Wisconsin Department of Transportation
Operating Budget Process Lean Project Report

Project Summary

The Wisconsin Department of Transportation's Office of Policy, Budget and Finance (OPBF) is responsible for overseeing biennial budget implementation through annual operating budget monitoring within the department.

Divisions use operating budget funds on an ongoing basis to conduct the statutory intent of the department's appropriations.

The goals of this project are to reduce the lead time for the operating budget process, and to reduce the ratio of non-value added steps in the process.

This project was completed in May 2014.

Improvements

- Implemented a streamlined, formal process to perform quarterly technical operating budget adjustments, including allotments and budget line transfers
- Developed a standing agenda items for communicating operating budget issues as part of regular monthly meetings between divisions and OPBF
- Developed guidance for divisions on the new process

MAPSS Core Goal Area

- Accountability
- Service

Statewide Goal Area

- Cost of government
- Customer satisfaction

Issue

Proper management of the operating budget ensures department resources are used effectively, and expended for their intended purpose. Currently, there are two operating budget reviews; each process takes each division budget coordinator/analyst and Office of Policy, Budget and Finance Budget (OPBF) staff six to eight weeks to complete. The current process has redundant manual steps, with a high potential for data entry errors. The semi-annual process was developed many years ago; it is an outdated method for communicating emerging operating budget issues.

Lean Six Sigma Process

The cross-divisional team composed of staff within OPBF and division budget coordinators and analysts used a kaizen approach to:

- review and analyze the operating budget process within each of the divisions and OPBF
- create a single, metrics-based process map for the current state
- identify causes of time bottlenecks and non-value added steps using data and root cause analysis
- develop recommendations to overcome causes

After the event, OPBF staff developed a revised process map, updated procedures and a revised report, based on the recommendations of the group. They also implemented a SharePoint site to leverage additional technology efficiencies. Prior to implementation, they developed performance metrics to ensure ongoing process control.

Results

Cost of Government: The team reduced total process time department-wide by 78 hours per review (156 hours annually), a 36.7 percent improvement. It also reduced the total lead time of the operating budget process by 72.5 percent (the equivalent of 143 staff days per review).

Customer satisfaction: The team anticipated that standardizing the process would reduce the number of non-value added steps in the process. Since the new process replaced a non-standard process, these savings varied by division. Three of the five divisions saw gains in "first time right" accuracy. These improvements varied from 30 to 80 percent compared to the former process.

Next Steps

- Implement Transportation Administrative Manual changes by the end of June 2014
- Investigate OPBF providing divisions with some flexibility to centralize budget lines as part of the next ASR set-up
- Investigate the possibility of OPBF budget analysts making operating budget adjustments on behalf of their assigned divisions by June 2015
- Explore possible opportunities for further efficiencies through the Enterprise Resource Planning system budget modules