



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 #571

Document Digitizing (Natural Resources -- Departmentwide)

[LFB 2023-25 Budget Summary: Page 434, #4]

CURRENT LAW

The statutes require all state agencies to maintain records related to agency decision-making, enforcement actions, and other business procedures. The length of time that agencies must maintain these records varies based on the record type, agency action, and historical value. Record maintenance is governed by a record disposition authorization (RDA), a formal document approved by the Public Records Board that guides how agencies treat specific records. An RDA specifies the types of records, length of time, and process for discarding records for a specific agency action.

DISCUSSION POINTS

1. The Department of Natural Resources (DNR) uses several RDAs that guide recordkeeping for law enforcement actions, facility inspections, real estate transactions, permit applications and materials, and other agency responsibilities. The RDAs outline when a process requires documentation, the form of documentation, the length of time the Department must maintain the record, and the method by which the Department may dispose of the record.

2. DNR estimates that there are approximately 6.2 million hard copy documents stored at DNR facilities across the state and the State Records Center that have custody requirements of at least 10 years. These records were created by the Divisions of Forestry and External Services, and the Bureaus of Legal Services, Drinking and Groundwater, Waste and Materials Management, and Remediation and Redevelopment.

3. For documents held at the State Records Center, agencies are assessed a monthly storage fee. The fee varies by the location of records, size of storage boxes, and number of reels of micro film.

Additionally, the State Records Center charges a fee for record retrieval if an agency requires access to the records. Between 2016-17 and 2020-21, DNR was assessed an average of \$34,800 for document storage fees. While DNR does not incur fees on documents stored at Department facilities, document storage requires DNR to allocate space to storage boxes rather than office staff.

4. Assembly Bill 43/Senate Bill 70 would provide DNR \$1,575,600 GPR, including \$723,700 in 2023-24 and \$851,900 in 2024-25, as one-time funding to digitize documents with long-term storage requirements that are commonly accessed by the Department and the public. The funding would be used to hire approximately 30 limited-term employees (LTEs) who would prepare and digitize documents, destroy or transfer hard copies of each digitized document, as provided by each document's RDA, and store the digitized documents on Department servers or private document management services. To fund the digitization and processing of DNR physical records, the Committee could provide \$723,700 GPR in 2023-24 and \$851,900 GPR in 2024-25 on a one-time basis. [Alternative 1].

5. Rather than providing GPR, the Committee could fund DNR document digitizing through DNR-earned revenues. DNR's GPR budget primarily consists of debt service. The two largest sources of programmatic funding to the Department are the SEG conservation fund and the SEG environmental fund. In 2021-22, the conservation fund accounted for 50% of all DNR expenditures and the environmental fund accounted for 12%. Counting only these two funds, the conservation fund accounted for 80% of program expenditures and the environmental fund accounted for 20%. The Committee could consider providing \$580,900 conservation SEG and \$142,800 environmental SEG as one-time funding in DNR's internal services program operations appropriations in 2023-24, and providing \$683,900 conservation SEG and \$168,000 environmental SEG as one-time funding in 2024-25 for document digitization [Alternative 2].

6. DNR is typically able to hire LTEs more quickly than full-time employees. However, full-time employees typically have lower turnover. Providing DNR with funding to hire full-time workers could improve project continuity and efficiency. Additionally, because full-time employees may work more hours each year than LTEs, DNR could likely accomplish more work with fewer employees. The Committee could consider providing 15.0 two-year GPR project positions [Alternative 3]. Funding 15.0 two-year archivist positions at DNR's fringe benefit rate would cost \$1,568,400, including \$672,200 in 2023-24 and \$896,200 in 2024-25.

7. The Committee could provide 15.0 SEG-funded project positions [Alternative 4]. Under this alternative, the Committee could provide 12.0 conservation SEG project positions, funded at \$537,700 in 2023-24 and \$716,900 in 2024-25. Additionally, the Committee could provide 3.0 environmental SEG project positions, funded at \$134,500 in 2023-24 and \$179,300 in 2024-25.

8. DNR notes that the Department considered using private contractors for document imaging and storage. Because document storage and processing contractors own specialized equipment and employ dedicated technicians and archivists, it is possible that contracted work would be more efficient than hiring and training DNR employees for the effort. Additionally, all documents would be moved off-site, allowing DNR to reallocate more space in Department facilities to program functions and staff.

9. However, because digitizing would be conducted offsite, DNR would be unable to supervise the processing of documents to ensure compliance with each document's RDA. Additionally, since documents would be digitally hosted by a private party, the Department would need to train staff in how to retrieve digitized documents. This could slow the Department's response to open records requests or other information requests.

10. DNR does not have an estimate of the cost of private document digitization and storage. The Department would likely need to develop a work plan for a private contractor, including the location, quantity and other details of documents to be digitized before engaging a contractor. The Committee could provide either \$1,575,600 GPR [Alternative 5] or \$1,575,600 SEG [Alternative 6] in one-time funding in 2024-25 to allow the Department to fund private document digitization and storage. Putting one-time funding in the second year would give DNR the opportunity to develop a work plan for a private contractor, who could then be hired in the second year of the biennium when funding is available.

11. If the Committee takes no action [Alternative 7], the Department could process and digitize physical documents at a slower pace. This would likely lack a systematic approach, which could lead to documents being stored in various and potentially incompatible formats.

ALTERNATIVES

1. Provide \$723,700 GPR as one-time funding in 2023-24 and \$851,900 GPR as one-time funding in 2024-25 to fund document digitization.

ALT 1	Change to Base
GPR	\$1,575,600

2. Provide \$723,700 SEG (\$580,900 conservation SEG and \$142,800 environmental SEG) as one-time funding in 2023-24 and \$851,900 (\$683,900 conservation SEG and \$168,000 environmental SEG) as one-time funding in 2024-25 to fund document digitization.

ALT 2	Change to Base
SEG	\$1,575,600

3. Provide 15.0 two-year project positions, including \$672,200 GPR in 2023-24 and \$896,200 GPR in 2024-25 for document digitizing.

ALT 3	Change to Base	
	Funding	Positions
GPR	\$1,568,400	15.00

4. Provide 15.0 two-year project positions, including 12.0 conservation SEG positions and 3.0 environmental SEG positions. Provide \$672,200, including \$537,700 conservation SEG and \$134,500 environmental SEG in 2023-24, and \$896,200, including \$716,900 conservation SEG and \$179,300 environmental SEG, in 2024-25.

ALT 4	Change to Base	
	Funding	Positions
SEG	\$1,568,400	15.00

5. Provide \$1,575,600 GPR as one-time funding in 2024-25 to provide funding to hire contractors for document digitization.

ALT 5	Change to Base
GPR	\$1,575,600

6. Provide \$1,575,600 SEG as one-time funding in 2024-25 to providing funding to hire contractors for document digitization.

ALT 6	Change to Base
SEG	\$1,575,600

7. Take no action.

Prepared by: Eric R. Hepler