

THE CORE VISION OF STATE GOVERNMENT

The Commission on Reform and Efficiency envisions a Minnesota state government that is mission driven, oriented toward quality outcomes, efficient, responsive to clients, and respectful of all stakeholders. These goals are defined below.

Mission driven

State government will have clearly defined purposes and internal organizational structures that support the achievement of those aims.

Oriented toward quality outcomes

State government will provide quality services. It will focus its human, technical, and financial resources on producing measurable results. Success will be measured by actual outcomes rather than processes performed or dollars spent.

Efficient

State government will be cost-conscious. It will be organized so that outcomes are achieved with the least amount of input. Structures will be flexible and responsive to changes in the social, economic and technological environments. There will be minimal duplication of services and adequate communication between units. Competition will be fostered. Appropriate delivery mechanisms will be used.

Responsive to clients

State government services will be designed with the customer in mind. Services will be accessible, located conveniently, and provided in a timely manner, and customers will clearly understand legal requirements. Employees will be rewarded for being responsive and respectful. Bureaucratic approvals and forms will be minimized.

Respectful of stakeholders

State government will be sensitive to the needs of all stakeholders in providing services. It will recognize the importance of respecting and cultivating employees. It will foster cooperative relationships with local units of government, the non-profit and business sectors. It will provide services in the spirit of assisting individual clients and serving the broader public interest.

February 27, 1992

CORE

STATE OF MINNESOTA
COMMISSION ON REFORM AND EFFICIENCY

203 Administration Building, 50 Sherburne Ave., St. Paul MN 55155
(612) 296-7041 Fax (612) 297-1117

What is CORE?

CORE is a commission named by the Governor to design a long-term organizational development strategy.

- CORE will recommend long-term changes that improve the quality and efficiency of services provided to customers and the quality of the state employees' work life.
- CORE will take a rational, pragmatic approach in its recommendations for improving government services.
- CORE's recommendations will simplify government processes in ways that can be understood and appreciated by both state employees and citizens and will increase taxpayers' confidence that their taxes are well spent.

CORE's goal is to work with state employees to make government more effective and efficient.

- CORE will improve the efficiency and effectiveness of state services by:
 - identifying and eliminating duplication across agencies;
 - streamlining policies and procedures; and
 - improving support systems.
- CORE will improve the quality of work life for state employees by:
 - identifying and eliminating barriers that impede their efforts to do their jobs;
 - providing the technology and other tools they need to achieve their work goals; and
 - improving attitudes about the efficiency and effectiveness of state government and the value of state service.

Why CORE and why now?

Minnesota is facing trends that cannot be ignored.

- Federal aid has been reduced.
- The economy has experienced a downturn.
- Demographics suggest that the demand for basic services will continue to rise.

Who is responsible for the CORE projects?

CORE is a collaborative effort.

- CORE will respect the integrity of agency staff and be sensitive to issues affecting the morale of agencies.
- All stakeholders (including business; labor; government managers and line staff; interest groups; and citizens) will be asked to participate.

Roles and responsibilities for the Commission and staff and the agencies have been identified.

- Commission: Determine the scope of the projects; set objectives; set criteria for evaluation of proposals; oversee project activities; and approve recommendations.
- CORE staff: Collect, sift, and analyze ideas; prepare proposals; and formulate recommendations. CORE staff will also be responsible for regularly communicating with the agencies and other interested parties regarding CORE activities.
- Commissioners/executive teams: Provide ideas for cost savings and long-term reform to the CORE staff; ensure agency cooperation with CORE; communicate with staff about CORE efforts; review initial CORE staff proposals; make alternative suggestions; and review final CORE recommendations.
- Agency liaison: Coordinate (with CORE staff) collection of agency ideas, handle the logistics of meetings in the agency, serve as contact for communications about CORE to agency staff.
- Agency data contact: Provide CORE staff requested financial, structural and other data.

What is the work plan for CORE?

Project descriptions

- Project 1 (Initial Drive): The goal of Project 1 is a permanent cut in operating expenditures by at least \$15.7 million in the '92-93 biennium.
- Project 2 (Long-Run Renewal): The goal of Project 2 is to streamline service delivery, reduce costs and improve quality and accountability.
- Project 3 (Technology and Systems Investment): The goal of Project 3 is to invest in state-of-the-art systems and practices to improve the efficiency and effectiveness of the services provided by the state.
- Project 4 (Implementation): The goal of Project 4 is the formal implementation of Project 1, 2 and 3 recommendations.

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August 29, 1991

CORE PROJECT 1: DRAFT CRITERIA

1. Reform Aspect.

All items should have a defensible reform or efficiency aspect. An emphasis should be on identifying and eliminating duplicative programs or services, or those which no longer meet customer needs.

2. Simplification.

Priority should be placed on projects that simplify government, for both citizens and staff. Changes should be understood and appreciated by citizens.

3. Positive Items.

Priority should be placed on improvements that people can support. Involvement and consideration of employees should be maintained, along with a concern for minimizing hardship. The morale of agencies should be respected and preserved. Individuals should not be targeted.

4. General Applicability.

Special emphasis should be placed on projects that apply to more than one agency or circumstance.

5. Executive Branch Focus.

Other branches should not be targeted; however, administrative changes that would apply equally well to the Legislature or the Court should be recommended, but not included in the \$15.7 million goal. Project 2 may include projects in these areas, but we recommend against it in Project 1.

6. Fiscal Years 1992-1993 Scope.

Savings must occur through reductions in existing budgets, or increases in revenues collected by the end of Fiscal Year 1993. However, if there is something that would yield immediate savings in F.Y. 1994 if started in Project 1 it should be included.

7. Program Operation and Administrative Focus.

Because of the short timeframe of Project 1, the focus should be primarily on administrative changes and improvements to program services and operations. Policy changes would take longer to address and should be considered for Project 2. However, improvements should be followed wherever they take us, even into policy areas in Project 1 if the item makes sense and is doable in F.Y. '93.

8. Priorities for Cost Savings.

A. Top priority should be given to those projects where service improvement can occur along with cost savings.

B. Items must be permanent base changes. One-time cuts are certainly welcome, but they would not be included in the \$15.7 million. Across-the-board cuts should be avoided. Costs that result from changes should be calculated by CORE and netted out before savings are counted. No shifts in fiscal year should be recommended, nor should shifts to the local governments unless the service is better provided locally and appropriate state funding is allowed to transfer along with the service.

C. Improving the collection of fees and other similar sources should increase revenues. This may require some modest investments, such as PCs or a part-time staff. Those costs would be netted out of the revenues, and the remaining revenues counted toward the \$15.7 million goal. This means that projects requiring a significant up-front investment would generally wait for Project 3.

9. All Funds.

Although the \$15.7 million must come from the general fund, other funds should not be exempt. It would be good to include a few non-general fund items in CORE 1 to set the stage for future CORE projects. Programs should be reviewed to identify services more appropriately provided or funded by the federal government.

10. Limited Number of Projects.

All ideas should be considered, but Project 1 should focus attention on a select group of projects due to the limited time available. Although the parameters for choosing projects need to be flexible, considerations should include the importance of an idea to long-term service improvement, amount of savings vs. cost, and public understandability.

11. Feasible Implementation.

Although every idea will be considered, priority will necessarily be placed on items that can be most easily implemented in the short time frame of Project 1. Factors that will be considered include the need for legislative or rule change and the number of stakeholders that would need to be involved with the change.

CORE

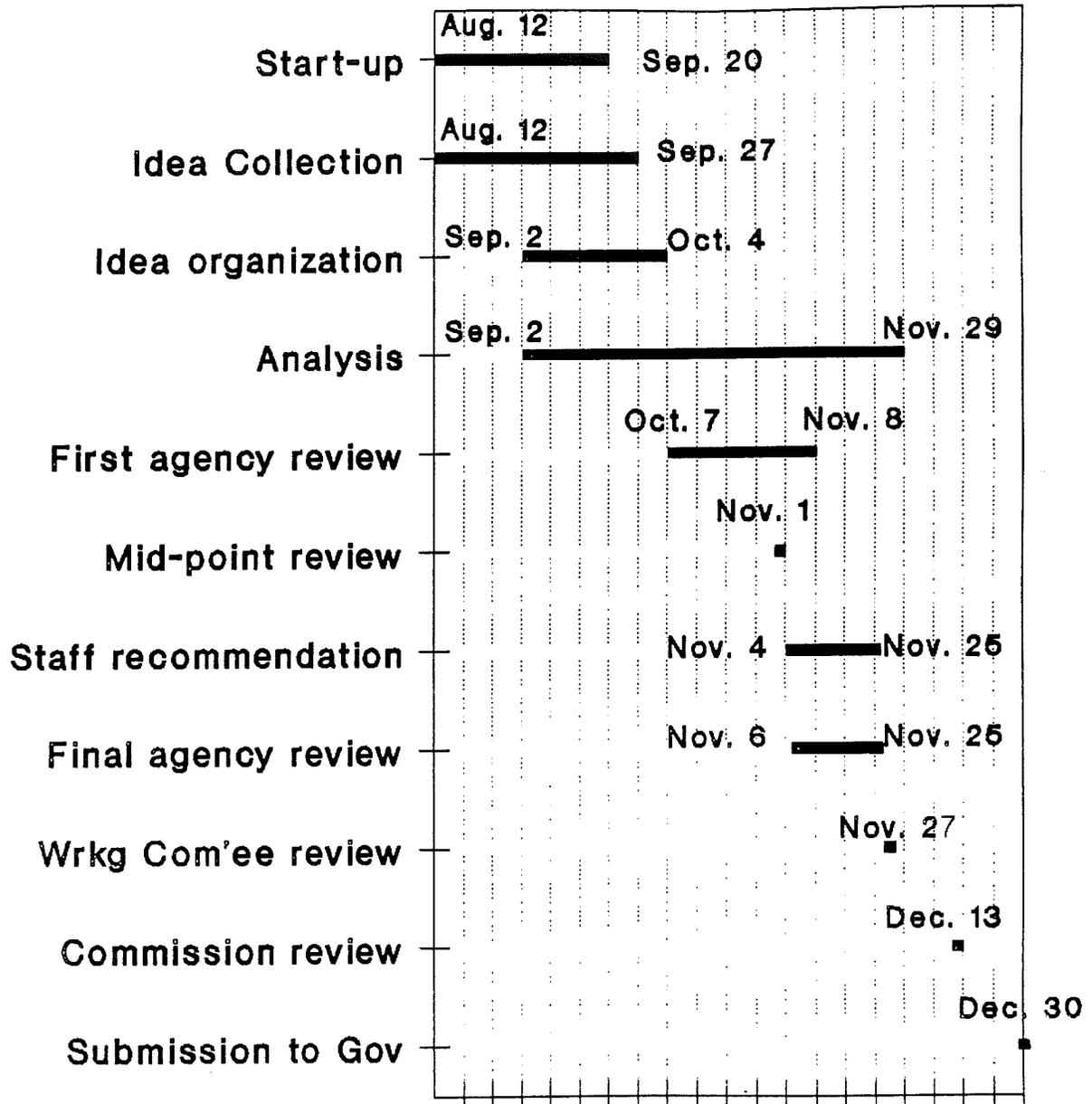
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PROJECT 1 TIMELINE

	Start	Finish
1. CORE start-up	Aug. 12	Sep. 20
• Hold agency and liaison meetings		
• Send employee involvement letter		
• Establish Project 1 Working Committee		
2. Idea collection	Aug. 12	Sep. 27
• Conduct expert interviews		
• Solicit employee input		
• Solicit commission members' input		
3. Idea organization	Sep. 2	Oct. 4
• Establish and employ commission-approved criteria		
• Assess fiscal impacts		
• Arrange working committee review		
4. Analysis	Sep. 2	Nov. 29
5. Initial agency review of ideas	Oct. 7	Nov. 8
6. Project mid-point review	Nov. 1	Nov. 1
• Consult with working committee		
• Evaluate progress toward project goals		
• Adjust plans		
7. Development of CORE staff recommendations	Nov. 4	Nov. 25
• Formulate and draft recommendations		
• Obtain internal department approval		
8. Agency review of recommendations	Nov. 6	Nov. 25
9. Working committee final review meeting	Nov. 27	Nov. 27
10. Commission final review meeting	Dec. 13	Dec. 13
11. Submission of recommendations to Governor	Dec. 30	Dec. 30

Project I Timeline



NEWS RELEASE

ARNE H. CARLSON
GOVERNOR

JOANELL M. DYRSTAD
LT. GOVERNOR



FOR IMMEDIATE RELEASE
April 22, 1991

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CARLSON OUTLINES CORE, MINNESOTA MILESTONE PROGRAMS

Governor Arne Carlson today outlined two soon-to-be-implemented programs designed to make Minnesota government more streamlined, and more focused on goals that Minnesotans believe are important.

The Commission on Reform and Efficiency (CORE) will be chaired by Dana Badgerow, Commissioner of the Department of Administration, and will be loosely patterned after the Grace Commission, which studied federal government operations.

Minnesota Milestones is designed to establish measurable goals for Minnesota to achieve by the years 1995 and 2000, and to suggest programs that can help reach those goals. Minnesota Milestones will be headed by the State Planning Agency, under the direction of Commissioner Linda Kohl.

MINNESOTA MILESTONES

Several years ago, Oregon created a program called "Oregon Benchmarks." The state established goals in such areas as infant mortality, teen-age pregnancy, air quality and crime rates. Each category was given a specific statistical target, and strategies were prepared to meet those targets.

"That's what Minnesota Milestones is all about," Carlson said. "Too often we spend money on government programs, without ever holding those programs accountable. Minnesota Milestones will help us ensure that the money government spends is bringing results, and that our state is making progress in areas where we need to improve."

Carlson said Minnesota Milestones is the kind of long-range planning program the State Planning Agency should be involved in.

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"Government tends to focus only on today," Carlson said. "As a result, we look only at short-term needs. This administration thinks the Planning Agency should be involved in long-term strategic planning that will help us make Minnesota better."

Commissioner Kohl will develop a plan for bringing Minnesotans into the decision-making process, giving the public a voice in setting the state's long-term goals.

CORE

"The federal Grace Commission made one major error in its study," Carlson said. "It did not include anyone from inside government. As a result, its findings were viewed as simply an outsider attack on the functions of government, and that made it very difficult for its findings to be implemented."

Carlson said CORE will be different in that it will include members of state government in its review of state government functions.

"We believe CORE will be able to identify many ways in which state government can be streamlined and made more effective," Carlson said. "We want to keep state government focused on working for its customers - the taxpayers - and not simply working on keeping itself in business."

Commissioner Badgerow and members of state government, the Minnesota business community and organized labor will make up the commission, which will be up in place by July 1.

"These two programs are going to help Minnesota's taxpayers feel that they have a greater voice in government, and that their tax dollars are being spent efficiently," Carlson said.

CARLSON/DYRSTAD COMMISSION ON REFORM AND EFFICIENCY

CORE WORK PLAN

SCOPE

CORE is a comprehensive, multifaceted effort to improve the management of Minnesota state government. CORE will:

- * Recommend immediate savings and improved accountability in current state government operations
- * Recommend alternative strategies for delivering government services, including a major restructuring of state government, to streamline service delivery, reduce costs, and improve accountability
- * Recommend investments in new systems and technology to improve state government management and operations and to produce long-term savings
- * Ensure and manage the implementation of CORE's recommendations.

Many reform initiatives have failed because implementation has been neglected. CORE will develop realistic, practical implementation plans and objective measures by which state agency heads will be held accountable.

CORE will examine state government from two perspectives:

- * The services that state government delivers to its "customers," and
- * The general administrative and management systems that support these services.

CORE will work at three levels:

- * Statewide: services, systems, and issues that are common to all state agencies
- * Multiple service levels: services, systems, and issues that cut across two or more, but not all, state agencies
- * Single agency: services, systems, and issues that are unique to each agency.

ORGANIZATION

CORE will carry out its work through an executive steering committee, a working committee, and work teams.

Executive Steering Committee: The executive steering committee will be co-chaired by the governor and a chief executive officer of a major Minnesota corporation. The committee will be comprised of government, business, and labor leaders. The committee will set CORE's overall direction, provide leadership on raising funds, and approve recommendations submitted by the working committee.

Working Committee: The working committee will address management and operational issues which cut across state government and will direct the work of seven functional teams: health and human services, environment and natural resources, general government, education, economic development and infrastructure, criminal justice, and business regulation and enforcement. The working committee will be chaired by the commissioner of administration and will have members from state government, business, and labor.

The working committee will be charged with identifying immediate savings as well as long-term actions for improving state government efficiency, effectiveness, and accountability.

Staffing: CORE will be staffed by the Department of Administration's Management Analysis Division and staff assigned to Management Analysis from other state agencies. Additional assistance will come from volunteers, and outside consultants.

Following are preliminary work plans for CORE's five primary activities.

ACTIVITY I:

IDENTIFICATION OF IMMEDIATE COST SAVING OPPORTUNITIES

The goal of this activity is to realize \$11 million in cost savings in FY92-93.

This activity will focus on cost savings measures that can be implemented by administrative action with no or minimal investment costs. Options include:

- * eliminating unnecessary activities that add to the cost of providing services but not to their value
- * using alternative mechanisms to deliver services
- * using technology to reduce costs
- * simplifying or streamlining procedures
- * reducing administrative overhead costs.

A secondary outcome of this effort will be to begin to generate potential ideas for long-term reform and for new system and technology investments (Activities II and III).

This effort requires four major tasks:

1. Idea collection: CORE staff, in partnership with private sector experts, will identify potential cost savings opportunities. Primary data will be collected through individual and group interviews with state employees, outside experts, and customers. Secondary data collection will include reviewing legislative audit reports, management consulting reports, data from other governments, and private sector cost reduction initiatives.
2. Analysis/verification of cost savings: CORE staff, working with private sector experts and state agency personnel, will analyze the viability of the cost saving ideas. This task will answer such questions as: Is the idea doable? Are there real cost savings? How much? How soon are the cost savings realized? Are there any investment costs? What are the barriers to implementation? How can the barriers be overcome? Who is invested in maintaining the status quo? What is the impact on customer service?
3. Recommendations on cost savings: Recommendations will be reviewed with affected agencies before presenting them to the executive steering committee for approval.
4. Implementation plans: For each recommendation, detailed implementation plans, including timelines and costs, will be created by the affected agencies with the assistance of the CORE staff.

Monitor savings: In order to assure that the projected savings are realized CORE will develop a reporting system to monitor the projected savings.

ACTIVITY II:

LONG-TERM REFORM OF STATE GOVERNMENT

The goal of this activity is to recommend alternative strategies for delivering government services, including a major restructuring of state government, to streamline service delivery, reduce costs, and improve accountability.

This activity will undertake a comprehensive examination of state government services to answer these fundamental questions:

- * Do services meet current needs?
- * Which services are redundant, competitive, or contradictory?

- * Are services delivered cost effectively?
- * Which services should be delivered by state government and which by the private sector or other organizations?
- * How should state government be restructured to better deliver services?
- * How can management and operational systems be redesigned to better support service delivery?

This activity requires seven major tasks:

1. Functional/organizational analysis: CORE staff will analyze state government's organizational structure to assess its efficiency and effectiveness. CORE staff will identify which services serve common clients and have similar functions. Data will be collected on each service's statutory purpose, goals, objectives, clientele, costs, funding, and staffing. The data will be analyzed to determine which services are redundant, competitive, or contradictory.
2. Financial analysis: CORE staff with the assistance of the Department of Finance will calculate and analyze service costs. Major state expenditures and services for which costs are rising faster than the CPI will be targeted for first examination. CORE staff will review alternatives to control rising costs. The alternatives may range from eliminating services to identifying alternative delivery systems, eliminating goldplating, simplifying services, or reducing overhead and operational costs.
3. Service analysis: Agencies will be directed to identify their core activities and determine which services no longer meet current needs or which have little or no customer base.
4. Administrative systems analysis: CORE staff with the assistance of private sector partners will review the state's management and administrative systems to assess how effectively they support service delivery. These systems include personnel, financial, information, and other administrative support systems.
5. Analysis of alternative delivery systems: CORE staff with the assistance of private sector partners will analyze the best service delivery models in the private and public sectors. They will identify those models that should be replicated by state government or services that should be privatized.
6. Recommendations on long-term reform: CORE staff will present recommendations to the executive steering committee to restructure and reorganize state government and redesign its service delivery systems.
7. Implementation plan: CORE staff will create an action plan for the agencies, governor and legislature that will identify performance measures and a method for continuous improvement processes such as the total quality improvement models.

ACTIVITY III:

INVESTMENTS FOR LONG TERM SAVINGS

The goal of this task is to recommend investments in new systems and technology to reduce costs, enhance quality, and improve accountability.

State government must take advantage of state-of-the-art systems and appropriate technology to improve its effectiveness. Many of these systems and technologies will require up-front investments. This task will examine those opportunities to assess their benefits and costs. Potential opportunities include an executive management information system, replacement or improvement of the accounting system, improved performance management systems, and energy conservation measures.

This activity requires three major tasks:

1. Identification of investment opportunities: CORE staff will work with private sector partners to identify new systems and technologies including those in use in the private sector that could be adapted to Minnesota state government. Other investment opportunities will have been identified in the immediate cost savings and long-term reform activities.
2. Cost/benefit analysis: CORE staff will conduct cost/benefit analyses to determine which opportunities will produce the best returns on investment.
3. Recommendations on priority investments: CORE staff will recommend to the executive steering committee a prioritized list of investment opportunities. The recommendations will include detailed capital and operating cost estimates and projected pay back.

ACTIVITY IV: IMPLEMENTATION

The goal of this activity is to develop realistic, practical implementation plans and objective measures by which agency heads will be held accountable. Most government reform initiatives have failed because they have focused on what to change and have given short shrift to how to effectively put the change in place. To be successful CORE must focus resources on managing the implementation process. CORE's ultimate goal is to create an organization capable of continuous improvement.

CORE's approach will be to involve affected agencies and their employees in developing strategic and operational plans for implementing the CORE recommendations. The plans will have specific benchmarks by which agencies, the governor, and legislature can measure progress. CORE staff will provide consulting assistance to agencies. Staff who have been temporarily assigned to CORE will return to their respective agencies to assist in the implementation.

Budget and staffing requirements cannot be determined until work on the other activities and tasks is completed.

ACTIVITY V:

ADMINISTRATIVE AND LOGISTICAL SUPPORT FOR CORE

CORE's complexity and statewide scope demand that extraordinary attention be paid to administrative and logistical support for the program. In short, this effort will require the same level of planning and management as CORE's primary activities.

The tasks required to support CORE are:

1. Staff recruitment and selection: CORE will require adding staff to MAD and using staff in other agencies to a) work on interagency teams, b) carry out discrete tasks for MAD, and c) conduct detailed analyses of issues in their own agencies. CORE will also recruit private sector volunteers to serve on the various work teams. A rigorous selection process will be required to ensure that only the best staff (paid and unpaid) work on CORE.
2. Staff training and team development: Since CORE will involve staff who have never worked together and have different skills, it is critical to train all staff in two areas: a) common approaches to project management, customer service, data collection, and data analysis, and b) CORE's work norms and practices.
3. Program management: This critical task involves coordination of CORE's many projects and activities, scheduling, staff assignments, work plans, and progress reports.
4. Communications: CORE staff in partnership with the governor's office will create and implement a communications plan that addresses the needs of various audiences: the governor; agency heads; legislature; CORE committee members, partners, and staff; state employees; media; and the public.
5. Meeting management: CORE staff will provide logistical, facilitation, and other support to CORE's executive steering and working committees in order to best use the members' skills, expertise, and time.
6. Business activities: These essential activities include financial management, time reporting, contracting, personnel transactions, and office management.
7. Fund raising: The governor's budget recommendation requires at least \$1 million in matching private funds. CORE staff in partnership with private sector will develop and carry out a fund-raising plan.

CARLSON/DYRSTAD COMMISSION ON REFORM AND EFFICIENCY: CORE

CORE is a two-year joint public/private sector effort to identify immediate cost savings in state government and to recommend long-term actions for improving state government efficiency and effectiveness.

The Need

Minnesota faces a long-term structural imbalance between revenues and expenditures. For six years during the 1980s Minnesota ranked third in total government spending. Spending grew at 35 percent higher than personal income; 42 percent higher than the gross state product; 57 percent higher than inflation.

At the turn of the century, Minnesota had eight state agencies. Today Minnesota state government has grown into a complex organization with some 200 agencies and a biennial budget of \$14 billion. If the State of Minnesota were a business, we would be ranked 53rd in the Fortune 500.

Current delivery systems for most government programs are complex; cumbersome; and fragmented, often imposing multiple, and at times conflicting, requirements on service providers and citizens. Managers and line workers are held accountable for meeting bureaucratic requirements rather than meeting the service needs of citizens.

Minnesota must manage its limited resources wisely. We must reduce costs, redesign services, improve accountability, adopt modern management practices, and utilize new technology to better meet the needs of our citizens. We must identify what actions we can take immediately, but long-term reform will take time. Quick fixes will not work.

A partnership using the best of government, business, and labor will provide the necessary perspective and expertise for a fundamental reshaping of Minnesota's public services.

CORE's Charge

CORE will undertake four major tasks:

- 1) Recommend changes in current state government operations that will produce immediate savings and improved accountability.

Teams of representatives of business and government will identify areas for reducing operating costs within and across agencies. The commission's goal is to generate \$10 million of savings during the 1991-3 biennium. If this goal is not met, the governor will cut agency budgets to meet the goal, including possibly imposing across-the-board cuts.

- 2) Recommend investments in new systems and technology to improve state government management and operations and produce long-term savings. Examples include improved cost accounting and performance management systems.
- 3) Recommend alternative strategies for delivering government services, including a major restructuring of state government, to streamline service delivery, reduce costs, and improve accountability.

The commission will examine state government services to determine if they meet current needs; are redundant, competitive, or contradictory; and are delivered cost effectively. The commission will examine whether services would best be delivered by state government, local governments, or the private for-profit and not-for-profit sectors.

The commission will oversee an analysis of state government, evaluation of key programs, development of strategic plans for state services, a reorganization plan for streamlined delivery, and redesign and reengineering of management and operational systems.

4. Manage the implementation of recommendations developed in the above three tasks.

Many reform initiatives have failed because implementation has been neglected. CORE will develop realistic, practical implementation plans and objective measures by which agency heads will be accountable. CORE will oversee implementation efforts and report regularly to the governor and legislature.

Organization

CORE will carry out its work through an executive steering committee, a working committee, and work teams.

The executive steering committee will be co-chaired by the governor and a chief executive officer of a major Minnesota corporation. The committee will be comprised of government, business, and labor leaders. The committee will set CORE's overall direction, provide leadership on raising funds, and approve recommendations submitted by the working committee.

The working committee will address management and operational issues which cut across state government and will direct the work of seven functional teams: health and human services, environment and natural resources, general government, education, economic development and infrastructure, criminal justice, and business regulation and enforcement. The working committee will be chaired by the commissioner of administration and will have members from state government, business, and labor.

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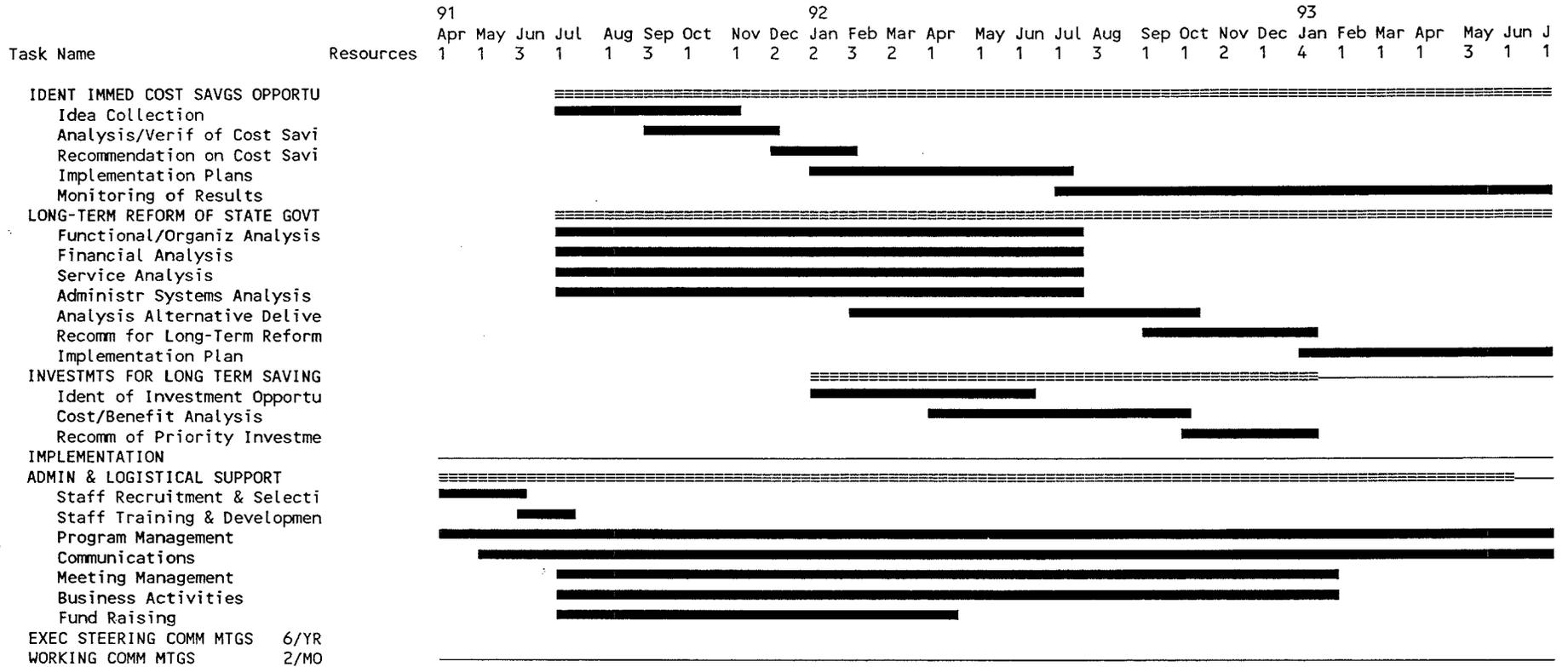
CORE will be staffed by the Department of Administration with assistance from other agencies and outside consultants.

Funding

Governor Carlson recommends that \$1 million be appropriated for the commission. The appropriation will be matched by private contributions on a one-to-one basis. The commission will generate \$11 million in savings during the 1991-3 biennium. If the goal is not reached, the governor will cut agency budgets to reach the goal.

Department of Administration
February 26, 1991

Schedule Name : CORE WORK PLAN
 Responsible : Department of Administration
 As-of Date : 28-Mar-91 Schedule File : C:\PROJECT\CORE



 ■ Detail Task ■■■■■ Summary Task M Milestone
 ■■ (Started) ■■■■■ (Started) >>> Conflict
 ■■ (Slack) ■■■■■ (Slack) ..■ Resource delay
 ----- Scale: 1 week per character -----

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COMMISSION ON REFORM AND EFFICIENCY

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The Commission on Reform and Efficiency (CORE) has been created by Gov. Arne Carlson to lead a comprehensive public/private effort to reorganize state government, streamline its management, and identify ways to reduce costs.

A joint effort of business, labor, education, and government, CORE will produce the best thinking of all stakeholders in the redesign of state government. The last major reorganization of state government took place in 1939. It's time for another look. Today, 23 cabinet agencies and close to 200 other agencies have 800 separate budget activities with 9,006 cost centers. Minnesota state government is a \$15 billion-a-year enterprise. A 20-year-old fiscal system and a 50-year-old personnel system support this enterprise. Uncoordinated government growth has resulted in the duplication of services across agencies, piles of paperwork and red tape, and neglected support systems.

CORE will be different

CORE, a significant component of the governor's fiscal overhaul plan, will differ from other efforts. For the first time, state employees will be part of the process. Also, the commission will oversee the *implementation* of its recommendations. It will not focus on massive layoffs, hiring freezes, wholesale program elimination, or jabs at pockets of inefficiency that result in immediate but short-term savings. After an initial thrust to identify \$15.7 million in operating expenditures that can be eliminated without disrupting vital state services, CORE will review the executive branch and recommend a restructuring to streamline service delivery, reduce costs, and improve quality and accountability. It will also consider investments in new systems and technology to improve management and operations and produce long-term savings.

CORE will prepare Minnesota state government for the 21st Century.

CORE will adapt the best approaches of past government studies such as Minnesota's Loaned Executive Action Program (LEAP) of the '70s and the federal government's Grace Commission of the '80s and expand on them with employee participation and follow-through implementation. Unlike current efforts in other states facing fiscal crises, CORE will not employ quick-fix, across-the-board, indiscriminate budget cuts that weaken the best programs while continuing the least needed ones.

CORE's members and costs

The commission will be composed of volunteer members and staffed by state employees. The first two years of operations -- identifying \$15.7 million in immediate cost savings, reviewing state government, and forming recommendations -- will cost more than \$2 million. The legislature initially will match the first \$500,000 provided by private sources. The possibility also exists for another \$500,000 in state funds next year, if CORE gains credibility with legislators.

Government appears to be involved in every aspect of society today. The private sector has come to recognize modern business reality -- that tough competition and economic distress demand a focus on *core* businesses and putting investments only into what companies do best. The reality is that government has outgrown society's ability to pay for it. It's time for government to find a different way to do business. That's the assignment for CORE.

The CORE staff -- Management Analysis Division

The Commission on Reform and Efficiency will be staffed by members of the Department of Administration's Management Analysis Division. Management Analysis -- a unique operation in Minnesota state government -- offers management consulting to state and local government officials on a competitive fee basis. From the beginning of its consulting business in 1985, the division has focused on bringing the best of private business to state operations.

The division operates as an open-market service business, supported by fees. Its Management Team prepares an annual business plan, develops internal policy and procedure, and guides the future of the division. The division's professional consultants provide management consultation services designed to improve the quality and cost-effectiveness of government services through improved government management. The consultants grew up in government and are in an ideal position to understand the management and organizational problems unique to government. They are well acquainted with the limited resources of government agencies.

Statewide management responsibilities

A second part of the division's work focuses on statewide management responsibilities, and is supported by appropriated funds. These activities are available to the governor, the legislature, and the cabinet, and include such duties as staffing the constitutional officers' Executive Council, administering agencies that have been dissolved or suspended, administering the transition offices of newly elected governors and lieutenant governors, managing statewide productivity improvement programs, and conducting management studies of executive branch operations for the legislature.

Consulting in government

Consultation services are provided in a non-partisan, objective fashion. For comprehensive studies of programs and agencies, a major information-gathering effort is undertaken according to procedures adopted by the consulting profession. The conclusions and recommendations based on these facts are reached using state-of-the-art management theory and techniques.

In its first five years of business, consulting revenue grew from seven engagements earning \$76,743 in the first year to 53 engagements earning \$570,522 in Fiscal Year 1990 -- an increase in income of 643 percent. The division has a basic staff of 13 consultants, a business manager and five support staff. To maintain its consulting business while staffing CORE for the next two years, the division will hire at least 20 additional full-time consultants and support staff members. These additional employees will come from public agencies and the private sector, and will be selected on the basis of rigorous skill and experience requirements.

The division and CORE

A CORE Planning Team has been at work within the division since mid-April, designing the administration of CORE and the work plan for the initial review of state government that is to find \$15.7 million in permanent cost savings by the end of Calendar Year 1991. The division works closely with Administration Commissioner Dana B. Badgerow, a corporate staff vice president for government contracts at Honeywell, Inc., until her appointment by Gov. Carlson earlier this year.

(May 23, 1991)

NEWS RELEASE

ARNE H. CARLSON
GOVERNOR

JOANELL M. DYRSTAD
LT. GOVERNOR



FOR IMMEDIATE RELEASE
July 29, 1991

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296-0037 office
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CARLSON NAMES CORE COMMISSION LEADERSHIP

Governor Arne H. Carlson today named the leaders of the Commission on Reform and Efficiency (CORE). The commission will study current state government operations and make recommendations as to how Minnesota can streamline its services and become more efficient.

"The purpose of the CORE Commission is to make state government work better for everybody ... for employees who will benefit from more modern management practices and technology, for the customers served by government and for taxpayers who provide the resources," Carlson said.

"It appears that Minnesota, along with the rest of the nation, will experience much slower economic growth in the next decade than we have enjoyed in the past. This means that all of our institutions, and especially government, will need to focus on doing more with limited resources," Carlson said.

The executive steering committee of CORE will include seventeen prominent Minnesotans and will be chaired by **Arend J. Sandbulte**, chairman, president and CEO of Minnesota Power. He holds a bachelor's degree in electrical engineering from Iowa State University and an M.B.A. from the University of Minnesota. Sandbulte is a Registered Professional Engineer in the states of Minnesota, North Dakota and Wisconsin and was named recently by Iowa State University to receive its Professional Achievement Citation in Engineering (PACE) award.

"I am pleased to help carry out the mission of CORE and to serve as its chairman," Sandbulte said. "We will be reviewing a broad variety of governmental programs and services, looking at how they are provided now and seeking ways to deliver needed services more efficiently and effectively. I am pleased the Governor has given me this opportunity, and I look forward to many positive CORE accomplishments."

"Employees of the Minnesota Department of Administration will work closely with CORE Commission members," said Commissioner of Administration Dana Badgerow. "The CORE Commission will be staffed by some of the brightest and best in state government through our management analysis division. For this group, CORE represents the opportunity of a lifetime. Their role will be to support the commission members by providing them with the information needed to make sound decisions."

CORE, page 2

"We clearly recognize that state employee involvement and commitment is essential to the success of CORE. For that reason, Governor Carlson has appointed representatives of two major employee unions to the CORE Commission," Badgerow said.

In addition to Sandbulte, Carlson also named the following Minnesotans to CORE:

~~Peter Lewon~~, Oakdale, is the president of the MN Association of Professional Employees and is a former mediator with the Workers Compensation Division of the Department of Labor and Industry.

*Gary Denault
MM #*
~~Peter Benner~~, Inver Grove Heights, is the Executive Director of the American Federation of State, County and Municipal Employees (AFSCME) Council 6, a labor union representing 22,000 employees of the State of Minnesota and the University of Minnesota.

~~Arlene J. Lesewski~~, Marshall, is the regional director for the Independent Business Association of Minnesota and an independent insurance agent. She is also a part time student at Southwest State University in Marshall and will graduate in June, 1992.

~~Ernest A. Lindstrom~~, Richfield, is a certified public accountant and attorney. He is a former special municipal judge, four-year past member of the Metropolitan Council, and served eight years in the MN House of Representatives.

~~Cal Ludeman~~ is a farmer from Tracy, MN, and co-owner of the SanMarBo farms in Tracy. He is member of the board of director of the Center for the American Experiment, and was the 1986 IR endorsed candidate for governor.

~~Jean L. Harris~~, M.D., D.Sc., has been the president and CEO of the Ramsey Foundation of St. Paul since 1988. A resident of Eden Prairie, she served from 1978-1982 as the Secretary of Human Resources for the governor of Virginia. Harris is a member of the National Academy of Sciences' Institute of Medicine and a member of the VA State Board of Health.

~~John E. Brandl~~, Minneapolis, is a professor of public affairs at the Hubert H. Humphrey Institute of Public Affairs at the University of Minnesota. From 1987 to 1990 he was on a partial leave of absence from the University while serving as a member of the Minnesota Senate.

~~Marcia F. Appel~~, Minneapolis, is the executive director of the Association of Area Business Publications, with 100 regional business publications in the U.S. and Canada. She is also the former editor-at-large of Minneapolis-St. Paul Magazine and former editor of Twin Cities magazine.

Glenn Taylor served ten years in the Minnesota Senate, representing his home town of Mankato and the surrounding areas. He is presently the CEO and chairman of the board of Taylor Corporation, which includes 37 operating divisions in 11 states and three Canadian provinces, employing more than 6,800 people.

Stephen E. Watson is president of Dayton Hudson Corporation (DHC), joining the Dayton's Department Stores division of DHC in 1973. He is a director for the Walker Art Center, the Minneapolis Downtown Council, Williams College, The Blake School, and Norwest Corporation. Watson lives in Long Lake.

H. William Lurton, Long Lake, began his career as a sales representative with Jostens in 1955 and is now the chairman of the board and CEO of Jostens, Inc. He is the vice chairman and chairman-elect of the United States Chamber of Commerce and serves as a director on the boards of Deluxe Corp. and Pentair, Inc.

C. Angus Wurtele, Minneapolis, has been with Valspar Corporation since 1970 and currently serves as chairman of the board and CEO. He also served as the president and CEO of Minnesota Paints from 1965-1970. Wurtele serves as a director on the boards of several companies, including The Donaldson Company and General Mills, Inc., and is a member of the advisory council of Stanford University's Graduate School of Business.

Geraldine A. Evans is president and CEO of Rochester Community College and has also served as the director of personnel services for the MN Community College System, and as policy analyst for the MN Department of Education. She is a resident of Rochester.

Connie G. Weinman, Roseville, is vice president and manager of the Business Development and Business Services Divisions Trust Department with National City Bank, Minneapolis. She has also been employed as a volunteer advocate in the programs for the economically disadvantaged of Central Lutheran Church, Minneapolis, and an elementary school teacher.

Erma J. Visenor is currently a doctoral student at Harvard University, completing a degree in administration, social policy, and planning. She received her masters degree in education from Harvard and a masters degree in guidance counseling education from Moorhead State University.

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Jane Belau - President, Belau Consulting Group, Rochester

Sharon Sayles Belton - Mpls City Council

Jack Eugster - CEO, The Musicland Group, Mpls

Beck Horton - President, Juno Enterprises Inc, Mpls

Lee Buebbe - Former Chair, Winona County Board of Commissioners

Dorrie Mund - Attorney, St. Cloud

Robin PanLener - MAPE, President

Kati Sasseville - General Council, Otter Tail Power Co

CORE

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February 8, 1993

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Executive Reorganization & Comprehensive Assessment Committee

Glen Taylor, Chair
Jane Belau
Dr. Jean Harris
H. William Lurton
Dorraine (Dorrie) Mund
Robin PanLener
Arend Sandbulte, Ex-officio

- Executive reorganization\boards and commissions

Management Systems Committee

Connie Weinman, Chair
Marcia Appel
Gary Denault
Geraldine Evans
Beck Horton
Ernest Lindstrom
Arend Sandbulte, Ex-officio

- Human resources management/civil service
- Budgeting and fiscal services
- Electronic business transactions
- Administrative rules/procedures

Program Analysis Committee

Jack Eugster, Chair
John Brandl
Arlene Lesewski
Lee Luebbe
Katherine (Kati) Sasseville
Erma Vizenor
Stephen Watson
Arend Sandbulte, Ex-officio

- State/county human services delivery system
- Local services funding
- Environmental services

CORE

STATE OF MINNESOTA
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Dana Badgerow	Commissioner, Dept. of Administration	296-3862
Fred Grimm	Director, Management Analysis Division	296-4086
Kent Allin	CORE Coordinator	297-8000

CORE WORKING COMMITTEE & TEAM CONFIGURATIONS

PROGRAM ANALYSIS

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John Brandl	Professor, HHH Institute
Arlene Lesewski	Regional Director, Ind. Business Assoc. of MN
Lee Luebbe	Former Chair, Winona County Board of Comm.
Katherine Sasseville	General Counsel, Otter Tail Power Company
Erma Vizenor	PhD Student, Harvard University
Stephen Watson	President, Dayton-Hudson Corporation
Arend Sandbulte, Ex-officio	Chairman, President & CEO, MN Power

Nancy Feldman, Staff Team Leader 296-9021

State/county human services delivery system: This project will investigate Minnesota's state-supervised, county-administered system of human services delivery to determine how system redesign can result in improved client outcomes and reduced cost.

Dorothy Bliss	297-2902
Jan Buelow	296-9957
Dwight Lindstedt	297-1183

Local services funding: As part of this project, the Commission will reassess the goals and principles of state aid to cities. Based on these goals, recommendations will be made regarding the amount, form, type, and method of financing aids to cities. The project will propose reforms to simplify and rationalize the provision of aids.

Jane Delage	297-1146
Wendy Petropoulos	
Glenn Silloway	297-4535
Theresa Van Hoomissen	297-1350

Environmental services: CORE will explore alternative structures, policies, and procedures that will promote strong environmental protection, timely decision-making at the state level and a system that is understandable and responsive to the users of the environmental agencies.

Jim Cox	297-7696
Liz Fedor	297-7697
Virginia Reiner	296-6098

EXECUTIVE REORGANIZATION & COMPREHENSIVE ASSESSMENT

Glen Taylor, Chair	Chairman & CEO, Taylor Corporation
Jane Belau	President, Belau Consulting Group
Dr. Jean Harris	Sr. Associate, Medical Affairs, U of M Hospital
H. William Lurton	Chairman and CEO, Jostens, Inc.
Doraine Mund	Associate Attorney at Law, Hall, Byers, Hanson, Steil & Weinberger
Robin PanLener	President, MAPE
Arend Sandbulte, Ex-officio	Chairman, President & CEO, MN Power
Bev Schuft, Staff Team Leader	296-6798

Executive Reorganization: Examine and analyze the organization and structure of the executive branch, develop alternative models for structuring state government that focus on results and improved service delivery in a cost-effective manner.

Comprehensive Assessment: Develop a "state of the state" evaluation of the state's ability to efficiently and effectively deliver services that are valued by the customers and achieve desired results, and identify opportunities that exist for positive reform.

Therese Blaine	296-6784
Ralph Brown	297-1161
Thomas Keliher	282-2364
Peter Lewon	296-6621
Ken Nickolai	297-7712
David Weidenfeller	297-5566
Laura Everson	

Quality Initiative: Co-sponsor a governor's quality initiative designed to increase executive-level awareness of and commitment to quality tools and the quality philosophy throughout state government.

Therese Blaine	296-6784
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MANAGEMENT SYSTEMS

Connie Weinman, Chair	Vice President, National City Bank
Marcia Appel	Executive Director, Assoc. of Area Business Publications
Gary Denault	Executive Director, MMA
Geraldine A. Evans	Chancellor, Community College System
Beck Horton	President, Juno Enterprises, Inc.
Ernest Lindstrom	Attorney at Law, Lindstrom Law Offices
Arend Sandbulte, Ex-officio	Chairman, President & CEO, MN Power

Linda Hennum, Staff Team Leader 297-8002

Human resources management/civil service: The purpose of this project is to reform and reinvent the state's human resource management organization and system so that the public receives maximum quality and efficiency in public services. The project scope includes three branches of state government. It will be a comprehensive evaluation of the systems, organizations, and functions which are now part of the complete delivery and management of the state's human resources. The project will concentrate on those components with the greatest potential to improve the efficiency and effectiveness of the human resources system.

Susan Ager	282-2361
Elizabeth Mairs	297-7698
Gary Miller	282-2363
Larry Simmons	297-7699
Monte Young	282-2365

Budgeting and fiscal services: The CORE budgeting and financial management project will recommend changes to the budget process that will create incentives for efficiency and service delivery improvement, encourage agencies to evaluate programs to determine if those programs are the best means for meeting the needs of target populations, and retain needed gubernatorial and legislative control over agency budgets and activities. CORE's recommendations to redesign the budget process will result in a system which efficiently allocates the resources of the state to ensure the maximum return on public dollars spent on state agency programs.

Kathleen Shea	297-2702
Brian Hanninen	297-7700
Susan Latts Vlodaver	282-2360

Electronic business transactions: This project will provide recommendations for expanding the state's usage of electronic business transactions in order to save money, reduce paperwork, and increase the state's responsiveness to customers and vendors. The bulk of the work for this project is being done by consultants from Josten's, Norwest Banks, and Control Data Corporation, who are donating their services to CORE.

Kathleen Shea	297-2702
Larry Simmons	297-7699

Administrative rules/procedures: Policies and procedures for rulemaking outlined in Minnesota's Administrative Procedures Act are seen as cumbersome, inefficient, and ineffective by many in state government. CORE's examination of the area will address state formal and informal rulemaking procedures, their impact on programs, agencies and customers, costs associated with rulemaking, citizens participation in rules adoption, and the Legislature's role in the process. Based on its analysis, CORE will recommend ways to reduce agency resource expenditures and enhance public accessibility to the system.

Bob Kaufer	282-2362
Rose Herrera Hamerlinck	297-1336
Jeff Rathermel	297-7702
Clarence Shallbetter	297-1647

As of October 21, 1992

10/1/91- 1st REVISION

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Agriculture	Jerry Heil - 6-1486 Harold Frank - 6-2323	Newell Searle 6-4435
Commerce	Tammy Wetterling 6-4972	Jim Miller 6-2715
Corrections	Gene Larimore 642-0302	Dan O'Brien 642-0280
Education	Ed Wilkens 6-6253	Jim Sauter 7-3115
Employee Relations	Jim Lee 6-2914	Jan Wiessner 6-3095
Finance	Ted Spiess 6-4846	Gordon Yurich 6-9473
Health	Dave Hovet (fin) 623-5072 Bob Hiller (non-fin) 623-5241	Liz Emerson 623-5759
Housing Finance	Dave Ruch 6-9816	James Solem 6-5738
Human Rights	Gary Belisle 6-5674	Gary Belisle 6-5674
Human Services	Chuck Schultz 7-4040	Mary Lou Spann 7-7281
Jobs and Training	Ken Niemi - 7-4680 Mgmt. Plng. Div.	Earl Wilson 6-1821

Labor & Industry	John Ellefson 6-2486	John Ellefson 6-2486
Military Affairs	Marlene V. Anderson 6-4827	CW4 Thomas J. Ryan 6-4671
Natural Resources	Julie Smendzuik-O'Brien 6-7847	Julie Smendzuik-O'Brien 6-7847
Pollution Control	Gordie Wegwart 6-7224	Gordie Wegwart 6-7224
Public Safety	Frank Ahrens 6-9484	Pat Jilk 6-6642
Public Service	Harold Nickelson 7-1842	Ruth Grendahl 6-6025
Revenue	Lyle Mueller - 6-5329 Dave Semrud - 6-9125	Lyle Mueller 6-5329
State Planning	Roger Volk (financial) 6-6075	Jo Maniaci 6-9016
Trade and Economic	Jenny Engh 7-4567	Jenny Engh 7-4567
Transportation	Bruce Briese 7-1203	Ed Cohoon 6-7942
Veterans Affairs	Lee Peterson 7-2210	Dennis Forsberg 6-7342

CORE

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CORE WORK PLAN

Scope

CORE is a comprehensive, multifaceted effort to improve the management of Minnesota state government. CORE will:

- Recommend immediate savings and improved accountability in current state government operations
- Recommend alternative strategies for delivering government services, including a major restructuring of state government, to streamline service delivery, reduce costs, and improve accountability
- Recommend investments in new systems and technology to improve state government management and operations and to produce long-term savings
- Ensure and manage the implementation of CORE's recommendations

Many reform initiatives have failed because implementation has been neglected. CORE will develop realistic, practical implementation plans and objective measures by which state agency heads will be held accountable.

CORE will examine state government from two perspectives:

- The services that state government delivers to its "customers," and
- The general administrative and management systems that support these services.

CORE will work at three levels:

- Statewide: services, systems, and issues that are common to all state agencies
- Multiple service levels: services, systems, and issues that cut across two or more, but not all, state agencies
- Single agency: services, systems, and issues that are unique to each agency.

Organization

CORE will carry out its work through an executive steering committee, working committees, and work teams.

Executive steering committee: The executive steering committee will be co-chaired by the governor and a chief executive officer of a major Minnesota corporation. The committee will be composed of government, business, and labor leaders. The committee

(May 23, 1991, revision)

will set CORE's overall policy and direction, provide leadership on raising funds, and review and endorse recommendations submitted by the CORE staff and working committees.

Working committees: Working committees will be appointed as needed to address management and operational issues that cut across state government and to review and assist with the work of functional teams in areas such as health and human services, environment and natural resources, general government, education, economic development and infrastructure, criminal justice, and business regulation and enforcement.

Staffing: CORE will be staffed by the Department of Administration's Management Analysis Division and staff assigned to Management Analysis from other state agencies. Additional assistance will come from private-sector volunteers and outside consultants.

Preliminary work plans

CORE will have five primary activities.

ACTIVITY I: IDENTIFICATION OF IMMEDIATE COST-SAVING OPPORTUNITIES

The goal of this activity is to realize \$15.7 million in cost savings.

This activity will focus on cost-saving measures that can be implemented by administrative action with no or minimal investment costs. Options include:

- eliminating unnecessary activities that add to the cost of providing services but not to their value
- using alternative mechanisms to deliver services
- using technology to reduce costs
- simplifying or streamlining procedures
- reducing administrative overhead costs

This effort requires four major tasks:

1. **Idea collection:** CORE staff, in partnership with private-sector experts, will identify potential cost savings opportunities. Primary data will be collected through individual and group interviews with state employees, outside experts, and customers. Secondary data collection will include reviewing legislative audit reports, management consulting reports, data from other governments, and private-sector cost-reduction initiatives.
2. **Analysis/verification of cost savings:** CORE staff, working with private-sector experts and state agency personnel, will analyze the viability of the cost-saving ideas. This task will answer such questions as: Is the idea doable? Are there real cost savings? How much? How soon are the cost savings realized? Are there any investment costs? What are the barriers to implementation? How can the barriers be overcome? Who is invested in maintaining the status quo? What is the impact on customer service?
3. **Recommendations on cost savings:** Recommendations will be reviewed with affected agencies before presenting them to the executive steering committee for approval.

4. Implementation plans: For each recommendation, detailed implementation plans, including timelines and costs, will be created by the affected agencies with the assistance of the CORE staff.

Monitor savings: In order to ensure that the projected savings are realized, CORE will develop a reporting system to monitor the projected savings.

Another outcome of this effort will be to begin to generate potential ideas for long-term reform and for new system and technology investments (Activities II and III).

ACTIVITY II: LONG-TERM REFORM OF STATE GOVERNMENT The goal of this activity is to recommend alternative strategies for delivering government services, including a major restructuring of state government, to streamline service delivery, reduce costs, and improve accountability.

This activity will undertake a comprehensive examination of state government services to answer these fundamental questions:

- Do services meet current needs?
- Which services are redundant, competitive, or contradictory?
- Are services delivered cost-effectively?
- Which services should be delivered by state government and which by the private sector or other organizations?
- How should state government be restructured to better deliver services?
- How can management and operational systems be redesigned to better support service delivery?

This activity requires seven major tasks:

1. **Functional/organizational analysis:** CORE staff will analyze state government's organizational structure to assess its efficiency and effectiveness. CORE staff will identify which services serve common clients and have similar functions. Data will be collected on each service's statutory purpose, goals, objectives, clientele, costs, funding, and staffing. The data will be analyzed to determine which services are redundant, competitive, or contradictory.
2. **Financial analysis:** CORE staff with the assistance of the Department of Finance will calculate and analyze service costs. Major state expenditures and services for which costs are rising faster than the Consumer Price Index may be targeted for first examination. CORE staff will review alternatives to control rising costs. The alternatives may range from eliminating services to identifying alternative delivery systems, eliminating goldplating, simplifying services, or reducing overhead and operational costs.
3. **Service analysis:** Agencies will be directed to identify their core activities and determine which services no longer meet current needs or which have little or no customer base.

4. **Administrative systems analysis:** CORE staff with the assistance of private-sector partners will review the state's management and administrative systems to assess how effectively they support service delivery. These systems include personnel, financial, information, and other administrative support systems.
5. **Analysis of alternative delivery systems:** CORE staff with the assistance of private-sector partners will analyze the best service delivery models in the private and public sectors. They will identify those models that should be replicated by state government or services that should be privatized.
6. **Recommendations on long-term reform:** CORE staff will present recommendations to the executive steering committee to restructure and reorganize state government and redesign its service delivery systems.
7. **Implementation plan:** CORE staff will create an action plan for the agencies, governor and legislature that will identify performance measures and a method for continuous improvement processes such as the total quality improvement models.

ACTIVITY III: INVESTMENTS FOR LONG-TERM SAVINGS The goal of this task is to recommend investments in new systems and technology to reduce costs, enhance quality, and improve accountability.

State government must take advantage of state-of-the-art systems and appropriate technology to improve its effectiveness. Many of these systems and technologies will require up-front investments. This task will examine those opportunities to assess their benefits and costs. Potential opportunities include an executive management information system, replacement or improvement of the accounting system, improved performance management systems, and energy conservation measures.

This activity requires three major tasks:

1. **Identification of investment opportunities:** CORE staff will work with private-sector partners to identify new systems and technologies, including those in use in the private sector that could be adapted to Minnesota state government. Other investment opportunities will have been identified in the immediate cost savings and long-term reform activities.
2. **Cost/benefit analysis:** CORE staff will conduct cost/benefit analyses to determine which opportunities will produce the best returns on investment.
3. **Recommendations on priority investments:** CORE staff will recommend to the executive steering committee a prioritized list of investment opportunities. The recommendations will include detailed capital and operating cost estimates and projected payback.

ACTIVITY IV: IMPLEMENTATION The goal of this activity is to develop realistic, practical implementation plans and objective measures by which agency heads will be held accountable. Most government reform initiatives have failed because they have focused on what to change and have given short shrift to how to effectively put the change in place. To be successful, CORE must focus resources on managing the implementation process. CORE's ultimate goal is to create an organization capable of continuous improvement.

CORE's approach will be to involve affected agencies and their employees in developing strategic and operational plans for implementing the CORE recommendations. The plans will have specific benchmarks by which agencies, the governor, and legislature can measure progress. CORE staff will provide consulting assistance to agencies. Staff who have been temporarily assigned to CORE will return to their respective agencies to assist in the implementation.

Budget and staffing requirements cannot be determined until work on the other activities and tasks is completed.

ACTIVITY V: ADMINISTRATIVE AND LOGISTICAL SUPPORT FOR CORE

CORE's complexity and statewide scope demand that extraordinary attention be paid to administrative and logistical support for the program. In short, this effort will require the same level of planning and management as CORE's primary activities.

The tasks required to support CORE are:

- 1. Staff recruitment and selection:** CORE will require adding staff to MAD and using staff in other agencies to (a) work on interagency teams, (b) carry out discrete tasks for MAD, and (c) conduct detailed analyses of issues in their own agencies. CORE will also recruit private-sector volunteers to serve on the various work teams and committees. A rigorous selection process will be required to ensure that only the best staff (paid and unpaid) work on CORE.
- 2. Staff training and team development:** Since CORE will involve staff who have never worked together and have different skills, it is critical to train all staff in two areas: (a) common approaches to project management, customer service, data collection, and data analysis, and (b) CORE's work norms and practices.
- 3. Program management:** This critical task involves coordination of CORE's many projects and activities, scheduling, staff assignments, work plans, and progress reports.
- 4. Communications:** CORE staff in partnership with the governor's office will create and implement a communications plan that addresses the needs of various audiences: the governor; agency heads; legislature; CORE committee members, partners, and staff; state employees; media; and the public.
- 5. Meeting management:** CORE staff will provide logistical, facilitation, and other support to CORE's executive steering and working committees in order to best use the members' skills, expertise, and time.
- 6. Business activities:** These essential activities include financial management, time reporting, contracting, personnel transactions, and office management.
- 7. Fund raising:** The project budget exceeds \$2 million. More than \$1 million in private funding will be needed. Fund raising will be carried out in partnership with the private sector.

Detailed budget

The following budget is for CORE's central operations. It does not include the cost of individual agencies to participate in CORE. It assumes that state agencies will absorb those costs in their operating budgets.

ACTIVITY I: IMMEDIATE COST SAVINGS

Staffing: 10 staff from July to December 1991
4 staff from January to June 1992

Budget:

Salaries	\$339,500
Rent	13,570
Printing	5,200
Data processing	1,832
Communications	10,450
Travel	2,158
Supplies	2,425
Equipment rental	4,000
Prof/tech contracts	15,000

TOTAL **\$394,132**

ACTIVITY II: LONG-TERM REFORM

Staffing: 20 staff from July 1991 to December 1992
5 staff from January to July 1993

Budget:

Salaries	\$1,576,350
Rent	46,350
Printing	17,970
Data processing	6,300
Communications	35,940
Travel	7,400
Supplies	8,200
Equipment rental	8,200
Prof/tech contracts	25,000

TOTAL **\$1,731,710**

ACTIVITY III: INVESTMENTS IN NEW SYSTEMS AND TECHNOLOGY

Staffing: 6 staff from January to December 1992.

Budget:

Salaries	\$290,000
Rent	11,680
Printing	4,440
Data processing	1,564
Communications	8,926
Travel	1,843
Supplies	2,071
Equipment rental	3,416
Prof/tech contracts	5,200
TOTAL	\$329,140

ACTIVITY IV: IMPLEMENTATION

Costs will depend on the recommendations developed in Activities I, II, and III.

ACTIVITY V: ADMINISTRATIVE SUPPORT

Staffing: 2 staff from July 1991 to June 1993

Budget:

Salaries	\$200,000
Rent	7,995
Printing	3,064
Data processing	1,080
Communications	6,156
Travel	1,271
Supplies	1,428
Equipment rental	2,356
Prof/tech contracts	3,650
TOTAL	\$227,000

BUDGET SUMMARY

ACTIVITY I	\$ 394,132
ACTIVITY II	1,731,710
ACTIVITY III	394,140
ACTIVITY IV	N/A
ACTIVITY V	227,000
GRAND TOTAL	\$2,681,982

CORE staff recruitment

The Management Analysis Division will hire about 30 new staff members to be assigned full-time to CORE. Most of the CORE staff will be composed of professional-level analysts, with two or three support staff positions. The recruiting and hiring process involves:

- Advertising in state bulletin and metro area newspapers
- Additional efforts made to recruit minority applicants
- Negotiated expedited hiring process with Department of Employee Relations
- More than 430 applicants; roughly 50 percent are current state employees
- Resumes screened for top state and private-sector candidates

Relevant advanced degree or experience required

Enthusiasm for CORE mission or other notable strengths required

- Performance simulation exercise given to 130 candidates
- Thirty-one candidates interviewed to date
- First group of new hires starts work in late July
- Priority hires for July: Phase 1 staff

Administrative logistics

The division has been working on many activities in preparation for adding 30 staff to the division. Space has been found in the Administration Building to accommodate the additional staff. Technology issues are a critical factor to the success of CORE. Staff have been trained in our upgraded word-processing software. The division's technology task force is studying the need for a local area network as well as other types of software the CORE staff will need to carry out its responsibilities. We have also installed a new telephone system that will provide good customer service to the division's clients and CORE clients. Revisions have been made to the division's time reporting system in order to track CORE hours spent by staff.

Activities under way include:

- Preparing space for CORE needs
- Obtaining furniture, equipment and supplies for the new staff
- Determining needs for personal computers, printers, software -- and obtaining new equipment
- Planning an extended telephone system for CORE
- Developing a new time reporting system to track CORE hours
- Setting up a CORE budget
- Planning for CORE filing/records retention needs

New-employee orientation and training

The knowledge and skills of the individuals hired for CORE will be supplemented by formal and on-the-job training and will be provided by individuals from Management Analysis and other appropriate agencies.

On-the-job training on the specific methods to be used in carrying out the phases of CORE will be the responsibility of the leaders of the phases. The formal training will provide background information that will help individuals understand the basic processes involved in developing an idea into a state service and in terminating a service that is no longer needed.

The processes involved in providing the resources -- people, space, materials, and money -- needed to deliver a public service will also be reviewed. Experts experienced in working with the processes will identify and discuss the perceived causes of ineffective or inefficient parts of state processes.

Instruction to help individuals function well within the Department of Administration and the Management Analysis Division also will be included in the formal training.

Formal training topics

- Fundamental structures and processes of state government: what works well and what doesn't in developing a government service and providing it with people, space, materials, and money
- Ethics in state government
- Values and norms for consultants in the Management Analysis Division
- Office operations in the Management Analysis Division

Preparation for the commission

The commission liaison is planning the initial meeting of the Commission on Reform and Efficiency. Goals of this meeting will be to introduce the task and the key players at all levels, and to agree on roles and activity commitments for Project 1.

An information packet will be prepared for the commission members for prior reading and for use at the meeting. The packet will provide an orientation to CORE, state government, the members, and the Project 1 work plan.

Other activities under consideration include:

- CORE staff members making presentations to accompany the materials
- Initial discussion on the criteria for proposal selection
- Discussion on alternative scenarios for commission operations -- meetings, working committees, etc.

CORE

STATE OF MINNESOTA
COMMISSION ON REFORM AND EFFICIENCY

DRAFT

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CORE COMMUNICATION PLAN

The Commission on Reform and Efficiency (CORE) project -- a comprehensive, multi-faceted effort to improve the management of Minnesota state government -- is a long-term public/private enterprise of interest to a variety of people. A significant amount of information will be collected, analyzed, and applied to change state government operations. This information must be shared among many people in order for it to be useful. What is being done with this information will also be of interest to people, particularly those whose jobs could be affected by the project. The ultimate beneficiaries of the effort -- Minnesota citizens -- should also be kept informed of CORE's progress and impact.

The project has two time blocks -- start-up, from mid-April 1991 through July 1991, and implementation, from August 1991, continuing indefinitely through the 1990s.

This communication plan provides an information network that includes all elements of CORE's two key audiences -- the group of people directly responsible for the success of the project (internal) and all other people who have varying degrees of interest in the project (external). The information network design seeks to quickly provide thorough information to those who need to be informed in order to carry out their assignments, and to those who want to be informed in order to protect their own interests.

The public relations aspects of this plan are not promotional in nature, but serve as a public information vehicle. The CORE project will have to sell itself to its supporters and detractors through its methods and procedures, and through its successes. The communications plan includes announcements of the project's progress, but does not attempt to promote it. The end product of CORE is improved state government operations, not improved public relations.

Because CORE's main objective is to refine state government by identifying and implementing procedures that reduce the costs of government operations, CORE itself will operate on a limited, well managed budget. This communication plan reflects that limited budget, but does not shortchange the information consumer.

Objectives

The objective of the **internal communication plan** is to provide relevant, timely information on the CORE project work to those people directly involved in its implementation, so that full, informed participation can proceed smoothly from all bases. Those people include the commissioner of Administration, the assistant commissioner of management analysis, the director and staff of the Management Analysis Division, the CORE staff leadership team (the CORE coordinator and the team leaders of the three CORE projects), the commission facilitator, the division writer/editor, the Governor's Office, CORE project applicants and new employees, and commission members.

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Information products for these people include:

- o Communication system between the CORE staff leadership team and the entire Management Analysis Division staff and commissioner of Administration
- o Communication system between the CORE staff and the Governor's Office
- o Reports on CORE's Projects 1 and 2
- o CORE/MAD fact sheets -- basic information about CORE and the CORE staff
- o Training and orientation materials and position descriptions for new CORE staff
- o Communication system between the commission and any subcommittees it may form, and between the commission and the CORE staff leadership team
- o Orientation package and periodic progress reports for the commission members

The objective of the **external communication plan** is to inform interested people and prospective participants in CORE -- inside and outside state government -- about CORE, its goals, and its progress, so that the project can have informed participation. Those people include state agency heads, state employees, state employee unions, legislators, prospective financial contributors, private-sector partners, the media, and members of the public.

Information products for these people include:

- o Introduction of the project to state agency heads, their employees, and employee unions
- o Formal kickoff event for CORE
- o CORE newsletters reporting CORE progress
- o Reports on CORE's Projects 1 and 2
- o News releases
- o CORE/MAD factsheets
- o CORE fund-raising brochure
- o Information and referral system for the general public

INTERNAL COMMUNICATIONS

Communications between the CORE staff leadership team and the entire MAD staff and Administration commissioner

LEADERSHIP TEAM AND PROJECT TEAM MATERIALS AND ORAL REPORTS. All written materials will be shared with the commissioner and all MAD staff, and oral progress reports will be made to all MAD staff. The distribution system will be as follows:

- o **Leadership team meeting agendas:** The CORE coordinator will send copies to all team members and to the commissioner, assistant commissioner, and division director of Management Analysis, and will give copies to the support staff supervisor for posting on the MAD bulletin board and filing in the resource library.
- o **Leadership team meeting notes:** The recorder will submit the notes to the CORE coordinator, who will give copies to the commissioner, assistant commissioner, division director, support staff supervisor for filing in the resource library, and each team member.
- o **Other leadership team materials:** The person submitting materials will give copies to team members and the CORE coordinator, who will distribute copies to the commissioner, assistant commissioner, division director, and support staff supervisor (for the resource library).
- o **Project team meeting materials:** The project team leader will give copies to all team members and the CORE coordinator, who will distribute copies to the commissioner, assistant commissioner, division director, and support staff supervisor (for the resource library). (This applies only to those materials not submitted at leadership team meetings.)
- o **Leadership team progress reports:** The CORE coordinator will make oral progress reports at MAD staff meetings. The project teams' weekly work plans will be submitted by the project team leaders for publication in MADWeek.

Communications between the CORE staff and the Governor's Office

PERIODIC REPORTS. The commissioner will determine what information is of value to the Governor's Office. Besides her regular reports to the governor, she will give oral and written materials to the governor's chief of staff, deputy chief of staff, communications director, and others on the governor's staff, as necessary to keep them informed. Periodic information packets (identical to those distributed to commission members) will also be submitted to them through the commissioner.

REPORTS ON CORE'S PROJECTS 1 and 2. The reports (due to the governor December 1991 and December 1992) will be written by the CORE Project 1 and Project 2 teams,

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reviewed by the CORE leadership team and commissioner, edited by the MAD writer/editor, and submitted to the commission for approval. The final report will be produced by the MAD writer/editor and the support staff and published by the commissioner of Administration, who will decide with the Governor's Office the final distribution list. The distribution list will include cabinet agency heads, the legislative leadership, the three major employee unions, the daily print media, the Legislative Reference Library, and agency libraries. A news conference at the capitol will be led by the governor, the commission chair, and the Administration commissioner, for media distribution of each report.

Communications with job applicants and new CORE staff members

CORE/MAD FACT SHEETS. Fact sheets will be used internally for staff recruitment. There will be fact sheets on CORE, the Management Analysis Division, and the CORE work plan and budget. They will be written by the MAD writer/editor, reviewed by the leadership team and reviewed and approved by the commissioner. The fact sheets will be reproduced by the support staff.

NEW-STAFF TRAINING MATERIALS. Training materials will be designed and written by the training planning task force. The MAD writer/editor will plan the format of the package, review the materials for comprehension, and then edit and format the material, with support staff assistance. The CORE leadership team will review and approve the final draft. The support staff will produce the packages, which will be stored by the training planning task force leader until distribution to new staff during training sessions.

NEW-STAFF ORIENTATION PACKET. A new-staff orientation packet will be planned and written by the training planning task force. The MAD writer/editor will edit, format and produce the material, with the assistance of the support staff. The CORE leadership team will review and approve the final draft. The materials will be placed in binders and given to new staff members on their first work day.

FINAL POSITION DESCRIPTIONS FOR NEW STAFF. The CORE coordinator will give the MAD writer/editor a position's specific responsibilities as soon as they are determined. The writer/editor will amend the appropriate basic position description and submit it to the coordinator for approval. After approval, the original will be given to the MAD business manager (for personnel processing) and copies will be given to the new staff member and his/her project team leader.

Communications with the commission members

ORIENTATION PACKETS. The commission members' orientation packet will be planned and created by the commission facilitator and MAD writer/editor. The writer/editor will edit and format the materials, and the leadership team will review and approve the product, which will then be submitted to the commissioner for final review. The writer/editor and the support staff will produce the packets.

PERIODIC INFORMATION PACKETS. When the commissioner receives materials from the CORE staff leadership team, she will indicate which pieces should be shared with commission members. These will be reproduced by the MAD support staff and packaged with the agenda for the next commission meeting and any other materials the commissioner and commission facilitator choose to share with them. (Suggested contents would include all CORE-related news clippings, summaries of CORE leadership team activities written by the writer/editor and approved by the CORE coordinator, a report on the project teams' implementation of commission recommendations, CORE news releases, and a cover letter from the commissioner with her own progress report.) These packets will be mailed by the MAD support staff 10 calendar days before the next commission meeting.

COMMISSION REPORTS. Minutes of the commission meetings will be taken by a CORE support staff member, transcribed, and submitted to the commissioner for approval. After approval, they will be distributed to all commission members and to the CORE coordinator, project team leaders, and team members. One copy will be filed in the CORE section of the MAD resource library.

CONTACTS OUTSIDE OF MEETINGS. In the event that information cannot be held until the next regular mailing of periodic information packets, separate mailings to each member will be made. In urgent situations, members will be contacted by telephone. A script prepared by the commissioner, the CORE coordinator, the commission facilitator, and the MAD writer/editor will be delivered by a telephone pool of available CORE staff members, and a log will be made of those calls (delivered, unable to deliver, reactions, etc.) and given to the commissioner at the end of the day. A letter containing the same information as the telephone call will also be prepared by the CORE coordinator, commission facilitator, and MAD writer/editor to be sent by the commissioner that day to those members who could not be reached by telephone.

EXTERNAL COMMUNICATIONS

Communications with state agency heads

PLANNING FOR CORE. The commissioner will discuss CORE planning progress at cabinet meetings and send cabinet members memos when necessary. The CORE staff will begin to meet with cabinet-level agency heads and their executive teams in July to provide orientation on CORE and to encourage involvement.

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KICKOFF EVENT. The kickoff event will focus around the announcement of commission members and the beginning of CORE Project 1. It will take the form of a news conference in the Governor's reception room. Honored guests will be the new commission members, cabinet members, and representatives of employee unions -- all of whom will receive a letter of invitation from the commissioner of Administration. The assistant commissioner for management analysis, the director of the Management Analysis Division, the CORE coordinator, and the commission facilitator, among others, will also be present.

A news advisory will be prepared by the MAD writer/editor for wire distribution by the Governor's Office three days before the event. A news release will be prepared by the writer/editor and mailed from the Governor's Office to all state newspapers on the Friday before the event, for release the day of the event. The CORE/MAD fact sheet will be mailed with the news release and distributed at the kickoff event. The Governor's Office will plan the news conference schedule. Recommended speakers would be the governor and commission chair, who would talk about CORE's goals and introduce the commission members, and the commissioner of Administration, who would discuss the CORE staff efforts and plans and introduce the CORE coordinator and project team leaders. Questions could be fielded by the Governor, Administration commissioner, other cabinet members, new commission members, and CORE staff members.

CORE NEWSLETTER. The first issue will cover the CORE staff's mid-Project 1 progress and will be distributed to all state employees. A 42,000-copy press run will be necessary. The newsletter will be written by CORE staff and edited and designed by the MAD writer/editor, with approval of the CORE staff leadership team and the commissioner of Administration. Agency-specific delivery lists will be compiled by the CORE support staff from Treasurer's Office records. The second newsletter -- published after Project 1's report is issued -- will summarize the recommendations and introduce details about Project 2. It will be distributed to all state employees. Other issues will be prepared and distributed when there is significant information to impart to interested parties. Besides agency heads and all state employees, employee union offices, financial contributors, and the legislature will be on the mailing list and a supply will be printed for public distribution upon request.

REPORTS ON CORE'S PROJECTS 1 and 2. The cabinet-level agency heads will each receive one copy of each report. Other agency heads will receive fact sheets summarizing the full reports.

NEWS RELEASES. News releases will be sent to cabinet agency heads at the same time they are released to the media.

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Communications with state employees

INTRODUCTION. All state employees will receive a letter from the governor in July 1991 announcing CORE and its goals and the process for Project 1, and asking for employee participation. The letter will include a name and address for sending employees' ideas for cost savings.

CORE NEWSLETTER. All state employees will receive a copy of each CORE newsletter.

REPORTS ON CORE'S PROJECTS 1 and 2. State employees will be apprised of the commission's Project 1 recommendations to the governor in a summary published in the January '92 CORE newsletter, and the Project 2 recommendations in the January '93 CORE newsletter. They will be told that full reports will be available for review at certain locations, such as the Legislative Reference Library and agency libraries.

Communications with state employee unions

INTRODUCTION. The commissioner of Administration will send recruitment letters to the heads of AFSCME, MAPE, and MMA, prepared by the CORE coordinator and including the position announcement prepared for DOER advertising. All employee unions will receive copies of the correspondence sent to all state employees by the governor.

FORMAL KICKOFF EVENT. All employee unions will be invited to attend the kickoff event, in a letter drafted by the CORE coordinator and signed by the commissioner of Administration.

CORE NEWSLETTER. All employee unions will be placed on the newsletter mailing list.

REPORTS ON CORE'S PROJECTS 1 and 2. The three major unions will each receive a complete copy of each report, through their representatives on the commission or by mail. The other employee unions will receive the fact sheet summarizing the report.

Communications with the legislature

MAILING LIST. The commissioner and assistant commissioner of Administration will develop a list of key legislators who will receive news releases, reports, and newsletters.

NEWS RELEASES. The Legislative Reference Library will be placed on the CORE mailing list for news releases, reports, and newsletters.

REPLIES TO REQUESTS FOR SPECIAL INFORMATION. All written and oral requests received in the CORE offices from legislators or their staff members for information on CORE will be referred to the CORE coordinator. The coordinator will immediately

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reply to all telephone requests when possible. In the coordinator's absence, the caller will be referred to the director of Management Analysis, the assistant commissioner for management analysis, or the commissioner of Administration, in that order, if the caller accepts the offer of a referral. If no one is available and a message must be taken, the call will be returned within 24 hours. For all written requests, the CORE coordinator will prepare the reply or delegate it for drafting and approve the final letter. Written replies will be mailed within two days. The CORE support staff will record all written correspondence from legislators in the same manner that other correspondence is logged and filed. A copy of the letter will be sent to the Administration commissioner. Written and oral requests received in the Administration commissioner's office may be answered from there or referred to the CORE support staff for handling in the same manner as above. The commissioner will send the CORE coordinator one copy of all written correspondence from and to legislators.

REPORTS ON CORE PROJECTS 1 and 2. Ten copies of the full reports will be submitted to the Legislative Reference Library.

Communications with prospective and actual financial contributors to CORE

CORE BROCHURE. A brochure will be written by the MAD writer/editor for use exclusively in fund raising, outlining the CORE effort and the benefits gained by supporting CORE. It will be approved by the CORE staff leadership team and the commissioner of Administration. It will be designed and produced by the MAD writer/editor with the assistance of the support staff. Five hundred brochures will be printed. They will be distributed by the Governor's Office, the commission members, and the commissioner of Administration.

CORE/MAD FACT SHEETS. The fact sheets will be used in CORE fund raising. One hundred sets of fact sheets will be reproduced by the support staff and given to the commissioner. Supplies will be replenished by the support staff as requested by the commissioner.

REPORTS ON CORE PROJECTS 1 and 2. A list of all financial contributors to CORE will be reviewed by the Administration commissioner, who will determine which contributors should receive full copies of the reports. All others will receive the fact sheets summarizing the reports.

CORE NEWSLETTER. All financial contributors to CORE will be placed on the newsletter mailing list.

Communications with the media

NEWS RELEASES. The CORE staff leadership team will place on every meeting agenda an item called "of potential media interest" for discussion of events that possibly would merit a news release. The MAD writer/editor will also be responsible for submitting potential news items to the leadership team. If an item is considered newsworthy, the

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writer/editor will prepare a draft news release and submit it to the CORE coordinator and the commissioner for their approval. The writer/editor will fax a copy to and contact the governor's communications director to discuss the draft release and whether it will be released by the Governor's Office or by the CORE staff, and whether it justifies a news conference or distribution by wire services and mail. All news conferences will be convened and managed by the Governor's Office, and will include back-up releases printed on the Governor's news release shells. The CORE leadership team will assist with a news conference if requested and will have at least one key member present to field questions and to report the activity to the CORE staff. The news releases will be produced by the CORE support staff and provided to the Governor's Office before the news conference and mailed to the media by the Governor's Office the preceding Friday.

News releases issued by the Governor's Office will be printed on governor's news release letterhead and will be approved by the governor's communications director. News releases issued by the CORE staff will be printed on CORE letterhead. The Governor's Office will distribute both types of news releases in its regular Friday media mailings.

TELEPHONE INTERVIEWS. All telephoned media requests for information on CORE received by the MAD office will be referred to the CORE coordinator, who will answer the call or decide the appropriate person to respond to the call. Media requests received by the commissioner will be handled by her or delegated to the CORE coordinator, at her discretion. Media requests received by the Governor's Office will be referred to the CORE coordinator if they involve questions about the day-to-day business of the project. Requests for comment by the governor will be handled by the governor's communications director.

IN-PERSON INTERVIEWS. All media requests received by the MAD office for in-person interviews will be referred to the CORE coordinator, who will determine the appropriate person(s) to be interviewed. Media requests received by the commissioner will be handled by her or delegated to the CORE coordinator, at her discretion. Media requests received by the Governor's Office will be referred to the CORE coordinator if they involve questions about the day-to-day business of the project. Requests for comment by the governor will be handled by the governor's communications director.

REPORTS ON CORE PROJECTS 1 and 2. All daily newspapers in the state will be mailed a copy of each CORE report. Weekly newspapers will receive a fact sheet summarizing each report in more detail.

Communications with the public

TELEPHONE INFORMATION AND REFERRALS. The support staff will attempt to determine what information the caller is seeking. If a CORE fact sheet will suffice, the support staff will mail a copy to the caller. If more specific information is requested, the support staff will refer those callers to the CORE coordinator, the MAD writer/editor, or a project team leader, in that order. If no one is available to take the call, a message will be left for the CORE coordinator to return the call.

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WRITTEN CORRESPONDENCE. The CORE support staff will open mail addressed solely to CORE -- or something similar, and date-stamp the letter, attach the envelope, and enter the correspondence into a computerized log of all written CORE correspondence. The support staff will attach to the letter and its envelope a CORE correspondence cover sheet addressed to the CORE coordinator. If the letter is delegated, the CORE coordinator will give to the support staff a copy of the cover sheet with the delegate's name written in.

A printed copy and floppy disk copy of the reply will be placed in the support staff's work request box for word processing and mailing, and will be attached to the original letter and cover sheet. The support staff will complete the letter, copy it, and send the original and a typed envelope to the writer, who will review the letter and envelope for accuracy, indicate any errors for correction and return it to the support staff or sign the letter if it is error-free, and place it with the envelope in the outgoing mail box for final mail handling by the support staff. The original letter, a copy of the reply, and the cover sheet will be filed in a binder labeled "CORE correspondence." The envelope will be discarded.

Most CORE correspondence will be answered within three working days. Requests for information that require more time for reply should be followed through with a telephone call (if the number is available) or a brief letter indicating receipt of the correspondence and a time when the reply will be arriving.

All correspondence should receive a reply, whether or not information is sought. If a letter does not require a specific reply, the support staff will prepare a standard letter of acknowledgment for the CORE coordinator's signature. This letter will be written by the MAD writer/editor specifically for mailing to correspondents who do not request specific information. This letter will be available on the support staff computers for entering the date and printing for the CORE coordinator's signature. This type of letter will be mailed within 24 hours of receipt, and will be accompanied by a CORE fact sheet.

CORE FACT SHEETS. The general-information fact sheets on CORE, the Management Analysis Division, and the CORE budget will be distributed to the general public as requested. Other fact sheets reporting such information as CORE progress and report summaries will be drafted by the MAD writer/editor for CORE staff leadership team and commissioner approval.

REPORTS ON CORE PROJECTS 1 and 2. Because of the anticipated publication costs, the reports will not be available for free distribution to the general public. Copies will be available for reading at the CORE office and the Legislative Reference Library. Two copies will be set aside at the CORE office for this purpose, and 10 copies will be given to the reference library. Report summaries will be available in fact sheets. Copies of the full reports will be available at cost from the CORE office and the Minnesota Bookstore.

COMMUNICATION TOOLS

THE CORE LOGO. In keeping with CORE's limited budget, materials generated by the CORE staff will be produced on plain white paper using a logo that is printed on the documents from pre-set type available from the font software used by Management Analysis support staff and consultants. The master design will be given its own computer file and duplicated for staff use. It will be copied from the master file any time a CORE document is to be created, and printed at the top of the first page.

The logo will also be printed from computer to laser printer on plain white business envelopes, prepared in advance and kept in inventory by the support staff. The logo will serve as the letterhead for correspondence, fact sheets, and news releases, and the flag for the newsletter. It should be displayed prominently on brochures, report covers, and other CORE publications.

Use of the logo is mandatory on external documents and discretionary on internal papers.

CORE MAILING LISTS. CORE mailing lists will be created by the MAD writer/editor and support staff supervisor, with input from the staff leadership team, the commissioner, and other MAD employees. It will be entered by the support staff into a computer program that allows sorting by a variety of fields, including media, state agency heads, union offices, contributors, and the general public. An input form will be created by the support staff for additions, deletions, and changes to the mailing list. All bulk mailing requests will be accompanied by a mailing form indicating the types of recipients for that particular mailing. This form will also be created by the support staff. The entire mailing list will be printed by field on summary sheets every six months for review by the leadership team.

CORE CORRESPONDENCE LOG. A computerized log of all CORE correspondence received by the division will be maintained by the support staff and will include the following information: name and address of correspondent, date received, summary of contents, person to whom it was referred, the date due, and the date mailed.

CORE CORRESPONDENCE COVER SHEET. A cover sheet will be attached by the support staff to all incoming CORE-related letters and their envelope; this cover sheet will be addressed to the CORE coordinator and will include the date, name, address and telephone number of the correspondent, and the date a reply must be mailed. There will also be a space for the coordinator to write the name of a CORE staff member to whom the coordinator is delegating the reply.

CORE CORRESPONDENCE FILE. The support staff will maintain a complete set of public correspondence regarding CORE. The original letter, a copy of the reply, and the cover sheet will be filed chronologically by date of reply in a three-ring binder labeled "CORE correspondence." The binder will be stored in a place accessible to all CORE employees.

PUBLICATIONS and THEIR DISTRIBUTION

PUBLICATION	DISTRIBUTION
CORE/MAD fact sheet	job applicants prospective contributors general public, on request
Project 1 and 2 reports	governor and staff cabinet agency heads legislators secretary of Senate chief clerk of House employee unions daily print media in Minnesota financial contributors Legislative Reference Library state agency libraries
CORE newsletter	all state media agency heads all state employees commissioner members employee unions financial contributors Legislative Reference Library MAD staff general public, on request
News releases	Legislative Reference Library all state media legislators commission members cabinet members
Other fact sheets	general public media financial contributors

CORE communication plan / 13

INTERNAL MATERIALS

Leadership team, project team meeting agendas	team members commissioner MAD resource library and bulletin board
Leadership team meeting notes	team members commissioner MAD resource library
Other leadership team materials	team members commissioner MAD resource library
Project team meeting materials	team members commissioner MAD resource library
Training packet	new MAD staff
Orientation packet	new MAD staff
Orientation packet	commission members
Periodic informa- tion packets	governor's chief of staff commission members governor's deputy chief of staff governor's communications director commission members
Commission meeting minutes	commission members CORE leadership team MAD resource library

SPECIAL COMMUNICATIONS

Letter introducing CORE to state employees	all state employees employee unions
Letter introducing CORE to unions	employee unions
Invitation to CORE kickoff	commission members cabinet-level agency heads employee union executives

CORE

STATE OF MINNESOTA
COMMISSION ON REFORM AND EFFICIENCY

203 Administration Building 50 Sherburne Ave. St. Paul MN 55155
(612) 296-7041 Fax (612) 297-1117

CORE LOGO/LETTERHEAD

CORE

STATE OF MINNESOTA
COMMISSION ON REFORM AND EFFICIENCY

203 Administration Building 50 Sherburne Ave. St. Paul MN 55155
(612) 296-7041 Fax (612) 297-1117

CORE CORRESPONDENCE

TO _____

DELEGATED TO _____

DATE RECEIVED _____ DATE TO BE MAILED _____

CORRESPONDENT'S NAME _____

ADDRESS _____

TELEPHONE NUMBER _____

SUMMARY OF CONTENTS _____

DATE MAILED _____

Put hard copy of draft reply and floppy disk file (or formatted and signed letter, if possible) along with this entire package in support staff's work request box for typed envelope and mailing.

CORE

STATE OF MINNESOTA
COMMISSION ON REFORM AND EFFICIENCY

203 Administration Building 50 Sherburne Ave. St. Paul MN 55155
(612) 296-7041 Fax (612) 297-1117

CORE FYI from _____

CORE

STATE OF MINNESOTA
COMMISSION ON REFORM AND EFFICIENCY

203 Administration Building 50 Sherburne Ave. St. Paul MN 55155
(612) 296-7041 Fax (612) 297-1117

June 14, 1991

**(Sample generic reply to
correspondence during Project 1)**

Mrs. Judith Amundson
14985 Minnesota Avenue
Sauk Rapids, Minnesota 55432

Dear Mrs. Amundson:

Thank you for your June 12 correspondence about the Commission on Reform and Efficiency. Your interest in this major project is appreciated. Your comments will be shared with the Commission, the commissioner of the Department of Administration, and the CORE staff.

A key charge of the CORE project is to identify ways to significantly reduce the expenses of operating state government without affecting vital state government services and quality. To do this, we need the input of everyone involved in state government, including the taxpayers who receive state services. We have identified many sources who have ideas about how to perform state work more effectively. We continue to pursue ideas, and welcome them from everyone.

If you have suggestions, please write again. For now, I have enclosed a copy of the CORE fact sheet for your information.

We appreciate your interest and support.

Sincerely,

Kent Allin
CORE Coordinator

CORE

STATE OF MINNESOTA
COMMISSION ON REFORM AND EFFICIENCY

203 Administration Building 50 Sherburne Ave. St. Paul MN 55155
(612) 296-7041 Fax (612) 297-1117

Oct. 14, 1991

**(Sample generic reply to
correspondence during Project 2)**

Mrs. Judith Amundson
14985 Minnesota Avenue
Sauk Rapids, Minnesota 55432

Dear Mrs. Amundson:

Thank you for your Oct. 12 correspondence about the Commission on Reform and Efficiency. Your interest in this major project is appreciated. Your comments will be shared with the Commission, the commissioner of the Department of Administration, and the CORE staff.

A key charge of the CORE project is to recommend the major restructuring of state government without affecting vital state government services and quality. To do this, we need the input of everyone involved in state government, including the taxpayers who receive state services. We have identified many sources who have ideas about how to perform state work more effectively. We continue to pursue ideas, and welcome them from everyone.

If you have suggestions, please write again. For now, I have enclosed a copy of the CORE fact sheet for your information.

We appreciate your interest and support.

Sincerely,

Kent Allin
CORE Coordinator

DRAFT

July XX, 1991

To all state employees:

I am inviting all state employees to participate in a major new initiative that will prepare Minnesota state government for the 21st Century.

This project will be led by the Commission on Reform and Efficiency (CORE), which has three important goals over the next two years:

1. To recommend ways to save money and reduce state government spending by \$15.7 million in Fiscal Years 1992 and 1993.
2. To recommend new ways to make government services more effective and efficient.
3. To recommend new management systems and technology to give state employees better tools to work with as they provide more efficient services to the public.

No one knows state government better than you do. Therefore, the Commission will be seeking your ideas in every phase of this project. You are the best source we have for information and innovative suggestions, and it is you who will make changes happen in this decade.

I am very proud to have the exemplary work force of Minnesota state government as a partner in this history-making project. Your reputation for quality service, for productivity, and for innovation is widespread. We can build on these strengths by creating an organization that will provide an improved work environment for you and enhanced services for your customers.

Please join your colleagues in making this effort a success. Start today by thinking about cost-saving ideas, such as eliminating unnecessary activities that add to the cost of providing services but not to their value, using alternative mechanisms to deliver services, using technology to reduce costs, simplifying or streamlining procedures, reducing administrative overhead, and identifying new sources of federal revenue. Send your cost-cutting ideas to Charles Petersen, CORE, 203 Administration Building, St. Paul.

Warmest regards,

ARNE H. CARLSON
Governor

STRATEGY FOR PRESENTING CORE PROJECT 1 TO THE 1992 LEGISLATURE

Goals:

- * A new constituency for change in state government highlighted by using Commission members as advocates and spokespersons.
- * Governor delivers a doable package to the Legislature.
- * Focus is on CORE 1 as the first phase of a larger CORE program.
- * Package is part of a budget solution and coordinates with the budget.
- * Agencies support and represent CORE initiatives along with other budget initiatives.

End Dec. CORE 1 Package approved by Full Commission.
* CORE presentation materials prepared by Management Analysis/CORE staff.
* Supplemental instructions go out to affected agencies who will prepare detailed CORE budget pages to be submitted to Finance in time for inclusion in the supplemental budget.
* CORE staff brief Finance Executive Budget Officers (EBOs).

Jan. 6 Legislative Session to consider redistricting.

CORE Commission or staff brief editorial boards.

Brief Legislative Leadership and members of the Commission on Planning and Fiscal Policy.

Mid-Jan. Governor releases final CORE 1 report
Options: * press release
* press conference
* Governor/Commission presentation to Commission on Planning and Fiscal Policy.

Feb. 18 Legislature Reconvenes for Regular Session.

CORE Commission presentations.
Options: * Commission on Planning and Fiscal Policy
* Full Finance and Appropriation Committees
* Government Operations Committees

(Over)

Feb. 26 Forecast Released with Supplemental Budget

- * CORE 1 package included as a page in the budget summary showing the targeted savings.
- * Finance continues to track CORE package to strike a CORE total as the appropriation process moves along.

Feb.- May Agency presentations to subcommittees include CORE initiatives.

- * Agencies present CORE initiatives along with other agency budget pages.
- * Finance EBOs are available to respond to questions.

10/14/91

CORE

STATE OF MINNESOTA
COMMISSION ON REFORM AND EFFICIENCY

203 Administration Building, 50 Sherburne Ave., St. Paul MN 55155
(612) 296-7041 Fax (612) 297-1117

November 7, 1991

CORE CRITERIA FOR PROJECT SELECTION

CORE staff will be developing a detailed work plan for the long-term reform effort that will be conducted during 1992. That work plan will allocate personnel amongst a few key projects that will produce recommendations for major reform in state government.

Prior to recommending specific projects for in-depth study, CORE staff have developed criteria to guide the selection process.

The following criteria reflect the philosophy articulated by the Commission, Governor, and Legislature. Much of the language is drawn from the preliminary CORE Work Plan that was written in May and from the CORE 2 Scope summary reviewed by the Working Committee. Potential projects likely would meet several of the items listed.

PROJECTS WOULD PROVIDE THE OPPORTUNITY TO...

- Improve customer service to the consumers of state government services.
- Achieve cost-savings or contain costs in rapid growth programs.
- Streamline delivery systems to improve the quality of services.
- Enhance the effectiveness of managers within state government.
- Introduce management and employee incentives, which will promote risk-taking and innovation.
- Develop inter-agency cooperation and communication.
- Effect systemic change, which will last beyond CORE's existence.
- Simplify government to the extent possible, so it makes sense to citizens and state employees.
- Consolidate duplicative programs to reduce costs and provide better services.
- Transform organizational cultures to empower employees to improve internal systems and develop a climate of excellence.
- Increase the value of taxpayers' investments by improving service quality.
- Improve accountability systems within agencies and the executive branch.

ADDITIONAL CONSIDERATIONS TO BE RAISED IN THE SELECTION PHASE:

1. Is it feasible to embark on the project during a one-year time frame with the human resources available?
2. Is it an area in which CORE could have major impact?
3. Did the project surface as a major area of concern during the CORE interviews and focus groups?
4. Is a substantial initiative to effect system change already underway in this area?

Finally, the CORE project selection phase should deal with the fundamental question of: Where does CORE want to make a difference? The expectations for CORE are high, and the opportunity for legitimate reform efforts must be seized. Consequently, resources must be targeted carefully to projects that are significant. Considering the challenges faced by state government in the 1990s, one could ask where reasonable people believe CORE should try to have impact. Also, where is CORE scrutiny and problem-solving needed most?

CORE addresses the dual goals of efficiency and effectiveness. Those goals need to be balanced in the project selection phase as well as the recommendation phase. It complicates the work of CORE, but the public needs both effective programs within the limits of financial constraints.

CORE PROJECT PRIORITY RANKINGS

These rankings are based on interviews and focus groups with 21 CORE Commission members, 29 state legislators and 57 state managers. For each group, the top priorities are listed in order, with number 1 being the highest priority. Detailed tallies of the interview and focus group results are attached.

CORE Commissioners:

1. Executive Reorganization
2. Local Government Aids
3. Budgeting and Fiscal Services
- 4-6. (tie)
Human Resources/Civil Service
Services to Citizens
K-12 Education

Legislature:

1. Executive Reorganization
2. Local Government Aids
- 3-4. (tie)
Budgeting and Fiscal Services
Criminal Justice System
5. K-12 Education

State Managers:

1. Human Resources/Civil Service
2. Procurement
3. Budgeting and Fiscal Services
4. Executive Reorganization

2/26/92ks

**CORE 2 PROJECT PRIORITY TALLY:
COMMISSION MEMBERS
As of February 26, 1992**

Based on interviews with 21 Commission Members

<u>No.</u>	<u>Project Title:</u>	<u>1st:</u>	<u>2nd:</u>	<u>3rd:</u>	<u>Total:</u>
	Administrative Systems:				
1.	Human Resources Management/Civil Service	2		2	4
2.	Procurement	2	1		3
3.	Printing		1		1
4.	Custodial and Grounds Maintenance				
5.	Computer and Information Systems	1		1	2
6.	Security				
7.	Motor Pool/Travel Management				
8.	Budgeting and Fiscal Services	2	3		5
9.	Electronic Business Transactions				
10.	Administrative Rules/Procedures	1			1
11.	Revenue Collection		1		1
12.	Pension Funds		1	2	3
	Organization and Management:				
13.	Executive Reorganization	4	3	1	8
14.	Boards and Commissions		1		1
15.	Direct Services to Citizens		2	2	4
16.	Services to Business		1		1
17.	Competitive Delivery Systems	1		1	2
18.	Environmental Agencies	1	1		2
19.	Criminal Justice System				
	Program Growth Analysis:				
20.	Services to the Disabled	2		1	3

21.	Services to the Elderly				
22.	Mental Health Services				
23.	Acute Health Care	1	1		2
24.	K-12 Education	1	2	1	4
25.	Regional Treatment Centers				
26.	Local Government Aids	1	2	4	7
27.	Chemical Dependency				

**CORE 2 PROJECT PRIORITY TALLY:
LEGISLATORS
As of February 26, 1992**

Based on interviews with 29 state legislators

<u>No.</u>	<u>Project Title:</u>	<u>1st:</u>	<u>2nd:</u>	<u>3rd:</u>	<u>Total:</u>
	Administrative Systems:				
1.	Human Resources Management/Civil Service				
2.	Procurement		3	1	4
3.	Printing		1		1
4.	Custodial and Grounds Maintenance			1	1
5.	Computer and Information Systems	1			1
6.	Security				
7.	Motor Pool/Travel Management				
8.	Budgeting and Fiscal Services	3	3	1	7
9.	Electronic Business Transactions	1			1
10.	Administrative Rules/Procedures	3			3
11.	Revenue Collection				
12.	Pension Funds				
	Organization and Management:				
13.	Executive Reorganization	5	4	1	10
14.	Boards and Commissions	2		2	4
15.	Direct Services to Citizens	2		1	3
16.	Services to Business		1	2	3
17.	Competitive Delivery Systems	1			1
18.	Environmental Agencies	1	2		3
19.	Criminal Justice System	1	3	3	7
	Program Growth Analysis:				
20.	Services to the Disabled	2	2		4

21.	Services to the Elderly	1	1	1	3
22.	Mental Health Services	1			1
23.	Acute Health Care	2	1		3
24.	K-12 Education		1	5	6
25.	Regional Treatment Centers	2		1	3
26.	Local Government Aids	3	4	1	8
27.	Chemical Dependency			1	1

**CORE 2 PROJECT PRIORITY TALLY:
STATE MANAGERS
As of February 25, 1992**

Based on interviews and focus groups with 57 state managers

<u>No.</u>	<u>Project Title:</u>	<u>1st:</u>	<u>2nd:</u>	<u>3rd:</u>	<u>Total:</u>
	Administrative Systems:				
1.	Human Resources Management/Civil Service	11	14	5	30
2.	Procurement	7	11	11	29
3.	Printing		3	1	4
4.	Custodial and Grounds Maintenance			2	2
5.	Computer and Information Systems	3	2		5
6.	Security				
7.	Motor Pool/Travel Management				
8.	Budgeting and Fiscal Services	12	5	6	23
9.	Electronic Business Transactions				
10.	Administrative Rules/Procedures	1		2	3
11.	Revenue Collection				
12.	Pension Funds	1		1	2
	Organization and Management:				
13.	Executive Reorganization	6	7	1	14
14.	Boards and Commissions				
15.	Direct Services to Citizens	1		1	2
16.	Services to Business		1		1
17.	Competitive Delivery Systems				
18.	Environmental Agencies	1	1		2
19.	Criminal Justice System	1			1
	Program Growth Analysis:				
20.	Services to the Disabled				

21.	Services to the Elderly				
22.	Mental Health Services				
23.	Acute Health Care	1			1
24.	K-12 Education	1			1
25.	Regional Treatment Centers	1			1
26.	Local Government Aids			3	3
27.	Chemical Dependency			1	1

**CORE 2 PROJECT PRIORITY TALLY:
CUMULATION OF ALL INTERVIEWS TO DATE
As of February 26, 1992**

<u>No.</u>	<u>Project Title:</u>	<u>1st:</u>	<u>2nd:</u>	<u>3rd:</u>	<u>Total:</u>
	Administrative Systems:				
1.	Human Resources Management/Civil Service	13	14	7	34
2.	Procurement	9	15	12	36
3.	Printing		5	1	6
4.	Custodial and Grounds Maintenance			3	3
5.	Computer and Information Systems	5	2	1	8
6.	Security				
7.	Motor Pool/Travel Management				
8.	Budgeting and Fiscal Services	17	11	7	35
9.	Electronic Business Transactions	1			1
10.	Administrative Rules/Procedures	5		2	7
11.	Revenue Collection		1		1
12.	Pension Funds	1	1	3	5
	Organization and Management:				
13.	Executive Reorganization	15	14	3	32
14.	Boards and Commissions	2	1	2	5
15.	Direct Services to Citizens	3	2	4	9
16.	Services to Business		3	2	5
17.	Competitive Delivery Systems	2		1	3
18.	Environmental Agencies	3	4		7
19.	Criminal Justice System	2	3	3	8
	Program Growth Analysis:				
20.	Services to the Disabled	4	2	1	7

21.	Services to the Elderly	1	1	1	3
22.	Mental Health Services	1			1
23.	Acute Health Care	4	2		6
24.	K-12 Education	2	3	6	11
25.	Regional Treatment Centers	3		1	4
26.	Local Government Aids	4	6	8	18
27.	Chemical Dependency			1	1

Number	Idea	Clarification	Staff Comment
Agency: All			
13.0	Review telephone calling times/rates, automatic routing, etc.	The state may not be getting the best possible rate for phone service. Review all options. Consider a restriction on use of 1-900 numbers?	There has been a 15% decrease in phone charges in the last 2 years.
28.0	Review the length of time between inspections; make visits schedule relative to results of last inspection.	Consolidate?	
* 47.0	Study expansion of fees for services such as pre-admission screening and mediation services.	Licensing fees could be raised to cover costs. Currently no fee is charged for family day care or foster care even though there are now corporations running foster care as a business. Other examples include: client fees for such things as preadmission screening for nursing homes, lock and dam use, and mediation services. Fees could offset the general fund cost of mediation services and improve management incentives.	The Working Committee decided that Project 1 should not pursue fee increases.
735.0	Eliminate state agencies paying for bottled water.	There is an inconsistent policy among agencies on paying for bottled water for employees.	

Number	Idea	Clarification	Staff Comment
181.0	Consider deducting from any grant the state makes, the amount of interest the grantee earns on state money.		
403.0	Encourage the use of inter-office mail.		
466.0	Review the number and use of state-paid cellular phones.		
467.0	Evaluate the policy of state-paid magazine subscriptions for employees.		
497.0	Simplify and reduce the size of legal notices that are published in newspapers.	Recover the cost of these smaller public notices from permit applicants.	
587.0	Review the policy of renting office equipment and possibly eliminate the practice.		
636.0	Have agencies be more flexible in adding and removing names from their mailing lists.	Attempts to get a name removed from several state mailing lists were rebuffed. Mailing lists to consider are Lakewood Community College, PrintComm Division (Department of Administration), and the State employee health newsletter.	
830.0	Copy back-to-back whenever possible and avoid using bright non-recyclable paper.		

Number	Idea	Clarification	Staff Comment
1843.0	Reduce funding for high priced meetings and conferences and use state buildings.		
1868.0	Be sure that the public is charged for photocopying documents they request.		
1884.0	Have all mail which weighs over 5-6 ounces be automatically sent out at book rate unless staff has indicated 1st class.		
2133.0	Consider using only those vendors that have an 800 number and provide FOB shipping unless they offer discounts greater than 25%.		

Number	Idea	Clarification	Staff Comment
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Agency: Administration

* 171.0	Review 1) federal government surplus activity in the Department of Administration, and 2) policies regarding the storage of surplus equipment.	The cost of storing the equipment may exceed any possible savings from sale or reuse at a later date. Storage and handling costs should be reviewed. Minimal savings, probably.	This is an administratively burdensome process for agencies that could be streamlined, though there may not be great savings. Worth pursuing this.
* 750.0	Use voice FAX technology for contracts.	Six months payback.	
* 753.0	Convert state phone book to revolving fund via advertisements.		
1043.0	Market the state telephone book to businesses outside government.	Advertise the advantages of having the state telephone book to vendors and others who provide services.	
1095.0	Adjust the work hours of the janitors in the capitol complex to 10am-6pm.	This would save electricity, make transportation easier, reduce sick leave, and would be safer.	
1096.0	Evaluate the necessity for Building Services Foremen for janitors and possibly eliminate.		
1097.0	Review the policy of uniforms for janitors and possibly eliminate.		

Number	Idea	Clarification	Staff Comment
1299.0	Evaluate the use of lawn chemicals and fertilizers and possibly discontinue.	Saves money and reduces pollution.	
1354.0	Create a single payment amount for personal auto usage and reduce usage and need for state cars.		
*1426.0	Examine if Intergovernmental Information Advisory Council grants are necessary.		
1441.0	Establish a night maintenance work shift for radio, telephone and computer systems installation and maintenance.	Minimize down time and payment of overtime, maximize capital equipment usage.	
1519.0	Evaluate the need for plant management uniforms.	Eliminate uniforms, at least the pants.	
1797.0	Have a higher percentage of high mileage autos in the state fleet.		
1844.0	Require all new state vehicles to get at least 30-35 mpg.		
2021.0	Put the telephone directory on an on-line computer file.		
2102.0	Evaluate the use of pencils and other office supplies with <State of Minnesota> stamped, engraved, or printed on them.	Many times supplies also have the State seal. This is unnecessary and expensive.	

Number Idea

Clarification

Staff Comment

2103.0 Provide employees security clearance to on-line statute information through ADMNET.

This would eliminate printing and distributing law books. Currently employees do not have security clearance. Alternate suggestion: distribute the laws on diskettes.

Number	Idea	Clarification	Staff Comment
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Agency: Agriculture

- | | | | |
|--------|--|--|--|
| 1657.0 | Close the Department of Agriculture office in Duluth and transfer staff to other Department of Agriculture office space in Duluth. | The Department's current Office in Duluth should be closed. The two food inspectors and the Plan Industry staff using that office should be transferred to office space which is available at the Grain Inspection Division's office at 716 Garfield Avenue in Duluth. This transfer would result in a rent savings and more convenient access to parking. | |
| 1699.0 | Consider increasing the fees charged for information requested from the Department of Agriculture. | The fee should at least cover costs. | |
| 1700.0 | The Food Inspection Unit of the Department of Agriculture should screen consumer complaints, obtain only statistically relevant samples, use up-to-date technology and complete the computerization of the department. | | |
| 1839.0 | Evaluate the need for the full-time position of County Weed Inspector. | | |

Number	Idea	Clarification	Staff Comment
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Agency: Corrections

- | | | | |
|--------|---|--|--|
| 1323.0 | Examine whether inmates in correctional centers should pay for over-the-counter health aids. | Aids such as hot water bottles, ace bandages, back belts and things such as aspirin, throat lozenges, cough syrup, cortisone cream, etc. | |
| 1335.0 | Review the use of acupuncture therapy for chemically dependent inmates at all correctional facilities. | | |
| 1557.0 | Reconsider the need for two corrections hearing officers. | There are currently two corrections hearing officers, and one position is vacant. The work could be done by one person, possibly eliminating the second position. Also consider having institutions run most of the hearings for more savings. | |
| 1571.0 | Increase the use of minimum security prison inmates for work at the MN Army and Air Guard units. | Use Maxwell Air Force Base in Montgomery, Alabama as example. | |
| 1677.0 | Evaluate the positions at corrections facilities' plant operations for possible consolidation or elimination. | Eliminate the Physical Plant Director, Building Maintenance Foreman, and Chief Engineer positions and have them performed by lead positions. Example St. Cloud MCF. | |

Number	Idea	Clarification	Staff Comment
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Agency: Education

* 378.0	Consider ways to recover the costs of the Library Services unit in the Department of Education.	This is a library for professional librarians. Establishing a membership fee may be appropriate.	
1532.0	Review the necessity for a Nutrition Education Specialist in Curriculum Services.	These services are provided in the Child Nutrition Section of the Department of Education.	
1533.0	Evaluate the necessity for an Early Childhood Specialist in the Department of Education.	These services are provided by Community and Adult Education.	

Number	Idea	Clarification	Staff Comment
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Agency: Employee Relations

* 1.0	Review the need for Workers' Compensation reinsurance through WCRA.	Although the state is currently self-insured for workers' comp, it still "reinsures" through WCRA. WCRA reinsurance is mandated by law for all insurers and self-insured employers.	Requires small investment that may or may not pay off.
1031.0	Review the policy of granting paid leaves of absence to the Governor's cabinet members that are on their way out.		
1115.0	Examine double coverage in health benefits if both spouses work for the state.	Employees should be covered only once and should be able to opt out if covered under spouse.	
1118.0	Review the policy allowing political appointments to receive retirement contributions.		
1239.0	Review the policy of mandatory retirement at 65.		
1527.0	Expand job sharing option.		
1535.0	Consider consolidating positions in the Education Department.	The positions to be considered for consolidation are: Aids Specialist, Health Education Specialist, Phys Ed Specialisst, Drug Ed Specialist, School Health	

Number	Idea	Clarification	Staff Comment
		Services Specialist, and Career Guidance Specialist. These could all be combined into one.	
1672.0	Evaluate the duplication of health newsletters by Medica and the Employee Benefits Division of the Department of Employee Relations.	Both Medica and DOER send newsletters/magazines advising employees to exercise, eat healthy, stop smoking, etc. One of the organizations could stop sending this information.	
1674.0	Establish in-house warehousing of reusable medical and exercise equipment at DOER.		
1684.0	Review policy regarding provision of non-work related classes such as "Effective Parenting" to state employees during work hours.		
1892.0	Evaluate the amount paid to student workers and possibly reduce.	Lower the amount paid from \$9 to \$6 an hour.	
1913.0	Review the 9-10 and over vacation time each pay period for possible elimination.	Put a ceiling on vacation.	
1924.0	Evaluate the policy of paying for the noon meal when employees are 35+ miles from their home station for possible elimination.		

Number	Idea	Clarification	Staff Comment
1933.0	Consider offering bonuses through some type of wellness program to reduce sick leave abuse.		
1957.0	Have instructors of job training come to the work place.	Have instructors come to the work place instead of employees going on retreats to Cragans for a week.	
1991.0	Examine whether DOER provides too much information on open enrollment, and whether it needs to use high quality parchment paper for this purpose.		
*2051.0	Examine "no show" fees for independent medical evaluations required by Workers' Compensation Division in the Department of Employee Relations.	When a Workers' Comp claimant is scheduled for an independent medical evaluation and the claimant does not cancel the appointment, a \$400-\$700 "No Show" fee is assessed.	This may be a good idea, could be pursuable in the short-run. Resources insufficient for analysis in Project 1 timeframe.
2054.0	Review the Health and Wellness Fair for possible elimination.		
2074.0	Review the organization and utilization of staff in the Training Division at DOER.	DOER trainers only go out to do training twice a month. This indicates that there should either be few trainers or better utilization of present staff.	

Number	Idea	Clarification	Staff Comment
2090.0	Evaluate the reimbursement rate for personal car usage when the state car is not available.	People should always be reimbursed at \$.21 per mile, not the \$.27 that is reimbursed when the state car is not available.	

Number	Idea	Clarification	Staff Comment
Agency: Finance			
6.0	Review cash management process for opportunities to increase investment earnings.	Spread out payments over time instead of making lump sum payments at the beginning of the fiscal year. Also review past STEP project in this area.	After meeting with Finance, it was determined that significant advances in cash management had occurred in recent years, although there may be additional savings to be had that we didn't get a chance to analyze thoroughly.
* 259.0	Examine the need for gift acceptance review, currently done by the state treasurer and Finance.	Hold agencies accountable for terms and conditions of gifts.	This is an administrative efficiency issue with no real savings for Project 1.
320.0	Consider exception-based time reporting for salaried employees; put all agencies on an automated time-keeping record system; let employees input their time sheets directly to the computer.	The exception-basis for time reporting would save processing costs, administrative time, possibly accounting staff. The state should also consider putting all agencies on an automated time keeping record system and utilizing computers for payroll at the worker level. In Crookston, MnDOT has a system in place where employees input time sheets directly to the computer terminal and transmit/print to St. Paul.	Up front costs would not be offset by immediate savings. There are real audit and consistency concerns over an exception based system. Improvements can be made.
* 364.1	Examine the state operating subsidy to the University of Minnesota hospital.	Examine the necessity for the state's \$15 million subsidy to the University of Minnesota Hospital to defray costs of	University was able to provide documentation showing educational costs exceed subsidy amount.

Number	Idea	Clarification	Staff Comment
		education and research. Determine if subsidy exceeds actual costs.	
1143.0	Disencumber money allocated to certain construction projects by closing out projects which have been constructed and audited.		
1556.0	Ask the Department of Finance to use the envelopes the vendors send with invoices.		
1865.0	Print 2 sided state-wide accounting monthly reports.		
2057.0	Purchase time books with only 2 pages instead of 4; 2 get thrown away.		

Number Idea

Clarification

Staff Comment

Agency: Health

* 461.0 Charge fees for water analysis.

The Health department is already beginning to charge for analysis of water samples. Might look at this system of fees, how far along the agency is in this program and the affect of fees on demand for this service.

Number	Idea	Clarification	Staff Comment
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Agency: Human Services

246.0	Establish an aggressive program of injury avoidance in RTCs.	There is a very high percentage of injured workers at RTCs (in DHS) because of heavy lifting and dangerous clientele. There is inadequate staff. An aggressive safety program is necessary.	
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1018.0	Quality Control Reviewers could review cases in the county where they live.		
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1127.0	Require recoupment of GA overpayments.		
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1137.0	Return Quality Control reviewers to their homes, possibly reducing the need for outstate DHS offices.	Less down time.	
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1194.0	In DHS, have a single person rather than a team review group homes for people with mental retardation.		
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1316.0	Teach body mechanics and lifting skills to employees at the Anoka metro Regional Treatment Center to reduce Workers' Compensation.		
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Number	Idea	Clarification	Staff Comment
1367.0	Stop requiring social workers to fill in activity forms.	It takes 20 minutes a day to complete and is only used by DHS to report to the Legislature.	
1368.0	Review the installation of air conditioning campus-wide at the Brainerd Regional Human Service Center, Department of Human Services, in Brainerd, MN.		
*1593.0	Review the application of JCAHCO standards to Regional Treatment Centers.	More details in document.	
1813.0	In the RTCs, when the residents have finished eating, allow staff to purchase excess food for meals, reducing waste.		
1875.0	Allow field staff to work in their homes.		
2066.0	Evaluate the number of special teachers in RTCs and possibly reduce.		

Number	Idea	Clarification	Staff Comment
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Agency: Jobs and Training

1639.0	Consider having Job Service representatives make contacts by phone instead of in person.		
1648.0	Combine the Taped Textbook Supervisor position in the Communication Center at Services for the Blind (in DJT) with the Radio Talking Book Supervisor.	Call the position Audio Supervisor.	
2093.0	Consider upgrading the Job Service computer to match hired people to the company they have been referred to.	The employer identification number is on the EISS as well as on Job Order form.	

Number	Idea	Clarification	Staff Comment
Agency: Labor and Industry			
219.0	Look at establishing fees to recover costs of Apprenticeship Training.	The Department of Labor and Industry regulates apprenticeship training. Consider imposing fees to recover the \$70,000 in administrative costs.	Potential savings of \$70,000/year. Primary value is to recipient of certificate.
620.0	Have the OSHA consultant provide the training for the loggers under the AWAIR program.	OSHA consultant positions are currently being funded with 90% federal funds. This proposed change would allow the AWAIR program to receive federal funding and increase the program while shifting the cost.	

Number	Idea	Clarification	Staff Comment
<hr/> Agency: Military Affairs <hr/>			
1734.0	Consider replacing general maintenance workers from the MN National Guard armories with cleaning contractors.		
1840.0	Consider using part-time custodians in the National Guard armories.		
1879.0	Support the bill before Congress to remove the requirement for civilian technicians to wear military uniforms while performing civilian service.	See HR 609.	
1948.0	Investigate whether Air National Guard Base buildings need to be heated/cooled continuously when they are only used once a month.		

Number	Idea	Clarification	Staff Comment
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Agency: Natural Resources

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| * 213.0 | Review the need for Payments-in-Lieu-of-Taxes. | The Department of Natural Resources pays counties \$4.5 million annually to compensate for state lands that are not on the tax rolls, \$2 million of which is for Tax Forfeit Land that by definition was not generating tax revenue. Counties also receive funds from timber management and land sales on tax forfeit land. | |
| * 216.0 | Transfer Indian Treaty payments to Game & Fish Fund. | The State has negotiated agreements with various bands to voluntarily restrict their unlimited rights to hunt and fish in return for cash payments of roughly \$5 million. Payments are split 80/20 between General Fund and Game and Fish Fund. Making the entire payment from Game and Fish could save several million dollars. | |
| 266.0 | Review the possible privatization of Douglas Lodge facilities at Itasca State Park. | Determine whether Douglas Lodge should charge market rates and/or contract out operations. There is a Department of Natural Resources budget base review study on this topic. | |
| * 508.0 | Research DNR tree nurseries to see if they are recovering | Determine if the nurseries are recovering costs. | |

Number	Idea	Clarification	Staff Comment
	costs.		
1582.1	Examine the "open purse" given to the Division of Forestry for fire suppression.	It resembles the US Defense budget.	
1702.0	Integrate supply orders from DNR regional centers and service centers, and coordinate shipment of orders for cost savings.	Also, DNR staff could pick up some orders to save on shipping.	
1729.0	Eliminate the "personal cars" in the DNR fleet.		
1731.0	Utilize half of the DNR shop facilities for office space.		
1737.0	Consider having DNR charge for Lake Survey Reports and brochures.		
1788.0	The Bureau of Field Services in DNR should reuse the folder binder for the annual catalog.		
1801.0	Reduce mailing costs by mailing tree order notices (and like things) on 6x4 postcards.		
1833.0	Limit open burning to the months of April and October to reduce fire fighting costs.		

Number	Idea	Clarification	Staff Comment
1836.0	Evaluate the support-to-field-staff ratio in DNR.	A reduction in support staff is probably in order.	
1901.0	Evaluate the need for Regional Administrators in DNR.		
1914.0	Review the effectiveness of DNR's annual schools.		
1917.0	Review the need for regional training officers in the DNR.	Regional training officers do not do anything.	
1920.0	Examine "on call" expenditures in the Department of Forestry.	The Department of Forestry pays "on call" money to people to fight forest fire in districts without forests.	
1999.0	Consider eliminating the senior citizen fishing license fee refund.		
2077.0	Review how time reporting is done in the Law Enforcement Section of DNR in Babbitt, MN.	The next to the last day of the period, anticipated biweekly time report is sent in. Two days later, the actual hours worked are submitted resulting in redundant paperwork.	
2085.0	In DNR, hire specialists with a minimum of 5 years experience.		
2099.0	Evaluate the need for a DNR Ethics Officer.		

Number	Idea	Clarification	Staff Comment
2100.0	Evaluate the need for the DNR Regional Office Services Supervisor position.	The position was created to supervise a clerical pool that no longer exists.	
2106.0	Consider reducing the on call period for wildfire and forest fire suppression.	Currently on-call covers 7-8 months a year when the medium-high fire danger is only 3 months a year.	
2109.0	Evaluate the need for uniforms issued to many DNR employees and possibly eliminate.		

Number	Idea	Clarification	Staff Comment
Agency: Other Agencies and Boards			
* 220.0	Look at options for recovering Ethical Practices Board costs.	Consider charging a registration fee to recover \$70,000 in costs. May be other possibilities.	Potential savings of \$60-120,000. Those benefitting from this licensing should pay cost. Politically unpopular.
* 377.0	Explore ways to make the "resident artists" program self-supporting.	The Arts School (an Arts Board function) provides "resident artists" for the high schools. Consider establishing a charge for this service.	
399.0	Review need for a separate Area 2 Flood Plain program.	Area 2 locals pay a lower percentage than the rest of the state for what is essentially the same program. Area 2 is in south central MN, where the BWSR has a program for which the locals put up 25% and the state puts up 75%. In the rest of the state, the locals put up 50% and the state puts up 50%.	
599.0	Streamline paperwork required in Housing Finance transactions.	DOA study is reviewing ways to re-engineer the paper flow in MHFA financial transactions. Concepts will be useful to other agencies.	
1523.0	Reduce the duplication of agency personnel responding to the governor's correspondence by allowing personnel to answer on behalf of the governor.	Currently, after a letter/call is received by the Governor it is sent to the appropriate Commissioner who assigns a staff member to respond. This staff member writes a response	

Number	Idea	Clarification	Staff Comment
		and returns it to the Commissioner who returns it to the Governor who answers. The agency staff could answer directly without the routing back through the Commissioner and Governor.	
1872.0	Reduce printing, copying and data processing costs at the Public Utilities Commission.	The public utilities commission uses only high quality bond paper for all printing.	
1873.0	Examine extending the allowable level of voluntary payments to the MN State Retirement System (MSRS).	This would "garner" income for the system and cut overall salary costs. See detailed analysis.	
1989.0	Have the Minnesota Office of Tourism provide one book on the state rather than 3 books for 3 separate regions.		
2071.0	Examine reimbursements for Court Reporters.	Court Reporters are paid both an hourly wage and a "per page" wage; thus, they are paid twice for the same work.	
2095.0	Examine the possible use of the land and river east and south east of the present airport for new runways and the new terminal.	This proposition is better than spending \$100 million to buy homes and property for the needed airport expansion or spending \$800 million for a new airport elsewhere.	

Number	Idea	Clarification	Staff Comment
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Agency: Public Safety

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| * 702.0 | Evaluate the usefulness of bicycle registration. | <p>Since this law is voluntary for each city, public participation has been relatively insignificant. Staffing has been decreased under budgetary constraints. It is not a priority activity, and as such, it is not possible to get maximum registration of bicycles. Although the program has important goals, the costs of administration are high and compliance is very low. Review for effectiveness or alternative methods.</p> | <p>DPS would prefer not to register bikes because the program isn't effective the way it operates now. This is an activity that really local in nature. The service seldom returns stolen bikes, yet bike owners are required to pay a fee. Might be a candidate for Project 2. Idea came from the agency, so there's not much purpose in referring it back.</p> |
| * 756.0 | Examine extent of compliance with Alternative Fuel User permits; institute accurate reporting and collection of fees. | <p>The current system encourages non-compliance. Additional resources and cooperation from other agencies would be needed to enforce compliance.</p> | |
| * 757.0 | Examine the need for physical surrender of licenses. | <p>Due to the computerization of the department with law enforcement, the physical surrender requirement may result in unneeded expense.</p> | |
| 758.0 | Examine possible reimbursement for Emergency Blood Runs. | <p>In 1190 there were 1,247 runs associated with blood delivery and cross matching. Exploration could result in some reimbursement for these costs from hospitals who</p> | |

Number	Idea	Clarification	Staff Comment
		charge patients for the cost of blood.	
759.0	Examine need for annual beauty parlor fire inspection.	The Fire Marshall has determined that annual inspection is not necessary for beauty parlors, yet they are required by Commerce Department rules.	
1680.0	There are two exam stations open from 12pm to 8:30pm; change their hours to 10-6:30 or 9:30-6 to eliminate the differential cost.		Public Safety said these hours make written driver's exams more available to customers. Must look at what the relative cost of these hours.
1838.0	Evaluate the need for the receptionist at the Minnesota State Patrol office and possibly eliminate.	This would save \$25,000 annually.	
1972.0	Consider returning the policy the Public Safety proofreads "what is keyed in."	This should be continued even though it is costly and time consuming because it saves money in the end.	
2013.0	Examine the need for the Shakopee driver's license exam station for possible elimination.	Chaska is only a few miles away and is open five days a week.	
2033.0	Evaluate the low volume of Monday night service at metro driver's license exam stations.	If the volume is very low, the evening service should be eliminated.	
2034.0	Consider eliminating written and road tests for Minnesotans		

Number	Idea	Clarification	Staff Comment
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convicted of insurance
violations but maintain the fee
for reinstatement.

2035.0 Scale back lawn mowing at the
North Metro Driver's License
exam station.

Number	Idea	Clarification	Staff Comment
Agency: Revenue			
1003.0	Consider returning laid off auditors in the Department of Revenue.	They bring in \$300,000 each.	
*1046.0	Examine minor property tax credits.	Candidates for eliminating are the Powerline Credit (\$110,974), the Ag Preserves and Conservation Credit (\$159,749), and the Enterprise Zone Credit (\$68,171). More information in document.	
*1252.0	Eliminate the arbitrary 3% deduction from Gasoline gallons received by distributors prior to calculating the \$.20 per gallon tax.	This would generate \$13,500,000 per year. The Federal Government allows no such arbitrary deduction from federal gasoline.	
*1262.0	Eliminate the dividend received deduction unless the payor corporation is a Minnesota taxpayer.	This would be consistent with federal theory and law. If we apportion these dividends, MN corporations would be more receptive.	
1887.0	Evaluate the need for the staff in the Department of Revenue, Data Management Division's phone office.		
1938.0	Add a line on the Petroleum Tax Refund form to indicate that 6-1/2% sales taxes are due.	Even though off-road users can receive a refund of Petroleum Taxes paid, regular sales taxes are due. People are	

Number	Idea	Clarification	Staff Comment
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unaware of this.

Agency: Transportation

726.0 Review the cost effectiveness of the Truck Center in South St. Paul.

1086.0 Authorize payment of personal vehicle mileage for travel to and from work for Department of Transportation Maintenance Supervisors.

Due to their on-call status, these supervisors currently are provided a state vehicle and fuel. It would be cheaper to grant them mileage in their personal vehicles.

1147.0 Consider having DOT utilize private labs instead of the University of Minnesota.

Could save 15% or \$55,000 annually.

1291.0 Review spending on freeway beautification.

The planting of shrubs, trees and flowers alongside the roads is expensive.

1342.0 Review the DOT policy of locating computers in all truck stations; a FAX machine could suffice.

1353.0 Consider raising the cost of rideshare rides, possibly as much as doubling those costs.

1380.0 Eliminate the State Rodeo and Employees Day.

Number	Idea	Clarification	Staff Comment
1408.0	Consider increasing trucking fees by 25% due to road damage and repair costs.		
1510.0	Contract laboratory services with private labs instead of with the Department of Health lab.	MPCA and DOT could save 15% of lab costs.	
1608.0	Evaluate the use of pickups by the Highway Maintenance Supervisors and possibly take away.	They use them 24 hours a day.	
1713.0	Evaluate the need for nonessential meetings such as the Truck Rodeo.	DOT could save \$100,000 per year per district.	
1755.0	Evaluate ways to reduce employee theft of gasoline at DOT shops.	Add a coloring agent to the gas that is pumped. Make people think twice before filling up a five gallon can.	
2020.0	In DOT, let the HSTs take their vans home daily.	This would save 2 hours per HST per day.	
2027.0	Evaluate the need for Intermittent Foremen in the Department of Transportation.	Return to a two-man team for each section of road. Have one supervisor in charge for at least two truck stations. Also, review the practice of hiring summer help.	

Number	Idea	Clarification	Staff Comment
2041.0	Evaluate the need for customized trucks.	Class 33 and 35 plow trucks should be standard Ford construction, spec'ed to our wheel base but not with all sorts of special order equipment. Trucks are customized more than necessary.	
2042.0	The Floodwood truck station needs Viacon mowers to mow all 145 lane miles of their roads.	The current mowers can only mow 75 lane miles due to ditches and steep shoulders.	
2043.0	Reimburse for private car use to travel to the District Headquarter meetings.	Using dump trucks to go to the District Headquarters meetings costs \$23 a trip, making it cheaper to reimburse for personal car use.	
2058.0	Evaluate the need for the Snow Plow Rodeo.		
2124.0	Redesign and automate DOT timesheets.		

Number Idea**Clarification****Staff Comment**

Agency: Veterans

34.0 Review Veterans Home
reimbursement methodology.

The current reimbursement
mechanism does not appear to
encourage efficiencies.

Rate adjustments are not the
most effective means of
addressing the higher cost
structure in Vets homes.

Number	Idea	Clarification	Staff Comment
Agency: Veterans Affairs			
145.0	Review special stipends such as scholarships for Veterans.	Determine if the stipends duplicate other benefits. The Veterans scholarships are administered at the Department of Military Affairs.	

Number	Idea	Clarification	Staff Comment
Agency: Zoo			
1565.0	Consider eliminating sharks from the shark/coral reef exhibit at the MN Zoo.	The sharks eat too many of the small reef fish which have a high mortality rate as it is. These fish are expensive. See report "A Brief Synopsis of the Initial Operation of the Tropical Coral Reef Exhibit at the MN Zoo. Garden."	

Number	Headline	Clarification	Staff Comment	Keyword
Route to: Project 2				
318.0	Consolidate multiple payments to the same vendors.	Many different agencies make payments to the same vendors. Explore combining payments into one check, pay vendors weekly rather than daily, other options.	Finance already consolidates payments to vendors. However, they are limited by the size of check stubs. This cannot be resolved until the SWA system is redesigned.	Accounts paya
1880.0	Phase out the Active Guard and Reserve programs.	See notes for analysis.		Active Guard
25.0	Review cost/need for all state aircraft.	Determine if it is cost effective to maintain state aircraft and pilots. Explore use of public transportation.	This study would involve a complex cost/benefit analysis. Currently, the state wide accounting system cannot accomodate our data needs for this analysis.	Aircraft
150.0	Consider alternatives to the current DHS appeals and field audits process.	Random sampling might make more efficient use of the auditors' time. Streamlining the process and staffing it adequately would produce more timely results and improve relationships with providers. A partnership approach with the providers is needed. See LTC industry Legislative Auditors report.		Appeals
25.0	Review the Capitol Area Architecture and Planning Board for possible elimination.	There is duplication of effort between the Capitol Area Architecture and		Architecture

ADS

Supp
Study

Number	Headline	Clarification	Staff Comment	Keyword
		Planning Board and the Division of State Building Construction.		
386.0	Consider reducing the number of attorneys in the Public Utilities/Transportation Regulation Board sector of the Attorney General's office; efforts may duplicate agency efforts.	This sector is funded for 17-1/2 attorneys. Their efforts appear to duplicate agency efforts. Six positions could be eliminated by eliminating the Residential and Small Business Consumers unit (RUD) and the Public Utilities Division.	Leads into larger question of the roles of PUC, DPS and the rate-setting process. Depth of analysis required to arrive at answer makes this a Project 2 issue.	Attorney Gene
1673.0	Examine the use of outside attorneys.	Especially in DOER.		Attorneys
1822.0	Consider moving Services for the Blind functions (in DJT) to the Rehabilitation Services Division, Vocational Rehabilitation section (also in DJT).			Blind
116.0	Consider consolidating bonding functions in various agencies.	Consider consolidating bonding functions at DOF, MHFA, PFA, DTED and UoM.	Would not produce cost savings. Centralizing bonding authority would not lead to staff reductions within individual agencies because this is only a small portion of these individuals' job.	Bonding
122.1	Create a combined application form for use by the Department of Revenue,			Business reg.

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Number	Headline	Clarification	Staff Comment	Keyword
	Department of Jobs and Training, and Unemployment Insurance Division to establish new business/employer accounts.			
53.1	Consider incorporating the Services for Children with Handicaps program with Children's Mental Health program.	The Department of Health manages the Services for Children with Handicaps. In many ways, specifically financial, this program operates very much like the M.A. program within the Department of Human Services. Especially with the creation of the Children's Mental Health program, it is probable that there is duplication.		Children's he
23.0	Look at merging health screening programs for children (Joint with Human Services and Education.)	There appears to be some duplication between programs. Perhaps services could be consolidated or coordinated.	Education stopped doing general health screening, now focuses on developmental screening only. No major savings to be had, but effectiveness and coverage could be improved.	Children's he
2137.0	Consider the purchase of a conference center that all state agencies can use or rent at reasonable cost.			Conferences
91.0	Consider reducing the use of outside consultants at the Department of Natural Resources.	DNR could reduce the amount of outside consultant contracts it needs by better	May be good idea. Not analyzed.	Consultants

Number	Headline	Clarification	Staff Comment	Keyword
		utilizing the skills of its existing workforce. They should survey all employees to identify specific skills and expertise and then use temporary reassignments of mobility assignments to staff short term projects now given to consultants. Several examples in interview notes.		
1234.0	Review policies regarding the hiring of outside consultants.	Work can be done by state staff.		Consultants
1641.0	Evaluate the review of cooperative farming agreements by Real Estate Management Bureau staff in DNR and the Attorney General's Office.	It is not needed and can be done on the regional level.		Coop farming
1954.0	Review the use of cost coding time sheets/expenses etc.			Cost coding
1222.0	Review policy of free parking for district judges, giving judges free stamps, changes in furniture allowance, and upgrading of computers in the court system.	Read Doug Grow column that includes suggestions from Connie Somerson.		Courts
2144.0	Consider having agencies issue Visa or Mastercards instead of American Express.			Credit cards

Number	Headline	Clarification	Staff Comment	Keyword
343.0	Examine the role of state crime investigators.	Look at need for state crime investigators out of the BCA and the duplication of their activity by local city police and county sheriff departments. Consider switching to a revolving fund and having local police pay for services as needed.	May be good idea. Not analyzed.	Crime Investi
1909.0	Review the need for DNR's Boat and Water Safety patrols for possible elimination.	The patrols may be duplicative of Conservation Officer duties.		DNR
134.0	Review the requirements for Civil Service exams for promotional opportunities.	The federal government doesn't require Civil Service exams for promotion of current staff.	This idea would probably yield few savings on its own. It is best considered as part of the overall restructuring of DOER.	DOER
1976.0	Evaluate the need for the Staffing Division of Personnel to see if it can be eliminated.			DOER
199.0	Look at Department of Employee Relations rules and regulations that "add cost but little value."	Some Department of Employee Relations requirements appear to duplicate agency efforts without adding much. Consider streamlining and reducing duplicative responsibility. Veterans who receive veterans preference points on a certification of eligible		DOER

Number	Headline	Clarification	Staff Comment	Keyword
		<p>candidates received from DOER, agencies are obligated to notify that veteran by mail if he/she is not selected. This is not done for anyone else. It is an outdated law.</p>		
633.0	Look at computer and data systems for duplication and superfluous system components to cut.	Include review of MAXIS.	More appropriate for Project 2. The study would be time-consuming and tedious. No compilation of this information currently exists. A system would need to be created to monitor and track data systems.	Data systems
1284.0	Scale back funding for the Knowledge Systems Center (KSC) and Text Retrieval (TREK).			Data systems
1413.0	Discontinue using mainframe transaction funds for special projects like STARS and TREK.			Data systems
1423.0	Evaluate whether or not voicemail and electronic mail are cost effective.	Make sure they are properly priced and if the cost of the technology exceeds the level of sophistication needed for government service.		Data systems
1485.0	Hire computer/office maintenance people.			Data system

Number	Headline	Clarification	Staff Comment	Keyword
1588.0	Consider a computer maintenance contract.	A contract could be negotiated for each major brand used within the state and site licenses for software should be obtained.		Data systems
670.0	Review use of Mainframe computer applications, transfer some to lower cost, smaller computer systems.	The Department of ADMIN could institute a comprehensive review of all mainframe applications currently running on its computer systems to determine if they are running on the proper platform. There are systems available today that will run very sophisticated applications at a fraction of the operating cost of running on mainframes. In addition, communications packages can take advantage of the Intertech network while applications run on smaller mini and micro platforms. Some of these systems could migrate relatively easily to smaller platforms, others would require redesign.	Although there would be long-term savings (starting in about 5 years), the process would require a significant front-end investment. There is currently no system in place to review all of the systems currently in existence; to create one would require a great deal of time and money.	Data systems
607.0	Review use of optical disk storage.	The costs and risks of using optical disk storage should be examined and the tool used where appropriate and can result in cost-savings.	Project would cost, rather than save, money from the state's general fund. The future of this new technology remains uncertain. Nonetheless, this technology could eliminate	Data systems

Number	Headline	Clarification	Staff Comment	Keyword
			a lot of paper and storage space, could prevent unnecessary loss of important documents.	
1437.0	Review the size of Emergency Management and Military Affairs in the current non-cold war environment.			Downsizing
17.1	Evaluate local economic development funds, including business subsidies and Department of Trade and Economic Development loans.	Additionally, inquire whether DTED loans are being paid back in a timely manner.	May be good idea. Not analyzed.	Economic deve
206.0	Review the mission of "Project Outreach".	Determine if this project is necessary and effective.	May be good idea. Not analyzed.	Economic deve
374.0	Transfer the monitoring of private vocational schools from the Department of Education to the Higher Education Coordinating Board.	Monitoring vocational schools is a "higher ed" job and so belongs in a higher ed program. The Department of Education doesn't give this job the attention it deserves. Currently this non-dedicated fund generates \$65,000 in fees while costs are \$15,000. The program, if operated correctly, should cost around \$140,000. Shift function to the HECB and raise fees to the level the schools are willing to pay.		Education
542.0	Examine the need for the arts high	Look at the original design		Education

Number	Headline	Clarification	Staff Comment	Keyword
	school.	and goals for the high school. Determine if the high school is meeting those goals and how the school benefits the state in general. Examine issues of accountability and oversight.		
1232.0	Evaluate the emergency services provided by the Department of Public Safety for possible reduction.			Emergency Ser
1611.0	Review achievement awards for possible elimination.			Employee bene
70.0	Offer every employee a certain amount of money in health care benefits and let them place it where they want and possibly discontinue dependent health care.			Employee bene
1365.0	Consider switching to a health plan that includes an employee-paid deductible but decreased premiums, and have the state reimburse employees for premiums.			Employee bene
1955.0	Evaluate merit pay to state patrol supervisors for possible elimination.			Employee bene

Number	Headline	Clarification	Staff Comment	Keyword
1871.0	Evaluate the distinction between sick and vacation time for possible elimination.			Employee bene
204.0	Implement energy conservation measures.	Look at Dawkins Energy Conservation Bill. Check with DOA, DPS and Task Force for possible CORE ideas/technologies . See also #21.	Couldn't get sufficient data in the Project 1 timeframe.	Energy
1233.0	Consider having four 10-hour work days in state buildings during the winter months.	This would reduce energy costs and make childcare more convenient. DNR did this in 1975 or so.		Energy
1397.0	Consider reducing the amount of lighting on the freeways like we did in the 1970's.			Energy
1493.0	Have NSP do energy audits on all state buildings.	Especially at the pollution control agency, call NSP 330-6506.		Energy
1777.0	Expand recycling, enforce room temperature guidelines.			Energy
14.0	Consider consolidating energy conservation programs.	Energy conservation programs exist in Public Service and the Energy Division or the Department of Administration.	This idea needs considerable analysis due to the contentious relationship between the departments and their distinct responsibilities .	Energy
33.0	Explore ways to use Revenue's excess off-season capacity in administrative office equipment and collection	The Department of Revenue has equipment for mailing, billing, and cash management that could be used by	No immediate dollar savings.	Excess capaci

Number	Headline	Clarification	Staff Comment	Keyword
	services.	other agencies during DOR down time. Likewise, the department's collection services could be marketed to other agencies or the private sector during the off-season.		
1280.0	Consider restricting the use and purchase of fax machines.			Fax
274.0	Look at expanding water-based user fees.	Fees could be used to recover a greater share of management costs and to provide conservation incentives. The Department of Finance has materials on wetlands bill financing.	This is a "raise fees" idea and was abandoned after the first working committee meeting.	Fees
208.0	Consider establishing or increasing fees to cover costs of regulatory inspections/investigations.	For example: look at investigations of Occupational Safety and Health Act violations in the Department of Labor and Industry and Human Rights investigations. Consider filing fees for Human Rights cases.	To bring fees in line with the cost of regulation would require a near tripling of fines. This would result in more companies appealing and the additional revenue would be off-set by increased legal costs for the state.	Fees
395.0	Consider increasing Pollution Control Agency polluter fees/fines to more accurately reflect basic regulatory costs.	Current fees and fines do not cover the costs of licensure or of investigating violations. Air quality fees were looked at this year, look at other regulatory programs. Two examples:		Fees

Number	Headline	Clarification	Staff Comment	Keyword
		Superfund got \$50 million in tire money this year and water quality gets \$5 million per year. Ground water, solid waste and hazardous waste should be looked at.		
315.0	Examine state park fees.	Consider raising fees to cover more of the costs of running parks. Consider using a fee scale which takes into consideration intensity of use. Remain sensitive to low income access issues.	This is a "raise fees" idea and was abandoned after the first working committee meeting.	Fees
1642.0	Reduce the number of state cars and reimburse employees for mileage driven on state business in their own cars.			Fleet
1718.0	Change forms that are printed so they produce 4 copies; often 3 are thrown away.			Forms
293.0	Examine small grants programs.	The State currently makes grants to veterans organizations and the Public Safety Council. Forexample, the VFW receives \$25,000 per year. Determine if the grants are needed or if they duplicate other programs.	This idea is low priority due to the small amount of money involved.	Grants
186.0	Review non-entitlement grant programs to outside groups and agencies (i.e.	Determine if these grants are appropriate given the budget situation and		Grants

Number	Headline	Clarification	Staff Comment	Keyword
	funds to public television, etc.).	other funding options available to these groups. See also ideas 189 and 190.		
1899.0	Review the need for the Greater Minnesota Corporation for possible elimination.			Greater MN Co
679.0	Consolidate responsibility for handling hazardous chemicals and wastes.	Rules and activities relating to the transportation and handling of hazardous chemicals are found in five agencies: PCA, DNR, AGRIC, DOT, and DPS. In addition, DPS and DOT have trucks designed to deal with spills of these chemicals. Not clear these trucks are used as many local fire departments and public safety organizations have equipment to handle them.	Too big for Project 1. Very worthwhile to look at. Probably some duplication but considerable rivalry between agencies over what is becoming a growth business. Need to look at issues such as fees charged, role of parties in monitoring and responding including local police and fire departments, and the multiplicity of state agencies.	Hazardous che
345.0	Consider transferring the inspection of grain scales from Public Service to the federal government or to the Department of Agriculture.	Determine if the Federal Department of Agriculture or the Agriculture Department could handle the inspection of scales at grain elevators.	Not enough time to do the analysis. However, some question about how much might be saved for General Fund as much grain weighing is financed from user fees. Idea may still have merit as it would simplify one of the roles of Public Service. Might look at this, however, as part of a group of business	Inspections

Number	Headline	Clarification	Staff Comment	Keyword
			services in Project 2 or as part of a review of all of the weighing functions of Public Service.	
1910.0	Encourage labor sharing.	If one person has slack time, they can be used by another department.		Interagency c
195.0	Review the need for general fund support to the Land Management Information System.	The system has been merged into Intertech. Determine if it could now be funded through a revolving fund.	Did not pursue due to lack of time and conclusion that it would be difficult to get Legislature to appropriate funds to buy these services for the Legislature and the Governor. The General Fund largely supports work for these entitites. Might review in Project 2 as part of any exploration of information systems.	Intertech
762.0	Improve inventory management to reduce investments.	The last complete data from 1988 on the consumable inventory held by State agencies reflected \$33 million on-hand controlled by 88 inventory centers. These centers processed between \$57 and \$65 million in inventory annually and were supported by between 215 and 245 staff. Though there are 88 inventory reporting centers, the actual inventory is stored in about 300 geographically	Inadequate data to document FY93 savings. Requires broader study of inventories in state agencies, and inventory management as a whole. Not do-able in Project 1 timeframe.	Inventory

Number	Headline	Clarification	Staff Comment	Keyword
		<p>separated storage locations. Since the reorganization of the Materials Management Division in 1986 resources were channeled to other areas of concern leaving nearly none for the ongoing support of a consumable inventory management program. Fragmented reporting of inventory statistics and experience from past effort indicates that inventory management has lost its priority at many agencies with inventory centers around the State.</p>		
1435.0	<p>Determine if the state Jobs and Training Weatherization program is necessary.</p>			Jobs & Traini
258.0	<p>Streamline the Legislative Advisory Commission process.</p>	<p>The Legislative Advisory Committee (LAC) process is really being abused. Agencies are coming to the LAC for money in non-emergency situations. The EBOs should be responsible for this. Not only do they sign off on just about every one of these requests, but they do not provide any objective analysis. In the section they are supposed to fill out ("analysis/options</p>	<p>This is an organizational issue with no Project 1 savings.</p>	LAC

Number	Headline	Clarification	Staff Comment	Keyword
		<p>) most simply write "approve or disapprove request," and nothing more. We need to streamline this process so that agencies don't abuse it, and we need the cooperation and assistance of Finance to do it. Another interviewee suggested that there be a dollar cutoff below which the agency or DOF could accept federal grants on their own authority. Law change.</p>		
1438.0	<p>Evaluate whether the law library could become self-sustaining or eliminated.</p>			Libraries
703.0	<p>Examine procedures for revoking a driver's license.</p>	<p>The process now requires actually surrendering the physical license, but this does not necessarily prevent those with revoked licenses from driving. With computers, we no longer need to collect the actual license. It may be an unneeded expense.</p>	<p>This idea was proposed by the Department of Public Safety. Did a simple analysis based on their numbers. They objected, however, when CORE wanted to take the funds (\$25,000) budgeted for this activity and return it to the Trunk Highway Fund.</p>	Licensing
324.0	<p>Look at potential issuance of duplicate checks under the MAXIS system.</p>	<p>Duplicate checks are apparently issued without stopping payment and without auditing or doublechecking to determine if both checks were cashed. Determine</p>	<p>This idea has negligible savings. Mechanisms being designed to manage this problem are costly, an up front investment would be</p>	MAXIS

Number	Headline	Clarification	Staff Comment	Keyword
		if audits can be added to the system to detect fraud.	required.	
43.0	Explore ways to reduce mailing costs, including expanded use of bar coding and bulk mail.	Use bulk mail or other mailing concepts.	Referred to Project 2 because of the complexity involved in the analysis. If Project 2 doesn't have the ability to handle it, a comprehensive study by MAD, DOA, or DOF might be appropriate.	Mail
1461.0	Consider eliminating the Centralized Mail Section and have agencies use the U.S. Mail instead.			Mail
10.0	Don't mail things to employees at home; distribute them at work.		Referred to Project 2 because of the complexity involved in the analysis. If Project 2 doesn't have the ability to handle it, a comprehensive study by MAD, DOA, or DOF might be appropriate.	Mail
1842.0	Have a van pick up interoffice mail at major towns and bring it to St. Paul.			Mail
605.0	Examine department mailing lists to eliminate duplication, obsolete addresses.	Consider a central mail list maintenance service. Cull lists routinely to reduce mailing costs.	Referred to Project 2 because of the complexity involved in the analysis. If Project 2 doesn't have the ability to handle it, a	Mail

Number	Headline	Clarification	Staff Comment	Keyword
			comprehensive study by MAD, DOA, or DOF might be appropriate.	
419.0	Study increased use of electronic funds transfer for bill paying.	Electronic transfer would allow the state to pay bills more cheaply (without mail costs, for example).	This is a possibility once the SWA system is redesigned. Right now it would cost more because the system cannot "hold" payment until due. It is a Project 3 idea.	Management
1274.0	Consider requiring all lawsuits against the state to go to mediation first.			Mediation
67.0	Arrange for medical services to be purchased in "bulk," including services for employees, Regional Treatment Center residents, and Medical Assistance recipients. (Joint with DOER.)	Included in idea are employees, MA, RTC's, DOER etc.		Medicaid
54.0	Consider increasing the extent of reliance on managed care in the Medical Assistance program.	Expand the "MA Restriction Program." Wisconsin has pilot programs to take everyone in a county and put them on a "restricted" program. Interview notes suggest the name of someone who knows about this.	Savings would not be realized immediately. It would cost more in the first year for clients who become part of a managed care plan due to duplication of payments for the first quarter. The MA restriction program is very time intensive.	Medicaid
760.0	Examine funding for mental health services to the elderly.	The Department of Human Services has some funds which were originally intended for	Raises the issue of how funds are spent in this division which is more	Mental health.

Number	Headline	Clarification	Staff Comment	Keyword
		<p>services to persons with mental illness who are to be relocated from nursing homes to other settings to comply with OBRA. The relocation efforts have not gone as quickly as anticipated and the Department is now considering reallocating the money to services for children and the homeless.</p>	<p>appropriate for a study under Project 2.</p>	
763.0	<p>Consider eliminating National Guard re-enlistment bonuses.</p>	<p>Because of changes in Federal law, there is reduced need for personnel. The re-enlistment bonuses are an unnecessary incentive.</p>	<p>Bonuses are expected to be costly and create a significant tail in the 1994-95 biennium. Military affairs is thinking about reducing or eliminating this program in the 1992 session. Might track these issues as part of the supplemental budget.</p>	Military Affa
1255.0	<p>Evaluate the Metropolitan Mosquito Control Division for possible elimination.</p>			Mosquitos
1205.0	<p>Evaluate the Emissions Test program for possible elimination.</p>			Motor Vehicle
589.0	<p>Reduce the quantities of news releases sent to newspapers.</p>	<p>Either reduce or make more important. DOT reduced from 200 to almost none in a year. DNR reduced from 1700</p>		News releases

Number	Headline	Clarification	Staff Comment	Keyword
		to 500.		
439.0	Examine the geographic grouping of nursing homes.	The current system has three geographic regions: I = Rural Rural, II = Rural, and III= Metro. Review rationale for groupings, differences in cost of living.		Nursing home
618.0	Relocate the Industrial Hygiene Division from the Department of Health to Department of Labor and Industry, Occupational Safety & Health Administration Division.	Currently, the inspectors in Industrial Hygiene have free time during their inspections while their monitoring equipment is running. By placing these inspectors in OSHA and train them to perform OSHA inspections at the same time, the State would be increasing inspectors and reducing the number of on site reviews.		OSHA
1507.0	Evaluate the need for CAP and CAAC and reinstate the Ombudsman program.	CPA and CAAC have advantages in maximizing complaints, and the process is time consuming, troublesome, and ineffective. See attached material.		Ombudsman
2019.0	Consider eliminating one administrative assistant per department head.			Org study
1853.0	Civilians may be able to coordinate BCA training.	Civilians may be able to replace the higher paid Special Agents that are presently coordinating BCA training.		Org study

Number	Headline	Clarification	Staff Comment	Keyword
30.0	Evaluate the need for the DNR service centers and possibly eliminate.			Org study
1473.0	Examine relative number of people in line and staff positions in the Department of Revenue.	In Revenue 15 people coordinate training but do not actually train. The majority of courses are duplicates of H.R. Also 3 people work in the library, 2 in audio visual and there is an aerobics instructor on staff!		Org study
1595.0	Evaluate positions in the Department of Human Rights for possible elimination.	Possibly eliminate the following positions: two enforcement directors, one assistant to the commissioner and one supervisor position.		Org study
1008.0	Evaluate the need for both the classifications "secretary" and "receptionist."	This is a classification issue. The work actually done by these two classes is the same for all intents and purposes. DOER should update its classification system to reflect current technology and situations.		Org study
745.0	Investigate duplication of efforts on the State Revolving Fund.	The Pollution Control Agency and the Department of Trade and Economic Development duplicate some efforts with this program. This is confusing to clientele and creates inefficiencies,		PCA

Number	Headline	Clarification	Staff Comment	Keyword
209.0	Review the need for the Pollution Control Agency Citizens' Board.	<p>due to the different perspectives and objectives of the agencies involved.</p> <p>The Board provides some value but could be smaller or could meet less frequently. The Board has some executive powers (approving contracts, etc.) that encourage micromanagement and compound bureaucracy. Elimination of the board would save staff preparation time, per diem and expenses, and one full-time clerical position.</p>	Too complex for Project 1. Also too political.	PCA
218.0	Look at ways of recovering the costs of administering Public Facilities Authority programs from the direct beneficiaries of the program.	<p>The Public Facilities Authority (PFA) is located in the Department of Trade and Economic Development and operates a federally capitalized (80%) program of wastewater treatment facility construction loans. It costs \$300,000 to administer this program. Consider a) imposing a fee on loan applications to recover costs, and/or b) charging PFA and Pollution Control Agency costs against available federal funds.</p>	This is a complicated program that will not have long-term savings.	PFA
387.0	Consider consolidating the Public Utilities Commission and the Transportation	Both the PUC and the RTB set rates for Minnesota common carriers. Before 1983 these	The kind of analysis of utilities that has been done for electricity,	PUC

Number	Headline	Clarification	Staff Comment	Keyword
	Regulation Board.	functions were all under the PUC. The two exist to prevent conflicts of interest, which probably don't exist. See detailed notes in letter. Claims cans save 3 attorney and 1 staff position.	telephone and gas has not been done for trucking. There may be a question about whether state should continue to regulate trucking within the state when trucking out of state and between states is not federally regulated. There does not appear to be much question about the state regulating gas, electricity and telephone. There are issues about the organization and efficiency of operation of PUC but these are not addressed here and these might be addressed in Project 2. Consolidation of the PUC and the TRB should be abandoned.	
1020.0	Evaluate department/agency contract parking spaces for possible elimination.	Employees can use the shuttle.		Parking
1037.0	Evaluate state-paid parking privileges for possible elimination.			Parking
1094.0	Increase contract parking prices to reflect the market.	Contract parking costs should not be less than the bus.		Parking
276.0	Maximize use of royalties,	Explore where the state could	Per last committee	Patents

Number	Headline	Clarification	Staff Comment	Keyword
	patents, and subscriptions to generate revenue.	generate new revenues from patents or royalties. Look at the UoM, GMC, DTED, Ag. Increase the sale of state-owned expertise (e.g., research and publications). Allow the MN Trade Office to charge for its publications (this would require a statute change).	meeting, it was felt this wasn't an area to pursue. Too big. Can't be analyzed in time frame.	
1714.0	Consider changing the way expense account reporting is done and administered; only pay for actual costs not bargaining unit maximums.			Per diem
1296.0	Evaluate the need for mobile phones for possible elimination.			Phones
1399.0	Consider discontinuing use of answering machines and voice mail.			Phones
752.0	Make printing a marketplace activity.	Printing would like to become a marketplace activity but cannot due to legal and procedural requirements. We might be able to charge less to agencies by being able to respond to competitive forces.		Printing
32.0	Consider privatizing Capitol Security.	Compare to costs of security systems used by private agencies.	Too large an issue to analyze in the Project 1 timeframe.	Privatization

Number	Headline	Clarification	Staff Comment	Keyword
194.0	Contract for special post-prison halfway house services for Native Americans.	The Department of Corrections directly provides a specialized half-way house for Native Americans at a high cost per resident. Consider contracting to non-profit providers.		Privatization
2046.0	Consider contracting for state motor pool services with a company like National Car Rental, Avis, Hertz, etc.			Privatization
211.0	Review the functions of the Opportunities Minnesota (OMNI) program and consider allowing nonprofits to perform these functions.	Opportunities Minnesota, Inc. (OMNI) is a state program within DTED that operates as a SBA Sec 504 Revolving Loan program. Private nonprofits such as TC Metro Certified Development Company can and do perform this function as well. \$100,000 of potential savings.	Abandoned for Project 1 because OMNI is self supporting and thus uses no general fund money. May still be worth pursuing in Project 2.	Privatization
1622.0	Consider allowing all agencies to contract for plant management services and have the state contract for security and transportation.			Privatization
1480.0	Allow state agencies to buy on the open market and not require purchasing through state contracted vendors.			Procurement

Number	Headline	Clarification	Staff Comment	Keyword
1615.0	Relax rules for purchasing and spending to reduce time and paperwork spent.			Procurement
1812.0	Consider eliminating procurement buying.	Have agencies get 3 bids in writing with forms checked by each finance office.		Procurement
1891.0	Open the state agency conference site choice to free competitive bidding.			Procurement
1070.0	Allow agencies to purchase competitive companies' computers and possibly eliminate the Ameridata contract.	Don't force agencies to purchase IBM PCs. Possible 50% savings in computer purchases.		Procurement
161.0	Look at increasing the use of "wholesale" contracting, i.e., consolidating similar purchases between agencies to achieve higher purchasing power.	In many cases, separate agencies are contracting for small amounts of the same service. Very expensive. Coordinate and combine some of these contracts and you'll get a cheaper price in return for volume. True for medical specialties (especially in greater Minnesota), many print jobs, flyer design. Use state's size in negotiating for space and in other purchasing/procurement decisions.	Too complex for Project 1. The Contracts and Technical Services in the Department of Administration assert that more staff is necessary to increase the set up and maintenance of whole-sale contracting. They agree it needs expansion.	Procurement
1900.0	Consider replacing field purchase orders with a form of check or draft for small amount of less than \$100.			Procurement

Number	Headline	Clarification	Staff Comment	Keyword
07.0	Purchase office supplies and furniture from a discount store.			Procurement
1805.0	Evaluate the need for central store choices and instead offer only the basics.			Procurement
1572.0	Give professional employees the ability to sign off on small dollar purchases.			Procurement
1904.0	Give local agencies authorization to write checks in payment of invoices for amounts less than \$50 or \$25.			Procurement
99.0	Review collection of fees from businesses dealing with hazardous chemicals or hazardous waste.	A number of fees are being collected by different state agencies from businesses dealing with hazardous chemicals or hazardous waste. The fees should be reviewed and the collecting agencies identified. A consolidation of the collection efforts under one agency could potentially save the state money in collection costs and improve the quality of services.		Public Safety
1245.0	Evaluate the media positions recently created for possible elimination.			Public relati

Number	Headline	Clarification	Staff Comment	Keyword
1517.0	Consolidate the news release positions from all the departments into one position.	Save \$250,000.		Public relati
1662.0	Evaluate the need for the Cambridge, Brainerd, and Ah Gwah Ching RTCs and possibly close.	Use the money to repair the remaining RTCs.		RTCs
2061.0	Consider selling some of the acreage on which the Anoka RTC currently sits.	The Anoka RTC sits on 700 acres of land. Sell off the excess and use the money to build a new hospital or improve the old one. Do this with all excess RTC acreage.		RTCs
1312.0	Eliminate so-called inspections by the Joint Commission for the Accreditation of Health Care Organizations (JCAHCO) at Regional Treatment Centers.	This duplicates services in DHS. The State of New York eliminated the Joint Commission with no adverse effects. More details in document.		RTCs
1732.0	Have DJT consider designating the entire state as a single administrative area and using Job Service to deliver the Rapid Response Dislocated Worker programs throughout the state.	This could save \$1 million. See attached information.		Rapid respons
1974.0	Re-evaluate the Department of Public Service's move to the old Amhoist Building.	They need more space, but now the county is moving out of the American Center Building and into the West Publishing		Real estate

Number	Headline	Clarification	Staff Comment	Keyword
		Building. Thus, the move is unnecessary.		
1596.0	Establish a more rational policy for decisions regarding new armories purchase.	Don't build new armories without examining the existing ones - Montevideo.		Real estate
1835.0	Evaluate DNR's land acquisition policies.			Real estate
737.0	Review the standards recently distributed by the Historical Society for retaining state records.	The new standards require a certain kind of film that can only be processed by a single lab in new York. The costs will increase by 3 times and there is a concern about how many agenices will actually heed the new standards. What is the effectiveness to the state of the lnew requirements?		Records Reten
257.0	Reduce the number of reports that are required of agencies by the legislature or that agencies produce voluntarily. Reduce the number of report copies distributed.	The Office of Waste Management has a staff that only do reports. There is a micromanagement issue here. Get inventory from House Research. Review statutes to determine if such reports are produced and not used or are not being produced and have the satute changed. The Department of Labor and Industry was required to MN Statute 176.136, subd. 3 to contract for the production of a report on the delivery of health care in Minnesota. This has not been	This analysis involves a thorough inventory of agency reports. Thus, involves more time and resources than are available to staff.	Reports

Number	Headline	Clarification	Staff Comment	Keyword
		done in the last 8 years and no one seems to care.		
2114.0	Investigate whether DNR has a larger than necessary research staff.			Research staf
1894.0	Review the Resource Conservation and Development program for possible elimination.			Resource reco
1013.0	Extend early retirement without penalties and paid insurance.		Data indicate that this program would not yield short-run savings if vacated positions had to be refilled. This has been the case in every early retirement "window" made available recently.	Retirement
1185.0	Review the Revenue 91 (soon to be 92) program for possible elimination.			Revenue 91 pr
1035.0	Turn commuter freeways like I394 into tollways.			Roads
38.0	Review the need and purpose for each small Board, Commission and Advisory Council.	Reorganize state government so that there are no longer many very small agencies. If this is not possible, locate all (or large groups of similar) very small agencies in one place with	No analysis done; working committee rejects notion for project 1.	Small agencie

Number	Headline	Clarification	Staff Comment	Keyword
		<p>administrative support provided to all of them by one administrative support office. This should provide better administrative support at a lower cost. Examine the goals of the advisory councils. The goal should be to recommend ways to provide the maximum amount of service for the money rather than looking at ways to expand programs by building larger departments and/or networks.</p>		
346.0	<p>Review the need for the Animal Health Board.</p>	<p>Consider contracting out the actual inspection of possibly-diseased animals and herds to local veterinarians in each county or group of counties. The local veterinarians could transfer information to the Health Department that would act as a repository.</p>	<p>Savings incurred under this change would be small, might not cover the costs of relocation and severance.</p>	Small agencies
347.0	<p>Review the need for the Transportation Regulation Board.</p>	<p>The state regulation of rates charged for the transportation of goods is obsolete following federal deregulation of similar activity for goods shipped between states. Consider transferring any residual licensing activity to the Department of Transportation or Public Safety.</p>	<p>Excellent issue for Project 2. Need to look at basic question of why we have economic regulation of trucking for goods within Minnesota (maybe 10% of all goods shipped) when trucking of goods into the state, out of the state or through the state is no</p>	Small agencies

Number	Headline	Clarification	Staff Comment	Keyword
			longer regulated by Federal government. Very interesting project. Reasonably self contained.	
1633.0	Examine BWSR to determine if it duplicates federal government programs and possibly eliminate.			Soil conserva
2015.0	Check and see how many of the State Troopers are actually assigned to patrol the highways.	There are many Troopers on non-essential assignments. These include District Investigators, Training Center Troopers, and Truck Enforcement Troopers. Also, lieutenants suddenly become too good to work the highway.		State Patrol
559.0	Consider reducing the number of state troopers assigned to portable scales/civil weight scales and allowing the Law Compliance Reps to be responsible for inspections.	Twenty-two Troopers are assigned to work this area. Changing to the Law Compliance reps would require a statutory change, but there is a \$4 to \$5 per hour difference in wage scales. Troopers may not be appropriate to perform this function.	The Legislative Auditor is doing a study on this and should have a report by the end of 1991. There is a major disagreement between DPS and DOT over who should do inspections. Might re-visit this issue in Project 2 if this debate is not resolved.	State Trooper
1372.0	Review policy of paying some state community college bookstores a 10% processing fee so state agencies can assist students.			Subsidies

Number	Headline	Clarification	Staff Comment	Keyword
1722.0	Offer an incentive for people to produce money saving ideas.			Suggestions
1553.0	Evaluate the need for the state Surplus Property Coordinator.			Surplus
1804.0	Evaluate the need to pay for warehousing surplus property and auction off excess state furniture.	No one needs a \$400 chair or \$800 desk.		Surplus
1215.0	Consider increasing the individual income tax by 1-2% for those making over \$75,000.			Taxes
19.0	Review the Property Tax Refund program and possibly eliminate.			Taxes
1447.0	Review the payment of sales tax by state agencies.	They are paying tax with tax revenue! Will save \$7 million.		Taxes
1204.0	Get rid of the Intelligent Vehicle Highway System (IVHS) group in MnDOT.	This is a "Jetsons" technology that, through the use of computers inside of cars, would monitor and control freeway traffic.		Transportatio
1176.0	Evaluate and possibly eliminate the 13 positions in DOT that are paid for from the General Fund.			Transportatio
751.0	Contract for reduced airline rates for state			Travel

Number	Headline	Clarification	Staff Comment	Keyword
	employees.			
1530.0	Limit the number of personnel who fly commercially to the Twin Cities instead of driving or using MnDOT flights.		This study would involve a complex cost/benefit analysis. Currently, the state wide accounting system can not accomodate our data needs for this analysis.	Travel
18.0	Consider shifting responsibility for travel information centers from the Department of Trade and Economic Development to the Department of Transportation and explore alternatives such as: volunteer staffing, inter-active video, and toll free number.	Shifting responsibility would also shift financing from the general fund to the trunk highway fund. Consider use of volunteers, interactive video, toll free numbers, etc.	The Travel Information Centers are currently staffed by DTED employees, but finding for the positions are from MnDOT's Trunk Highway funds. No General Funds are allocated to the employee cost. The idea of shifting responsibility is an issue of organizational perspective that would be better addressed in Project 2.	Travel inform
1389.0	Consider whether more revenue and unemployment insurance collectors could be more cost-effective.	They bring in 3 to 7 times their salaries.		Unemployment
2012.0	Review the policy of giving unemployment benefits to people employed less than 6 months.			Unemployment
22.0	Look into centralizing collection of unemployment tax revenues and other	The Departments of Finance, Jobs and Training, Revenue and Labor and Industry all	Too complex for Project 1. Requires investment that may not show	Unemployment

Number	Headline	Clarification	Staff Comment	Keyword
	payroll taxes. (Joint with Revenue, Finance and Labor and Industry.)	collect revenues from employers. Consider having all employer-paid taxes flow through one agency.	immediate savings. May not be much General Fund savings anyway.	
1022.0	Review the Veterans Home Board for possible elimination.			Vets
1390.0	Review the Department of Veteran Affairs Board of Directors for possible elimination.	The Board and staff were meant to be temporary.		Vets
30.0	Consider merging the crime and abuse victim assistance programs in the Department of Public Safety, Corrections and Human Services.	Look at overlap and duplication of services. Consider combining all crime and abuse victim boards in the Departments of Public Safety, Corrections and Human Services into one organization, possibly in the judiciary.		Victims
1436.0	Evaluate the need for DOT's film and video production units.			Video technol
272.0	Consider increasing the use of volunteers to deliver certain services.	Check with the MN Office on Volunteer Services in the Department of Administration for options.	May be a good idea. Weren't resources in Project 1 to address this.	Volunteers
344.0	Review the need for the current program of Weights and Measures.	Contract out the inspection of scales or look at eliminating this service as one the state provides. Leave the validation of the accuracy of scales	Interesting issue for redesign and restructuring in Project 2. Scale inspection is one of the older functions of the state and	Weights and M

Number	Headline	Clarification	Staff Comment	Keyword
		and dispensers up to the marketplace.	might be a good candidate for review of customer services, then efficiency, and the complexity of the mission of the Public Service department. Some states don't provide this service.	
2.0	Consider developing a joint Department of Labor and Industry/Department of Employee Relations computer system to manage 3rd party claims on workers' compensation for defaulted/uninsured companies.	Automate the administration of uninsured employer and bankrupt self-insured employer workers' comp claims by Special Compensation Fund staff in DOLI. Plan exists. Bids for third party claims management by the private sector have come in at around \$1 million per year.	No possibility of immediate general fund savings. There is an interesting potential-project-2 issue though: make the Safety and Workers' Compensation Division in DOER into an enterprise fund to increase accountability and allow it to "live or die" according to its competence.	Workers' comp
193.1	Review state claims management in workers' compensation.	The state is self-insured for workers' compensation and the Department of Employee Relations (DOER) administers this program. The Department of Labor and Industry (DOLI) regulates all employers (including the state) regarding workers' comp. Thus, DOLI assesses claims against DOER when claims are not paid on time, and DOER passes the assessment back to the agency. It would be cheaper	This was interpreted as the "reduce infractions that lead to DOLI-levied penalties" piece of Workers' Compensation reform in DOER. Abandoned for Project 1 because a recent court ruling dramatically reduced penalties levied against DOER (not the infractions), so that there would be little General Fund savings.	Workers' comp

Number	Headline	Clarification	Staff Comment	Keyword
		to either have DOER hire people so that claims can be handled faster or for each agency to do their own claims.		
260.0	Increase recovery of workers' compensation rehabilitation unit program costs.	Rehabilitation unit is \$1.5 million program, of which \$700,000 is recovered in receipts. Consider shifting activities/funds from the workers' compensation rehabilitation unit (in the Department of Labor and Industry) to the workers' compensation special fund.	This is a fund shift. Also requires an organization and policy change regarding the intent and direction of WC Special Compensation Fund versus WC Rehab Unit.	Workers' comp
54.0	Eliminate Employee Relations' involvement with state agencies that have extended workers' compensation coverage of non-state employees.	I.e. bomb squad members of cities are covered by Public Safety; the pollution Control Agency covers individuals in counties who work on household hazardous waste programs.		Workers' comp
619.0	Shift funding of OSHA from the General Fund to the Workers' Compensation Special Fund.	This shift would save almost \$2 million per year. The rationale is that OSHA was designed to reduce the number injuries in the work place through the inspection process and thus reducing the potential for workers' compensation claims.	This is a fund shift. Also requires an organization and policy change regarding the intent and direction of OSHA versus WC special fund.	Workers' comp
754.0	Check for possible duplication of	Risk Management does collect		Workers' comp

Number	Headline	Clarification	Staff Comment	Keyword
	functions between the Workers' Compensation Division at DOER and Risk Management at Administration.	Worker Compensation data.		
Route to: Trash				
1926.0	Review 4 group spending.			4 group spend
182.0	Study accounts receivable to see if short-term collections can be realized.	Establish common state policy and protocols. Perhaps consolidate all state agency accounts receivable and have one agency collect them. Some areas where this could generate a lot of money are at DJT, student loans and in welfare fraud. Contracting with the private sector for collection might also be considered. A quick review should be done to see if there is any money due to the general fund that could be easily recovered.	Finance has set up a committee to study this. We do not want to duplicate their work.	Accounts rece
1733.0	Evaluate Ellie Sevdy's position for possible elimination.	Her position is in the Communication Center at Services for the Blind (DJT). She does not do her job, is late, and the supervisors ignore this.		Blind
90.0	Evaluate the manager's position in the Braille Section of Services for the	The person does only clerical work and harasses fellow employees. The position could		Blind

Number	Headline	Clarification	Staff Comment	Keyword
	Blind in DJT.	be part-time.		
1062.0	Eliminate the Cigarette Sales Act.	This tax is unfair. Get government out of cigarette price fixing. Lower cost increases sales and equates to more tax dollars earned by government.		Cigarettes
120.0	Review the need for complement control.	Complement control forces managers to use noncomplement positions and to make inefficient hiring decisions. Substitute budgetary authorized complement. "Implementation would depend on negotiation with bargaining units."	The analysis was completed but Finance decided to continue complement control.	DOER
283.0	Pursue "Efficiency Objectives and Accomplishments" ideas presented in Department of Public Service memo to CORE Program.	See supporting memo.	This document is a listing of projects underway at the Department of Public Service to produce efficiencies of various kinds. It might be interesting to follow up on these and other DPS ideas in Project 2 by distinguishing between 1) new investments that produce efficiencies and 2) programs/policies that make an existing activity more efficient.	DPS
1886.0	Purchase reconditioned laser cartridges instead of new.			Data systems

Number	Headline	Clarification	Staff Comment	Keyword
332.0	Review wage subsidy programs.	Recognize that wage subsidy programs are economic assistance to businesses and limit them to areas of the state where jobs are truly scarce and need to be developed.	Don't think they exist anymore. There are, maybe, some employment and training programs in the Department of Jobs and Training that could be reviewed.	Economic deve
1525.0	Evaluate mandatory management staff meetings after working hours for possible elimination.	Only being used for free dinner.		Employee bene
1908.0	Propose a close-down week, twice a year, for state government; encourage vacation during this week.			Employee bene
1783.0	Offer a program where employees could purchase state/federal bonds with the state contributing \$1 for every \$3.			Employee bene
1651.0	Ask employees to pay for half of their health insurance.			Employee bene
1329.0	Evaluate the need for all overtime and possibly eliminate.			Employee bene
1790.0	Consider making the state's retirement plan optional and saving the state's contribution.			Employee bene
1589.0	Consider offering salary increases	See attached analysis.		Employee bene

Number	Headline	Clarification	Staff Comment	Keyword
	as net pay increase instead of gross pay increases.			
2028.0	Set the governor's, House and Senate pay increases to the same percentage increase that state employees receive.			Employee bene
1015.0	Consider dropping the policy of requiring doctor's statements for sick leave.			Employee bene
1478.0	Evaluate the extra work breaks given to smokers and possibly eliminate.			Employee bene
1327.0	Review the practice of allowing state employees to work at home and possibly discontinue.			Employee bene
552.0	Consider prohibiting the payment of bonuses to individuals like the Lottery Director.	The bonus payment is unusual for state employees. Determine if it is appropriate in this instance.	Lottery director doesn't receive bonuses anymore.	Employee ince
264.0	Examine energy conservation measures to reduce fuel and utility costs.	Determine if there are some simple investments with quick paybacks that would fit Project 1.	There are no simple investments with quick paybacks realizable in FY 93. In addition, other factors, such as increased computer usage and higher energy prices, tend to net the dollars saved.	Energy

Number	Headline	Clarification	Staff Comment	Keyword
1202.0	Minimize heating expenditures by leaving lights on during the winter months.	Talk to NSP.		Energy
1306.0	Turn the heat down 10 degrees in the winter and turn the air conditioning down 5-10 degrees in the summer.			Energy
1542.0	Turn off the electricity between midnight and 5 am.			Energy
1051.0	Have <Address Correction Requested> printed on envelopes.			Envelopes
536.0	Consider increases in "sin" fines.	Consider raising finds for driving while intoxicated or speeding, or other violations of state laws.		Fees
1141.0	Process bad checks without waiving the mandatory \$15 service charge.		Revenue doesn't charge \$15/check because it costs \$10/check to collect the fine. Penalties plus interest charged make up for the bad check charge.	Fees
221.0	Recover Campaign Finance Checkoff costs.	The parties currently get 10% of DFL and IR checkoffs to cover administration costs. Consider having the state recover administrative costs from this checkoff as well.	Law does not allow a percentage of these donations to cover costs of administering the program and collecting the money. The IR and DFL parties can each take 10% of donations to pay for expenditures in support of all party candidates, but	Fees

Number	Headline	Clarification	Staff Comment	Keyword
			this is different.	
5.0	Review the need for annual license plates and tabs renewal on state-owned vehicles.	Determine if it would be possible to issue license plates less frequently to save transaction costs.	Basically, a fund shift. Any savings to the Trunk Highway and General Funds would be at the expense of the HUTD Fund. Also, it is one way agencies pay for their use of the roads and the only way tax exempt vehicles are inspected for emissions.	Fleet
1504.0	Review personal use of state vehicles for possible elimination.	Look at cars assigned to individuals as perks to commute to work.		Fleet
66.0	Examine the need for state-provided pickup trucks for maintenance supervisors.	Maintenance Supervisors are given state pick-ups to drive home at night so that they will be able to go directly to a work site in an emergency. However, most simply drive back to the truck station and call out workers from there. Many of these pick-ups have both mobile phones and a two-way radio. Review vehicle use and determine if both modes of communication are needed.	No general fund savings. Not many people in this position. Could make highway crews less responsive in emergency situations.	Fleet
1540.0	Consider doing away with the flower garden in front of the Administration Building.			Flower garden

Number	Headline	Clarification	Staff Comment	Keyword
053.0	Eliminate gambling during office hours.	Betting in football, baseball, and basketball pools, for example. Takes 4 hours per day.		Gambling
316.0	Review Farm America Museum subsidy.	Farm subsidy is a museum located in Waseca. Determine if the subsidy could be replaced by raising fees.	Incorrect information. This has not been funded through the General Fund since 1986.	Grants
1735.0	Have the Department of Jobs and Training deliver the Job Training Partnership Act programs through the state.		Federal law requires that this be provided through a local network.	Jobs & Traini
36.0	Evaluate the service delivery areas and have the Department of Jobs and Training directly provide federal and state employment and training programs.		Federal law requires that this be provided through a local network.	Jobs & Traini
638.0	Review 1991 session appropriations for new appropriations to delay.		New projects frequently were funded with money moved from the base rather than with new money. The projects were developed to save money or test alternatives to existing services that aren't working as desired. Eliminating the new projects might increase use of less effective services. It is unlikely that	Legislature

Number	Headline	Clarification	Staff Comment	Keyword
			significant savings could be achieved because the budget was carefully scrutinized by Finance and the Governor. The areas in which increases occurred, such as children's services, had strong support in the legislature.	
1350.0	Reconsider the requirement that new Minnesota residents take a written test to get a driver's license.	This is a duplication of other states' efforts.		Licenses
1681.0	Review the policy of sending out Driver's Licenses and motor vehicle renewal notices.	Taxpayers should be responsible enough to look at their DL and license plates to see when they are due! This would save postage and labor time.		Licenses
691.0	Allow agencies to purchase postage meters.	Central mail requires additional staff time to process mailings and to process attendant payments for the service. A cost savings would be created if agencies could simply purchase and pay the cost for their own postage machine, and then feed their mailings directly to the US Postal Service.	Central Mail explains that this is a very inefficient process that doesn't save money. Postage machines are a costly investment (\$5,000). Also, machines must be taken physically to the post office to purchase the postage. Untrained staff must then process the mailing. It is more efficient for Central Mail to do this.	Mail

Number	Headline	Clarification	Staff Comment	Keyword
2060.0	Give maintenance people a list of things to do for the week so they don't have to stand around and wait to be told what to do.			Maintenance
1995.0	Consider limiting managers' salary increases to 5% and reduce the number of achievement awards.			Management be
2001.0	Evaluate the policy of matching managers' deferred compensation contributions with state funds.			Management be
313.0	Review appropriate level of parental fees for services provided children with disabilities (TEFRA--Tax Equity Fiscal Responsibility Act).	Currently, children with disabilities are eligible for MA without consideration of parental assets. MN has a sliding fee scale for certain services, but the scale is lenient. Tightening the scale would save state dollars.	DHS feels that they have "cut everything they could" in the last legislative session. Politically very difficult.	Medicaid
1605.0	Consider eliminating mobility assignments.			Mobility assi
1927.0	Let the free market decide the fate of Northwest Airlines.			NorthWest Air
1072.0	Reduce the number of employees in the Department of Administration.	Consultant's report indicated that Admin is overstaffed by 70 people. Streamline the department. Check	This is a major reorganization of a division within the Department of Administration. Currently, MAD	Org study

Number	Headline	Clarification	Staff Comment	Keyword
		Peat Marwich report.	is providing consultation to this division on how to define their mission.	
2018.0	Provide direct secretarial help to professionals.			Org study
1791.0	Require conscientious use of paper resources.	Keep mailing lists up to date; use own paper for scratch instead of buying scratch paper; when one page of a report is requested, copy only that page, not the entire report; reduce larger copies to 8-1/2 X 11 size.		Paper
2000.0	Use the blank lead and last pages from laser printers in the Xerox machines.			Paper
2031.0	Route correspondence; not everyone needs a copy.			Paper
8.0	Examine increasing the use of credit cards for the purchase of state services, to reduce the amounts of money owed to the state because of bad checks or unpaid bills.	Use of credit cards would improve cash flow. In Wisconsin, they have VISA machines in patrol cars and speeders pay up front. Because of the size and dollars involved in state government operations, the state could probably negotiate a 1/2% fee with the credit card companies, and could also get a reduced price on the credit card machines. The state could	Credit card companies charge a fee. Negotiating a discount will be difficult because far-flung state enterprises use a variety of banks. Also, many of the applications are already being done. Furthermore, credit cards can bounce as well as checks and sometimes the time needed to validate a card can cut into	Payment mecha

Number	Headline	Clarification	Staff Comment	Keyword
		probably also negotiate with the banks to get a quick return on its investment or deposit the investment immediately in the state treasury.	customer service rather than expedite it.	
1906.0	Distribute paychecks by hand rather than by mail.			Payroll
1846.0	Evaluate the possibility of requiring direct deposit of pay checks.			Payroll
1373.0	Disconnect all phones not in use.			Phones
1044.0	Charge a fee for bids, which are often costly to prepare and copy, so that only serious bidders request copies.		Abandoned per first committee meeting feedback.	Procurement
1379.0	Evaluate the need for the Rainy Day Fund and possibly eliminate.			Rainy day fun
1281.0	Evaluate Rule 10 personnel and possibly eliminate.			Rule 10 perso
1469.0	Review the practice of serving coffee and rolls on shuttle buses and possibly eliminate.			Shuttle bus
217.0	Explore ways to recover part of Superbowl appropriation.	Legislature appropriated \$500,000 each for Super Bowl and the National Collegiate Athletic Association	Minimal potential savings/revenues . There may be some "profit" but it is designated to another event or	Superbowl

Number	Headline	Clarification	Staff Comment	Keyword
		<p>tournament. Negotiate a percentage of all concession revenues from both events to recover appropriations. Hank Todd at the Department of Trade and Economic Development/Tourism is knowledgeable.</p>	<p>a charity. Should check that surplus is taxed. Suggested project 2 idea of creating a state marketing entity.</p>	
31.0	Consider reducing the maximum size of task forces.	<p>State law limits task forces to 15 members. Consider reducing the limit to 9 members to save costs and improve efficiency.</p>		Task forces
1224.0	Examine the Office of Tourism's policy of providing free trips to other countries.		<p>False idea. Tourism raises \$2 million per year in donated fares, sends people to other countries to market Minnesota. About 12 trips per year. Tourism can document these trips as a result of this fundraising in-kind contribution donation.</p>	Tourism
1229.0	Look at some of the engineers in Transportation for possible elimination.	<p>Save \$50,000 per engineer.</p>		Transportatio
9.0	Review the possibility of placing Veterans Home clients on Medical Assistance.	<p>Federal participation may be greater for Medical Assistance clients. Medical assistance could also be used for acute care. Examine tradeoffs.</p>	<p>No financial benefit to state. Vets homes will have to meet stricter requirements to qualify for MA, the potential costs of which remain unclear at this time.</p>	Vets

Number	Headline	Clarification	Staff Comment	Keyword
92.0	Review the policy of attaching voter registration cards to all driver's license application cards.			Voter registr
1014.0	Send W2s out with paychecks to save postage.		Many people have left state employment and therefore have no paycheck for a W2 to be included. Also, W2s are not ready until the end of January and by law must go out right away. Furthermore, lost W2s would require additional staff to track down.	W2s
48.0	Review Finance's audit requirements for payment of workers' comp claims and allow the Safety and Workers' Compensation Division at DOER to produce their own checks for Workers' Compensation checks.	Currently 40 hours per week are spent photocopying to meet the Finance audit requirements, and 44,000 payments are double entered.	Finance and DOER have met and resolved the problems surrounding the audit requirement. Finance remains against the division cutting its own checks. In Project 1 idea 193.2, a system to eliminate the double entry of check data (into the Division Computer and into SWA) was recommended; so long as there is single entry of data, it is not clear that there is any efficiency in DOER cutting the check instead of Finance.	Workers' comp

Number	Headline	Clarification	Staff Comment	Keyword
1311.0	Review workers' comp rehabilitation unit's billings for case services to see if collections can be improved.	Notes indicate someone to call for an explanation. \$400,000-500,000.	Since the Department has implemented a new system the backlog has been cleaned up.	Workers' comp
2081.0	Examine possible over capacity in the Rehabilitation Unit in the Department of Labor and Industry.	The Rehabilitation Unit in the Department of Labor and Industry has a number of Qualified Rehabilitation Counselor services that could be "sold" to outside entities on a consulting basis.	Incorrect information. There is no over capacity.	Workers' comp

PROJECT SELECTION: PROPOSED STRATEGIES

STRATEGY	TOOLS	REQUIREMENTS	ENDS/VISION
A. Employee Authority to Act	<ul style="list-style-type: none"> - Customized service - Services Integration - Outcome-based Measures 	<ul style="list-style-type: none"> - Reduce Rules - Improve Management - Flexible Personnel System 	<ul style="list-style-type: none"> - Customer Satisfaction - Empowered Employees - Better Outcomes
B. Competition	<ul style="list-style-type: none"> - Contracting TQM? - Privatization - Outcome Measures 	<ul style="list-style-type: none"> - Better Contract System - Willing Providers 	<ul style="list-style-type: none"> - Customer Satisfaction - Efficiency & Effectiveness - Accountability - Quality
C. Simplification	<ul style="list-style-type: none"> - Streamlining Management layers - Reduced Controls - Reduced Number of Organizations 	<ul style="list-style-type: none"> - Post-audit Capability - Reduced Rules 	<ul style="list-style-type: none"> - Customer Satisfaction & Understanding - Efficiency - Improved Accountability & Trust
D. Strategic Alliances	<ul style="list-style-type: none"> - Transorganization Management - Inter-dept. Cooperation - Reorganization 	<ul style="list-style-type: none"> - Relaxed Union/Personnel Rules - Better Cross-organizational Management - Clear Accountability 	<ul style="list-style-type: none"> - Efficiency? - Effective - Makes It Politically Possible
E. Allocation by Need	<ul style="list-style-type: none"> - Simplified Allocation Systems 	<ul style="list-style-type: none"> - Cost Accounting - Needs Definition 	<ul style="list-style-type: none"> - Efficiency - Better Equity - Improved Outcomes
F. Services Appropriate to Need	<ul style="list-style-type: none"> - Clear Definition of Need - Assessment - Customized Service 	<ul style="list-style-type: none"> - Legislation - New Notion of Equality - Willingness to Change 	<ul style="list-style-type: none"> - Efficiency - Improved Outcomes

PROJECTS THAT WOULD DEMONSTRATE KEY STRATEGIES:

- A. Employee Authority to Act**
- B. Competition**
- C. Simplification**
- D. Strategic Alliances**
- E. Allocation by Need**
- F. Services Appropriate to Need**

EMPLOYEE AUTHORITY TO ACT

- A. Review Employee Training
- A. Review Personnel System/De-centralize
- A. Review Telephone Call Handling
- A. Flexibility in Work Assignments/Cross-Training
- A. Review the Administrative Rules Process
- A. Unified Public Service Centers such as Family Service Centers

COMPETITION

- B. Combine Medicare/Medicaid Claims Processing Internally or Contract Out
- B. Change Spend it or Lose it Incentives
- B. Review Staff Functions for Privatization Opportunities
- B. Examine Investment Returns
- B. Allow Agencies to Generate Revenue and Keep It
- B. Review Incentives for K-12 Consolidation
- B. Consolidate Pension Funds
- B. Review Need for Statewide Lab
- B. Review Unemployment Insurance Requirements on Small Businesses
- B. Change School System Incentives for Fiscal Responsibility
- B. Govern County Services by Contract, Not Rules
- B. Institute Merit Pay Systems

SIMPLIFICATION

- C. Review Organization of Staff Functions
- C. Simplify Nursing Home Inspections and Licensing
- C. Family Farm Program Overlap
- C. Review Number of Commissions
- C. Streamline Grant Application and Plan Development Processes
- C. Children's Health
- C. Co-locating Outstate Facilities
- C. Don't Duplicate Federal Licensing
- C. Combine Commerce and Secretary of State Business Functions
- C. Contract and Procurement Process
- C. Consolidate Chemical Clean-ups
- C. Increase Use of Interactive Technologies to Reduce Costs

- C. Consolidate Trucking Regulation
- C. Undedicate all Funds
- C. Consolidate Health Insurance Oversight
- C. Merge Employment Functions (DJT,DOLI,OSHA,WK COMP,Unemployment)
- C. Overlaps in Building and Code Enforcement and Inspections
- C. Consolidate Gambling Functions
- C. Improve Motor Vehicle Licensing
- C. Review Structure of DHS
- C. Eliminate Forms
- C. Abolish use of Legal Size Paper
- C. Consolidate Mass Transit Agencies
- C. Review Public Utility Regulation Overlaps
- C. Review Duplication of Law Enforcement
- C. Consolidate Environmental Education
- C. Review Internal Chargebacks
- C. Restructure Health Boards
- C. Review Need for State Treasurer
- C. Merge Minority Council Administration
- C. Combine All Health Licensing
- C. Services to Business
- C. Environment and Natural Resource Organization
- C. Early Childhood Education
- C. Mental Health for Children and Teenagers

STRATEGIC ALLIANCES

- D. Review Need for 87 County Delivery Systems
- D. Consolidate Housing and Community Development
- D. Child Support Enforcement
- D. Coordinate Data Systems/Standardize
- D. Establish a State Prosecutor and Sate Public Defender
- D. Tie Youth Employment to Academic Goals
- D. Develop Unified Financing for Juvenile Services
- D. Coordinate Coorectional Policy
- D. Services to Short-Term Offenders
- D. Discrimination Enforcement

ALLOCATION BY NEED

- E. Return Punitive Damages to the State
- E. Reform County State Aid Highway Formula
- E. Develop Out-come Based Budget Process
- E. Review Prevailing Wage System
- E. Make State Funds in Higher Education more Needs Based
- E. Change Welfare Incentive Structure
- E. Re-examine eligibility for M.A.
- E. One License Plate
- E. Sunset All Non-entitlement Grants

- E. Slow growth of PCA
- E. Change Worker's Compensation Incentive Structure
- E. Reduce Growth in Higher Education Administrative Costs
- E. Review Duplicate Prisoner Appeal Processes
- E. Review Public Employee Compensation

SERVICES APPROPRIATE TO NEED

- F. Review Regional Educational Computer Centers
- F. Accelerate Alternatives to Nursing Homes
- F. Review Development Disability Services
- F. Review Medical and Nursing Home Services for Veterans
- F. Review Criteria for Emotionally Disturbed
- F. Pursue Alternative Sanctions to Incarceration
- F. Evaluate Size of Higher Education Infrastructure
- F. Re-design Mental Health System
- F. Review State Hospital Role
- F. Change M.A. to Allow More Cost-Effective Choices
- F. Services to Families
- F. Healthcare for the Un/Underserved
- F. Veteran's Healthcare
- F. Services to the Homeless
- F. Services to Immigrants

CORE

STATE OF MINNESOTA
COMMISSION ON REFORM AND EFFICIENCY

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January 10, 1992

KEY STRATEGIES AND EXAMPLES OF ILLUSTRATIVE PROJECTS

SIMPLIFICATION

- * Services to Business
- * Environmental Services
- * Contract and Procurement Process
- * Building Code and Health Enforcement and Inspections
- * Unified Public Services Center such as Family Service Centers

COMPETITION

- * Govern County Services by Contract, Not Rules
- * Review Staff Functions for Privatization Opportunities
- * Change Education Incentives to Encourage Fiscal Responsibility
- * Institute Merit Pay Systems

ALLOCATION AND SERVICES ACCORDING TO NEED

- * Highway Construction and Maintenance
- * Develop Outcome-based Budget Process
- * Review Public Employee Compensation
- * Re-examine M.A. Eligibility and Services

STRATEGIC ALLIANCES

- * Review Need for 87 County Delivery Systems
- * Coordinate Correctional Policies
- * Child Support Enforcement
- * Establish a State Prosecutor and Public Defender

EMPLOYEE AUTHORITY TO ACT

- * De-centralized Personnel System
- * Review the Administrative Rules Process
- * Review Employee Training

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CORE COST-REDUCTION WORKPLAN

Identification of immediate cost-saving opportunities

I. Background and scope

The goal of the cost-reduction project is to achieve permanent cost savings of more than \$15.7 million in the FY 92-93 biennium. The reductions will not be limited to general fund expenditures, but may apply to all agencies and funds within the state.

The cost-reduction project will focus on cost-saving measures that can be implemented with no or minimal investment costs. Options include but are not limited to:

- eliminating unnecessary activities that add to the cost of providing services but not to their value,
- using alternative mechanisms to deliver services,
- using technology to reduce costs,
- simplifying or streamlining procedures, and
- reducing administrative overhead costs.

Additional savings will be realized through the restructuring of state government services and the investments in new systems and technology to be recommended in other CORE projects.

Although cost reduction is the primary goal of the cost-reduction project, it must be done correctly. Priority will be placed on cutting costs in ways that increase public confidence in government, improve the work life of employees, and establish high standards for subsequent CORE projects. The cost-reduction project is viewed as a pioneering effort in smart cost-cutting.

Management Analysis proposes to quickly identify potential savings through a process that engages state employees and their bargaining unit representatives as well as management. Management Analysis will draw on their ideas, and on the experience of other governmental units and private businesses that have undertaken comprehensive cost-cutting initiatives. It is assumed that the best ideas will come from four expert sources:

- current agency employees and managers who know the capacity for cost reduction and improved accountability,
- former agency executives who understand the potential for streamlining state agencies,
- experts who have studied state government organization and efficiency, including those who have participated in studies similar to CORE, and

(July 12, 1991)

- private-sector executives who have been through similar endeavors in their own firms, especially those individuals who also have some familiarity with state government.

The ideas proposed by these experts will feed into the redesign and long-term investments projects of CORE as well as the cost-reduction project.

The resulting proposals will be analyzed and presented to the affected state agencies for review. Agencies will then be invited to develop alternative proposals that accomplish the objectives of reduced costs and increased accountability. Proposals and agency alternatives will be analyzed and submitted to the CORE steering committee. The steering committee will present its recommendations to the Governor. Management Analysis will work with state agencies and the legislature to implement the proposed savings.

This strategy looks first to experts for cost-cutting ideas, then solicits agency development of alternatives, and finally assists the Commission in selecting options. It bases recommendations on the knowledge of experts, the concern of state employees for efficiency and effectiveness, and the wisdom of the Commission.

II. Organization

During the planning and initial data collection phases, staff will design and implement an interview and research program to identify promising cost reduction ideas. Next, staff will be assigned to groups of departments and agencies to identify and analyze specific proposals. Some staff will serve primarily as interviewers and data gatherers; others will analyze and verify proposals. Some will do both.

Data management staff will be assigned and a point of contact for interagency communications will be established. Private-sector volunteers will assist in analysis and verification. In addition, a significant amount of staff time will be devoted to CORE steering and working committees.

III. Schedule of activities

Planning will begin in mid-May 1991. Idea collection and analysis will start in July, with preliminary recommendations presented to the agencies in October. Further verification and analysis of agency alternatives will continue through December. Final proposals will be delivered to the Commission in January 1992.

This schedule indicates the general timing of activities. It is intended to be a work in progress.

PHASE 1: PLANNING (May 15 - June 30, 1991)

- **Identify** "experts" on state government structure and finance. Experts include but are not limited to:

current and former state agency executives and legislators, including those who participated in previous CORE-type efforts;

staff agency experts in finance and policy (e.g., Department of Finance executive budget officers), Carlson transition staff, legislative staff, the legislative auditor, internal auditors, and agency fiscal staff;

representatives of public employee bargaining units, good-government advocates, customers of state services, chief operating officers of corporations with cost-cutting experience; and

other states, and national organizations (e.g., National Governors Association, Council of State Governments, National Conference of State Legislatures, Council of State Planning Agencies, National Association of State Budget Officers, etc.).

- **Develop** criteria for likely-to-succeed cost-reduction proposals (e.g., proposals should have immediate impact; should be understandable by the public and capture the public imagination; should reflect the extensive effort that went into their identification and verification; should be fairly spread across state government).
- **Develop** standards for verification of proposals.
- **Review** literature on government redesign and cost-cutting, including reports of the legislative auditor, public and private consultants, national associations and states which have engaged in a comprehensive evaluation of government operations. Review administrative authority to implement savings.
- **Develop** data management system including a standard analysis form for collection and verification of data.

PHASE 2: IDEA COLLECTION (July 1 - Sept. 30, 1991)

- **Interview** experts to identify potential cost-saving initiatives. Interviews would ask:

Where would you look for potential cost reductions? What would you cut, re-engineer or redesign? Can you think of examples where this has been done before?

What data would we need to examine before recommending this change? What data would you look for or need?

What are the potential costs, pitfalls or long-term risks of this cost-reduction proposal?

What would you emphasize in conducting a study such as this?

- **Engage** state departments in identifying cost-cutting measures. Meet with executive teams of cabinet agencies to establish working relationships during CORE process.
- **Interview** agency management, fiscal and personnel staff. **Request** specific data and discuss cost-reduction ideas.
- **Initiate** employee involvement plan. Solicit employee ideas for cost savings (and supporting data) through a Governor's letter and through public employee unions.

PHASE 3: ANALYSIS (Sept. 1 - Oct. 31, 1991)

- **Continue** collecting cost-reduction ideas identified in Phase 2.
- **Begin** analyzing data collected in Phase 2.
- **Compile and verify** cost-reduction options. **Apply** criteria developed in Phase 1.

- **Conduct** follow-up interviews and make additional data requests as needed.
- **Identify** preliminary cost-reduction options by Oct. 31.
- **Present** proposals to state agencies.
- **Request** agency response to proposals (review, revision and embellishment).
- **Solicit** alternative proposals from agencies. Thorough documentation of alternatives and implementation plans including timelines and costs will be required.

PHASE 4: VERIFICATION (Nov. 1 - Dec. 31, 1991)

- **Review and verify** agency alternatives.
- Continue to **verify and refine** options previously identified.
- **Submit** options to the CORE steering committee.
- CORE steering committee will **prioritize options and submit final package** to Governor Carlson.
- **Develop** plan to monitor the progress of cost-reduction initiatives.

PHASE 5: IMPLEMENTATION (Jan. 1 - June 30, 1992)

The Governor's role

The personal, visible involvement in CORE of the chief executive officer of the state is essential to its success. It is the Governor who will determine the value and importance of CORE, as seen by his appointed agency heads, state employees, prospective financial supporters, and the general public.

CORE needs this strong, consistent, top-level leadership to ensure a smooth process throughout its long duration, to carry its programs successfully through the legislature, and to guide state government through the change process.

CORE needs the following commitments from the Governor and Lieutenant Governor through the first few months of the project:

1. Appointments to the Commission
2. Strong support and involvement from cabinet-level agency heads, with all commissioners speaking positively about the project, all telling the same facts, and all cooperating with CORE
3. Involvement in fund-raising efforts to support the project
4. Leadership in communicating with state employees
 - Signature on such things as a letter to all employees, introducing CORE
 - Leadership of a kickoff event
 - A consistent message for state employees, with a strategy for communicating with them

CORE

STATE OF MINNESOTA
COMMISSION ON REFORM AND EFFICIENCY

203 Administration Building, 50 Sherburne Ave., St. Paul MN 55155
(612) 297-1090 Fax (612) 297-1117

CORE PROJECT 2 SCOPE

CORE Project 2 will proceed from a comprehensive evaluation of executive branch structure and management to more specific study of strategically selected candidates for redesign.

The scope includes all of state government, as well as any state and local government relationships that are integral to operations and policy in the service delivery systems under study.

1. The comprehensive evaluation will ask the questions: How is the executive branch structured and managed, and do its functions, structure and management cost-effectively meet current needs?

Early in the evaluation process, CORE will develop principles for restructuring and service redesign that will guide the analysis and development of recommendations.

2. CORE will then select a number of specific service redesign projects for greater in-depth analysis. Criteria for project selection, which could consist of cost-containment, potential for improved quality or efficiency, and feasibility, will be approved by the commission.

Service redesign projects could include the identification of specific functions and delivery systems within health care, human services, transportation, corrections, education or others in which expenditures are high or rapidly increasing, and the recommendation of incentives for containment of costs. They could also include the evaluation of impediments to effective management in specific administrative systems such as personnel, management information, budgeting, procurement and contracting, or others.

The number of redesign projects will depend on the time and resource demands of the subjects. Projects that clearly have implications for the 1994 - 1995 biennial budget process will receive the most immediate attention so that recommendations can be incorporated in the budget.

3. Based on the experience of the service redesign projects, CORE will develop recommendations for restructuring state government to satisfy the redesign principles, and an implementation plan including a process for further internal restructuring within and among departments.

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COMMISSION ON REFORM AND EFFICIENCY

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CORE IN-DEPTH PROJECTS FOR 1992

Human resources management/civil service: The purpose of this project is to reform and reinvent the state's human resource management organization and system so that the public receives maximum quality and efficiency in public services. The project scope includes three branches of state government. It will be a comprehensive evaluation of the systems, organizations, and functions which are now part of the complete delivery and management of the state's human resources. The project will concentrate on those components with the greatest potential to improve the efficiency and effectiveness of the human resources system.

Budgeting and fiscal services: The CORE budgeting and financial management project will recommend changes to the budget process that will create incentives for efficiency and service delivery improvement, encourage agencies to evaluate programs to determine if those programs are the best means for meeting the needs of target populations, and retain needed gubernatorial and legislative control over agency budgets and activities. CORE's recommendations to redesign the budget process will result in a system which efficiently allocates the resources of the state to ensure the maximum return on public dollars spent on state agency programs.

Electronic business transactions: This project will provide recommendations for expanding the state's usage of electronic business transactions in order to save money, reduce paperwork, and increase the state's responsiveness to customers and vendors. The bulk of the work for this project is being done by consultants from Josten's, Norwest Banks, and Control Data Corporation, who are donating their services to CORE.

Administrative rules/procedures: Policies and procedures for rulemaking outlined in Minnesota's Administrative Procedures Act are seen as cumbersome, inefficient, and ineffective by many in state government. CORE's examination of the area will address state formal and informal rulemaking procedures, their impact on programs, agencies and customers, costs associated with rulemaking, citizens participation in rules adoption, and the legislature's role in the process. Based on its analysis, CORE will recommend ways to reduce agency resource expenditures and enhance public accessibility to the system.

State/county human services delivery system: This project will investigate Minnesota's state-supervised, county-administered system of human services delivery to determine how system redesign can result in improved client outcomes and reduced cost.

(over)

Local services funding: As part of this project, the Commission will re-assess the goals and principles of state aid to cities. Based on these goals, recommendations will be made regarding the amount, form, type, and method of financing aids to cities. The project will propose reforms to simplify and rationalize the provision of aids.

Environmental services: CORE will explore alternative structures, policies, and procedures that will promote strong environmental protection, timely decision-making at the state level and a system that is understandable and responsive to the users of the environmental agencies.

Executive Reorganization: Examine and analyze the organization and structure of the executive branch, develop alternative models for structuring state government that focus on results and improved service delivery in a cost-effective manner.

Comprehensive Assessment: Develop a "state of the state" evaluation of the state's ability to efficiently and effectively deliver services that are valued by the customers and achieve desired results, and identify opportunities that exist for positive reform.

Quality Initiative: Co-sponsor a governor's quality initiative designed to increase executive-level awareness of and commitment to quality tools and the quality philosophy throughout state government.

CORE

STATE OF MINNESOTA
COMMISSION ON REFORM AND EFFICIENCY

203 Administration Building, 50 Sherburne Ave., St. Paul MN 55155
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WORKPLAN FOR LONG-TERM REDESIGN

PART 1: SUMMARY OVERVIEW

CORE is a comprehensive effort to improve the management of Minnesota state government. CORE's Long-Term Redesign Project will recommend alternative strategies for delivering government services, including a major restructuring of state government, to streamline service delivery, reduce costs, and improve accountability. It will proceed from a comprehensive assessment of executive branch structure and management to more specific studies of strategically selected service redesign projects.

The scope of the long-term redesign effort includes all of state government as well as any state and local government relationships that are integral to operations and policy in the service delivery systems under study.

1. The **COMPREHENSIVE ASSESSMENT** will ask the questions: How satisfied are the external and internal customers of Minnesota state government? Where does the state tax dollar really go? What kind of value do taxpayers get for their dollar? Is the executive branch structured to avoid overlaps and redundancies and to deliver services cost-effectively?

Early in the assessment process, the commission will develop a **VISION AND PRINCIPLES FOR RESTRUCTURING AND SERVICE REDESIGN** that will guide the analysis and development of recommendations.

2. The commission will then select a number of specific **SERVICE REDESIGN PROJECTS** for greater in-depth analysis. Criteria for project selection may include potential for cost-containment or improved quality, feasibility, or consistency with the overall CORE vision.

The number of redesign projects will depend on the time and resource demands of the subjects. Projects that clearly have implications for the 1994 - 1995 biennial budget process will receive the most immediate attention so that recommendations can be incorporated in the budget.

3. Based on the experience of the service redesign projects as well as the comprehensive assessment, CORE will develop **RECOMMENDATIONS FOR RESTRUCTURING STATE GOVERNMENT** to satisfy the redesign principles, and an implementation plan including a process for further internal restructuring within and among departments.

January 30, 1992

PART 2: ACTIVITIES, TASKS, TIMELINES, RESOURCES AND PRODUCTS

I. Vision/Principles

The commission will establish a vision of how state government should look when CORE's work is complete. The vision will be composed of principles and strategies that will guide the redesign of state services. From time to time the commission will refine the vision.

TASKS: Identify vision and principles to guide the CORE redesign effort; prepare background material; solicit the input of seasoned observers knowledgeable in state and local government; facilitate commission discussion and action on principles; develop results in a document that can guide service redesign; distribute to stakeholders, media and others; and communicate the vision to state managers, employees and external customers of state services.

TIMELINE: Begin in November, complete at February commission meeting; revisit later in 1992

RESOURCES: 1 - 2 staff

PRODUCT:

Written documentation of vision and principles to guide restructuring and service redesign projects - February, 1992

II. Comprehensive Assessment of Structure and Management

CORE's comprehensive assessment effort will:

- Identify service redesign projects.
- Evaluate state government to determine what is working well and what isn't using the principles set by the commission as evaluation criteria.
- Guide state departments through a self-assessment process.
- Collect relevant data from customers of state services, state employees and managers, employee bargaining unit representatives, experts in the private sector, representatives of local government and broad-based citizens organizations.
- Select case studies to illustrate important issues.
- Report findings to commission in October, 1992.
- Develop recommendations and identify further areas warranting in-depth review.
- Identify alternative structural models for state government (to be refined as described in IV below).
- Prepare reports and a blueprint for implementation.

RESOURCES: 5-7 staff.

PRODUCTS:

Specific service redesign project descriptions - February, 1992

Report to the commission on the state of state government - October, 1992

Recommendations to improve the state of state government - December, 1992

Final reports and implementation plans (excluding comprehensive restructuring piece) - February, 1993

III. Service Redesign

The service redesign projects will serve as a laboratory for change in state government. Various approaches to quality improvement and cost-containment will be employed in the various projects. The approaches may include, but are not limited to:

- Management and organizational analysis/redesign: As appropriate, identifying processes and their customers, grouping similar processes, benchmarking with similar systems in the public and private sectors, designing new organizational structures or management incentives, introducing Total Quality Management techniques to support ongoing improvements, identifying alternative service delivery mechanisms (e.g., contracting or privatization), and identifying accountability mechanisms (e.g., controls, audits, competition, etc.).
- Administrative systems analysis/redesign: Analyzing and redesigning government functions that primarily serve state employees and state agencies, using approaches described above to identify quality and cost improvements that make these systems easier to use and responsive to customer needs.
- Fiscal and policy analysis: Evaluating high expenditure programs and/or those which are experiencing rapid growth in expenditures, explaining the factors behind that growth, and identifying options for controlling the growth of those services.

Specific examples of redesign projects are described in Part 3. Each project will:

- Identify customers and stakeholders and engage them in an informal consultation process.
- Identify indirect quality improvement and/or cost-containment mechanisms that will support continuous improvement after CORE.
- Identify, and recommend the removal of, barriers to effective management and service delivery.
- Develop plans for implementation.

To the extent practicable, each project will:

- Build partnerships with private and public sector experts in the project areas to assist in staffing project teams and provide peer review of CORE products.
- Identify investments in new systems and technology that will reduce costs, enhance quality, and improve accountability.

TASKS: Specific tasks will vary by project.

TIMELINE: Begin in January, complete October 1992-February 1993

RESOURCES: Varies by project (2-5); to the extent possible, project teams will include experts within state government as well as the private sector

PRODUCTS:

Report to the commission on project findings - October, 1992

Recommendations in project areas - December, 1992

Final reports and implementation plans - February, 1993

IV. Recommendations for a Major Restructuring of State Government

The restructuring effort will:

- Refine restructuring model(s) developed in the comprehensive assessment and identify issues to be addressed during restructuring.
- Tie together the comprehensive assessment and the service redesign projects into a set of recommendations and implementation plan for a major restructuring of Minnesota government.
- Address organization, administration, management and service delivery.
- Allow the commission to address such questions as: What role should state government play? How should state government be organized to play that role? How should administrative systems be organized to support that role? What management improvements and incentives should be instituted to support that role? Which services and functions fit that role and which do not?

TIMELINE: January, 1993 through June, 1993

RESOURCES: 10 staff

PRODUCTS:

Comprehensive restructuring recommendations with implementation plan - June, 1993

PART 3: POTENTIAL SERVICE REDESIGN PROJECTS

The cost-reduction phase of the CORE effort collected a considerable amount of information of relevance to the long-term redesign project. Ideas were solicited from all state employees, agency executive staff, legislators, and other knowledgeable individuals. This information provides a preliminary data base for identifying and outlining projects that can be undertaken within the long-term redesign component of CORE.

Potential service redesign projects were also identified by a Service Redesign Subcommittee that was affiliated with the Strive Toward Excellence in Performance (STEP) program that was staffed by the Administration Department. The STEP Subcommittee included membership from state agencies and the business, labor, education and foundation sectors.

The following list of projects is drawn from both sources. The projects are offered as examples for redesign efforts. They are not inclusive, nor are they staff recommendations.

I. ADMINISTRATIVE SYSTEMS

- | | |
|---------------------------------------|--------------------------------------|
| ✓1. Human Resources Mgt/Civil Service | 7. Motor Pool/Travel Management |
| 2. Procurement | 8. Budgeting and Fiscal Services |
| 3. Printing | ✓9. Electronic Business Transactions |
| 4. Custodial and Grounds Maintenance | ✓10. Administrative Rules/Procedures |
| 5. Computer and Information Services | 11. Revenue Collection |
| 6. Security | 12. Pension Funds |

II. ORGANIZATION AND MANAGEMENT

- | | |
|--------------------------------|--------------------------------|
| 1. Executive Reorganization | 5. Competitive Delivery Models |
| 2. Boards and Commissions | 6. Environmental Agencies |
| 3. Direct Services to Citizens | 7. Criminal Justice System |
| 4. Services to Business | |

III. PROGRAM GROWTH ANALYSIS

- | | |
|-----------------------------|-------------------------------|
| 1. Services to the Disabled | 6. Corrections |
| 2. Services to the Elderly | 7. Regional Treatment Centers |
| 3. Mental Health Services | 8. Local Government Aids |
| 4. Acute Health Care | 9. Chemical Dependency |
| 5. K-12 Education | |

CORE REFORM TIMETABLE

January 1992

- Project I report issued.
- Staff reconfigured into project teams: Comprehensive Assessment/Organization and Management; Administrative Systems; Program Growth Assessment.

January-February 1992

- Project II working committee develops CORE vision/principles.
- Staff begins assessment and background work on projects.

February 1992

- Commission endorses vision/principles and selects projects for in-depth work.

March-May 1992

- Commission develops designs for services in selected project areas.

March-September 1992

- Staff conducts (a) comprehensive assessment, and (b) research/analysis in selected project areas.

October 1992

- Staff presents findings from assessment and projects to Commission.
- Commission develops conclusions and broad recommendations.

November-December 1992

- Staff develops detailed recommendations for Commission approval.

January-June 1993

- Reports prepared and issued.
- Comprehensive restructuring recommendations developed.
- Follow-up and implementation.

CORE ESTIMATED FIVE YEAR COSTS AND SAVINGS

Revised March 9, 1993

PROJECT	FIVE-YEAR SAVINGS	FIVE-YEAR COSTS ¹	NET FIVE-YEAR SAVINGS
Human Services	\$184,578,700	\$134,895,200	\$ 49,925,100
Environmental	\$ 10,430,000	\$ 5,719,400	\$ 4,710,600
Administrative Rulemaking	\$ 5,920,000	-----	\$ 5,920,000
Human Resources	\$ 3,643,000	\$ 3,550,000	\$ 93,000
Electronic Data Interchange	\$ 10,000,000	\$ 1,307,200	\$ 8,692,800
Executive Reorganization	\$ 51,824,225	\$ 21,807,200	\$ 30,017,025
TOTAL	\$266,380,925²	\$167,022,400	\$ 99,358,525
Project One	\$ 74,069,000	-----	\$ 74,069,000
GRAND TOTAL	\$340,449,925	\$167,279,000	\$173,427,525

¹Includes start-up and annual costs.

²Additional accumulated savings will include a 10 percent reduction in executive branch operating costs over the next 5 years. This includes productivity improvements and program elimination, reduction, or streamlining. The value of these efficiency improvements is \$288,531,000.

1 1,686,000 1,704,000

2 Subd. 7. Management Analysis

3 586,000 594,000

4 Subd. 8. Transfers From State Planning

5 2,149,000 1,393,000

6 Subd. 9. Commission

7 500,000

8 \$500,000 is for a commission to
9 identify immediate potential cost
10 savings in state government and to
11 recommend long-term actions for
12 improving state government efficiency
13 and effectiveness.

14 The commission should include
15 representatives of state employees.
16 The legislative commission on planning
17 and fiscal policy shall appoint five
18 members to the commission who need not
19 be legislators.

20 This appropriation is available for the
21 biennium ending June 30, 1993, when
22 matched dollar for dollar with private
23 funds. Before spending this
24 appropriation, the commissioner must
25 present a detailed work plan to the
26 legislative commission on planning and
27 fiscal policy. The commissioner must
28 make progress reports to the
29 legislature on the work of the
30 commission.

31 It is anticipated that the commission
32 will identify \$15,700,000 in immediate
33 general fund cost savings through
34 improving state government efficiency
35 and effectiveness. This appropriation
36 may be enhanced by nonstate
37 contributions with funds collected and
38 spent from the state expendable trust
39 gift fund. In-kind contributions will
40 be encouraged.

41 An additional \$500,000 of the
42 appropriation in the general contingent
43 account in section 29 is available in
44 the second year of the biennium under
45 Minnesota Statutes, section 3.30, for
46 the support of the commission.

47 Subd. 10. Base Cut

48 (207,000) (207,000)

49 Sec. 18. CAPITOL AREA ARCHITECTURAL
50 AND PLANNING BOARD

236,000 236,000

51 Approved Complement - 5

52 Any unencumbered balance of the
53 appropriation for the first year does
54 not cancel and is available for use in
55 the second year.

Department of Administration

April 9, 1991

APR 13 1991



Mr. Lyall Schwarzkopf
Governor's Chief of Staff
130 Capitol
St. Paul, Minnesota 55155

200 Administration Building
50 Sherburne Avenue
Saint Paul, Minnesota 55155
(612) 296-3862

Mr. Joe Kingman
President
American National Bank
Fifth and Minnesota Streets
St. Paul, Minnesota 55101

Subject: Carlson/Dyrstad Commission on Reform and Efficiency (CORE)

Dear Lyall and Joe:

The attached material provides a more detailed statement of a proposed approach and the resources required for CORE, and is the product of several weeks of brainstorming and analysis within the Department of Administration.

When I first reviewed our initial estimates, I was frankly surprised by the extensive resources required to undertake CORE. However, after I thought about what we are attempting, I realized that our requirements are anything but excessive. Let me provide you with some context.

Comprehensive reform initiatives are not cheap. The Grace Commission cost over \$76 million and utilized over 2,000 people, including 160 high-level business executives. Granted that the enterprise of state government is not as large as the federal system, the scope of its activities nonetheless closely parallels those of the federal government. The state has over 800 separate and distinct activities or enterprises, with over 9,000 AIDS (cost centers), and 200 departments operated by about 40,000 employees. Identifying cost saving and restructuring opportunities in this diverse and wide-ranging set of activities will take a truly prodigious effort.

Reorganizing state government is not as simple as it might first appear. One of the more significant goals of CORE is to recommend a fundamental restructure of state government, which in turn revolves around a number of major policy choices. Will we restructure around functions, services, clients, or combinations of each? Regardless of which option is chosen, the restructuring will need to take place at the activity level. Merely merging departments or major programs within departments will not adequately resolve the issues of consolidating and eliminating redundant activities. The restructuring will necessarily involve the movement of specific activities within or among a host of agencies. For example, there are over 33 agencies and

- Architectural Design
Building Code
Building Construction
Contracting
Data Practices
Data Processing
Employee Assistance
Energy Conservation
Fleet Management
Information Management
Inventory Management
Local Government Systems
Management Analysis
Plant Management
Printing & Mailing
Public Documents
Purchasing
Real Estate Management
Records Management
Resource Recycling
State Bookstore
Telecommunications
Volunteer Services

Mr. Lyall Schwarzkopf
Mr. Joe Kingman
Page 2
April 9, 1991

boards that now provide some form of service to children. The discovery of this single fact required an extensive data collection effort; to begin to attack this phenomenon to derive constructive recommendations will require an order of magnitude greater effort.

The state's current information system is not up to the task of CORE. The only information system with statewide coverage is the accounting system, containing only financial data. It does not have information on the state's program activities, purposes, customers, outcomes or performance measures, which information is the foundation for any restructuring effort. Clearly, CORE will recommend the creation of an information system that can be used for improving the overall effectiveness of management; however, since the information is not now readily available, it will have to be collected and a system created to utilize it.

Obtaining real cost savings is easier said than done. Grace concluded that its recommendations would save \$424 billion in three years, growing to \$1.9 trillion per year by the year 2000. Despite the enormous effort that went into Grace, the projected savings were never realized. The GAO noted several reasons why not: first, the dollar cost and supposed impact upon which hypothetical savings were predicated were not verified from the outset, making calculation of prospective or even actual savings impossible. Second, there were recommendations that could have saved the federal government money; however, there was no implementation or monitoring program created to assure that they were carried out. Despite its massive cost and dedication of front-end resources, Grace made a number of mistakes that have caused its work not to be implemented. The approach which we are here outlining for CORE attempts to learn from the mistakes made by the Grace Commission.

Other lessons from Grace. The GAO also concluded that another major mistake made by Grace was that it did not include the affected people (federal bureaucrats) in the process. If they had, two benefits would have occurred. First, those with the most knowledge would have been able not only to verify the legitimacy of the claims of projected savings, but also would have provided recommendations that would net real savings. Second, involving the affected people early in the process would not only have reduced their natural resistance to change, but would also have ultimately facilitated the implementation of the recommendations.

In sum, because the goals of CORE are so ambitious and so incredibly important to the state, the proposed approach and the resources required are necessary if CORE is to succeed in fulfilling Governor Carlson's and

Lyall Schwarzkopf
Mr. Joe Kingman
Page 3
April 9, 1991

Lieutenant Governor Dyrstad's vision for it. The scope and complexities of state government, combined with the fact that vast amounts of the information will have to be collected in a primary mode, make this effort as expensive as it is. However, I am absolutely convinced that the payoff will be well worth the cost. It should be noted that the projected budget assumes that all of the costs of the central CORE staff will be borne by CORE. It is possible that private firms and other state agencies could lend staff to CORE with no direct cost, and we are hoping that a number of agencies can assign some of their high-talent staff full time to CORE as we proceed.

I am anxious to get your reactions to the attachment.

Sincerely,

Dana B.

Dana B. Badgerow
Commissioner

DBB/mh
Attachment

Department of Administration



May 6, 1991

The Honorable Nancy Brataas
Minnesota State Senate
State Office Building Room 139
St. Paul, Minnesota 55155

Dear Senator Brataas:

Thank you for your strong support of our funding request for CORE at last night's Senate Government Departments hearing. I understand that you would like additional information about LEAP; I would also like to respond to several of the members' comments about CORE's funding.

LEAP funding and staffing: We have looked through the LEAP files and cannot find any information on how much LEAP cost. According to the commission's final report, however, over 26 person years were devoted to LEAP.

LEAP, whose only goal was to identify immediate cost savings, estimated that it found savings of \$75 million. Follow-up analyses, however, questioned whether even a fraction of that amount was actually saved. Moreover, many of the "savings" were in fact shifts of state costs to federal and local funds.

CORE is committed to finding real cost savings, \$11 million in FY92-3. An investment of \$1 million will produce \$11 million in savings. If CORE fails to deliver on its promise, the Department of Finance is obligated to make across-the-board cuts. Finding \$11 million in savings is no simple task. Staff who are experienced in financial and operational analysis are needed to develop and analyze cost saving proposals. We want to be sure that the proposals will be implemented and that the savings are real.

But, more importantly, CORE's charge is much broader than LEAP's. CORE will not only identify immediate cost savings but also recommend long-term reform and a fundamental restructuring of state government in order to improve efficiency and reduce costs. It is interesting to note that the LEAP commission's final recommendation was to urge the governor and legislature to undertake such a long-term reform effort. The commission concluded that such an effort was critical but that LEAP did not have the time or resources to do it.

CONFIDENTIAL
Re: - attached is a copy of the letter to Nancy Brataas & the talking points the Gov. used when talking to legislative leaders.

5/8/91 Kim

300 Administration Building
50 Sherburne Avenue
Saint Paul, Minnesota 55155
(612) 296-3862

- Architectural Design
- Building Code
- Building Construction
- Contracting
- Data Practices
- Data Processing
- Employee Assistance
- Energy Conservation
- Fleet Management
- Information Management
- Inventory Management
- Local Government Systems
- Management Analysis
- Plant Management
- Printing & Mailing
- Public Documents
- Purchasing
- Real Estate Management
- Records Management
- Resource Recycling
- State Bookstore
- Telecommunications
- Volunteer Services

The Department of Administration's Management Analysis Division does not have sufficient staff and resources to carry out CORE. Two assertions were made last night. One is that there is \$300,000 left over from STEP that can be used for CORE. Second is that MAD already has 22 staff that can be assigned to CORE.

Let me respond. First, there is no "left over" STEP money. STEP never received a special appropriation to operate. To cover costs, approximately \$185,000 worth of staff time and related costs were allocated annually to STEP from the MAD budget. This meant that other activities such as legislative studies and assistance to the Department of Administration were short-changed.

Second, of MAD's 22 staff, 10.5 provide management services to state agencies on a fee basis and therefore are not available to CORE unless a general fund appropriation is provided to cover their salaries.

The 11.7 general fund staff spend their time as follows: 15% on studies mandated by the legislature; 30% on statutory duties such as staffing the Executive Council, preparing executive and reorganization orders, and contingency planning for state government operations in case of disasters or employee strikes; and 25% on Department of Administration services. By the way, to fund inflation and salary increases we will have to cut MAD's services to DOA in half next biennium.

That leaves only 30% (that is, 3 staff) to work on CORE. The total CORE budget is \$2.7 million: \$1 million in state appropriations, \$185,000 annually of MAD staff time, and at least \$1 million in private donations. CORE simply cannot be carried out with existing MAD funds, which are already stressed to meet our existing commitments.

CORE is a serious effort, not window-dressing. Its design is based on what has worked and what hasn't in other states and in business.

The key lessons have been that people both inside and outside an organization must be involved in any reform effort, decisions must be based on facts and hard-nosed analysis, adequate resources and time must be given to the effort, and as much attention must be paid to implementing as to developing the recommendations.

This means that comprehensive reform efforts are not cheap. Reorganizing state government is not as simple as it might first appear. Obtaining real cost savings is easier said than done.

In sum, because the goals of CORE are so ambitious and so incredibly important to the state, the proposed approach and resources required are necessary if CORE is to succeed. The scope and complexities of state government, combined with the fact that vast amounts of the information will have to be collected in a primary mode, make this effort as expensive as it is. However, I am absolutely convinced that the payoff will be well worth the cost.

Thank you for your support and help.

Sincerely,

Dana B. Badgerow

Dana B. Badgerow
Commissioner

WHAT WILL BE LOST IF CORE IS NOT FUNDED?

- * \$10 million in general fund savings in FY92-3.
 - Legislature cannot provide zero funding and still count on \$10 million of savings. Legislature must find \$10 million of other cuts to balance budget.
 - An investment of \$1 million in state funds will be matched 1 to 1 by private sector. Private sector unlikely to contribute unless state puts money into effort and shows it's serious.
 - \$1 million state investment will yield \$10 million in base cuts immediately. 10 to 1 ratio just in first biennium. But since cuts will be in base, impact will last.

- * Opportunity to improve the fundamental management of state government: to streamline, improve efficiency, reduce costs and increase accountability over the long-term.
 - It's been over 25 years since the state has taken a comprehensive look at its structure. Currently we are a \$15 billion enterprise with over 200 agencies, 800 program activities, and 9000 cost centers. Recent efforts have been piecemeal.
 - Services are fragmented. Multiple agencies serve the same clientele. Services are confusing to taxpayers and have costly overhead. Examples: over 30 state agencies provide services to children. 5 state agencies regulate day care centers. 6 agencies deal with water issues.
 - Management systems used in state government are outdated and do not address the needs of a \$15 billion enterprise. We do not have good cost and performance data on programs to see if they are effective.

- * The funding is required because CORE is a serious effort, not window dressing. It's based on what has worked and what hasn't in other states and business. Key lessons: we must involve both people inside and outside government, which is both time-consuming and expensive; we must base decisions on facts and hard-nosed analysis; and we must pay attention to implementation. This means:
 - Comprehensive reform initiatives are not cheap. The Grace Commission cost over \$76 million and used over 2000 people.

- Reorganizing state government is not as simple as it might appear. Merging whole departments and programs won't get at duplication at the activity level.
- The state's current information systems are not up to the task of CORE. Much data has to be generated on state services: their intent, cost, clientele, impact.
- Obtaining real cost savings is easier said than done. We will verify whether savings will actually accrue and will develop practical implementation plans, monitor results, and hold people accountable.

Department of Administration
May 6, 1991

COMMISSION
ON REFORM
AND EFFICIENCY

STAKEHOLDERS'
REPORT

C

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SUMMER 1992

Quality improvement initiative offered for government change

One of the Commission on Reform and Efficiency's (CORE) goals for state government is to provide more cost-effective services to better satisfy customers. To reach this goal, CORE is seeking ways to transform traditional one-size-fits-all service delivery methods to more customer-driven approaches. Employing the concepts and techniques of quality improvement is one way to facilitate that change.

What is quality improvement? Quality improvement is a management philosophy that focuses on customers, employee empowerment, and data-based decision making. The goals of this management approach are improved products and services and increased customer satisfaction.

What is CORE's role in quality improvement? The commission will help facilitate the beginning stages of a statewide quality improvement initiative. It will forge a partnership between the public and private sectors, affording the state the opportunity to take advantage of existing expertise. CORE will also sponsor a seminar on quality management for the governor and the commissioners and deputies of major state agencies. In addition, CORE will help lay the groundwork for department heads to establish quality programs in their agencies. CORE is already assisting two agencies — the Department of Jobs and Training and the State Board of Technical Colleges — as they conduct self assessments based on the National Malcolm Baldrige Award criteria.

Is this idea new to state government? No. Minnesota government is nationally respected for its progressive programs. Agency entrepreneurs, now and in the past, have been committed to seeking new ways to improve processes and services. This quality improvement initiative will build on Minnesota's history of innovation.

Why is this project important? Revenue shortfalls coupled with increased demand for services are forcing state government to find alternative ways of doing business. Creating a quality culture in government, through the application of quality concepts and practices,

QUALITY on Page 2

QUALITY

From Page 1

will help enhance employee morale, reduce rework, build a more flexible environment, and boost public confidence in state government.

What does the quality initiative mean for state employees? Quality improvement focuses on increasing productivity and improving existing services. Eliminating jobs is not the aim. Employees will actually benefit from quality programs that are designed to (1) move decision making closer to the customer; (2) eliminate processes that do not add value to the product (red tape); and (3) create incentives for employees to provide services more efficiently and effectively. State government employees will be able to do their jobs more effectively, satisfy customer requirements, and work in a more flexible environment.

Quality in the Public Sector - Beyond the Theory, a conference on quality open to all state employees, will be held at the Minneapolis Convention Center Oct. 8. Sponsor is the Minnesota Quality Initiative, a grassroots organization of state employees who practice quality. Call (612) 297-1861 for more information.

From the commission . . .

Even though CORE's short-term cost savings initiative was a success, we're not resting on our laurels. Work began in January on a new phase to comprehensively evaluate several key governmental functions. This long-term reform effort will continue into 1993 and is expected to yield recommendations that will substantially enhance the state's operations and services.

Work is under way in three areas. The **Executive Reorganization and Comprehensive Assessment Team** is evaluating our government's structure and comparing it with other states' to learn what works for them and what changes need to be made in Minnesota. The **Program Analysis Team** is reviewing a number of areas that require considerable funding — environmental services, state/county human service delivery systems, and local government aid programs. The **Management Systems Team** is examining a group of internal systems and will offer proposals for streamlining and updating state processes. To assist in the effort, several groups have offered their services pro bono. Xerox, Arthur Andersen and Associates, Norwest Banks, Jostens, Hewitt Associates, and others are sharing their expertise and wisdom with CORE. And we remain in debt to the state employees who have continued to send us ideas. Your comments and insights have been fundamental to CORE's achievements and its ongoing work. As I've said before, you are the true experts.

In the months ahead, CORE will meet frequently, in working groups and as a commission. I anticipate that we'll make a number of recommendations to Gov. Carlson, and when legislation is necessary for implementation, we will not simply "drop the ball." CORE will stand behind its recommendations and follow them through the process, assisting legislative leaders and providing support to agencies.

CORE is committed to providing more efficient government services — equal service for less money or greater service for present dollars spent. We're not budget-cutter "wannabe's." That's not our role. Our charge is to identify viable plans for *change* that will generate *efficiency*.

Perhaps most important, we want the impacts of CORE to be lasting. Our goal is to plant a seed that will develop and grow into a receptive climate for change — an environment that routinely rewards innovative thinking and creativity. With this in place, future demands will be anticipated, confronted, and addressed and the citizens of Minnesota will continue to benefit from quality state services.

Arend Sandbulte — Arend Sandbulte

From the staff . . .

As a member of CORE's staff since its inception, I have watched CORE grow from a broad concept with a general goal of "reforming" state government to a commission focused on a clear, forward-looking vision — an aim to make state government more mission-driven, oriented toward quality outcomes, efficient, responsive to clients, and respectful of stakeholders. It has been an exciting transformation to observe and participate in.

Over the past year, CORE has presented me with a number of personal challenges, the greatest, perhaps, being my work with the Budgeting and Financial Management Project. Here, the difficulty was in designing a project broad enough to address the many concerns expressed by stakeholders yet sufficiently focused to be sensitive to CORE's time constraints and limited resources.

We began our work by defining goals for improving Minnesota's budgeting system. Focus groups and interviews were held with legislators, state managers and representatives from the Department of Finance's Budget Division. We also reviewed materials from public finance theorists, the federal government, and other states. It was encouraging to discover that Minnesota is not alone in its discontent with current budgetary conventions and that several promising alternatives are being developed elsewhere.

After we presented preliminary findings to the commission in May, the project's scope was further focused. Consistent with CORE's vision, commission members directed staff to concentrate on budgeting methods that are mission-driven and performance-based. Minnesota's stakeholders have continued to be involved in the project through an advisory committee that meets regularly to discuss the various issues that emerge as research continues.

To better address specific problems, we have formed partnerships with three state agencies to develop outcome-based budgets for the 1994-95 biennium. We will be working directly with the Office of Waste Management, the Community College System, and the Department of Transportation over the next few months. I am excited about these partnerships and confident that they will be successful.

It is my hope that, as a result of this CORE project, financial management practices will be enhanced throughout the state. I envision a quality budgetary process that serves not only the state's decision makers and agencies, but also its citizens through renewed efficiency and accountability.

Kathleen Shea — Kathleen Shea

AUGUST

- Management Systems Working Committee - Aug. 27, N - 3 p.m., Columbine Room, Centennial Office Building
- Assessment/Reorganization Working Committee - Aug. 18, 8:30 -11:30 a.m., 116B Administration Building
- Full commission - Aug. 27, 8:00 a.m. - N, Room 15 State Capitol

SEPTEMBER

- Program Analysis Working Committee - Sept. 15, 9 a.m. - 2 p.m., Dayton's, Minneapolis
- Management Systems Working Committee - Sept. 15, 8:30 - 11:30 a.m., 224 Capitol
- Assessment/Reorganization Working Committee - Sept. 15, 8:30 -11:30 a.m., 116B Administration

OCTOBER

- Program Analysis Working Committee, Oct. 20, 9 a.m. - 1 p.m., Musicland, 7500 Excelsior Blvd., St. Louis Park
- Management Systems Working Committee - Oct. 29, N - 3 p.m., site to be arranged
- Assessment/Reorganization Working Committee - Oct. 20, 8:30 - 11:30 a.m., 116B Admin
- Full commission - Oct. 29, 8:30 - N, Kelly Inn, St. Paul

Work plans for CORE's eight long-term reform projects are complete, advisory committees have been established,

and hundreds of interviews and focus groups have been conducted. Here are status reports for the areas CORE is examining:

HUMAN RESOURCES The project's hiring component is near completion, with staff developing preliminary recommendations for the steering and advisory committees. Work plans have been drafted and data collected for other elements of the project, including its classification and compensation, training, and performance management components. Research incorporates the legislative and judicial areas, with staff documenting the two branches' personnel systems.

EXECUTIVE REORGANIZATION and ASSESSMENT Data from a variety of state agencies and almost 200 boards, commissions, and task forces is being collected on missions, organizational structures, and budgets, with focus on programs, products, services, and customers. Throughout the process, agencies have been involved in updating data and discussing alternative and innovative service delivery methods.

ENVIRONMENTAL SERVICES

Work continues in an extensive research phase that has included numerous state agencies, local government units, customers of environmental agencies and many other interested parties. Recommendations will address relationships among different levels of

PROJECT UPDATES

Call the CORE Hotline at (612) 297-8005

- To hear recorded project and meeting updates
- To leave your ideas and suggestions
- To request more information about any of CORE's projects

government and strategies for improving the state's implementation of environmental policy.

ADMINISTRATIVE RULEMAKING After initial data gathering is completed in August, staff will document stress points in the system through illustrative cases and examples. A diverse set of stakeholders has been involved, including the Attorney General's Office, the Legislative Commission to Review Administrative Rules, the Revisor's Office, Senate and House Research staff, key legislators, the Minnesota Bar Association, and a wide variety of state agencies.

ELECTRONIC BUSINESS TRANSACTIONS Public-private cooperative efforts are being explored for maximizing the state's use of electronic business transactions through the State Treasurer's new computer system.

BUDGETING and FINANCIAL MANAGEMENT A number of budgeting methodologies have been examined, with research centering on performance-based systems. To better understand the process, staff will help develop outcome-based budgets in the Office of Waste Management, Department of Transportation, and Community College System. These case studies will complement Finance's mandate that agencies submit performance data with future budget requests.

LOCAL SERVICES FUNDING Staff will develop a city classification system and survey a number of experts to learn what city services they believe the state should support. Staff will also analyze revenue and expenditures, comparing them with other states. CORE staff will work closely with staff from several cities to develop a better understanding of municipal spending.

HUMAN SERVICES Staff have met with more than 350 people, including county program administrators and commissioners, school district personnel, legislative staff, and representatives of several state agencies. Clients have also been involved through focus groups. Preliminary analyses have identified a set of "barriers" to program improvement. Solutions for removing these barriers will be developed in upcoming months.

CORE STAKEHOLDERS' REPORT / SUMMER 1992

Published by the staff to the Commission on Reform and Efficiency, to update state employees, the general public, and others interested in the commission's program.

203 Administration Building
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St. Paul, MN 55155

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COMMISSION
ON REFORM
AND EFFICIENCY

STAKEHOLDERS'
REPORT

C O R E

SPRING 1992

Long-term redesign of Minnesota government takes on 3 perspectives

The Commission on Reform and Efficiency (CORE) focus has now shifted toward the long-range redesign of state government.

CORE's first-stage results — responding to a legislative mandate to find \$15.7 million in short-term cost savings — were unveiled in January. Twenty-three recommended changes totaling \$20,888,000 for Fiscal Years 92 and 93 were approved by the commission and submitted to Gov. Arne Carlson.

As those initial CORE recommendations now move toward agency implementation or legislative action, the commission has an ambitious agenda for its second stage of work. Three working committees have been formed — Assessment and Reorganization, Management Systems, and Program Analysis.

Assessment and Reorganization

Glen Taylor, chairman and CEO of the Taylor Corp., heads the Assessment and Reorganization Working Committee, a group whose projects will have state-wide impact. This committee will evaluate state government's efficiency and effectiveness and

report its findings in a state-of-the-state report. It will also analyze the Executive Branch's structure and functions and make recommendations regarding reorganization and streamlining. In addition, the committee hopes to expand the use of quality management tools in state government.

Management Systems

The Management Systems Working Committee, led by Connie Weinman, vice president of National City Bank, will examine four key management systems. Projects will include a study of the state's civil service system, an examination

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of current budgeting and fiscal service procedures, an analysis of the state's administrative rules process, and implementation of electronic data and fund transfer technologies.

NEW FOCUS on Page 2

NEW FOCUS

From Page 1

Program Analysis

The Program Analysis Working Committee is directed by Jack Eugster, CEO of the Musicland Group. This committee will examine three of the state's complex program and service delivery areas.

In studying the state/county human service delivery system, the group will review the roles, responsibilities and relationships between state and county governments in the delivery of social services and income maintenance programs. A goal is to undertake a remodeling of the system to minimize administrative costs while meeting the needs of benefit recipients.

This committee will also study state and local government funding relationships and the development, coordination, and administration of environmental policy in Minnesota. Results may form the basis for recommending a reorganization of the state's environmental agencies.

From the commission . . .

As CORE continues to move forward in its work of examining alternative service delivery strategies, streamlining state processes, reducing costs, and improving accountability, I am pleased to be chairing the newly organized CORE Management Systems Working Committee. Throughout 1992, this committee will analyze internal support structures, such as the civil service system and the budgeting process, that may currently impede the efficiency and effectiveness of many state agencies.

Although management systems are not as visible as other elements of governmental reform, I believe their inclusion is fundamental to any comprehensive effort. If such concerns are not addressed, it will be impossible to substantively change the business of state government and fulfill our charge as members of CORE.

I know state employees are aware of the challenges presented by this project. Nearly all state managers interviewed by CORE staff identified some management system as a major impediment to program or resource management. In the coming months, it will be necessary to maintain an open dialogue with those working within the system to more fully understand why those systems are not as effective as they should be.

The working committee is committed to developing ways to restructure, reshape, and reform management systems, enabling Minnesota to meet the demands of the next century. John Schaar, in *Loyalty in America*, articulates this type of challenge:

The future is not a result of choice among alternative paths offered by the present, but a place that is *created* — created first in mind and will, created next in activity. The future is not some place we are going to, but one we are creating. The paths are not to be found, but made, and the activity of making them *changes* both the maker and the destination.

I believe our work with management systems will result in substantial cost savings and service improvements throughout state government. It will be an exciting year for all of us. With your participation and support, I am confident we will meet the challenge.

 — Connie Weinman

From the staff . . .

Over the past few months, I've had the privilege of working as an industry consultant to the staff of CORE. I have learned much working with this group and I'm pleased that my experience as a Quality Manager with Xerox Corporation has been useful to the project.

As a consultant, I'm often asked how CORE's initiatives fit with the concepts and practices of Total Quality Management (TQM). To answer this, it's important to define quality. The most encompassing definition centers on the fulfillment of customers' requirements. This is the main objective of any TQM effort. To better meet customers' needs, a wide variety of tools are available to organizations, such as training employees, enhancing management processes, modifying measurement and reward systems, and, most importantly, changing organizational culture.

CORE's service redesign focus involves restructuring existing processes to make them more cost efficient and more responsive to customer requirements. It's an expedient method for approaching change because it enables quick responses to customers' concerns.

Although such an approach can have immediate benefits, it must be supported by an environment of quality and continuous improvement. If it isn't, beneficial impacts will eventually erode. New processes and systems will lose their effectiveness if they're not accompanied by changes in organizational culture.

In the coming months, CORE hopes to begin preliminary discussions with state agencies to communicate quality's benefits. It's possible that partnerships will be formed to facilitate the creation of new pilot projects or strengthen existing redesign initiatives.

I believe CORE's redesign and quality initiatives can work together to create an organizational environment open to change. The end result will not only improve services for customers but will also enhance the work lives of Minnesota's state employees.



— Jack Rittenhouse

MAY

■ Program Analysis Working Committee - May 26, 9 a.m. - 4 p.m., Musicland, 7500 Excelsior Blvd., St. Louis Park ■ Management Systems Working Committee - May 19, 8:30 - 11:30 a.m., 116A Admin Bldg. ■ Assessment/Reorganization Working Committee - May 19, 8:30 - 11:30 a.m., 116B Admin

JUNE

■ Program Analysis Working Committee - June 16, 9 a.m. - 1 p.m., 107 State Capitol ■ Full commission - June 25, 8:30 a.m.-Noon, 116B Admin Building ■ Management Systems Working Committee - June 25, N - 3 p.m., 200 Admin Building ■ Assessment/Reorganization Working Committee - June 16, 8:30 - 11:30 a.m., 116B Admin

JULY

■ Program Analysis Working Committee, July 21, 9 a.m. - 1 p.m., location to be determined ■ Management Systems Working Committee, July 21, 8:30 - 11:30 a.m., 116A Admin ■ Assessment/Reorganization Working Committee, July 21, 8:30 - 11:30 a.m., 116B Admin

THE CORE VISION

Early in the planning of CORE's second stage of work, commission members adopted a vision statement to direct their long-range reform efforts. The vision represents more than just a set of goals and expectations; it is also a collection of values and principles the commission members strongly believe in. Here's their vision:

In completing its work, CORE hopes to realize a Minnesota state government that is:

Mission driven — state government will have clearly defined purposes and internal organizational structures that support the achievement of those aims.

Oriented toward quality outcomes — services will be measured by actual outcomes rather than processes performed or dollars spent.

Efficient — state government will be cost-conscious and organized so that outcomes are achieved with the least amount of input. Structures will be flexible and responsive to social, economic, and technological change, service duplication will be minimized, and adequate communication will exist between units. Competition will be fostered and appropriate delivery mechanisms will be used.

Responsive to clients — services will be designed with the customer in mind. They will be accessible, located conveniently, and provided in a timely manner. Bureaucratic

approvals and forms will be minimized and customers will clearly understand legal requirements. Employees will be rewarded for being responsive and respectful.

Respectful of stakeholders — state government will be sensitive to the needs of all stakeholders in providing services. It will recognize the importance of respecting and cultivating employees. It will foster cooperative relationships with local units of government and the nonprofit and business sectors. It will provide services in the spirit of assisting individual clients and serving the broader public interest.

CORE RUMOR BOARD

MYTH: CORE has not raised substantial contributions from the private sector to fund its work.

FACT: CORE has raised more than \$265,000 in direct and in-kind contributions. This includes generous contributions in the form of loaned staff from businesses including Xerox Corp. and Arthur Andersen.

MYTH: Core has not adequately addressed the large state budget deficit.

FACT: CORE's initial \$17.5 million in General Fund cost-saving recommendations exceeded the 1991 legislative mandate by \$1.8 million. CORE was asked to identify *short-term* savings. Savings of greater magnitude will be realized in CORE's second and ongoing project stage focusing on state government's long-term reform.

MYTH: Now that CORE has selected projects for its second stage of work, stakeholder input is not needed or wanted.

FACT: Now, more than ever, CORE needs the input of all stakeholders. As project work becomes more detailed and complex, the expertise of experienced individuals becomes invaluable.

CORE STAKEHOLDERS' REPORT / SPRING 1992

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COMMISSION
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STAKEHOLDERS'
REPORT

C O R E

WINTER 1992

\$20.9 million in savings recommended by CORE in first step of program

Twenty-three state government program and budget changes adding up to savings of almost \$21 million were recommended to Gov. Arne Carlson on Jan. 7, 1992, by the Commission on Reform and Efficiency (CORE).

Submittal of the recommendations, totaling \$20,888,000 — \$17,509,000 in General Fund savings and \$3,379,000 in other funds for Fiscal Years 1992 and 1993 — fulfills the initial charge that the commission identify \$15.7 million in short-term cost savings.

In contrast to past budget-balancing efforts, no across-the-board cuts were recommended. Instead, proposals were targeted to specific programs and were developed using input from individuals familiar with them. A summary of General Fund proposals begins on Page 3. Full reports are available from agency CORE liaisons and libraries.

All proposals are intended to create or encourage efficiencies, improve the structure of government, or clarify the role of the state. Most of them will continue to produce savings, efficiencies, or income in following years.

About a quarter of the proposals can be implemented by Executive Branch administrative action. The others are expected to contribute

to discussions of restructuring, program design, and program efficiency during the 1992 legislative session.

CORE's recommendations will take varying amounts of time to be realized.

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All of them, however, can be implemented to obtain savings in this biennium. The commission will work with the Governor's Office, Finance,

affected agencies, and the legislature on plans to implement its proposals.

Government redesign is next CORE project

CORE's cost-saving proposals are just part of its ongoing work to enhance the efficiency and effectiveness of Minnesota state government. Throughout 1992, the commission will focus its attention on long-term redesign issues. Activity will proceed from a comprehensive evaluation of state government to more specific studies of areas selected for redesign. Such matters as organizational management, administrative systems, and areas of large program growth will be addressed.

FEBRUARY

- Redesign Working Committee develops vision, principles Feb. 18, 8:30 - 11:30 a.m., 116B Admin Building
- Staff begins assessment and background work on potential projects
- Commission endorses vision and principles and selects projects for in-depth work Feb. 27, 8:30 a.m. - Noon in 116B Admin Building

MARCH

- Commission develops its ongoing role and activities
- Staff begins comprehensive assessment and research in selected project areas
- Redesign Working Committee meets March 17, 8:30 to 11:30 a.m., 116B Admin

APRIL

- Redesign Working Committee meets April 21, 8:30 - 11:30 a.m., 116B Admin
- Commission meets April 30, 8:30 a.m. - Noon, 116B Admin

From the commission . . .

I recently had the honor of chairing the working committee responsible for directing CORE efforts to identify short-term cost savings. Building on state employees' creativity and hard work, we were able to exceed our goal of identifying \$15.7 million in cost savings. Twenty-three recommendations for program and budgetary changes totaling \$20,888,000 have been forwarded to the governor and the legislature.

The work of the commission was accomplished under very short time lines during a difficult budget period. Many of the obvious or painless cuts (as well as some very painful ones) had already been made in previous rounds of budget-cutting. I know that it was difficult for state agencies to offer cost reduction ideas to the commission, knowing that further budget reductions were anticipated.

Nonetheless, we received more than 700 responses to the letter and questionnaire sent to state employees by the governor. Based on these employee questionnaires and on interviews with people with special expertise or knowledge of public administration, many of whom are or were state government employees, the CORE staff was able to extract approximately 760 separate ideas. Nearly 200 were initially selected for analysis based on their potential for producing short-term savings and their compatibility with the criteria set by the commission. We did not have the time or resources to analyze all of the good ideas during this project, but I know they will help to shape our agenda for long-term reform.

Choosing specific ideas for detailed analysis was challenging. Not one of the ideas was free of controversy. However, the working committee and the commission recognized the need for bold bipartisan action to resolve the state's financial shortfall.

Having successfully completed the initial cost savings task given to CORE by the legislature, I look forward to the challenge of joining with state agencies in the redesign of state government. We have a great opportunity to work together to make state government more efficient and effective and to improve the quality of our services to the citizens of Minnesota.

Minnesota has always been a leader in the development of innovative programs. Now is the time to use our creativity to reform the administrative structure and functions of state government so that we can better meet the needs of Minnesotans in the 1990s and beyond. With what I have seen of the energy and talents of the employees of this state, I know it can be done.



— Jean L. Harris

From the staff . . .

Last summer I was offered a staff position with the new Commission on Reform and Efficiency. It would be an understatement to say that I was excited about the prospect of being reemployed. My wife and I had moved from Tennessee to Minnesota almost two years earlier. She had a job in Minneapolis, but I was unemployed — after 15 years in higher education and 10 years with Tennessee state government. The job with CORE, however, meant more than just employment. It was a chance to apply both my academic and government experience. It was an opportunity to be part of a project that might influence the shape of Minnesota government and public policy for decades to come.

I began in mid-September as part of CORE's long-term reform team. As we worked with the commission, refining the scope of the project, developing a work program, and discussing problems on which to focus, we began to realize that the complexities of long-term reform were enormous. Similar efforts in other states had shown that few savings result from organizational "fine tuning." We knew that something more fundamental than "tinkering" with programs and organization charts would be necessary to meet the fiscal and service challenges facing the state. Anything short of major service system redesign seemed unlikely to have long-term impact.

Minnesotans are justifiably proud of the public services offered in their state and, in my opinion, will not tolerate any major reductions in their number or quality. I also understand that, despite the array of services available, many needs still go unmet and, as they do in states all across the country, needs and demands continue to outrun resources.

Minnesota's multijurisdictional delivery systems involving both the public and private sectors have become incredibly complex and are increasingly unable to meet service needs with available dollars. This state is in better shape than many. It has a history of innovative and progressive public policy. But, to remain in the forefront, fundamental questions relating to service priorities, delivery systems, and state-local relations must be addressed; difficult and politically courageous decisions will be required. This is the long-term challenge facing CORE, and ultimately every legislator, the governor, state and local officials, and all Minnesotans. With this in mind, I look forward to a busy and interesting year as a member of CORE staff.

 — James L. Cox

COMMISSION PROPOSALS

This summary of CORE's proposals as submitted to the governor includes only those producing General Fund savings in the 1992-93 biennium. Savings reported here are net of any implementation cost.

- 1. Bookstore Revolving Fund Balance Transfer to the General Fund.** Excess cash balances not required to maintain normal operations should be returned to the general treasury. **Savings: \$300,000**
- 2. Dependent Care Expense Account Administrative Fee Reduction.** Current fee revenue exceeds the costs of administering the program. **\$23,000**
- 3. Emergency Management Division and Emergency Response Commission Consolidation.** Consolidation of these Public Safety units will eliminate duplication and increase the emergency planning capabilities of local government. **\$150,000**
- 4. Farm Advocate Program: Institute Sliding Fee Scale.** Despite economic conditions, some farmers' ability to pay makes a 100 percent program subsidy inappropriate. **\$100,000**
- 5. Freight Expense Reduction through Cost Management Techniques.** Reduce state purchasing costs through an aggressive freight

management program using outside consulting and internal purchasing expertise. **\$1,816,000**

6. Health Facilities Licensure Fee Recovery. Fees should be increased to recover the full cost of regulation. **\$1,481,000**

7. Indirect Cost Recovery Improvement. The Department of Finance should comprehensively review statewide indirect cost allocation policies and collection methods to increase General Fund recoveries. **\$124,000**

8. Labor/Management Grant Phase-out. Goals have substantially been accomplished. Ongoing support should come from the system's private beneficiaries — labor and management. **\$119,000**

9. Liquor Control Division Elimination. Transfer the licensing and regulatory functions to the Department of Commerce and the criminal investigatory functions to the Bureau of Criminal Apprehension. **\$260,000**

10. Medical Assistance: Bulk Purchasing of Medical Supplies. Volume purchasing would enable the state to use its buying power to more effectively control cost and quality. **\$407,000**

11. Medical Assistance: Primary Care Utilization Review Expansion. This program identifies clients who use medical services inappropriately and provides for management of their care through designated providers. **\$288,000**

12. Parking Fee Increase for State-owned Parking Facilities. Increase rates to cover operating and repair costs of Capitol Complex parking lots. **\$268,000**

13. Eliminate Public Employee Insurance Plan Subsidy. Program subsidy appears to be unnecessary because a substantial reserve has accumulated. **\$1,600,000**

14. Political Campaign Contribution Refund Reduction. Refund half rather than all of taxpayers' political contributions up to specified limits. **\$1,400,000**

15. Post-secondary Enrollment Options Program: Marginal Cost Funding. Reimburse higher education systems at marginal cost for program participation. **\$3,400,000**

16. Pre-tax Expense Account Savings Transfer to the General Fund. Reduce agency budgets to account for FICA and Medicare savings accruing to state agencies as a result of these programs. **\$631,000**

17. Public Assistance Client Transfers to Supplemental Security Income. All General Assis-

tance clients who qualify for Supplemental Security Income (SSI) should apply for SSI to receive more income and better access to health services. **\$1,108,000**

18. Travel: Preferred Provider Rebates Transfer to the General Fund. Rebates resulting from the state's buying power should accrue to the General Fund. **\$85,000**

19. University of Minnesota Hospital Indigent Care Subsidy Elimination. This program may duplicate other medical assistance programs and unfairly subsidizes the hospital for services provided free by other hospitals. **\$330,000**

20. Voyageurs National Park Citizens Council State Subsidy Elimination. The subsidy gives the council an advantage over other groups. **\$59,000**

21. Workers' Comp (All): Expanded Medical Fee Schedule. Change to a "relative value medical fee schedule," which includes more medical procedures and is expected to be more effective in controlling costs. **\$570,000**

22. Workers' Comp (State Only): Case Management. The Safety and Workers' Compensation Division should begin an active medical cost management program and improve claims administration internally. **\$1,650,000**

23. Workers' Comp (State Only): Special Compensation Fund Reimbursement. Changes would allow the state to take better advantage of offsets and reimbursements available under workers' comp law. **\$1,340,000**

CORE STAKEHOLDERS' REPORT / WINTER 1991

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COMMISSION
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C O R E

FALL 1991

CORE team includes state workers' input

When the Commission on Reform and Efficiency (CORE) makes its first recommendations this winter, state employees themselves will have been key sources of ideas.

CORE is Minnesota's new initiative looking at ways to provide more cost-efficient government services. Its creator, Gov. Arne Carlson, has emphasized a need for significant change *and* the critical role state employees should play in the process. He said at the commission's first meeting that CORE is central to his efforts to reform state government operations.

The commission, appointed by Gov. Carlson and the legislature, includes state employee union representatives, business executives, former legislators, and others. Arend J. Sandbulte, chair, president, and CEO of Minnesota Power, heads the commission. Staff is provided by the Management Analysis Division of the Department of Administration.

The CORE process has three components. The cost-reduction component — Project 1, for short — will find \$15.7 million in reductions in the 1992-93 biennial budget.

Project 1 criteria focus on improving government opera-

tions. The criteria statement says, for example, that:

- Items should focus on reforming or enhancing efficiency in programs.
- Priority should be placed on items that simplify government, for citizens and staff.
- Priority should be placed on improvements people can support. Employees should be involved in the process, and agency morale should be respected and preserved.

Dr. Jean Harris, president and CEO of the Ramsey Foundation, heads the Project 1 working committee, which is sorting through ideas from a variety of sources, including legislators,

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CORE hotline has latest info, answers

Call the CORE hotline to receive weekly recorded updates and to leave messages requesting more information:

(612) 297-8005

Or write to us at CORE, 203 Administration Building, 50 Sherburne Ave., St. Paul 55155.

CORE

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legislative and agency staff, and identified experts in government. All ideas are subject to detailed analysis of their financial and policy implications before they gain recommendation status.

Affected agencies are being consulted throughout the process to ensure full input and to develop strong working relationships between the commission and state government. The full commission plans to approve a package of cost-reduction recommendations Dec. 13.

The redesign component of CORE — Project 2 — will proceed from a comprehensive evaluation of Executive Branch structure and management to specific studies of areas selected for redesign. A working committee headed by businessman Glen Taylor is developing this portion.

The long-term investments component — Project 3 — will look at those areas where the state could make initial investments in the interest of long-term productivity. The work plan for this project is in its beginning stages.

From the chair . . .

Since being named to head CORE, I've had the opportunity to learn a lot about Minnesota state government and it's been a real eye-opener. While I'm amazed (not to mention intimidated) by the size and complexity of our government, I'm also impressed by the competence and the spirit of state employees I have met.

It is to you, the state employees, that I want to address this initial column. You are the primary audience for this newsletter. And, more important, you are the ones who will determine the success or failure of our effort to help Minnesota government operate more efficiently and effectively.

Some of you may be optimistic about CORE, as I am. Others may worry about potential job loss and workplace turmoil. But more of you, I suspect, have serious doubts about whether a couple dozen "outsiders" can even understand, much less bring, positive change. I hope you will give us the benefit of the doubt, and the necessary help we need.

The 22 CORE members have been called "efficiency experts," but we are not. You are the experts in delivering state services, and in delivering them efficiently. The most important thing I want to say to you is this: CORE is not something that will be done *to* you but rather something that will be done — can **ONLY** be done — with and *by* you.

I know you have no shortage of ideas; please share them generously. CORE will create a forum for your innovative ideas to gain greater visibility. CORE will try to help create an environment in state government that welcomes new ideas, busts barriers that may be blocking them, loosens up organizational structures so they can float to the surface.

At my company, Minnesota Power, we are engaged in a similar program designed to push decision-making authority to lower levels of the company, closer to where the actual work is being done. We will succeed when employees feel empowered to seek and implement better ways to do their jobs. In the state government arena, CORE will operate on the same basic precepts:

- That no one knows how to do your job better than you;
- That you welcome positive change and the chance for personal and professional growth at work; and
- That you are dedicated to serving those who depend on you — whether you call them clients, stakeholders, or taxpayers — in the most efficient and effective way possible.

Minnesota is a great state, and our government services are an important reason why that is so. At the same time, I believe an overall look at *how* we are providing these services is essential to maintaining our current level of excellence in the future. On behalf of all CORE members, I ask for your help in this endeavor.

Arend Sandbulte

From the staff . . .

At some point in their career, most state employees must wish for the opportunity to improve state government systems and redesign their operations. In July of this year, I was given that chance when I was hired to work on CORE's first project.

A number of thoughts passed through my mind while I was deciding whether to accept this mobility assignment. I knew that it would give me the opportunity to be part of a project being built from the bottom up and that it would allow me to work with people from all areas of government. CORE would let me experience a different view of state government, one that was broader and more comprehensive.

At the same time, the goal of finding \$15.7 million in permanent cost savings to balance the 1992-93 biennial budget was intimidating. I knew that budgets were already tight in many agencies and that it would not be an easy task to find savings opportunities. I was also reluctant to leave my home agency. I was concerned about opportunities I might miss during my absence.

After weighing the various pros and cons, I decided to take the position. An overwhelming reason was my belief in Minnesota government and its work force. Around the state, we've worked hard to improve our programs and I felt that CORE would provide a system for agencies to learn from one another — to share experiments in quality and customer service. I also knew that I wanted to make CORE more than a cost-cutting program. I wanted to participate in the redefinition of what state government does and why we do it.

When my work with CORE is completed, I plan to return to the Department of Revenue with an increased understanding of state operations and a raised awareness of its components. I will have a greater familiarity with the budget process and will have learned a number of methods and techniques for quality improvement. Perhaps most important, I will bring back an appreciation for the balances required between agencies, both in terms of their independence and their need to cooperate and share ideas. For me, this communication is the foundation for any ongoing effort to improve efficiency and effectiveness in Minnesota state government.

Pam Basutt

OCTOBER

- Staff analysis of Project 1 ideas through Nov. 29
- Initial agency review of Project 1 ideas through Nov. 8

NOVEMBER

- Staff development of final Project 1 recommendations
- Final agency review
- Working committee's final Project 1 review Nov. 27
- Commission approves Project 2 scope and mission Nov. 12

State workers fill CORE mail box with ideas

No one knows state government better than its employees. So, in September, Gov. Carlson asked this in-house pool of experts to send CORE their ideas for enhancing state government efficiency. Responses came from more than 60 agencies, divisions, and offices across the state, totaling 705 replies with 1,112 ideas.

Common concerns among the respondents included the legislature's size, the proportion of managers in state government, and excessive travel.

Ideas have ranged from penny-savers ("turn off the lights") to larger scaled items such as reorganizations. A sample of the ideas submitted includes expanding the voluntary leave and flex-time options, fine-tuning

IDEAS - More on Page 4

DECEMBER

- Full commission's final Project 1 review Dec. 13
- Commission submits Project 1 recommendations to the governor Dec. 30

IDEAS

From Page 3

the procurement system, taking energy conservation measures, and reviewing agency-specific service delivery strategies. Many employees submitted well documented ideas.

Although response to the governor's invitation was positive, some concerns were expressed about confidentiality and credibility issues. Those with concerns were told that *all* idea sources will be kept confidential and *all* ideas are being considered.

The CORE staff continues to accept and review ideas on how Minnesota government can operate more efficiently and effectively. Written ideas should be sent to CORE, 203 Administration Building, 50 Sherburne Ave., St. Paul 55155.

CORE STAKEHOLDERS' REPORT/FALL 1991

Published by the staff to the Commission on Reform and Efficiency, to update state employees, the general public, and others interested in the commission's progress.

203 Administration Building/
50 Sherburne Ave./St. Paul
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CORE rumor board

Whenever an effort like CORE is under way, you can be sure the rumors aren't far behind. Here are some of the CORE myths we've heard, and the facts as we know them.

MYTH: *CORE is made up of a group of outsiders unfamiliar with Minnesota state government.*

FACT: The commission includes people very familiar with state government — past legislators and representatives of two state employee unions, for example — and is staffed by the Department of Administration's Management Analysis Division, including employees on mobility assignment from the departments of Revenue, Labor and Industry, Human Services, Health, Finance, and Jobs and Training.

MYTH: *State employee suggestions to CORE are not being considered in the formal analysis process.*

FACT: Ideas from *all* sources are considered. The process is the same, whether the idea comes from a commissioner or a line employee.

MYTH: *CORE's sole purpose is to cut costs.*

FACT: Finding \$15.7 million in permanent cost savings is CORE's *first* project. The goal of CORE's second project is to recommend long-term actions for improving state government efficiency and effectiveness, including streamlining service delivery, enhancing customer service, and improving accountability. The third project will involve investments in state-of-the-art systems and practices.

MYTH: *Specific agencies have been targeted for CORE cuts.*

FACT: All Executive Branch cabinet-level departments and many boards and commissions are included in CORE Project 1's scope. Specific agencies or programs were not "pre-selected" for study.

MYTH: *CORE's just another do-nothing reform effort — it's the same as all the rest.*

FACT: This one's going to be different. The work plan — agreed to by everyone from the governor on down — includes *implementation*, called Project 4. CORE's approach will be to involve affected agencies and their employees in developing plans for implementation, with CORE staff providing consulting assistance.

COMPARISON AND ANALYSIS OF 1992 CORE INITIATIVES – STATE GENERAL FUND				
1992 – 1993 BIENNIUM				
Dollars in 000's. All values are net of savings less additional expenditures.				
Item	Original Proposal	Governor's Recommendation	Legislative Action	Comments
Bookstore Fund Transfer	\$300	\$300	\$300	Bookstore transfer of excess earnings was accepted.
Emergency Management	\$150	\$218	\$218	Merger of Emergency Mgt. and Emerg. Rec. Comm. was accepted.
Farm Advocacy	\$100	\$100	\$100	Proposal accepted.
Freight Cost Management	\$1,816	\$1,816	\$1,816	Improved freight cost mgt and indirect cost allocation programs
Additional Indirect Cost Recoveries	\$124	\$124	\$124	were accepted. Legislators felt that these provide a valuable service
Health Facility Fees	\$1,481	\$0	\$874	CORE rec. was for a 2 yr recovery, Gov. rec was a 4 yr recovery. (Rationale for Gov—merely a speed up of cash flow. No permanent increase to G.F. Some ?'s regarding NH ability to pass through costs and eventual costs to G.F.) Legislature took CORE rec.
Labor Management Grants	\$119	\$119	\$0	Rejected phase out of grants.
Liquor Control Division	\$260	\$574	\$523	Reorganization not accepted by Governor, decided on program reductions (of \$110) and increased fees (of \$413) to cover total costs, which was accepted.
MA: Bulk Purchase Medical Supplies	\$407	\$424	\$424	CORE proposal and Governor's rec. were similar. Accepted Gov. rec.
MA: Primary Care Utilization Review	\$288	\$294	\$588	CORE proposal and Governor's rec. were similar. Legislature added additional staff to achieve higher savings.
Parking Fee Increase	\$268	\$268	\$268	Parking fee increase for state employees was accepted.
PEIP Insurance Subsidy	\$1,600	\$1,600	\$1,600	\$944 was taken as "one" time transfer of subsidy, and \$656 for payback of prior appropriations to PEIP.
Political Contribution Fund	\$1,400	\$1,500	\$0	The legislation did not adopt either the Governor's rec. to eliminate entirely the political contribution refund or CORE's rec. to cut the political contribution refund in half. The legislators believe that the refund has the affect of promoting more individual and small contributions rather than the PAC or big contributions. They have not done any analysis of Ethical Practices Board data to determine if the small, individual contributions have increased since the refund was put in place, but they believe it is working to that end.

COMPARISON AND ANALYSIS OF 1992 CORE INITIATIVES – STATE GENERAL FUND				
1992–1993 BIENNIUM				
Dollars in 000's. All values are net of savings less additional expenditures.				
Item	Original Proposal	Governor's Recommendation	Legislative Action	Comments
Pre–Tax Expense Account Savings	\$631	\$576	\$576	DOER adjustment to cover their admin costs.
Public Assistance Clients to SSI	\$1,108	\$163	\$912	Governor took savings lower than CORE rec. (Rationale for Gov–savings already taken in last 4–5yrs, start–up time necessary, application lag time not accounted for.) Leg. took a modified approach that recognized savings less than CORE but greater than Gov. The Legislature also requires close monitoring of results.
Travel Rebate	\$85	\$85	\$85	Transfer of travel rebate to the GF was accepted.
U Hospitals Indigent Care Subsidy	\$330	\$0	\$0	Governor did not recommend. General reduction instead.
Voyagers' National Park Commission	\$59	\$59	\$18	Did not adopt CORE recommendations–general reduction only.
Workers' Compensation Medical Fees	\$570	\$0	\$0	Require legislation AND rulemaking to implement – not possible to do within time limits.
State Workers' Comp Case Management	\$1,650	\$1,572	\$1,572	Improved case mgmt of state workers comp was accepted.
State Worker's Comp Special Fund	\$1,340	\$1,173	\$1,173	DOER adjustment to reflect new projections of savings.
Post–Secondary Option Financing	\$3,400	\$3,230	\$0	Rejected for two primary reasons: 1) The Legislature expressed concern, raised by the systems, that the \$78 per credit reimbursement provided through K–12 funding would be insufficient to cover the costs incurred by the post–secondary systems (that is, the reimbursement would be less than marginal cost). The reimbursement must cover not only tuition, but also books, materials, and any course fees. 2) The PSEO financing change was not distributed evenly across post–secondary systems. The Legislature chose to take all of its cuts in the form of single–line general reductions, rather than programmatically targeted reductions.
Dependent Care Expense Acct Savings	\$23	\$0	\$0	Too small savings to implement.
TOTAL	\$17,509	\$14,195	\$11,171	

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