



CORY TOMCZYK

STATE SENATOR • 29TH SENATE DISTRICT

Senate Bill 27

Senate Committee on Licensing, Regulatory Reform, State and Federal Affairs February 11, 2025

It is beyond time for employees of the State of Wisconsin to get back to work. Companies across Wisconsin and across the country are sending their employees back to the office after years of the work-from-home experiment.

Amazon's CEO said, *"We've decided that we're going to return to being in the office the way we were before COVID. When we look back over the last five years, we continue to believe that the advantages of being together in the office are significant."*¹

Disney is mandating their employees to return to the office four days a week. Disney's CEO Bob Iger said, *"In a creative business like ours, nothing can replace the ability to connect, observe, and create with peers that comes from being physically together, nor the opportunity to grow professionally by learning from leaders and mentors."*

Even Zoom, a company that we have all gotten very familiar with, that allows us to meet virtually and made a lot of money on people working from home - is making their employees come back to the office at least twice a week.

I doubt anyone in this room would consider these companies mentioned to be "Republican" or even remotely conservative. That's because returning to work isn't partisan. Returning to work, in person, makes sense and forces accountability. By being in the office, managers and company leadership are able to ensure that their employees are being productive. Unfortunately, government doesn't have to produce anything and bureaucrats spread out across the state aren't accountable to anyone. However, they are being paid by the taxpayer. Wisconsin's taxpayers deserve to know that their state's employees are working in a place where they can be supervised.

Just last week, Ohio's moderate Republican Governor Mike DeWine announced that all Ohio state employees must return to work five days a week starting March 17th.² Nebraska's Governor Jim Pillen issued an executive order in November, 2023 requiring Nebraska state employees to return to their offices full time by January, 2024 calling it a *"common sense expectation"* that workers are most productive working together in an office.³ Indiana Governor Mike Braun is requiring its state employees to get back to the office by July 1st.⁴

¹ <https://www.cbsnews.com/news/amazon-other-companies-return-to-office-mandate/>

² <https://www.timesunion.com/news/article/ohio-governor-orders-state-employees-back-to-20146854.php>

³ <https://nebraskaexaminer.com/2023/11/13/governor-orders-end-to-remote-work-directs-state-workers-back-to-offices/>

⁴ [Banning DEI, return-to-work: Gov. Mike Braun signs executive orders](#)

But – here is the best one yet. Last April, California Governor Gavin Newsom required all state employees to return to their offices for two days a week starting June 17, 2024.⁵ Even a liberal Democrat, albeit two days a week, is requiring California’s state workers to come back to their offices.

Why all the information about “other places”? Because this isn’t just something we thought up out of nowhere. This is happening in the public and private sectors all across America because it works, and it makes employees more productive and accountable. Everyone needs accountability in some way. It is what motivates us and it is how we prove our worth.

This bill is about good management and development of human beings in a work setting. Nothing – **nothing** can replace the face-to-face experience when coaching, developing, or creating.

In December, 2023, Wisconsin’s nonpartisan Legislative Audit Bureau (LAB) released an audit report, Report 23-22 – Telework, Space Management, and Risk Management at the Department of Administration.⁶ The information the audit provides is worth discussing.

Does working from an office versus at home increase efficiency? Well, the audit found that 29 out of 38 agencies did not assess in writing within the previous year the effects of telework or their operations.⁷ So this means that thousands of employees working across 29 agencies are working from their kitchen tables with no documentation about how they are prioritizing time or if their time is being used wisely. This would never fly in the private sector and it should not be allowed here using tax dollars.

Efficiency – something that government is not good at. However, to their credit, the Department of Administration, in 2021 released a plan called “Vision 2030” which is a plan to consolidate state office space. Here is what the report said about their findings at one agency: *“We found that additional consolidation of office space could be considered for the agencies we analyzed. For example, Vision 2030 indicates the Public Service Commission requested additional office space, but the key card data indicated it used the equivalent of 54.1 percent of this expanded space on the single day when the most employees were in the office during the five-month period of time we analyzed, and our six site visits indicated it used 26.2 percent of this expanded space”*.⁸

If ONE state agency is using just over 26% of its expanded space, there is almost certainly room for consolidation of space throughout the rest of state government.

We could talk all day about the audit and percentages and numbers – but the bottom line is that just five years ago, working from home was very rarely done, especially here in state government. While I fully understand the world is changing and technology is readily available, it is still my strong belief that the taxpayer gets the best bang for his or her buck when our state employees are at their desks being supervised.

What we are asking of state employees is nothing new and nothing earth shattering – it is simply going back to the way things were just five short years ago.

⁵ [Newsom orders state workers back into the office - POLITICO](#)

⁶ https://legis.wisconsin.gov/lab/media/rp0nts1/23-22full_668278.pdf

⁷ Audit 23-22 Page 26

⁸ Audit 23-22 Page 46

AMANDA NEDWESKI

STATE REPRESENTATIVE • 32ND ASSEMBLY DISTRICT

Testimony on SB 27 – Return to Work

February 11, 2025

Chairman Kapenga, thank you for holding a public hearing on Senate Bill 27, a bill that would finally return state employees back to in-person work. It's unfortunate that the legislative branch has been forced to respond to this demand of the People, when Governor Evers could easily make this happen without a bill.

In 2020, the shift to telework for state employees was for one reason and one reason only – virus mitigation. It was not because our state agencies suddenly figured out that the duties of so many employees were performed more productively in locations outside state offices amidst the chaos of navigating the unknowns of the new public health crisis. It was because of covid, pure and simple. The pandemic is now over, and has been for quite a while. Yet, a high volume of state duties that required in-person execution prior to 2020 are still being performed in locations outside of the state offices in which they were long-housed prior to the pandemic.

Lack of Oversight

In 2023, the nonpartisan Legislative Audit Bureau (LAB) published two reports on Telework, Space Management, and Risk Management, raising significant concerns about telework practices in our state agencies, including the UW System. The reports revealed that most state agencies were unaware of the extent to which telework was being utilized by their employees.

Additionally, very few employees had written telework agreements in place, as is required by the Department of Administration policy. This lack of documentation and oversight makes it nearly impossible to measure the effectiveness and productivity of state employees who are working remotely, whether it be one day or five days per week.

Office Space Usage

The 2023 audit also revealed that many state agencies were using only a fraction of their available office space due to excessive telework, which resulted in wasteful operating and maintenance expenses charged to the taxpayers. While the 2025 DOA report on the progress of their Vision 2030 plan is cautiously optimistic, there is no data included as to how space reductions were determined. The report does not include evidence that remote job performance, efficiency, and productivity was even measured as a factor in determining whether an agency should reduce their footprint or bring people back to in-person work.

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For example, at the time of the audit, only 5.3% of workstations at the Department of Public Instruction (DPI) were reported as “in use.” DPI has since moved to the Tommy G. Thompson Center, reducing their physical footprint by 43,000 square feet! That means a lot less people are working in person for DPI now than in 2019. When two-thirds of students in Wisconsin cannot read or perform basic math functions at grade level, and declining academic outcomes are intentionally hidden by the State Superintendent through the lowering of standards, it is unconscionable that so few DPI employees are collaborating in-person to innovate and to be accountable to the people they serve and to the people who pay them to solve this travesty. We must do better.

In a recent meeting with UW System President Jay Rothman, I asked how many UW employees work remotely. Though he could not give me that exact number, he did say that they have moved to a “three days in, two days out” policy. The LAB audit found that hybrid work schedules like this were rarely documented or tracked, and the days staff chose to work remotely were inconsistent. Hybrid work schedules – where some of the time is in-person and some is offsite – still requires office space. It is not a move in the direction of space-saving efficiency. In fact, hybrid work schedules not only still incur the cost of maintaining physical office space, they also necessitate additional IT expense for equipment to be used offsite and layers of security that must be evaluated and maintained at each unique remote workstation, in addition to the ability for accountability measures to be put in place to track remote employee engagement levels. All this extra expense is paid by the taxpayer, often, but not always, just for the personal preference and convenience of the employee.

Cybersecurity

Furthermore, the LAB audits also highlighted concerns around telework as it pertains to cybersecurity. The DOA handbook on telework best practices requires agencies to consider whether an employee can follow security policies if confidential information is accessed from a remote worksite. 20 of 38 agencies reported that they did not consider these security concerns when permitting employees to work remotely. Given the sensitive nature of the work many of our agencies perform, this oversight poses a serious cybersecurity threat to our state. If state agencies are unaware of when or where employees are working remotely, they cannot effectively plan for and protect us from IT vulnerabilities. For instance, if a state employee with access to sensitive information works remotely from a public Wi-Fi network, such as at a local Starbucks or while waiting for a flight at the airport, the potential for compromise is high.

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Re-evaluate and Engage Best Practices

Let me be clear: as Chair of the Assembly Committee on Government Operations, Accountability, and Transparency, I am in NO way “anti-telework.” It has its place. Certainly being able to engage employees from all around Wisconsin can be an advantage when expectations and accountability measures are in place. As an IT professional early in my career, and then as a finance professional working internationally, I am no stranger to how this capability has transformed the modern workforce. However, the State of Wisconsin used covid – a non-performance and non-fiscal factor - as an excuse to let employees work offsite, and we have failed to follow up with whether or not this is still a good idea for ALL of those positions.

It is time for state employees to return to the office and do the work that Wisconsin's hardworking taxpayers are paying them to do. Let's get back in the buildings and re-evaluate telework on a case-by-case basis, as *the Wisconsin Human Resources Handbook* instructs. Then we can move forward on a data-driven path for telework with maximum productivity, space efficiency, and increased cybersecurity.

Though I have received phone calls from state employees referring to me as a “cubicle slave driver” telling me that where and how they work is “none of my business,” I contend the opposite. Simply asking employees to return to the work routine they enjoyed prior to the pandemic is not only fair, it is representative of what the public is demanding – accountability. Taxpayers pay state employees. This issue is 100% “their business.”

Remote work for state employees was intended to be a temporary response to the covid pandemic, not a permanent work arrangement. Even the **Remote Work** policy in **Section 748.040** of the *Wisconsin Human Resources Handbook* states that “***Nothing in this policy creates an entitlement or right for an employee to use occasional remote work, short-term remote work or scheduled remote work.***”

I encourage the members of the Senate Committee on Licensing, Regulatory Reform, State and Federal Affairs to join me in supporting this common-sense legislation that will ensure that our state government is operating at its maximum efficiency and delivering the best results possible for Wisconsin taxpayers.



Contact: **Connie Schulze**
Director, Government Affairs
608/516-2552 mobile
cschulze@uwhealth.org

Senate Committee on Licensing, Regulatory Reform, State and Federal Affairs
Written Testimony Submitted by Dr. Alan Kaplan, CEO
Monday, Feb. 10, 2025

Dear Chairman Kapenga and Members of the Senate Committee on Licensing, Regulatory Reform, State and Federal Affairs:

Thank you for this opportunity to weigh in on Senate Bill 27 (SB27) and outline our concerns relative to the impact on our health system and patients. As UW Health's CEO, I am responsible for fulfilling our mission to advance health without compromise through service, scholarship, science, and social responsibility. We understand the need to navigate new laws and regulations that impact our work. However, SB27 would have unintended consequences for a public authority that functions differently than other state agencies. Allow me to explain.

The University of Wisconsin Hospitals and Clinics was designated a public authority per Chapter 233 of the Wisconsin State Statutes by Governor Thompson and the Wisconsin State Legislature in 1995. Today, we are doing business as UW Health and in conjunction with the UW School of Medicine and Public Health, we are among the nation's leading academic medical centers serving more than 800,000 patients from around the U.S. each year. This is made possible by the tireless dedication of our 25,000 exemplary employees who work in clinical care, research, patient support roles, and administration.

Our growth and success over three decades as an authority are borne of the flexibility granted under Chapter 233 which has allowed us to compete in a forever-changing and always-demanding health care environment. We have recruited the best and brightest physicians, nurses, clinicians, researchers, and staff who work 365 days/year caring for patients. As evidence of that fact, our flagship hospital in Madison (University Hospital) has been named the best hospital in Wisconsin by *U.S. News and World Report* every year since the state rankings began in 2012. Furthermore, we are nationally recognized for specialty care across many specialties. It's also worth mentioning that we are among the nation's busiest organ and tissue transplant centers, and we are home to the state's only NCI-designated cancer center, UW Health | Carbone Cancer Center.

Because of our commitment to remarkable care for our patients and our quest to train and prepare the best clinical workforce of the future, we keep careful watch over our finances to meet industry standards for operating margins, liquidity, and bond ratings. This is especially critical because we have no fallback if our operating revenues fail to produce a positive margin. UW Health does not receive state funds (GPR) other than the annual DSH payment approved by the legislature and reimbursement for services provided to Medicaid patients, which does not cover the cost of care. UW Health also covers the employer portion of the match for its employees who participate in WRS. This is a unique arrangement that saves taxpayers millions annually. UW Health also uniquely benefits the Medicaid program by allowing additional federal funds to be drawn down based on a percentage of hospital and physician services provided in our facilities. This arrangement between UW Health and DHS (known as the IGT and CPE) has equated to about \$250 million in new monies for the Medicaid program since 2008.

Another unique attribute of UW Health is our commitment to patients from all walks of life who live in every corner of the state. Late last year, we opened Eastpark Medical Center, a state-of-the-art outpatient clinic on the east side of Madison to address patient demand for complex women's health care and cancer care. We built the 450,000-square-foot facility near the interstate because of the growing demand for our clinical services from across Wisconsin. In fact, demand across all areas of clinical care has grown by over 50 percent in eight years, with more growth on the horizon. That means we will continue to direct additional resources to spaces meant to serve patients and fewer resources will be directed to nonclinical space.

That brings us to the crux of our opposition to SB27. We contend that if SB27 were implemented today, we would not have enough existing space available to bring the many, largely non-clinical staff fully on-site. Not only would this impose an expensive mandate to secure new space, but it would exacerbate serious challenges with parking. Oftentimes, we have space for patients *or* staff, but not both. Our current parking challenges require that we run shuttles, fund bus transportation, and encourage ridesharing in order to get staff onsite. The legislation before you would serve to worsen this significant challenge.

In closing, allow me to reinforce a few salient points:

- 1) UW Health is not a state-funded entity, and our Authority status allows us to positively contribute to the fiscal well-being of the Medicaid program in a way that is unique to our health system. This is in addition to \$70+ million in annual financial support for the UW School of Medicine and Public Health, and our community benefit of more than \$387 million (FY24).
- 2) Patients come first at UW Health. We continue to direct precious resources to serving the growing demand for our care, while we reduce our real estate space for nonclinical purposes. This legislation would negatively impact our ability to focus our limited resources to direct patient care.
- 3) We have a proven track record of success and are nationally recognized as a highly innovative and financially sound academic health center. Furthermore, we are subject to state audits and we file an annual report to the legislature summarizing our financial well-being and patient care as outlined in Chapter 233. The UWHCA Board of Directors also includes, by statute, the co-chairs of the Joint Committee on Finance so the legislature has a direct link(s) to our operations.

With the above in mind, I ask that you consider our request to amend SB27 and remove any reference to Chapter 233.

Thank you for your consideration. Questions can be directed to Connie Schulze, Director of Government Affairs, at cschulze@uwhealth.org or 608/516-2552.