

## Inefficient outsourcing, staff cuts

# A state government in denial

Modern political leaders are fond of saying that government should be run more like a business. Unfortunately, they seem to prefer the Enron model, instead of, say, the Costco or Berkshire Hathaway model. Successful businesses look at what they're doing, decide if it's working, and then quickly dump unsuccessful ventures while focusing on success stories. Government? Not so much.

Wisconsin state government -- like governments at many other levels around the country -- seems in recent years to have decided that privatization and outsourcing are ways it can become more businesslike and control its costs. The indisputable evidence is that it's not turned out that way at all.

### From the President



Mark Klipstein



Instead of adopting sound practices such as good planning and careful budgeting that would encourage efficiency, political leaders apparently have been most interested in backing up their rhetoric by shrinking government and letting the private sector do more of the public's work -- and hang the expense, which budget makers simply roll over from one biennium to the next, and even from one administration to the next.

This privatization has worked out so badly at the federal level that our national government is now quickly retrenching and dumping expensive and unproductive consulting contracts, once again building up its own staff of talented, hard-working civil servants. Wisconsin? Not so much.

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In its privatization mania, our state government continues to pursue a very unbusiness-like attitude that adopts only the most awful examples of the modern marketplace while ignoring sound fiscal practices.

If you're in business, and you take pride in your work, you likely push to do that work better, offering quality products and services to more customers at lower cost while strengthening your organization and rewarding your employees. Unfortunately, many other businesses that pay only lip service to these objectives have decided that outsourcing their work and even their engineering to places like India is more profitable, at least in the short run.

Many of our units of government, too, decided that outsourcing would save money. And perhaps in some cases it indeed would, if each decision were based on sound accounting and careful analysis before the decision was made.

Instead, Wisconsin set out a goal and then reverse-engineered it, hang the expense. The incoming administration promised to shrink state government by about 10,000 employees, laying waste to valuable professional expertise and institutional history in the process. Why? To help solve years of massive, recurring budget deficits.

This decision may have been politically agreeable, but all it has accomplished is a rise in state costs and a reduction in the quality of programs. Worse, the way it has implemented cutbacks, the state has had to cut into the muscle and marrow of its worker base, worsening its service delivery problems and understandably causing some taxpayers to take an even dimmer view of the public sector.

Worst of all, the decision now comes back to bite the state, as study after study shows it costs more to outsource programs, and that this cost doesn't result in superior work but does sometimes create its own waste and inefficiencies.

We know that to be true with even more certainty after the Legislature's Joint Audit Committee in January held a second hearing with Department of Transportation officials. The session was convened to discuss the findings of a Legislative Audit Bureau report on outsourcing in the DOT (details on the hearing in an accompanying article this newsletter).

When legislators asked if the DOT were familiar with the Act 89 study conducted on behalf of the State Engineering Association -- showing that the DOT could have saved millions of dollars by outsourcing less -- the agency's representatives said they were unfamiliar with the study. Even more surprising, the same representatives were ignorant of the DOT's own 2004 study that arrived at similar conclusions.

Yet the DOT representatives said the information in the studies really didn't alter the situation -- obviously not, since the agency is on an apparent fast track to outsource even more highway work -- perhaps 95 percent of it, in some regions. Yet another case of, "My mind's made up; don't confuse me with facts."

**MANY OF OUR UNITS OF GOVERNMENT DECIDED THAT OUTSOURCING WOULD SAVE MONEY. AND PERHAPS IN SOME CASES IT WOULD INDEED, IF EACH DECISION WERE BASED ON SOUND ACCOUNTING AND CAREFUL ANALYSIS. INSTEAD, WISCONSIN SET OUT A GOAL AND THEN REVERSE ENGINEERED IT, HANG THE EXPENSE.**





This is how our political leaders and public institutions now function -- or perhaps we should say dysfunction. They go through the motions of announcing cost-saving plans while sounding tough about public spending. But then they proceed to take steps that only make things worse.

When negative outcomes are brought to their attention, they show every sign of a troubled person in denial, telling the public and other policymakers, in effect: "It's not true, but if it is true, we're not aware of it, and besides, we can't do anything about it." Of course not. Their minds are made up -- or, in many cases, made up for them by disconnected leadership.

For the bureaucracy bashers out there, we should point out that this is not just an ailment afflicting government. This, as every American has seen, is the same kind of denial that also afflicts some of our biggest corporations, such as those giant, "too big to fail" financial institutions. You know: the ones that have decided that in a period of economic crisis, the public should bail them out with 13-figure sums. The ones that then see no problem assigning tens of billions of dollars to reward themselves with fat bonuses for being such wise and capable executives.

The lesson so far seems lost on our ship of state, which has devolved into a largely partisan enterprise where ideology reigns supreme and criticism is smacked down or ignored. When a thoughtful employee or angry whistle-blower or concerned taxpayer or skeptical legislator asks why things are going poorly, the command staff's answer is often that things really aren't going poorly but that if they are, then that is as it should be because this is the best of all possible worlds. It amounts to a side-long glance at the truth and a complete disconnection from accountability.

The good news is that this fly-by-wire model of business and government isn't going to succeed much longer. More and more legislators, political animals though they are, are beginning to see that paying lip service to efficiency while juggling the books is not only harmful to the public and to government, but to themselves.

Finding a way out of this mess -- which has festered for decades -- will not be easy. Breaking things is always easier than fixing them. The sooner we get started, the better. It will take all of us, pushing hard and demanding change, before it happens.

Here's one place to start: The DOT has been rolling out around the regions what it calls a new DTSD Strategic Directions. However, what it most looks and smells like is another reorganization plan. Our members need to be very concerned about this, attending statewide meetings and asking tough questions.

This plan may affect every one of our DOT members, if not right away, then in the future. This looks like the first step in making the DOT an oversight agency. We need to contact our legislators and let them know what is happening at DOT and its plan to increase outsourcing of engineering services at an 18% or more premium in cost. If you need more info, please contact your section president.

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**SECTION NEWS:****Central Office elects**

Central Office held its annual membership meeting Jan. 21. Election results: Carl Bujanowski (incumbent) won versus Larry Jones for president.; John Noll (incumbent) ran for vice president unopposed and won; John Bridwell, secretary/treasurer, ran unopposed and won.

Topics of discussion were bargaining, lawsuit, and grievances along with taking control of the government from the people who represent us. The ball is now in our court and it's time to run with it.  
- CB

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**Bargaining et al** Willie Haus and I met with the Office of State Employee Relations (OSER) on Jan. 12 to discuss bargaining, grievances and other SEA issues. It was a very good discussion with good dialog. We continued to talk about some of our language issues that need to be resolved in bargaining our 2007-2009 contract.

It was concluded that SEA will now need to rewrite our last language proposal for OSER for review. As I wrote last month, SEA can't take anything for granted. We seem a lot closer to a new contract, thanks to a fresh start with new faces across the bargaining table. We need to remain patient, and keep on pushing ahead.

Respectfully,  
Mark Klipstein  
President

## ***What did DOT know, and when did they stop knowing it?***

Hello all,

January turned out to be a busy month. SEA attended two hearings at the Capital. One was a follow-up hearing for the Joint Committee on Audit; the other was held by the Senate Committee on Ethics Reform and Government Operations.

The follow-up Joint Committee on Audit session was interesting, as the state Department of Transportation sent Chris Klein, executive assistant, along with some others, to testify in place of Klein's immediate boss, the DOT secretary. Most amazing was an exchange making clear that DOT representatives were not aware of the agency's own internal, detailed 2004 cost analysis. That analysis used private-sector methodology to conclude that DOT's own internal staff produced projects at least 18 percent more cost effectively than outsourcing.

Even so, when apprised of this, the Department representatives continued to defend the outsourcing decisions their agency has made. *[See following story]*

If you recall back in 2003 and 2004, the DOT secretary was traveling around the state telling SEA members that he would support hiring more internal staff if the results of that upcoming study indicated internal staff were more cost-effective. I guess that was only lip service from the administration.

Please contact your representatives and share the 2004 cost analysis with them. I think they will find it interesting!

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### **CST**

**(Contract Savings Time)**

*State engineers have now served the citizens of Wisconsin for nearly 32 months without a new contract. See our real-time clock at [www.wisea.org](http://www.wisea.org)*

### **Legislative Update**

By Tim Hanley

*Second Vice President*



The other hearing was for Senate Bill 447, which tries to strengthen and improve reporting for contracting out that is taking place in Wisconsin. This was the initial Senate hearing; the bill was expected to be in committee executive session around January's end and then will be moved along to the Assembly for its attention and action.

Lawmakers appear to be interested in moving this along so they can begin to get a handle on actually how much contracting out is costing the state. With the Southeast DOT region planning to outsource 95 percent of its work, even if it is not cost-effective, we as taxpayers need to encourage more public exposure including news reporting to point out this waste.

Please call your representative and ask that they support SB 447 and its companion bill in the Assembly when it gets there.

I polled the section presidents at the January Board meeting and they indicated that overall in their conversations with membership that we should pursue a donation plan to support our profession and the good work that Engineers Without Borders does, including at the moment in earthquake-ravaged Haiti.

I am going to work on getting a framework developed to share at a future board meeting and continue moving towards making that happen. It may not happen until later this year because we need to first do some SEA Day planning.

Please let your section president know if want to volunteer to help with this when we get it off the ground. Our section presidents will be a key to making this all happen.

Respectfully,  
Tim Hanley, 2<sup>nd</sup> Vice President

**EMPLOYEES IN SE REGION TO BE PUSHED INTO NEARLY ALL OVERSIGHT ROLE BY YEAR'S END: DOT GOAL**

DOT managers officially announced in mid-January that the Southeast Region has a goal of going to a 90% to 95% consultant oversight model by the end of 2010. The region's plans are to get to 100% eventually, a move managers are calling the reorganization and consultant oversight model. Managers also told staff it will be promoting numerous senior engineers to the advanced level.

Managers wouldn't answer questions concerning what the remainder of entry-level engineers and specialists will work on.

## Legislative Audit Bureau reviews report on DOT consultant issues

By Tony Allard  
Green Bay Section President



**Madison** – The consensus among key legislators is that the Department of Transportation clearly needs more staff to handle its project load, despite assurances from agency officials that this is unnecessary and cannot be done. That was how Rep. Peter Barca (D-Kenosha) summed up the Legislative Audit Committee's Jan. 13 hearing at the Capitol.

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The hearing was called to further review a May 2009 Legislative Audit Bureau report entitled, Construction Engineering in State Highway Projects. The legislators sought to address concerns that could not be answered at the original hearing since the transportation secretary’s office did not attend.

Ironically, Secretary Frank Busalacchi was out of the country for the follow-up session, and the deputy secretary was unavailable, too. The secretary’s office sent Chris Klein, executive assistant, to answer questions from the original hearing and follow-up questions.

Auditor Janice Mueller explained to legislators that the her bureau report had two prongs, outsourcing and concrete-thickness issues. Although the report focused on the concrete thickness, the main focus at the original hearing was on DOT outsourcing, with a strong desire to find “the optimal mix between private contractors and state engineers.”

Klein began by answering questions that were brought up at the original session. He said the DOT takes its responsibility very seriously. The way engineers function is constantly changing, Klein said, adding they are constrained by a state budget requirement that 65% of plans be on shelf by 2014.

Klein said that level would require DOT to hire at least 200 full-time positions to keep up with the increase in the program, but fluctuations make it difficult to predict the correct workforce level. Klein added, “We greatly value the employees we have.”

Addressing the question of why DOT can't hire more engineers, Klein said that “because of the fluctuations of the program,” the department has limited its full-time hires. “There is a misleading belief that the department is choosing to use consultants over state staff,” he said. “Nothing could be further from the truth. Our state staff are always used first.”

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## SECRET COWS

*Murmurs and moos from the corridors of power – and, hey, don't have a cow, man!*

By Sybil, the SEA-cret Bovine



Moo!

Top o' the moo-ing to you, Did you know I'm a “sybil” engineer? Heh! I got me a gazillion jokes like that one. But the real joksters are in state government. Apparently they've never met a consultant they didn't like. These policymakers seem to think the problem with talented civil servants is that, well, they're just too doggone permanent. Anyway, let's moo-ve on with this month's chat over my electric pasture fence. *Ouch.*

**IMPUDENT PRUDENCE** Holy Holstein! DOT reps said at January's audit committee hearing that the DOT is simply unable to plan for spikes and troughs in its programs. Which is why, apparently, as much as 95% of upcoming project oversight will be outsourced in at least one DOT region. Well, THAT would remove uncertainty about staffing levels, wouldn't it, now? I mean, if you don't give your staff anything to do, or if you don't even *have* a staff, you don't need to consider them at all.

“We believe,” one DOT rep told legislators, “that sound management of all our resources dictates that the department make prudent use of a temporary workforce to deal with fluctuations in our construction program.” Dear DOT: Taxpayers and state workers alike are all for a “prudent” temporary workforce program. But let us know when you actually come up with a real one.

**SAUCE FOR THE STEER** When the Audit Committee is done considering DOT strangeness, maybe will it take a look at what is occurring in the Department of Commerce. Similar outsourcing issues are occurring there, including closure of regional offices, outsourcing, laying off staff, not filling positions, and running deficits that are somewhat complicated to understand, since the agency has been redirecting surpluses away from its mission and toward who-knows-what. I know all about skim milk, but skimming budgeted funds? Moo! Where's the legislative intent in that?

**CUBE-TAPPED** SE Region DOT workers are increasingly being moved out of their cubicles to make room for – you guessed it – private consultants. This is reminiscent of that old Dilbert comic strip where, to save space, Catbert the evil human resources manager pulls workers from their cubicles and puts cardboard boxes over their heads, instead. Oh well, at least outfitted that way, you don't have to smile and wave whenever the governor comes through the shop on an inspection tour. [Speaking for my fellow milkers: We like our stalls.]



Klein went on to discuss cost-benefit analysis, specifically the so-called Act 89 law that requires advance cost comparisons between in-house and consultant options. He said the biggest limitation of such reports “is they do not account for the cost of maintaining a larger permanent work force.”

Klein elaborated that cost-benefit analysis looks only at what it would cost to have a consultant complete a specific project and what it would cost to have a state employee complete the same project. The comparison, he said, assumes that at the end or completion of a project there are no additional commitments to either a state worker or a consultant.

Sen. Robert Cowles (R-Green Bay) asked about Act 89 and concerns that the results of private-versus-public cost analyses were being ignored. Klein expressed confusion with the question and answered that the analysis results are used to help negotiate better prices for consultant contracts.

Cowles clarified his point, asking why DOT is not hiring more state staff if they are in fact more cost-effective. Klein replied: “Those cost-benefit analysis are done so early, there’s rarely any scoping done. I mean, we don’t want to be in a position to have to hire state staff to meet a fluctuation in the program that may go away.”

Sen. Mark Miller (D-Monona) asked, “How many state engineering staff could you add without risk?” Klein responded that, “We don’t have an answer for that... . There is a risk in hiring any.” Klein blamed the DOT's lack of a specific answer on the state's two-year budget cycle.

Rep. Barca asked when DOT last had to lay off engineers because there wasn’t enough work for them. Klein stumbled and responded, “Arrrgh, not since I’ve been there.”

Sen. Kathleen Vinehout (D-Alma) asked if DOT was familiar with the Act 89 report prepared for the SEA by Dr. Ed Beimborn, a University of Wisconsin–Milwaukee emeritus professor of engineering. That study, released last year, showed that DOT could have saved \$5 million by using in-house staff during one period covered in the study.

When the DOT representatives said they were unfamiliar with the study, Vinehout let them view her copy. She asked if they were aware of another detailed report from 2004 concerning engineering cost review that was done by the DOT itself, and whether they were aware of the amount of savings that were identified.

Paul Trombino, DOT division operations director - regions, replied that he was aware of that study, but added he could not recall the savings figure. Vinehout questioned why the DOT was carrying an engineering staff vacancy rate knowing this. “We need to do more homework here in the Legislature in terms of making sure the state is doing the right job with the right staff,” she said.

Vinehout then asked if the DOT was familiar with a federal audit done last December concerning the high use of consultants. Trombino replied that he was not familiar with

**“THOSE COST-BENEFIT ANALYSIS ARE DONE SO EARLY, THERE’S RARELY ANY SCOPING DONE. I MEAN, WE DON’T WANT TO BE IN A POSITION TO HAVE TO HIRE STATE STAFF TO MEET A FLUCTUATION IN THE PROGRAM THAT MAY GO AWAY.”**



that audit. The audit revealed that the Federal Highway Administration is concerned that the DOT does not have the expertise even to do oversight. Vinehout noted that DOT constituents have commented that DOT didn't have any expertise in roundabouts. The DOT representatives did not comment.

Vinehout also asked about a specific policy that moves the role of state highway engineers from that of design to oversight. Trombino appeared to seek approval from Klein before saying, "There isn't a policy." He added that there may be some talk in the DOT regions due to fluctuations in the workload.

The next invited speaker was Thomas Walker, director of government affairs with the Wisconsin Transportation Builders Association. Walker took a different approach, saying, "The basic reason why DOT is unable to fully fill its authorized position level is that they have been told not to do it." He added, "The real issue is to what degree this Legislature wants the work done by staff and is willing to create the staff resources to do it."

His recommendation included the elimination of Act 89. He explained that it causes too many problems and the focus should instead be on skill sets. Walker added: "Our plea to you is as an organization is get over the question of which costs more, and get on to the question of making sure that the DOT has the staff resources to do what needs to be done and the dollar resources to hire the supplementary services that they need to get that job done."

Walker added, "In order to provide oversight, you have to have some experience." In conclusion he said: "Give them [DOT staff] the resources, the dollar resources to outsource and the staff resources to improve their professional skill sets."

***"THE BASIC REASON WHY DOT IS UNABLE TO FULLY FILL ITS AUTHORIZED POSITION LEVEL IS THAT THEY HAVE BEEN TOLD NOT TO DO IT."***

*To see the hearing, go to the Internet home page of [Wisconsineye.com](http://Wisconsineye.com), choose Video on Demand, and then click on the proceeding entitled "01.13.10 Joint Legislative Audit Committee"*

### **Federal but no state tax break for 2009 unemployment comp**

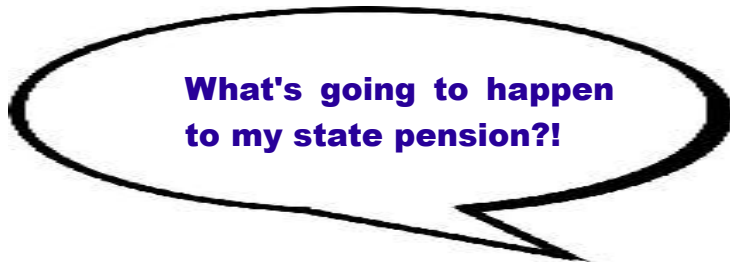
**U**nder the American Recovery and Reinvestment Act (ARRA) enacted last year, every US taxpayer who received unemployment benefits during 2009 is eligible to exclude the first \$2,400 of these benefits on the year's federal tax return. For a married couple, the \$2,400 exclusion applies to each spouse. Wisconsin does not follow this new federal exclusion. You must file Wisconsin Schedule I to adjust for the difference.

Wisconsin's maximum weekly unemployment benefit is currently \$363, with another \$25 supplemental available for claimants during the economic crisis. Thus, under the \$2,400 exclusion, SEA members temporarily laid off under the governor's executive order ought to be able to avoid all federal tax on UIC benefits payable for 2009.

Note that when SEA members file for unemployment, they must speak to a state claims processor after filling out the standard form, so that the state can record their agency payroll code.

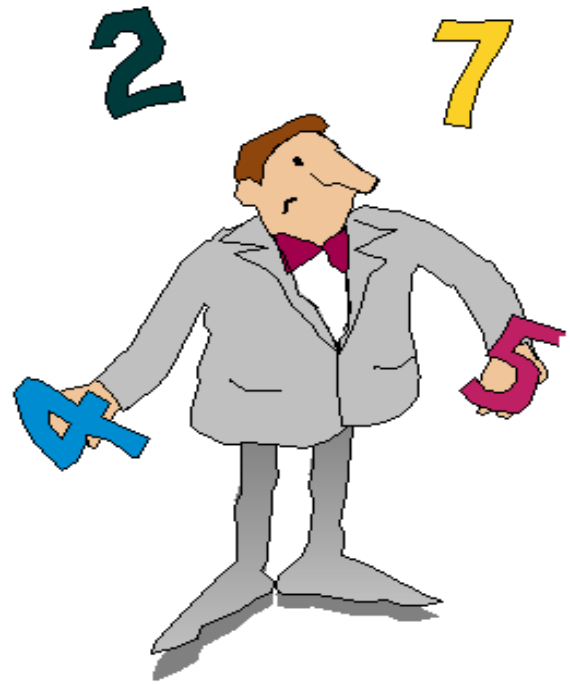
For Wisconsin workers handed permanent pink slips: Under 2009 Wisconsin Act 11,, a worker was eligible in 2009 for up to 72 weeks of benefits, including: 26 weeks of regular UIC benefits, 33 weeks of benefits under the Emergency Unemployment Compensation Act of 2008, and 13 weeks of benefits under the 1970 federal-state Extended Benefits (EB) program. 2009 Wisconsin Act 11 added 7 weeks to the number of weeks a claimant may claim EB, increasing the maximum from 13 weeks to 20 weeks and the maximum total number of weeks an individual may receive to 79.

The additional 7 weeks of EB benefits became payable in Wisconsin as of the week beginning June 7, 2009.



- \* Will my retirement system be there when I need it, or fold like some others?
- \* Will politicians grab our retirement money to fix the state budget?
- \* What pension amount will I get next year?
- \* Why is my monthly pension going down?

***Get answers to these questions and more!***



**Attend the Annual Conference for retirees who are annuitants in the **State of Wisconsin Retirement System** 8:30 am to 3:15 pm **MONDAY, MAY 10, 2010** **The American Family Center, Madison****

Sponsored by the Wisconsin Coalition of Annuitants. Meet with the people who manage your retirement system. Space is limited, so reserve early.

**Registration fee: \$25.00 until April 15 / \$30.00 after**  
**Includes continental breakfast and luncheon**

**Mail check to:**  
WCOA Treasurer  
5704 W. Beloit Rd.  
West Allis, WI, 53214

Questions? Call (608) 873-5694 or (608) 238-3265 or email:  
[kratzwrpc@charter.net](mailto:kratzwrpc@charter.net)  
[cojack@sbcglobal.net](mailto:cojack@sbcglobal.net)



## Retirement and Health Insurance Report

by Bob Schaefer

SEA Retirement & Health Insurance Representative

### WISCONSIN COALITION OF ANNUITANTS MEETING – Jan. 13, 2009

Following is a summary of the items discussed at the September, 2009 WCOA meeting. Additional details are available upon request.

Sandy Drew, legislative and beneficiary liaison for the State of Wisconsin Investment Board (SWIB), made a presentation covering several topics. First were the preliminary final performance numbers for the Core and Variable Funds. The Core Fund was up 22.2 percent and the Variable Fund was up 33.7 percent. These values were reported in the last newsletter. However, since the Core Fund is smoothed over five years, the estimated adjustment will be about a negative 1%. The Variable Fund will see an adjustment somewhere in the 25 to 30% range. Final numbers will be posted in March and the adjustment will take place in the May checks.

The performance committee at SWIB did not authorize any across-the-board increases for SWIB personnel.

There was mention of changes in allocations to better prepare the WRS for future economic issues. This subject will be covered in the SWIB report. Attendees were told of the proposed leveraging of a small portion of the fund to improve performance with less risk. This subject was also discussed in great length at the SWIB meeting (there'll be a report on that session in next month's SEA View).

SWIB representatives met with Senator Herb Kohl regarding the new finance bill. The bill recently passed the House, with Wisconsin's concerns addressed. The bill needs to pass the Senate where there may be opposition to some of the provisions.

Sari King, administrator, Division of Retirement Services, ETF was also at the meeting. She discussed the need for all WRS persons to keep ETF informed of their current address. A lot of information is sent out regularly and the need for a current address is essential. So if you know of a retiree who has moved, remind them that they should ensure ETF has their current address. Ms. King also mentioned that a newsletter will be coming out soon.

A new video called the "Road to Retirement" can found on the ETF web site, <http://etf.wi.gov/>. Go to video links, participants, and look for the title. I suggest that you consider viewing it in segments.

ETF currently has several vacancies. There has been no action at the committee level on SB390 and SB420.

### SWIB borrowing to invest in more inflation-protected US securities

The State of Wisconsin Investment Board (SWIB) voted Jan. 26 to increase its position in Treasury Inflation Protected Securities (TIPS), borrowing from the pension fund's biggest asset pool. The move is intended to protect investments against market volatility by investing in bonds that are protected against inflation, which is expected to grow in coming years.

The decision followed the recommendation of a consulting firm. The plan eventually would boost SWIB's TIPS position to 20% of portfolio, from 3% now. Trustees also voted to allow buying into hedge funds.

See complete details of SWIB's moves in next issue's Health and Retirement coverage. For a FAQ on the decision, choose the New 2010 document at:

[www.swib.state.wi.us/FAQ.aspx](http://www.swib.state.wi.us/FAQ.aspx)



The Annual Conference hosted by the WCOA will be held May 20, 2010. The place of the meeting will be the American Family Complex. See display ad in this newsletter.

– Bob Schaefer  
Retirement and Insurance Representative

## January 16, 2009 Board Meeting Summary

Meeting held at La Quinta Inn & Suites, Madison

By Reiny Yahnke, Secretary

### **Attendance:**

**Executive Board:** Mark Klipstein – President, Leroy Stublaski – First Vice President, Tim Hanley – Second Vice President, John Bolka – Treasurer, Reiny Yahnke – Secretary

### **Board Members:**

Tom Peronto, Wisconsin Rapids President  
Larry Legro, State Agencies President  
Brian Mattson, Superior President  
Khader Abu Al-Eis, Madison President  
Mike Wendt, Rhinelander President  
Jeremy Tomesh, La Crosse President

Dave Solberg, Eau Claire President  
Anthony Allard, Green Bay Section President  
Carl Bujanowski, Central Office President  
Steve Dunn, DNR Madison President  
Carolynn Gellings, Southeast President

### **Specialists:**

Sandy Henke, SEA Office  
Willie Haus, Attorney

Ron Legro, Communications Specialist  
Bob Schaefer, Health & Retirement

**Guest:** none

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### **Meeting Begins:**

Mark Klipstein called meeting to order at 8:10 am. Introductions were made.

### **Approvals:**

The Dec. 19, 2009 Board Meeting minutes were reviewed. Mike Wendt moved to accept the minutes. Carl Bujanowski seconded. Motion carried. The Correspondence Report was reviewed. Mark Klipstein accepted the Correspondence Report as written.

**President's Minute:** Mark discussed keeping the meetings focused and on agenda.

Larry Legro presented a Section bylaw Amendment for Article 7 – Meetings. Larry Legro moved to accept the amended State Agencies Bylaws as presented. Steve Dunn seconded. Motion carried.

A copy of the SEA logo state registration was distributed. Bob Schaefer will now move forward with registering the logo with Lands Ends for apparel use. Mark discussed the future fall officer election and offered that section presidents invite interested individuals to board meetings. Mark also highlighted SEA's discussion with OSER regarding the DOT not posting positions on WisCRS. Additional discussions will be required to resolve that issue.

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Mark also presented an invitation that the Council of Engineers and Scientists Organization (CESO) has extended to Mark to attend a meeting in Washington, D.C. in April. Leroy Stublaski moved to pay for Mark's incidental costs to attend the April CESO meeting.Carolynn Gellings seconded. Motion carried. CESO would pay for flight and hotel arrangements to attend the meeting.

The new WisDOT strategic direction of 90% outsourcing of engineering work was discussed. No other Midwest DOT outsources much more than 50% of its engineering work.

**Health and Retirement Report:** *By Bob Schaefer*

Bob discussed how the Wisconsin Retirement System compares with other public pension systems. Bob reported the 2009 performance for the core fund was +22.2% and the variable was +38.7%.

**Bargaining and Legal:** *By Willie Haus*

Willie updated the board on the current status of bargaining. Bargaining so far remains on a positive path.

**Legislative Report:** *By Tim Hanley*

Tim reported on the latest Legislative Audit Hearing regarding DOT outsourcing. The Joint Audit Committee meets Jan. 27. Tim attended a Portage County Democratic meeting in Stevens Point and spoke about true outsourcing costs. A hearing for Senator Lassa's bill SB-447 is scheduled for next Wednesday. Tim will attend to testify and anyone else interested to attend is welcome. Options and venues for SEA Day were discussed. SEA Day will remain an event at the Capitol. SEA participating in a charitable project such as Engineers Without Borders was discussed. Consensus of the board to move forward with charitable support in the future.

**Communication Report:** *By Ron Legro*

Newsletter articles are due by January 24th. Ron presented the idea of using cartoons to simplify the complex issue of outsourcing and to push our outsourcing position forward.

**Grievance Report:** *By Leroy Stublaski* .

Note: A-xxx indicates an Association grievance

A-307 (filed 5/3/99) – DOT D2 – Denied work time to take PE exam. Arbitration pending.

A-351 (filed 7/19/01) – DOT D4 – RLS exam reimbursement. Consolidated with A-307.

A-352 (filed 6/25/01) – DOT D3 – PE licensing fee reimbursement. Consolidated with A-307.

A-361 (filed 10/30/01) and A-362 (filed 10/31/01) – DOT D1 and D2 – Assignment of scheduled overtime. Arbitration pending .

A-369 (filed 1/2/02) – DNR Water – Add-on as part of year-end leave cash out option. Arbitration pending.

A-378 (filed 8/14/02) – DOT D1 - Not being paid appropriate mileage rate. Filed at Step 4.

A-389 (filed 5/30/03) – DOT D3 - PE licensing fee reimbursement. Consolidated with A-307.

A-394 (filed 8/1/03) – DOT D1 – Discipline Reassignment. Filed at Step 4.

A-395 (filed 5/3/03) – DNR NER – PE Exam Reimbursement. Consolidated with A-307.

A-402 (filed 3/25/04) – DOT-DTID – Discipline without just cause. Favorable decision reached on 1/5/09.

A-405 (filed 4/5/04) – DOT D5 – PE Exam and licensing fee reimbursement. Consolidated with A-307.

A-410 (filed 6/29/04) – DNR Water – Granting of Restoration Rights. Filed at Step 4.

A-419 (filed 12/23/04) – DNR Water – Add-on is part of year end cash out option. Filed at Step 4. Consolidated with A-369.

A-420 (filed 1/27/05) – DOT – Turndown Mileage Rate. Filed at Step 4.

A-429 (filed 4/27/05) – DOT D5 – PE licensing fee reimbursement. Consolidated with A-307.

A-430 (filed 4-27-05) – DOT D5 – PE Exam Reimbursement. Consolidated with A-307.

A-431 (filed 4-27-05) – DOT D5 – PE Exam and Licensing Fee Reimbursement. Consolidated with A-307.



A-432 (filed 4-27-05) – DOT D5 – PE Exam and Licensing Fee Reimbursement. Consolidated with A-307.  
A-435 (filed 11/30/05) – DOT D4 - PE Exam and Licensing Fee Reimbursement. Consolidated with A-307.  
A-436 (filed 11-18-05) – DOT D2 - PE Exam and licensing fee reimbursement. – Consolidated with A-307.  
A-439 (filed 11-29-05) – DNR - Extra Mileage. Filed at Step 4.  
A-440 (filed 11-09-05) – DOT D1 - Lunch Money. Filed at Step 4.  
A-444 (filed 3-14-06) – DOT D2 – Individual Bargaining. Filed at Step 4.  
A-446 (filed 2-14-06) – DOT SW – PE exam and licensing fee reimbursement. Consolidated with A-307.  
A-447 (filed 3/27/06) – DOT NCR – Fleet vehicle assignment & utilization. Filed at Step 4.  
A-448 (filed 5/12/06) – DOT NCR – HAM used on current state employee in promotion. Filed at Step 4.  
A-453 (filed 8/18/06) – DOT NER - PE Exam and licensing fee reimbursement. Waived to Step 3.  
A-455 (filed 10/27/06) – DHFS-Reimbursement of surcharge for over 2000 miles. Filed at Step 4.  
A-456 (filed 9/13/06) – DOT NER - PE Exam and licensing fee reimbursement. Waived to Step 3.  
A-463 (filed 4/18/07) – DOT NER – PE for CE-Adv positions. Filed at Step 4.  
A-464 (filed 6/5/07) – UW - Termination without just cause. Filed at Step 4.  
A-469 (filed 8/20/07) – DOT NER – Mileage reimbursement rates. Filed at Step 2.  
A-472 (filed 12/04/07) – DOT NCR – Denied standby pay for 25-hour shift. Moved to Step 4.  
A-473 (filed 1/8/08) – DOT NCR – Denied 2 hours call-back time. Moved to Step 4.  
A-474 (filed 1/16/08) – DOT NCR – Denied 2 hours call-back time. Moved to Step 4.  
A-475 (filed 2/7/08) – DOT SE – Involuntary reassignment. Moved to Step 4.  
A-476 (filed 2/28/08) – DOT NCR – Denied benefits after car accident. Moved to Step 4.  
A-477 (filed 4/29/08) – DOT NCR - Denied 2 hours call-back time. Moved to Step 4.  
A-478 (filed (9/08) – DHA – Turndown Mileage Rage. Moved to Step 4  
A-481 (filed 2/14/09) – DOT NW – Employer failed to properly fill position. Moved to Step 4.  
A-482 (filed 3/17/09) – DOT DTSD – Denied standby pay for calls during lunch. Moved to Step 4.  
A-483 (filed 3/30/09) – DOT NCR – Denied 2 hours call back time. Filed at Step 4.  
A-484 (filed 4/22/09) – DOT NCR – Denied 2 hours call back time. Filed at Step 4.  
A-485 (filed 5/26/09) – DOT SE – Disciplined without just cause. Filed at Step 4  
A-486 (filed 6/10/09) – DOT SE – Given letter of reprimand without just cause. Filed at Step 4  
A-487 (filed 5/20/09) – DOT NER – RLS requirement for Survey Coordinators. Filed at Step 4  
A-488 (filed 9/25/09) – DOT NER – Timesheet changed. Filed at Step 4  
A-489 (filed 1/05/10) – DOT SE – Denied Standby Pay. Filed at Step 3  
A-490 (filed 12/21/09) – DOT SE – Imposed temporary layoffs. Filed at Step 4  
A-491 (filed 12/21/09) – DOT SE – Imposed temporary layoffs. Files at Step 4  
A-492 (filed 12/21/09) – DOT DTSD – Imposed temporary layoffs. Files at Step 4  
A-493 (filed 12/21/09) – DOT NE – Imposed temporary layoffs. Files at Step 4  
A-494 (filed 12/21/09) – DOT NC – Imposed temporary layoffs. Files at Step 4  
A-495 (filed 12/21/09) – DOT NW – Imposed temporary layoffs. Files at Step 4  
A-496 (filed 12/21/09) – DOT NW – Imposed temporary layoffs. Files at Step 4  
A-497 (filed 12/21/09) – DOT SW – Imposed temporary layoffs. Files at Step 4  
A-498 (filed 12/21/09) – DOT SW – Imposed temporary layoffs. Files at Step 4  
A-499 (filed 12/21/09) – DOT NC – Imposed temporary layoffs. Files at Step 4  
A-500 (filed 1/4/2010) – DHS DPH – Imposed temporary layoffs. Files at Step 4

Leroy Stublaski moved to move A-489 to Step 4. Carl Bujanowski seconded. Motion carried.

Leroy Stublaski moved to move A-500 to Step 4. Khader Abu Al-Eis seconded. Motion carried.

#### **Section Reports:**

*Madison* — It was reaffirmed that PDT can be used in less than one-hour increments. The Section Annual Meeting with elections will be held in March.



*Southeast* – The new strategic direction has pushed morale to another all-time low. As more and more consultants move in, members are being moved from their cubes to make space for them. A local board meeting will be held on Jan. 19 and will include a letter writing campaign. Management has canceled a recent Labor Management Meeting and has offered no opportunity to reschedule.

*Green Bay* — Members are curious about the status of bargaining. The NE Region Management will be holding a strategic direction meeting on 01/22/10. This meeting will be a precursor to Kevin Chesnick’s scheduled visit on the 28<sup>th</sup>. The section is planning the election banquet for March 24<sup>th</sup>. There continue to be concerns with the local program and its change with the new strategic direction.

*Wisconsin Rapids* — Members are encouraged by the bargaining updates.

*La Crosse* – No report.

*Eau Claire* – Members continue to be interested in bargaining.

*Rhineland* - Members considering retirement are especially interested in bargaining. The section is beginning to plan the 2010 Annual Meeting.

*Superior* — An election meeting will be held on January 21<sup>st</sup>.

*Central Office/PSC* — Elections will be held on January 21<sup>st</sup>.

*DNR* — No report.

*State Agencies* — The State Office Building in Shawano is being closed. Only two non-signed members remain in the section.

**Financial & Membership Reports:** *By John Bolka*

John moved to accept the December 2009 Membership Report. Brian Mattson seconded. Motion carried.  
John moved to accept the December Treasurers Report. Khader Abu Al-Eis seconded. Motion carried.

John moved to accept the 2010 Budget as submitted. Carl Bujanowski seconded. Motion carried.

John moved to pay the below vouchers. Brian Mattson seconded. Motion carried.

M-62 => M-77	\$2400.00
09-113 =>09-127 & 09-129, 132	<u>\$2032.51</u>
	\$4432.51

**New Business:**

Tentative upcoming board meetings: February 20<sup>th</sup>, March 20<sup>th</sup>, April 17<sup>th</sup>, May 15<sup>th</sup>, June 19<sup>th</sup>, August 21<sup>st</sup>, September 18<sup>th</sup>, October 23<sup>rd</sup>, December 18<sup>th</sup>

**Meeting adjourned at 2:10 pm**



## **PUZZLING** *Brother, can you* **PUZZLER** *spare a dime?*

**C**onsider two round coins of equal size. Imagine holding one perfectly still so that it cannot move, then rolling the rim of the other coin around it, making sure that the rolling coin does not slip, and that the rims of both coins are kept touching at all times. Your mission: Calculate how many times the moving coin will have rotated after it has completed one revolution of the stationary coin.

**PUZZLING PUZZLER** will accept either or both of two correct answers. You are welcome to try solving this puzzle mechanically, but that could be difficult, so first try to solve it in your head.

*Email your answer to our contest address: [puzzlesea@yahoo.com](mailto:puzzlesea@yahoo.com). The answer and name of the first person who comes up with the correct answer will be in the next SEA View.*

**Last issue:** You are a contestant on a game show. You are shown three closed doors. A prize is hidden behind one door, and, of course, the game show host knows where it is. You are asked to select a door, and you do. Before you open it, the host opens one of the other doors, showing that it is empty, then asks you if you'd like to change your guess. Should you, should you not, or doesn't it matter?

**Answer:** In some circles this puzzle is known as the Monty Hall Paradox. Remember. the host knows where the prize is. When you pick a door, there's a 66.7% chance you're wrong. If you're wrong, the host will open the one remaining door that doesn't contain the prize. Thus, if you were wrong (66.7% chance), you're better off switching to the door that the host leaves closed.

**Congratulations to Thomas Sand, DOT, for being the first member to provide the correct answer. Everyone who entered a solution got it right. SEA engineers surely do know their statistics and probability functions.**

***Moving?*** Since we no longer send many copies of SEA View through the mail, it is difficult to track members who have moved. If you have a new address, please contact the SEA office so we can continue to send you mailings.