

**STUDY OF
REORGANIZATION EFFORTS
IN STATE GOVERNMENT**

June
1996

by
Robert A. Morando & Associates

Table of Contents

Executive Summary	1
Why Reorganize?	3
Levels of Reorganization	4
Reorganization Process	6
Use of Consultants	9
Examples of Privatization	10
Examples of Mergers and Consolidations	11
Recommendations	12
Implementation Plan	14
Bibliography	17

Appendices

- A: Ten Steps to Better American Government, Luntz
- B: CGPA's Policy Development Process
- C: Privatization and Public Employees, Reasons Foundation
- D: Growth of New Mexico's Budget, New Mexico Focus -- 1996 Legislative Report
- E: The IMPACCT Process: A Partnership in Action, Pennsylvania IMPACCT Commission
- F: Summaries of weekly cabinet secretary discussion (Reorganization)
- G: Phone List (contacts and interviews by state)

EXECUTIVE SUMMARY

“The American Public unequivocally welcomes the idea of Restructuring State Government.”
(73% favor -- Luntz, July 1995)

The purpose of this report is to investigate and summarize the *learnings* of other states that have begun a restructuring process. This information can be used by Governor Gary E. Johnson’s Administration to identify its own strategies to yield the greatest return for its efforts.

With the governor’s vision of “deliver the best service at the lowest possible cost,” no one expects taxes to be raised, budgets to be increased or state government to grow larger in number of employees; but everyone does expect *more for less*. The most common methods to be utilized are:

- Consolidate:** Merge several organizations or functions into one (eliminate duplication).
- Eliminate:** The functions and organizations no longer necessary.
- Privatize:** Align the support service to the organization through the private sector.

For the majority of states, the focus areas for use of these methods were:

1. General and administrative services;
2. Human and social services; and
3. Workforce development and economic development programs.

Mergers and consolidation continue to occupy lead position in states’ efforts at renovation and restructuring. Savings most often result from eliminating positions or savings in leased space or assets as the consolidation eliminates duplication and increases efficiency. Often the attempt is to minimize the impact on personnel and to use attrition and retirement to decrease the size of the workforce. Emphasis is focused on planning and staff development in the transition process.

States are reviewing and pursuing privatization primarily to deliver public services at lower costs. The underlying objective is to increase competition in government services rather than to replace a government monopoly with one that is private. When privatization occurs, there is still the need to reorganize the remaining organization. The perception that state employees lose is not justified.

Multiple examples of consolidation and privatization can be found in *Restructuring and Innovations in State Management*, National Association of State Budget Officers, April 1996.

Regardless of the options used to make state government more effective, the *process* used is the real key to success. Overall, the most consistent process steps for success are the following:

1. The governor needs a clear **vision** of what he expects the organization to look like and achieve over a five- to ten-year horizon.
2. There is a high level of **involvement** on a bipartisan basis with both public and private sector input as well as state employees at all levels.
3. **Strategic planning** is utilized to match the vision with the **goals, objectives and tactics** necessary to produce these outcomes.
4. Adequate **time** is spent in the planning function, staff development and reorganizing so that transitions from old to new ways are seamless.
5. **Values** of how we treat people are incorporated into the plans. It is a humane transition process and an opportunity for employee advancement and skills development.
6. **Communications** are fluid throughout the process up and down the chain of command to reduce fear and anxiety as well as to celebrate successes.
7. **Outside expertise** is used as necessary to aid the process, provide training and utilize the experiences of similar situations in other states.
8. Focus on the **substance** of what you are trying to achieve with the key stakeholders and **structure** of what will be an outcome of the process.
9. **Measure** the key indices of the area you are re-engineering to see if the outcomes are meeting your goals and expectations in the time frames established.
10. Build the changes in the **culture**, not just the structure, for ongoing progress and **continuous improvement**.

The following details the findings of my research about reorganization and privatization. In the last sections, my recommendations are based upon these findings and input from various members of the state staff -- given where we are today and what would be practical.

WHY REORGANIZE?

In 1995, governors in 14 states highlighted agency consolidation as a priority in their respective state of the state messages.¹ States reorganize to improve the administrative effectiveness and political responsiveness of state government. Agency reorganization is also viewed as a strategy for designing new systems to replace federal categorical programs.²

The reasons for New Mexico's reorganization efforts are:

1. Make government more effective and efficient in delivering services;
2. Eliminate duplication of services;
3. Improve coordination across agencies;
4. Reduce influence of organized interests on particular programs;
5. Shift money from low priority areas to high priority areas; and
6. Reduce size of state government.

(Basis meeting with Governor Johnson and key staff, June 4, 1996)

¹ *Organizational Changes in State Government, 1995*, Keone S. Chi

² *Improving State Government through Agency Reorganization*, National Governor's Association

LEVELS OF REORGANIZATION

Based on recent trends and patterns, there are four broad options for reorganization.³

- ~ No reorganization
- ~ Partial reorganization
- ~ Reorganization affecting elected executive officials
- ~ Comprehensive reorganization

These options are not mutually exclusive and are listed in an ascending order of difficulty. The three key tools are *consolidation, elimination or privatization*.

Option 1: No reorganization

The existing organizational structure will remain essentially unchanged. The improvements to operations and costs will be achieved through more effective uses of management tools, such as:

1. Strategic planning to set long-term goals, objectives and implementation plans. These processes keep people focused and allow synergies to be established.
2. Privatize or contract for operations that can be accomplished more cost-effectively.
3. Use a budget process that quantifies goals and objectives.
4. Utilize TQM methods to trace results and improve administration.

Option 2: Partial reorganization

This option would involve one or a few targeted agencies that could be *consolidated* or *eliminated* or into a new agency.

1. Target related functions across all agencies that could be centralized to *eliminate* duplication and coordination efforts.
2. Look at agencies that have similar functions or duplication and *consolidate* into one agency accountability.

³ *State Trends Forecasts -- Reorganization*, December 1992, Council of State Governments

3. Sunset boards and commissions that have outlived their purpose. This may mean *elimination* will clean up the executive branch but would return relatively few dollars.

4. Modernize operations through technology improvements allowing for headcount reductions (FTE) through improved efficiency.

Option 3: Reorganization affecting elected executive officials

This option would be used to cut costs or strengthen gubernatorial control over state agencies directed by popularly elected constitutional officers.

1. The executive branch of government in New Mexico is a *plural executive* with nine independently elected offices. It was the consensus of the fourteenth New Mexico First, Town Hall that the governor's authority be strengthened and that the plural executive is not effective or efficient because the other elected officials are not accountable to the governor.⁴ As to particular executive offices, it was the consensus of the Town Hall that the State Corporation Commission and the single district State Board of Education should be appointed by the governor and not elected.

2. *Consolidate* the number of cabinet secretaries or direct reports to the governor to gain gubernatorial control and to improve coordination and cooperation.

3. Align the boards, commissions and loose agencies to report through a cabinet secretary to maintain focus on agency objectives.

Option 4: Comprehensive reorganization

This option would involve an overhaul of executive branch agencies on a statewide basis and could be implemented under constitutional and statutory provisions. New Mexico currently operates under the cabinet secretary model which is the most widely used and considered an improvement from the traditional model. *There no need for comprehensive reorganization.*

The issue at hand is that the number of agencies, boards and commissions has returned to the (higher) numbers contained in the traditional system of 1977. There are over 300 of these groups based on the Legislative Council study of January 1996. *Eliminating* the number of these groups and reducing the number of reporting relationships as described in Option 3, will allow the governor more control and a clearer focus on priorities to improve services.

⁴ New Mexico First, Town Hall: Structure of Government in New Mexico, November 1994

REORGANIZATION PROCESS

Through extensive interviews in various states (including consultants and professionals associated with state and federal programs), the following is a template of what is considered the process, with key steps, to be followed for greatest success (list of contacts by state in appendix):

1. **Pick a key, high visibility person to lead the program.** In most states it was either the governor or the lieutenant governor who headed the charge of reorganizing state government. This gave the program credibility as a key priority for the administration. Many of the newly elected governors ran on the platform of change and in the first year of their respective administrations (1995), began the planning process to begin implementation (1996).

2. **Form a bipartisan steering committee to oversee changes.** In all states there is a check and balance between these two functions. The purpose of involving a few key legislative leaders and cabinet secretaries is to resolve areas of differences early on in the process. Because the two factions keep one another in check does not mean they cannot work together. Early participation in the formulation of plans can help later in the legislative process even if there is not full agreement on every issue.

This steering committee should also include a few individuals from the private sector. This adds a dimension of insight to business issues as well as buy-in for representation to the business community. This will allow a mechanism for participation of more private sector people in the composition of task forces to focus on specific issues.

A consulting firm to help with such a transition has been utilized in other states and is also recommended. A representative on the steering committee could insure that the overall planning steps and project management of the implementation is realistic and other states' *key learnings* could be incorporated.

3. **Create task forces focused on or across specific agencies.** These task force groups are composed of people involved in the specific agencies: cabinet secretary, agency key middle management and several front line individuals. Their role would include investigating options within their respective agencies and then implementing the recommended changes. This group (and subgroups) would also be composed of people from the private sector, consultants or experts as required, and people from academia. These additional people would add insight in recommending change from the status quo.

There is a balance required to break new ground but also to make the proposal (Hobbs Initiative) realistic. The key is to involve state employees early on in the process to gain buy-in and promote champions of the process. This will also help communicate what is really happening to reduce the anxiety related to change within the organization. Each agency in this process must develop levels of sub-task force specific groups to gather information, make recommendations

and help with the implementation. These changes need to be driven from within the organization. Consultants can help facilitate the process and add project management skills or insights from other similar situations. Consultants can also support additional skills training and change facilitation to aid the proper implementation. It is recommended that most of the work be driven internally with existing employees. Leadership from the top is required to drive the change, but the actual implementation of specifics will occur at the front line levels.

4. **Benchmark and quantify commencement of the process.** It is important to be able to quantify success. It could be total budget dollars, number of FTE, number of agencies, or level or quality of services rendered. It helps to keep score so that everyone knows if and when the tasks are being accomplished. Measurements should be updated routinely and kept visible for purposes of motivation.

5. **Promote the positive and *over* communicate.** From the initial vision of the plan to actual measurement of outcomes, there cannot be enough communication. People want to be part of the process or -- if not -- at least, informed. This will lessen rumors and also aid people in adjusting to the change. Special meetings, newsletters, postings, etc., will only aid in the process. You will need to constantly promote the positive. As people are recognized for what is happening and the initial improvements are implemented, success stories will provide a motivation for greater achievements to follow.

Overall, this is a very involved process. It requires a great deal of communication. It requires driven leaders who believe in the need for change. It needs support of various factions -- in and out of state government. It must be embraced by the employees and viewed as an opportunity for personal growth through skills training, and improvement in job functions and services provided.

Practical Suggestions for Reorganization

1. Make the process budget-driven;
2. Do it quickly and efficiently;
3. Use outside assistance (experts: public, private and educators);
4. Be humane through the process, train through the transitions;
5. Build a general constituency to counter special interest groups; and
6. Market reorganization plans.

This will involve the following management tools for a successful process:

Vision: Clear understanding and articulation of what outcomes are expected in the future.

Strategic Planning: Key areas of focus and the steps required to implement.

Goals: Specific outcomes expected in an agency in a given period of time that are SMART -- specific, measurable, attainable, realistic, time trackable.

Tactics: Committees; communication; How To's; training and planning involved during implementation to either **consolidate**, **eliminate** or **privatize** activities.

Measurements: Quantifiable costs, quality or quantities of the key goals as you begin the process and a report card to monitor the changes during implementation.

Feedback: Constant communication to keep everyone informed of the progress.

Build changes into the culture, not just the structure for ongoing progress and continuous improvement.

USE OF CONSULTANTS

Consultants such as Arthur Anderson or Peat Marwick are very experienced in the reorganization processes of state government. They can be a very capable resource -- ranging from a few key advisors to a complete team of several hundred people orchestrating the entire process on a turnkey basis.

In North Carolina, Peat Marwick teamed up with the Government Performance Audit Committee in a unique public/private partnership that examined every aspect of state government over an 18-month period with little governor's staff involvement. The cost of this program was approximately \$3 million. In the first two years, the claimed savings from Peat Marwick's recommendations totaled \$72 million with a projected budget reduction of \$64 million.⁵

In Pennsylvania, the process involved a few (18) key consultants supported by the private sector with over 250 volunteers. The volunteers' expenses were covered by their parent companies with an estimated value of \$2.5 million. The cost attributed to Peat Marwick was approximately \$300,000. A copy of its structure to organize this task may be found in the appendix to this document. This project covered the entire spectrum of the state with 16 different task forces involved. The estimated savings over the first year are projected at \$1.6 billion with a savings of \$7.5 billion over a five-year period.

In the cases reviewed, it takes approximately six months to get organized, conduct initial surveys and begin to map out the steps necessary to impact the organization. Most implementations cover a one- to three-year time frame to make changes considered significant and lasting.

This makes sense from the standpoint that much of the transition time is spent in training employees to modify their skills to be more effective in a changed environment. The new skills are not only of a technical nature; also included are soft sided skills, such as teamwork and group facilitation as well as adapting to change. This is an area where the umbrella of a consulting firm can be of great service to coordinate training and support the implementation process consistently.

⁵*Better American Government*, KPMG Peat Marwick Success Stories

EXAMPLES OF PRIVATIZATION⁶

New Mexico: Prison system: cut cost by half to house prisoners by using a private firm -- estimated first-year savings of \$40 million.

New York: Department of General Services downsized 800 employees and saved \$70 million in one and a half years: privatized laundry services, food purchasing, warehousing and distribution; and privatized income tax processing.

New Jersey: Contracted for medical services and psychological treatment in state prisons saving \$7 million (state costs were \$2,800 per person versus private costs of \$1,000 per person); and privatized 23 offices of the Department of Motor Vehicles saving \$3.5 million annually.

Indiana: City workers bid against private companies on vehicle maintenance contract to save their jobs saving \$4.6 million compared to prior year's budgeted costs.

The key to privatizing is being able to benchmark your internal costs, including all variable and fixed overhead costs. Define the requirements of the services you are trying to obtain. Include quality requirements as well. Then go outside to the private sector and see what the market will bear. Compare services to see if they can be performed more efficiently in the private sector. If so, why? Then either create this capability within your current organization or let it be privatized.

⁶ Examples excerpted from *Privatization*, 1996, Reason Foundation

EXAMPLES OF MERGERS AND CONSOLIDATION

Indiana: Governor-driven; Sherly Sullivan, secretary of family and social services

Consolidated three agencies into Department of Family and Social Services

- 1) Department of Public Welfare
- 2) Department of Human Services
- 3) Department of Mental Health

From 13,000 employees to 11,300, a 13 percent reduction

Used Anderson Consulting for one-year planning process at a cost of \$1 million

Bipartisan effort and legislative approval in 1991; hundreds of state employees involved

Transition team took six months to prepare for actual change prior to implementation

Key people must be committed to make the tough calls

Large amounts of training and follow-up to smooth the transition

Nebraska: Lieutenant governor-driven; Donald Leuenberger, director of social services

Consolidated five agencies into three functionally based agencies:

- | | |
|-----------------------|--------------------------------|
| 1) Social Services | 4) Aging |
| 2) Health | 5) Office of Juvenile Services |
| 3) Public Inspections | |

Estimated a 20 percent reduction in staff

Used a grant from Annie E. Casey Maryland Foundation, nine-month facilitation process

Utilized steering committee composed of state employees and private sector

Middle and front line people involved early to reduce fear of the unknown

- Used a values based approach; steering committees had freedom to use outside consultants to help facilitation and support training needs

Worked on cultural issues, a self-sustaining process versus organizational structure

RECOMMENDATIONS

1. Stay on track with the use of practices (Option 1: No reorganization) involving the budget process to control the size of government (FTE) and total dollars (general fund) with a focus on the priority of spending (see appendix 4). Utilize more strategic planning with each cabinet secretary to set clear goals and expectations. Privatize or contract for those services where cost-effective. Also, look to eliminate or sunset any unnecessary groups, boards or commissions in each agency. These divert attention from more important priorities. This will provide linkage of the cabinet secretaries to look at areas within and across their organizations.
2. Use the Pareto Principle to obtain significant results. Focus on 20 percent of the organization to get 80 percent of the results. This would mean targeting the departments dealing with health, human services, and children, youth and families (which represent one-third of the total budget). Look at these agencies as areas of opportunity to consolidate and privatize (Option 2: Partial reorganization). During this consolidation, inefficient activities of general administration services would become highlighted as well, drawn into the process as these agencies find opportunities for improvement. [I met with Lou Gallegos and a core team of representatives of these agencies on June 5, 1996. They clearly represented the foundation and understanding of the process described in this report.]
3. Immediately begin to recruit and align the steering committee members. A strong perception from the recent New Mexico First, Town Hall meeting is that state government is polarized. Demonstrate leadership by meeting with the key legislative leaders. Gather cabinet secretaries and agency heads to ask the fundamental question: Do you really want to be a part of this undertaking and what does it look like to you? If this is not on their agenda, let them save face but move them out of the process. Find the leaders inside each organization who will embrace change.
4. Hire a consulting firm that has quantifiable success with restructuring state government agencies. Use this resource to the extent that you lack the talent in-house or from the private sector. You are only as good as the people with whom you surround yourself.
5. If you do not think enough is being taken on, then the next area of consolidation would be in the areas of economic development, tourism and labor. Again, your focus will be to eliminate the duplication associated with these areas and to create a new Workforce Development umbrella agency. There are proven success stories available and firms to help with the execution of this strategy.

6. With your focus on this area, spend a great deal of time planning the execution with the processes described in this report. *The more energy you put toward creating your plan, the more time you spend realizing it, and the more people you involve in helping to create it, the greater your success will be.* (Playing to Win, Pecos Learning Center)

7. Hire someone with marketing savvy to promote this plan both in-house, to all state employees and to the general public. A common vision and plan will propel this administration and the next as a common denominator to improve our state.

Major change calls for bold strokes. Your opening moves need to be dramatic. You need to be clear -- hit hard -- shatter the status quo -- shock the organization. The impact needs to be powerful enough to overcome inertia. However, you must be prepared to use the processes described in this report. The bottom line is that opening moves are critical. Have a well thought out plan. *The way you start a major change effort says a lot about how you will finish.*⁷

⁷ *Resistance -- Moving Beyond Barriers to Change*, 1996, Price Pritchett

IMPLEMENTATION PLAN

The following summarizes formation of the steering and implementation teams, roles and responsibilities, expected results, milestones and approximate time lines.

Reorganize Health, Human Services, and Children, Youth and Families

Steering Committee: Led by Governor Johnson

Task Force and Implementation Team: Led by Lou Gallegos, chief of staff

Initial Plans/Concepts: Review key concepts at August 10 retreat so that all cabinet secretaries can see implications for their agencies and how they can complement efforts

Goals: 10 percent head count reduction; 30 percent cost improvement from January 1, 1996

Time lines: Teams formed in July; consulting firm interviewed and hired by mid-August; a clear focus on areas to consolidate, eliminate or privatize by mid-September; conceptual framework complete; actual details and how they will be addressed and implemented through task forces by December

Consulting firm: Involvement for project management; prior experience; \$300,000

Private Sector: Involvement for breakthrough thinking and fresh ideas

July Form groups: bipartisan leaders, public, private; consulting firm
August Brainstorm concepts; plan action steps; framework for organization
September Involvement of more levels in the state organization; details added
October Promote concepts publicly and throughout organizations
November Election; teams into details; draft legislation
December Budgets complete; legislative session preparation

January through December 1997: Legislative session; implementation of process; communications and measurement systems in place; monthly reviews of results; reinforce positives; credits during ongoing process; by midyear, start other agencies in process

GOVERNOR GARY E. JOHNSON, STEERING COMMITTEE

JULY 1996: Clear vision and expectation of reorganization effort; initiate dialogue with potential key members of steering committee

Staff: Lou Gallegos and one cabinet secretary from agencies affected

Legislative lead: Senator Manny M. Aragon, Representative Raymond G. Sanchez, Senator Billy McKibbin and Representative Max Coll

Private: Representative Ted Hobbs (?) and two respected New Mexico CEOs

Consulting firm: Arthur Anderson or Peat Marwick; interview and hire program manager

AUGUST 15: Composition of committee clear

JULY and AUGUST: Gain buy-in and commitment of concepts with leaders

SEPTEMBER: Announce publicly, seek input, market and articulate plans -- allows legislators to use in their campaigns for election); gain support in and out of government.

SEPTEMBER: Monthly review of concepts; clarify and articulate choices or alternatives

DECEMBER: Firm up budget impacts and legislation; plans for January 1997 initiation of process

LOU GALLEGOS, TASK FORCE AND IMPLEMENTATION TEAM

JULY 1996: Form team with implementation personnel

Staff: Cabinet secretary from each agency affected (three); key managers and leaders from within each agency (three to six)

Private: Representative Ted Hobbs, two respected leaders in this field

Consulting firm: Project managers for expertise and coordination; one per agency

JULY 31: Key ideas and concepts clear

AUGUST 10: Review concepts with other agencies for potential linkage and support

AUGUST THROUGH NOVEMBER: Plan ideas (consolidate, eliminate, privatize); sub task forces formed (structure)

NOVEMBER: Prepare details and plans for legislature and financial support

DECEMBER: Measurements and communication systems identified for continuous feedback

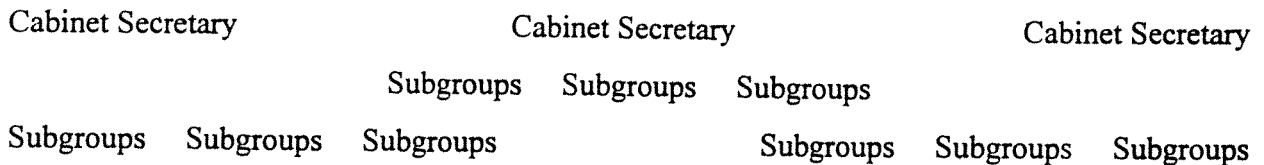
JANUARY THROUGH DECEMBER 1997: Implement process and conduct monthly meetings with governor (steering committee)

Governor Gary E. Johnson, Lead
(Steering Committee Members)

- Lou Gallegos*
- Cabinet Secretary*
- two Senate members*
- two House members*
- three private sector members (two CEOs)*
- Consultant*
-

Lou Gallegos (Governor's Chief of Staff), Lead
(Task Force and Implementation Team)

- Cabinet Secretaries of each affected agency (three -- see below)*
- Key agency managers (three to six -- see below)*
- Ted Hobbs*
- two leaders in this field*
- Consultant*



(Subgroups work out specifics)

Groups are linked through consulting firm project management systems. Involvement by leaders inside state government supports communications across and through the organization. *Learnings* through the process can be reapplied to other agencies in the future. (These implementation concepts were reviewed with Governor Johnson and key staff members on June 26, 1996.)

BIBLIOGRAPHY

1. *Organizational Changes in State Government*, 1995, Keone S. Chi
2. *Improving State Government through Agency Reorganization*, National Governor's Association
3. *State Trends Forecasts -- Reorganization*, December 1992, Council of State Governments
4. *New Mexico First, Town Hall: Structure of Government in New Mexico*, November 1994
5. *Better American Government*, KPMG Peat Marwick Success Stories
6. Examples excerpted from *Privatization*, 1996, Reason Foundation
7. *Resistance -- Moving Beyond Barriers to Change*, 1996, Price Pritchett

Ten Steps to Better American Government

1. **You must start with a written plan.** Your constituents will only follow you if you give them a clear road map of where you want to go. That roadmap should be published and circulated widely before the implementation process begins.
2. **Quantify success.** It's the result, not the process that people will remember. The public needs a goal, a numerical objective. All successful reform efforts would answer at least one of the following two questions: How much? How many?
3. **Know when to cut; know when to fix.** Reorganizing state services is a complex task that calls for very different approaches. The American people are split right down the middle on whether reorganization's top priority should be cheaper services or better services. For example, education is a task of "improvement" rather than "cost-savings," while prison reform evokes the exact opposite attitude.
4. **There is no room for tax increases.** Many state governments are facing the temptation of seeking new avenues, to generate additional revenues. Voters will resist virtually all tax increases as another lever for the government to raise money, which inevitably will be misspent.
5. **"Big Tent" coalition building is a necessity.** Supporters of the status quo will always fight harder than advocates of change. Reorganization efforts that involve many people from many backgrounds are much more likely to succeed than narrow coalitions of like-minded people, and friends can often be found in the strangest places. If reforming education, seek out educators; welfare recipients make for excellent welfare reform advocates; no one knows how to right-size bureaucracies better than the bureaucrats themselves.
6. **Self-made small business owners are your secret weapon.** Small business owners, those with 10 to 100 employees, are the strongest occupational support group, and the profession maintains high credibility ratings and approval scores from the public.
7. **A continuous, interactive feed-back loop is critical.** The public must be made an integral part of the reorganization process, and they must be allowed to have a voice in the planning, execution, and evaluation procedures. Interactive communication between the electors and the elected will have benefits well beyond the reorganization effort.
8. **The right words can make all the difference.** Education should be "streamlined," welfare should be "reformed," the government procurement process should be "privatized," and reducing state employees is "right-sizing government." These words matter to your constituents. They should matter to you.
9. **Reorganization never stops.** Times change, and governments must change with the times. When one project is finished, learn from it and move on.
10. **Repeat. Repeat. Repeat.** Even though you may think the world knows about your successes, chances are they don't. Never stop communicating your success.

Appendix B: CGPA's Policy Development Process

Beginning in the early 1980s, the Council of Governors' Policy Advisors (CGPA)—then called the Council of State Planning Agencies (CSPA)—was the leading organization in promoting the concepts of strategic planning to state governments. CSPA published several excellent books on this topic (see list of publications) and provided technical assistance using these approaches to numerous governors' offices. Building upon these experiences, the organization designed a policy development process to provide assistance to our members, and to serve as the organizational structure for state policy academies. Below is a detailed outline of this policy development process, which combines elements of the best conventional policy analysis and organizational strategic planning.

The CGPA Policy Development Process

1. Develop a Common Vision

- ♦ Articulate a preferred future.
- ♦ Discuss the elements to be included in a preferred future.
- ♦ Develop consensus on what a preferred future would be.

2. Scan the Policy Environment

- ♦ Assess key elements of the current environment and their relevance to the issue.
- ♦ Assess how recent trends in these elements could change.
- ♦ Assess elements most amenable to state-level action.
- ♦ Determine which elements are likely to facilitate or impede results.

3. Assess Problems and Opportunities

- ♦ Define the major problems and opportunities.
- ♦ Determine who is affected by these problems and who could benefit from potential opportunities.
- ♦ Assess how serious the problems are and how significant the opportunities could be.
- ♦ Project recent trends into the future—better or worse outcomes?
- ♦ Determine the underlying causes for major problems.
- ♦ Assign priorities among both problems and opportunities.

4. Set Goals and Policy Objectives

- ♦ Set broad policy goals.
- ♦ Set specific outcome-oriented objectives.
- ♦ Choose indicators to measure accomplishment.
- ♦ Choose criteria for setting priorities.
- ♦ Establish priorities.

5. Identify Effective Strategies

- ♦ Brainstorm how to achieve results.
- ♦ Research what works.
- ♦ Evaluate what is already in place.
- ♦ Set priorities.
- ♦ Determine when to act.

6. Select Policy and Program Recommendations

- ♦ Test for plausibility and feasibility.
- ♦ Select strategies and programs to achieve specific objectives.
- ♦ Design evaluation and monitoring programs.

7. Gain Support

- ♦ Clarify and simplify policy recommendations for the public.
- ♦ Involve key stakeholders—internal and external.
- ♦ Broaden base through local connections.
- ♦ Coordinate communications opportunities.
- ♦ Monitor and adjust for public and media reactions.

8. Build Accountability Systems

- ♦ Determine the indicators of success.
- ♦ Involve data generators in system design.
- ♦ Organize to gather appropriate data.
- ♦ Develop incentives or mandates for data collection and reporting.
- ♦ Collect and analyze data.

9. Implement Programs and Policies

- ♦ Clarify expected results.
- ♦ Resolve residual conflicts between existing and new objectives.
- ♦ Target priorities for strategic resource allocation.
- ♦ Provide sufficient guidance and training.

10. Monitor Progress and Test Results

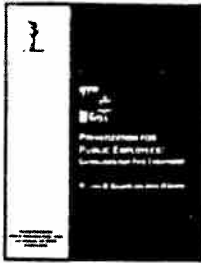
- ♦ Review information from accountability systems.
- ♦ Make decisions based on results.
- ♦ Reexamine the policy environment and the major problems.
- ♦ Adjust objectives and strategies.
- ♦ Adjust implementation timetable.
- ♦ Revise priorities.

Seven Steps

Most state officials are aware of the imminent changes ahead. In our discussions with state officials, some respondents—but not all—recognized that the moment is at hand to reengineer state public service. Among the areas that must be at the top of the list for doing this are the following seven steps:

- ① **Legislative action.** *Governors and legislators have to take double-time steps to enact enabling legislation to operate under the new block grants and take advantage of their opportunities for basic systems changes.*
- ② **Authorizing program change and linkage options.** *These laws will have to define and authorize new programs with an eye toward flexibility (a) to fold overlapping and duplicative programs and activities into broader single entities and (b) to give discretion to the agency personnel who implement the new programs.*
- ③ **Revising agency operations and procedures.** *They have to authorize the creation of mechanisms for integrated one-stop social-service systems within and across agencies.*
- ④ **Agency Reorganization.** *Officials need to take a hard, fast look at opportunities through agency reorganization to streamline and make better use of service delivery systems within existing agencies.*
- ⑤ **Establishing new information systems.** *This is an area of critical importance for faster data collection, data sharing, and more efficient, linked-data systems for social services. Information resources have to be shared among agencies serving the same client populations. New data systems must be built that will speed and improve decision making and provide for the application of new technologies like computer mapping geographic information system (GIS) to coordinate service delivery geographically.*
- ⑥ **Personnel reallocations.** *Changes in personnel systems need to be tackled on a systematic—though not a meat-axe—basis. For example, states could combine eligibility functions; link service agency personnel for increased productivity; and realign state and local intergovernmental responsibilities. Attention must be paid to civil service employee unions in this process, and we all know this is difficult to do.*
- ⑦ **Training.** *Workers need to be rewired too. They need to send the right signals about what states seek to achieve with social program reforms. This requires new skills for combined services and changed functional alignments and agency procedures.*

These are heady times for American state governments. State planners must move beyond conceptual issues to the specifics of institutional reform and policy implementation. This is a hard road to take, but it is road that must be taken.



PRIVATIZATION AND PUBLIC EMPLOYEES

Adapted from "Privatization for Public Employees: Guidelines for Fair Treatment," Reason How-to Guide No. 9, by John O'Leary and William D. Eggers.

Without question, public employee union opposition continues to be the strongest obstacle to privatization. While some public enterprises have reacted to competition by streamlining operations, others have sought to erect legal barriers to contracting. Developments in 1995 suggest that public-employee unions largely remain committed to preventing privatization and competitive contracting.

According to its own Officers' Report of September 1995: "Fighting privatization of public services continues to be a major focus of the PED (Public Employee Department of the AFL-CIO)." In Los Angeles, in December 1995, the City Council enacted a law, strongly supported by the municipal unions, that greatly decreases the likelihood of future contractors accepting work with the city. In California, the Professional Engineers in California Government, a state employee union, plans to put an initiative on the 1996 ballot that would amend the constitution to virtually outlaw the state's ability to contract out design work. California already has some of the most restrictive anti-privatization statutes in the country. Recently, one Californian school district's attempt to contract for janitorial services was challenged in court by the public employee unions.

Simply the presence of a detailed set of legislative requirements for pursuing contracting can discourage public managers. "Subjecting the privatization process to legislative micro-management invites an army of lawyers into the courtroom to argue over accounting methodology," says Linda Morrison, a consultant who helped design Philadelphia and New Jersey's privatization programs. "This is the antithesis of good management. If a privatization program is dictated by elaborate legislation, a manager won't pursue it because it simply becomes too much trouble."

In some cases, labor-management partnerships are simply a new approach to stopping contracting. Consider these suggested "goals for labor-management cooperation" as described in an AFL-CIO internal training document:

Some general goals might be: to improve employment security; to create better jobs with higher skills; to create safer, less stressful work environments; to create a forum for joint-decision making; to increase the influence employees have over workplace issues, and enhance the role of the union; to increase in-house work and reduce the use of vendors and sub-contractors.

The Impact of Privatization on Public Employees

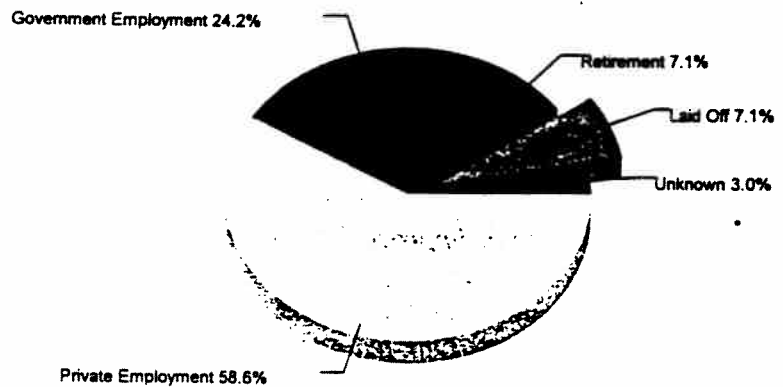
One of the major reasons public employees are hostile to privatization is the perception that they will lose their jobs as a result. Though this fear is certainly understandable it is hardly justified.

Job Loss. The most-comprehensive evaluation of the effect of privatization on government workers was conducted in 1989 by the National Commission on Employment Policy (NCEP), a research arm of the U.S. Labor Department. The study, titled "The Long-Term Employment Implications of Privatization," examined 34 privatized city and county services in a variety of jurisdictions around the country. The report found that of the 2,213 government workers affected over a five-year period by the privatizations, only 7 percent were laid off. Over half of the workers (58 percent) went to work for the private contractor; 24 percent of the workers were transferred to other government jobs; and 7 percent of workers retired (see Figure 2.1).

These findings are similar to those of other studies examining job displacement from privatization. A 1985 General Accounting Office (GAO) study found that of the 9,650 defense employees affected by contracting out, 94 percent were placed in other government jobs or retired voluntarily from their positions. Of the 6 percent of displaced employees, half obtained jobs with the private contractor.

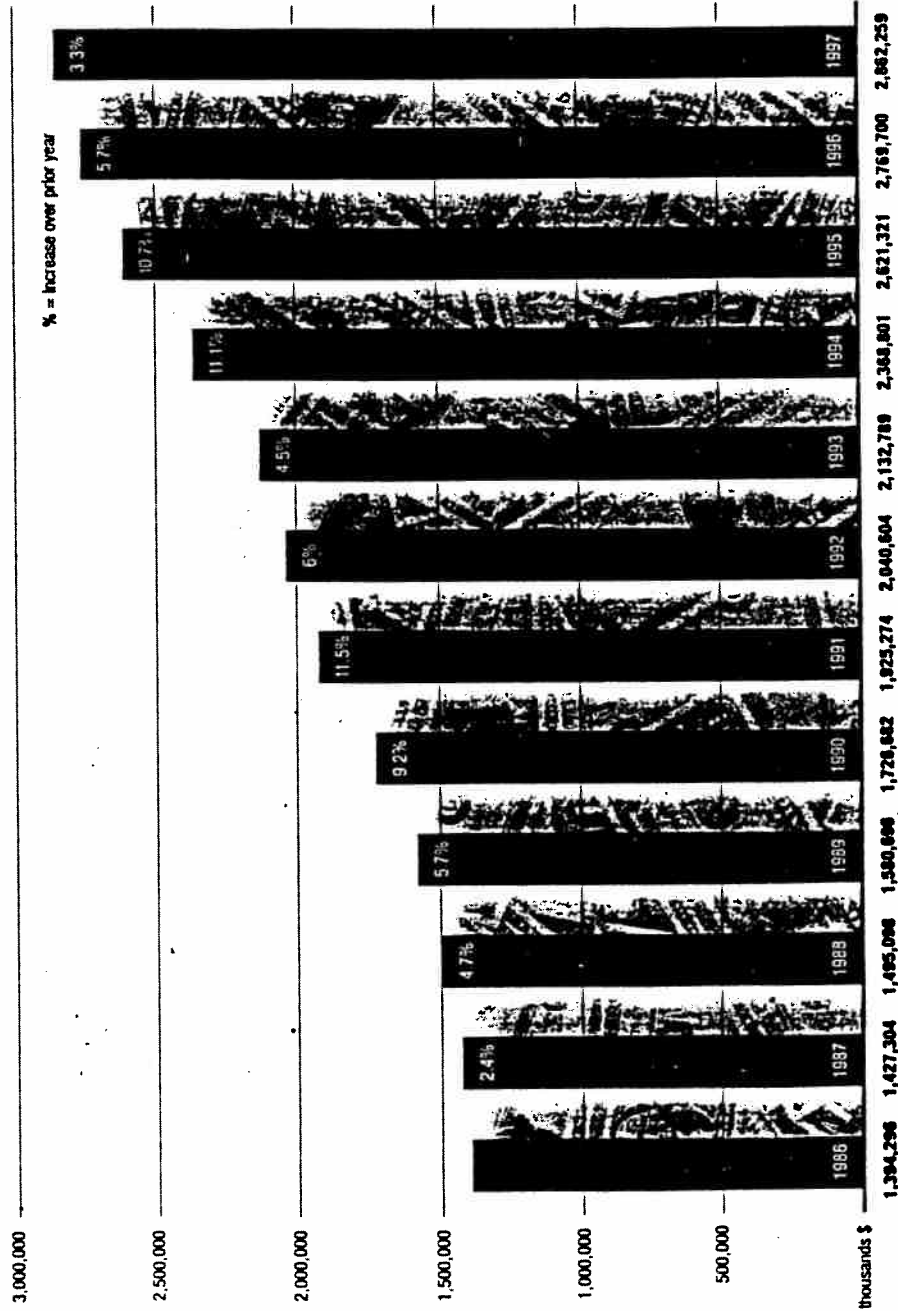
It also must be recognized that privatization is not a zero-sum equation: though public jobs may decrease, jobs are also created in the private sector from privatization. In many cases, the public employees shift into these private-sector jobs. Moreover, it is important to remember that government exists to serve citizens and taxpayers, not just public workers. While public employees certainly deserve fair treatment, so do taxpayers.

Figure 2.1: Employment Status of Affect Government Workers



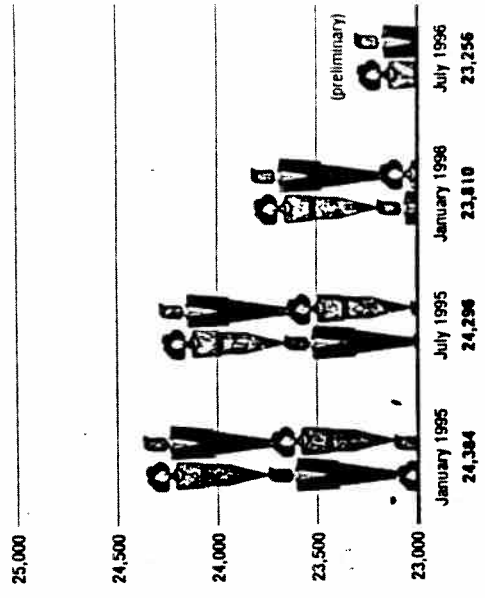
Source: NCEP, U.S. Dept. of Labor, 1989.

Growth of New Mexico's Budget



In the past two years, New Mexico's operating budget growth has slowed from a 9.8 percent average annual increase from FY 86 through FY 95 (1985-1995) to an increase of 5.7 percent in FY 96 (1995-96) and a modest 3.3 percent increase for FY 97 (1996-97). ■

Number of Full-Time State Employees



FISCAL YEAR / GENERAL FUND

TOTAL POSITIONS

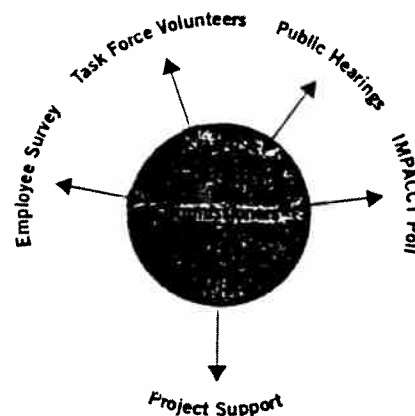
- Cut costs
- Increase efficiency
- Improve effectiveness
- Consolidate similar functions
- Return functions and job creation opportunities to the private sector
- Help Pennsylvania become more competitive in a world economy

With a small budget and a brief three months to conduct our analysis, IMPACCT was not intended nor able to answer all of the questions facing the Commonwealth. Instead, we directed our energies to creating an *opportunity analysis* of ways to make government more productive, more efficient and less costly. Our conclusions are summarized in the *Making Government Make Sense* report, issued in February 1996, and outlined in brief here.

While not every member of our Commission agrees with every recommendation included in the report, we are united in our support of this package as being worthy of consideration by Pennsylvania's leaders and citizens—and in our belief that the culture of government has to change.

Task Force Volunteers. Many people played an important role in our results, but we couldn't have done it without the 258 volunteers who led and performed the investigation. IMPACCT's task force volunteers—including business owners, senior executives, attorneys, health care professionals, consultants, nonprofit leaders and others—went far beyond our wildest hopes, donating an estimated

**EXHIBIT 2: THE IMPACCT PROCESS:
A PARTNERSHIP IN ACTION**



COMMISSIONERS

- An independent, bi-partisan body
- 17 Individuals from public and private sector

TASK FORCE VOLUNTEERS

- 233 private sector volunteers
- 16 Task Forces

PROJECT SUPPORT

- 18 staff and professional consultants supported this effort

PUBLIC HEARINGS

- Held in Allentown and Pittsburgh

EMPLOYEE SURVEY

- Input solicited from all state employees

IMPACCT POLL

- Telephone sampling of 500 Pennsylvanians

Source: Pennsylvania IMPACCT Commission

1

To Cabinet Meeting Participants May 7, 1996
From Bob Morando
Subject Definition of Key Concepts and Terms for Consistency

Summarized from "Built To Last" by James Collins and Jerry Porras

In a Visionary Organization, Strategies can change as market conditions change, but Core Values remain intact.

In a visionary organization you must pin down your core values. If you say there are more than 5 or 6, there's a good chance you are not getting to the core essentials. Remember, these values must stand the test of time. If a situation changes and penalizes us for holding core values, would you keep it? If you can't say yes, then it's not a core and should be dropped.

Remember, strategies can change as market conditions change, but core values remain intact in a visionary company. Examples of core values may be teamwork, employee involvement, quality, leading edge innovation, etc.

The second component of core ideology is Purpose. Purpose is the organization's fundamental reason for being. What would be the outcome if the organization ceased to exist? What would be lost? And answer the fundamental question so that it would be equally valid a hundred years from now.

You do not "create" or "set" core ideology. You discover core ideology. You get it by looking inside oneself. It needs to be authentic. Core values and purpose must be passionately held on a gut level, else they are not core.

Once clear on the core values and purpose, you should feel free to change absolutely anything else that is not core ideology. From then on when someone says we shouldn't change because of x, y or z; or any other excuse for resisting change; remind them of the rules. If it's not of the Core Values and Purpose, it's up for change.

We next need to determine what type of progress you want to stimulate. These are the strategies and goals of an organization that are the mechanisms to drive the continuous self improvement and bottom line results.

Once these ground rules are set, you then need to align the organization to preserve the core and stimulate progress. Far and away, the biggest mistake managers make is ignoring the crucial importance of alignment in their organizations. The following explains alignment through a summary of "Reengineering the Organization" by Michael Hammer and James Champy

Alignment is how people are organized around **Business Processes** versus the Adam Smith industrial revolution method of managing tasks. The technique used to accomplish these changes is **business reengineering**. Business reengineering means putting aside the "old ways" of doing things, titles and organizational arrangements. What matters is how we want to organize our work processes for results today, given the markets and the power of technologies.

Reengineering means doing more with less. It is not the same as reorganizing, downsizing or flattening an organization, although it may produce a flatter organization. It is about **process structures** versus **organizational structure**. Reengineering is the search for new models of organizing the work. Practically every aspect of the organization is transformed. The following are a closer look at the kinds of changes that occur.

1) **Work units change from functional departments to process teams.** A process team is a unit that naturally falls together to complete a whole piece of work.

2) **Job content changes from simple tasks to multi-dimensional work.** The team members use a broader range of skills day to day and have to think about a bigger picture. The new model is complex jobs for smart people, which raises the bar for entry into the workforce.

3) **People's roles change from controlled to empowered.** As process team workers they are both permitted and required to

think, interact, use judgment and make decisions. Hiring practices become issues because you are also concerned with their character.

4) **Performance measures and compensation shift from activity to results.** Companies measure performance and pay members on the value they create. Base salaries tend to remain fairly flat but substantial rewards for outstanding performance takes the form of bonuses, not pay raises.

5) **Advancement criterion changes from performance to ability.** A bonus is reward for performance. Advancement to another job is a function of ability to take on more responsibilities.

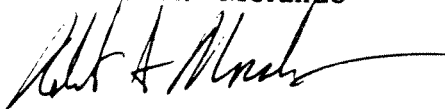
6) **Values change from protective to productive.** Reengineering requires that employees deeply believe that they work for their customers, not their bosses.

7) **Management changes from supervision to coaching.** Managers have to switch from supervisory roles to acting as facilitators, as enablers, and as people whose jobs are the development of people and their skills so that those people will be able to perform value adding processes themselves.

8) **Organizational structures change from hierarchical to flat.** Decisions and interdepartmental issues get resolved by the teams during the course of work versus meetings of managers. Control is vested in the people performing the process. Managers can supervise 7 to 10 people but can coach approximately 30.

9) **Executives change from scorekeepers to leaders.** Executives move closer to the real work of the business. They fulfill their responsibilities by ensuring that processes are designed in such a way that workers can do the job required and are motivated by the company's management systems-the performance measurement and compensation systems-to do it.

Robert A. Morando



Copy

Gary Johnson

Kelly Ward

Lou Gallegos

Dave Miller

To Cabinet Meeting Participants May 15, 1996
From Bob Morando
Subject Reorganization Processes

Summarized from "Improving State Government through Agency Reorganization Process " - Nat. Gov. Assoc. (Jan. 1996)

- Restructure to improve delivery of services and reduce administrative costs. States can also set new priorities and clarify their missions through reorganization. Also, this will prepare for block grant changes.
- Emphasize planning and staff development in the transition process.
- Measure the results to improve efficiency and effectiveness.

OPTIONS

- Consolidate - Merge several organizations to one.
- Aggregate - Break large organization into several smaller, more focused.
- Downsizing - Reducing the overall number of people. Same with less.
- Reorganizing - Align the organization around new roles. More with less.
- Privatize - Align organization's support through the private sector.

KEYS TO SUCCESS

- HAVE A WRITTEN STRATEGIC PLAN.
- FOCUS ON SUBSTANCE FIRST, THEN DECIDE ON STRUCTURE
- INVOLVE ALL OF THE STAKEHOLDERS.
- MAKE SURE THE RESULTS ARE MEASUREABLE AND TIMETRACKABLE.
- COMMUNICATE, COMMUNICATE, COMMUNICATE

Restructuring and Innovations in State Management
National Association of State Budget Directors
April 1996

Mergers and consolidations continue to occupy a lead position in states' efforts at innovation and restructuring. Some are statewide versus selected areas. Savings result from eliminating positions or savings in lease space. Attrition is a preferred method. Communication with employees is key to success.

Colorado

Merger of Departments of Administration and Personnel
Reduction of thirty-five positions (35) Savings of \$2.1 MM.
Mainly 2 Executive offices merged to one. Management positions contributed the most savings.

Merger focused on performance goals and objectives of new department, not combining functions of the old.

Merger encountered no great obstacles due to special efforts to keep employees informed - newsletter from Dept. of Personnel.

Florida

Cabinet form of Government reviewed which revealed a duplication of functions, which in turn led to mergers.

First merger - Depts. of Administration and General Services

Merger viewed as an improvement in services - "one stop shopping" example for licensing.

Legislative approval needed for the mergers required several special sessions - four in the case of the first merger.

Table Two: Recent Mergers and Consolidations by Function, continued

State	Health	Transportation	K-12 Education	Public Safety	Training and Employment
Alabama					
Alaska					
Arizona					
Arkansas					
California					
Colorado	X				
Connecticut	X		X		
Delaware					
Florida					
Georgia					
Hawaii					
Idaho					X
Illinois	X				
Indiana					X
Iowa	X				
Kansas					
Kentucky					
Louisiana					
Maine			X		
Maryland					X
Massachusetts			X	X	X
Michigan					X
Minnesota	X		X		
Mississippi					
Missouri					
Montana	X				
Nebraska					
Nevada					
New Hampshire	X				
New Jersey		X			
New Mexico					
New York					
North Carolina			X		
North Dakota					
Ohio				X	
Oklahoma					
Oregon		X			
Puerto Rico					
Pennsylvania					
Rhode Island	X				
South Carolina				X	
South Dakota					
Tennessee					
Texas					
Utah					X
Vermont					X
Virginia					X
Washington					
West Virginia					
Wisconsin					
Wyoming					X
Total	8	2	5	3	9

Table Two: Recent Mergers and Consolidations by Function, continued

State	Regulatory	Juvenile Corrections	Economic Development	Consumer Affairs	Community Affairs
Alabama					
Alaska					
Arizona					
Arkansas					
California					
Colorado					
Connecticut	X		X	X	
Delaware					
Florida	X				
Georgia					
Hawaii					
Idaho	X				
Illinois	X				
Indiana					
Iowa					
Kansas					
Kentucky					
Louisiana					
Maine					
Maryland			X		
Massachusetts					
Michigan					
Minnesota					
Mississippi					
Missouri					
Montana	X	X			
Nebraska					
Nevada					
New Hampshire					
New Jersey					
New Mexico					
New York					
North Carolina					
North Dakota					
Ohio	X				
Oklahoma					
Oregon		X		X	
Puerto Rico					
Pennsylvania			X		X
Rhode Island			X		
South Carolina	X		X		
South Dakota					
Tennessee					
Texas					
Utah					
Vermont					
Virginia					
Washington					
West Virginia					
Wisconsin	X	X		X	
Wyoming					
Total	8	3	5	3	1

□ Notes to Table 2: Recent Mergers and Consolidations by Function

- Colorado** Combined the Departments of Social Services and Institutions (fiscal 1995). Combined the Department of Administration and the Department of Personnel (fiscal 1996).
- Connecticut** Merged human services agencies into a single agency (fiscal 1994). Merged the Department of Housing and the Department of Economic Development into a new Department of Economic and Community Development (fiscal 1996). Merged Mental Health and Addiction Services into a new Department of Mental Health and Addition Services (fiscal 1996). Merged the Department of Liquor Control into the Department of Consumer Protection (fiscal 1996). Merged the Commission on the Arts into the State Library (fiscal 1996).
- Florida** Merged the Department of Administration and the Department of General Services. Combined two environmental agencies into one and merged two regulatory agencies into one (fiscal 1994).
- Illinois** Reorganized higher education (fiscal 1995). Consolidated two state departments, two councils, and a department division into a new Department of Natural Resources in Illinois (fiscal 1996). Consolidate the Department on Aging and the Departments of Alcoholism and Substance Abuse, Children and Family Services, Mental Health and Developmental Disabilities, Public Aid, Public Health and Rehabilitation Services into a new Department of Health and Human Services (proposed fiscal 1997). Consolidate two financial regulatory agencies (fiscal 1997).
- Indiana** Established a new Department of Workforce Development (fiscal 1992).
- Louisiana** Created SECURE Louisiana's Future Commission to review operations of state government (fiscal 1994). Presented recommendations on restructuring (fiscal 1995 and fiscal 1996).
- Maine** Combined the Department of Human Services and the Department of Mental Health and Retardation (fiscal 1994). Consolidated all rehabilitation programs into the Department of Education (fiscal 1995). Consolidate administrative units and audit functions (proposed fiscal 1997).
- Maryland** Transferred unemployment and training functions to the Department of Labor, Licensing, and Regulation (fiscal 1996). Consolidated all environment-related regulatory functions in the Department of the Environment (fiscal 1996). Combine Departments of Budget and Fiscal Planning, Personnel, and Division of Telecommunications in the new Department of Budget and Management (proposed fiscal 1997).
- Massachusetts** Consolidate education, higher education and job training (proposed fiscal 1997).

□ Notes to Table 2: Recent Mergers and Consolidations by Function

- Michigan** Established a jobs commission (fiscal 1996).
- Minnesota** Established a new Department of Children, Families, and Learning to improve coordination of the major education, health and welfare programs and to provide greater flexibility to local governments in delivery of services to children and families (fiscal 1996).
- Montana** Created a new Department of Public Health and Human Services from the Department of Rehabilitation Service and the Department of Family Services (fiscal 1996). Restructured higher education, health and human services, and natural resources (fiscal 1996). Consolidated regulatory functions in a Department of Environmental Quality (fiscal 1996). Moved juvenile corrections from human services to the Department of Corrections (fiscal 1996).
- Nebraska** Merged the Department of Personnel and the Department of Risk Management in a Department of Administration (fiscal 1994).
- New Jersey** Consolidated motor vehicles with transportation (fiscal 1996).
- Ohio** Consolidated public safety functions and restructured the state's Department of Administrative Services (fiscal 1996).
- Oregon** Consolidated transportation regulation and safety enforcement (fiscal 1996).
- Pennsylvania** Consolidate the Department of Community Affairs with the Department of Commerce into the new Department of Economic and Community Development (proposed fiscal 1997).
- Puerto Rico** Consolidated some agencies and created umbrella departments (fiscal 1996).
- Rhode Island** Merged the Department of Substance Abuse into the Health Department, eliminated the Department of Economic Development and created a quasi-public Economic Development Corporation (fiscal 1996).
- Texas** Consolidated job training, employment related education programs, and unemployment compensation (fiscal 1991).
- Utah** Create a Workforce Department (proposed fiscal 1997).
- Vermont** Merge the Department of Labor and Industry and the Department of Employment (proposed fiscal 1997).
- Wisconsin** Consolidated state labor training, employment, and welfare programs; merged various business development services, combined all financial regulatory agencies; consolidated consumer protection programs; and joined juvenile corrections programs and youth services (fiscal 1997).

To Cabinet Meeting Participants

May 29, 1996

From Bob Morando

Subject Reorganization Processes

KEYS TO SUCCESS

- HAVE A WRITTEN STRATEGIC PLAN.
- FOCUS ON SUBSTANCE FIRST, THEN DECIDE ON STRUCTURE.
- INVOLVE ALL OF THE STAKEHOLDERS.
- MAKE SURE THE RESULTS ARE MEASURABLE AND TIMETRACKABLE.
- COMMUNICATE, COMMUNICATE, COMMUNICATE

There are two organizational systems at work - the formal and informal.

The formal system is the "chain of command". This is the structured, titled, well defined piece of the organization. Policies and procedures rule in this domain. Communication flows through these channels. The postings and newsletters of the department tell their "version of the truth".

The informal system is the reality of the organization. This is the watercooler talk, the lunch conversations, gossip and "have you heard" section. This is where the majority of communication takes place. This is the "true or real" story, and it gets more distorted the more often it is told.

It is important to understand this scenario exists and you cannot stop it. What we need to do is influence the system in the most positive way possible. We need to be out in front of the curve, sending a clear message and being positive about the opportunities of the coming changes.

Change creates fear in most people. The status quo, even if perceived as bad, is better than what may be coming. To help the situation, I would recommend involving stakeholders early on in the process. Recruit the informal leaders as well as the formal ones. Involve the front line people and supervisors early. Let them know your overall plans and boundaries. How will reductions or realignments occur? Will there be transfers, firings, retraining or opportunities for advancement? You don't need all the details, but define the Values you will be using during the process. Then, with these stakeholders involved, let them create the specific solutions.

To Cabinet Meeting Participants June 5, 1996
From Bob Morando
Subject Reorganization Processes

KEYS TO SUCCESS

- HAVE A WRITTEN STRATEGIC PLAN.
- FOCUS ON SUBSTANCE FIRST, THEN DECIDE ON STRUCTURE.
- INVOLVE ALL OF THE STAKEHOLDERS.
- MAKE SURE THE RESULTS ARE MEASURABLE
- COMMUNICATE, COMMUNICATE, COMMUNICATE

Practical Suggestions for the Reorganization Process

- 1) Make the process budget driven
- 2) Do it quickly and efficiently
- 3) Use outside assistance as needed (Experts, Private sector, Educators)
- 4) Be humane through the process
- 5) Build general constituency to counter interest group opposition
- 6) Market the reorganization plans

Measurements and Timetrackability

- 1) Use existing measurement criteria for continuity and credibility
- 2) Measure a few key indicators
- 3) Visibly post the information (charts) and update regularly
- 4) Use all communication mediums to inform of positive progress
- 5) Credible measurements allow for rewards for achievements

PHONE LIST

* INTERVIEWED

- 1) KEON S. CHI * (606) 244-8251 DIRECTOR OF CSG - CENTER FOR STATE TRENDS
- 2) JILL HYLAND * (202) 624-5335 NATIONAL GOVERNORS ASSOCIATION
- 3) ROCKEFELLER INSTITUTE (518) 443-5825
- 4) DAN DURNING, AUTHOR "Gov & ADMIN REFORM IN 1990's" U OF GEORGIA
- 5) JOHN DIRENZO (703) 917-6906 PRINCIPAL, PEAT MARWICK - CONSULTANTS

STATES

- 6) OKLAHOMA
CHARLES BRODT (405) 521-3646 DEPARTMENT OF HUMAN SERVICES
- 7) MICHIGAN
ROBERT PENDLETON (517) 335-5853
KATHY HAINES (517) 373-0463 DEPARTMENT OF SOCIAL SERVICES
- 8) COLORADO
KAREN BEYE * (303) 866-3063 DIRECTOR OF DEPARTMENT HUMAN SERVICES
- 9) FLORIDA
PAUL BELCHIER * (904) 488-7734 POLICY DIRECTOR
BOB O'LEARY (904) 933-6261 HEALTH & ENVIRONMENT
- 10) MINNESOTA
ANN JADDE (612) 297-2436
LINDA COLE (612) 296-2806 GOVERNMENT PLANNING OFFICE
- 11) NEW YORK
BOB HINKLEY * (518) 474-5987 DIRECTOR OF PUBLIC RELATIONS

June 26, 1996 (10:35am)

- 12) NEBRASKA
DONALD LUENBERGER * (402) 471-9105 DEPARTMENT OF SOCIAL SERVICES
- 13) NEVADA
CAROL JOHNSON (702) 486-7923 TRAINING & WORKFORCE DEVELOP
- 15) WISCONSIN
RON HUNT (608) 266-2687 DIRECTOR OF WORK PROGRAMS
- 17) INDIANA
NINA WHITE (317) 232-7381 DIRECTOR OF STRATEGY / PLANNING
SHERYL SULLIVAN (317) 233-4690 SECRETARY OF FAMILY AND SOCIAL SERVICES
MARK HOLEMAN * (317) 233-4009 OCCUPATIONAL DEVELOPMENT - EMPLOYMENT SERVICES
- 19) PENNSYLVANIA
SHERYL McVITTY (717) 783-8627
JOE DEKLINSKI * (717) 787-3300 LT. GOVERNOR'S OFFICE
- 20) MASSACHUSETTS
CHARLES BUDD (617) 727-6250
- 21) IDAHO
JEFF MALMEN (208) 334-2100
TANA SHILLINGSTAD * (208) 334-2100 GOVERNOR'S OFFICE
DWIGHT JOHNSON (208) 334-6402 WORKFORCE DEVELOPMENT
MIKE BRASSEY (208) 334-3900 CONSOLIDATION
- 22) CONNECTICUT
JOE NESTERIAK (203) 566-4840 GOVERNOR'S OFFICE