recent years), the Committee may conclude that it would be preferable to address each future instance on a case-by-case basis under current law procedures.

7. Thus, if the Division of Emergency Government's general program operations appropriation would be unable to fund a future reimbursement claim, the Department would continue to have the option to request a combination of appropriations transfers and supplementations by the Committee to address this type of infrequent funding need.

ALTERNATIVES

1. Approve the Governor's recommendation to fund reimbursements of worker's compensation benefits, awards for injuries to others and government-owned equipment losses incurred by county or municipal employees or volunteers engaged in emergency management activities from a GPR-funded Program Supplements sum sufficient appropriation for the payment of judgments against the state, rather than from the Division of Emergency Management's GPR-funded sum certain general program operations appropriation.

2. Maintain current law.

Prepared by: Tony Mason

MO# AH 2

BURKE	<input checked="" type="radio"/>	N	A
DECKER	<input checked="" type="radio"/>	N	A
MOORE	<input checked="" type="radio"/>	N	A
SHIBILSKI	<input checked="" type="radio"/>	N	A
PLACHE	<input checked="" type="radio"/>	N	A
WIRCH	<input checked="" type="radio"/>	N	A
DARLING	<input checked="" type="radio"/>	N	A
WELCH	<input checked="" type="radio"/>	N	A
GARD	<input checked="" type="radio"/>	N	A
KAUFERT	<input checked="" type="radio"/>	N	A
ALBERS	<input checked="" type="radio"/>	N	A
DUFF	<input checked="" type="radio"/>	N	A
WARD	<input checked="" type="radio"/>	N	A
HUEBSCH	<input type="radio"/>	N	A
COGGS	<input checked="" type="radio"/>	N	A
HUBER	<input checked="" type="radio"/>	N	A

AYE 15 NO 0 ABS 1

Faint, illegible text from a document, possibly a report or form, visible through the paper.

No analysis prepared.

AIX I



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

May 2, 2001

Joint Committee on Finance

Paper #611

Emergency Response Equipment Funding (Military Affairs -- Emergency Management)

CURRENT LAW

An emergency response equipment appropriation under the Department of Military Affairs (DMA) funds reimbursement grants to counties for certain equipment used by Level B emergency teams that respond to less hazardous materials incidents. Base level funding for the emergency equipment appropriation is \$568,000 GPR annually.

GOVERNOR

Continue base level funding of \$568,000 GPR annually.

DISCUSSION POINTS

1. Local emergency response teams (Level B teams) respond to hazardous material emergencies where the highest level of respiratory protection is required but only moderate levels of skin protection are necessary. These response teams operate on a county level. The state also directly funds regional response teams (Level A teams) for hazardous materials incidents determined to be of a more serious nature.

2. Under s. 166.21(2)(br) of the statutes, counties may apply each year for reimbursement of 80% of the costs of team emergency response equipment and computers used by their Level B teams, up to \$10,000 per year. The county Level B teams may use in-kind contributions to meet their 20% cost-share requirement.

3. In recent years, this appropriation has consistently lapsed funds, as indicated in the following table.

**Emergency Response Equipment Appropriation Lapsing Balances
(1997-98 through 2000-01)**

<u>Fiscal Year</u>	<u>Budgeted</u>	<u>Expended</u>	<u>Lapsing Balance</u>
1997-98	\$568,000	\$411,888	\$156,112 *
1998-99	568,000	340,285	227,715
1999-00	568,000	404,724	163,278
2000-01	568,000	436,028	131,972 **

*The \$156,112 balance in the appropriation in 1997-98 was transferred to the Level A team appropriation in 1998-99 by the Joint Committee on Finance under s. 13.10 procedures.

**Through April 23, 2001, an unexpended balance of \$131,972 remained in the appropriation. On April 24, 2001, the Joint Committee on Finance transferred \$100,000 from the appropriation balance to DMA's fuel and utilities appropriation under s. 13.10 procedures.

4. Based on this review of lapsing balances from the emergency response equipment appropriation, it can be argued that the appropriation has been consistently over-funded by at least \$100,000 GPR annually. If the Committee concurs in this view, it could act to delete \$100,000 GPR annually of base level funding from the appropriation.

ALTERNATIVES

1. Delete \$100,000 GPR annually of base level funding from DMA's emergency response equipment appropriation.

<u>Alternative 1</u>	<u>GPR</u>
2001-03 FUNDING (Change to Bill)	- \$200,000

2. Maintain current law.

MO# Alt 1

2 BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
WELCH	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
COGGS	Y	N	A
HUBER	Y	N	A

Prepared by: Darin Renner

MILITARY AFFAIRS -- EMERGENCY MANAGEMENT

Limited Liability for Counties or Municipalities
Requesting the Use of Certain Equipment

Motion:

Move to shift to the Committee's s. 20.865(4)(a) appropriation \$150,000 GPR annually appropriated under s. 20.465(3)(c) of the statutes that supports aid payments by the state to the Milwaukee County Sheriff's Department for the provision of various helicopter services. Specify that the funds cannot be released to the s. 20.465(3)(c) appropriation until the Governor and the Milwaukee County Sheriff's Department have modified their current contract under s. 166.03(1)(b)7. of the statutes to require Milwaukee County to hold harmless any other city, county, village or town for insurance deductible costs arising from the loss of the equipment subsidized by the s. 20.465(3)(c) aid payments.

Provide that if an outside county, city, town or village requests the assistance of any equipment that has been purchased utilizing any state subsidy, the county or municipality shall be held harmless from any costs due to loss of the equipment, where the equipment is valued in excess of \$1,000,000.

Note:

Under current law, if law enforcement officers of a city, county village or town respond to a request to maintain the peace or perform police or peace duties in another city, county village or town and the sending county or municipality incurs equipment losses, the city, county village or town requesting the services shall reimburse the entity owning the equipment. Reimbursements are also made for wages, disability payments, pension and worker's compensation claims and medical expenses.

This motion would limit the further payment of \$150,000 GPR annually of operating assistance provided under a contract between the state and the Milwaukee County Sheriff's Department for helicopter services until the contract is specifically modified so that no insurance deductible costs could be billed to a county or municipality that had requested the helicopter services and an equipment loss had occurred. The motion would also provide that no requesting county or municipality would be liable for any losses to equipment that had been purchased with the assistance of any state subsidy if the total value of the equipment exceeded \$1,000,000.

MO# 410

BURKE	Y	<input checked="" type="radio"/> N	A
DECKER	Y	<input type="radio"/> N	A
MOORE	Y	<input type="radio"/> N	A
SHIBILSKI	Y	<input type="radio"/> N	A
PLACHE	Y	<input type="radio"/> N	A
WIRCH	Y	<input type="radio"/> N	A
DARLING	Y	<input type="radio"/> N	A
WELCH	<input checked="" type="radio"/> Y	<input type="radio"/> N	A
GARD	Y	<input type="radio"/> N	A
KAUFERT	Y	<input type="radio"/> N	A
ALBERS	<input checked="" type="radio"/> Y	<input type="radio"/> N	A
DUFF	Y	<input type="radio"/> N	A
WARD	Y	<input type="radio"/> N	A
DEADES HUEDSCH	Y	<input type="radio"/> N	A
COGGS	Y	<input type="radio"/> N	A
HUBER	Y	<input type="radio"/> N	A

AYE 2 NO 14 ABS

Bill agency - no action required to include these items.

MILITARY AFFAIRS

Emergency Management

LFB Summary Items for Which No Issue Paper Has Been Prepared

<u>Item #</u>	<u>Title</u>
1	Reimbursement of Hazardous Materials Emergency Response Teams as a Result of the Potential Release of Hazardous Substances
4	Treatment of Reimbursements Received Under the Emergency Management Assistance Compact
5	Consolidation of Emergency Management Administration Appropriations

LFB Summary Item for Introduction as Separate Legislation

<u>Item #</u>	<u>Title</u>
2	Level A Hazardous Materials Response Team Training and Reporting Requirements

MO# _____

BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
WELCH	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
COGGS	Y	N	A
HUBER	Y	N	A

AYE _____ NO _____ ABS _____

INVESTMENT BOARD

LFB Summary Items for Which No Issue Paper Has Been Prepared

Item #	Title
1	Standard Budget Adjustments
2	Revised Depository Selection Board Membership

Bill agency - no action required to include these items.
Remove item 2 -
takes SWIB director off
puts DOR Secretary on
policy list?

MO# _____

BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
WELCH	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
COGGS	Y	N	A
HUBER	Y	N	A

AYE _____ NO _____ ABS _____



Legislative Fiscal Bureau

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No analysis prepared

May 2, 2001

Joint Committee on Finance

Paper #790

Information Technology Initiatives (R&L)

A-1
B-2
Russ

[LFB 2001-03 Budget Summary: Page 579, # 2 b, c, d, e & f]

CURRENT LAW

The Department of Regulation and Licensing (R&L) has an information technology section under its Division of Management Services. Currently, 7.75 PR positions are authorized under this unit. Base funding for salary and fringe benefits for the 7.75 positions is \$443,600 PR annually. In addition, the agency's base level supplies and services budget it \$2,087,200 PR annually.

GOVERNOR

Provide \$452,300 PR in 2001-02 and \$389,100 PR in 2002-03 and 2.0 PR positions annually for the following information technology (IT) initiatives: (1) increased in-house technical staff to support the agency's IT hardware, software, applications and infrastructure development (\$96,900 PR in 2001-02 and \$121,700 PR in 2002-03 and 1.0 PR IT specialist and 1.0 PR IT analyst annually); (2) one-time funding for a consultant to complete documentation of the agency's data standards (\$20,000 PR in 2001-02); (3) a study of the distribution and answering of telephone inquiries through the agency's existing interactive voice response system and the possible implementation of the findings of the study (\$33,800 PR in 2001-02 and \$43,800 PR in 2002-03); (4) consultant services to upgrade the agency's ability to deliver services through the Internet ("e-commerce") (\$145,600 PR annually); and (5) one-time funding for nine months of fulltime consultant services to assess the types of agency services that should be moved to an e-commerce environment (\$156,000 PR in 2000-01 and \$78,000 PR in 2002-03).

DISCUSSION POINTS

1. R&L has been implementing a variety of information technology initiatives in recent

years to manage the growth in the number of professions required to be regulated and the number of individuals subject to credentialing. IT initiatives funded in the last two biennial budgets have included: (a) converting from a non-Y2K compliant system to a compliant network system; (b) installing an automated voice response system to assist in answering inquiries from the public and from credential holders; (c) introducing imaging capabilities to store applicant information electronically; (d) developing appropriate data management systems; (e) implementing a credential holder query function to permit the verification of the status of professional credentials; (f) adding the capability to make an Internet inquiry concerning the status of initial and renewal credential applications; and (g) undertaking a pilot project to enable real estate agents to renew their credentials via the Internet. The Department intends to use the additional staffing and funding recommended by the Governor for IT initiatives to build upon these previous IT enhancements.

2. The additional IT resources being recommended for R&L fall into two major categories: (a) additional staffing for the agency's IT function (\$96,900 PR in 2001-02 and \$121,700 PR in 2002-03 and 2.0 PR permanent IT positions); and (b) additional funding for a variety of IT consulting services (\$351,800 PR in 2001-02 and \$253,600 PR in 2002-03). A small residual balance of \$3,600 PR in 2001-02 and \$13,800 PR is recommended for miscellaneous items such as software maintenance agreements.

3. A recent study by DOA's Performance Evaluation Office (PEO) in consultation with the DOA's Division of Technology Management and its Division of Information Technology Services has reviewed R&L's IT staffing levels and management structure and the extent to which the agency has the current capacity to successfully implement a variety of e-commerce business applications. The report's findings may be relevant as the Committee reviews the staffing and consultant funding levels recommended for R&L's IT initiatives during the 2001-03 biennium.

4. *Additional Staffing for the Agency's IT Functions.* The PEO evaluation of R&L's IT staffing resources determined that the IT unit has been "under stress" due to the combined impact of staff turnover, a substantial number of vacancies and increasing technological demands. The evaluation further noted that staff turnover in the unit has had a number of adverse effects on the overall effectiveness of the agency's IT operations. The evaluation identified a number of functions that lacked appropriate documentation, including IT data standards, program changes and contingency planning. Accurate documentation was described as critical in small agency IT units to ensure that there continues to be a transfer of knowledge when staff turnover occurs. The Department was urged to give priority to developing and standardizing IT documentation.

5. R&L has requested the additional in-house technical staff to address staffing shortfalls that have led to longer implementation times for new IT projects, insufficient support for existing programs and limited customer service. Specifically, the additional staff would be used to: (a) handle an identified backlog of requested programming services for existing applications that current IT staff is unable to meet; (b) improve the turn-around time for IT project deliverables; (c) allocate staffing resources to the documentation and data standards development priorities cited in the PEO evaluation; (d) continue the development of an on-line credential renewal system, also cited as a critical customer enhancement by the PEO evaluation; and (e) develop additional

customer service applications for the agency's existing interactive voice response system.

6. In the past, the agency has also argued that hiring permanent staff to address the agency's on-going and demonstrated IT staffing needs is significantly less costly than contract programming.

7. The recommended staffing and associated funding for R&L's IT unit appear reasonable and justified. The Committee may wish to approve the additional staffing resources for the agency.

8. *Additional IT Consulting Services.* A total of \$605,400 PR (\$351,800 PR in 2001-02 and \$253,600 PR in 2002-03) has been recommended for IT-related consulting services for R&L during the next biennium. The requested funding would be used to support four different IT initiatives, all of which require the utilization of significant consulting services.

9. The first consultant initiative recommended by the Governor would provide one-time funding of \$20,000 PR in 2001-02 to hire a consultant to undertake the documentation of the agency's databases. As noted earlier, this lack of documentation was noted as a deficiency in the PEO evaluation of the agency. The lack of adequate documentation and standardization has impeded the ability of new IT staff to quickly master the agency's existing IT applications.

10. The second consultant initiative would use \$30,200 PR in 2001-02 and \$30,000 PR in 2002-03 for a study of additional enhancements to the agency's existing interactive voice response system, the subsequent testing of the new components and implementation of these new processes. Additional, nonconsultant costs of \$3,600 PR in 2001-02 and \$13,800 PR in 2002-03 are also recommended as part of this initiative for maintenance and other unbudgeted costs of the system enhancements. The agency believes that the potential enhancements would: (a) allow 85% of all inquiries to be answered by the system; (b) allow individuals to query the license status of a credential holder; (c) improve call-routing throughout the agency; and (d) answer frequently asked questions.

11. The third consultant initiative would use \$145,600 PR annually during the next biennium for 2,000 hours of consultant services each year for a variety of projects. These projects would include: (a) installing a capability for on-line credential renewals for the 15 largest occupational groups subject to R&L regulation; (b) maintaining and updating criminal background check files of individuals seeking licensure who work in child care, long-term care or health care facilities; (c) maintaining an electronic cash register system, which provides information to WISMART for credential and examination fees paid to the agency, including the calculation of GPR-Earned amounts; (d) creating a database of regulatory board decisions, orders and hearing notices; and (e) providing the capability for credential holders to update personal information on-line and for members of the public to comment on proposed administrative rule changes.

12. The final consultant initiative would use one-time funding of \$156,000 PR in 2000-01 and \$78,000 PR in 2002-03 for nine months of full-time consultant services to assess the types of

agency services that should be moved to an e-commerce environment.

13. In reviewing these various IT consultant funding proposals, there are several questions that the Committee may wish to consider. First, does the agency have the ability to simultaneously undertake and effectively oversee this level of consultant services? Second, are the cost projections associated with each of the initiatives well documented and justified? Third, are there other staffing or funding options that the Department could pursue in order to address these IT enhancements?

14. *Ability of the Department to Undertake These Projects Simultaneously.* In June of 2000, when DOA's performance evaluation unit examined R&L's recent IT enhancement activities, the evaluation found that while the agency had generally made progress in advancing a number of IT initiatives detailed in its earlier 1995 strategic plan, there was no current plan to guide the Department's future efforts. As a result the agency's IT function had come to operate "in a reactive, crisis mode." In addition, it was noted that a number of individual IT initiatives and enhancements had been subject to "false starts and inadequate resources to fully support and complete the initiatives." Questions were also raised about the agency's IT goals and priorities, as well as the process for setting them. Finally the evaluation unit recommended that the agency "stop work on any new information technology initiatives, modifications to existing systems or contracts with external vendors" until a new strategic planning document was developed and put in place.

15. A similar concern relating to R&L's ability to undertake too many IT initiatives at one time was also raised when this Committee considered the level of consultant services funding that R&L had requested as part of its 1999-01 biennial budget. The Committee ultimately chose to place \$72,000 PR annually for additional consultant services in the Committee's PR supplemental appropriation. These funds were available for possible release to the Department under a 14-day passive review process once the agency had developed and submitted a more detailed expenditure plan and justification for using the additional consultant services funding.

16. R&L has since released an updated strategic IT plan on September 15, 2000. That plan outlines most of the IT enhancements for which the current consultant services funding is requested. While the new strategic plan would appear to address a major concern raised by DOA's evaluation unit, the fact that R&L is proposing to undertake \$605,400 PR of consulting activities almost simultaneously during the next biennium raises questions about whether the agency has fully addressed all the other concerns noted in the recent evaluation. For example, it could be argued that efforts to develop adequate data standards and documentation (cited as a "critical need" by DOA) should be undertaken first before other major enhancements are started. It could also be argued that a review of the types of agency services that ought to be moved to an e-commerce environment should be reviewed before the identified list of actual e-commerce enhancement projects is undertaken so that additional "false starts" do not occur.

17. At the very least, this line of analysis suggests the proposal for \$145,600 PR annually for consultant services to upgrade the agency's ability to deliver services through the Internet (e-commerce) and the \$156,000 PR in 2000-01 and \$78,000 PR in 2002-03 of one-time

funding requested to assess the types of agency services that should be moved to an e-commerce environment should not be undertaken simultaneously but should instead proceed in some kind of sequential order. Logically, the need for the more general analysis would appear to precede the further implementation of specific e-commerce-related enhancements.

18. *Documentation and Justification of Cost Projections.* The Department has not provided detailed information that would permit an analysis of how the total number of required consultant hours for the various IT enhancement projects was determined or what circumstances led to \$70 per hour being budgeted for some projects and \$150 per hour for others.

19. To the extent that any costing analysis was possible, it was determined that the amounts proposed for the study of the distribution and answering of telephone inquiries through the agency's existing interactive voice response system included \$10,000 PR in 2002-03 for which there was no documented need. Further, the computed annual funding needs for the proposed consultant review of an upgrade of the agency's ability to deliver services through the Internet (\$145,600 PR annually) are overstated by \$5,600 PR annually. Thus, if the Committee chooses to provide funding for these activities, as recommended by the Governor, \$5,600 PR in 2001-02 and \$15,600 PR in 2002-03 should be deleted from the recommended amounts.

20. *Other Staffing and Funding Options.* The Legislative Audit Bureau's March, 2001, audit (*State Agency Use of Computer Consultants*) noted that agency IT managers frequently agreed that the use of consultants is economical and efficient for the development of large new information systems, when additional workers are needed for peak-workload periods, or when there is intermittent need for specialized skills. However, many agencies have become reliant on consultants to carry out routine daily work at costs twice to three times that of state workers performing similar work. In several cases the IT contractors have been retained by an agency for several years, performing duties similar to those of the state employees.

21. This LAB audit finding would appear to apply at R&L. It should be noted that the position justifications associated with the 2.0 FTE new IT positions for R&L recommended by the Governor suggest that many of their duties will be similar to the activities that are also being funded under the consultant services proposals. For example, one of the stated duties of the new positions will be to develop adequate data standards and documentation. It is also indicated that the new programming staff will be involved in the development of e-commerce applications for the Department.

22. In discussions with Department of Administration staff regarding the establishment of a separate Department of Electronic Government, R&L was cited as a possible lead agency in advancing the development of on-line credentialing opportunities. In light of DOA's (or the new Department of Electronic Government's) interests in developing such applications, R&L may be able to avail itself of DOA (or Department of Electronic Government) staff support for this and other projects at rates more favorable than would be required for hiring outside consultants.

23. As noted earlier, this Committee placed \$72,000 PR annually for additional

consultant services at R&L during the 1999-01 biennium in the Committee's PR supplemental appropriation for possible release under a 14-day passive review process once the Department had developed and submitted a more detailed expenditure plan and justification for using the additional consultant services funding. Although the Department subsequently sought the release of these funds in both fiscal years of the current biennium, it was determined that in both cases, the agency had engaged the consultant and had spent or committed the requested funding in advance of their release. In each case, the releases were objected to and the Department subsequently withdrew each request. No supplement was provided from the Committee's appropriation in either case.

24. Since the agency was able to incur many of these consultant services expenses using base level resources, it can be argued that up to \$72,000 PR annually of base level funds appears to be available for additional consultant services in the 2001-03 biennium. These funds should be utilized before additional expenditure authority is provided to the agency.

25. As a general alternative to the Governor's recommendation to provide R&L with \$351,800 PR in 2001-02 and \$253,600 in 2002-03 for IT-related consulting services and \$3,600 PR in 2001-02 and \$13,800 PR in 2002-03 for IT maintenance funding, the Committee could delete these amounts from the agency's budget. The following amounts would then be placed in the Committee's supplemental appropriation: (a) \$20,000 PR in 2001-02 for documentation of the R&L's data standards; (b) \$33,800 PR annually for a study of the distribution of telephone inquiries through the agency's existing interactive voice response system; and \$117,000 PR annually for possible consultant services relating to e-commerce activities. (This later funding represents the agency's original request of \$156,000 PR in 2001-02 and \$78,000 PR in 2002-03 for consultant services provided equally in each fiscal year.) The total amounts placed in the Committee's PR supplemental appropriation account would be \$170,800 PR in 2001-02 and \$150,800 PR in 2002-03.

26. These funds could be released in whole or in part to R&L under a 14-day passive review process once the Department has submitted to the Committee a detailed expenditure plan which includes an analysis of: (a) the degree to which the requested IT enhancements can be provided in a more cost-effective manner by existing agency staff; (b) the degree to which the requested IT enhancements can be provided in a more cost-effective manner by DOA (or Department of Electronic Government) staff; (c) the degree to which it would be more cost-effective to use a portion of the reserved funds to support an additional agency IT position rather than engage additional consultant services; and (d) detailed costs projections for each IT enhancement project proposed for funding. Funds could be released upon the Committee's approval of the agency's analysis and detailed project plans.

ALTERNATIVES

A. Additional IT Staffing

1. Approve the Governor's recommendation to provide \$96,900 PR in 2001-02 and \$121,700 PR in 2002-03 and 1.0 PR IT specialist and 1.0 PR IT analyst annually for increased R&L technical staff to support the agency's IT hardware, software, applications and infrastructure development.

2. Delete the Governor's recommendation.

<u>Alternative A2</u>	<u>PR</u>
2001-03 FUNDING (Change to Bill)	- \$218,600
2002-03 POSITIONS (Change to Bill)	- 2.00

B. Additional IT Consulting Services

1. Approve the Governor's recommendation to provide a corrected level of funding of \$349,800 PR in 2001-02 and \$251,800 PR in 2002-03 for the following IT consulting services and maintenance funding needs: (a) one-time funding for a consultant to complete documentation of the agency's data standards (\$20,000 PR in 2001-02); (b) a study of the distribution and answering of telephone inquiries through the agency's existing interactive voice response system and the possible implementation of the findings of the study (\$33,800 PR annually); (c) consultant services to upgrade the agency's ability to deliver services through the Internet ("e-commerce") (\$140,000 PR annually); and (d) one-time funding for nine months of fulltime consultant services to assess the types of agency services that should be moved to an e-commerce environment (\$156,000 PR in 2000-01 and \$78,000 PR in 2002-03). *[The corrected figures reflect the deletion of \$10,000 PR in 2002-03 for the interactive voice response system for which no documented need was provided and the deletion of \$5,600 PR annually to reflect the actual number of consultant hours recommended for upgrading the agency's ability to deliver services through the Internet.]*

<u>Alternative B1</u>	<u>PR</u>
2001-03 FUNDING (Change to Bill)	- \$21,200

2. Modify the Governor's recommendation by deleting \$355,400 PR in 2001-02 and \$267,400 in 2002-03 for R&L's IT-related consulting services and IT maintenance funding. Place the following amounts [\$170,800 PR in 2001-02 and \$150,800 PR in 2002-03] in the Committee's supplemental appropriation: (a) \$20,000 PR in 2001-02 for documentation of the R&L's data standards; (b) \$33,800 PR annually for a study of the distribution of telephone inquiries through the

agency's existing interactive voice response system; and \$117,000 PR annually for possible consultant services relating to e-commerce activities. Include a nonstatutory provision specifying that these funds could be released by the Committee in whole or in part to R&L under a 14-day passive review process once the Department has submitted to the Committee a detailed expenditure plan which includes an analysis of: (a) the degree to which the requested IT enhancements can be provided in a more cost-effective manner by existing agency staff; (b) the degree to which the requested IT enhancements can be provided in a more cost-effective manner by DOA (or Department of Electronic Government) staff; (c) the degree to which it would be more cost-effective to use the reserved funds to support an additional agency position rather than engage additional consultant services; and (d) detailed costs projections for each proposed IT enhancement project for which funding is requested. Provide that the funds would be released upon the Committee's approval of the agency's analysis and detailed project plans.

Alternative B2	PR
2001-03 FUNDING (Change to Bill)	- \$301,200

3. Delete the Governor's recommendation.

Alternative B3	PR
2001-03 FUNDING (Change to Bill)	- \$622,800

Prepared by: Darin Renner

MO# A-1, B-2

BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
WELCH	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
COGGS	Y	N	A
HUBER	Y	N	A

AYE 8 NO 8 ABS _____

MO# A-2, B-2

BURKE	Y	N	A
DECKER	Y	N	A
MOORE	Y	N	A
SHIBILSKI	Y	N	A
PLACHE	Y	N	A
WIRCH	Y	N	A
DARLING	Y	N	A
WELCH	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
ALBERS	Y	N	A
DUFF	Y	N	A
WARD	Y	N	A
HUEBSCH	Y	N	A
COGGS	Y	N	A
HUBER	Y	N	A

AYE 16 NO 0 ABS _____