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## **NEWS**

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### **BY ADDING 180 STATE HIGHWAY ENGINEERS WHILE CUTTING COST-BENEFIT PROVISIO, LAWMAKERS ARE SPINNING THEIR TIRES**

Madison, WI – The good news from the Capitol is that the Joint Finance Committee has approved a state Department of Transportation (DOT) budget request to fill 180 badly needed engineering positions, a move that will get more work done while saving millions of state tax dollars. The bad news is that the committee also voted to cut an existing requirement that the DOT must perform a cost-benefit analysis whenever that agency seeks to hire private consultants, as it has done on a massive scale in recent years.

If signed into law, the committee's latter vote means DOT would no longer have to comply with 2005 Wisconsin Act 89, the law requiring state agencies to perform a cost-benefit analysis before outsourcing work on many projects costing more than \$25,000. That's bad, said Larry Legro, president of the State Engineering Association, which represents hundreds of state engineering and technical employees. "Aside from audits after the fact, Act 89 is the only way policymakers and the public have of knowing whether the state is wasting or saving money on consultants."

Legro said that past efforts either to kill or to strengthen outsourcing analysis died in the legislature. He said those measures were considered as independent policy measures, independent of the budget-making process. For example, in 2012, transportation industry lobbyists championed a bill letting DOT drop the analysis, but the measure died after public hearings.

That bill materialized after Governor Walker's waste and fraud commission identified a need to get a better handle on DOT outsourcing needs and costs. Instead of strengthening the requirement, the proposed "solution" was to end it. "And here we go again," Legro said.

"The JFC's abrupt decision to liberate DOT from cost-benefit requirements was added abruptly, and hidden away in the massive state budget bill. That's outrageous. Cost-benefit requirements ought to have been considered as a separate policy measure, as in the past. The committee's move makes government less open."

The 180 new engineering hires will serve to reduce the DOT's huge dependence on expensive outside consultants, which far exceeds that of other Midwestern states. "DOT made a strong case that hiring 180 additional DOT engineers will save \$5.1 million in the coming biennium," Legro said. "It will do that by reducing the ratio of DOT's outsourced highway engineering work from what is currently around 70 percent."

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Virtually all reviews of past Act 89 data, including independent studies and analysis by DOT itself, have shown that using state employees instead of consultants is up to 31 percent less expensive.

“The reason we needed Act 89 in the first place was to get a handle on galloping increases in outsourcing,” Legro said.

“Removing DOT from Act 89 requirements under cover of the budget violates a promise the governor made during his campaign, namely, not to use the budget as a place to make policy changes. In the interests of transparency and good government, SEA hopes lawmakers will reconsider this move, which hurts valuable performance evaluation and the public's right to know how well their taxes are being spent.”

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