



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #974

Additional Unclassified Division Administrators (Veterans Affairs -- General Agency Provisions)

[LFB 2001-03 Budget Summary: Page 770, #15]

CURRENT LAW

The Department of Veterans Affairs (DVA) is authorized under s. 230.08(2)(e)13. of the statutes, to appoint two unclassified division administrators. Currently, the agency is organized into four formal divisions. The Division of Veterans Programs and the Division of Veterans Home [King] are both under the direction of an unclassified administrator. The Division of Administration and the Division of Veterans Home [Southern Wisconsin Veterans Retirement Center] are both under the direction of classified administrators. A separate Wisconsin Veterans Museum unit in the Department is administered by a classified director.

GOVERNOR

Divide the existing Division of Veterans Programs, currently headed by an unclassified administrator, into two separate divisions and authorize an additional 1.0 SEG unfunded unclassified division administrator position for the second new division. Convert the existing classified administrator of the Division of Administration and the position of director of the Wisconsin Veterans Museum from the classified to the unclassified service and provide an additional \$1,100 PR and \$5,800 SEG in 2001-02 and \$1,400 PR and \$7,600 SEG in 2002-03 for salary and fringe benefits for these positions. Include statutory language increasing the total authorized number of unclassified division administrators in the agency from two to five. [An additional enumeration of a new unclassified Commandant for the Southern Wisconsin Veterans Retirement Center would also be provided as a separate decision item and is not addressed in this paper.]

DISCUSSION POINTS

1. Under the Governor's recommendation, the Department's existing Division of Veterans Programs with a total annual all funds budget of \$27,197,000 and 92.0 FTE positions would be divided into: (a) a new Division of Veterans Benefits, under the supervision of the existing unclassified division administrator; and (b) a new Division of Veterans Services, under the supervision of a new unclassified division administrator position.

2. The new Division of Veterans Benefits would include the supervision of the veterans home loan, home improvement and personal loan programs as well as the educational grant programs. The new Division of Veterans Services would include the supervision of veterans assistance programs for homeless veterans, employment and training programs, veterans outreach activities, cemeteries and the military funeral honors program.

3. The existing Division of Administration would be retained unchanged and the Wisconsin Veterans Museum unit in the Department would be elevated to division status.

4. The proposed new divisions would have the following budgets and assigned staff under the proposed reorganization:

<u>Division</u>	<u>Budget</u>	<u>Positions</u>
Veterans Benefits	\$20,408,600	54.0
Veterans Services	4,043,800	38.0
Administration	3,466,100	52.5
Museum Services	1,750,900	14.0

5. The new unclassified division administrators would serve at the pleasure of the appointing authority, and in the case of the current classified administrator of the Division of Administration and the classified director of the Veterans Museum would no longer have those protections accorded to classified employees relating to demotion, suspension, discharge, layoff or reduction in base pay and classified service reinstatement privileges. Further, the new unclassified division administrators would receive a higher Wisconsin Retirement System multiplier for retirement purposes, would have an earlier normal retirement age and an additional week of vacation.

6. The Department states that the growth and diversity of veterans programs and benefits for the past several biennia have made it increasingly difficult for a single administrator to oversee them. For example, eligibility requirements have been relaxed so that peacetime veterans are now eligible for the Department's programs, income limitations have been eliminated for the primary mortgage loan program, annual educational benefits have been increased, home improvement loan grant amounts have been increased and a new military funeral honors program has been started. The agency believes that by splitting the existing Division of Veterans Programs a more effective span of control as well as improved administration of the programs would result.

7. The Department also argues that the Wisconsin Veterans Museum unit should be

elevated to the status of a separate division because of the expanded scope of the museum coupled with its increasing public visibility. Presumably, these considerations relate to the installation of the Museum on Capitol Square and the recent integration of the Wisconsin National Guard Museum with the Wisconsin Veterans Museum. Further, converting the director position to an unclassified division administrator is consistent with the way other division administrators are typically treated in state government. This last point is also cited as the justification for converting the classified administrator of the Division of Administration to unclassified status.

8. The budget and number of staff supervised in the proposed new Division of Veterans Services do not appear to be out of line with budgets and scope of program divisions in reasonably comparable agencies [the Division of Veterans Home was excluded in making these comparisons] such as the Public Service Commission or the Department of Employment Relations.

9. However, the proposed new Division of Museum Services would tend to be a relatively modest division in terms of budget and staff supervised.

10. If the Committee concludes that the agency's proposed reorganization would be desirable, it could approve some or all of the statutory authorizations for an additional unclassified administrator for the Division of Veterans Services (and 1.0 SEG unfunded position authorization), for the Division of Administration and for the Division of Museum Services.

11. Alternatively, the Committee could delete the corresponding enumerations of any or all of these new unclassified division administrator authorizations.

12. If the Committee approves any of the new unclassified division administrator authorizations, it should also address whether or not to provide the additional salary and fringe benefits funding for these administrators, as recommended by the Governor. The additional salary and fringe benefits funding has been budgeted on the assumption that the new division administrator positions would all be assigned to Executive Salary Group (ESG) 3.

13. However, before any such assignment may occur, the Department of Employment Relations must first review the characteristics of each new unclassified division administrator position and then make recommendations with respect to the appropriate ESG assignment. The Department of Employment Relations will typically consider such factors as knowledge, responsibility for decision-making, responsibility for policy-making and relations skills along with such quantitative factors as the total number of positions, total payroll, total budget, discretionary budget and number of programs under the administrator in making the ESG determination.

14. Consequently, it could be argued that it is premature to budget for possible additional salary costs for an ESG assignment that has yet to be determined. Further, the Department would have considerable latitude in placing the administrator within the appropriate pay range associated with the recommended ESG level. This placement could most likely be accomplished so that no additional salary and fringe benefits costs would need to be incurred by the Department. These considerations would argue that the recommended funding should be deleted at this time.

ALTERNATIVES TO BILL

A. Authorizing Additional Unclassified Administrators

1. Approve the Governor's recommendation to divide the existing Division of Veterans Programs, currently headed by an unclassified administrator, into two separate divisions by authorizing an additional 1.0 SEG unfunded unclassified division administrator position for the second new division, converting the existing position of administrator of the Division of Administration and the position of director of the Wisconsin Veterans Museum from the classified to the unclassified service and including statutory language increasing the total authorized number of unclassified division administrators in the agency from two to five.

2. Modify the Governor's recommendation by approving one or more of the following:

a. Delete an additional 1.0 SEG unfunded unclassified division administrator position for a Division of Veterans Services and reduce the proposed statutory authority for the number of unclassified division administrators in the Department by one.

Alternative 2a	SEG
2002-03 POSITIONS (Change to Bill)	- 1.00

b. Delete the conversion of the existing classified administrator of the Division of Administration from the classified to the unclassified service and reduce the proposed statutory authority for the number of unclassified division administrators in the Department by one.

c. Delete the conversion of the existing director of the Wisconsin Veterans Museum from the classified to the unclassified service and reduce the proposed statutory authority for the number of unclassified division administrators in the Department by one.

3. Delete the Governor's recommendation.

Alternative 3	SEG
2002-03 POSITIONS (Change to Bill)	- 1.00

B. Additional Salary and Fringe Benefits Funding

1. Approve the Governor's recommendation to provide an additional \$1,100 PR and \$5,800 SEG in 2001-02 and \$1,400 PR and \$7,600 SEG in 2002-03 for additional salary and fringe benefits costs associated with the anticipated assignment of the unclassified division administrator positions to Executive Salary Group 3.

2. Delete the Governor's recommendation.

<u>Alternative B2</u>	<u>PR</u>	<u>SEG</u>	<u>TOTAL</u>
2001-03 FUNDING (Change to Bill)	- \$2,500	- \$13,400	- \$15,900

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