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UPDATE: FIGHT BACK AGAINST WASTEFUL OUTSOURCING

Dear SEA members,

It's time to pick up the phone, open your email program or fire up your word processor. It's time once again to let your elected state representatives know they may be making an expensive mistake – one that in the end might cost you some more work and taxpayers more dollars.

The good news from the Capitol is that the Joint Finance Committee (JFC) 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 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 been doing on a massive scale in recent years.**

DOT deserves credit for following up on the governor's waste and fraud commission report that identified outsourcing and staff engineering vacancies as issues. While we support the addition of 180 new engineers as a good first step, SEA also supports continued monitoring of DOT highway engineering work and how it is assigned. That is good practice for all state agencies but especially important with respect to DOT, which spends nine-figure sums in every budget cycle on transportation projects. Those projects in turn represent a huge portion of state outsourcing to expensive consultants.

That's why the JFC's decision to cut the DOT's cost-benefit analysis requirement is unwise. The committee's vote, if affirmed by the full legislature and governor, means DOT would no longer have to comply with 2005 Wisconsin Act 89, the law requiring all state agencies to perform a cost-benefit analysis before outsourcing work on most any project costing more than \$25,000. Aside from audits well after outsourcing has occurred, Act 89 is the only way policymakers and the public have of learning whether the state is wasting or saving money on consultants. That law is the source of much of the data used by the waste and fraud commission.

The facts have always been on our side, and SEA again this legislative session put those facts before lawmakers and the public. Thanks indirectly or directly to Act 89, we know that hiring 180 additional DOT engineers would save \$5.1 million in the coming biennium. Using public engineers entirely, without any outsourcing, would rack up savings of \$60 million, a figure confirmed independently by an investigative news report. SEA realizes that there is a legitimate need for limited contracting out, but not at the ridiculous ratio of 70% private versus 30% public engineers, the case at the moment for the DOT.

Of course, for-profit consultants do not like Act 89. They bristled when the DOT's argument for filling 180 engineering positions showed that for-profit engineers are 31% more expensive than public engineers.

SEA was instrumental in bringing about Act 89's passage and has remained instrumental in protecting the law against continued assault. Virtually every study reviewing Act 89 data shows that using state employees instead of consultants saves millions of tax dollars. But lobbying groups want to keep as much work as possible flowing to their for-profit members.

SEA cannot let our guard down, because foes of efficient, lower-cost government are relentless and have lots of money. SEA helped stop a bill in the last legislative session to kill Act 89 requirements for DOT, but the attempt has emerged again, this time slipped into the pending state budget. Eliminating Act 89 under cover of the budget violates a promise the governor made doing his campaign, namely, not to use the budget as an opportunity to change policy.

The sad thing is that we should not even need laws like Act 89. Truly civic-minded lawmakers and public administrators should always search out the best bang for the taxpayer's buck. But government does not operate this way, contrary to what taxpayers might like to think. Act 89 should not be reconsidered within the budget bill, much less weakened or repealed. If anything, it should be revisited through an independent legislative proposal with a full public hearing, and then it should be made better and stronger.

So, please join your association in keeping up the fight for good government. Keep pushing back against these bad ideas by staying in touch with your respective lawmakers. Together we've succeeded in the past. But whether you stay involved, be assured that the well-heeled, self-interested foes of good government will.

Respectfully,
Larry Legro
SEA President

For Wisconsin State Employees Engaged In The Profession Of Engineering