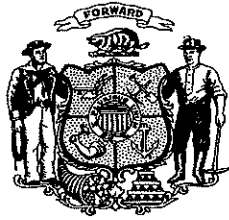


State of Wisconsin

SENATE CHAIR
Howard Marklein

316 East, State Capitol
P.O. Box 7882
Madison, WI 53707-7882
Phone: (608) 266-0703



ASSEMBLY CHAIR
Mark Born

308 East, State Capitol
P.O. Box 8952
Madison, WI 53708-8953
Phone: (608) 266-2540

Joint Committee on Finance

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Howard Marklein
Representative Mark Born

Date: December 21, 2021

Re: s. 16.515/16.505(2), Stats. Request

Attached is a copy of a request from the Department of Administration, received December 21, 2021, pursuant to s. 16.515/16.505(2), Stats., on behalf of the Department of Military Affairs.

Please review the material and notify **Senator Marklein** or **Representative Born** no later than **Tuesday, January 11, 2022**, if you have any concerns about the request or if you would like the Committee to meet formally to consider it.

Also, please contact us if you need further information.

Attachments

HM:MB:jm



STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor
Joel Brennan, Secretary

Date: December 21, 2021

To: The Honorable Howard Marklein, Co-Chair
Joint Committee on Finance

The Honorable Mark Born, Co-Chair
Joint Committee on Finance

From: Joel T. Brennan, Secretary *JTB*
Department of Administration

DEC 21 2021
J. Finance

Subject: s. 16.515/16.505(2) Request(s)

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

<u>AGENCY</u>	<u>DESCRIPTION</u>	<u>2021-22</u> <u>AMOUNT</u>	<u>FTE</u>	<u>2022-23</u> <u>AMOUNT</u>	<u>FTE</u>
DMA 20.465(1)(g)	Military property	\$1,093,800	9.0	\$357,100	9.0

As provided in s. 16.515, the request(s) will be approved on January 13, 2021, unless we are notified prior to that time that the Joint Committee on Finance wishes to meet in formal session about any of the requests.

Please contact Kirsten Grinde at 266-1353, or the analyst who reviewed the request in the Division of Executive Budget and Finance, if you have any additional questions.

Attachments

Date: December 15, 2021
To: Brian Pahnke
From: Cory Stinebrink
Subject: Sections 16.505(2) and 16.515 Request

Attached is a ss. 16.505(2) and 16.515 request analysis for your approval and processing. Listed below is a summary of each item:

DOA RECOMMENDATION:

<u>AGENCY</u>	<u>DESCRIPTION</u>	<u>2021-22</u>		<u>2022-23</u>	
		<u>AMOUNT</u>	<u>FTE</u>	<u>AMOUNT</u>	<u>FTE</u>
DMA 20.465(1)(g)	Military property	\$1,093,800	9.0	\$357,100	9.0

AGENCY REQUEST:

<u>AGENCY</u>	<u>DESCRIPTION</u>	<u>2021-22</u>		<u>2022-23</u>	
		<u>AMOUNT</u>	<u>FTE</u>	<u>AMOUNT</u>	<u>FTE</u>
DMA 20.465(1)(g)	Military property	\$1,195,700	9.0	\$436,400	9.0

BP APPROVAL  (FORWARD TO TRACY WILLIAMSON)



STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor
Joel Brennan, Secretary
Brian Pahnke, Administrator

Date: December 15, 2021

To: Joel Brennan, Secretary
Department of Administration

From: Cory Stinebrink
Executive Budget and Policy Analyst

Subject: Request Under ss. 16.505(2) and 16.515 from the Department of Military Affairs for the Wisconsin Military Academy.

Request:

The Department of Military Affairs requests 9.0 FTE PR permanent positions and an increase in expenditure authority of \$1,195,700 PR in fiscal year 2021-22 and \$436,400 PR in fiscal year 2022-23 for the Wisconsin Military Academy in the department's military property appropriation under s. 20.465(1)(g).

Revenue Sources for Appropriation(s):

The revenue source for the military property appropriation is from payments for lost military property, the sale of obsolete or unserviceable military property, the rental of state-owned housing, or the provision of housing-related services to military personnel. Primarily, revenue is derived from billeting fees charged to guests using the rooms at the Wisconsin Military Academy.

Background:

Through the Wisconsin Military Academy, housed at Fort McCoy, the 426th Regiment trains future leaders through its Officer Candidate School and Warrant Officer Candidate School. It also provides technical education for the basic field artillery Military Occupational Specialty qualifications and field artillery noncommissioned officer education system, as well as truck driving, combat lifesaving and other courses.

The Wisconsin Military Academy moved into a 138,000-square-foot facility at Fort McCoy in the fall of 1994. The facility includes classrooms, lecture halls, office space, a dining facility and 232 short-term single occupancy rooms. The Wisconsin Military Academy conducts structured courses for National Guard members, including the Wisconsin Army National Guard Noncommissioned Officer and Officer Candidate Schools, as well as specialized Field Artillery courses. In addition, it hosts numerous conferences and workshops for the Wisconsin National Guard, the Department of Military Affairs and various other agencies.

There are 232 single occupancy rooms available for lodging for those who use the Wisconsin Military Academy. Housekeeping services are provided on a weekly and as needed basis.

Thus, the Wisconsin Military Academy functions not only as an academic enterprise, but also as a hotel or conference center on a continuing basis.

Analysis:

The department's request has two components. The first is to increase permanent position authority in housekeeping and housing management. The second is to provide expenditure authority for upgrades to the facility.

Position Authority Increase

The department is currently authorized 2.5 FTE PR positions and a base budget of \$700,000 PR for billeting operations. The department indicates that having 2.5 FTE permanent positions to manage a 232-room facility is challenging. The Wisconsin Military Academy has used LTE staff to provide housekeeping and facility management. As of November 19, there are 29.0 LTE positions supporting billeting operations, primarily in custodial and laundry. Of the 29.0 LTE positions, 8.0 LTE are vacant. Hiring of LTE staff has been increasingly difficult, not only due to ongoing labor shortages across the economy, but also due to increased competition for staff relating to the opening of a hotel at Fort McCoy. These conditions have led to scheduling challenges and difficulties in maintaining an adequate and proficient staff.

The department's request includes 1.0 FTE PR position in housing management, which involves determining charges, assisting customers, billing customers, implementing emergency and security protocols, and notifying housekeeping staff when rooms are vacant. The request also includes 8.0 FTE PR positions in housekeeping, which includes cleaning rooms and furniture, washing laundry, assisting customers, notifying management of necessary repairs, and maintaining common areas.

The department says that it has looked at the optimal staffing for a facility the size of the Wisconsin Military Academy, with historic labor usage over a period of 10 years. It has determined internally that 3.0 FTE positions for housing management and 8.0 FTE positions for housekeeping, along with a small number of LTE positions for weekend and flex work is optimal for its operations. The request would bring the department closer to its identified optimal staffing level and would still use LTE hours if necessary.

The current low end of the salary range for a custodian is \$12.49 per hour. This salary would be subject to general wage adjustments if the compensation plan is approved by the Legislature. The general wage adjustments were budgeted at 2 percent in January 2022 and an additional 2 percent in January 2023 in 2021 Wisconsin Act 58. If wage adjustments are approved, the hourly salary would be \$12.74 in 2022 and \$12.99 in 2023.

Due to the timing of this request, it is reasonable to provide only six months of salary and fringe benefits expenditure authority in fiscal year 2021-22. The total cost of 8.0 FTE custodian positions, accounting for general wage adjustment in 2022 and six months of salary in fiscal year 2021-22, would be \$153,905 in fiscal year 2021-22 and \$307,810 in fiscal year 2022-23.

The housing management position would be classified as an office operations associate. The current low end of the salary range for an office operations associate is \$15.45. This salary would also be subject to general wage adjustments if the compensation plan is approved by the Legislature. The general wage adjustments were budgeted at 2 percent in January 2022 and an additional 2 percent in January 2023 in 2021 Wisconsin Act 58. If wage adjustments are approved, the salary that the position would be hired at would be a minimum of \$15.76.

Due to the timing of this request, it is reasonable to provide only six months of salary and fringe benefits expenditure authority in fiscal year 2021-22. The total cost of 1.0 FTE office operations associate, accounting for the general wage adjustment in 2022 and six months of salary in fiscal year 2021-22, would be \$23,797 PR in fiscal year 2021-22 and \$47,595 in fiscal year 2022-23.

Because this request would likely be approved after the January 2022 general wage adjustment would be implemented, the request assumes the positions would be hired at the adjusted wage. Any further general wage adjustment in January 2023 would be eligible for a pay plan supplement, if needed. Therefore, that additional increase is not included in the recommended funding amount.

	FY22		FY23	
	Salary	Fringe	Salary	Fringe
Custodian (8.0 FTE)	\$105,995	\$47,910	\$211,990	\$95,820
Office Operations Associate (1.0 FTE)	16,389	7,408	32,779	14,816
	\$122,384	\$55,318	\$244,769	\$110,636

The department believes that the ability to provide fringe benefits, such as vacation and sick leave, that come with a permanent position would improve hiring. Some former LTE staff have identified the lack of leave time, health insurance and a 40-hour work week as reasons for leaving employment with the department. The department has also reported that, informally, many of the existing or recent LTE staff have stated that they would apply for the positions if they were permanent and had a benefit package. Relatedly, the department estimates that LTE expenditures would decrease by \$63,200 PR in fiscal year 2021-22 and \$126,300 PR in fiscal year 2022-23 related to the increase in permanent positions.

This request is not related to the housing of refugees from Afghanistan. There are, however, federal staff at Fort McCoy who are supporting the Afghan refugee mission. Federal and military employees are allowed to use the Wisconsin Military Academy.

Facility Upgrades

In 2019, the department was authorized a one-time increase of \$782,000 PR to convert 109 double billeting rooms into single rooms. These rooms were refreshed and included a replacement of furniture and linens. An additional 120 billeting rooms still require refresh as those rooms contain furniture from the original construction in 1994. Further, security equipment replacement, front desk upgrades and hotel management solution software upgrades are also needed to ensure safe and efficient operations.

There are 120 rooms that require bed frames, headboards, mattresses, desks and nightstands. In addition, new linens are needed, which include blankets, mattress pads, fitted and flat sheets, pillows, and pillowcases. The department also indicates that the front desk of the Wisconsin Military Academy is in need of an upgrade and that it would like to renovate the entire front desk area to ensure adequate employee workspace and efficient operations.

Further, requested funds would provide a cloud-based hospitality television platform called Hibox, along with expenditure authority to update the cable service to a commercial account, which would allow integration with Hibox and provide an upgrade in service to customers. Hibox is a system that allows digital streaming and emergency message broadcasting across monitors within the billeting wings. With this cloud-based hospitality television platform, guests at the Wisconsin Military Academy would be able to log into their streaming services just as if they were at home.

The closed-circuit television (CCTV) system is also coming to the end of its lifecycle and needs replacement, with existing cameras beginning to fail, raising security concerns of guests and staff.

Finally, the department would like to upgrade its Web-based hospitality management software system that enables the housing management staff to manage reservations, housekeeping needs and finances, as well as guest needs and experiences. This upgrade would improve operations by reducing time on manual administrative tasks, improving customer service and guest experiences, and reducing any manual errors in room assignments. The software that would be upgraded is the only available option that links with the Defense Travel System, which makes it easier for federal employees to pay for the lodging. Several years ago, the department explored alternatives and determined the current software was most appropriate for its needs.

The estimated costs of the facility upgrades total \$841,300 PR on a one-time basis and \$108,000 PR annually on an ongoing basis, broken out as follows:

	One-Time Costs	Ongoing Costs
Furniture	\$301,300	\$ 0
Linens	25,000	5,000
Front Desk Upgrade	50,000	0
Hibox Upgrade	179,000	22,000
Cable TV Subscription Upgrade	0	36,000
CCTV Replacement	186,000	0
Hospitality Management Solution Upgrade	100,000	45,000
Total	\$841,300	\$108,000

Fiscal Effect

The Wisconsin Military Academy is funded from billeting services within the military property appropriation under s. 20.465(1)(g). Annual authority in billeting services is

currently \$700,000 PR and 2.5 FTE PR positions. From this appropriation, the department has had an average of \$688,000 in expenditures annually since fiscal year 2015-16. Over the same time period, revenues have averaged about \$928,800. The cash balance in the appropriation at the beginning of fiscal year 2021-22 was \$1,414,049.

The total fiscal impact of the request, including a reestimate of LTE expenditures, is an increase of 9.0 FTE PR positions and \$1,093,800 PR in fiscal year 2021-22 and \$357,100 PR in fiscal year 2022-23 and annually on an ongoing basis. This includes a reduction in LTE expenditure authority estimated at \$63,200 PR in fiscal year 2021-22 and \$126,300 in fiscal year 2022-23 to reflect a reduction in LTE hours used as a result of hiring permanent staff. The department indicates that having permanent staff would reduce the need for LTEs hired as flex staff to cover for vacations or periods of increased facility usage.

	FY22	FY23
Salary/Fringe	\$177,700	\$355,400
LTE Reduction	(63,200)	(126,300)
Supplies & Services	30,000	20,000
One-Time Facility Costs	841,300	0
Ongoing Facility Costs	108,000	108,000
	\$1,093,800	\$357,100

Revenue for the Wisconsin Military Academy is from fees charged for room occupancy. Each year the rates for lodging are set based on estimated expenditures for the next year. Thus, the appropriation would retain a positive cash balance position in spite of the increased ongoing costs because rates can be increased to match expenditures. While expenditure authority in fiscal year 2022-23 would increase by 51 percent above the existing base, the immediate impact on nightly rates is unclear. Due to the large balance in the appropriation the increase in expenditures in fiscal year 2021-22 can be absorbed within the appropriation.

Summary

The difference between the agency's request and the fiscal impact summary relates to a reestimate of the salary and fringe benefits costs to use the appropriate salary level and a reestimate of the ongoing supplies and services costs.

Recommendation:

Modify the request to approve 9.0 FTE PR permanent positions with expenditure authority reflecting a reduction in LTE expenditures and accounting for hiring employees at a rate that reflects the January 2022 2 percent general wage adjustment. In addition, approve the agency's request for expenditure authority to update furniture, linens and other equipment and amenities.



STATE OF WISCONSIN
DEPARTMENT OF MILITARY AFFAIRS

OFFICE OF THE ADJUTANT GENERAL
STATE BUDGET & FISCAL OFFICER
2400 WRIGHT STREET
POST OFFICE BOX 14587
MADISON, WI 53714-0587

To: Brian Pahnke
State Budget Director, Department of Administration

From: Major General Paul E. Knapp
Adjutant General, Department of Military Affairs

On behalf of TAG: *Anna Dehler*

Date: October 12, 2021

RE: **Request Pursuant to s.16.505/16.515, Wis. Stats.
Increased Position Authority and Funding – Wisconsin Military Academy**

Request:

The Department of Military Affairs (DMA) under s. 16.505/16.515 requests \$1,195,700 PR in SFY2022 and \$436,400 PR in SFY2023 and 9.0 PR FTE in both years for the Wisconsin Military Academy (WMA). The positions will be responsible for housing management and custodial functions at WMA and the additional funding will be used for personnel costs, furniture, linen, and security upgrades for billeting rooms in the North Wing.

Background:

The WMA occupied a newly constructed 138,000 square foot facility at Fort McCoy in the fall of 1994. The facility includes classrooms, lecture halls, office space, a dining facility and 232 short-term single occupancy rooms. WMA conducts structured courses for National Guard members, including the Wisconsin Army National Guard Non-Commissioned Officer and Officer Candidate Schools, as well as specialized Field Artillery courses. In addition, it hosts numerous conferences and workshops for the Wisconsin National Guard, the Department of Military Affairs, and various other agencies.

Lodging facilities include 232 single occupancy rooms in the North and West Wing and charged a nightly rate of \$30.00 for official users and \$34.00 for unofficial users. Housekeeping services are provided in both wings on a weekly and as needed basis. Thus, WMA functions not only as an academic enterprise, but also very much like a hotel or conference center on a continuing basis.

Current Situation:

In 2019, 109 billeting rooms in the West Wing were refreshed with updated furniture and linens. The North Wing, which consists of 120 billeting rooms, still requires refresh as those rooms contain furniture from the original construction in 1994. Additionally, security equipment replacement, front desk upgrades and hotel management solution software upgrades are also needed to ensure safe and efficient operations.

Budget authority in 20.465(1)(g), Wis. Stats. for billeting operations in SFY2022 is \$700,000 which is used to fund 2.50 FTE and over 33 limited term employees (LTE) as well as fund supplies and services associated with the facility and billeting needs. This is the only appropriation used to support the billeting operations, so no additional option exists to cover these funding needs for the personnel and funding needed.

Staffing

Due to the lack of position authority for a 24/7/365 facility, WMA has never had enough permanent staff to perform all the duties at the housing management and housekeeping operations. This has forced WMA to staff the front desk operations with LTEs. Additionally, a private sector hotel was constructed at Fort McCoy and is paying staff significantly more than WMA which has impacted the ability to find LTEs. WMA currently has 9 vacant LTE positions. This practice has led to scheduling difficulties and has also made it hard to maintain an adequate and proficient staff due to the limited number of hours an LTE can work. The lack of position authority at WMA has created a very time consuming and inefficient method for meeting this obligation.

WMA has identified two areas of the staffing plan that are needed to ensure efficient and accurate functioning of the academy hotel.

- Housing Management: The computing of charges, assisting customers, billing customers, implementing emergency and security protocols, and notifying of housekeeping staff when rooms are vacant.
- Housekeeping: The cleaning of rooms and furniture, washing laundry, assisting customers, notifying management of necessary repairs, and maintaining common areas.

Table 1: Staffing Plan – FTE (Annualized based on SFY22 Rates of Pay)

Staffing Category*	Existing FTE	Requested FTE	Total FTE	Salary Increase **	Fringe Increase
Housing Management	1.0	1.0	2.0	\$ 33,700	\$ 15,500
Housekeeping	1.5	8.0	9.5	\$ 212,000	\$ 97,500
TOTAL	2.5	9.0	11.5	\$245,700	\$113,000
Funding Increase of \$358,700 for Personnel					

*Each FTE would also include a \$5,000 one-time and \$10,000 annually for supplies and services which are not shown in the table above.

** Does not account for any general wage adjustments in SFY22 or future.

The additional FTEs would enable WMA to considerably limit the need and reliance on LTEs for completing daily tasks. The LTEs needed would be to fill in for vacancies, high usage functions and for flexibility during vacations and leave time of permanent employees.

Major Purchases

In addition to personnel, WMA has additional purchases that need to occur to upgrade the facility and improve security.

- Furniture: The North Wing contains 120 rooms that require bed frames, headboards, mattresses, desks and nightstands. Additionally, new linens are needed which include

blankets, mattress pads, fitted and flat sheets pillows and pillowcases. The new linens would be used in the North Wing as well as replace worn or damaged existing linen inventory.

- **Front Desk Upgrade:** The front desk of the facility is in need of an upgrade to renovate the entire front desk area to ensure adequate employee workspace and efficient operations. The current front desk is original and is beginning to fail from over two decades of use.
- **HIBOX Upgrade and Cable TV Subscription:** HIBOX is a system that allows digital streaming and emergency message broadcasting across monitors within the billeting wings. This system consists of a server and 120 smart top boxes for cable TV service integration. This upgrade will be used to provide content and messaging to guests.
- **Closed Caption Television (CCTV) Lifecycle Replacement:** The Lodging Wings CCTV is coming to the end of its lifecycle and needs replacement. Current cameras are beginning to fail which raises security concerns of guests and staff. This CCTV system is used to monitor hallways and community areas and is used by federal law enforcement officials during investigations.
- **Hospitality Management Solution Upgrade:** This software is a web-based hospitality management Solution that enables the housing management staff manage reservations, manage housekeeping needs, and manage finances as well as manage guest needs and experiences. This upgrade will improve operations by reducing time on manual administrative tasks, improving customer service and guest experiences and reducing any manual errors in room assignments.

The major purchases needed to improve operations and security are estimated to cost \$841,300 with an additional \$108,000 of ongoing costs. The breakdown of costs by category are identified in table 2 below.

Table 2: Major Purchases Estimated Cost

Major Purchase	Amount: One Time	Amount: Ongoing
Furniture	\$301,300	0
Linens	\$25,000	\$5,000
Front Desk Upgrade	\$50,000	0
Cable TV Subscription upgrade	\$0.00	\$36,000
HIBOX Upgrade	\$179,000	\$22,000
CCTV Replacement	\$186,000	0
Hospitality Management Solution Upgrade	\$ 100,000	\$45,000
TOTAL	\$841,300	\$108,000

Proposed Resolution:

In order to provide greater continuity and flexibility to the WMA billeting operations, the authorization of 9.0 FTE and requested funding would eliminate the current LTE situation

and ensure staffing for housing management and housekeeping functions and increases security and customer service and experience at WMA.

Revenue Source for the Appropriation:

As noted above, the billeting service is a numeric appropriation (132) within the Department’s Military Property Appropriation under s. 20.465(1)(g). Revenues are derived from billeting (lodging) fees charged to guests using the rooms at the Military Academy. The funding for the positions would come from this program revenue source. As of SFY2021, the ending balance is \$1.4 million, which sufficiently covers the request. Annually, revenues average \$960,600 with expenditures far less than that on a regular basis. It is anticipated that revenues will increase in the biennium to \$1,050,000 each year.

Table 3: Beginning and Ending Balance by State Fiscal Year of Appropriation 20.465(1)(g)

SFY	BEGINNING BALANCE	REVENUES	EXPENDITURES	ENDING BALANCE
SFY2019	\$ (884,611.32)	\$ (1,068,255.48)	\$ 532,290.52	\$ (1,420,576.28)
SFY2020	\$(1,420,576.28)	\$ (752,756.19)	\$1,223,848.57	\$ (949,483.90)
SFY2021	\$ (949,483.90)	\$ (1,034,301.51)	\$ 569,735.91	\$ (1,414,049.50)
SFY2022 Estimate	\$(1,414,049.50)	\$ (1,050,000.00)	\$1,895,700.00	\$ (568,350.00)
SFY2023 Estimate	\$ (568,350.00)	\$(1,050,000.00)	\$1,136,400.00	\$ (481,950.00)

Fiscal Impact on the Appropriation:

Currently, DMA has appropriation authority and sufficient cash balance but not enough budget authority in the appropriation. The 20.465(1)(g) appropriation is Program Revenue (PR); expenditures can only be made to the level of available revenues and resources. Therefore, any spending authority above actual revenues and/or fund balances generated is irrelevant and not usable. Based on current expenditures and revenues, the appropriation’s cash balance was \$1.4 million at the end of the state fiscal year 2021, with estimated revenues for the billeting fund being \$960,600 per fiscal year. The department’s Billeting Council, an interdisciplinary management advisory council that oversees WMA’s billeting operations, has established a \$100,000 operating reserve as its optimal target. Based on revenue and expenditure estimates, there are more than sufficient resources to justify the requested increase in spending authority for the Wisconsin Military Academy on a one-time and ongoing basis. Appendix 1 identifies the change to the Chapter 20 authority through the biennium based on this request.

Request Prepared by:

Anna Oehler
 Budget Director
 Wisconsin Department of Military Affairs
 242-3155

Appendix 1: Requested Change to the 2021-23 Chapter 20 Authority

SFY2022	Chapter 20	Request*	Appropriation Impact
Salary	\$110,100	\$ 122,900	\$ 233,000
LTE	\$231,300	\$ (63,200)	\$ 168,100
Fringe	\$ 66,700	\$ 51,700	\$ 118,400
Supplies/Services: Ongoing	\$291,900	\$ 198,000	\$ 489,900
Supplies/Services: One-Time	\$ -	\$ 886,300	\$ 886,300
TOTAL	\$700,000	\$ 1,195,700	\$ 1,895,700
Classified FTE	2.5	9.0	11.5

SFY2023	Chapter 20	Request	Appropriation Impact
Salary	\$110,100	\$ 253,100	\$ 363,200
LTE	\$231,300	\$ (126,300)	\$ 105,000
Fringe	\$ 66,700	\$ 111,600	\$ 178,300
Supplies/Services: Ongoing	\$291,900	\$ 198,000	\$ 489,900
Supplies/Services: One-Time	\$ -	\$ -	\$ -
TOTAL	\$700,000	\$ 436,400	\$ 1,136,400
Classified FTE	2.5	9.0	11.5

* Assumes hiring of permanent FTE on January 1, 2022.

**Includes general wage adjustments for SFY2022 and SFY2023.