



## Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #812

### Long-Term Vacancies -- Reallocation (DWD)

[LFB 2011-13 Budget Summary: Page 537, #3]

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#### CURRENT LAW

No provision.

#### GOVERNOR

Delete \$4,977,900 (all funds) and 85.88 positions annually to reflect the elimination of long-term vacant positions in the Department of Workforce Development (DWD). The proposed reductions include \$488,400 GPR and 9.27 GPR positions, \$3,317,400 FED and 59.76 FED positions, \$1,091,000 PR and 15.60 PR positions, and \$81,100 SEG and 1.25 SEG positions annually. The reductions are associated with positions that have been vacant for 12 months or more.

#### DISCUSSION POINTS

1. On March 31, 2011, the Secretary of the Department of Administration (DOA) sent a letter to the Co-Chairs of the Committee requesting a number of modifications to correct errors in the Governor's budget bill or better reflect the Governor's intent. One of the changes requested was to substitute 18.6 FTE positions identified for deletion in the bill with 18.6 other positions in DWD.

2. After the March 31 letter was received, this office contacted DOA and DWD to obtain more detail regarding which positions would be substituted and the reason for the changes. DOA and DWD have provided the necessary information but now request that 19 (rather than 18.6) of the positions originally targeted for deletion be replaced with other positions. As compared to the budget bill, the administration has requested restoring \$13,000 GPR and \$14,400 FED, annually. The following table shows the positions that would be restored and deleted under the proposed modifications.

## DOA's Requested Change as Compared to the Budget Bill

Description	<u>Budget Bill Deletion</u>		<u>Proposed Deletion</u>		<u>Change to Bill</u>		
	Annual		Annual		Annual		
	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	
Workforce development	-\$75,400	-1.00	-\$62,400	-1.00	\$13,000	0.00	GPR
Division of Employment and Training	-999,200	-16.00	-460,700	-7.00	538,500	9.00	FED
Division of Unemployment Insurance	-79,100	-1.00	-652,400	-11.00	-573,300	-10.00	FED
Labor and Industry Review Commission	<u>-49,400</u>	<u>-1.00</u>	<u>0</u>	<u>0.00</u>	<u>49,400</u>	<u>1.00</u>	FED
Totals:	-\$75,400	-1.00	-\$62,400	-1.00	\$13,000	0.00	GPR
	-1,127,700	-18.00	-1,113,100	-18.00	14,600	0.00	FED
:	-1,203,100	-19.00	-1,175,500	-19.00	27,600	0.00	All Funds

3. DWD indicates that the GPR position that would be deleted under the original bill is currently filled. Instead of deleting that position, DOA and DWD now request that a different position that is vacant be deleted.

4. Sixteen of the positions that would be deleted under the original bill are in DWD's Division of Employment and Training (DET). Under separate provisions of the budget, 42.73 other positions (20.28 FED and 22.45 PR) would be eliminated from DET because the source of funding for the positions is no longer available. DWD and DOA now request that 9.0 of the 16.0 positions in DET be restored to partially offset the other position reductions in the Division. It should also be noted that four of the 16 positions that were initially targeted for deletion have since been filled and one is scheduled to be filled in the next two weeks.

5. DWD and DOA also request that the 1.0 deleted FED position in the Labor and Industry Review Commission (LIRC) be restored. DWD and LIRC view filling this position as a priority.

6. In order to replace the 9.0 restored positions in DET and the 1.0 restored position in LIRC, the administration now requests that 10.0 additional vacant FED positions in the Unemployment Insurance Division be deleted.

7. As outlined above, five of the positions originally targeted for deletion have been filled, and a sixth is expected to be filled soon. The 19 positions that DWD and DOA now indicate should be deleted have not been vacant for more than a year, which is inconsistent with the administration's original intent. However, DWD indicates that it would be preferable to delete these positions instead, in order to better manage the Department's workload. Deleting the positions identified by DOA and DWD would generate most of the savings associated with the positions that would be deleted under the original bill.

### ALTERNATIVES

1. Adopt the Governor's proposal to delete 19.0 FTE positions and \$1,203,100 funding in DWD.

2. Modify the bill to delete the 19.0 FTE positions identified by DWD and DOA instead of the 19.0 FTE positions originally targeted for deletion. Restore \$27,600 (\$13,000 GPR and \$14,600 FED) annually.

ALT 2	Change to Bill	
	Funding	Positions
GPR	\$26,000	0.00
FED	<u>29,200</u>	<u>0.00</u>
Total	\$55,200	0.00

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