

# Wisconsin Department of Transportation

## Trns.port 1<sup>st</sup> Priority Funding Lean Project Report



### Project Summary

The Bureau of State Highway Programs is charged with ensuring accurate billing of improvement projects. The business area must coordinate with a variety of stakeholders, including regional Financial Integrated Improvement Programming System (FIIPS) Coordinators, Executive Offices and the Federal Highway Administration to ensure accurate payments are made to the correct recipients at the right time throughout the systems.

FIIPS outlines the order costs will be allocated to different funding sources. A known shortcoming in the Trns.port proposal estimate system for projects with a non-Federal 1<sup>st</sup> Priority FIIPS setup resulted in incorrect billing on 243 authorized project categories, affecting 24 unauthorized project categories. Concerns were raised regarding incorrect billing and incorrect timing of billing to federal, state and local stakeholders. The project team worked to identify 100 percent of the affected projects, correct their billing processes and financial systems setup and eliminate the potential for future errors to occur.

This project was completed in January of 2014.

### Improvements

- 100 percent of reports corrected
- 150 staff hours saved / redirected
- Implementation of updated cost-share policy in Program Management Manual
- Implementation of FIIPS error message preventing problematic non-Federal 1<sup>st</sup> Priority setup

### MAPSS Core Goal Area

- Accountability

### Statewide Goal Area

- Reduce cost of government

### Issue

There is a known issue in the Trns.port proposal estimate system (PES) when there is federal funding outside of the 1<sup>st</sup> Priority in a category. When this occurs, the user must check the "Federal Funding" box in one of the fund codes in the 1<sup>st</sup> Priority. Failure to do this incorrectly treats the whole category as non-participating, resulting in incorrect billing and payment for the items within the category during construction.

Trns.port processes were not followed, partially caused by employee turnover, resulting in significant dollars, approximately \$5 million per year, not being billed to The Federal Highway Administration (FHWA). This issue affected 243 authorized project categories and 24 unauthorized project categories. Procedures have corrected errors in the financial system, but the process resulted in the incorrect timing of billing and inaccurate financial reports. This creates uncertainty in financial reports and must be corrected to restore confidence in internal and external stakeholders.

### Lean Six Sigma Process

Lean Six Sigma methodology was applied throughout the process improvement to pinpoint the root causes of inefficiencies and offer realistic solutions compatible within the constraints of existing software. The project team included participants from various offices and bureaus throughout the Wisconsin Department of Transportation (WisDOT), including Bureau of State Highway Programs (BSHP), the Office of Policy, Budget, and Finance (OPBF), and the Bureau of Business Services (BBS). After BSHP identified the atypical non-Federal 1<sup>st</sup> Priority FIIPS setup triggering the billing inaccuracies, the team explored how key process input variables (KPIVs) resulted in projects using the faulty Trns.port procedures.

The project team determined the viable solution to eliminate non-Federal 1<sup>st</sup> Priority project setups must include both automatic and manual precautions. As such, a FIIPS error message has been implemented in conjunction with a new cost-share policy in PMM Document 03-05-15.

### Results

**Cost of government:** BSHP identified 267 project categories with problematic financial system setups. All affected authorized and unauthorized project categories have been corrected, a 100 percent improvement in completeness and accuracy. Additional incorrect project setups will be avoided through the implemented FIIPS constraint and related cost-share policy adjustments, preventing approximately \$5 million per year from being billed correctly. In addition, 150 hours of staff time spent identifying and correcting billing errors will be redirected to more effective activities.