



Legislative Fiscal Bureau

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April 29, 2009

Joint Committee on Finance

Paper #265

Information Technology Applications Development (Commerce -- Economic Development)

[LFB 2009-11 Budget Summary: Page 189, #8]

CURRENT LAW

The Division of Administrative Services provides information technology services to other divisions of Commerce. It charges fees to the programs receiving the services, which are deposited in a program revenue appropriation for costs associated with staff, contractors, and equipment. Other divisions utilize their supplies budgets under various appropriations (GPR, SEG, PR or FED) to pay for the information technology services charges.

GOVERNOR

Provide expenditure authority of \$57,700 PR in 2009-10 and \$76,900 PR in 2010-11 in the Division of Administrative Services to increase and enhance information technology (IT) services. Provide expenditure authority of \$78,800 PR in 2009-10 and \$106,500 PR in 2010-11 in the Division of Safety and Buildings operations appropriation to purchase IT services from the Division of Administrative Services. Revenues deposited in the Safety and Buildings appropriation come from a variety of plan review and inspection activities related to construction such as commercial buildings, multi-family dwellings, plumbing, private sewage systems, electrical and heating systems, and elevators.

DISCUSSION POINTS

1. Most of the increased demand for IT services would be in the Safety and Buildings Division. Examples of additional IT services that would be provided are expansion of the ability to make online credit card payment of various fees charged by the Safety and Buildings Division, registration for license exams, application for new licenses, and submittal of plans for review.

2. Revenue deposited in the Safety and Buildings PR operations appropriation will not be sufficient to fund all authorized expenditures in the 2009-11 biennium. Commerce has reduced expenditures below authorized levels and will need to substantially decrease expenditures during the biennium to maintain a positive balance in the account and make transfers to the general fund. Although the Division is holding 11.5 positions vacant and has decreased expenditures for building code training, travel, supplies, and limited-term employees, additional reductions are expected to be necessary.

3. In its agency budget request, Commerce had requested 1.0 position in the Division of Administrative Services for an IT applications staff person. The Governor's budget did not create the position. Administration officials indicate Commerce could choose whether to fill one of two currently vacant information technology positions or to contract with an outside entity to provide the IT services.

4. Commerce officials indicate that, whether or not the recommended expenditure authority is provided to the Safety and Buildings Division, it will look for expenditure reductions in other areas in order to purchase IT services from the Division of Administrative Services. They also indicate that some IT projects would reduce postage and printing costs, and would provide workload efficiencies that would allow the Safety and Buildings Division to continue to hold positions vacant.

5. It could be argued that expenditure authority should not be increased in the Safety and Buildings Division during the 2009-11 biennium when the Department plans to hold at least 11.5 positions vacant and will need to substantially decrease additional expenditures to maintain a positive balance in the appropriation.

6. If the Governor's recommendation is not approved, and if construction activities increase enough to provide revenue to the Safety and Buildings operations appropriation to fund a larger percentage of the authorized expenditures, Commerce could request legislative approval of expenditure authority under the s. 16.505/515 passive-review process at a later date.

ALTERNATIVES

1. Approve the Governor's recommendation to provide expenditure authority of: (a) \$57,700 PR in 2009-10 and \$76,900 PR in 2010-11 in the Division of Administrative Services to provide information technology (IT) services; and (b) \$78,800 PR in 2009-10 and \$106,500 PR in 2010-11 in the Division of Safety and Buildings operations appropriation to purchase IT services from the Division of Administrative Services.

2. Delete provision.

ALT 2	Change to Bill
	Funding
PR	- \$319,900

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