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Joint Committee on Finance

Paper #111

Shared Agency Services Pilot Program (DOA -- Transfers)

[LFB 2015-17 Budget Summary: Page 31, #3; Page 67, #3; Page 140, #6;
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CURRENT LAW

The Department of Administration (DOA) provides a variety of administrative services to state agencies. The Department's materials and services to state agencies appropriation is provided adjusted base funding of \$7,375,400 PR and 58.88 PR positions annually and the agency's procurement services appropriation is provided \$4,199,700 PR and 39.75 PR positions annually in 2015-17.

GOVERNOR

Modify the Department's funding and position authority by -\$45,500 FED, \$3,222,300 PR, -0.43 FED position, and 35.13 PR positions annually for a pilot program and enterprise-wide program implementation study to consolidate administrative functions of state agencies. Provide funding and position adjustments to the following appropriations, as shown in the table below.

<u>DOA Appropriation</u>	<u>FTE</u>	<u>2015-16</u>			<u>2016-17</u>		
		<u>Salary and Fringe</u>	<u>Supplies and Services</u>	<u>Total Funding</u>	<u>Salary and Fringe</u>	<u>Supplies and Services</u>	<u>Total Funding</u>
FED							
Indirect cost reimbursements	-0.43	-\$40,600	-\$4,900	-\$45,500	-\$40,600	-\$4,900	-\$45,500
PR							
Materials and services to state agencies and certain districts	14.63	\$1,197,000	\$172,500	\$1,369,500	\$1,153,600	\$166,800	\$1,320,400
Procurement services	1.00	72,200	11,400	83,600	72,200	11,400	83,600
General program operations (Division of Personnel Management)	<u>19.50</u>	<u>1,552,600</u>	<u>216,600</u>	<u>1,769,200</u>	<u>1,596,000</u>	<u>222,300</u>	<u>1,818,300</u>
Subtotal PR	35.13	\$2,821,800	\$400,500	\$3,222,300	\$2,821,800	\$400,500	\$3,222,300
All Funds	34.70	\$2,781,200	\$395,600	\$3,176,800	\$2,781,200	\$395,600	\$3,176,800

Require DOA to administer for each "shared services agency" services relating to human resources, payroll, finance, budgeting, and procurement. The pilot program would be conducted for the following agencies: (a) Department of Financial Institutions; (b) Department of Safety and Professional Services; (c) Public Service Commission; (d) State Fair Park Board; (e) Educational Communications Board; (f) Higher Educational Aids Board; (g) State Historical Society; (h) Technical College System Board; (i) Department of Tourism; (j) Board of Commissioners of Public Lands; and (k) Government Accountability Board. Delete positions in 10 agencies and reallocate funding from salaries and fringe benefits to supplies and services to pay service charges assessed by DOA as shown in the following table.

**Shared Agency Services
Position and Funding Adjustments**

<u>Agencies by Fund</u>	<u>Annual FTE Positions</u>	<u>Annual Reallocation</u>
GPR		
Educational Communications Board	-3.00	\$241,700
Government Accountability Board	-1.50	88,600
Historical Society	-7.33	719,600
Technical College System	-2.50	245,900
Tourism	<u>-1.00</u>	<u>97,700</u>
Total GPR Positions	-15.33	\$1,393,500
FED		
Historical Society	-1.00	\$58,800
Technical College System	<u>-0.50</u>	<u>49,400</u>
Total FED Positions	-1.50	\$108,200
PR		
Board of Commissioners of Public Lands	-1.00	\$106,000
Financial Institutions	-5.00	320,700
Government Accountability Board	-0.50	39,700
Historical Society	-1.00	68,700
Public Service Commission	-3.00	219,000
Safety and Professional Services	-17.00	1,384,200
State Fair Park	<u>-1.00</u>	<u>110,700</u>
Total PR Positions	-28.50	\$2,249,000
SEG		
Historical Society	-0.67	\$38,700
Shared Services Agencies Total	-46.00	\$3,789,400
Administration		
FED	-0.43	
PR	<u>35.13</u>	
Subtotal Administration	34.70	
Net Total Position Adjustments	-11.30	

Permit DOA to assess shared services agencies for services provided. Specify that funding from procurement-related assessments would be provided to DOA's procurement services appropriation.

On the effective date of the bill, specify that the assets and liabilities of a shared services agency that relate to human resources services, payroll services, finance services, budget functions, and procurement functions would become the assets and liabilities of DOA. In addition, on the effective date of the bill, specify that all tangible personal property, including records, of a shared services agency that relate to human resources services, payroll services,

finance services, budget functions, and procurement functions, would transfer to DOA. Further, specify that all contracts entered into by the shared services agency that relate to human resources services, payroll services, finance services, budget functions, and procurement functions would remain in effect and would transfer to DOA. [The bill does not specify that any positions or incumbent employees would be transferred from the specified agencies to DOA under the provision.]

Require DOA to study an enterprise-wide shared services model for implementation in the 2017-19 budget. Under the bill, DOA must submit an implementation plan based on the results of the study to the Governor and the Legislature by June 30, 2016.

A. OVERVIEW

1. According to the Budget in Brief, the shared services initiative to consolidate "back office" administrative functions is "facilitated by the ongoing implementation of the enterprise resource planning system" which will "allow agencies to focus on what they do best, which is run programs that serve the public and not waste efforts on duplicating services that can be offered most cost-effectively centrally."

2. Below is a general discussion of the shared services provision that considers the issues as they generally apply to DOA and the agencies specified under the bill. Following the general overview, general alternatives are offered for the Committee's consideration. If the Committee wishes to consider circumstances specific to each of the affected agencies, individual agency sections and alternatives are provided following the general overview. The attachment to this paper lists all alternatives provided in each of the sections of the paper.

Identification of Positions

3. The positions identified for elimination under this provision were selected based upon each position's classification in the civil service system. However, the identification of positions was not based on duties that the positions actually perform. According to the Wisconsin Human Resources Handbook, position classification decisions are based upon the majority (51% or more) of duties performed and the resulting "best fit" within the existing class structure. Therefore, a position may be performing other duties unrelated to the primary position classification up to 49% of the time.

4. Although the administration argues that the proposal would improve the efficiency and effectiveness of agency services by consolidating general administrative functions, this argument assumes that the positions perform such functions and that the duties performed by the positions are general, standard administrative tasks common to multiple agencies. Based on additional information provided by the agencies regarding the positions that would be deleted, it appears that many of the identified positions perform program services that would not be assumed by DOA under the proposal. Additional details specific to positions identified, including estimates of the percentage of time each position spends performing general administrative tasks, agency-specific tasks in the functional areas identified, and program services that are not related to the position's

primary position classification, are provided later in this paper under individual agency sections. In several cases, positions were identified that do not perform any standardized administrative services. According to the administration, in such a case, an agency should "determine whether a function is mission-critical and then how it continues to perform that function with existing staff resources."

5. Subsequent to the introduction of the bill, the administration submitted an errata letter to the Committee on April 13, 2015. The letter indicated that the shared agency services initiative should be delayed until July 1, 2016, due to the timing of the initiative coinciding with the deployment of the finance and procurement modules of the state's enterprise resource planning system, otherwise known as the State Transforming Agency Resources (STAR) Project. The administration indicated that additional time was needed "to ensure the successful implementation of this initiative and to ensure the STAR implementation also continues on budget and on schedule." The administration also indicated in the letter that: (a) the enterprise-wide study requirement should be deleted; (b) the Secretary of DOA "should be granted the authority to exempt any agencies (or functions or specific positions within agencies)" from the provision; and (c) the administration wishes to conduct the internal reorganization of DOA staff effective July 1, 2015, corresponding to the transfer of the Office of State Employment Relations to DOA.

6. Modifying the effective date of the provision in accordance with the errata letter would allow DOA additional time to prepare transition plans for providing human resources, payroll, finance, budgeting, and procurement services for the agencies specified. In addition, if the provision is delayed by a year, and the requirement to study an enterprise-wide shared services model and submit an implementation plan to the Governor and the Legislature were also delayed by a year to June 30, 2017, the plan would not be completed in time for implementation in the 2017-19 budget. Therefore, it could be argued that deleting the requirement is consistent with delaying the effective date of the provision. Further, the Committee acted in executive session on May 12, 2015, to approve the transfer of the Office of State Employment Relations to DOA. Therefore, the internal reorganization of DOA, with or without approval of the shared services proposal, would also appear to be reasonable.

7. However, with regard to providing the authority to exempt agencies, functions, or positions, the provision in the bill requires DOA to provide these services. Providing DOA the authority to exempt agencies or functions is not consistent with requiring DOA to provide such services to specific agencies. Further, providing DOA the authority to recreate positions that the Legislature has eliminated would be inconsistent with legislative determination of position authority. If it has not been determined at this time whether the proposal should be conducted for all agencies, functions, and positions specified in the bill, the Committee may wish to consider deleting the provision so that the administration may study the matter further. The administration could prepare and submit a more detailed proposal for inclusion in the 2017-19 budget.

STAR Project

8. The enterprise resource planning system (STAR Project), which is based on PeopleSoft software, is intended to replace multiple separate IT systems in use by the state and has several functional applications, all of which are identical to the components of the shared services proposal: (a) human resources; (b) payroll; (c) finance; (d) budgeting; and (e) procurement. The

system is currently being developed and tested for implementation in two phases. The first phase is scheduled to deploy the finance and procurement modules of the system, beginning July 1, 2015. The second phase is scheduled to deploy the human resources, payroll, and budget modules of the system, beginning July 1, 2016.

9. Many of the positions identified under the shared services provision for elimination are also designated by the STAR Project as subject matter experts who conduct tasks such as role-mapping the new system for data entry, access, and other system permissions for the staff at the agencies that employ them. Delaying the effective date of the shared services proposal until July 1, 2016, when the second phase of the STAR Project is deployed may be of assistance to the overall success of the STAR Project.

10. According to DOA's 2014 Strategic IT Plan for the State of Wisconsin, subject matter experts are "essential to STAR success" because they "understand agency business processes and can help their colleagues post-implementation." It should be noted that the elimination of positions filled by subject matter experts, effective July 1, 2016, as modified by the errata letter, would mean that such subject matter experts would no longer be on staff at the agencies to assist with post-implementation issues relating to the second phase deployment of human resources, payroll, and budget modules of the enterprise resource planning system.

11. The Department's appropriation for the enterprise resource planning system is a PR-continuing appropriation with forestalling authority, which allows an agency to spend in excess of the revenues received to the extent that the non-depreciated assets under the appropriation offset the excess expenditures. As of March 16, 2015, \$67.1 million has been expended by DOA for the project through the master lease program. The Department indicates that this does not reflect the complete cost of the project. Rather, it includes the capital costs that were financed through the master lease program, and would not include costs incurred for planning, post-implementation support, or ongoing operation of the system. The Department intends to begin assessing state agencies for the cost of the system beginning July 1, 2016.

Shared Services Model

12. According to DOA, the shared services model would entail assigning each agency to four DOA staff members: one who would perform services relating to budget, one who would perform services relating to procurement, one who would perform services relating to finance, and another who would perform services relating to human resources and payroll. Agencies would contact the designated staff if information is needed or the agency needs assistance resolving a problem.

13. Currently, DOA provides human resources services to the following agencies that would be defined as shared services agencies: Board of Commissioners of Public Lands; Educational Communications Board; Department of Financial Institutions; Government Accountability Board; and Department of Tourism.

14. The Department also provides procurement services through its Consolidated Agency Purchasing Services team within the State Bureau of Procurement to the following agencies that

would be defined as shared services agencies: Educational Communications Board; Department of Financial Institutions; Department of Safety and Professional Services; and Department of Tourism.

15. The Department does not currently provide budgeting and financial services to any of the agencies that would be defined as shared services agencies.

16. The Department provided a list of services that would be performed by DOA under each component of the proposal. Although DOA indicates that the lists are not all-inclusive and that actual services would depend on individual agency needs, many of the duties performed by the positions identified for elimination are not listed as services that DOA would provide. As noted previously, the administration indicates that in cases where a position would be eliminated and the duties previously performed by the position would not be performed by DOA, an agency should "determine whether a function is mission-critical and then how it continues to perform that function with existing staff resources." The Department notes in particular that it would provide general administrative services that are common to multiple agencies, and would not perform program-specific services.

17. Human resources and payroll services provided would include: (a) recruitment of employees; (b) management of employee classifications; (c) administration of affirmative action and equal opportunity employment requirements; (d) administration of employee compensation; (e) administration of accommodation for individuals with disabilities; (f) administration of employee leave; (g) provision of an employment relations program including discipline, grievance, and layoff; (h) employee training; (i) employee assistance services and programs; and (j) performance evaluation. The Department would allocate 6.7 positions for human resources and payroll services.

18. Budgeting services provided would include: (a) establishing fiscal year budgets; (b) preparing and analyzing monthly appropriation balance reports, projecting expenditures, and recording revenues, expenditures, and encumbrances; (c) monitoring appropriation balances; (d) preparing budget transfers as needed; (e) providing budget approval for purchasing transactions; and (f) preparing supplemental budget requests. The Department would allocate 4.0 positions for budgeting services.

19. Financial services provided would include: (a) entry, audit, and approval of purchase payment documents, travel reimbursement forms, procurement card logs, cash receipts and deposits, sales tax reporting and payments, and monthly general services bills; (b) monthly purchase order reconciliation; (c) accounts receivable and manual billing processing; (d) vendor file maintenance; (e) daily review of transactions; (f) training on travel regulations and procedures; (g) financial records retention; (h) maintenance of chart of accounts; (i) preparation, review, approval, and reporting of accounting transactions, federal financial reports, schedules of expenditures of federal awards, fiscal year closing reconciliation of transactions, program revenue overdraft reports and plans, financial statements, annual gifts and grants reports, and annual internal control certification; and (j) subrecipient audit monitoring. The Department would allocate 23.0 positions for financial services.

20. Procurement services would include: (a) support to agencies through the procurement process to ensure compliance with the state's procurement rules and regulations; (b)

providing agencies the procurement authority for their final purchases; and (c) assistance in obtaining commodities and services that meet agency requirements, at a reasonable price. The Department would allocate 1.0 position for procurement services.

Analysis

21. The purpose of the shared services proposal is to improve the efficiency with which services are provided through the consolidation of administrative functions. Under the model, each agency would be required, on a continual basis, to contact DOA to request services. In addition, under the proposal, DOA staff would need to learn what each agency assigned to them needs, and would need to do so on an ongoing basis, as circumstances and programs change over time.

22. Depending on an agency's human resources, payroll, financial, budgeting, and procurement needs, an agency may or may not have individual positions solely assigned to each of these functions. For agencies with few staff, it is common for positions to be cross-trained or perform multiple functions. As a result, positions that were identified for elimination under the shared services proposal include positions that currently perform more functions than their classifications alone would suggest. Details regarding the duties the positions currently perform are provided under individual agency sections following the overview of the shared services proposal.

23. In addition, a number of positions perform duties that are closely aligned with the functional category under which they were identified, but which are specialized and not general tasks that other agencies perform.

24. For agencies that do not have positions identified for elimination in one or more of these functional areas, the agencies perform the functions with existing staff. Therefore, in some cases the transfer of responsibilities to DOA would maintain existing staff and funding of an agency while requiring the agency to pay DOA for services which the agency is able to perform itself.

25. The administration argues that the shared services proposal will "allow agencies to focus on what they do best, which is run programs that serve the public and not waste efforts on duplicating services that can be offered most cost-effectively centrally." Therefore, the Committee could approve the Governor's recommendation, as modified by the errata letter to: (a) provide \$3,176,800 (-\$45,500 FED and \$3,222,300 PR) and 34.7 positions (-0.43 FED position and 35.13 PR positions) in 2016-17 to DOA for a shared agency services pilot program; (b) define 11 state agencies as shared services agencies; (c) delete 46.0 positions (15.33 GPR, 1.5 FED, 28.5 PR, and 0.67 SEG positions) in 2016-17 in 10 state agencies as specified and reallocate \$3,789,400 salaries and fringe in 2016-17 for the positions to supplies and services within each agency; (d) require DOA to administer for shared services agencies services relating to human resources, payroll, finance, budgeting, and procurement, effective July 1, 2016; (e) authorize DOA to assess shared services agencies for services provided under the provision; and (f) provide funding adjustments of -\$45,500 FED and \$522,300 PR and -0.43 FED position and 5.8 PR positions in 2015-16 to reorganize internal positions at DOA effective July 1, 2015. Under this alternative, funding of \$522,300 PR would be provided and 5.8 PR positions created in 2015-16, and positions would be filled by incumbents currently occupying 5.37 GPR and 0.43 FED positions. The administration indicates the authority of 5.37 GPR positions would be retained for the hiring and recruitment of

positions that would provide budget and finance services to shared services agencies. The 0.43 FED position would be deleted. [Alternative A1]

26. However, given that the 5.37 GPR positions would be maintained for the shared services provision, which would have an effective date of July 1, 2016, associated funding of \$476,800 GPR would not be needed in 2015-16. Therefore, in addition to Alternative A1, the Committee could reduce funding in DOA by \$476,800 GPR in 2015-16. [Alternative A2]

27. On the other hand, there are several issues the Committee may wish to consider in determining whether to approve the proposal in whole or in part, including: (a) the assumption that the positions identified perform primarily general administrative services was based only on position classifications, and not on the duties the positions actually perform; (b) most of the positions identified perform specialized tasks in the functional categories identified, as well as programmatic duties for which DOA would not assume responsibility; (c) subject matter experts designated by the STAR Project, some of whom occupy the positions that would be deleted, are essential to the success of the project post-implementation; and (d) agencies that do not have designated positions devoted to each functional area nevertheless perform those functions currently, and under the proposal would pay DOA to provide services that the agency could otherwise perform. Therefore, for any number of reasons, the Committee could choose to delete the provision. [Alternative A3]

28. In addition, if the Committee wishes to delete the provision, but also wishes to accommodate the reorganization of DOA staff and funding in accordance with the creation of the Division of Personnel Management within DOA (primarily staffed with transferred positions from the Office of State Employment Relations) it could provide funding and position adjustments of -\$476,800 GPR, -\$45,500 FED, and \$522,300 PR and -5.37 GPR positions, -0.43 FED position, and 5.8 PR positions annually. [Alternative A4] Under this alternative, incumbent employees occupying 5.37 GPR positions and 0.43 FED positions would transfer to 5.8 newly created PR positions in the Division of Personnel Management in accordance with the internal reorganization of agency resources. As a result, 0.43 FED positions annually would be eliminated as recommended and the 5.37 GPR positions that would have been filled with staff on July 1, 2016, to provide budgeting and financial services to shared services agencies would be deleted and associated funding of \$476,800 GPR annually would be reduced.

A. Alternatives -- Overview

1. Approve the Governor's recommendation, as modified by the errata letter, to: (a) provide \$3,176,800 (-\$45,500 FED and \$3,222,300 PR) and 34.7 positions (-0.43 FED position and 35.13 PR positions) in 2016-17 to DOA for a shared agency services pilot program; (b) define 11 state agencies as shared services agencies; (c) delete 46.0 positions (15.33 GPR, 1.5 FED, 28.5 PR, and 0.67 SEG positions) in 2016-17 in 10 state agencies as specified and reallocate \$3,789,400 salaries and fringe in 2016-17 for the positions to supplies and services within each agency; (d) require DOA to administer for shared services agencies services relating to human resources, payroll, finance, budgeting, and procurement, effective July 1, 2016; (e) transfer assets, liabilities, tangible personal property, records, and contracts relating to human resources, payroll, finance, budget, and procurement, as determined by the Secretary of DOA, to DOA effective July 1, 2016;

(f) authorize DOA to assess shared services agencies for services provided under the provision; and (g) provide funding adjustments of -\$45,500 FED and \$522,300 PR and -0.43 FED and 5.8 PR positions in 2015-16 to reorganize internal positions at DOA effective July 1, 2015.

ALT A1	Change to Bill	
PR	-	\$2,700,000

2. In addition to Alternative A1, reduce funding by \$476,800 GPR in 2015-16 associated with 5.37 GPR positions which would be held vacant until July 1, 2016, for the shared services provision.

ALT A2	Change to Bill	
GPR	-	\$476,800

3. Delete provision.

ALT A3	Change to Bill	
	Funding	Positions
GPR	\$0	15.33
FED	91,000	1.93
PR	- 6,444,600	- 6.63
SEG	<u>0</u>	<u>0.67</u>
Total	- \$6,353,600	11.30

4. In addition to Alternative A3, provide adjustments of -\$476,800 GPR, -\$45,500 FED, and \$522,300 PR and -5.37 GPR positions, -0.43 FED position, and 5.8 PR positions annually to DOA to reorganize agency positions and funding for the newly created Division of Personnel Management (which will primarily be staffed with transferred positions from the Office of State Employment Relations).

ALT A4	Change to Bill	
	Funding	Positions
GPR	- \$953,600	- 5.37
FED	- 91,000	- 0.43
PR	<u>1,044,600</u>	<u>5.80</u>
Total	\$0	0.00

B. BOARD OF COMMISSIONERS OF PUBLIC LANDS (BCPL)

Discussion Points

1. The Board of Commissioners of Public Lands (which consists of the Secretary of

State, the State Treasurer, and the Attorney General) was established to accept public lands granted to Wisconsin by the federal government. Most of the 3.7 million acres in original trust lands were sold, with proceeds used to establish the school trust funds. The trust funds include the Common School Fund (with a balance of approximately \$960 million on June 30, 2014), the Normal School Fund (closing fiscal year 2013-14 balance of approximately \$26 million), University Fund (\$234,000 balance) and Agricultural College Fund (\$305,000 balance). Income from the trust funds is used to support public school libraries (\$35.5 million in 2014-15) and the UW System.

2. Under current law, the Board is authorized to invest the assets of any of the trust funds in certain statutorily specified fixed income debt instruments and is also authorized to loan moneys under its control to certain statutorily specified entities (primarily municipalities and school districts).

3. Currently, BCPL has 9.5 authorized positions. The bill would delete 1.0 PR senior accountant position from BCPL for the shared agency services pilot program under DOA. BCPL estimates the accountant spends a total of 20% of their time on activities that would be considered standard accounting position tasks, including: 10% on preparation and maintenance of the agency operating budget; 5% on preparation of data for financial statements and accompanying footnotes of individual funds to be presented in the Comprehensive Annual Financial Report (CAFR); and 5% on preparation of the agency biennial budget. The remainder of their time is spent on activities that BCPL would consider part of the investment operations of the agency.

4. The agency estimates that the accountant spends 25% of their time on management of accounting and financial aspects of the State Trust Fund Loan Program trust fund loan program using custom designed software to perform all accounting services related to the program. BCPL has disbursed more than \$1.1 billion in such loans (including over \$250 million in economic development loans) over the last ten years. There have also been more than \$600 million in loan prepayments over the last five years, which were handled by the accountant. In addition, the accountant has customer service duties and is responsible for communicating directly with borrowers to promptly set up and close such transactions. The agency estimates that 25% of the accountant's time is spent on management and accounting of financial aspects of bond transactions, utilizing custom designed software and specialized knowledge of bond investment accounting. According to BCPL, most bond purchase transactions need to be funded within one day of order. As a result, the state accounting transaction and wire transfers must be set up the same day as the order is placed, even when the order is placed late in the afternoon. The agency notes that this is more readily accomplished in house at BCPL where the accountant and loan analyst are located in adjacent workspaces. In addition, the accountant spends approximately 10% of their time on policy analysis affecting general agency accounting and business management; 5% on management of funds available for land transactions; and 15% on other accounting duties including developing complex spreadsheets to support customer loan inquiries and working with counterparts in other agencies regarding the transfer of trust fund earnings to respective fund beneficiaries.

5. According to the agency, BCPL could not continue to perform these functions if the accountant position were eliminated. They indicate that there are no other current staff members who can perform these functions and argue that DOA does not have the capacity to provide these

services. Further, BCPL staff argue that any degradation in accounting services, and thereby its loan portfolio, could disrupt the finances of numerous communities across the state. The Committee could consider retaining this position in BCPL. [Alternative B2]

B. Alternatives -- Board of Commissioners of Public Lands

1. Approve the Governor's recommendation, as modified by the errata letter, to delete 1.0 PR position in 2016-17, transfer responsibility for services relating to human resources, payroll, finance, budget, and procurement to DOA effective July 1, 2016, and reallocate funding associated with the position (\$106,000 PR) from salary and fringe benefits to supplies and services. Transfer assets, liabilities, tangible personal property, records, and contracts relating to human resources, payroll, finance, budget, and procurement, as determined by the Secretary of DOA, to DOA effective July 1, 2016.

2. Delete provision.

ALT B2	Change to Bill Positions
PR	1.00

C. EDUCATIONAL COMMUNICATIONS BOARD

Discussion Points

1. The Educational Communications Board (ECB) is charged with planning, constructing, developing, and maintaining the state's radio and television broadcasting systems for the presentation of educational, informational, public service, and noncommercial instructional programs. ECB partners with the UW-Extension's Division of Broadcasting and Media Innovations to provide Wisconsin Public Radio (WPR) and Wisconsin Public Television (WPT). In general, UW-Extension is responsible for providing WPR and WPT programming and ECB is responsible for broadcasting that programming statewide. ECB also develops and disseminates Wisconsin-specific materials for use in K-12 classrooms and purchases other instructional materials on behalf of K-12 schools statewide. ECB's adjusted base funding is \$19,919,700 and 56.68 authorized positions which includes \$7,970,700 GPR and 35.12 authorized GPR positions.

2. ECB receives approximately \$1.8 million annually from the federally-funded Corporation for Public Broadcasting (CPB) related to its public broadcasting activities and the 16 radio and five television licenses it holds. To retain these licenses and remain eligible for CPB funds, ECB must comply with CPB rules, which are different from the federal compliance requirements that apply to most other federal funds received by state agencies. Due to the complexity of CPB requirements, ECB finance staff regularly participate in professional training specific to those requirements. In addition, CPB requires that donor information remain private, which would prohibit this information from being stored on DOA servers.

3. The bill would delete the following three finance positions related to the shared agency services pilot program under DOA: (a) financial management supervisor; (b) accountant - journey; and (c) financial specialist 4. According to ECB, 60% of the work performed by the financial management supervisor and financial specialist 4 positions and 25% of the work performed by the accountant-journey position is related to CPB reporting and the annual audit required by CPB. Due to CPB's rules related to donor privacy, this work could not be performed by DOA. If ECB's financial staff were to be eliminated, DOA would have to contract for these services. Based on the current rates posted on VendorNet, it is estimated that contracting for this work could cost \$211,600 annually, which DOA would presumably charge to ECB. This would be in addition to charges assessed to ECB for other finance, budget, and procurement services that would be transferred from ECB to DOA under this provision.

4. Under 2005 Act 25, 1.5 GPR and 0.3 PR positions were deleted from ECB related to the consolidation of procurement, human resources, and payroll services for certain state agencies within DOA. Despite being a consolidated agency, ECB staff estimate that 10% of the work performed by the finance positions that would be deleted is related to procurement. This is because many of ECB's procurements are specific to the broadcast industry and either require technical expertise to write the appropriate specifications or require a sole source waiver. The implementation of the STAR project is not anticipated to significantly reduce the amount of procurement work currently performed by ECB staff. In conjunction with the STAR project, DOA has assigned 38 procurement-related tasks to ECB staff. Of those tasks, 34 are currently performed by the finance positions that would be deleted. If these positions were to be eliminated, these tasks would have to be performed by the deputy director and the division administrators.

5. Given the agency-specific nature of the duties currently performed by the ECB staff proposed for deletion under the bill, the Committee could restore the 3.0 GPR positions. [Alternative C2]

C. Alternatives -- Educational Communications Board

1. Approve the Governor's recommendation, as modified by the errata letter, to delete 3.0 GPR positions in 2016-17, transfer responsibility for services relating to human resources, payroll, finance, budget, and procurement to DOA effective July 1, 2016, and reallocate funding associated with the positions (\$241,700 GPR) from salary and fringe benefits to supplies and services. Transfer assets, liabilities, tangible personal property, records, and contracts relating to human resources, payroll, finance, budget, and procurement, as determined by the Secretary of DOA, to DOA effective July 1, 2016.

2. Delete provision.

ALT C2	Change to Bill Positions
GPR	3.00

D. FINANCIAL INSTITUTIONS

Discussion Points

1. The Department of Financial Institutions (DFI) regulates state-chartered banks, savings and loan associations, savings banks, and certain operations of the securities industry. DFI also reviews and files charters, articles of incorporation, and other documents of business organizations and registers and oversees the mortgage banking industry.

2. DFI collects a number of fees and assessments which are deposited as program revenue into its general program operations appropriation and used to pay for the Department's operating expenses. At the end of each fiscal year, unencumbered program revenue in the appropriation is lapsed to the general fund. DFI's adjusted budget includes \$18,381,400 PR and 141.54 positions. The budget bill as introduced would transfer all DFI functions, funding, and positions to the Department of Financial Institutions and Professional Standards (DFIPS).

3. The bill would delete 5.0 PR positions from DFI's general program operations appropriation for the shared agency services pilot program. Funding associated with the positions (\$320,700 PR annually) would not be reduced, but rather would be reallocated to supplies and services to pay shared agency services charges assessed by DOA.

4. Of the five positions identified for deletion, one position is a program and policy analyst which is categorized as a budget position. However, the Department estimates that 90% of the position's time is spent performing functions which are not budget related. Currently, this position is the key agency position for records and forms management. The position serves as DFI's records and forms manager, training and travel coordinator, risk manager, asset manager, print manager, and back-up support for fiscal activities (compliance review of purchasing cards, credit card refunds, collection manager, and credit card inquiry line). The incumbent's current project teams include: STAR training liaison, e-forms project, enterprise receipting, and scanning projects. According to the Department, it would be challenging to meet the statutory and programmatic requirements related to these functions without this position.

5. Four of the five identified positions within DFI are categorized as finance positions. However, two of these positions perform functions outside finance. DFI estimates that 50% of the Financial Specialist 3 incumbent's time is spent on non-finance related functions, including revenue processing, accounts payable (including refunds of revenue), journal voucher allocations, and office support for the Department (reception desk coverage and mail processing). The position's current project teams include: Division of Securities rewrite, securities electronic filing depository (EFD) project, and enterprise receipting. According to the Department, the agency does not currently have the resources to perform these activities if the position is eliminated.

6. One of the financial specialist 4 positions identified performs significant functions outside of finance. DFI estimates that 40% of the financial specialist 4 position's time is spent on non-finance related functions, including administration of DFI's purchasing program, management of revenue processing, revenue reporting, audit and code travel expense vouchers, training staff in state and Department travel rules and procedures, accounting allocations, and journal vouchers for

purchasing cards and other transactions. The position's current project teams include: STAR purchasing, enterprise receipting, and on-line forms. DFI is a consolidated agency related to purchasing which means that DOA manages contract purchases over \$50,000. Much of the Department's procurement activity is under that threshold and is managed by this position. The position is currently serving on an interagency work group to facilitate the merger into DFIPS. According to the Department, the agency does not currently have the resources to perform these activities if the position is eliminated.

7. A second financial specialist 4 position identified in the bill performs predominantly finance related duties, including management of revenue processing, e-revenue accounting (electronic credit cards, e-checks, one stop business portal, chargebacks, bad e-checks, refunds, reconciliations and reporting), management of the accounts payable program for DFI, financial reporting, and processing of travel vouchers. The incumbent's current project teams include: one stop business portal, securities rewrite and electronic deposits reconciliations, STAR Project tasks, and enterprise receipting.

8. A final finance position identified under the bill, an accountant-senior position, performs a mix of finance, budgetary and purchasing duties. The Department estimates that the position's time is divided between finance (45%), budget (45%) and purchasing (10%) functions. The accountant-senior position performs professional accounting and reporting services (all transaction approvals and internal control reporting), budget functions (preparation and analysis of agency operating and biennial budgets, annual fee calculations, fee studies, fiscal estimate analyses, and position control management), and serves as the DFI's purchasing card administrator. The position's current project teams include: STAR functional liaison for financials, enterprise receipting, and one stop business portal.

9. DFI staff has emphasized the importance of any transition of budgetary and financial services to be managed so as to avoid gaps in service to internal and external Department customers. According to the Department, these services include the continued implementation of on-line applications to streamline access to government and reduce costs. According to DFI, additional work remains to upgrade and modernize these systems and there is a need to have continued access to appropriate resources to implement these projects.

10. Given that the agency has indicated that it currently does not have the resources to perform the administrative, management, and training functions of specific positions earmarked for deletion, in tandem with the institutional knowledge of certain positions in regard to any potential agency merger, the Committee could choose to modify the provision to delete 4.0 fewer positions and transfer \$266,300 less funding to supplies and services. [Alternative D2]

11. The Department states that it has been successful in recruiting and maintaining talented financial and budget staff that are knowledgeable of financial business areas and concerns. As such, the Committee may decide against shifting positions to DOA. [Alternative D3]

D. Alternatives -- Financial Institutions

1. Approve the Governor's recommendation, as modified by the errata letter, to delete 5.0 PR positions in 2016-17, transfer responsibility for services relating to human resources, payroll, finance, budget, and procurement to DOA effective July 1, 2016, and reallocate funding associated with the positions (\$320,700 PR) from salary and fringe benefits to supplies and services. Transfer assets, liabilities, tangible personal property, records, and contracts relating to human resources, payroll, finance, budget, and procurement, as determined by the Secretary of DOA, to DOA effective July 1, 2016.

2. Modify the bill to restore 4.0 PR positions and reallocated associated funding of \$266,300 PR from supplies and services to salaries and fringe benefits.

ALT D2	Change to Bill Positions
PR	4.00

3. Delete provision.

ALT D3	Change to Bill Positions
PR	5.00

E. GOVERNMENT ACCOUNTABILITY BOARD

Discussion Points

1. The Government Accountability Board (GAB) administers elections, ethics, and lobbying laws and is provided base resources of \$6,639,900 and 48.75 positions annually (\$2,836,200 GPR, \$3,287,600 FED, \$516,000 PR, and \$100 SEG and 19.3 GPR, 26.0 FED, and 3.45 PR positions). Currently, the GAB administers its own financial, budgeting, and purchasing matters, and DOA administers the agency's human resources and payroll functions. Under the shared agency services provision, 1.0 GPR financial specialist position and 1.0 split-funded accountant position (0.5 GPR position and 0.5 PR position) are identified for elimination. Funding of \$88,600 GPR and \$39,700 PR in 2016-17 associated with the positions would be transferred from salaries and fringe benefits to supplies and services for the GAB to pay DOA assessments for services provided. Although no positions were identified relating to budgeting or procurement and the agency currently performs these functions, the GAB would be required to pay any assessments charged by DOA for budgeting and procurement services.

2. Although the GAB positions identified do perform financial services, they also perform a number of other programmatic and administrative duties that are core to the agency's mission.

3. The financial specialist position is responsible for developing, monitoring, and maintaining all accounting and financial records for the agency. Staff of the GAB estimate that the position spends 65% of their time performing financial audits, coding financial information, processing invoices and other financial documents, preparing and processing expenditure reports and records, reconciling accounts, and producing various financial reports. The position spends 15% of their time performing purchasing support tasks for the agency including: (a) informing staff of procurement rules, policies, and procedures for purchasing goods and services; (b) procuring goods and services for agency program needs; and (c) maintaining the agency's procurement card data file. The position spends approximately 10% of their time administering Contract Sunshine under ss. 16.753 and 19.48(11) of the statutes, which is a programmatic duty, rather than a general administrative services function. In administering Contract Sunshine requirements, the financial specialist establishes contacts with other state agency procurement and contract liaisons to ensure that solicitations for bids or proposals and each proposed order or contract of the agency involving an expenditure of \$10,000 or more are posted to the Contract Sunshine website for public access within 24 hours of the initial solicitation. The position also conducts training and provides technical assistance to agencies that are required to report such activity. This function, which would not be performed by DOA, is required under state statute and would need to continue to be performed using the agency's remaining resources. The remaining 10% of the position's time is spent performing other duties, including: (a) maintenance of a comprehensive index of all agency records and transmits records to the State Records Center and the Wisconsin Historical Society; (b) forms management; (c) program support for the Elections and Ethics Divisions; (d) travel booking; (e) continuity of operations planning and maintenance; (f) reviewing nomination papers; (g) accessibility grant program duties; (h) data entry; (i) answering phone calls; and (j) various projects on an as-needed basis.

4. The accountant position serves as the financial manager for agency appropriations. The accounting tasks performed occupy approximately 50% of the position's time. Agency staff estimate that 30% of the accountant's time is devoted to grants management relating to the federal Help America Vote Act of 2002, the federal Voting Assistance Program, and all other federal funds of the GAB. The responsibilities of the agency with regard to these funds require strict federal compliance with the U.S. Office of Management and Budget regulations relating to program income, interest earnings, time and effort reporting, and direct charge cost allocations. The remaining 20% of the accountant's time is occupied with a variety of direct programmatic duties of the agency, such as: (a) reviewing candidate nomination papers for certification; (b) entering statements of economic interest data; (c) answering voter questions during primary and general elections; (d) reporting and valuing state property for insurance purposes; (e) assisting with voter identification public outreach and information campaign duties; (f) preparing Board meeting materials; (g) monitoring and maintaining the training settlements and custody appropriations; and (h) logging time and labor costs for special projects reporting. As with the administration of Contract Sunshine by the agency's financial specialist, DOA would not assume programmatic duties associated with this component of the accountant's duties.

5. Based on information provided by the administration regarding possible services that DOA would provide, it is likely that the GAB would continue to be responsible for the following duties: (a) administration of Contract Sunshine; (b) records and forms management; (c) program-

specific support; (d) accessibility grant program duties; (e) general data entry; (f) federal grants management and compliance; (g) reviewing candidate nomination papers for certification; (h) entering statements of economic interest data; (i) answering voter questions during primary and general elections; (j) reporting and valuing state property for insurance purposes; (k) assisting with voter identification public outreach and information campaign duties; (l) preparing Board meeting materials; and (m) logging time and labor costs for special projects reporting. Given that staff of the GAB estimate that the sum of these duties accounts for approximately 70% of a full-time employee's time, it is possible that the agency may not be able to continue providing the same level of service with respect to these functions. For federal grants management in particular, a reduction in resources could result in adverse outcomes regarding the state's compliance with grant requirements. Federal audit risks could result in fines, penalties, or required GPR repayment of disallowed expenditures.

6. Given that both GAB positions identified for elimination under the bill perform program-specific duties and work closely with program staff in performing financial tasks; that the provision could result in state and federal audit risks; and that the provision could impact GAB's elections and ethics program functions, the Committee could restore the agency's financial specialist position [Alternative E2a], accountant position [Alternative E2b], or both [Alternative E2c]. In addition, given that DOA already provides the GAB services relating to human resources and payroll, and that the GAB manages its own finance, budget, and procurement needs, the Committee could delete the GAB from the list of shared services agencies for which DOA would provide human resources, payroll, finance, budget, and procurement services. [Alternative 3] If the Committee wishes to restore both positions and exclude the GAB from the pilot program, it can delete the provision with regard to the GAB. [Alternative 4]

E. Alternatives -- Government Accountability Board

1. Approve the Governor's recommendation, as modified by the errata letter, to delete 2.0 positions (0.5 GPR and 0.5 PR) in 2016-17, transfer responsibility for services relating to human resources, payroll, finance, budget, and procurement to DOA effective July 1, 2016, and reallocate funding associated with the positions (\$88,600 GPR and \$39,700 PR) from salary and fringe benefits to supplies and services. Transfer assets, liabilities, tangible personal property, records, and contracts relating to human resources, payroll, finance, budget, and procurement, as determined by the Secretary of DOA, to DOA effective July 1, 2016.

2. Restore the following positions to the GAB and delete changes that would reallocate salaries and fringe benefits for the positions to supplies and services:

a. 1.0 GPR position associated with a financial specialist (reallocation of \$48,900 GPR).

ALT E2a	Change to Bill
	Positions
GPR	1.00

b. 0.5 GPR position and 0.5 PR position associated with an accountant (reallocation of \$39,700 GPR and \$39,700 PR).

ALT E2b	Change to Bill Positions
GPR	0.50
PR	<u>0.50</u>
Total	1.00

c. 1.5 GPR positions and 0.5 PR position associated with a financial specialist and an accountant (reallocation of \$88,600 GPR and \$39,700 PR). [This alternative combines Alternatives E2a and E2b.]

ALT E2c	Change to Bill Positions
GPR	1.50
PR	<u>0.50</u>
Total	2.00

3. Delete the GAB from the list of shared services agencies for which DOA would provide services relating to human resources, payroll, finance, budgeting, and procurement.

4. Delete provision.

ALT E4	Change to Bill Positions
GPR	1.50
PR	<u>0.50</u>
Total	2.00

F. HIGHER EDUCATIONAL AIDS BOARD

Discussion Points

1. The Higher Educational Aids Board (HEAB) administers most of the state's student financial aid programs including the Wisconsin Grant, talent incentive grant, Wisconsin covenant scholars grant, and academic excellence scholarship programs. HEAB is also responsible for the state dental education contract with the Marquette School of Dentistry, the Minnesota-Wisconsin student reciprocity agreement, and for reimbursement of the UW System and the technical college district boards for tuition and fee remissions granted to veterans and certain dependents. The GPR-funded programs administered by HEAB total \$141.3 million. HEAB's adjusted base funding for administration is \$934,900 GPR with 11.0 authorized GPR positions.

2. Due to its small size, HEAB does not have any positions whose primary duties are related to human, resources, payroll, finance, budget, and procurement. Currently HEAB's human resources, payroll, finance, budget, and procurement functions are performed by the administrative policy advisor along with the other duties assigned to that position. Because HEAB does not have any positions whose primary duties are related to the functions that would be transferred from HEAB to DOA, the bill would not delete any positions at HEAB related to this provision and would not reallocate any funding from salary and fringe benefits to supplies and services. If DOA were to assess HEAB for performing those functions, HEAB would have to fund those assessments from its existing supplies and services allocation which would reduce the funds available to HEAB for the administration of student financial aid and other programs. As an alternative, the Committee could opt to exclude HEAB from the shared agency pilot program because HEAB does not have any positions whose primary duties are related to the functions that would be transferred to DOA and because DOA has not identified funds that HEAB could use to pay DOA assessments if the transfer of those functions were approved. [Alternative F2]

F. Alternatives -- Higher Educational Aids Board

1. Approve the Governor's recommendation, as modified by the errata letter, to transfer responsibility for services relating to human resources, payroll, finance, budget, and procurement to DOA, effective July 1, 2016. Transfer assets, liabilities, tangible personal property, records, and contracts relating to human resources, payroll, finance, budget, and procurement, as determined by the Secretary of DOA, to DOA effective July 1, 2016.

2. Delete provision.

G. HISTORICAL SOCIETY

Discussion Points

1. The Wisconsin Historical Society (WHS) is responsible for collecting and disseminating information about the history of Wisconsin and the surrounding region. Its activities include collecting and preserving the state's archival records, operating the Wisconsin Historical Museum and ten other historic sites around the state, documenting and assisting in the preservation of historic properties, and publishing historical texts, including textbooks and curriculum support materials for school-aged children and teachers. WHS indicates that in the 2014 calendar year, approximately 304,500 individuals visited museums and historical sites operated by WHS, 336,000 individuals visited the WHS archives and 13 area research centers supported by WHS, and volunteers completed approximately 250,000 hours of volunteer labor.

2. Adjusted base level funding for WHS totals \$22,148,400, including \$14,330,500 GPR, \$2,768,600 PR, \$1,271,500 FED, and \$3,777,800 SEG. The Society's authorized base level FTE position count totals 129.04, including 93.65 GPR positions, 16.25 PR positions, 7.86 FED positions, and 11.28 SEG positions. In addition, WHS employs a large number of LTEs, ranging

from 265 to as many as 450 during each May-October tourist season. WHS indicates that the number of hours worked by LTE employees in 2014 is equivalent to 216 FTEs. WHS also hires approximately 110 work-study students each year. Based on these figures, it is estimated that WHS employs an average of approximately 500 to 650 individuals at any given time. Therefore, it could be the case that the Society's staffing level is greater than what was intended to be included under the shared services proposal, which includes only agencies with fewer than 150 FTEs.

3. Under the bill, 10.0 positions would be deleted from the following WHS appropriations for the shared agency services program: (a) general program operations (-7.33 GPR positions); (b) general program operations -- federal funds (-1.0 FED position); (c) general program operations -- service funds (-1.0 PR position); and (d) the history preservation partnership trust fund (-0.67 SEG position). These include 1.0 FTE performing budget functions, 4.0 FTEs in financial services, and 5.0 FTEs classified as human resources and payroll services positions. Funding associated with the positions (\$719,600 GPR, \$58,800 FED, \$68,700 PR, and \$38,700 SEG annually) would be reallocated to supplies and services to pay shared agency services charges assessed by DOA.

4. Two of the positions that would be deleted from WHS are based at the Society's largest historic site, Old World Wisconsin, located in Eagle in Waukesha County. The site consists of approximately 60 historic structures, including a farm and village buildings. The positions that would be deleted are Old World Wisconsin's business manager, classified by OSER as a financial specialist, and the facilities and grounds superintendent, who is classified as a human resources manager following an OSER-approved career executive reassignment. The business manager's duties include serving as a member of the site's operations team and participating in decisions about site operations and staffing, tracking the site's revenues and expenses, managing on-site cash flow and local deposits, overseeing hardware and software related to on-site sales, and overseeing office operations and records management. The facilities manager supervises facility and janitorial staff, oversees the facilities operating budget, administers facility and landscape projects, and supervises vehicle maintenance and site security. WHS staff indicates that these functions require the employees to be located at the site in Eagle, and that they could not be performed by DOA staff in Madison.

5. The budget position that would be deleted works in the museum archaeology program, which provides technical services to state agencies to aid in compliance with historic preservation laws and regulations. The identified position documents and bills expenses associated with services provided to the Department of Transportation (DOT) under the program using a specialized software program designed to support cost tracking under the contract. The position is responsible for the issuance of monthly billing statements totaling \$1.3 million annually, in compliance with the agreement between DOT and WHS. It is likely that the budget services that would be provided by DOA under the proposal would not include the specialized tasks provided by this position. However, WHS staff indicates that the position is required to fulfill the contractual obligation to DOT, and failure to fulfill the terms of the contract would result in loss of the revenue used to fund the position. The position is funded entirely by federal funds transferred from DOT to reimburse WHS for provided services, totaling \$68,700 PR.

6. One of the human resources positions identified to be deleted is also supported by federal funds. The position is responsible for managing seasonal hiring and orientation programs at historic sites throughout the state, managing the work study program, and coordinating and managing transportation programs for Madison-based employees through UW-Madison. Funding for this position is provided through federal indirect monies received through grants primarily related to historic preservation. WHS staff indicates that this funding (\$58,800 FED for salary and fringe benefits) could not be used to pay for non-specialized services provided by DOA.

7. The bill would delete the Society's financial program supervisor and the human resources supervisor. In addition to supervising employees in their divisions, these positions serve on the WHS management team and participate in strategic planning for the Society. WHS staff indicates that the financial program supervisor spends approximately 25% of his time on strategic leadership activities, while the human resources supervisor spends approximately 40% of her time on these activities, including serving as the Society's principal consultant for organizational planning and strategic human resource initiatives. The services provided by DOA would not include the strategic planning and organizational development role performed by these positions, and the Society's long-term planning would likely be hindered by the loss of these incumbents.

8. The strategic planning performed by these positions is particularly valuable as WHS is currently planning a new Wisconsin History Center to be located in Madison. The new complex is expected to provide approximately 210,000 square feet to be shared by WHS and the Department of Veterans Affairs' Veterans Museum and is expected to open in 2019, with design of the building and exhibits beginning in 2015. In its 2015-17 agency budget request, the Society requested funding for a museum director for the new center, who would be responsible for raising funds through individual donations, corporate gifts, and grants; finalizing operational plans; and assisting with marketing and outreach. Additionally, the Society requested funding for LTEs to assist with moving museum collections from the current museum to temporary storage spaces. These requests are not included in the bill, and WHS staff indicates that deletion of existing financial and human resources staff would limit the Society's ability to reallocate existing staff to complete these tasks, and in particular, would hinder fundraising efforts.

9. The proposal would eliminate a total of 4.0 Madison-based FTE human resource and payroll positions. WHS human resources staff processes a large number of short-term employees each year prior to the May-October tourist season, during which programming and visits to the Society's historic sites increase. In 2014, WHS processed 375 new appointments and 343 terminations, and conducted over 400 background checks. Additionally, WHS hires between 70 and 80 work study students each semester and between 10 and 20 work study students each summer. The work study program requires cooperation with the University of Wisconsin to meet the program's requirements under federal law, including monitoring and approving biweekly timecards, completing new paperwork for each student every semester, and conducting a specialized orientation session. The Society's human resources staff also processes volunteer agreements for over 150 active volunteers annually. Because the shared services proposal targets small agencies with fewer than 150 FTEs, it is possible that DOA may not have the capacity to complete the large volume of human resources tasks required by WHS each year.

10. The proposal would also eliminate a total of 3.0 Madison-based finance positions. A large portion of WHS revenue, equal to approximately 40% of the Society's operating budget or \$9.2 million in 2014-15, is comprised of gifts, grants, and earned income, including admissions and sales at historic sites. The WHS finance office supports these revenue sources by managing multiple-year federal grants totaling \$1.5 million annually, coordinating private foundation gifts and grants funding of \$1.4 million annually, accounting for an annual \$3.3 million in cash and credit card use, monitoring daily deposits and completing bank reconciliation at the 10 historic sites at which WHS manages admission, gift shop, and food service sales, and administering 26 restricted endowment accounts totaling \$14.6 million. Management of these funding sources require programmatic knowledge of WHS sites and available grants, timely processing of earned income, and knowledge of WHS Board of Curators policies related to endowment investments that DOA staff may not possess. Additionally, WHS staff have expressed concern that future gifts to the Society could be negatively affected by perceived organizational uncertainty that could result from the proposal.

11. Additionally, a number of the tasks performed by WHS financial staff are specific to the Society, and do not fit within the functional category to which they are assigned. These duties include managing the library/archives acquisitions contingency account, which requires specialized tax considerations; managing bidding for all agency printing work, including brochures for historic sites in addition to books and other materials published by the Wisconsin Historical Press; and preparing annual property value premium reports. It is not known if DOA staff would perform these specialized tasks or if the Society would be required to contract out for these services if WHS did not retain any positions related to finance.

12. Given that two of the positions identified by DOA are located at the Old World Wisconsin site in Eagle, the Committee could choose to modify the provision to maintain 1.33 GPR positions, 0.67 SEG positions and the associated \$141,900 GPR and \$38,700 SEG funding for salaries and fringe benefits. [Alternative G2a] In addition, as the agency indicated, two of the positions are funded with federal funds designated for specific purposes that could not be used to pay DOA for generalized services. Therefore, the Committee could choose to maintain 1.0 FED position and 1.0 PR position and the associated \$58,800 FED and \$68,700 PR for salaries and fringe benefits. [Alternative G2b] Further, due to the Society's need for long-term, strategic planning, the Committee could choose to modify the provision by maintaining the two supervisor positions whose role includes strategic and organizational planning, restoring 2.0 GPR positions and the associated \$219,100 GPR funding for salaries and fringe benefits. [Alternative G2c] On the other hand, given the Society's large number of LTEs and work study employees, reliance on gifts, grants, and earned income, and long-term plans related to the Wisconsin History Center, the Committee could choose to delete the provision for the agency. [Alternative G3]

G. Alternatives -- Historical Society

1. Approve the Governor's recommendation, as modified by the errata letter, to delete 10.0 positions (7.33 GPR, 1.0 FED, 1.0 PR, and 0.67 SEG) in 2016-17, transfer responsibility for services relating to human resources, payroll, finance, budget, and procurement to DOA effective July 1, 2016, and reallocate funding associated with the positions (\$719,600 GPR, \$58,800 FED,

\$68,700 PR, and \$38,700 SEG) from salary and fringe benefits to supplies and services. Transfer assets, liabilities, tangible personal property, records, and contracts relating to human resources, payroll, finance, budget, and procurement, as determined by the Secretary of DOA, to DOA effective July 1, 2016.

2. Modify the bill to do one or more of the following:

a. Restore 1.33 GPR positions, 0.67 SEG positions, and reallocate associated funding of \$141,900 GPR and \$38,700 SEG from supplies and services to salaries and fringe benefits to maintain two positions that are located at the Old World Wisconsin site in Eagle.

ALT G2a	Change to Bill
Positions	
GPR	1.33
SEG	<u>0.67</u>
Total	2.00

b. Restore 1.0 FED position and 1.0 PR position and reallocate associated funding of \$58,800 FED and \$68,700 PR from supplies and services to salaries and fringe benefits to maintain two positions funded with federal funds designated for specific purposes.

ALT G2b	Change to Bill
Positions	
FED	1.00
PR	<u>1.00</u>
Total	2.00

c. Restore 2.0 GPR positions and reallocate associated funding of \$219,100 GPR from supplies and services to salaries and fringe benefits to maintain the two supervisor positions whose role includes strategic and organizational planning.

ALT G2c	Change to Bill
Positions	
GPR	2.00

3. Delete provision.

ALT G3	Change to Bill Positions
GPR	7.33
PR	1.00
FED	1.00
SEG	<u>0.67</u>
Total	10.00

H. PUBLIC SERVICE COMMISSION

Discussion Points

1. The Public Service Commission (PSC) is an independent regulatory agency that works to ensure that adequate and reasonably priced service is provided to utility customers in the absence of competition. Its jurisdiction extends to over 1,100 entities, as it regulates electric, natural gas, steam, water, and combined sewer and water utilities and certain aspects of local telephone service. In general, these utilities must obtain Commission approval before changing rates or service terms, issuing stocks or bonds, or undertaking major construction projects, such as power plants, water wells, natural gas distribution facilities, and electricity transmission lines. The Office of the Commissioner of Railroads is attached to the PSC for administrative purposes. The Office conducts formal investigations, holds public hearings, and issues orders relating to rail crossing safety.

2. In 2014-15, 98.6% of the PSC's \$24.7 million budget is either PR (\$17.8 million) or SEG (\$6.5 million), and is funded through assessments on the utilities it regulates. Federal funding comprises the balance (\$346,200). Of its 146 authorized positions, 141 are PR, 4 are SEG, and 1 is FED. The bill proposes to eliminate 16.75 positions, or 11.5% of those currently authorized. The reduction includes three positions under the shared agency services initiative and 10 positions under the information technology initiative, or 13 positions under the two initiatives combined.

3. The shared agency services initiative would delete the agency's financial manager/budget director position and two accountant positions. Funding for the three positions totals \$219,000 PR annually, and the proposal would transfer this amount from salaries and fringe benefits to supplies and services. All three positions are filled. The positions are responsible for internal and biennial budget development, expenditure monitoring, billing, procurement, contract administration, accounting and financial reporting, internal controls, and preparation of agency fiscal notes. While these functions reflect those identified in the shared services proposal, the positions perform other functions, including functions that are unique to the PSC.

4. The financial manager/budget director also supervises the director of the universal service fund (USF), coordinates the intervenor compensation program, and interfaces with the Office of the Commissioner of Railroads. The USF supports 11 programs, with 2014-15 appropriations totaling \$42.8 million. The PSC administers six of the programs relating to the accessibility and the affordability of telecommunications services. The intervenor compensation program provides funding to persons and organizations that elect to become an official party to a PSC case. To be an intervenor, the person or organization must have a substantial interest that

would be affected by the PSC's decision. The Office of the Commissioner of Railroads is administratively attached to the PSC.

5. In addition to other duties, the two accountants perform many of the assessment activities that fund the operations of the PSC and certain operations of DOA, DNR, and DATCP. The assessment systems were developed in conjunction with the utilities over a number of years, and the assessments are based on data submitted to the PSC by the utilities. The utilities consider some of the information proprietary, and they submit it with the understanding that the data is confidential. Currently, only PSC staff are allowed access to the information, and all access is logged using the PSC's internal systems. PSC-administered assessments include the direct and remainder assessments, which fund the PSC's regulatory responsibilities, USF contributions, which fund the six USF appropriations and program administration, the police and fire protection fee, which funds a portion of the county and municipal aid program, the telecommunications trade practices assessment, which funds consumer protection services by DATCP, and the telephone relay assessment, which funds DOA activities.

6. Given the agency-specific nature of the duties currently performed by the PSC staff proposed for deletion under the bill, the Committee could restore the 3.0 PR positions. [Alternative H2]

H. Alternatives -- Public Service Commission

1. Approve the Governor's recommendation, as modified by the errata letter, to delete 3.0 PR positions in 2016-17, transfer responsibility for services relating to human resources, payroll, finance, budget, and procurement to DOA effective July 1, 2016, and reallocate funding associated with the positions (\$219,000 PR) from salary and fringe benefits to supplies and services. Transfer assets, liabilities, tangible personal property, records, and contracts relating to human resources, payroll, finance, budget, and procurement, as determined by the Secretary of DOA, to DOA effective July 1, 2016.

2. Delete provision.

ALT H2	Change to Bill Positions
PR	3.00

I. SAFETY AND PROFESSIONAL SERVICES

Discussion Points

1. The Department of Safety and Professional Services (DSPS) is responsible for regulation of professions formerly regulated by the Department of Regulation and Licensing, including issuing initial and renewal credentials, staffing the attached boards and councils

responsible for overseeing professionals, and enforcing rules related to each profession. DSPTS also has responsibilities related to certain building and safety programs formerly under the Department of Commerce. DSPTS is currently authorized 262.60 positions, including 115.7 positions to support its professional credentialing functions, and 146.9 positions to support its building and safety functions and administrative services. The Department is funded from program revenue generated from fees related to its professional credentialing and examination functions, and revenues received from plan review, inspection, and credentialing fees related to its building and safety functions. In 2013-14, the agency expended approximately \$50.5 million (all funds).

2. The Department indicates that it spent approximately \$589,000 on human resources and payroll services, and \$897,800 on finance, budgeting, and procurement in 2013-14.

3. Under this provision, functions related to human resources, payroll, finance, budget, and procurement would be transferred to DOA, and DOA would be authorized to assess DSPTS for providing these services. Under the proposal, 17.0 positions have been identified as positions to be eliminated, including: (a) 4.0 human resources specialists; (b) 5.0 financial specialists; (c) 1.0 payroll and benefits specialist; (d) 2.0 accountants; (e) 1.0 auditor; (f) 1.0 human resources manager; (g) 1.0 financial officer; and (h) 2.0 program assistants. These positions are budgeted under the following appropriations: (a) general program operations for professional regulation and administrative services (5.0 positions); (b) administrative services for safety and buildings (11.0 positions); and (c) safety and buildings operations (1.0 positions). The current funding associated with these positions, which totals approximately \$1.4 million (\$973,000 salary and \$431,600 fringe) would not be reduced, but reallocated to supplies and services to pay shared agency services charges assessed by DOA.

4. DOA has indicated that the State Budget Office has switched two positions that are proposed to be eliminated in the budget under the shared agency services and Office of Government Continuity provisions. The positions are both funded from the administrative services for safety and buildings appropriation, although the position that is proposed to be eliminated under this provision in the bill is funded at \$95,000 for salary and fringe benefits, and the position that would instead be eliminated under this provision is funded at \$79,100 for salary and fringe benefits, resulting in a reduction in the amount of funding that would be reallocated to supplies and services under this provision by \$15,900 PR. Following this change, only \$1.39 million would be reallocated to supplies and services to support any shared agency services charges assessed by DOA.

5. One of the positions identified in the transfer has additional responsibilities beyond the category of human resources and payroll or finance. Specifically, the position spends approximately 90% of the time performing the responsibilities of the agency safety officer, which include arranging for safety training, taking steps to correct unsafe practices, and prompting safety awareness. In addition, this individual performs ergonomic assessments and administers the Employee Workplace Injury and Illness reporting program (Worker's Compensation). DSPTS indicates that it would utilize existing positions within the agency to continue performing these functions, and has expressed no concerns related to this provision.

6. Given that no issues have been raised by the agency related to this provision, the Committee could choose to adopt the provision. [Alternative II] Alternatively, the Committee could

choose to delete the provision for DSPS. [Alternative I2]

I. Alternatives -- Safety and Professional Services

1. Approve the Governor's recommendation, as modified by the errata letter, to delete 17.0 PR positions in 2016-17, transfer responsibility for services relating to human resources, payroll, finance, budget, and procurement to DOA effective July 1, 2016, and reallocate funding associated with the positions (\$1,384,200 PR) from salary and fringe benefits to supplies and services. Transfer assets, liabilities, tangible personal property, records, and contracts relating to human resources, payroll, finance, budget, and procurement, as determined by the Secretary of DOA, to DOA effective July 1, 2016.

2. Delete provision.

ALT I2	Change to Bill
	Positions
PR	17.00

J. STATE FAIR PARK

Discussion Points

1. State Fair Park is a 190-acre site located in West Allis and Milwaukee primarily associated with hosting the annual Wisconsin State Fair. Park grounds include the Milwaukee Mile racetrack, the Wisconsin Exhibition Center, dormitories and Park offices in the Tommy G. Thompson Youth Center, and several other agricultural barns and exhibition spaces. State Fair Park's operations are funded with revenues generated by the Wisconsin State Fair and other events at Park facilities throughout the year. Revenues mostly come from admissions and parking fees, facility rentals, and a percentage of sales made by vendors and food and beverage concessionaires. Receipts are deposited into program revenue continuing appropriations for general operations, capital improvements and debt retirement costs on certain Park facilities.

2. The Park is currently authorized 48.0 PR permanent positions, all of which are in the unclassified service. State Fair Park also employs approximately 1,800 limited-term employees (LTEs) throughout each year. The bill would delete 1.0 human resources manager under provisions that would transfer those functions from certain agencies to DOA. Funding of \$110,700 associated with the human resources manager would be reallocated from salary and fringe benefits to supplies and services.

3. Human resources functions for the Park include: (a) managing payroll for all Park staff, and benefits for eligible employees; (b) managing recruitment for new employees, primarily LTEs; (c) arranging new employee orientation; (d) monitoring compliance on applicable labor laws; and (e) developing internal employee policies or employee development, in conjunction with Park management. In addition to 1.0 permanent human resources manager, State Fair Park reports LTEs

perform approximately 2,000 hours of HR-related work annually, or roughly equivalent to 1.0 FTE.

4. State Fair Park's human resources functions have alternated between the Park and DOA multiple times in recent biennia. Under 2005 Act 25, 1.8 PR permanent positions were transferred from State Fair Park to DOA beginning in 2006-07 for human resources and payroll functions executed by the Park at the time. However, 2011 Act 32 restored 1.0 PR permanent position beginning in 2012-13 for human resources functions. Regardless of which agency was responsible for providing human resources functions, incumbents have typically been stationed at State Fair Park. Park officials report HR functions were performed satisfactorily under each arrangement.

5. The Park has argued its location and its staffing cycle, which includes accounting for significant numbers of LTEs and annual turnover in such employees, merits at least a full-time staff person on-site to conduct the agency's HR functions. Park officials argue this is particularly the case if prospective LTE hires quit or fail to report for work, and especially so during the State Fair. However, the stationing of an HR manager at the Park, as was done previously, would also be possible under the bill. Such an arrangement could alleviate concerns about responsiveness of a DOA-provided HR position, although it is not certain at this time such arrangements would be made.

6. As DOA has provided State Fair Park with HR-related services in the past, and generally without significant concerns over service delivery, the Committee could adopt the Governor's recommendation, as modified by the errata letter, with respect to State Fair Park [Alternative J1]. Conversely, because State Fair Park is located separately from DOA and other state agencies, and because of its seasonal staffing considerations, the Committee could choose to restore 1.0 PR position for State Fair Park HR functions. [Alternative J2]

J. Alternatives -- State Fair Park

1. Approve the Governor's recommendation, as modified by the errata letter, to delete 1.0 PR position in 2016-17, transfer responsibility for services relating to human resources, payroll, finance, budget, and procurement to DOA effective July 1, 2016, and reallocate funding associated with the position (\$110,700 PR) from salary and fringe benefits to supplies and services. Transfer assets, liabilities, tangible personal property, records, and contracts relating to human resources, payroll, finance, budget, and procurement, as determined by the Secretary of DOA, to DOA effective July 1, 2016.

2. Delete provision.

ALT J2 Change to Bill	
Positions	
PR	1.00

K. TOURISM

Discussion Points

1. The Department of Tourism is charged with promoting the state as a destination for state, national and international travelers, and assisting the development of the state tourism industry. Tourism has annual base funding of approximately \$17.9 million and base position authority of 35.0 positions. Approximately \$12.5 million of this total is associated with marketing funds Tourism is budgeted for advertising and other grant programs to promote Wisconsin as a traveler destination. Authorized positions for Tourism also include 4.0 each for the Kickapoo Valley Reserve and Wisconsin Arts Board.

2. To administer its responsibilities, Tourism conducts seasonal advertising campaigns targeting audiences in Wisconsin and large metropolitan areas in neighboring states, including the Chicago and Twin Cities areas. The Department also maintains a website, TravelWisconsin.com, to assist the traveling public and prospective event planners with research on state destinations. Advertising campaigns and the Tourism website are created and maintained using a significant number of services purchased under contract from private marketing and advertising firms. Tourism also administers several grant programs to assist the development of the travel industry. Contract services and grants currently account for a majority of the \$12.5 million in marketing funds appropriated Tourism annually.

3. The provision would delete from Tourism 1.0 GPR accountant-senior position under the shared services transfer to DOA. The bill would transfer \$97,700 GPR from salary and fringe benefits for the position to supplies and services within Tourism's budget. Tourism reports the position has multiple responsibilities, including: (a) general office management, including management of billings and payments by Tourism and its components; (b) preparation and submission of the Tourism biennial budget; (c) administration of departmental procurement functions, in conjunction with consolidated agency purchasing services under DOA; (d) oversight of grant reporting requirements; and (e) serving as the agency point of contact for statewide operational initiatives, such as the STAR project. Tourism estimates approximately 35% of the position's workload is associated with responsibilities outside the standard scope of the accountant classification, namely general office management and agency representation for statewide initiatives; it would be incumbent on Tourism to fulfill these functions with existing staff resources.

4. It could be argued that because much of the shared-services functions currently executed by Tourism internally would appear to be assumed by DOA, the Committee could adopt the Governor's provision. [Alternative K1] On the other hand, because Tourism's promotional mission relies significantly on outside vendors and grants that are at least in part administered by the accountant position, Tourism's operations may benefit more from retaining a staff person internally to assist in the timely execution of these functions. The Committee could choose to restore 1.0 position under the shared services provision. [Alternative K2]

K. Alternatives -- Tourism

1. Approve the Governor's recommendation, as modified by the errata letter, to delete 1.0 GPR position in 2016-17, transfer responsibility for services relating to human resources, payroll, finance, budget, and procurement to DOA effective July 1, 2016, and reallocate funding associated with the position (\$97,700 GPR) from salary and fringe benefits to supplies and services. Transfer assets, liabilities, tangible personal property, records, and contracts relating to human resources, payroll, finance, budget, and procurement, as determined by the Secretary of DOA, to DOA effective July 1, 2016.

2. Delete provision.

ALT K2 Change to Bill	
Positions	
GPR	1.00

L. WISCONSIN TECHNICAL COLLEGE SYSTEM

Discussion Points

1. State law identifies the principal purposes of the Wisconsin Technical College System (WTCS) as providing occupational education, training and retraining programs, and customized training and technical assistance to business and industry. The System is divided into 16 districts with 48 main and satellite campuses. WTCS serves approximately 325,000 students, employs 20,000 staff, and contracts with 5,000 employers annually. Adjusted base level funding for WTCS totals \$557,264,700 annually, including \$519,336,500 GPR, \$32,661,400 FED, and \$5,266,800 PR. The majority of the GPR funding, or \$516,409,100 annually, consists of state aid distributed to technical college districts. The System's authorized base level FTE position count totals 64.50, including 23.25 GPR positions, 12.50 PR positions, and 28.75 FED positions.

2. The bill would delete 3.0 positions from the following appropriations of the Wisconsin Technical College System, for the shared agency services pilot program: (a) general program operations (-2.5 GPR positions); and (b) federal aid -- state operations (-0.5 FED positions). The positions include two finance positions and one human resources/payroll position. Funding associated with the positions (\$245,900 GPR and \$49,400 FED annually) would not be reduced, but rather would be reallocated to supplies and services to pay shared agency services charges assessed by DOA.

3. The WTCS Board is responsible for planning and coordinating the System's programs and activities. As such, the Board and its authorized employees work closely with each of the 16 technical college districts. Therefore, according to WTCS, although the positions identified do perform traditional human resources and finance tasks for the agency, they also perform duties specific to post-secondary institutions and spend a portion of their time providing direct support to districts. While the staffing level of the WTCS Board fits the criteria identified for participation in

the shared agency services program under the bill, the Board's administrative staff serves a much larger number of local government employees located at the district level. It is likely that functions that require specialized knowledge related to post-secondary education or that involve close contact with staff in each of the technical college districts could be difficult for DOA to perform.

4. One of the identified positions is a human resources position that, in addition to fulfilling human resource responsibilities for the System Board, also performs tasks required by the U.S. Department of Education's Office of Civil Rights. These duties include conducting annual on-site civil rights compliance reviews, assisting each district in the development of an affirmative action plan, collecting district data regarding student discrimination complaints and their resolution, and reviewing data and efforts related to student and staff recruitment and retention among target populations. WTCS staff indicate that approximately 25% of this position's time is spent providing these services to colleges. These responsibilities require specialized knowledge related to post-secondary institutions and relevant civil rights requirements under federal law, as well as close contact with each of the 16 districts, and therefore it is unlikely that DOA would perform these duties. A disruption in the completion of these civil rights compliance duties could result in the colleges losing eligibility for federal aid, including federal student financial aid.

5. The two finance positions that would be eliminated under the proposal include a grants accountant and an agency accountant. Both positions, but in particular the grants accountant, perform a number of functions related to federal and state grants. These duties include program accounting and reporting for both state grants and contracts and federal grants, including those issued under the Adult Education and Family Literacy Act, the Carl D. Perkins Career and Technical Education Act, and the Trade Adjustment Assistance Community College and Career Training grant program. These positions also provide training and technical assistance to college staff related to these grants. WTCS staff indicate that grant-related functions are important to the agency's operations, both because they provide a source of funding and because some grant programs, such as the GPR state categorical aid grants included in the 2013-15 biennial budget and first awarded by WTCS in 2014-15, are used by the System to support certain policy initiatives systemwide. WTCS staff anticipate that DOA would not have the technical knowledge of individual grant programs necessary to fulfill these duties, and may not have the capacity to provide grant-related support to staff in each of the technical college districts. A disruption in the completion of these tasks could result in the loss of federal funding that is important to the agency's operations and could slow progress of policy initiatives supported through grant programs.

6. Staff at WTCS have expressed concern that the consolidation proposed in the bill could result in a loss of the independence and flexibility given to WTCS under current state law. Under the bill, the agency's biennial budget would be prepared and submitted by DOA staff rather than by WTCS itself. This duty is currently performed by the agency accountant position that would be deleted under the proposal, and WTCS staff indicate that preparing the proposal requires coordination between the accountant, agency policy staff, and the WTCS Board. Additionally, the bill would require that human resources functions including recruitment and staffing and the orientation process for new employees would be performed by DOA. WTCS is not a cabinet agency, and WTCS staff consider the agency's ability to develop its own budget proposal and to make its own personnel decisions to be important aspects of the agency's independent oversight of

technical colleges and the collaborative governance of the System.

7. WTCS staff indicate that the federal funding related to shared agency services positions (\$49,400 FED annually, which funds 0.50 FTE of the grants accountant) is provided through federal grants. Under the grants, salary costs are allowable as a direct grant expense for state employees reporting directly to a state education agency if the employee uses time sheets to document how much time is spent on work directly related to the grant. The services that would be provided by DOA would be considered an indirect expense, and could not be charged directly to a federal grant. Under federal rules, a maximum of \$25,000 in contractor costs are allowable in the determination of the indirect cost pool. Therefore, the majority of the payments related to DOA contracts under the provision would be required to be made out of GPR dollars.

8. Given the concern about fulfilling grant-related functions that are important to the agency's operations and the restrictions related to federal funding, the Committee could choose to maintain the position of the grants accountant, which would restore 0.5 GPR position and 0.5 FED position and the associated funding for salary and fringe benefits (\$49,400 GPR and \$49,400 FED). [Alternative L2a] The Committee could also choose to maintain the System's human resource position, given the position's specialized duties related to federal civil rights requirements and concerns about maintaining the System's current independent oversight role. This alternative would restore 1.0 GPR position and the associated \$95,800 GPR in salary and fringe benefits funding. [Alternative L2b] On the other hand, given the concerns about maintaining compliance with federal law, maintaining current grant funding levels, and WTCS independence with regards to human resources decisions and the agency's budget proposal, the Committee could choose to delete the provision for the agency. [Alternative L3]

L. Alternatives -- Wisconsin Technical College System

1. Approve the Governor's recommendation, as modified by the errata letter, to delete 3.0 positions (2.5 GPR and 0.5 FED) in 2016-17, transfer responsibility for services relating to human resources, payroll, finance, budget, and procurement to DOA effective July 1, 2016, and reallocate funding associated with the positions (\$245,900 GPR and \$49,400 PR) from salary and fringe benefits to supplies and services. Transfer assets, liabilities, tangible personal property, records, and contracts relating to human resources, payroll, finance, budget, and procurement, as determined by the Secretary of DOA, to DOA effective July 1, 2016.

2. Modify the bill to do one or both of the following:

a. Restore 0.5 GPR position, 0.5 FED position, and reallocate associated funding of \$49,400 GPR and \$49,400 FED from supplies and services to salaries and fringe benefits to maintain the position of grants accountant.

ALT L2a Change to Bill	
Positions	
GPR	0.50
FED	<u>0.50</u>
Total	1.00

b. Restore 1.0 GPR position and reallocate associated funding of \$95,800 GPR from supplies and services to salaries and fringe benefits to maintain the System's human resource position.

ALT L2b Change to Bill	
Positions	
GPR	1.00

3. Delete provision.

ALT L3 Change to Bill	
Positions	
GPR	2.50
FED	<u>0.50</u>
Total	3.00

Prepared by: Rachel Janke
Attachments

ATTACHMENT

Paper #111 Alternatives

A. OVERVIEW

1. Approve the Governor's recommendation, as modified by the errata letter, to: (a) provide \$3,176,800 (-\$45,500 FED and \$3,222,300 PR) and 34.7 positions (-0.43 FED position and 35.13 PR positions) in 2016-17 to DOA for a shared agency services pilot program; (b) define 11 state agencies as shared services agencies; (c) delete 46.0 positions (15.33 GPR, 1.5 FED, 28.5 PR, and 0.67 SEG positions) in 2016-17 in 10 state agencies as specified and reallocate \$3,789,400 salaries and fringe in 2016-17 for the positions to supplies and services within each agency; (d) require DOA to administer for shared services agencies services relating to human resources, payroll, finance, budgeting, and procurement, effective July 1, 2016; (e) transfer assets, liabilities, tangible personal property, records, and contracts relating to human resources, payroll, finance, budget, and procurement, as determined by the Secretary of DOA, to DOA effective July 1, 2016; (f) authorize DOA to assess shared services agencies for services provided under the provision; and (g) provide funding adjustments of -\$45,500 FED and \$522,300 PR and -0.43 FED and 5.8 PR positions in 2015-16 to reorganize internal positions at DOA effective July 1, 2015.

ALT A1	Change to Bill
PR	- \$2,700,000

2. In addition to Alternative A1, reduce funding by \$476,800 GPR in 2015-16 associated with 5.37 GPR positions which would be held vacant until July 1, 2016, for the shared services provision.

ALT A2	Change to Bill
GPR	- \$476,800

3. Delete provision.

ALT A3	Change to Bill	
	Funding	Positions
GPR	\$0	15.33
FED	91,000	1.93
PR	- 6,444,600	- 6.63
SEG	<u>0</u>	<u>0.67</u>
Total	- \$6,353,600	11.30

4. In addition to Alternative A3, provide adjustments of -\$476,800 GPR, -\$45,500 FED, and \$522,300 PR and -5.37 GPR positions, -0.43 FED position, and 5.8 PR positions annually to

DOA to reorganize agency positions and funding for the newly created Division of Personnel Management (which will primarily be staffed with transferred positions from the Office of State Employment Relations).

ALT A4	Change to Bill	
	Funding	Positions
GPR	- \$953,600	- 5.37
FED	- 91,000	- 0.43
PR	<u>1,044,600</u>	<u>5.80</u>
Total	\$0	0.00

B. BOARD OF COMMISSIONERS OF PUBLIC LANDS (BCPL)

1. Approve the Governor's recommendation, as modified by the errata letter, to delete 1.0 PR position in 2016-17, transfer responsibility for services relating to human resources, payroll, finance, budget, and procurement to DOA effective July 1, 2016, and reallocate funding associated with the position (\$106,000 PR) from salary and fringe benefits to supplies and services. Transfer assets, liabilities, tangible personal property, records, and contracts relating to human resources, payroll, finance, budget, and procurement, as determined by the Secretary of DOA, to DOA effective July 1, 2016.

2. Delete provision.

ALT B2	Change to Bill	
	Positions	
PR	1.00	

C. EDUCATIONAL COMMUNICATIONS BOARD

1. Approve the Governor's recommendation, as modified by the errata letter, to delete 3.0 GPR positions in 2016-17, transfer responsibility for services relating to human resources, payroll, finance, budget, and procurement to DOA effective July 1, 2016, and reallocate funding associated with the positions (\$241,700 GPR) from salary and fringe benefits to supplies and services. Transfer assets, liabilities, tangible personal property, records, and contracts relating to human resources, payroll, finance, budget, and procurement, as determined by the Secretary of DOA, to DOA effective July 1, 2016.

2. Delete provision.

ALT C2	Change to Bill	
	Positions	
GPR	3.00	

D. FINANCIAL INSTITUTIONS

1. Approve the Governor's recommendation, as modified by the errata letter, to delete 5.0 PR positions in 2016-17, transfer responsibility for services relating to human resources, payroll, finance, budget, and procurement to DOA effective July 1, 2016, and reallocate funding associated with the positions (\$320,700 PR) from salary and fringe benefits to supplies and services. Transfer assets, liabilities, tangible personal property, records, and contracts relating to human resources, payroll, finance, budget, and procurement, as determined by the Secretary of DOA, to DOA effective July 1, 2016.

2. Modify the bill to restore 4.0 PR positions and reallocated associated funding of \$266,300 PR from supplies and services to salaries and fringe benefits.

ALT D2	Change to Bill Positions
PR	4.00

3. Delete provision.

ALT D3	Change to Bill Positions
PR	5.00

E. GOVERNMENT ACCOUNTABILITY BOARD

1. Approve the Governor's recommendation, as modified by the errata letter, to delete 2.0 positions (0.5 GPR and 0.5 PR) in 2016-17, transfer responsibility for services relating to human resources, payroll, finance, budget, and procurement to DOA effective July 1, 2016, and reallocate funding associated with the positions (\$88,600 GPR and \$39,700 PR) from salary and fringe benefits to supplies and services. Transfer assets, liabilities, tangible personal property, records, and contracts relating to human resources, payroll, finance, budget, and procurement, as determined by the Secretary of DOA, to DOA effective July 1, 2016.

2. Restore the following positions to the GAB and delete changes that would reallocate salaries and fringe benefits for the positions to supplies and services:

a. 1.0 GPR position associated with a financial specialist (reallocation of \$48,900 GPR).

ALT E2a	Change to Bill Positions
GPR	1.00

b. 0.5 GPR position and 0.5 PR position associated with an accountant (reallocation of \$39,700 GPR and \$39,700 PR).

ALT E2b	Change to Bill Positions
GPR	0.50
PR	<u>0.50</u>
Total	1.00

c. 1.5 GPR positions and 0.5 PR position associated with a financial specialist and an accountant (reallocation of \$88,600 GPR and \$39,700 PR). [This alternative combines Alternatives E2a and E2b.]

ALT E2c	Change to Bill Positions
GPR	1.50
PR	<u>0.50</u>
Total	2.00

3. Delete the GAB from the list of shared services agencies for which DOA would provide services relating to human resources, payroll, finance, budgeting, and procurement.

4. Delete provision.

ALT E4	Change to Bill Positions
GPR	1.50
PR	<u>0.50</u>
Total	2.00

F. HIGHER EDUCATIONAL AIDS BOARD

1. Approve the Governor's recommendation, as modified by the errata letter, to transfer responsibility for services relating to human resources, payroll, finance, budget, and procurement to DOA, effective July 1, 2016. Transfer assets, liabilities, tangible personal property, records, and contracts relating to human resources, payroll, finance, budget, and procurement, as determined by the Secretary of DOA, to DOA effective July 1, 2016.

2. Delete provision.

G. HISTORICAL SOCIETY

1. Approve the Governor's recommendation, as modified by the errata letter, to delete

10.0 positions (7.33 GPR, 1.0 FED, 1.0 PR, and 0.67 SEG) in 2016-17, transfer responsibility for services relating to human resources, payroll, finance, budget, and procurement to DOA effective July 1, 2016, and reallocate funding associated with the positions (\$719,600 GPR, \$58,800 FED, \$68,700 PR, and \$38,700 SEG) from salary and fringe benefits to supplies and services. Transfer assets, liabilities, tangible personal property, records, and contracts relating to human resources, payroll, finance, budget, and procurement, as determined by the Secretary of DOA, to DOA effective July 1, 2016.

2. Modify the bill to do one or more of the following:

a. Restore 1.33 GPR positions, 0.67 SEG positions, and reallocate associated funding of \$141,900 GPR and \$38,700 SEG from supplies and services to salaries and fringe benefits to maintain two positions that are located at the Old World Wisconsin site in Eagle.

ALT G2a	Change to Bill
	Positions
GPR	1.33
SEG	<u>0.67</u>
Total	2.00

b. Restore 1.0 FED position and 1.0 PR position and reallocate associated funding of \$58,800 FED and \$68,700 PR from supplies and services to salaries and fringe benefits to maintain two positions funded with federal funds designated for specific purposes.

ALT G2b	Change to Bill
	Positions
FED	1.00
PR	<u>1.00</u>
Total	2.00

c. Restore 2.0 GPR positions and reallocate associated funding of \$219,100 GPR from supplies and services to salaries and fringe benefits to maintain the two supervisor positions whose role includes strategic and organizational planning.

ALT G2c	Change to Bill
	Positions
GPR	2.00

3. Delete provision.

ALT G3	Change to Bill Positions
GPR	7.33
PR	1.00
FED	1.00
SEG	<u>0.67</u>
Total	10.00

H. PUBLIC SERVICE COMMISSION

1. Approve the Governor's recommendation, as modified by the errata letter, to delete 3.0 PR positions in 2016-17, transfer responsibility for services relating to human resources, payroll, finance, budget, and procurement to DOA effective July 1, 2016, and reallocate funding associated with the positions (\$219,000 PR) from salary and fringe benefits to supplies and services. Transfer assets, liabilities, tangible personal property, records, and contracts relating to human resources, payroll, finance, budget, and procurement, as determined by the Secretary of DOA, to DOA effective July 1, 2016.

2. Delete provision.

ALT H2	Change to Bill Positions
PR	3.00

I. SAFETY AND PROFESSIONAL SERVICES

1. Approve the Governor's recommendation, as modified by the errata letter, to delete 17.0 PR positions in 2016-17, transfer responsibility for services relating to human resources, payroll, finance, budget, and procurement to DOA effective July 1, 2016, and reallocate funding associated with the positions (\$1,384,200 PR) from salary and fringe benefits to supplies and services. Transfer assets, liabilities, tangible personal property, records, and contracts relating to human resources, payroll, finance, budget, and procurement, as determined by the Secretary of DOA, to DOA effective July 1, 2016.

2. Delete provision.

ALT I2	Change to Bill Positions
PR	17.00

J. STATE FAIR PARK

1. Approve the Governor's recommendation, as modified by the errata letter, to delete 1.0 PR position in 2016-17, transfer responsibility for services relating to human resources, payroll, finance, budget, and procurement to DOA effective July 1, 2016, and reallocate funding associated with the position (\$110,700 PR) from salary and fringe benefits to supplies and services. Transfer assets, liabilities, tangible personal property, records, and contracts relating to human resources, payroll, finance, budget, and procurement, as determined by the Secretary of DOA, to DOA effective July 1, 2016.

2. Delete provision.

ALT J2 Change to Bill	
Positions	
PR	1.00

K. TOURISM

1. Approve the Governor's recommendation, as modified by the errata letter, to delete 1.0 GPR position in 2016-17, transfer responsibility for services relating to human resources, payroll, finance, budget, and procurement to DOA effective July 1, 2016, and reallocate funding associated with the position (\$97,700 GPR) from salary and fringe benefits to supplies and services. Transfer assets, liabilities, tangible personal property, records, and contracts relating to human resources, payroll, finance, budget, and procurement, as determined by the Secretary of DOA, to DOA effective July 1, 2016.

2. Delete provision.

ALT K2 Change to Bill	
Positions	
GPR	1.00

L. WISCONSIN TECHNICAL COLLEGE SYSTEM

1. Approve the Governor's recommendation, as modified by the errata letter, to delete 3.0 positions (2.5 GPR and 0.5 FED) in 2016-17, transfer responsibility for services relating to human resources, payroll, finance, budget, and procurement to DOA effective July 1, 2016, and reallocate funding associated with the positions (\$245,900 GPR and \$49,400 PR) from salary and fringe benefits to supplies and services. Transfer assets, liabilities, tangible personal property, records, and contracts relating to human resources, payroll, finance, budget, and procurement, as determined by

the Secretary of DOA, to DOA effective July 1, 2016.

2. Modify the bill to do one or both of the following:

a. Restore 0.5 GPR position, 0.5 FED position, and reallocate associated funding of \$49,400 GPR and \$49,400 FED from supplies and services to salaries and fringe benefits to maintain the position of grants accountant.

ALT L2a	Change to Bill
	Positions
GPR	0.50
FED	<u>0.50</u>
Total	1.00

b. Restore 1.0 GPR position and reallocate associated funding of \$95,800 GPR from supplies and services to salaries and fringe benefits to maintain the System's human resource position.

ALT L2b	Change to Bill
	Positions
GPR	1.00

3. Delete provision.

ALT L3	Change to Bill
	Positions
GPR	2.50
FED	<u>0.50</u>
Total	3.00