

## RESOLUTION #5

### Keep Jobs in Wisconsin – Stop Privatization

Whereas, **privatization** of public services is wasteful, bad for the transparency & accountability of public programs, the job security of public workers, democracy itself, and often sends jobs out of state, and

Whereas, in the case of state agencies and UW,

- private service contracts account for expenditures of about \$879 million a year, in addition to \$181 million in privatized road engineering services
- many of these private workers work outside of Wisconsin
- this work should be done by public workers in Wisconsin
- there is too little hiring in Wisconsin state agencies, which have been frozen at about 29,000 classified staff for decades, with another 3,800 positions a year budgeted but unfilled (about a year's worth of new hires) and high turnover that is double what it was in 2010
- In FY20, state agency employees put in 2,692,000 hours of overtime work which is equivalent to 1,300 FTE (full time equivalent workers)
- Many of these same problems afflict workers at UW System with over 32,400 budgeted permanent faculty & staff
- offshoring work to foreign countries on these private contracts is illegal by state law in many cases but we are not sure how good the enforcement is, and

Whereas, in one example, the state's Unemployment Insurance Program hired at least 900 private contract workers in 2020, many of them working out of state, and in another example UW is contracting with Salesforce (a company that pays no federal income tax) for a \$2 million project that would cost only \$1 million to do with UW employees, and

Whereas, contracting out for services can be reduced by using approaches including Executive Orders, improving procurement practices, including stronger labor standards in bid requirements, and legislation, therefore, be it

Resolved, AFT-W will call on the Governor, UW Board of Regents, Chancellors, DOA Secretary, DOT Secretary, legislators, and other state leaders to stop contracts that cost more than doing the work in house, and stop sending jobs out of state.

**References:**

DOA Contractual Services Reports.

<https://doa.wi.gov/Pages/StateEmployees/ContractSvcRpt.aspx>

State of Wisconsin Classified Workforce & Affirmative Action Report.

[https://dpm.wi.gov/Documents/Statistics-Data-Reports/2020 State of Wisconsin Workforce Report.pdf](https://dpm.wi.gov/Documents/Statistics-Data-Reports/2020%20State%20of%20Wisconsin%20Workforce%20Report.pdf)

Wisconsin Budget Project – Four Charts About WI Public Sector.

<http://www.wisconsinbudgetproject.org/four-charts-about-wisconsins-public-sector-3>

Legislative Audit Bureau Report 20-28: Processing Certain Unemployment Insurance Claims. Dec. 2020.

<https://legis.wisconsin.gov/LAB/media/3143/20-28full.pdf>

Legislative Fiscal Bureau Memo to Rep. Shankland March 5, 2021 on DOT Highway Program Consultant Expenditures and Vacancy Rates. (document follows)



## **Legislative Fiscal Bureau**

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March 5, 2021

TO: Representative Katrina Shankland  
Room 304 West, State Capitol

FROM: Nick Lardinois, Fiscal Analyst

SUBJECT: Department of Transportation Highway Program Consultant Expenditures and Vacancy Rates

At your request, this memorandum provides information on the use of consultant engineers in the state highway program and position vacancy rates in the Department's Division of Transportation System Development, which is responsible for the design and delivery of transportation infrastructure projects.

The following tables display the requested information from 2004-05 to 2019-20. Table 1 displays funds encumbered in each fiscal year for engineering consultants in the highway program. Table 2 displays vacancy rates within the Division of Transportation System Development at two points in time in each fiscal year throughout this period. For the purposes of this table, the first data column displays the vacancy rates for a pay period in late July, which is early in the fiscal year but during the middle of the construction season. The second data column displays a late February pay period, which is when the largest highway projects are typically being let.

**TABLE 1**

**State Highway Program Engineering Consultant Encumbrances  
(In Millions)**

<u>Fiscal Year</u>	<u>Amount</u>
2004-05	\$132.8
2005-06	156.4
2006-07	168.2
2007-08	207.7
2008-09	216.8
2009-10	238.2
2010-11	266.5
2011-12	297.4
2012-13	300.6
2013-14	230.8
2014-15	221.6
2015-16	195.4
2016-17	144.0
2017-18	186.0
2018-19	165.0
2019-20	180.9

**TABLE 2**

**Division of Transportation System Development Position Vacancy Rates**

<u>Fiscal Year</u>	<u>July</u>	<u>February</u>
2004-05	6.9%	7.4%
2005-06	11.1	9.0
2006-07	8.6	5.8
2007-08	5.2	5.1
2008-09	4.7	7.3
2009-10	8.8	11.9*
2010-11	11.6	12.9
2011-12	17.9	9.5
2012-13	4.2	4.9
2013-14	5.9	10.9**
2014-15	4.5	4.1
2015-16	5.0	6.5
2016-17	6.3	6.0
2017-18	7.9	13.4
2018-19	16.2	12.4
2019-20	7.7	7.2

\*Data is for March 2010

\*\*DOT indicates that the 180 engineering positions authorized by 2013 Act 20 were in the process of being filled at this point in time.

I hope this information is helpful.