



## Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #548

### **Eliminate Long-Term Vacancies (Public Service Commission)**

[LFB 2015-17 Budget Summary: Page 377, #8]

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#### **CURRENT LAW**

The Public Service Commission (PSC) is an independent regulatory agency with jurisdiction over 1,100 entities. It regulates electric, natural gas, steam, water, and combined sewer and water utilities and certain aspects of local telephone service. In 2014-15, 98.6% of the PSC's \$24.1 million budget is either PR (\$17.2 million) or SEG (\$6.5 million), and is funded through assessments on the utilities it regulates. Federal funding comprises the balance (\$346,200). Of its 140 authorized positions, 135 are PR, four are SEG, and one is FED. The Office of the Commissioner of Railroads (OCR) is attached to the PSC for administrative purposes and conducts formal investigations, holds public hearings, and issues orders relating to rail crossing safety. The Office is funded through assessments on railroads, and its adjusted base funding level of \$542,600 PR includes six positions.

#### **GOVERNOR**

Delete 2.75 PR positions to reflect the elimination of long-term vacant positions.

#### **DISCUSSION POINTS**

1. The positions identified by the administration for elimination had been vacant for 12 months or more at the time the budget was developed. Two of the positions are funded under the utility regulation appropriation and include a policy initiatives advisor, that had been vacant since May 3, 2013, and an attorney, that had been vacant since August 28, 2011. The 0.75 position is a railroad safety analyst, funded under OCR's railroad and water carrier regulation general operations

appropriation, and has been vacant since September 8, 2012.

2. Generally when the Committee considers eliminating positions, it also considers eliminating associated funding (salary and fringe benefits) for the positions. Although the bill does not recommend any funding change, annual funding for the 2.75 positions totals \$193,800 PR (\$83,700 for the policy initiatives advisor, \$69,600 for the attorney, and \$40,500 for the railroad safety analyst). Alternative 2 would modify the Governor's proposal by eliminating funding for the identified positions.

3. During the time between the identification of the positions and the bill's introduction, the PSC filled one of the positions, the policy initiatives advisor. The PSC issued an appointment letter on February 2, the day before the budget bill's introduction, and the individual's starting date was February 22. The position's base funding for salary and fringe benefits equals \$83,700. Alternative 3.a. would retain the authorization for this position.

4. In 2011, one of the PSC's staff attorneys accepted the position of chief legal counsel to the Commission. In the same year, 38 positions, including chief legal advisors, were converted from classified to unclassified service, as a result of provisions in 2011 Acts 10 and 32. Because the PSC's chief legal counsel was one of the converted positions, the attorney accepting that position requested, and was granted, a leave of absence from her previous position. This caused the PSC to keep the position open to honor the individual's reinstatement rights.

5. When the PSC attorney took the leave of absence from the classified position, the PSC coded the vacant position incorrectly in DOA's position management information system. This caused DOA to identify the position as a long-term vacancy and target it for elimination. If the Committee wants to ensure that there is a vacant classified position for the chief counsel to assume at some future date, the Committee could remove the Governor's proposal, with regard to the vacant attorney position. Alternative 3.b. would retain the authorization for this position.

6. Although the railroad safety analyst in OCR has been vacant since September 8, 2012, there have been attempts to fill the position since it became vacant. Those attempts were abandoned due to a concern that OCR did not have sufficient budget authority to fund the position on a permanent basis. Instead, OCR reconfigured its budget and hired a limited-term employee (LTE) to perform railroad safety functions in 2013-14. The LTE position is now vacant, and believing it has sufficient budget authority to fill the position on a permanent basis, OCR initiated a recruitment process earlier this year. The recruitment process was halted with the budget bill's introduction.

7. In addition to the Commissioner, OCR's current staffing includes a program and policy analyst, an attorney who serves as the primary hearing examiner, a regulatory specialist who serves both as a hearing examiner and a crossing investigator, and two part-time positions (1.25 FTE) who are program operations associates. The position slated for elimination is the primary crossing investigator. There are over 4,100 rail-highway crossings in Wisconsin. Alternative 3.c. would retain the authorization for this position.

## ALTERNATIVES

1. Approve the Governor's recommendation to eliminate 2.75 PR positions.
2. Approve the Governor's recommendation to eliminate the following positions and, in addition, eliminate the funding associated with each position:
  - a. the policy initiatives advisor under the PSC and \$83,700 PR annually in expenditure authority;
  - b. the attorney under the PSC and \$69,600 PR annually in expenditure authority; and/or
  - c. the railroad safety analyst under OCR and \$40,500 annually PR in expenditure authority.

<b>ALT 2</b>	<b>Change to Bill</b>
2.a. PR	- \$167,400
2.b. PR	- 139,200
2.c. PR	<u>- 81,000</u>
Total PR	- \$387,600

3. Modify the Governor's recommendation and retain the position authority for the following positions:
  - a. 1.0 policy initiatives advisor under the PSC;
  - b. 1.0 attorney position under the PSC; and/or
  - c. 0.75 railroad safety analyst position under OCR.

<b>ALT 3</b>	<b>Change to Bill</b>
	Positions
3.a. PR	1.00
3.b. PR	1.00
3.c. PR	<u>0.75</u>
Total PR	2.75

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