

**1995-96 SESSION
COMMITTEE HEARING
RECORDS**

Committee Name:

*Joint Committee on
Finance (JC-Fi)*

Sample:

Record of Comm. Proceedings ... RCP

- 05hrAC-EdR_RCP_pt01a
- 05hrAC-EdR_RCP_pt01b
- 05hrAC-EdR_RCP_pt02

➤ Appointments ... Appt

➤ **

➤ Clearinghouse Rules ... CRule

➤ **

➤ Committee Hearings ... CH

➤ **

➤ Committee Reports ... CR

➤ **

➤ Executive Sessions ... ES

➤ **

➤ Hearing Records ... HR

➤ **

➤ Miscellaneous ... Misc

➤ 95hrJC-Fi_Misc_pt18

➤ Record of Comm. Proceedings ... RCP

➤ **

STATE OF WISCONSIN

Senate Chair
JOE LEEAN

Room 119 South, State Capitol
P.O. Box 7882
Madison, WI 53707-7882
608-266-0751



Assembly Chair
BEN BRANCEL

Room 107 South, State Capitol
P.O. Box 8952
Madison, WI 53708-8952
608-266-7746

JOINT COMMITTEE ON FINANCE

February 17, 1995

Mr. W. Jeff Smoller
Executive Director
SAVE Commission
101 East Wilson Street, 6th Floor
Madison, WI 53702

Dear Mr. Smoller:

On January 31, 1995, we received your request for release of an additional \$3,000 GPR from appropriation s. 20.865(4)(a) to s. 20.505(3)(c) to match an additional \$3,000 in cash contributions received by the Commission. This request was forwarded to the Joint Committee on Finance for review under a passive 14-day review process as authorized by the Joint Committee on Finance at its April 14, 1994, meeting under s. 13.10.

The Co-Chairs have decided that this item should receive further review by the Committee. Therefore, we will schedule a meeting of the Committee to consider this request under s. 13.10.

Sincerely,

JOE LEEAN
Senate Chair

BEN BRANCEL
Assembly Chair

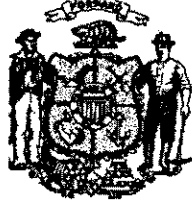
JL/BB/ns

cc: Members, Joint Committee on Finance
Richard Chandler, State Budget Office
Bob Lang, Legislative Fiscal Bureau

STATE OF WISCONSIN

SENATE CHAIR
JOE LEEAN

Room 119 South, State Capitol
P.O. Box 7882
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ASSEMBLY CHAIR
BEN BRANCEL

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JOINT COMMITTEE ON FINANCE

February 3, 1995

MEMO TO: Members, Joint Committee on Finance

FROM: Senator Joe Lean, Co-Chair
Representative Ben Brancel, Co-Chair
Joint Committee on Finance

Attached is a copy of a request from the Commission for the Study of Administrative Value and Efficiency (SAVE) dated January 31, 1995 pursuant to a 14 day review by committee members.

Please review the item and notify Chairman Brancel's office not later than **Friday, February 17, 1995** if you have any concerns about the request or if you need additional information.

BB/BJL/kc

Attachments

STATE OF WISCONSIN
COMMISSION FOR THE STUDY OF
ADMINISTRATIVE VALUE AND EFFICIENCY
(SAVE COMMISSION)



101 East Wilson Street, 6th Floor
Madison, Wisconsin 53702

Mailing Address:
P.O. Box 7868
Madison, WI 53707-7868

TOMMY G. THOMPSON
GOVERNOR
JAMES E. BURGESS
CHAIRMAN

Date: January 31, 1995

To: Senator Joseph Leean, Co-Chair
Representative Ben Brancel, Co-Chair
Joint Committee on Finance

From: W. Jeff Smoller, Executive Director
Commission for the Study of Administrative Value and Efficiency (SAVE)

Request

Following the provisions adopted in the April 14, 1994 meeting of the Committee under s.13.10, and as a final follow-up to the last request to the Committee on November 21, 1994, the SAVE Commission respectfully requests release of an additional \$3,000 GPR from the Committee's appropriation under s.20.865 (4)(a) to the appropriation under s.20.505(3)(c). These dollars will provide dollar-per-dollar matching funds to additional private contributions of \$3,000 raised by the Commission since the last request.

Private Funds

As verification and further information to the Committee, *Attachment A* lists all privately contributed funds sent to the Commission. These represent cash contributions already paid, not just commitments. In its November 21 request for release of matching funds, the Commission identified total contributions of \$65,434. As shown on the attachment, the revised total to date is \$68,434 -- an increase of \$3,000.

Uses of Funds

Previous Commission requests outlined actual and proposed use of all funds, both gifts and matching GPR. These additional funds will enable the Commission to meet final financial obligations stemming from publication and distribution of its final report (January 10, 1995) and to close its books. On behalf of the Commission Chair, James E. Burgess, as well as the entire Commission, I respectfully request your support and approval.

attachment

cc: Richard Chandler, State Budget Office
Robert Lang, Legislative Fiscal Bureau

**List of Contributors
to the
Wisconsin SAVE Commission**

1/31/95

<u>Date</u>	<u>Contributor</u>		<u>Amount</u>
5/2/94	Bradley Foundation	Michael S. Joyce, President	Milwaukee 1,584
8/15/94	LaCrosse Footwear	Frank J. Uhler, Jr., CEO	La Crosse 1,000
8/18/94	Serigraph, Inc.	John Torinus, Jr., CEO	West Bend 1,000
8/19/94	Friday Canning Corporation	Fritz C. Friday, President	New Richmond 5,000
8/19/94	Menasha Corporation	R. Bero, CEO	Neenah 5,000
8/22/94	Firstar Corporation	Roger Fitzsimonds, Chair and Ceo	Milwaukee 5,000
8/23/94	W. Jeff Smoller		Madison 100
8/24/94	Webcrafters, Inc.	W. Jerome, Frautschi, President	Madison 1,000
8/24/94	Mercury Marine	C.J. Koehler, Director, Corporate Comm	Fond du Lac 5,000
8/24/94	Dewitt, Porter, Huggett, Schum	Harry J. Handzel, Jr., Chair	Madison 500
9/7/94	Arthur Andersen & Co.	Thomas J. Fischer, Managing Partner	Milwaukee 3,000
9/8/94	Ameritech	Bronson J. Haase, President	Milwaukee 5,000
9/9/94	Laureate Group	Larry Weiss, CEO	Waukesha 1,000
9/12/94	Nancy M. Johnson		Madison 100
9/13/94	DEC International, Inc.	Henrik Moe, President	Madison 5,000
9/14/94	Consolidated Papers, Inc.	Patrick F. Brennan, President & CEO	Wis. Rapids 5,000
9/15/94	SSI Technologies, Inc.	David S. Baum, President & Ceo	Janesville 5,000
9/21/94	Virchow, Krause & Co.	Neil Fauerbach, Marketing Director	Madison 3,000
9/27/94	Wisconsin Utilities Association	Barbara A. Mittelstaedt, Vice President	Madison 5,000
10/10/94	Universal Foods Foundation, In	Carl L. Zaar, Secretary/Treasurer	Milwaukee 500
10/13/94	Twin Disc, Inc.	James O. Parish, V.P., Finance	Racine 1,000
10/20/94	The Marcus Corp. Foundation	Ben Marcus, Director	Milwaukee 500
11/4/94	George C. Kaiser		Milwaukee 500
11/4/94	The Capital Times/Wisconsin S	Clayton Frink, President; Phil Blake Ch	Madison 500
11/8/94	W. Jeff Smoller		Madison 150
11/15/94	Wisconsin Hospital Association	Robert C. Taylor	Madison 5,000
1/10/95	First Financial Foundation, Inc	Ralph Staven, President	Stevens Pt. 3,000
			68,434

John

FEB 8 1995

Brancel's office
objected to SAVE

14-day review -

STATE OF WISCONSIN

SENATE CHAIR
JOE LEEAN

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ASSEMBLY CHAIR
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JOINT COMMITTEE ON FINANCE

January 17, 1995

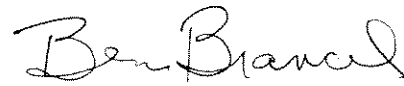
Secretary James R. Klauser
Department of Administration
101 E. Wilson Street
Madison, WI 53702

Dear Secretary Klauser:

On December 23, 1994 a 16.515 request, as approved by the Department, relating to the Department of Industry, Labor and Human Relations was forwarded to the Joint Committee on Finance for approval.

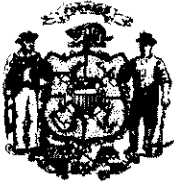
It has been decided that this item should receive further review by the Committee, and therefore, we will schedule a meeting of the Committee to consider this request.


JOE LEEAN
Senate Chair

Sincerely,

BEN BRANCEL
Assembly Chair

JL/BB/ns

cc: Members, Joint Committee on Finance



Legislative Fiscal Bureau

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

January 13, 1995

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Industry, Labor and Human Relations -- Section 16.505/515 Request Related to the Safety and Buildings Division

On December 23, 1994, the Department of Administration (DOA) forwarded a s. 16.505/515 request to the Committee for increased expenditure and position authority in 1994-95 for the Department of Industry, Labor and Human Relations (DILHR).

SUMMARY OF REQUEST

The request has two major parts. Both of them relate to the agency's Safety and Buildings Division.

First, the agency seeks to have the Division's expenditure authority increased by \$1,125,600 for certain costs related to personnel, contracts and equipment. Second, the request asks to convert 12.6 positions currently funded with GPR dollars to program revenue (PR) dollars. This conversion would decrease GPR dollars in 1994-95 by \$356,900 and increase PR dollars by an identical amount. Because the GPR dollars and positions cannot be affected under ss. 16.505/515, the agency indicates that these amounts would lapse to the general fund at the end of the current fiscal year and that the GPR positions could be deleted in the budget. This could, however, also be accomplished in nonbudget legislation or by the Joint Committee of Finance under s. 13.10.

Thus, in total, DILHR is requesting authorization to increase its expenditure authority by \$1,482,500 PR for 1994-95 and 12.6 PR positions. The components of the request are as follows:

<u>Item</u>	<u>Annual</u>
Labor Settlement	\$401,700
Overtime and Limited-Term Employees	314,400
Reengineering Study	175,000
Network Support Costs	145,700
Department of Revenue	45,000
Cellular Telephones	<u>43,800</u>
Subtotal	\$1,125,600
Conversion of GPR positions to PR funding	<u>356,900</u>
TOTAL	\$1,482,500

The request now before the Committee will be approved by January 18, 1995, unless the Co-Chairs indicate that a meeting will be scheduled to review the request.

BACKGROUND

State law and administrative rules establish various schedules under which the Safety and Buildings Division carries out its inspection and review functions. Administrative rules require that boilers, refrigeration units, elevators, escalators and handicapped lifts be inspected before initial operation and then annually thereafter. State statutes require that DILHR: (a) review all commercial building plans and inspect commercial construction projects; (b) review plumbing and private sewage plans prior to installation of systems; (c) collect information about plumbing license violations; and (d) monitor the sanitary permit program to ensure that counties and agent municipalities are properly operating their groundwater quality programs.

The Division is funded from a number of sources. First, program revenue (PR) dollars are provided to fund the activities described in the previous paragraph. Funding for general PR operations of the Division in 1994-95 is \$13.6 million with 212.35 positions (excluding \$6.3 million for fire dues distribution which are provided to local fire departments rather than used for administration of Division duties). The program revenue is derived from a number of fees which the Division charges for its inspections and reviews. Second, segregated (SEG) dollars are provided to fund petroleum inspection and tank programs and the petroleum environmental cleanup award program (PECFA). Funding for SEG operations is \$7.0 million with 62.8 positions (excluding \$75.5 million for PECFA awards). Third, the Division receives GPR dollars for the public sector safety and industrial hygiene program, the salary of the Division administrator and the private sewage system rehabilitation or replacement grant program. Funding for GPR operations is \$0.9 million with 14.6 positions (excluding \$3.5 million for

private sewage system grants). Finally, the Division receives FED dollars for specific activities primarily related to occupational safety, mine safety, flood relief, and inspection of mobile homes. Funding for FED operations is \$1.0 million with 16.5 positions.

The request before the Committee relates to the PR and GPR funding of the Division. If the request is approved by the Committee, there would be a balance of approximately \$5.6 million in the Safety and Building Division's PR operations account at the end of the 1994-95 fiscal year. Based on DILHR's revenue estimates, the current fee schedule should be sufficient to support inspection and review activities, including the ongoing costs of this request, through at least the 1995-97 biennium. However, the ongoing costs of this request could require fee increases or expenditure modifications at an earlier date than if it is not approved.

COMPONENTS OF THE REQUEST

Labor Settlement

DILHR is requesting expenditure authority of \$401,700 to pay for costs incurred as a result of a final settlement that DILHR and the Department of Employment Relations reached (with Personnel Commission approval) in July, 1994, with 36 employees in the Division who had appealed their classification and pay range assignments. The employees are building construction inspectors, plumbing consultants, plumbing plan reviewers or building construction inspector supervisors. The settlement would provide one-time funding in 1994-95 and the 1995-97 budget would provide full funding of ongoing salaries.

Conversion of GPR Positions to PR Funding

On December 6, DOA Secretary Klauser informed all executive branch agencies that they would be required to lapse to the treasury, at the end of 1994-95, 2-1/2% of their state operations, GPR appropriations. To meet this requirement, DILHR is asking that 12.6 positions, now funded with GPR dollars, be converted to, and funded by, program revenue. For 1994-95, this would allow the agency to save \$356,900 GPR to meet their 2-1/2% lapse target. To do so, the 12.6 positions would be funded with \$356,900 PR. The positions in question relate to the public sector safety and industrial hygiene program. If this conversion is completed, the Division will have only two GPR positions remaining: (a) the Division Administrator; and (b) the administrator of the private sewage system rehabilitation or replacement grant program.

In their 1995-97 budget request DILHR seeks the deletion of \$261,900 PR and 8.0 PR positions annually in the Safety and Building Division that were provided in 1993 Act 126 to implement provisions of the contractor compliance law. These positions were authorized with an additional \$97,100 in 1994-95, but have not been filled. DILHR is proposing to implement the Act 126 provisions through internal staff reallocations available after the Department automates and restructures various agency functions.

Since the agency currently has eight vacant positions, the Committee could approve 4.6 PR project positions and \$356,900 PR on a one-time basis for 1994-95, and review any ongoing modifications as part of the 1995-97 budget.

Workload

The request includes \$314,400 in 1994-95 to fund a combination of overtime primarily for permanent plumbing and private sewage inspectors (approximately \$81,800) and limited-term employe (LTEs) hours and supplies and services primarily for building inspectors. This funding would provide the equivalent of 3.4 full-time positions to stay current with inspection and review workload. LTEs are used to conduct building inspections while regular inspectors are diverted to conducting plan review. By using LTEs, the backlog in building inspections has not grown, but is not diminishing. The funding is needed on a one-time basis in 1994-95.

Approximately 7,900 building plans were received in calendar year 1994, which is an increase of 15.5% over 1993. All of these plans must be reviewed before construction begins. DILHR officials indicate that if the request is approved, approximately 18,600 building inspections will be performed during 1994-95 and there will be 4,100 building projects waiting for inspection on June 30, 1995.

If the request is not approved, building inspection time will be diverted to plan review. Therefore, the number of building inspections would decrease by approximately 5,500, from 18,600 to approximately 13,100. Since building projects require two or more inspections, the backlog of building projects waiting for Department inspection would increase by 1,300 to approximately 5,400 projects.

DILHR's 1995-97 biennial budget request includes \$428,900 in 1995-96 to reduce a backlog in building inspections and commercial building plan reviews by providing (a) 3,000 hours of overtime for commercial plan reviewers to review 700 plans (\$100,500) and (b) 12,740 LTE hours for 3,500 building projects waiting for Department inspection (\$328,400).

Agency officials believe that technology improvements and a flat workload after 1995 will allow a decrease in overtime and LTE hours. DILHR plans to use technology improvements to bring all licensing and certification functions together into a coordinated system. DILHR's 1995-97 budget request also includes a request for \$673,500 PR and \$224,500 SEG in 1995-96 and \$404,600 PR and \$134,900 SEG in 1996-97 to implement the final two years of the Safety and Building Division's four-year strategic plan on information technology.

Reengineering Study

In July, 1994, DILHR entered into a \$125,000 contract with a private consultant to "reengineer" the certification, plan entry, plan review and inspection processes of the Division.

The consultant was hired to lead training sessions with the Division's managers in "change management" and provide consulting, facilitation and other services to assist the Division in restructuring its procedures and practices.

The contracted hours are now near completion and DILHR wants to extend the contract by another \$50,000 to \$175,000. The request before the Committee seeks authority to fund not only the \$50,000 for the extension, but the entire \$175,000 which includes payment for work already performed.

The agency states that it intended to pay for the contract by reallocating funds from vacant positions, but was unable to do so because of the backlog of workload demands.

Network Support Costs

The request includes \$145,700 in one-time costs in 1994-95, for computer network service costs (\$103,900) and a database server (\$41,800) to address the growing workload of the Division.

The request indicates that the increased costs are due to a planned implementation of a client-server network (providing personal computers that are connected to a local area network). DILHR considers the database server to be an integral component in implementing a consolidated Safety and Buildings database; and plans to install the server before the end of 1994-95.

Department of Revenue

In their 1995-97 budget requests, DILHR and the Department of Revenue (DOR) have proposed that the collection of petroleum inspection fees be transferred, effective January 1, 1996, from DILHR to DOR. This function is now the statutory responsibility of DILHR.

Along with the requested transfer language, DILHR indicates that it could reduce 2.0 positions and \$65,700 from its budget while DOR seeks 2.5 positions and \$343,200 in the biennium to implement the change.

The request on this item, which is now before the Committee, is that DILHR wants the authority to move \$45,000 PR from its budget to DOR in order that DOR can begin to make computer system changes to collect the petroleum fee. The request is made because (a) DOR is currently programming other electronic billing and collection system changes; (b) they believe that waiting until after the budget is approved to begin programming changes could potentially delay implementation of the change in collection of petroleum inspection fees after the desired January 1, 1996, effective date; and (c) DILHR believes that delaying the programming changes could increase costs because the changes would not be implemented as part of the current system changes.

The language of s. 16.515 allows the Finance Committee to authorize spending if "the purposes for which a supplemental appropriation is requested have been authorized or directed by the legislature." Thus, although the Legislature may, in the budget or other legislation, direct that DOR be responsible for this function, until it does so, the s. 16.515 process cannot be used for this purpose.

Cellular Telephones

In August, 1994, DILHR purchased 108 cellular telephones at a cost of \$170 per unit or \$18,400. The estimated usage costs for the phones for the 1994-95 fiscal year is \$25,400. Because this item was not included in its authorized budget level, the agency is now asking for expenditure authority to pay for the phones and their use. In addition to the 108 purchased phones for which funding is now requested, DILHR purchased, and paid for, 17 other cellular phones within its authorized budget level.

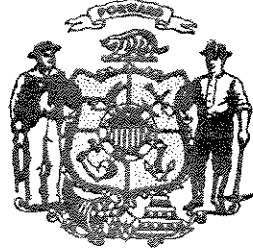
The agency has implemented a policy that requires all of its field inspectors to have a cellular phone as they conduct their work. According to the Department, this policy has been implemented because of the location and inherent dangers that staff face. Other agencies also do potentially dangerous on-site activities. Department of Agriculture, Trade and Consumer Protection food and meat inspectors perform on-site reviews and probation and parole officers in the Department of Corrections supervise criminal offenders, including visits to the offender's residence. These two agencies use cellular phones but at a ratio of less than one phone per 12 field staff.

Regardless, however, of the use of the phones, the fact that the expenditure has already been incurred, raises the question of whether now, five months after the purchase, the request fits within the language of s. 16.515 which allows for funding authority "because of unforeseen emergencies."

State of Wisconsin

SENATE CHAIR
JOE LEEAN

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ASSEMBLY CHAIR
BARBARA J. LINTON

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JOINT COMMITTEE ON FINANCE

December 23, 1994

MEMO TO: MEMBERS, JOINT COMMITTEE ON FINANCE

FROM: Senator Joe Leean
Representative Barbara J. Linton
Co-Chairs, Joint Committee on Finance

Attached is a copy of a request from the Department of Administration dated December 23, 1994 pursuant to s. 16.515 and s. 16.505(2) pertaining to a request from the Department of Industry, Labor and Human Relations.

Please review this item and notify Senator Leean's office not later than Friday, January 13, 1995 if you have any concerns about the request or would like the Committee to meet formally to consider it.

Also, please contact us if you need additional information.

JL:BJL:ns

Attachments

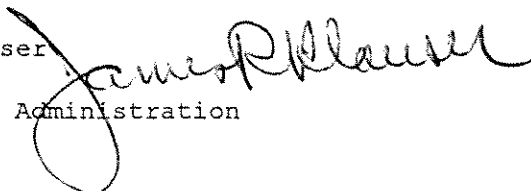
CORRESPONDENCE/MEMORANDUM

STATE OF WISCONSIN
Department of Administration

Date: Dec. 23, 1994

To: Honorable Joseph LEEAN, Co-Chair
Honorable Barbara J. LINTON, Co-Chair

From: James R. Klauser
Secretary
Department of Administration



Subject: s. 16.515/16.505(2) Requests

Enclosed are requests which have been approved by this department under the authority granted in s. 16.515 and s. 16.505(2). The explanation for each request is included in the attached materials. Listed below is a summary of each item:

<u>AGENCY</u>	<u>DESCRIPTION</u>	<u>1993-94</u>		<u>1994-95</u>	
		<u>AMOUNT</u>	<u>FTE</u>	<u>AMOUNT</u>	<u>FTE</u>
D.I.L.H.R. 20.445(1)(j)	Safety & Buildings			\$ 1,482,500	12.6

As provided in s. 16.515, this request will be approved on Jan. 18, 1995, unless we are notified prior to that time that the Joint Committee on Finance wishes to meet in formal session about this request.

Please contact Roger Grossman at 266-1072, or the analyst who approved the request in the Division of State Executive Budget and Planning, if you have any additional questions.


Attachments:

CORRESPONDENCE MEMORANDUM

STATE OF WISCONSIN
Department of Administration

Date: December 19, 1994

To: James R. Klauser, Secretary
Department of Administration

From: Orlando Canto 
Education and Training Team

Subject: S. 16.505/16.515(1) request from the Department of Industry, Labor and Human Relations.

Request:

Under the statutory provisions of s. 16.505 and 16.515(1) the Department of Industry, Labor and Human Relations (DILHR) requests the creation of 12.60 permanent PRO positions and increased PRO expenditure authority of \$1,482,500 in appropriation s. 20.445(1)(j) for FY95. The increased expenditure authority will be used to better respond to increased workload in the Safety and Buildings Division, implement a labor management agreement and create a GPR savings to respond to the DOA requested GPR lapse of 2.5%.

Analysis:

Revenue to support this request comes from fees charged by the Department in accordance with ILHR2 (Safety and Building's Fee Schedule). The Department completed FY94 with a balance of \$6,414,500 in appropriation 20.445(1)(j) and estimates a closing balance of \$7,072,600 in FY95.

A. Safety and Buildings Workload Adjustment [total PR increase \$635,100]:

Wisconsin's strong economy has contributed to increasing activity in the construction industry. The Department's plan review workload exceeded 1993 totals by the end of November. Further, all indications are that the construction industry will continue to experience vigorous growth in 1995 and workload demand will remain at current high levels. The construction industry's growth has strained the Department's ability to review plans in a timely manner. Timely review of plans is critical to the efficiency of construction projects. Undue delays in the plan review stage can result in costly delays of building projects.

The requested increase will be used to:

1. Provide overtime and LTE support to the Safety and Buildings Division to stay current with increasing plan review workload. (\$314,400)
2. Pay for network and data base server costs for IT development in the Safety and Building Division to respond to the increasing workload. (\$145,700)

3. Reengineer the current process for certification, plan entry, plan review and inspection processes in the Division. (\$175,000)
- B. Create a GPR savings to lapse to the general fund [total PR increase \$401,900]:
1. DILHR's 1995-97 biennial budget request proposes the transfer of 12.60 FTEs from GPR to PRO. This transfer is being made in response to DOA budget instructions requesting agencies to submit budget requests reducing GPR expenditures by 5% in FY96 and 10% in FY97. The transfer of positions to PRO will generate an estimated GPR savings of \$356,900 in FY95. Implementing the transfer in FY95 also meets DOA's request for a 2.5% GPR state operations reduction in FY95. The FY95 savings will be placed in unallotted reserve to lapse to the general fund. (\$356,900)
 2. DILHR's biennial budget request also contains a proposal to transfer the responsibilities for the collection of petroleum inspection fees to the Department of Revenue. The transfer will increase efficiency and convenience in the collection of the inspection fees. The DOR electronic collection and billing system is currently being modified. Adding the petroleum inspection fee collection mechanism to the DOR system now would help with the timely transfer of collection duties to DOR and simplify the technical work required. DILHR will contract with DOR to make the necessary changes in the system and purchase equipment to accommodate petroleum inspection fee collection workload, beginning January 1, 1996. (\$45,000)
- C. Implement labor management agreements and address worker safety issues [total PR increase \$445,500].
1. The Department settlement of a classification and pay range appeal has resulted in increased compensation costs for 36 engineer positions. The settlement reached jointly with the Department of Employee Relations (DER) resolves the appeal pending before the Personnel Commission. Fee levels in ILHR2 were set to accommodate this increase. DILHR needs \$401,500 PR spending authority to cover the costs for FY95. (\$401,700)
 2. The Department's concern with the isolated nature of the work environment of its inspectors has resulted in the purchase of cellular phones for DILHR building inspectors. Cellular phones permit inspectors to have emergency communications capability in the often isolated and hazardous environment in which they work. This action complies with recommendations under the Safety and Building Division's Safety Plan and the Security and Public Safety and Science Professionals bargaining units. (\$43,800)

[James R. Klauser]
[December 19, 1994]
Page 3

Recommendation:

Approve the request for increased expenditure authority of \$1,482,500 in FY95 and the creation of 12.60 permanent PRO positions in appropriation s. 445(1)(j). The estimated cash balance in this appropriation is more than sufficient to support the Department's request for increased expenditure authority in FY95.

The Department's request accelerates the implementation of several 1995-97 biennial budget requests to save GPR or improve services to their customers. These are request which have been favorably viewed in our budget discussions to date. Accelerated implementation will better serve the state by generating a GPR lapse in FY95 and improving service to the Department's customers at an earlier date. The Department has the necessary cash balance to cover the additional expenditure authority and recent increases to fees under ILHR2 provisions account for the on-going support of the increased expenditure level.

Tommy Thompson
Governor
Carol Skornicka
Secretary



OFFICE OF THE SECRETARY
201 East Washington Avenue
P.O. Box 7946
Madison, WI 53707-7946
Telephone: (608) 266-7552
Fax: (608) 266-1784

State of Wisconsin
Department of Industry, Labor and Human Relations

December 15, 1994

Mr. James R. Klauser
Secretary, Department of Administration
10th Floor, DOA State Office Building
Madison, Wisconsin 53702

Dear Secretary Klauser:

The Department of Industry, Labor and Human Relations (DILHR) requests approval by the Department of Administration and the Joint Committee on Finance under ss. 16.505(2) and 16.515(1) of 12.60 additional permanent positions and \$1,482,500 in additional expenditure authority for appropriation 20.445(1)(j). The Governor's 1995-97 Biennial Budget proposal should include a corresponding reduction of permanent positions funded by appropriation 20.445(1)(a) if this request is approved.

This request is submitted for three basic purposes.

1. **To cope with the impact of continuing record workload levels in both the short and long term. \$635,100 PRO**

Department plan review workload continues to grow to new annual highs, reflecting the vibrant and robust state of Wisconsin's economy. Calendar years 1992 and 1993 were excellent construction years with over 20,000 and 21,000 plans submitted for review respectively, a 7% and 11% increase over calendar 1991. Calendar year 1994's plan review workload had already exceeded the 1993 workload by over 6% at the end of November and all indications are that 1995 will be a high workload year as well.

Although this is wonderful news for both the state of Wisconsin and the construction industry, the continued growth in workload is a serious challenge to the department's ability to get the work in and out the door in a timely way in both the short and the long term. The department's ability to "turn around" these plans in a timely fashion is critical to the timing and success of Wisconsin's construction industry.

The department is addressing this challenge with a three-pronged strategy using revenues generated by this workload:

- a) \$314,400 PRO, to provide overtime and LTE support to keep abreast of the current workload,
- b) \$145,700 PRO to cover network support and data base server costs incurred as the department develops IT solutions to address its growing workload, and
- c) \$175,000 PRO to reengineer our certification, plan entry, plan review and inspection processes for greater efficiency and to take advantage of available and future technology to meet workload demands of the future.

2. **To accelerate the positive GPR impact of the department's 1995-97 biennial budget proposal and to prepare the way for early implementation of process improvements also contained in that proposal. \$401,900 PRO**

The department's 1995-97 biennial budget proposal contains a transfer of funding for public sector safety, industrial hygiene and some administrative activities from GPR to PRO with a resultant decrease in GPR expenditures and positions (see DIN 5215). With an increase in PRO expenditure and position authority in FY 94-95, the department will be able to put \$356,900 in GPR in unallotted reserve for an end of the year lapse, exceeding the 2.5% GPR lapse requirement by 76%.

The department's budget proposal also contains a recommendation to transfer the responsibility for the collection of petroleum inspection fees from DILHR to the Department of Revenue (DOR). (See DIN 5216.) This transfer will provide greater efficiency and convenience to all parties involved in the collection and payment of petroleum related fees and taxes. The DOR electronic billing and collection system is currently undergoing a rewrite, making this the most cost-effective time to make the preliminary system changes necessary to allow DOR to begin billing and collection on January 1, 1996. To take advantage of this opportunity requires \$45,000 PRO in start-up funds in the current year to purchase programming and equipment for the DOR.

3. **To implement recent labor management agreements and to address worker safety issues. \$445,500 PRO**

In conjunction with the Department of Employee Relations, the department reached settlement with 36 employees with classification and pay range appeals pending before the Personnel Commission. The settlement, which was substantially below original estimates, was for \$401,700 PRO

A long-standing concern of the department has been the isolated and often hazardous work environment of its inspectors who work without traditional communications capabilities. Following the Safety and Buildings Division's Safety Plan developed by the division and the Security and Public Safety and Science Professionals bargaining units, the department equipped each of its inspectors with a cellular phone for emergency use. \$43,800 PRO

More detailed information supporting the department's request is enclosed. Should your staff have questions about this request, please contact Mike Mahoney at 266-7895.

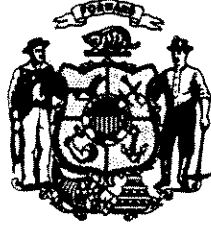
Sincerely,



Carol Skornicka
Secretary

cc: Orlando Canto

State of Wisconsin



JOINT COMMITTEE ON FINANCE

January 4, 1995

MEMO TO: Members, Joint Committee on Finance

FROM: Senator Joe Leraan
Representative Ben Brancel
Co-Chairs, Joint Committee on Finance

RE: Supplemental Material

Attached is material referenced to but not included in the request from the Department of Administration pertaining to the Department of Industry, Labor and Human Relations dated December 23, 1994.

JL:BB:ns
Attachments

Department of Industry, Labor and Human Relations
Safety and Buildings Division

Supplemental Funding and Positions Request
under s. 16.505/16.515

December, 1994

REQUEST

The Department of Industry, Labor and Human Relations (DILHR) requests an increase of 12.60 FTE permanent positions and \$1,482,500 in appropriation s.20.445 (1)(j) Safety and Buildings Operations beginning in FY95. In summary, the request is for the following:

SUMMARY BY TOPIC:

GPR Lapse	\$356,900
Engineering Settlement	401,700
Overtime/LTEs	314,400
Network Support	145,700
Dept. of Revenue	45,000
Re-engineering	175,000
Safety Plan & Cellular Phones	<u>43,800</u>
TOTAL	<u>\$1,482,500</u>

SUMMARY BY EXPENDITURE LINE:

12.60 NEW PRO FTE
(12.60 GPR FTE to be reduced in the biennial budget)

Salaries	\$696,900
Fringe Benefits	212,200
Supplies & Services	<u>573,400</u>
TOTAL	<u>\$1,482,500</u>

Revenue to support this request will come from program revenue fees charged by the Safety and Buildings Division (S&B) in accordance with Chapter ILHR2 S&B's fee schedule. A revised B-3 reflecting increased revenue and expenditure projections is attached to this request. Revenue projections for Septic Tank Permits (7063), Building Plans (9118), Plumbing Plan Review (9172) and Private Sewage System Plans (9198) have been increased and are now in line with the increases in workloads being experienced/projected. These levels of revenue and workload are expected to maintain through the next biennium.

GPR LAPSE

DILHR's 1995-97 Biennial Budget Request includes an initiative to convert currently GPR funded activities to PRO funding. This request accelerates that decision item. (DIN 5215) An equivalent amount of GPR will be placed in unallotted reserve. This amount exceeds the 2 1/2 % lapse requirement by 76%. The department requests 12.60 FTE new PRO positions and associated salaries, fringe benefits and supplies and services. The on-going cost of this initiative will be \$722,900 for SFY96 and \$722,900 for SFY97. The currently funded 12.60 GPR positions should be removed as part of the governor's budget recommendations.

Salaries	\$210,700
Turnover	(12,500)
LTE Salaries	4,000
Fringe Benefits	76,600
Supplies and Services	<u>78,100</u>
	\$356,900

Engineering Settlement

In July, 1994, DILHR, with concurrence from the Department of Employment Relations (DER), reached settlements with 36 employees who had appealed their classification and pay range assignments to the Personnel Commission. Many of these appeals dated back to the June, 1990 implementation of the Engineering Survey. Settlement checks were issued late in July. Costs associated with these appeals had been projected to be as high as \$750,000, depending on the final classification assignments. Fees established in ILHR 2 were set to accommodate such increases.

Salaries	\$305,000
Fringe Benefits	66,700
Supplies and Services (Attorney fees)	<u>30,000</u>
	\$401,700

Overtime Salaries/Benefits

Wisconsin's economy continues to be strong, unemployment is low and new jobs are being added in construction, manufacturing, retail and the service sector. This growth is reflected by the increase in the number of building, plumbing and private sewage plans submitted to the department.

1993 was an excellent year for construction and if the number of plans submitted to the Safety and Buildings division is any indication, 1994 should be even better. By the end of November, the number of plans submitted was 6.3% above the total number of plans submitted in 1993. The following table shows the increases in plan review workload.

# Plans by Type & Calendar Year					
Type	CY91	CY92	CY93	CY94 thru Nov.	CY94 Increase over CY93
Building	6,638	6,391	6,817	7,344	7.7%
Plumbing	4,403	4,877	4,987	5,129	2.8%
Private Sewage	7,906	9,028	9,214	9,858	7.0%
Total	18,947	20,296	21,018	22,331	6.3%
Increase over prior year		1,349	722	1,313	
% Increase over prior year		7.1%	3.6%	6.3%	

Safety and Buildings has used a combination of overtime and Limited Term Employees (LTEs) in order to keep abreast of the increased workload. Timely review of plans is imperative for contractors to be able to begin construction and inspections insure the code is being met during the construction of the actual building.

Overtime has been required to meet the additional demand for timely plan turnaround in all programs, especially the plumbing and private sewage areas.

An aggressive inspection/enforcement program requires more than one inspection for each plan submitted. For example, under ideal conditions, each building would be inspected three times at varying stages of construction. LTEs are used to conduct building inspections while regular inspectors are diverted to conducting plan review. Because S&B has been using LTEs, the backlog in building inspections has not grown; however, the backlog is not diminishing.

Post-construction inspections are undesirable for several reasons. The department misses the opportunity to educate the builder on codes because the errors have already been made and orders must be written. If the errors had been identified during the construction period, violations could have been cited and corrections made, negating the need to issue orders. Costs to the building owners are greater when orders must be satisfied post-construction.

Salaries	\$189,700
Fringe Benefits	68,900
Supplies and Services	<u>55,800</u>
	\$314,400

Network Support Costs Network Support Costs

DILHR has modified its IT Strategic Plan and related technical architectures. This modification includes the use of client server technologies as an integral component of reengineering initiatives that address the department's business needs. Although the programmatic and technological advantages of a client-server network merit its implementation, the migration had not been anticipated when DILHR developed the 93-95 biennial budget. Therefore, these new costs, being experienced during SFY95, are not in the current budget. They have however, been included in DILHR's 95-97 biennial budget requests.

Network changes during the last year were implemented in support of IT projects that have already been approved. Installed PCs increased from fewer than 15 to more than 100, all operating on local area networks that include shared, standardized software, such as MSMail, Schedule+ and the entire MicroSoft Office Suite. Network support is managed centrally to improve efficiency, with costs allocated according to standard formulas.

Database servers are key components to this new technology and are critical to the development and successful implementation of the Safety and Buildings consolidated database project. Similar servers are included with the development of other DILHR IT programs and are managed centrally to maximize performance, provide common direction for application program development and minimize costs, which are distributed on a fair share basis.

The State's positive economic growth has resulted in an increased workload for Safety and Buildings programs. IT solutions will provide DILHR the capability to promptly respond to these demands.

Increase in SFY95 Network Costs	\$103,900
Database Server	<u>41,800</u>
Increase not in budget	\$145,700

Department of Revenue Start-up Costs

DILHR plans to transfer the collection of petroleum inspection fees to the Department of Revenue (DOR). This proposed transfer is included in both departments' 95-97 biennial budget requests. Transfer of the petroleum inspection fee process is supported by the petroleum industry because it:

- reduces the number of state agencies to which they must make payments
- simplifies the fee collection process; and
- improves the efficiency of the fee collection process.

DOR is to begin the actual collection in January 1996. DILHR and DOR have been working together to make the transition as smooth and cost-effective as possible. To achieve maximum cost-effectiveness, DOR recommends and DILHR concurs that start-up funds are needed in the current year for programming at DOR.

DOR's electronic billing and collection system is currently being programmed, making this the best time to make preliminary system changes to accommodate the petroleum fee collection activities. DOR has requested additional application development funding in their biennial budget request. The start-up funding is not a duplication of their biennial budget request.

Contract Programmer	\$40,000
PC (DOR standard configuration)	<u>5,000</u>
	\$45,000

Business Reengineering - "Best Practices"

"Best Practices" is a reengineering effort undertaken by DILHR and the Safety and Buildings Division to systematically analyze how the division does business. DILHR contracted with the Stanton Group to direct and facilitate the restructuring of procedures and practices for certified people, plan entry and review and inspection. This outside involvement is important and has helped division staff step back and actually look at how things have been done, why they have been done and how they can be done more effectively and if in fact they are necessary.

Due to DILHR's experience with reengineering and Information Technology projects over the last several years, it is our policy to reengineer the process before the application is developed. This was not anticipated when the 93-95 biennial budget was prepared.

This major undertaking is an investment in the future. The outcome is intended to prepare the division to deal with future increased workloads without the need for corresponding emergency funding requests.

Consulting Services Contract	\$175,000
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Safety Plan and Cellular Phones

Safety and Buildings is responsible for the administration of Administrative Rule ILHR 32 - Safety and Health Standards for Public Employees. This rule was adopted in 1991 and amended to include language dealing with blood-borne pathogens in 1993. In July, 1993, the Governor issued Executive Order #194 reinforcing the administrative rule concerning safety in the public sector workplace. This order requires every agency to have a health and safety plan.

DILHR's policy is that every employee is entitled to a safe and healthful place in which to work. Responsibility for safety and health are shared by management, supervisors and employees. DILHR has a safety plan and so does the Safety and Buildings Division. S&B has responsibility for all public sector employee safety. S&B's plan, developed by the Security and Public Safety bargaining unit, the Science Professionals bargaining unit and division management is now being used as a benchmark for other agencies.

One of the significant portions of the S&B plan is the need for communication. A number of these employees work independently in areas without traditional communication capabilities. Inspectors work in confined spaces, ride the tops of elevators, go into trenches, gravel pits, and frequently are required to lock out potentially dangerous equipment to prevent accidents. Because inspectors face these situations on a daily basis, it was decided to provide each of them with a cellular telephone. The department adopted a policy governing use of cellular phones and Safety & Buildings has issued a set of program specific rules regarding appropriate use of this equipment.

Equipment Purchase	\$18,400
Usage (10 months)	<u>25,400</u>
	\$43,800

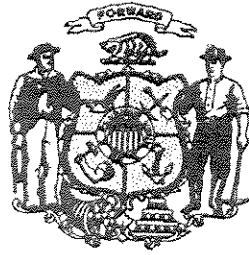
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DEPARTMENT PROGRAM FUND	CODES	TITLES				REVENUE AND BALANCES FORM	
		REVENUE AND EXPENDITURES	PRIOR YEAR ACTUALS	BASE YEAR ESTIMATE	1st YEAR ESTIMATE	2nd YEAR ESTIMATE	B3
	445	ILHR					
	01	ILHR					
	02	General					
	21	Safety & Building Operations					
	PR						
	30	9198 Fees-Private Sewage System Plan Review	\$ 1,174,100	\$ 1,315,000	\$ 1,315,000	\$ 1,315,000	\$ 1,315,000
	31	9428 Miscellaneous Sales	\$ 5,300	\$ 5,300	\$ 5,300	\$ 5,300	\$ 5,300
	32	9455 Bldg Consult-Manufac Housing	\$ 73,800	\$ 73,800	\$ 73,800	\$ 73,800	\$ 73,800
	33	9466 Sales-Publications	\$ 41,900	\$ 41,900	\$ 41,900	\$ 41,900	\$ 41,900
	34	9800 Earnings on Investment Pool Shares	\$ (95,700)	\$ -	\$ -	\$ -	\$ -
	35	9900 Miscellaneous Revenue	\$ 600	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
	36	9917 Refund of Prior Year Expenditures	\$ 200	\$ -	\$ -	\$ -	\$ -
	37	xxxx Fees HVAC Program			\$ 100,000	\$ 100,000	\$ 100,000
		Transfer to Fund 72 for 169 transfer (DIN 5210)			\$ (2,918,200)		
	37	TOTAL REVENUE	\$ 13,127,100	\$ 14,218,200	\$ 11,515,900	\$ 14,429,100	\$ 14,429,100
	38	TOTAL AVAILABLE	\$ 18,480,800	\$ 20,632,700	\$ 17,106,000	\$ 16,917,600	\$ 16,917,600
	39	B-2 EXPENDITURES TOTAL	\$ 12,066,300	\$ 14,639,900	\$ 14,366,700	\$ 13,727,800	\$ 13,727,800
E	40						
X	41	EMPLOYE COMPENSATION RESERVES		\$ 402,700	\$ 273,100	\$ 564,600	\$ 564,600
P	42	OTHER RESERVES					
E	43	Transfer Compensation Reserves to Appropriation 169			\$ (22,300)	\$ (46,100)	\$ (46,100)
N	44						
D	45						
	46						
	47	TOTAL EXPENDITURES & RESERVES	\$ 12,066,300	\$ 15,042,600	\$ 14,617,500	\$ 14,246,300	\$ 14,246,300
	48	CLOSING BALANCE	\$ 6,414,500	\$ 5,590,100	\$ 2,488,500	\$ 2,671,300	\$ 2,671,300

State of Wisconsin

SENATE CHAIR
JOE LEEAN

Room 119 South, State Capitol
P.O. Bo 7882
Madison, WI 53707-7882
Phone: 266-0751



ASSEMBLY CHAIR
BARBARA J. LINTON

Room 127 South, State Capitol
P.O. Bo 8952
Madison, WI 53708-8952
Phone: 266-7690

JOINT COMMITTEE ON FINANCE

December 23, 1994

Secretary James R. Klauser
Department of Administration
101 E. Wilson Street
Madison, WI 53702

Dear Secretary Klauser:

In approving the request under s. 16.515 submitted by your Department on December 2, 1994, for gifts and grants by the Department of Health and Social Services the additional expenditure authority of \$83,900 PR in 1994-95 was inadvertently omitted from the DOA summary. The supporting documents indicate that the associated funding for an additional 1.75 PR positions is necessary in 1994-95; this funding was approved along with the positions.

A handwritten signature in cursive script that reads "Joe Leean".

JOE LEEAN
Senate Chair

Sincerely,

A handwritten signature in cursive script that reads "Barbara J. Linton".

BARBARA J. LINTON
Assembly Chair

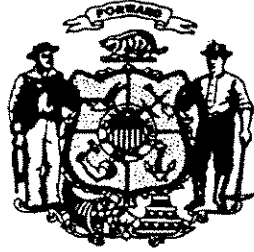
JL/BJL/ns

cc: Members, Joint Committee on Finance

State of Wisconsin

SENATE CHAIR
JOE LEEAN

Room 119 South, State Capitol
P.O. Bo 7882
Madison, WI 53707-7882
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ASSEMBLY CHAIR
BARBARA J. LINTON

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JOINT COMMITTEE ON FINANCE

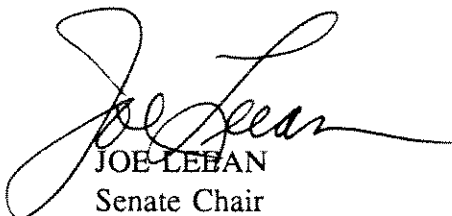
December 22, 1994

Secretary James R. Klauser
Department of Administration
101 E. Wilson Street
Madison, WI 53702

Dear Secretary Klauser:

On December 2, 1994 two s. 16.515 requests, as approved by the Department, relating to the Department of Health and Social Services were forwarded to the Joint Committee on Finance for their approval.

It has been decided that the item relating to 70.9 positions for youth services should receive further review by the Committee, and therefore, we will schedule a meeting of the Committee to consider this request. There were no objections to the request relating to gifts and grants and accordingly it has been approved.

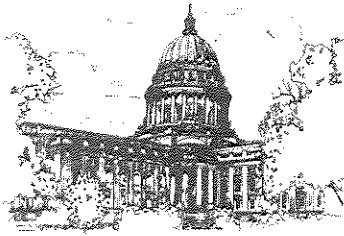

JOE LEEAN
Senate Chair

Sincerely,


BARBARA J. LINTON
Assembly Chair

JL/BJL/ns

cc: Members, Joint Committee on Finance



Charles J. Chvala

State Senator

December 13, 1994

Senator Joseph Leean
Co-Chair
Joint Committee on Finance
Room 119 South
State Capitol

Dear Senator Leean:

I would like the Joint Committee on Finance to meet formally to consider the request of the Department of Health and Social Services, under s. 16.515 and s. 16.505(2), for an increase of \$3,755,200 PR expenditure authority and 70.9 FTE for the Division of Youth Services.

Thank you.

Sincerely,

CHUCK CHVALA
State Senator

CJC:jw