



STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION

Tony Evers, Governor
Joel Brennan, Secretary

May 20, 2021

Senator Howard Marklein, Co-Chair
Joint Committee on Finance
Room 316 East, State Capitol
Madison, WI 53707-7882

Representative Mark Born, Co-Chair
Joint Committee on Finance
Room 308 East, State Capitol
Madison, WI 53707-7882

Dear Senator Marklein and Representative Born:

On April 29, 2020, the Department of Administration (DOA), at the direction of Governor Tony Evers, ordered state agencies to reduce spending and institute a hiring freeze. These measures were intended to offset revenue losses related to the COVID-19 pandemic and they were effective. The State of Wisconsin ended the 2020 fiscal year with a positive fund balance under Generally Accepted Accounting Principles (GAAP) for the first time in decades. As of June 30, 2020, the state's general fund balance was \$1.5 million and, in September, the State deposited \$105.8 million in our rainy-day fund.

When the hiring freeze and agency reductions were announced, Republican leadership in the legislature celebrated the Administration's caution. Speaker Robin Vos praised the move, saying on April 29, 2020, "I applaud the fiscally prudent action by Secretary Brennan. This is a smart, proactive move by the administration. As we begin work to manage this impending fiscal crisis in Wisconsin, it's good to see that we're already on the same page." Former Joint Committee on Finance Co-Chair John Nygren also said that he would like to, "Commend Department of Administration Secretary Brennan on taking a proactive step to address the impending budget crisis facing our state. Just like families around the state, when times get tough, budgets must be made leaner. This is a great first step."

In January 2021, the Legislative Fiscal Bureau issued its latest state tax revenue projection for the current fiscal year and predicted that the State will end the current budget cycle with a gross balance of roughly \$1.85 billion. Though these numbers are still estimates, with less than two months remaining in the current fiscal year, we are confident that the State is in a strong financial position. That is why we are deeply concerned with recent actions by the Joint Committee on Finance to eliminate some vacant positions at state agencies. As the Committee is aware, the hiring freeze was never intended to be permanent. Eliminating positions at state agencies seeks to punish the fiscally responsible actions of the Administration.

This measure will also have a significant impact on both Wisconsin residents and the state employees currently working to serve the needs of small business, families, and their communities. It is not lost on me or on many of my colleagues in state service that some members of the legislature hold less than favorable opinions of state employees and, have throughout the pandemic, accused state employees of not working because they were working from home while offices were closed to ensure the safety of the public and the State's workforce. This misguided perception deeply saddens me. Throughout the pandemic, state employees stepped up repeatedly. They took on any task that needed to be completed to respond to the pandemic and to support Wisconsin communities. State employees often took on new responsibilities on

top of their existing job duties without additional pay. Committing oneself to public service is honorable particularly in a political climate that seeks to demonize and degrade their work, especially as we know that the private sector often pays more, provides better benefits, and now offers increasingly more flexibility.

Eliminating positions may be a politically appealing talking point but it simply is not the right thing to do. State agencies and employees at those agencies have waited to fill many vacancies until the hiring freeze is lifted. Other positions are incredibly difficult to recruit for in an increasingly competitive world where the private sector can offer fully remote work with more generous benefits including things such as paid family leave like the provision that the Committee recently removed from the budget. Most importantly, permanently eliminating positions impacts the ability of the state to serve the residents of Wisconsin.

As I noted in my April 29 letter to state agencies, the hiring freeze was intended to ensure the State could meet its obligations to taxpayers. We have met and exceeded those obligations. Wisconsin is bouncing back from the COVID-19 pandemic in a better financial position because the Governor took immediate and direct action at the outset of the pandemic. The shortsighted actions taken by the Committee on May 6 and May 13, 2021 make agency budget lapses permanent and eliminate positions that serve necessary functions in our state agencies.

On behalf of the Administration, I urge you to move to reinstate the positions and their associated funding eliminated during the Committee's last two meetings and to cease future attempts to eliminate positions impacted by the temporary hiring freeze.

Sincerely,



Joel T. Brennan
Secretary

Cc: Joe Malkasian, Committee Clerk
Robert Lang, Director, Legislative Fiscal Bureau
Brian Pahnke, Administrator, Division of Executive Budget and Finance