

Reimagining Wisconsin Government for the 21st Century



INSTITUTE FOR
REFORMING GOVERNMENT

EXECUTIVE SUMMARY

Reimagining Wisconsin Government for the 21st Century

When Madison was selected as the territorial capital in 1836, Wisconsin's population was 11,683. There were three counties separated by hundreds of miles of open and undeveloped land. By 1850, two years after Wisconsin became a state, the population had swelled to 304,456. In order for legislators to tackle the administrative tasks before them, the location of the government needed to be decided first. In the mid-19th century a central physical location was necessary in order for the responsibilities, duties, and functions of government to be carried out properly. At the time, travel was primarily done by horseback and communication was conducted via the written letter. Today, if legislators were to convene within a similar situation, the discussion of location would yield to a more important debate over the structure of the new government. With the advent of modern technology, things that once needed staff and a physical location can now be done via the internet. Staff that work within government can now work remotely and decisions on physical office space can be based on cost and proximity to the population being served. As time progresses further into the 21st century, state government still finds itself trapped in a by-gone era.

Wisconsin government has ceased to work as it was once intended. Currently, state agencies are running enormous backlogs that are keeping willing workers out of high need fields, audits have shown a lack of accountability, and the gap between regulators and the communities they serve has widened. Government in Madison is in need of reform. The government has become too bloated, slow, and disconnected from the citizens of Wisconsin. We need to find a new way to reduce the size of government, reduce the physical footprint in Madison, and make it more responsive to the people it is intended to serve. Wisconsin must start to remove the constraints of 19th century thinking and reimagine a government built for the 21st century. We can start to do this in three ways:

Reducing FTE Count

- Many of the functions of government are carried out by professional lawyers, accountants, and engineers. In order to accommodate this need, state government has seen fit to employ and staff agencies for what would be needed at peak workload. This is not necessary or efficient. If we are going to reduce the number of employees in state government, we need to contract out for these services where possible. In this arrangement, the state would be able to call on and pay for the services at the time of need, rather than carrying the weight of a larger than necessary payroll.



- The rapid improvement and availability of technology in recent years has allowed for many common services to be moved online. Within the private sector, banking, insurance, and simple everyday shopping has all moved online. What once required staff and a physical location, can now be handled with an app and a smartphone. Although some of state government has started to utilize these advances, the gained efficiencies must be realized in reduced staffing levels and further expansion must be studied.

Reducing the Physical Footprint in Madison

- Reducing the physical footprint of government in Madison will provide cost savings, push economic benefits outstate, consolidate existing office space, and allow for the state to sell state assets it no longer needs.
- The Department of Natural Resources has become too large, too bureaucratic, and is disconnected from the people it regulates. The department should be split into two separate agencies; the Department of Environmental Quality and the Department of Fish, Wildlife, and Parks. After being created, both agencies would move out of Madison and closer to the communities they regulate.
- Move the Office of the Commissioner of Insurance to the Fox Valley. The office serves as the insurance regulator for the insurance industry in Wisconsin. There is no reason for the agency to be headquartered a couple blocks away from the State Capitol. The Fox Valley offers a lower commercial real estate cost and an educated workforce. The move would also provide an economic boost for the region.
- Eliminate the Department of Tourism and role all duties and responsibilities into the Wisconsin Economic Development Corporation.

Make Government More Responsive to the People it Serves

- Create a network of regional “one-stop-shops” across the state to ensure that citizens and businesses have access to their government. These regional offices would be customer service focused and make government more responsive to the communities it regulates.
- Create a single log-in account to access any and all state government services online.
- State government needs to reform its state employment practices. Mainly, hiring, termination, remote work, and recruitment and retention.



Reimagining Wisconsin Government for the 21st Century

A Review Conducted by:

The Institute for Reforming Government



INTRODUCTION

In 1836, the debate over the location of the capitol of the newly formed Wisconsin Territory took place in the small town of Belmont. Four years prior, James Doty had bought the 1,200 acres that now encompass downtown Madison. Seeing an opportunity to capitalize on his investment, Doty quickly had the land surveyed and made his case to the territorial legislature. Armed with buffalo robes and deeds to newly created city lots to use as persuasion, Doty was successful in getting Madison named the territory's, and eventually the state's, capitol¹. Almost 200 years later, Madison remains the epicenter of state government.

When Madison was chosen as the state's capitol, modern transportation and communication technology could not have been conceived of. At the time, all of the functions of state government needed to be centrally located within the capitol city. The state of communication and transportation at the time also dictated things like the size and function of county governments. Today, however, we live in a world in which the significance of the location of an office building has diminished. The work of many state employees can be done remotely and the services that are provided by state agencies can be accessed via the internet. If legislators were to convene today to decide the question first pondered in 1836, the discussion would be focused less on the location and more on the structure. This is the mindset that we need today; one that asks how we would build state government if none existed right now. We need to begin the process now of reimagining a state government suited for the 21st century, rather than the 19th or even 20th century.

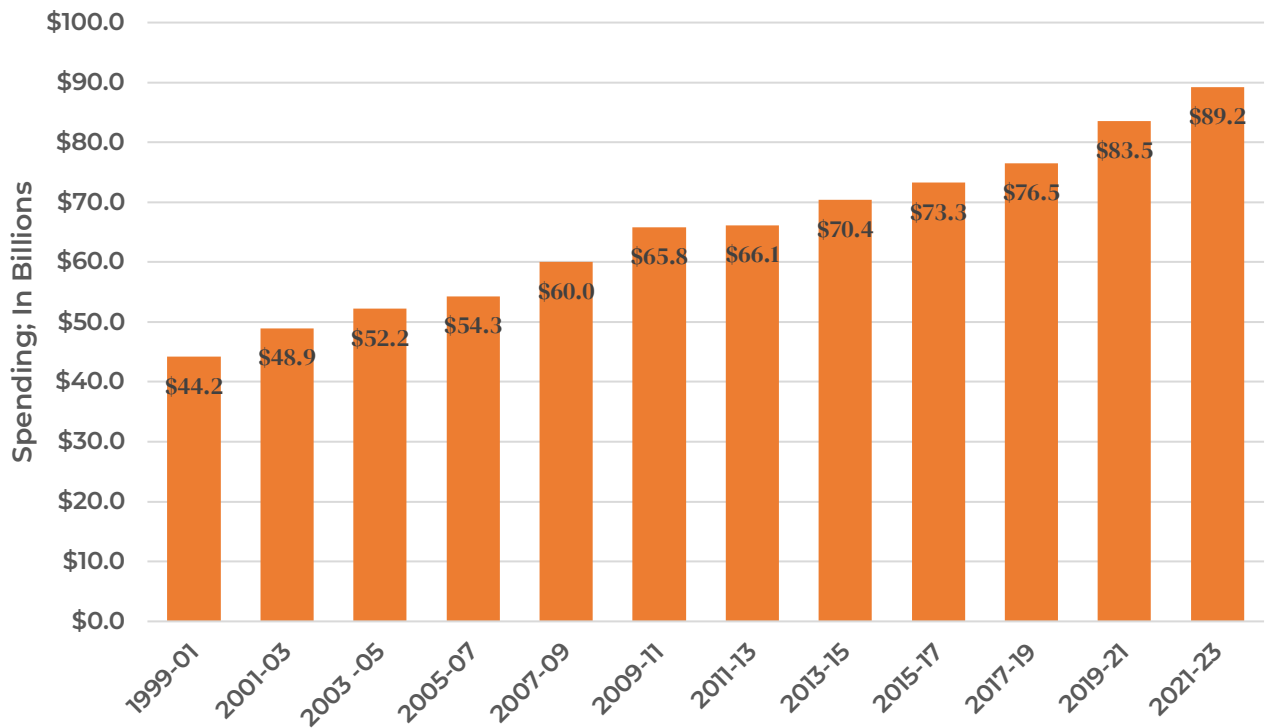
Government in Madison has ceased to work as once intended. Multiple agencies are running with huge backlogs, the majority of employees are working remotely with little accountability, and the disconnect between regulators and the private sector continues to grow. Even with these declines in service, the cost of government continues to rise. State government can and must do better for the people it serves. Madison is ripe for reform. In the following report, the Institute for Reforming Government casts a new vision for state government. This vision focuses on reducing the number of employees, shrinking its physical footprint in Madison, and making government more efficient and responsive to the people it serves. The report here is the first of more to come. Below are actionable items that will show a proof of concept to modernize state government.

¹ Wisconsin Historical Society. "How Madison Became the Capitol: Argument and an Unpopular Choice". <https://www.wisconsinhistory.org/Records/Article/CS306>. Accessed on December 5 December 2022.

PROBLEM

In the first two decades of the 21st century, Wisconsin state government has grown tremendously. The 1999-2001 state budget was set at \$44.2 billion with 65,494 state employees². The 2021-2023 budget clocked in at a whopping \$89.2 billion with 71,306 employees³. In the space of 20 years, state government has doubled its budget and added 6,000 employees to its workforce. Based on inflation, the 1999-2001 budget would equal \$79.17 billion today⁴. That means that the state is spending 13% higher than it was 20 years ago, even with inflation factored in. There is no indication that the demand for more funding from within state government will slow down either. In the most recent round of budget requests ahead of the 2023-2025 budget, state agencies asked for nearly \$8.2 billion in new funding⁵.

Growth in Wisconsin's Biennial Budgets (All Funds)



² Wisconsin Legislative Fiscal Bureau. (January 2000). Comparative Summary of Budget Provisions: 1999 Act 9 & 10, Volume 1.

³ Wisconsin Legislative Fiscal Bureau. (August 2021). Comparative Summary of Provisions: 2021 Act 58. https://docs.legis.wisconsin.gov/misc/lfb/budget/2021_23_biennial_budget/201_comparative_summary_of_provisions_2021_act_58_august_2021_summary_tables.pdf

⁴ Bureau of Labor Statistics. CPI Inflation Calculator. https://www.bls.gov/data/inflation_calculator.htm. Accessed on 22 December 2022.

⁵ Wisconsin Legislative Fiscal Bureau. (December 2022). Overview of State Agency Major Budget Requests: 2023-2025 Wisconsin State Budget. https://docs.legis.wisconsin.gov/misc/lfb/budget/2023_25_biennial_budget/600_overview_of_state_agency_major_request_items_december_2022.pdf



The evidence is clear, state government has a spending problem. Wisconsin spendings \$8,797 per capita⁶. In fact, Wisconsin is ranked 14th in the nation on a per capita basis, just below Massachusetts and California who spend marginally more than we do. Meanwhile, states like Texas and Florida spend nearly half as much as we do (\$4,668 and \$3,987 respectively). The major reason for this difference; both Texas and Florida do not have an income tax and have found a way to provide the services for their populations without an enormous price tag.

In the last four years, Wisconsinites have begun to see the beginning symptoms of a poorly administered and antiquated state government. As the pandemic took hold in the spring of 2020, many people who were told by the government that they could not work because they were “not essential” found that the state was unable to process applications for Unemployment Insurance (UI). In fact, Wisconsin was one of the worst performing states across multiple metrics with regard to UI claims. At the start of the pandemic, 30% of all first UI claims were delayed by 70 days or more, while detected cases of fraud were down 41%⁷. This means that in some cases, UI applicants waited months for their first UI payments after the Evers Administration shut down the economy.

Most recently, the Department of Safety and Professional Services (DSPS) has had some workers waiting over a year to receive their occupational license due to a backlog. Employers around the state are struggling to fill positions while the DSPS fails to process simple paperwork. Simply put, the state’s inability to perform basic administrative functions has created a barrier for economic growth in the state. When leadership from DSPS testified in front of the Legislative Study Committee on Occupational Licenses in the summer of 2022, they indicated that the median wait time for a professional license was 46 days⁸. This month and a half wait time creates a barrier between willing workers and employment. Unfortunately, DSPS even struggled to comply with further requests from the Committee for information regarding which occupations have the longest wait times. However, the Journal Sentinel highlighted the story of a nurse relocating from Texas that waited for at

\$8,797

**The amount
Wisconsin spends
annually per
capita.**

*Data Provided by the Kaiser Family
Foundation*

⁶ Kaiser Family Foundation. Total State Expenditures Per Capita. <https://www.kff.org/other/state-indicator/per-capita-spending/?currentTimeframe=0&sortModel=%7B%22colld%22:%22Per%20Capita%20State%20Spending%22,%22sort%22:%22desc%22%7D#> Accessed on 22 December 2022.

⁷ Williams, N. Center for Research on the Wisconsin Economy (2021, May 10) The (Poor) Performance of the Unemployment Insurance System during COVID-19 in the United States and (Especially) Wisconsin. <https://crowe.wisc.edu/the-poor-performance-of-the-unemployment-insurance-system-during-covid-19-in-the-united-states-and-especially-wisconsin/>

⁸ Yount, Benjamin. “Republican lawmakers: DSPS ‘absent from conversation’ in licensing backlog” The Center Square Wisconsin, 13 October 2022. https://www.thecentersquare.com/wisconsin/republican-lawmakers-dsps-absent-from-conversation-in-licensing-backlog/article_df23de42-4b29-11ed-bc47-77850e874c2c.html



least 4 months to receive her license from DSPS, causing her to suspend her employment in a high-need field⁹.

Businesses across the state must also contend with an uncertain regulatory environment. The application of regulations must be consistent, streamlined, and predictable in order for private enterprise to thrive. IRG has heard from many business leaders around the state from multiple industries who have indicated that state government has become harder to work with and less responsive. In other words, the perception, backed up by experience, is that the government is working against, not with the regulated community that is the economic engine of our state. And these are not just anecdotal stories. In CNBC's America's Top States for Business ranking in 2022, Wisconsin was 38th in "business friendliness", earning a D- on their scale¹⁰. Just four years prior, in 2018, the state was ranked 24th. This dynamic stifles economic growth in our state and sends an unwelcoming signal to businesses who might be looking to expand into Wisconsin. Unfortunately, when the Evers Administration took down the "Open for Business" signs in 2019 it wasn't just virtue signaling. The paradigm needs to shift.

⁹ Hess, Corrinne. "Wisconsin nurses frustrated by long delays at state license agency. Careers in the high demand industry are put on hold". Milwaukee Journal Sentinel. 22 August 2022.

<https://www.jsonline.com/story/news/2022/08/22/wisconsin-nurses-lose-jobs-delay-careers-they-wait-licenses/7833691001/>

¹⁰ CNBC.com Staff. "America's Top States for Business 2022: The full rankings." CNBC.com, 13 July 2022, <https://www.cnbc.com/2022/07/13/americas-top-states-for-business-2022-the-full-rankings.html> Accessed 5 December 2022



SOLUTIONS

Wisconsin has a chance to blaze a new trail and once again be a national leader in government reform. State government needs to fundamentally transform the executive branch by reducing the size of government, shrinking the physical footprint in Madison, and making government more efficient and responsive to the people it serves. In concept, IRG is not alone in proposing a transformational change in state government. During his first term in office, Governor Evers' Department of Administration came out with a report, Vision 2030, which outlines many similar issues that we raise here; the need to shrink physical footprint and leverage technology to enhance remote work and customer service. However, as you will see in this report, we need to take the further step of reducing the size of government and moving parts of state government out of Madison.

Wisconsin can start reducing the size of government by contracting out for professional services and taking cues from the private sector on how to automate certain processes. It's time to seriously consider what it would look like to move state agencies out of Madison and into the communities they serve, making remote work more accountable and selling or consolidating the remaining office space to save money. Madison must also reconsider its employment practices, which are based on the sentiments of a populist movement from the early 20th century. The result will be a government that is more efficient, responsive, and ready to take on the challenges of the 21st century.

Throughout Wisconsin's history, there have been a number of major reorganizations of the executive branch. From its founding until the mid-20th century, Wisconsin government was organized into smaller executive branch agencies that had very focused operational goals. In the mid-1960s, the "Reorganization Committee" was formed to write legislation that would restructure state government. The state went from 85 separate agencies to just over 30¹¹. In the 1990s, Governor Thompson reorganized the executive branch to split up agencies that had grown too large, consolidate smaller departments, and transfer authority away from unelected appointees to the Governor as the elected official representing the voters. Today we are at a crossroads again. The world has changed considerably since the 1990s and it is time for Wisconsin to modernize state government. The following sections discuss the actionable steps needed to pull Wisconsin into the 21st century.

REDUCE FTE COUNT

The 2021-2023 state budget gave the state the authority to employ 71,306 full time equivalent employees. If state government were a city, it would be the 7th largest in the state, roughly equaling the size of Waukesha. In the age of computer automation where most administrative functions of a government can be done online, it does not make sense to have so many employees on the government payroll.

¹¹ The Wisconsin Blue Book 2005-2006. Wisconsin Legislative Reference Bureau

Contract out for Professional Services

State government employs thousands of lawyers, accountants, and engineers. The work of these employees are vital to core functions of the agencies in which they are employed. Lawyers draft administrative rules, provide legal advice, and represent agencies in legal matters. Accountants conduct audits, review financials, and prepare agency budgets. Engineers help state officials approve the construction of roads and energy infrastructure. These services are incredibly valuable to state government, but they do carry a cost. In order to adequately handle workload during peak times, state agencies must hire to meet potential demand. However, during slower times these agencies are then over-staffed and paying for services that they do not need. Engineering, accounting, and law firms can be contracted on an as needed basis, therefore reducing the cost while still guaranteeing access to the services for state agencies. As a general principle, government should not be doing the work that can be done by the private sector.

The Public Service Commission (PSC) employs a number of engineers and auditors to help develop a record for utility cases that come before the Commission. Auditors dive into utility balance sheets and develop options for rate structures for the commissioners to consider during deliberations and engineers offer their expert advice during construction cases and work to ensure safety in the state's gas pipelines.

In recent years, these positions have seen quite a bit of turnover resulting in young inexperienced staff being hired for these important positions. In reality, the state does not need to, nor should it, hire its own professional auditors and engineers. These services can and should be contracted for by the PSC. The PSC would need to retain a minimal number of auditors and engineers to manage the contracts with these firms, but the majority of the work would be performed by outside entities. This would result in savings to the state in payroll and benefits while providing a higher quality work product from experienced professionals.

The situation at the PSC is not unique. Consider the Department of Transportation (WisDOT). According to a 2017 audit of the Wisconsin Department of Transportation by the Legislative Audit Bureau, WisDOT employs 680 structural and civil engineers¹². However, as of October 2022, the state employment jobs board, Wisc.jobs, was accepting applications for entry, advanced, and senior civil engineer positions on a rolling basis to try and fill these vacancies, with signing bonuses in some cases. WisDOT has the authority to hire hundreds of engineers, but is simply unable to adequately hire and retain.

In 2011, FH Griffis, a professor at New York University's Tandon School of Engineering looked at hiring and retention within the New York State Department of Transportation¹³. According to his study, the cost of employing an engineer full-time with the state exceeded the cost of contracting with a consulting firm on an as needed basis. In the case of New York, the cost to employ an engineer "in-house"

¹² Wisconsin Legislative Audit Bureau. (2017). State Highway Program (Report 17-2)

¹³ Griffis, FH. (2011) NYSDOT Engineering Costs: In-House vs. Outsourced Engineering. Polytechnic Institute of New York University. <https://cdn.ymaws.com/acecny.org/resource/resmgr/advocacy/2011-nyu-poly-report.pdf>



was conservatively estimated at 15% higher than using an outside firm. The reason? First, in order for the government to have enough engineering capacity, it needs to hire for the peak workload. This results in having to pay for more engineers than you need to during slower times. Second, he notes that private firms tend to be more innovative in their approaches because they are motivated to stay ahead of their competition. This report makes a strong case for the proposition that government should simply not attempt to perform tasks that can be performed more competently and inexpensively by the private sector.

Use Technology to Reduce Staffing

State government performs thousands of transactions per day. In a bygone era, each of these transactions needed to be managed by a physical person with physical paper, processing payments and organizing files. That time is long gone. In 2020 when the COVID-19 pandemic hit, we saw the private sector explode with innovative technologies that enabled people to perform functions from the comfort of their home. Now you can do everything from grocery shopping, to banking, to meeting with your doctor, all from your kitchen table.

In some areas, we have seen state government follow suit. In 2020, Governor Evers limited the services that would be provided at DMV's and directed the public to use WisDOT's online portal to handle things like license and license plate renewals. By and large, residents were able to transact their business online and access the department by phone if they encountered an issue. In the same way, these types have been integrated into the DNR. Hunting and fishing licenses, as well as state park stickers can all be purchased online. However, technology alone is not enough. We will only realize cost savings from automating processes if we follow through on decreasing the labor devoted to performing these functions. An analysis needs to be performed to evaluate and recommend a proportional reduction in staffing levels.

As mentioned previously, the Department of Safety and Professional Services has been operating with a huge backlog of individuals seeking to attain their professional licensure. Technology should be implemented here to make the process automatic and eliminate the need for manual approvals of applications. DSPS has upgraded their process; however, it is clear to see that they have either failed with the implementation or have chosen not to fully automate the process.

Tasks that once needed coordination of numerous staff can now be eliminated in favor of the automated process. The number of staff needs to be right sized to the new reduced workload. Lawmakers should begin the process of exploring which state functions are ripe for automation and require the executive branch to capitalize on those opportunities.

Working with government at any level can be difficult and time consuming. The benefits of automation are clear: better customer service, shorter turnaround times, and greater efficiency.

REDUCE THE PHYSICAL FOOTPRINT IN MADISON

The current state of Wisconsin government is antiquated, inefficient, and unprepared for the future. If we were creating Wisconsin state government from scratch, we would not be as concerned with the location as we would be with the structure, the functions, or the capabilities. An emphasis would be placed on maximizing technologies to create efficiencies and provide good customer service. For most of Wisconsin's history, reforms within state government have been tethered to the capital city, therefore limiting the scope of possibilities. That is why we need to start the process of moving state government out of Madison: splitting up large bureaucratic agencies, eliminating smaller agencies, and making government more accessible and responsive to the citizens it is intended to serve. The following section sets forth a set of reforms that will accomplish just that.

The Benefits:

Savings on Physical Office Space

The average cost of commercial real estate in downtown Madison is expensive in comparison to the rest of the state. According to CommercialCafe.com, which provides commercial real estate listings and data, the average lease cost of office space in downtown Madison was \$24.25 per square foot in 2021¹⁴. For comparison, Wisconsin's other major cities like Wausau, Eau Claire, La Crosse, Green Bay, Appleton, and Janesville are roughly \$10 to \$15 less expensive per square foot¹⁵. State government does not need to be in downtown Madison and the state does not need to own all of the office space it utilizes. The state currently owns roughly 4 million square feet of office space¹⁶. Even Governor Evers and DOA have called for reducing state ownership of office space. Agencies should be moved out-state and their current office space sold off to be redeveloped by the private sector, furthering economic growth. The state currently holds nearly 4 million square feet of

Pushing Economic Benefits Outstate

Relocating departments outside of Madison will provide a significant economic boost for the regions where they relocate. Adding a base of solid middle class employment to a region will help lift the entire local economy and promote positive growth. State employees are also offered excellent health benefits that will help local health systems increase the number of fully insured patients which will help maintain adequate health care in more rural parts of the state. According to the Wisconsin Hospital Association, two-thirds of patients at Wisconsin hospitals are

¹⁴ CommercialCafe.com. <https://www.commercialcafe.com/office-market-trends/us/wi/madison/> Accessed 14 December 2022

¹⁵ LoopNet.com. Accessed 14 December 2022

¹⁶ Wisconsin Department of Administration. Vision 2030 for Wisconsin State Government Facilities and Workforce. <https://doa.wi.gov/Secretary/DOAVision-2030.pdf>



covered by a public insurance plan like Medicare or Medicaid¹⁷. These public insurance programs do not reimburse the hospitals for the total cost of care. In order to recover the cost of services, hospitals have had to shift these costs to fully insured patients. With an influx of fully insured citizens moving into a rural area, this burden will be eased and create more stable health systems around the state.

Selling State Assets and Consolidation

Many state office buildings are in desirable locations that are generally attractive to potential developers. Current laws that guide the sale of state real estate assets are cumbersome and, in practice, do not work. The state needs to reform these processes to provide proper transparency and oversight without overburdensome requirements that make sale nearly impossible.

Again, in Vision 2030, it is suggested that the General Executive Facilities (GEF) buildings, located one block off of the Capitol Square, be remodeled and used to consolidate the state employed workforce within downtown Madison¹⁸. However, state government should not be consolidated in Madison, instead it should be moved out-state as we suggest below. The GEF buildings are located in the heart of downtown Madison and should be sold to the private sector which can maximize the economic potential of this location. Policymakers should study the various options and configurations that could be done in a redevelopment. The state could lease a fraction of this new development for shared office space as it looks to a more remote working environment.



Map Provided by the Department of Administration, Vision 2030

¹⁷ Wisconsin Hospital Association. Reimbursement & Coverage. <https://www.wha.org/HealthCareTopics/R/Reimbursement-Coverage> Accessed 20 December 2022

¹⁸ Wisconsin Department of Administration. Vision 2030 for Wisconsin State Government Facilities and Workforce. <https://doa.wi.gov/Secretary/DOAVision-2030.pdf>

The Reforms:

Break up the Department of Natural Resources

The Department of Natural Resources has become a caricature of the typical bureaucratic agency. The agency is located in Madison one block off of the Capitol square with 2,500 employees and a \$1.1 billion budget for the 2021-2023 biennium. Like many departments, the DNR has become disconnected from the Wisconsinites it serves and regulates. The structure of the DNR has become antiquated and is in desperate need of an overhaul. This report proposes that the DNR be split into two separate and distinct agencies; the Department of Fish, Wildlife and Parks (DFWP) and a much smaller Department of Environmental Quality (DEQ).

At DFWP, hunting, fishing, and forestry regulation would be joined with oversight over state parks and be physically relocated to the north woods of Wisconsin, where the majority of forest land exists and where these activities are more likely to take place. As part of the 2017-2019 state budget, the Forestry Division Headquarters was moved to Rhinelander, but the DNR was given discretion as to how many employees to transfer. As of 2019, shortly after Governor Evers took office, the Department informed the Joint Finance Committee that a total of 10 staff out of 450 employed by the division had been transferred¹⁹. Although the decision to make this move was praised by state legislators and local officials, the department did nothing more than fulfill the minimum requirements of the budget bill²¹. Now is the time to move the rest of the division to Rhinelander. Away from Madison, the agency would have a natural connection to the areas of the state that it regulates and serves.

After splitting off DFWP, the remaining functions would comprise a new but smaller DEQ. The DEQ should move to a new location closer to the central part of the state, far away from Madison. This move will allow it to procure less expensive office space and employ Wisconsinites not steeped in the bureaucratic machinations of the current state government. Central Wisconsin is host to a willing workforce with many young graduates and educated alumni coming out of the University of Wisconsin-Stevens Point. In fact, the university is home to the College of Natural Resources which offers courses that prepare its 1,400 undergraduate students for this exact type of work²².

¹⁹ Letter to Joint Finance Committee Co-Chairs from Secretary Preston Cole, dated January 28, 2022.

https://docs.legis.wisconsin.gov/misc/lfb/ifc/200_reports/2019_01_30_natural_resources_division_of_forestry_employee_relocation.pdf

²⁰ Department of Natural Resources, Division of Forestry. Caring for Forests and Serving People: 2016 Annual Report. <https://dnr.wi.gov/about/divisions/forestry/documents/2016AnnualReport.pdf>

²¹ Boneske, Kevin. DNR forestry headquarters moving to Rhinelander. Northwoods Star Journal, October 25, 2017. <https://starjournalnow.com/2017/10/25/dnr-forestry-headquarters-moving-to-rhinelander/> Accessed 14 December 2022

²² UW-Stevens Point. College of Natural Resources. <https://www3.uwsp.edu/cnr/Pages/default.aspx> Accessed 26 December 2022.



Move the Office of the Commissioner of Insurance

The Office of the Commissioner of Insurance (OCI) regulates Wisconsin's insurance industry. The Office is charged with ensuring the financial and regulatory compliance of insurance companies operating in Wisconsin. The agency also issues licenses and fields consumer complaints. The work of the Office is not contingent on a central location in Madison. In an era when most business can be conducted via the internet, there is no need for state taxpayers to continue to pay for expensive office space in Madison.

OCI should be moved out of Madison and into the Fox Valley, a lower cost region of the state. The Fox Valley has the population and the educated workforce needed to staff the agency in addition to less expensive office space. The population of the Fox Valley is growing faster than other parts of the state, 33.6% of the population between the ages of 25 and 64 have a college degree, and an above-average labor participation rate of 69%. The region is beating state and national averages in all these categories²³. Moving OCI to this region would help to bolster a growing regional economy.

Wisconsin	Fox Valley
.4% Population Growth	.6% Population Growth
31.2% Population with a college degree	33.6% Population with a college degree
25.5% Population aged 25-44	26.7% Population aged 25-44

Statistics Provided by the Fox Cities Chamber

Eliminate the Department of Tourism

The Department of Tourism has a biennial budget of \$37 million and 34 staff, the smallest cabinet-level agency. The Department's main function is to market Wisconsin as a tourist destination, which does bring economic value to the state, especially tourism-dependent industries and communities. But it need not be an entire agency. Rather, its mission and functions should be absorbed by the Wisconsin Economic Development Corporation (WEDC).

Promoting Wisconsin fits perfectly into the mission of WEDC. There is a natural synergy between the work of WEDC and the Department of Tourism as both agencies focus on marketing and promotion to drive economic growth. The combined mission will do the important work of promoting Wisconsin as a great place to live, work, do business, and visit.

Regional One-Stop Shop and One Log-In

For too long, Wisconsin's government has worked against regulated business and industries - the very people that produce the food we eat, care for our children, and provide all of the goods and services we consume. When a business is looking to

²³ Fox Cities Regional Partnership. Demographics of the Fox Cities Region - Power in Proximity. <https://foxcitiesregion.com/demographics/> Accessed 19 December 2022



expand or a new childcare center wants to open in the state, regulators should be looking to help bring these entities into compliance, not searching for any conceivable violation as a basis to impede their success. In other words, Wisconsin needs to shift its mindset. Regulators need to work alongside businesses, not against them.

The state can start to create a more customer-service oriented approach by viewing the regulated community as a customer rather than an annoyance. One initiative to this end would be to create regional one-stop shops around the state and staff them with representatives from state agencies who have a regulatory responsibility over business. As an example, if a business in Merrill wanted to expand by adding a warehouse, they may need to coordinate with multiple Madison based agencies. They may need to work through tax implications with DOR, permitting issues with the new DEQ, workforce issues with DWD, or even building code questions with DSPS. Instead of having to coordinate with several bureaucracies in Madison, the business owner would make the short drive to Wausau to visit the regional state government center. At this “one-stop shop”, the appropriate meetings with representatives of each of the relevant departments would be coordinated, ensuring that the business can get all of their questions answered and have a clear understanding of what is required of them. This model would be recreated in six different regions around the state, promoting economic growth and providing existing businesses with the services they deserve.

Along the same lines, average Wisconsinites primarily interact with state government through government websites. Whether they are buying a hunting or fishing license, setting up an account with DOR, or submitting paperwork for an occupational license, Wisconsinites have to remember a whole series of usernames and passwords to access profiles within multiple state agencies. This is cumbersome and confusing. Instead, the Department of Administration (DOA), should create a new portal that connects all customer service functions of government with one login. This would enhance the customer service experience for Wisconsin residents. DOA has suggested doing just this in their Vision 2030 report cited earlier.

State Employment Reform

Of course, many of these changes are going to require a change in the way that the state handles employment. The current civil service system has a legacy dating back over 100 years to the start of the 20th century. Originally created to put an end to patronage within state government, at a time before many modern employment regulations and worker protections were encapsulated in law, it’s a solution to a problem that no longer exists, at least at the same proportion. Today, the state is having trouble filling vacant positions and ridding itself of bad employees. The state’s workforce is also aging as 40% will be reaching retirement in the next decade²⁴. Just like the reform that was needed when the system was created in 1905, reform is needed now to bring the state’s employment practices into the 21st century. As a large employer, the state needs to start mirroring the employment practices of America’s largest private firms.

²⁴ Wisconsin Department of Administration. Vision 2030 for Wisconsin State Government Facilities and Workforce. <https://doa.wi.gov/Secretary/DOAVision-2030.pdf>



The Hiring Process

The state has created a long bureaucratic procedure that slows down the hiring process and takes time away from employees who are required to sit on long, drawn-out hiring panels. This process needs to be streamlined to match the practices of private industry to make the state more competitive in the current labor market- faster hiring process, stronger recruitment, and developing compensation packages that take into account the work-life balance desires of younger generations. The labor market has changed significantly, and the average applicant might not be looking for a 30 to 40 career in state service. The state needs to better utilize the growing trend of “gig work” in the economy.

Termination

One of the legacies of the antiquated civil service system is the termination process for an employee. State employees have the advantage of a number of employment protections that make it incredibly difficult to terminate their employment, despite being an at-will employment state. These protections were put in place before the advent of modern labor law. We no longer have a need for unique and onerous protections that serve to keep bad employees with the state and make it harder to reward high performers. The state needs the ability to manage its workforce like the private sector.

Remote Work

Much of the criticism regarding remote work for state employees has been misdirected at the employees themselves. Make no mistake, poor performers, remote or in-office, should be let go - but remote work also requires good management and constant communication between employees. Today we have the benefit of a plethora of software solutions that allow for more accountability during work hours for remote workers. Remote work is utilized successfully by many large and small employers across the country and is here to stay. As the baby boomer generation transitions into retirement, the generations that are replacing them enjoy the work-life balance that remote work allows. Embracing remote work is not only essential for recruitment and retention reasons, it will also help reduce spending on office space and allow the state to consolidate physical work space.

Recruitment and Retention

The administrator for the state's Division of Personnel Management, the head of recruitment and retention for the state, should be rebranded as the state's Chief Talent Officer (CTO). The CTO should be charged with developing ways to better recruit employees, design and implement better professional development pathways for state employees and create a program to up-skill and retain the next generation of state employee leaders.



CONCLUSION

State Government is broken. For too long, government has worked against regulated communities, stifling economic growth and innovation. The state government must start to work alongside the industries and businesses that have made Wisconsin one of the best places in the country to live and raise a family. Wisconsin state government was developed and designed for the 20th century, leaving us with the antiquated system that we have in place today. Now is the time to recreate state government for the 21st century – a government that is smaller, closer, and more responsive to Wisconsinites. By reducing the number of state employees, shrinking the footprint of the executive branch in Madison, and restructuring government to be more responsive to the needs of businesses and average Wisconsinites, we can begin the process of designing a government for our modern world. This is only the first step in that process to bring real reform to make the lives of every Wisconsinite better now and for years to come.

