



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873
Email: fiscal.bureau@legis.wisconsin.gov • Website: <http://legis.wisconsin.gov/lfb>

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Joint Committee on Finance

Paper #441

Eliminate Long-Term Vacancies (Military Affairs)

[LFB 2015-17 Budget Summary: Page 290, #3]

CURRENT LAW

The Department of Military Affairs provides military and emergency management capability for both Wisconsin and the United States. The Department's base budget totals \$26,407,400 GPR and 80.63 GPR positions, \$70,334,500 FED and 338.35 FED positions, \$6,743,600 PR and 37.79 PR positions, and \$1,180,900 SEG and 0.0 SEG positions.

GOVERNOR

Eliminate 1.75 GPR positions and associated funding for the positions' salaries and fringe benefits costs, totaling \$79,300 GPR annually. In addition, reduce position authority by 0.67 PR position and 3.25 FED positions. Expenditure authority associated with the eliminated PR and FED positions is not deleted. The reduction in funding and position authority is associated with positions that have been vacant for twelve months or more, as of August, 2014.

DISCUSSION POINTS

1. Under the bill, the Governor recommends deleting \$79,300 GPR and 1.75 GPR positions annually as these positions have been vacant for 12 months or more. The reduction would represent approximately 2% of the 80.63 GPR-funded base positions for the agency. In addition, the bill deletes 0.67 PR position and 3.25 FED positions that had been vacant for 12 months or longer, as of August, 2014. Expenditure authority associated with the PR and FED positions is not deleted under the bill.

2. The table below identifies: (a) the positions that the administration initially proposed to

be eliminated; and (b) the salary and fringe costs associated with the positions. As the footnote to the table indicates, since August, 2014, 0.25 GPR position and 2.75 FED positions have been filled.

Positions Proposed for Elimination

<u>Fund</u>	<u>Program</u>	<u>Appropriation</u>	<u>Classification</u>	<u>Full-Time Equivalent</u>	<u>Salary and Fringe Costs</u>
GPR	National Guard Operations	General program operations	Facilities repair worker	1.00	\$40,800
			Facilities repair worker - advanced*	0.25	11,900
			Emergency government specialist	<u>0.50</u>	<u>26,600</u>
			Total	1.75	\$79,300
FED		Federal aid	Operations program associate*	1.00	\$47,700
			Operations program associate*	1.00	47,700
			Facilities repair worker - advanced*	0.75	35,500
			Emergency government specialist	<u>0.50</u>	<u>26,600</u>
			Total	3.25	\$157,500
PR	Emergency Management Services	Program services	Program and policy analyst	0.67	\$35,700
			Total	0.67	\$35,700

*Note that since August, 2014, this position has been filled by the Department.

3. While the bill identifies the number of positions eliminated, it does not specify the positions that must be eliminated. Rather, the bill identifies the appropriations from which positions must be eliminated. Given that certain positions proposed for elimination have been filled by the Department, the administration indicates it would work with the Department to identify vacant positions that could be eliminated and cause the least amount of harm to the Department's operations. As of March, 2015, the following number of vacancies exist in the appropriations from which positions are eliminated under the bill: (a) 4.0 GPR position vacancies in the general program operations appropriation [1.5 positions have been vacant for over 12 months and 2.5 positions have been vacant for under 12 months]; (b) 20.0 FED position vacancies in the federal aid appropriation [1.5 positions have been vacant for over 12 months and 18.5 positions have been vacant for under 12 months]; and (c) 3.42 PR positions vacancies in the program services appropriation [0.67 positions have been vacant for over 12 months and 2.75 positions have been vacant for under 12 months].

4. As DMA has been able to perform its various functions with a reduced number of filled positions for twelve months or more, and as DMA is being treated similarly to other state agencies that have also had long-term vacant positions reduced under the bill, the Committee could consider approving the Governor's recommendation [Alternative 1]. As a result, DMA's base budget would incur annual reductions totaling \$79,300 GPR, 1.75 GPR positions, 3.25 FED positions, and 0.67 PR position.

5. Generally, when an agency's position authority is reduced, funding appropriated to

support the eliminated positions' salary and fringe benefits costs is also eliminated. To this point, the bill reduces DMA's GPR funding authority by \$79,300. Should the Committee decide to eliminate FED and PR positions as proposed under the bill, the Committee could also reduce the Department's FED and PR expenditure authority associated with the eliminated positions' salary and fringe benefits costs [Alternative 5].

6. As the table above indicates, 0.25 GPR position and 2.75 FED positions proposed for elimination have been filled by the Department. Given that DMA has filled these positions, the positions no longer represent a long-term vacancy and one could argue the associated funding and position authority should not be eliminated. As a result, the Committee could modify the bill to restore \$11,900 GPR, 0.25 GPR position, and 2.75 FED positions annually to account for the filled positions [Alternative 2].

7. On the other hand, while the bill intends to eliminate positions that have been vacant for twelve months or longer, it could be argued that the ability of an agency to carry out its functions without certain vacant positions does not mean that there is not an impact to the agency and the public from not filling these positions. To this point, the Department indicates that, "The majority of the eliminated positions directly support the operations and maintenance of military facilities and the loss of these positions will have a negative impact on facility readiness and adequacy."

8. Further, vacancies in the Department's National Guard Operations program typically take many months to fill since potential employees must pass stringent federal background checks in order to access military facilities. Therefore, it could be argued that DMA should not be treated similarly to other state agencies that have also had long-term vacant positions reduced under the bill.

9. According to DMA, eliminating the 0.67 PR position under Emergency Management Services would not have a negative impact on its operations. Further, the Department indicates that Wisconsin Emergency Management does not have sufficient program revenues to support the position. The 0.67 PR position is supported by revenues generated as a result of the Radiological Emergency Preparedness (REP) program. The REP program is responsible for developing and maintaining Wisconsin's emergency plans to a nuclear incident, and exercising those response plans with affected local communities and utilities. Program revenue under the REP program is generated from payments made by utility companies in exchange for state assistance in complying with federal regulations related to radiological emergency preparedness.

10. Given that DMA has argued that eliminating the GPR and FED positions would have a negative impact on National Guard facility readiness and adequacy, and that vacant positions for National Guard operations typically take many months to fill due to federal background checks, the Committee could restore the eliminated position and funding authority, except for the 0.67 PR position [Alternative 3]. This alternative would restore \$79,300 GPR, 1.75 GPR positions, and 3.25 FED positions annually.

11. Alternatively, the Committee could deny the Governor's request and restore all position and funding authority eliminated under the bill [Alternative 4].

ALTERNATIVES

1. Approve the Governor's recommendation to delete \$79,300 (all funds) and 5.67 positions annually to reflect the elimination of long-term vacant positions. The annual reductions would include \$79,300 GPR and 1.75 GPR positions, 3.25 FED positions, and 0.67 PR position. [The salary and fringe benefit costs associated with the eliminated 3.25 FED positions and 0.67 PR position total \$157,500 FED and \$35,700 PR annually.]

2. Modify the Governor's recommendation to restore \$11,900 GPR, 0.25 GPR position, and 2.75 FED positions annually to account for positions that have been filled by the Department. [The salary and fringe benefit costs associated with the remaining eliminated 0.5 FED position and 0.67 PR position total \$26,600 FED and \$35,700 PR annually.]

ALT 2	Change to Bill	
	Funding	Positions
GPR	\$23,800	0.25
FED	<u>0</u>	<u>2.75</u>
Total	\$23,800	3.00

3. Modify the Governor's recommendation to restore funding and position authority eliminated under the bill except for 0.67 PR position. [The salary and fringe benefit costs associated with the remaining eliminated 0.67 PR position total \$35,700 PR annually.]

ALT 3	Change to Bill	
	Funding	Positions
GPR	\$158,600	1.75
FED	<u>0</u>	<u>3.25</u>
Total	\$158,600	5.00

4. Delete the Governor's recommendation and restore all funding and position authority eliminated under the bill.

ALT 4	Change to Bill	
	Funding	Positions
GPR	\$158,600	1.75
FED	0	3.25
PR	<u>0</u>	<u>0.67</u>
Total	\$158,600	5.67

The following alternative may be combined with alternatives 1, 2, or 3.

5. In addition to Alternatives 1, 2, or 3, eliminate funding authority associated with the salary and fringe benefit costs of FED and PR positions eliminated under the bill. The funding that would be eliminated under this alternative is identified in the bracketed statement included with

Alternatives 1, 2, and 3.

ALT 5	Change to Bill
<u>With Alternative 1</u>	
PR	- \$71,400
FED	<u>- 315,000</u>
Total	- \$386,400
<u>With Alternative 2</u>	
PR	- \$71,400
FED	<u>- 53,200</u>
Total	- \$124,600
<u>With Alternative 3</u>	
PR	- \$71,400

Prepared by: Michael Steinschneider