



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #785

Department-Wide Position Reductions (DOT -- Other Divisions)

[LFB 2003-05 Budget Summary: Page 440, #2]

CURRENT LAW

The Department of Transportation has 3,942.33 positions in six divisions and the Department's executive offices. Of this amount, 2,935.78 are SEG positions, 974.55 are FED, 16.0 are PR, and 16.0 are SEG-S.

GOVERNOR

Delete \$3,175,700 SEG and 142.5 SEG positions in 2003-04 and \$4,505,600 SEG and 300.5 SEG positions in 2004-05 to reflect the elimination of positions in each of the Department's six divisions and its executive offices. The following table shows the reductions and associated savings by division.

<u>Division</u>	2003-04 Position <u>Reductions</u>	2003-04 <u>Savings</u>	2004-05 Position <u>Reductions</u>	2004-05 <u>Savings</u>
Business Management	14.00	\$315,700	25.00	\$542,900
Executive Offices	1.00	45,000	4.00	85,800
Motor Vehicles	20.00	490,600	70.50	828,700
State Patrol	16.50	620,800	54.00	993,800
Transportation Districts	54.00	1,006,200	108.00	1,334,400
Transportation Infrastructure Development	27.00	562,600	28.00	562,600
Transportation Investment Management	<u>10.00</u>	<u>134,800</u>	<u>11.00</u>	<u>157,400</u>
Total	142.50	\$3,175,700	300.50	\$4,505,600

DISCUSSION POINTS

1. In addition to eliminating 300.5 positions in DOT, the bill would eliminate positions in most other state agencies. Generally, the bill does not specify which positions would be eliminated, beyond indicating the appropriation from which the eliminated positions are funded. Although the bill also does not specify which specific positions would be eliminated in DOT, in some cases the Department has identified specific positions to be eliminated. The following list contains information about the proposed reductions in each division and the executive offices.

Division of Business Management. Eliminate the deputy administrator, 50% of the training staff for information technology functions (5.0 positions), 50% of the general employee training staff (5.0 positions) in 2004-05, and 14.0 vacant positions annually.

Executive Offices. Eliminate one position each in 2004-05 in the Offices of General Counsel, Policy and Budget, and Public Affairs, and one vacant position in the Secretary's office annually.

Division of Motor Vehicles. Eliminate the deputy administrator and deputy bureau directors (3.0) in 2004-05, and a total of 20.0 vacant positions in 2003-04 and 46.5 additional vacant positions in 2004-05.

Division of State Patrol. Eliminate the deputy administrator and deputy bureau directors (2.0) in 2004-05, 10.0 sworn officer vacant positions in 2003-04 and 24.0 additional sworn positions in 2004-05, and 6.5 other vacant positions ("civilian" positions) in 2003-04 and 10.5 additional civilian positions in 2004-05.

Division of Transportation Districts. Eliminate district public information officers (5.0), the deputy division administrator, and 1.0 deputy district director in 2004-05, and 54.0 vacant positions in 2003-04 and 47.0 additional positions in 2004-05. Most of the eliminated positions in this Division are in engineering classifications. The funding and position reductions are allocated among state highway appropriations as follows: (a) \$670,800 and 36.0 positions in 2003-04 and \$842,500 and 67.33 positions in 2004-05 in the state highway rehabilitation appropriation; (b) \$335,400 and 18.0 positions in 2003-04 and \$421,200 and 33.67 positions in 2004-05 in the major highway development appropriation; and (c) \$70,700 and 7.0 positions in 2004-05 in the highway administration and planning appropriation.

Division of Transportation Infrastructure Development. Eliminate the deputy division administrator in 2004-05 and 27.0 vacant positions annually. The funding reduction shown in the table for the Division of Transportation Infrastructure Development is based on the elimination of 28.0 vacant positions annually, although the deputy division administrator would not be eliminated until 2004-05. The Department indicates that additional reductions in the Division's salary budget would be taken in order to generate the savings shown in the table.

Division of Transportation Investment Management. Eliminate the deputy division administrator in 2004-05 and 10.0 vacant positions annually.

2. In many cases, the positions on the Department's list that would be eliminated are already vacant, or are expected to be vacant by the time they are eliminated. With some positions, however, eliminating the position could require laying off the incumbent employee. In these cases, the positions would be eliminated in the final quarter of 2004-05. Consequently, the fiscal savings associated with these position reductions is just one-quarter of the full, annualized effect.

3. The position reductions contained in the bill are consistent with the Department's position reduction plan to the extent that the reductions are taken from the appropriations supporting each division. However, the bill would not direct that specific positions within a division be cut. For instance, although several deputy bureau directors and deputy division administrators would be cut under the Department's plan, the bill would not prevent the Department from eliminating other positions (vacant or filled) instead, as long as the total number of eliminated positions in each appropriation matches the position reductions in the bill.

4. The Department's position reduction plan would make the cuts proportionally across all of DOT's divisions. Within each division, the Department sought to primarily eliminate vacant positions, instead of filled positions, in order to avoid layoffs. However, the Department indicates that some employees may have to be laid off in order to meet the total position reduction requirements.

5. Although the Department's plan sought to distribute position reductions evenly across the Department's divisions and also avoid layoffs, the attempt to meet these goals may not necessarily be in the best interest of administering the Department's programs in the most efficient and effective manner. For instance, the Department may be able to meet most of the position reduction targets in the Division of Motor Vehicles by eliminating vacant counter service worker positions, but this may have a greater impact on the public than if the Department were able to, instead, fill some of the vacant DMV positions and eliminate a larger number of positions in a different division. Or, alternatively, the Department may be able to avoid some layoffs if, instead of eliminating filled positions in one division, a larger number of vacant positions are eliminated in a different division.

6. With regard to the position reductions, there may be a number of decisions to be made to balance various competing or complementary goals. However, since the bill would apply the Department's reductions to specific appropriations, it would restrict the Department's ability to make these decisions. One alternative to the bill would be to allow the Department to submit a plan to the Joint Committee on Finance, under a 14-day passive review process, in which DOT would: (a) specify in detail which positions would be eliminated by division; (b) request reallocations of position reductions and associated funding between appropriations, if any such reallocations are required to carry out the Department's revised position reduction plan; and (c) request the replacement of funding reductions in the salary line with corresponding reductions in other lines in order to align salary savings with specific position termination dates while still providing the same overall funding reductions. The Committee would have the opportunity to review the Department's recommended changes and make modifications to the plan if it is decided that they are warranted.

7. In some DOT divisions, particularly the Division of Transportation Districts, many positions are funded with both SEG and FED funds, typically 45% and 55%, respectively. The bill,

however, would reduce only the SEG position authority in these divisions, which would nominally require the Department to limit the position reductions to positions funded only with SEG funds. In order to maintain the current funding balance for positions, DOA submitted an errata report in connection with this item that requested that a portion of the SEG position reduction be replaced with a corresponding FED position reduction. In total, the FED position reductions would be 52.1 in 2003-04 and 81.8 in 2004-05 and SEG position authority would be restored by a corresponding amount. The SEG funding reductions in the bill would remain unchanged.

ALTERNATIVES

1. Approve the Governor's recommendation to eliminate a total of 142.5 positions in 2003-04 and 300.5 positions in 2004-05 and associated funding of \$3,175,700 SEG in 2003-04 and \$4,505,600 SEG in 2004-05, but modify the bill by reducing FED position authority by 52.1 positions in 2003-04 and 81.8 positions in 2004-05 and restoring SEG position authority by corresponding amounts to reflect the split-funding nature of some of the eliminated positions.

<u>Alternative 1</u>	<u>FED</u>	<u>SEG</u>	<u>TOTAL</u>
2004-05 POSITIONS (Change to Bill)	- 81.80	81.80	0.00

2. Approve the Governor's recommendation, as modified under Alternative #1, but with a further modification to allow DOT to submit a plan for each fiscal year of the biennium to the Joint Committee on Finance that provides detail on the type of positions that would be eliminated for each year. Specify that the plan may reallocate position reductions and associated funding between the Department's appropriations and may replace funding reductions in the salary budget line in an appropriation with a corresponding reduction in other budget lines in the same appropriation, except that the total position reductions by the end of the biennium must equal 300.5. Allow one plan to be submitted for each fiscal year, prior to the deadline established for requests for the Committee's third quarterly meeting under s. 13.10 of the statutes. Specify that if the Co-chairs do not notify DOT within 14 working days after the date of the submittal that the Committee has scheduled a meeting to review the plan, DOT may implement the plan. Specify that if, within 14 working days after the Department's submittal, the Co-chairs notify DOT that the Committee has scheduled a meeting to review the plan, DOT may not implement the plan until it is approved by the Committee, as submitted or as modified.

<u>Alternative 2</u>	<u>FED</u>	<u>SEG</u>	<u>TOTAL</u>
2004-05 POSITIONS (Change to Bill)	- 81.80	81.80	0.00

3. Delete provision.

<u>Alternative 3</u>	<u>SEG</u>
2003-05 FUNDING (Change to Bill)	\$7,681,300
2004-05 POSITIONS (Change to Bill)	300.50

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