The State of Wisconsin's Department of Administration (DOA) initiated an ERP System Feasibility Study to research the viability of implementing an Enterprise Resource Planning (ERP) system to meet the State's financial management, procurement, human resources, payroll administration, and other administrative business needs. The results of the study recommended implementation of a statewide ERP system. That study and a follow-up refresh report are available on as information resources for Offerors to utilize as part of response preparation.

The following provides an overview of the State's functional requirements for its PeopleSoft ERP system. The SI's implementation of the State’s PeopleSoft environment shall be made in accordance with State’s functional and technical requirements detailed in Attachment A2 – ERP Systems Functional and Technical Requirements.

**Finance**

The State’s accounting is organized on a fund basis, by statutory fund. The State records receipts and disbursements on a cash basis for budgetary purposes. Some revenues are required to be recorded in the prior fiscal year. Other revenues and expenditures may accrued at the end of the fiscal year (June 30th) in a 13th month period.

Fixed assets as well as inventories are recorded as disbursements when they are purchased. Since expenditures in a period are limited by law to those for which appropriations have been made, it is extremely important to keep expenditures within authorized levels. At the end of the fiscal year, authorized encumbrances that remain are rolled forward along with the associated budget authority into the new fiscal year.

The State Constitution provides that no money shall be paid out of the State Treasury except as appropriated by law. State Statutes require that the Secretary of the Department of Administration and the State Treasurer approve all payments. The Secretary of the Department of Administration exercises detail appropriation unit (allotment control) over all agency appropriations, approves all encumbrances, and is responsible for auditing expenditures prior to disbursement.

The State Controller's Office prepares, with agency input, an Annual Fiscal Report (AFR - budgetary basis) and a Comprehensive Annual Financial Report (CAFR – GAAP basis). These reports are currently produced "off-system." The state desires to use the ERP more extensively in the preparation of these reports and to record "on-system" GAAP adjustments. The Department of Employee Trust Funds and the State of Wisconsin Investment Board are required to prepare audited financial reports on a calendar year basis. In addition, some agencies may be required to prepare reports on additional fiscal year-basis, e.g. Federal Fiscal Year.

**Procurement**

Wisconsin Statutes require that procurement of goods and services for the State of Wisconsin be conducted in a fair and open environment. To that end, the Wisconsin Statutes (chapter 16.70) and administrative code set forth processes to carry out that charge. The State Bureau of Procurement provides services to state agencies and others with procurement needs. The Bureau’s procurement activities include statewide contracting for goods and services, and minority business contracting. It is also responsible for the State’s federal and state surplus property programs, municipal cooperative purchasing, and contracting with sheltered work centers.

The processes for procurement requisitions for goods and services are established in the Administrative Code Chapter Adm 5 and are further outlined in the State Procurement Manual available on VendorNet at http://vendornet.state.wi.us/vendornet/procmanc/index.asp. Procurement policies specific to eProcurement req to check functions can be found in the State Procurement Manual Policies PRO E-1, E-2, E-3, E-4, E-5, E-6, E-7, E-8, E-9, E-16 and E-20.
Human Resource/Payroll Requirements

The State of Wisconsin’s executive agency workforce includes about 33,500 full-time equivalent employees. Due to merit system statutes, state human resource policies are technical and complex.

The State of Wisconsin’s human resources function is largely decentralized with the majority of personnel transactions conducted by agency human resources staff. At larger agencies with a statewide presence, such services are further decentralized with human resources and payroll/benefits staff assigned to and geographically located at regional and district offices.

The Office of State Employment Relations (OSER) operates as the central policy-development agency overseeing the state’s personnel system, including the recruitment and selection process for classified civil service positions, the affirmative action/equal employment opportunity program, labor relations functions, and the development of compensation policies for represented and non-represented civil service employees. Responsibility for processing personnel transactions is to a large degree delegated to the agencies.

The State’s information systems supporting the human resources function are also decentralized. The State does not have an integrated, comprehensive human resources information system (HRIS). Most large state agencies have in-house human resource systems. Smaller state agencies rely on manual records, PC databases or services provided by larger agencies.

The lack of an integrated HRIS has resulted in duplication of similar systems, lack of an electronic interface between systems, inconsistency in the IS resources available from agency to agency, and a limited ability to access enterprise-wide data. Thus, for example, if an employee moves from one agency to another, most data relating to the employee is not transferable. For agencies that lack an in-house system, most routine transactions must be processed manually. Finally, the non-integrated, self-standing agency systems and uneven distribution of HRIS resources make it difficult to obtain statewide or multiple-agency human resources data.

The State has implemented WiscJobs, a web-based system that automates many aspects of the state hiring process. While WiscJobs has integrated and automated many aspects of the hiring process, managing other personnel transactions and tracking employee information continues to challenge state agency managers and human resources staff.

The State maintains two other primary enterprise-wide IT systems that manage some aspects of employment – the central payroll system and the personnel management information system (PMIS). These systems lack needed functionality and are difficult and costly to maintain due to aging technology platforms. The current payroll system in use by Central Payroll within the State Controller’s Office of the Division of Executive Budget and Finance has been in place since 1988. PMIS, used by both DOA’s Division of Executive Budget and Finance and OSER, has been in place since the early 1970’s. The Wisconsin Legislature, courts and all state agencies contribute data to these two systems. These mainframe-based systems are difficult to maintain and modify as needed due to their reliance on old technology and inflexible programming code.

Budget

In general, budget development for the next biennium in Wisconsin state government has the following stages and outcomes:

Final Chapter 20 Budget Schedule – As required under s. 20.004, Wis. Stats, the Department of Administration, State Budget Office, updates the budget schedule (shown under s. 20.005, Wis. Stats.) of agencies, their programs and appropriations and funding levels, which was passed into law as part of the previous biennial budget bill. These updates amend the appropriations within agencies to include all fiscal acts of the legislature, which occurred subsequent to publication of
ATTACHMENT A1
ERP System Functional Requirements Overview

the previous biennial budget. This schedule is approved by the Joint Committee on Finance and is published the following autumn in the next version of Wisconsin Statutes. All agency program numbers (01 – 09) and titles and the appropriations codes and titles within programs are defined under Subchapter II of Chapter 20, Wis. Stats. Also defined there are the legal purposes for which appropriations may be expended. Appropriation and budget concepts are defined under ss 20.001 through 20.004. The systems and procedures for developing and implementing budgets must conform to the current law provisions of Chapters 16 and 20 in state law.

Each agency appropriation is further divided into major expenditure lines (Salaries, fringe benefits, supplies and services and permanent property and unallotted reserve). Budgets are developed at this detail and ultimately “loaded” into the state accounting system. Appropriations are further statutorily designated or defined in both the Chapter 20 budget schedule and state budget system.

**Base Budget Reconciliation** – Budget and position (FTE) levels for appropriations included in Final Chapter 20 are adjusted to incorporate additional funding or FTE changes that were authorized under law but not included in the Final Chapter 20 version of the budget. This base is locked, transmitted to agencies and used as the basis for calculating all funding and position changes in their next biennial budget requests.

**Agency Budget Request** – By September 15th of the even numbered calendar year, state agencies must submit to the Department of Administration (consistent with s. 16.43, stats) their budget requests for the next biennial period. Budget requests are comprised of two generic components: (1) the adjusted base budget and (2) changes from base. Changes from base are packaged by agencies as decision items. Some decision items are standardized across agencies and referred to as Standard Budget Adjustments (SBA). A decision item may affect the funding or FTE levels of several agency programs and appropriations. It may propose the creation or deletion of statutory appropriations within the agency. Decision item narratives with explanation and justification are included by agencies for each decision item. The agency budget request is then locked and analysis begins in the State Budget Office.

**Governor’s Budget** – On or before the last Tuesday in January in the even numbered calendar year, unless a later date is requested by the Governor and approved by the Legislature, the Governor must deliver (per s. 16.45) to the Legislature a budget bill (or bills) for appropriations for the succeeding biennium. The budget bill includes the repeal and recreation of the budget schedule under s. 20.005. It also includes changes in Wisconsin Statutes as consistent with the Governor’s recommendations. The required contents of the biennial budget are presented under s. 16.46. The Governor’s decisions regarding the agency request for funding and FTE, as well as changes to current law appropriation structure, are recorded and retained as changes from the agency request.

**Joint Committee on Finance Budget** – The Governor’s budget bill is introduced to and is acted upon by the Legislature’s Joint Finance Committee (JFC). The aggregation of all JFC changes along with those of the earlier “change authors” [base, agency, governor] comprise the JFC’s budget.

**Assembly/Senate Budgets** – The JFC’s version of the budget is introduced into one house or the other, which passes its version of the budget.

**Legislature’s Budget** - The version of the budget which is voted upon by the full legislature is passed as a bill and presented to the Governor for signature or veto considerations. Again, the budget at this level retains for each agency appropriation a history of the modifications earlier. The Legislature publishes its own summary narratives of the decision items of each agency. Decision items may be added, deleted or modified at any stage of development.
**Governor’s Vetoes** - The Governor of Wisconsin has the power of partial veto in the budget appropriation bill. Vetoes which modify the budget schedule under s. 20.005 are entered into the state budget system and the Chapter 20 system as changes.

Approved Biennial Budget - This is the budget schedule and changes to statutory chapters that the Governor signs into law.

**Budget Implementation** - The agency program and appropriation structures are expressed in the state budget system and the state accounting system under a coding convention that is consistent with but departs from the Chapter 20 budget schedule. Each statutory “alpha” appropriation [e.g., s. 20.115(1)(a)] has a corollary “numeric” designation [e.g., 115-101]. Budgets are developed and controlled and accounting system transactions are entered using the numeric expression of appropriations, not the statutory alpha. The chart of accounts in budget implementation retains full identity of the statutory fund [e.g., general fund], alpha and numeric designations, titles, major expenditure line, etc. Once appropriations have been loaded into accounting, the state budget development system enters a dormant stage. Budget reporting and control continues in financial accounting. Changes in appropriation authority that are legally authorized are entered into the accounting system. Certain types of budgetary modifications are also entered into the state budget system (see Base Reconciliation, above). These changes may or may not modify the Chapter 20 budget schedule in constructing Final Chapter 20 (as above).

**Business Intelligence**

The State of Wisconsin is committed to implementing Business Intelligence (BI) as an integral part of the ERP implementation. The State has invested in the Oracle Business Intelligence Enterprise Edition (OBIEE) as its BI foundation. The State has also invested in the corresponding OBIEE applications; Financial Analytics, Procurement and Spend Analytics, Project Analytics, Human Resources Analytics, and Enterprise Asset Management Analytics. BI-related requirements are found in both the Technical Requirements tab of [Attachment A2-ERP Systems Functional and Technical Requirements](#) and are also included throughout the individual functional areas.