



VISION 2030

for

**WISCONSIN STATE
GOVERNMENT
FACILITIES AND
WORKFORCE**

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CHALLENGES TO STATE GOVERNMENT

The State of Wisconsin faces four key challenges that require continued and careful evaluation of how to best serve the people of Wisconsin in the coming decade:



1. Aging Infrastructure

Aging capital infrastructure with hundreds of millions of dollars in deferred maintenance.



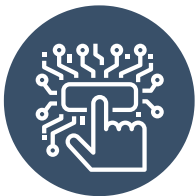
2. Aging State Workforce

A growing percentage of the state workforce nearing retirement.



3. Limitations on Talent Attraction

A Madison-centric workforce and limited ability to employ workers across Wisconsin.



4. Government That Must Adapt to the Digital Age

An increasing need to deliver services more quickly and efficiently to Wisconsin residents in the digital age.

While these challenges existed prior to the COVID-19 pandemic, the pandemic accelerated both the challenges and the route to strategic solutions that can begin to overhaul Wisconsin's State public sector workforce and capital infrastructure. Without strategic adaptations and judicious investments, Wisconsin's workforce and capital challenges will only continue to intensify.

1. AGING INFRASTRUCTURE

Wisconsin taxpayers face hundreds of millions of dollars in deferred maintenance on state-owned buildings, particularly within downtown Madison. These looming challenges mean that taxpayers will be responsible for hundreds of millions of dollars worth of costs to address basic needs at state-owned buildings and to pay inflated energy costs at inefficient facilities. In some cases, state-owned buildings also present significant life-safety issues.

To simply bring buildings into compliance with state building codes, taxpayers would need to invest significantly in components such as building exteriors, lighting, and mechanical systems. Evidence of the real-life safety concerns that exist with outstanding deferred maintenance was made clear on the University of Wisconsin-Madison campus recently. Large concrete panels fell off the Van Hise Building and structural deterioration at the Humanities Building necessitated its partial closure. Both of these examples drive home the point that capital investment can no longer be delayed but must be addressed immediately, thoughtfully, and strategically. Neglecting to invest in necessary infrastructure projects will result in state-owned buildings that will only become less safe and more expensive in the years to come.

According to the Building Research Board (BRB) of the National Research Council (NRC), within the National Academy of Sciences, asset owners can estimate a benchmark factor for deferred maintenance between 2 percent and 4 percent per year of an asset's replacement value. Simply put, the longer the State waits to address its aging infrastructure, the more it will cost taxpayers to deal with it.

2. AGING STATE WORKFORCE

For the last several years, demographers have warned of an “impending storm” for Wisconsin’s workforce as the state’s labor pool shrinks and grows closer to retirement. Within state government, that is increasingly true. Current data indicates that almost 40 percent of the state workforce will reach retirement age within the next decade.

40% The percentage of the State workforce that will reach retirement age within the next decade.

Even before the pandemic, national surveys indicated that 70 percent of the workforce would be working remotely at least five days per month by 2025. By late 2020, similar surveys found that 74 percent of companies surveyed planned to continue telework permanently with many employers seeing productivity increases within their workforce. With more of the public and private sector maintaining workplace flexibility and telework, the State’s workforce must also adapt.

WORKERS WANT MORE FLEXIBILITY

A recent Gallup poll found employee self-reported well-being and engagement increased with telework, particularly for Generation X and Baby Boomers. When surveyed about remote work, 75 percent of Millennials, 68 percent of Generation X respondents, and 61 percent of Baby Boomers indicated a desire to continue the practice.



3. LIMITATIONS ON TALENT ATTRACTION

The State Capitol is rooted in Madison, and the city will continue to serve as the central location for state government, but we must take every opportunity to attract and retain quality employees to state service regardless of their place of residence. As telework becomes a more feasible and attractive public sector option, this long-term challenge can be mitigated as talented Wisconsin residents from outside Madison and Milwaukee access and embrace opportunities that have not been available to them in the past.



We must cultivate the strongest possible future workforce, which means that State government can and should employ more residents who live and work in every corner of Wisconsin. A more geographically and culturally diverse workforce can offer more innovation, creativity, and opportunities to improve programs, services, and access for Wisconsinites.



4. GOVERNMENT THAT MUST ADAPT TO THE DIGITAL AGE

The world is changing fast, and government often fails to keep pace. According to a recent study by the Blockchain Research Institute and the Chamber of Digital Commerce, government spending on Information Technology is centered mostly on “keeping the lights on.” Limited state agency budgets and the failure to invest in technology hold government back and prevent high-quality digital service to citizens.

Governor Tony Evers’ FY21-23 Executive Budget proposed the creation of a Digital Front Door Initiative to better serve Wisconsinites as individuals. The Front Door would be a departure from the State’s historic approach to online services, which requires residents to figure out what agency website they must use for a specific concern or need. Wisconsinites should be able to log onto a government portal, pay their taxes, renew their vehicle registration, and purchase a fishing license without having to visit different websites or memorize separate logins.

Residents should also be able to visit a physical location in their region that serves multiple needs and programs in one place. By consolidating state-owned facilities and leased space, the State can build more strategic, efficient one-stop shops for government services in communities around the state.

As the pandemic comes to a close, the State of Wisconsin must answer a critical question: How will government adapt to better serve Wisconsinites?

WISCONSIN'S OPPORTUNITY

The COVID-19 pandemic accelerated work already underway by the State to optimize its real estate portfolio while transforming the workforce to improve service delivery, return on investment, engagement, satisfaction, and retention. Wisconsin should embrace this opportunity to create a state government that maintains a smaller footprint and introduces a more modern approach to its workforce.

Progress is already being made in these areas, but we need to accelerate the pace. Vision 2030 sets the tone for how state government will effectively deliver services and deliver the best overall return for the taxpayer over the next decade.

In 2018, the State completed construction on the Hill Farms State Office Building on Madison's west side. The new building now houses seven state agencies, including the Department of Transportation, the Public Service Commission, the Department of Employee Trust Funds, the Department of Administration's Division of Hearings & Appeals, the Wisconsin Higher Educational Aids Board, the Department of Financial Institutions, and the Department of Safety & Professional Services.

The Governor's FY21-23 Capital Budget Recommendations represent the first steps in a long-range vision to guide capital strategy in the coming decade with the goal of making state government more efficient and effective in delivering critical services to Wisconsinites.

GOALS & OUTCOMES



1. Save Taxpayers Money

Reduce the deferred maintenance backlog by \$100 million over the next decade.



2. Make Government Smaller

Decrease overall general office space in state facilities by 10 percent (or 400,000 sq. ft.) over the next decade through lease consolidation, a reduction in the number of state-owned facilities, and operational savings.



3. Drive Economic Activity

Grow Wisconsin's economy and create redevelopment opportunities in Wisconsin communities.



4. Ensure State Government Reflects All of Wisconsin

Increase the number of state employees residing outside of Madison by at least 5 percent.



A Big Impact

Gov. Evers' FY21-23 Capital Budget would create:

29,000 family-supporting jobs

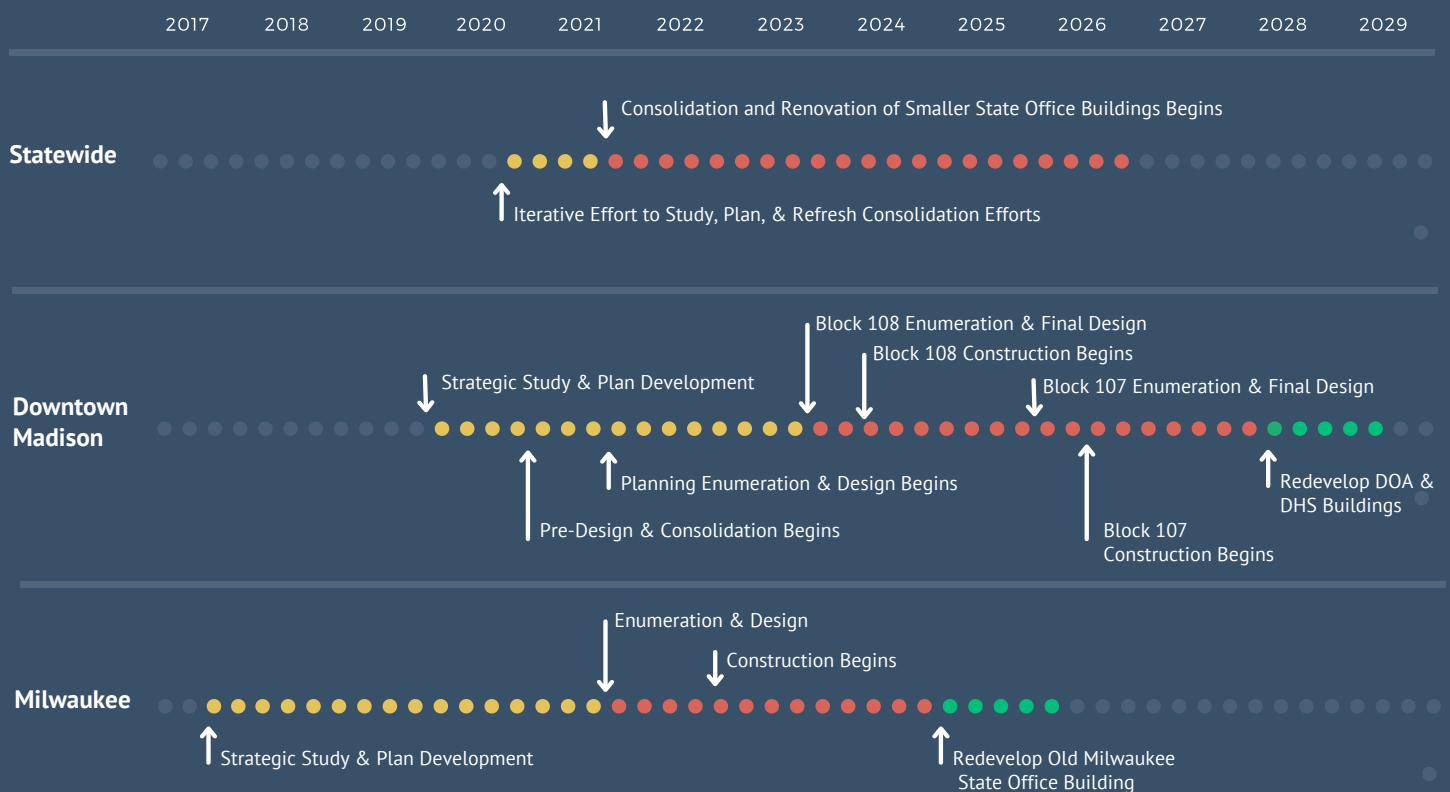
\$4.3 billion in economic activity

According to statistics published by Associated General Contractors of Wisconsin, every \$1 of construction spending has a return of \$1.81. Every \$1 million in construction spending supports 12 jobs.

THE PATH FORWARD

Achieving these goals is largely contingent on how the State addresses major aspects of its real estate portfolio. The timeline below details key milestones in planning, consolidation, construction, and the sale of some state assets to create a more sustainable, efficient, and modern government positioned to best serve the needs of residents while reducing the long-term operational costs for taxpayers.

Timeline



PHASE 1: BUILD ON PAST PLANS & ONGOING WORK



Aerial view of the General Executive Finance (GEF) Complex in downtown Madison, including GEF 1, GEF 2, and GEF 3.

Statewide

- Refresh state facility space standards to meet the changing needs of the state workforce by increasing shared workspaces such as “hoteling” spaces. The first of these spaces will open in the summer of 2021 at the Hill Farms Building.

Madison

- Consolidate within the Tommy G. Thompson Building. This consolidation is underway, with the move of the Department of Children and Families (DCF) from the GEF 1 Building and multiple leased locations to the Tommy G. Thompson facility. This move will reduce state leased space by 29,685 square feet and create a cost savings of \$652,742 annually. In addition, the Department of Tourism is relocating from the Tommy G. Thompson Building to vacant space within a state-owned facility.

PHASE 1

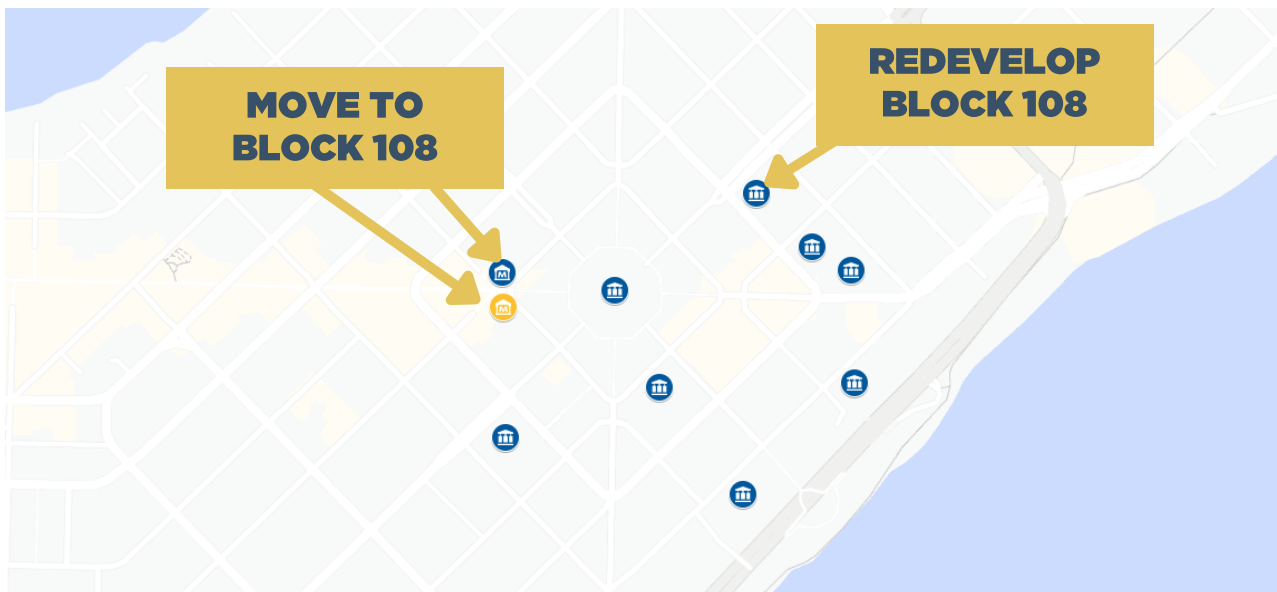
Madison

- Continue planning for consolidation and future actions at Block 108 and the General Executive Finance (GEF) Complex utilizing the \$4 million proposed in the 2021-23 Capital Budget.

Milwaukee

- Plan for the replacement of a failing state facility and consolidation of millions in existing leases by securing funding for the new Milwaukee State Office Building.

PHASE 2: BUILD ON THE VISION



Map of state-owned buildings before consolidation and redevelopment begins in Madison.

Statewide

- Continue lease consolidation to reflect the changes in the workforce, including hiring additional employees located and based outside of Milwaukee and Madison.
- Renovate regional state office buildings through smaller projects to expand employment opportunities and improve service delivery throughout the state.

PHASE 2



Rendering of Block 108 Plans for Museum Complex and State Facilities in Madison.

Madison

- Design the Block 108 Complex to include the Wisconsin Historical Society Museum, the Wisconsin Veterans Museum, the Department of Workforce Development, other state facilities, and parking to maximize efficiency, reduce construction costs, and spur additional downtown Madison development.

PHASE 2

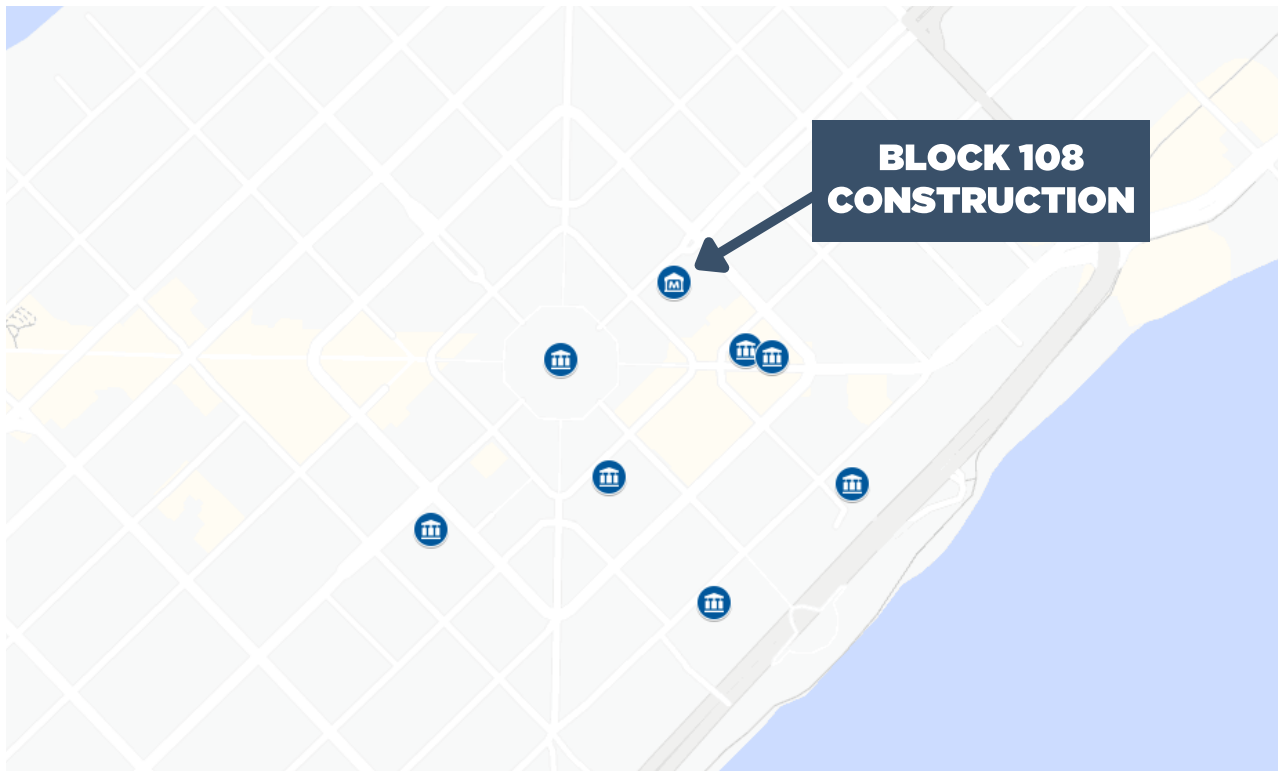


Rendering of the new Milwaukee State Office Building.

Milwaukee

- Construct the new Milwaukee State Office Building while consolidating leased space -- saving taxpayer money while also making it easier for residents to access state services.

PHASE 3: EXECUTE ON FURTHER CONSOLIDATION



Map of state-owned buildings during Phase 3 of consolidation and planning in Madison.

Statewide

- Employ more Wisconsinites in communities around the state outside of Madison and Milwaukee.

PHASE 3



Aerial view of redesigned Block 107 and Block 108 concept in downtown Madison.

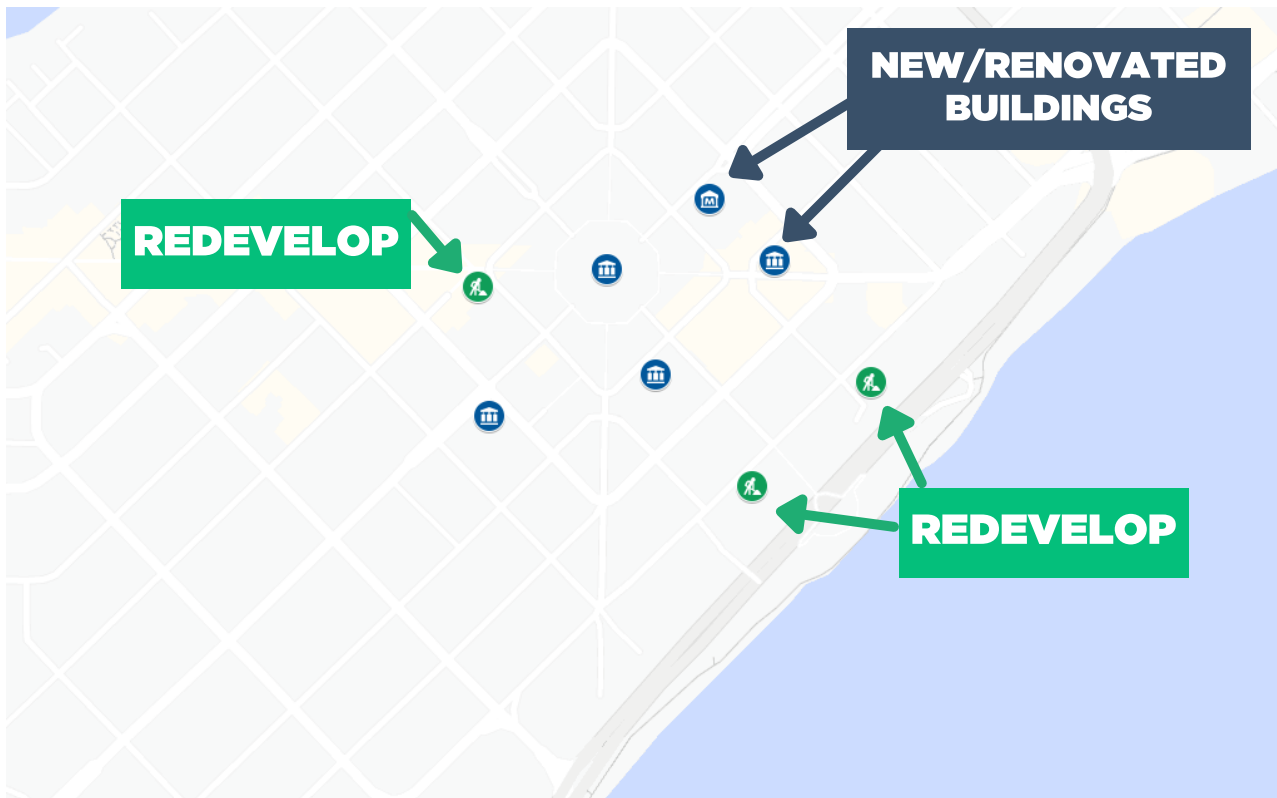
Madison

- Complete Construction on Block 108.
- Design redevelopment of the GEF2 and GEF3 buildings located on Block 107 to ensure the ability for the departments of Natural Resources, Public Instruction, Health Services, and Administration, and the Office of the Commissioner of Insurance, and other state agencies to operate effectively and efficiently in a smaller Madison footprint.
- Redevelop the Wisconsin Historical Society Museum site, opening up a prime downtown location for redevelopment.

Milwaukee

- Redevelop the existing Milwaukee State Office Building site, opening up a prime downtown location for redevelopment.

PHASE 4: A SMALLER, MORE EFFICIENT FOOTPRINT



Map of state-owned buildings and sites for redevelopment after long-range planning in Madison.

Madison

- Reimagine Block 107 complex to include consolidated state office spaces for remaining downtown Madison state agencies.
- Redevelop the current Department of Administration and Department of Health Services facilities on Wilson Street in Downtown Madison.

NEXT STEPS

Transforming state government to be smaller, more efficient, and better aligned to serve the needs of Wisconsinites requires investments now in planning, design, and modernization. The Wisconsin Legislature plays a pivotal role in advancing these goals by:



STEP ONE

Allocating \$4 million from the Building Trust Fund for planning to support the planning for Block 108.



STEP TWO

Enumerating \$163.6 million in program revenue supported borrowing to begin construction of the new Milwaukee State Office Building and parking structure.

Historically low interest rates currently available to the State make the FY21-23 budget the best opportunity to build more efficient capital projects that will support the State's goals of consolidating, planning, and constructing state government spaces, and reducing the State's physical footprint to create redevelopment opportunities for the private sector.