

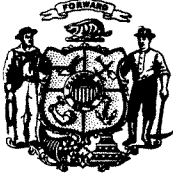
**Gov Agency:** Administration—Integrated Document Services Cost Increases

**Recommendations:**

**Paper No. 146**      Alternative 2

**Comments:** This proposal provides an increase in program revenue for operating cost increases for DOA's copy center, mailing operation, document sales and state records centers. Alternative 2 provides what they need but at a slightly reduced level. The reduction accounts for a revised estimate of the mailing needs for DWD's KIDS program. Alternative 1 would also be fine, but you can save some PR with Alt. 2.

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## Legislative Fiscal Bureau

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June 1, 1999

Joint Committee on Finance

Paper #146

### Integrated Document Services Cost Increases (DOA -- Agency Services)

[LFB 1999-01 Budget Summary: Page 62, #4]

#### CURRENT LAW

The Department of Administration's Division of State Agency Services administers the state copy centers, mailing operations, document sales, and state records centers. Adjusted base funding for these activities is \$18,334,500 PR. The costs of these activities are recovered through charges assessed to agencies that use these services.

#### GOVERNOR

Provide \$953,500 PR in 1999-00 and \$1,708,900 PR in 2000-01 for operating cost increases and equipment purchases related to document services provided to state agencies as follows:

*Operating Cost Increases.* Provide \$861,800 PR in 1999-00 and \$898,600 PR in 2000-01 for increased operating costs associated with activities of the Bureau of Integrated Document Services. This Bureau is responsible for such services to state agencies as document sales and distribution, mail services, publishing services and the state records center. The funds would be used as follows: (a) \$346,500 annually for the U.S. Postal Service rate increase effective January 1, 1999; (b) \$324,600 annually for increased volume of mailings; (c) \$138,100 in 1999-00 and \$168,700 in 2000-01 for increased space costs due to building renovations and growth in state records center storage volume; and (d) \$52,600 in 1999-00 and \$58,800 in 2000-01 for increased mailing equipment maintenance.

*Equipment Purchases.* Provide one-time funding of \$91,700 PR in 1999-00 and \$810,300 PR in 2000-01 to purchase and upgrade equipment used for mailing, copying and records storage. The funds would be used as follows; (a) \$15,000 in 1999-00 for mail pre-sorter machine hardware; (b) \$25,000 in 1999-00 and \$325,000 in 2000-01 to replace and upgrade an inserter machine that automatically folds and inserts letter contents; (c) \$400,000 in 2000-01 for

production copying equipment; and (d) \$51,700 in 1999-00 and \$85,300 in 2000-01 for increased records storage equipment.

### DISCUSSION POINTS

1. In 1997 Act 27, the budget bill, the Legislature provided base building authority of \$3,200,000 PR annually for the printing, document sales, mail distribution, and record services appropriation for the postage costs for the Department of Workforce Development Kids Information Data System (KIDS). The KIDS system is the statewide data processing system for child support enforcement. The Bureau of Integrated Document Services provides the mailing services to DWD for the KIDS project.

2. As part of the Governor's recommendation, the appropriation for the Bureau of Integrated Document Services continues the annual \$3,200,000 PR estimate for the DWD Kids project in both years of the next biennium. However, the DWD budget only includes \$2,887,800 for 1999-00 and \$2,962,000 in 2000-01. The lower amount is based upon revised estimates of the mailing needs of the KIDS program. The Committee could reduce the requested increase for operating expenses by \$312,200 PR in 1999-00 and \$237,800 in 2000-01 to reflect DWD's estimate of the amount necessary for postage costs of the KIDS project.

3. The Bureau of Integrated Document Services also requested one-time funding of \$25,000 PR in 1999-00 and \$325,000 PR in 2000-01 to replace a mail inserter. Since the Governor's Budget was released, the vendor of the current equipment has proposed to rebuild one inserter and upgrade the second unit. This will extend the life of the inserters for an estimated five years. The Department has decided to upgrade the current inserter, using 1998-99 funds, instead of purchasing a new inserter next biennium. Given this decision, the Committee could reduce the equipment request by \$25,000 PR in 1999-00 and \$325,000 PR in 2000-01.

### ALTERNATIVES

1. Approve the Governor's recommendation.
2. Modify the Governor's recommendation by: (a) deleting \$312,200 PR in 1999-00 and \$237,800 PR in 2000-01 to reflect a revised estimate by DWD of the amount of postage costs to be incurred for the KIDS project; and (b) deleting \$25,000 PR in 1999-00 and \$325,000 PR in 2000-01 originally requested for a mail inserter for which funding is no longer required.

<b>Alternative 2</b>	<b>PR</b>
(to Bill)	- \$900,000

MO# Alt 2

A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A
N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N
<u>Y</u>	<u>Y</u>	<u>Y</u>	<u>Y</u>	<u>Y</u>	<u>Y</u>	<u>Y</u>	<u>Y</u>	<u>Y</u>	<u>Y</u>	<u>Y</u>	<u>Y</u>	<u>Y</u>	<u>Y</u>	<u>Y</u>	<u>Y</u>	<u>Y</u>	<u>Y</u>	<u>Y</u>	
BURKE	DECKER	JAUCH	MOORE	SHIBILSKI	PLACHE	COWLES	PANZER	GARD	PORTER	KAUFERT	ALBERS	DUFF	WARD	HUBER	RILEY				

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