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Productivity Realization Task Force
SUMMARY REPORT
June 1996

Enhancing Productivity in Maine State Government

Angus S. King, Jr.
Governor

Members - Productivity Realization Task Force

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ANGUS S. KING, JR.
GOVERNOR

Message from Governor Angus S. King Jr.

The Productivity Realization Task Force is an idea conceived by my Administration, refined by the Legislature, and executed by members of the Task Force representing all three branches of government and business. Accordingly, its success is due to the close collaboration of all these sectors, motivated by the need to create a government that is optimally productive, effective, accountable, affordable, and responsive to the needs of the people of the State of Maine. Not only have we accomplished these goals, but we did it in record time and under budget.

I particularly want to thank Mr. Linwood Bell for his tremendous dedication to this task and for his skillful leadership and insight. Obviously, Lin couldn't have done it without the commitment and input of the rest of the Task Force members, all who served long hours entirely on a volunteer basis.

Despite the complexity of the task, this Summary Report tells the final tale. This Administration, working together with the Legislature, has eliminated bureaucratic layers, broadened management span-of-control, redesigned organizations to enhance performance, automated State Government to ensure that agencies have the tools needed to get the job done, reduced administrative overhead, made jobs more accountable, consolidated appropriate functions, and launched effective and innovative means for service delivery.

I am proud of the work we have accomplished and look forward to continuing our work together.



Enhancing Productivity in Maine State Government

Inception

Within a month of his inauguration in January 1995, Governor Angus S. King, Jr. was briefed on the parameters of a State budget gap first calculated in the vicinity of \$300 million dollars. As he and his staff began to explore the issue, they discovered that the gap between projected expenses and income was even wider than first reported. However, as discussion ensued, an apparently unpalatable budget dilemma emerged as an unprecedented opportunity – an opportunity to enhance the productivity of State Government and to fill the budget gap with the resultant savings.

Thus, the Productivity Realization Task Force was conceived as a means to balance the current biennium's General Fund budget by:

“expediting and facilitating the implementation of improvements in State Government operations through the realization of cost savings from increased productivity of state employees, more efficient delivery of services, and the elimination of waste, duplication, and unnecessary programs.”¹

The Task Force appeared in the Governor's first biennial budget in February 1995 as a means to recommend savings through enhanced productivity totaling \$32 million. After much debate, the Legislature agreed to establish the 13 member Productivity Realization Task Force and revised the savings goal to \$45,186,783².

The Legislature also required the Task Force's productivity recommendations to achieve the following³:

- “Improve the effectiveness with which General Fund dollars ... are spent;
- Reduce the ratio of management, administrative, clerical, and supervisory personnel ... to the front-line personnel;
- Consolidate or restructure redundant State Government Services, programs, and operations...
- Integrate the effective use of technology...; and
- Achieve the most effective delivery of services to Maine citizens.”

A number of other challenging provisions were included in the enabling legislation, e.g.:

¹ Public Law 1995. Chapter 99. Part D §D-1.

² Public Law 1995. Chapter 99, Part D, sub-§1 as amended by Public Law 1995. Chapter 368, Part H, sub-§H-1.

³ Public Law 1995. Chapter 99. Part D §D-5.

- **Urgency** - As the appointing authorities, the Governor, the Speaker of the House, the President of the Senate, and the Chief Justice of the Maine Supreme Court were required to make their respective appointments to the Task Force within 48 hours of the effective date of the law. In addition, the Task Force was required to hold its first meeting within 16 days;
- **Limit on Legislative deliberation** - the Legislature agreed to consider any productivity recommendations requiring Legislative enactment within a statutory deadline of 3 days. Specifically, the Legislature was required to achieve the same amount of projected savings and deappropriations over the current biennium as those identified by the Task Force and endorsed by the Governor within this 3 day period;⁴;
- **Special gubernatorial authority** - In the event the Legislature failed to enact the productivity savings presented by the Governor within the 3-day time limit, the Governor was given special authority to meet his savings goal by unilaterally curtailing budgeted allotments to Executive Branch agencies⁵. The Governor was also given unprecedented authority to “transfer positions authorized by the Legislature between General Fund accounts and between departments and to transfer the available balances of any General Fund appropriations between line categories, accounts, and departments”⁶ in order to achieve the savings necessary to balance the biennial budget; and
- **No independent authority** - The Task Force was advisory only with no independent authority. Its task was to submit recommendations to the Governor and to the Legislature in accordance with the statutory productivity and savings goals.

On May 31, 1995, - just two weeks after the bill was signed into law by the Governor - the Task Force began its work - knowing that a balanced budget for Maine State Government depended on its ultimate success.

Membership

Thirteen volunteer members of the Task Force represented, by statute, the business sector, a labor union, state employees, the Legislative Branch, the Judicial Branch, and the Governor's cabinet . Mr. Linwood Bell, the Managing Partner in Maine of the accounting firm Coopers & Lybrand L.L.P., graciously agreed to serve as Chair of the Task Force.

Members of the Task Force are listed on the front cover of this report.

Task Force Process

Plan Development - The Task Force's approach was to look at State Government through the cross-hatch of an interlocking grid; taking a “vertical” perspective by treating each agency as a separate entity and identifying productivity measures for each, while, simultaneously, examining common governmental functions that cross departmental lines from a “horizontal” vantage point.

⁴ PL 1995 c.99. Part D. §D-4. Sub-§3

⁵ Public Law 1995. Chapter 99. Part D. §D-4. Sub-§3.

⁶ PL 1995 c. 99. Part D. §D-5.

To aid in the development of the departments' productivity plans, the Administration developed 13 criteria. Even though the Task Force did not officially endorse these criteria, the Departments found the criteria helpful as benchmarks. The five most useful criteria turned out to be:

1. **Span-of-Control** - Increase supervisory Span-of-Control by eliminating supervisory and middle-management functions:
 - A. Eliminate and minimize horizontal layers of management between the Commissioner and the customer;
 - B. Reorganize management/supervisory ranks to reflect the reality of past job eliminations by:
 - a) approximating a benchmark ratio of 1:8; or by
 - b) redefining the supervisory job.
2. **Combine duplicate functions** - Seek out and eliminate duplicate or redundant programs, divisions, or offices, whether inter- or intra-agency:
 - A. by eliminating all but one of the programs; or via
 - B. consolidation.
3. **Regional functions** - Consolidate regional functions and locations, both inter- and intra-departmentally, including not only:
 - A. managerial / administrative functions; but also
 - B. physical plants.
4. **Support Functions** - Reduce the number of administrative support staff in the organization:
 - A. Reexamine the distribution of administrative support staff throughout the organization;
 - B. Consolidate, centralize, and re-deploy as needed to maximize productivity; and
 - C. Employ computer technology to reduce the need for administrative support.
5. **Technology**
 - A. Employ computer/electronic technology to reduce personnel needed to manage paperwork of all types; e.g., payroll functions; time sheets; or administrative paperwork required of law enforcement personnel, social service caseworkers, and others;
 - B. Provide all professionals with word-processing, spreadsheets and data base technology; and
 - C. Take action to significantly increase the level of computer literacy among the work force; (e.g. increase facility with CAD/CAM systems, GIS, E-mail, desk top publishing, etc.)

Review Teams - The Task Force created a total of 5 subcommittees, called *Review Teams*, to review proposals prior to presentation to the full Task Force. Each Review Team consisted of 4-6 members of the Task Force proper. The Task Force staff provided support for each of the Teams, and was assisted by various experts from the Executive Branch.

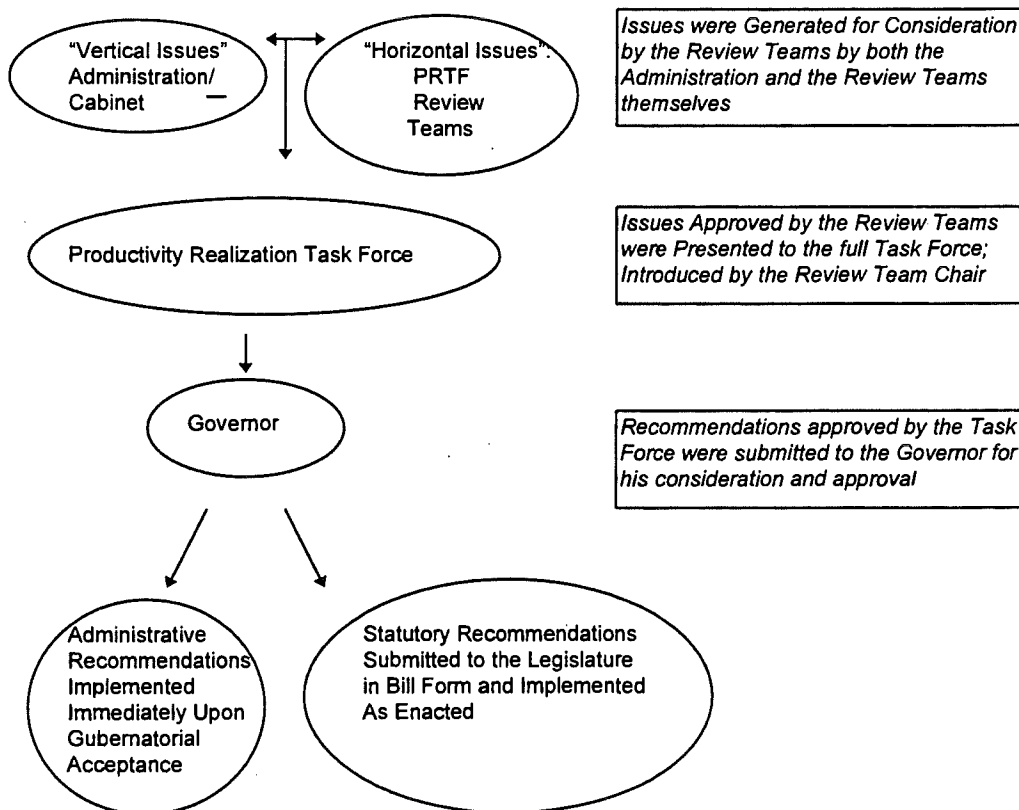
The purpose of the Review Teams was to identify productivity initiatives within each Team's jurisdiction that merited consideration by the full Task Force.

As illustrated in the flow chart below, the Review Teams themselves actually generated most of the "horizontal" issues passed along to the full Task Force. "Vertical" reviews of departments were

initiated by the Governor's Cabinet and then presented by each department's Commissioner to the Management Review Team of the Task Force. The Review Teams are listed below:

- *Management Review Team* - to conduct a preliminary assessment of departmental productivity plans;
- *Administrative Functions Review Team* - to review common administrative issues that cross departmental lines; i.e. vehicle maintenance; warehouse operations; accounts & control issues; auditing functions; custodial functions; trades functions; mail distribution; sale of assets; and copying functions.
- *Early Initiatives Team* - to identify savings initiatives that could be quickly implemented;
- *Support and Outplacement Review Team* - to help identify support and outplacement strategy for displaced state employees;
- *Program Review Team* - to review specific programs for redundancy, restructuring, or elimination; and
- *Information Technology Review Team* - to identify productivity initiatives related to information technology.

Decision-Making Process - Flow Chart



Process Adjustments

The productivity process, by definition, was unique. Accordingly, new issues arose continually throughout the process which called for creative resolution. Adjustments were made as the process evolved in the following areas:

Objections to Components of Plans - As Task Force members objected to various components of proposals under consideration, the Task Force process incorporated means to deal with the objections, such as providing more time for review and consideration of the issue of controversy, assigning a sub-group from the Task Force with the responsibility to take the issue under advisement, and to reschedule the department's plan on a later Task Force agenda. Since issues of concern were addressed prior to formal vote of the full Task Force, Task Force members were able to vote for reorganization plans as-a-whole, rather than vote incrementally on parts of the whole.

Public Comment - Traditional public hearings (i.e. in which any member of the public is welcome to comment without time limit) were not held by the Task Force or its Review Teams, given that the Task Force was advisory to the Governor and Legislature and had no independent authority. However, in the course of its work, the Management Review Team included an opportunity for employees affected by the proposals under consideration to comment, which aided the Management Review Team's deliberation on the issue under consideration.

Interested Parties - The Task Force received volumes of correspondence from interested parties, most expressing strong concern about the purported impact of the productivity process on an issue of direct interest to the correspondent. These communications were sorted by agency and provided to the Task Force when the issue was under review. Also, each letter was acknowledged with a specific reference to the issue of concern.

Staffing

Governor's staff - The Governor's senior staff devoted a significant amount of time to the project. The Governor's Chief Operating Officer worked closely with each Commissioner to conceptualize and refine each department's productivity plan. The Governor's Director of Policy and Legislation and the Governor's two Senior Policy Advisors critiqued all plans. One full-time employee was hired to provide staffing for the Task Force, and reported jointly to the Governor's Chief Operating Officer and to the Chair of the Task Force.

Statewide mobilization - Each of the department Commissioners, and innumerable state employees, were mobilized to work with the Task Force staff and the Governor's Office to design and develop departmental reorganization plans and assist the Task Force Review Teams.

Legislative Staff - Budget analysts in the Legislative Office of Fiscal and Program Review were asked by the Task Force to work with the Executive Branch Bureau of the Budget in calculating projected savings.

Funding

In addition to appropriating \$500,000 to cover expenses for the Task Force (including consulting fees) the Legislature also appropriated \$5.5 million to the Executive Branch and \$236,000 to the Legislative Branch to pay for "training, job restructuring initiatives, and necessary equipment and technology upgrades" associated with productivity improvements.⁷ The Executive Branch technology funds were used judiciously throughout the process to assist departments in meeting their productivity restructuring goals.

Savings' Initiatives

⁷ PL 1995 c. 368. Part H. §H-2.

The Task Force exceeded its savings goal by making recommendations in the following areas:

Executive Branch Departmental Reorganization:

Administrative and Financial Services;
Agriculture, Food, & Rural Resources;
Audit;
Conservation;
Corrections;
4 Cultural Agencies;
 Maine State Library;
 Maine State Museum;
 Maine Arts Commission;
 Maine Historic Preservation Commission.
Defense & Veterans' Services
Economic and Community Development;
Education;
Environmental Protection;
Office of the Governor
Governor Baxter School for the Deaf;
Human Services;
Inland Fisheries & Wildlife;
Labor;
Marine Resources;
Mental Health and Mental Retardation
Office of Substance Abuse;
Professional and Financial Regulation;
Public Safety;
Secretary of State;
State Planning Office; and
Transportation

Judicial Branch:

Legislative Branch

Other productivity initiatives:

Recovering productivity savings that had originally been retained by departments to cover projected severance costs, but which were not ultimately needed for this purpose. These savings were ultimately not needed because of proactive efforts to make other employment opportunities available to people whose positions had been eliminated;

Changing policy to capture salary savings immediately upon a position's vacancy, rather than allowing departments to retain these salary savings for other purposes;

Extending the current state contract for servicing copying machines by one year in order to position the state to include imminent technological innovations as part of its copier contract at year's end and to generate immediate savings;

Recapturing the unexpended portion of the Task Force's appropriation;

Reclaiming savings generated by the Department of Human Services' productivity plan and originally retained to pay for automation by identifying an alternative source of support for the automation project;

Reclaiming funds that had been budgeted since 1990 for discretionary salary increases but never distributed; and

Recapturing funds for State positions that had been authorized but never actually established.

Achievement of Goal

Within 10 months of the start of its work, the Task Force had achieved its goals; i.e. recommendations had been made to the Governor to enhance the productivity of all three branches of government and savings had been achieved sufficient to fill not only the biennial budget gap, but to reinvest in departments in order to consummate the departments' productivity plans [see text for more information].

The final savings tally from Task Force recommendations totaled over \$107 million in all funds, as follows:

	FY 96	FY 97	TOTAL 96-97 BIENNIUM
GROSS GENERAL FUND SAVINGS	\$19,135,212	\$40,674,297	\$59,809,509
(Less) General Fund Savings Redirected for expanded service delivery	(\$3,135,797)	(\$7,219,697)	<u>(\$10,355,494)</u>
ONGOING BIENNIAL SAVINGS	\$15,999,415	\$33,454,600	\$49,454,015
(Less) One-Time Reinvestments in FY 97	-	(\$4,176,250)	<u>(\$4,176,250)</u>
NET GENERAL FUND SAVINGS FOR FY 96-97	\$15,999,415	\$29,278,350	\$45,277,765
Plus Net Savings from Non-General Fund Sources*	\$10,747,490	\$36,845,954	<u>\$47,593,444</u>
NET SAVINGS ALL FUNDS	\$26,746,905	\$66,124,304	\$92,871,209
TOTAL SAVINGS- Gross General Fund and Non-General Fund			\$107,402,953

General Fund savings redirected for expanded service delivery - The productivity effort resulted in General Fund total gross savings of \$59,809,509.

However, the Governor accepted the Task Force's recommendation to redirect \$10.4 million of these General Fund savings to expand service delivery in the current biennium and to facilitate the rapid implementation of departments' productivity plans. Examples include funding extensive mental health programming and the construction of a security fence at the Department of Corrections's Maine Youth Center, enhancing professional development in school districts in partnership with the Department of Education, using office space more creatively to enhance productivity and service delivery, and enhancing the State's computerized child welfare information system to facilitate communication and collaboration among human services case workers.

Two departments retained 100% of the savings generated by their productivity plans; i.e..

General Fund savings generated by the Department of Mental Health, Mental Retardation, and Substance Abuse Services, totaling nearly \$ 5 million, were fully retained by the Department – none of the savings contributed towards the productivity goal of \$45 million. The Department retained and redirected its savings to meet the specifications of the consent

decrees regarding the Augusta Mental Health Institute and the Pineland Center, enhance community-based service delivery by supporting direct service programs in the regions, serve as seed money to privatize the Bath Children's Home, and to provide for the needs of homeless & high-risk adolescents.

Also, biennial savings of \$445,900 generated by the Department of Inland Fisheries & Wildlife were fully retained by the Department due to Constitutional strictures. DIF&W savings are redirected to automate licensing and registration functions, develop a simplified universal license form by 1998, improve management of fish and wildlife, introduce computer technology, develop an information center, enhance customer service, and redesign the boat registration process.

In addition, the Judicial Department retained 100% of its savings generated for FY 1997 in order to meet its operational goals, contributing only its FY 96 savings towards the productivity goal.

Accordingly, ongoing savings generated in the current biennium total \$49,454,015.

One-time FY 97 Reinvestments Which Will Continue to Accrue- In addition, the Task Force recommended, and the Governor accepted, recommendations to make one-time reinvestments in FY 97 totaling 4.2 million General Fund dollars. These capital improvements will continue to accrue into future biennia since the investment in FY 97 was one-time only. For example, the Department of Corrections reinvested savings in order to install a data management system, improve security throughout the correctional system, and significantly enhance technology. The Department of Human Services reinvested savings to equip its staff with appropriate technology, enhance child welfare services and child support collection, reduce medical costs through the installation of a technological Personal Health Advisor help line, and make a more productive working environment.

FY 96-97 Net Savings Deposited Directly into the General Fund - After reinvesting or redirecting nearly 25% of total General Fund savings generated by the Productivity Realization Task Force initiative, net savings returned directly to the General Fund totaled \$45,277,765.

Non-General Fund Sources - Savings generated from non-General Fund sources include savings achieved in the Highway Fund, Federal Expenditure Funds, Other Special Revenue, Federal Block Grant Funds, the Highway Garage Fund, the Telecommunications Fund, and Alcoholic Beverage Fund.

Total Savings - Gross General Fund and Non-General Fund - Accordingly, combined savings generated in all funds total \$107,402,953.

Savings Accruing into the Next Biennium - Net savings deposited directly to the General Fund, in combination with the \$4.2 million of one-time reinvestments, will continue to accrue into the next biennium and generate a savings of \$68,678,301 in the FY 1998-1999 biennium, as displayed in the table below.

**FY 97 Net General Fund Direct Savings and Investments Which Will Continue to
Accrue Into Future Years**

	FY 97	FY 98	FY 99	98-99 Biennial Savings
GROSS GENERAL FUND SAVINGS	\$40,674,297	\$41,313,727	\$42,563,653	\$83,877,380
(Less) General Fund Savings Redirected for expanded service delivery	(\$7,219,697)	(\$7,465,166)	(\$7,733,913)	(\$15,199,079)
ONGOING BIENNIAL SAVINGS	\$33,454,600	\$33,848,561	\$34,829,740	\$68,678,301

Positions Eliminated and Outplacement Support - Task Force recommendations and productivity improvements resulted in the elimination of 1,352 positions in all fund types, 690 of which had been supported by the General Fund.

Of the 1,352 total positions eliminated, 2/3rds, or 876, were eliminated through attrition. A hiring freeze, initiated by the Governor at his inauguration⁸, was primarily responsible for generating these vacancies through attrition. Long before the Productivity Realization Task Force began its work, the hiring freeze enabled the Administration to begin the process of rethinking business-as-usual procedures in order to accomplish objectives more efficiently. As a result, a significant number of positions vacated through attrition were not needed for the departments to accomplish their missions and were therefore available for elimination during the productivity process.

As graphically illustrated on the following page, four hundred seventy six of the eliminated positions were filled. Of the 476, 334 were laid off, 36 were transferred within State Government, and 113 accepted other available positions within State Government.

Due to the need to support the 334 people whose positions were eliminated through productivity, Commissioners and managers in each department worked closely with a special Support and Outplacement Services Team to establish a comprehensive, integrated system of transition and outplacement services. Employees whose positions were terminated met with their Departmental Coordinator and received a portfolio containing information on the Maine Job Service, Unemployment Insurance; Community Resources; Workforce Development; Health and Dental Plans; Retirement System Options; and the Employee Assistance Program. Career Planning Workshops were available to hone job search skills and career-decision making. The Maine Department of Labor provided skills training, education, and/or job placement services, as needed.

The Productivity Realization Task Force also hired a private firm to provide workshops on managing in a downsizing environment, coping with stress, managing organizational change, effective leadership skills, communication, managing workforce reduction, morale, and productivity. In addition, the Task Force provided funds in conjunction with the local Rotary Club to support a Jobs Fair in Central Maine in which 1,200 job seekers (from both the public and private sectors) met with over 60 employers in the area.

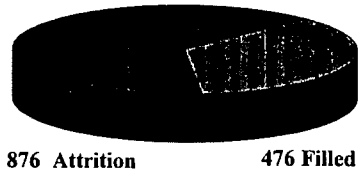
⁸ Executive Order #5, Special Budget and Expenditure Order of 1995, FY 94/95, January 5, 1995.

As a result of these efforts, 194 of the 334 laid off through productivity are currently employed in other positions within State Government and 65 are employed outside of State Government.

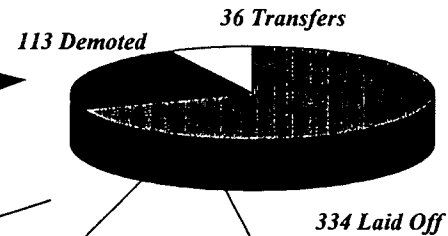
As of early May 1996, only 75 people were not known to be working. Efforts will continue to support the employment prospects of this latter group.

1,352 Positions Abolished by Productivity Task Force

About 2/3 of the 1,352 positions were eliminated through attrition...



Layoffs are in progress. So far:



The current status of the 334 laid-off people is...



75 not known to be working



65 working, not for the State



194 are working for the State

Note: Does not include MH&MR changes. Represents current best information, but changes daily. BHR gutters data continuously for future releases of this report. Source: Bureau of Human Resources 5/30/96. Release Track&PPT/BHR..

Examples of Productivity Improvements

The Task Force met its charge to "consider all reasonable productivity improvements throughout State Government...."⁹ by recommending productivity improvements illustrated by the following examples:

Eliminating bureaucratic layers - The productivity effort eliminated entire layers of administrative structure in the State bureaucracy, with the benefit of making each organization more nimble, manageable, and responsive to its constituents. For example:

- *Department of Agriculture, Food, & Rural Resources* - completely abolished 4 Bureaus and merged 7 divisions into 4 on the basis of function;
- *Department of Conservation* - reduced administrative layering by:
 - * consolidating Maine's State Park system from 5 Regions into 2;
 - * clustering administrative and technical support for all the State's Parks and Historic Sites around 9 "anchor" facilities within the 2 Regions; and
 - * eliminating one fire control District to streamline forest fire control administration.
- *Department of Human Services* - eliminated layers of bureaucracy by:
 - * flattening its field structure from 5 Regions to 3;
 - * eliminating or reclassifying all Deputy Bureau Directors, Assistant Bureau Directors, and Assistant Division Directors; and
 - * centralizing and combining eligibility determination for disabilities, AFDC, and Medicaid, thereby eliminating parallel-layers of administrative overhead.
- *Department of Mental Health, Mental Retardation, and Substance Abuse Services* - also flattened its field structure from 5 Regions to 3 in order to parallel the Department of Human Services's field regions, improve collaboration, maximize productivity and customer service, focus funds on direct care, push decision-making down, and increase accountability.
- *Department of Labor* - Consolidated 8 DOL accounting and budgeting offices into a single office.

Broadening management span-of-control - The table below shows that, on a percentage basis, more managerial positions were eliminated than front-line workers. As a result, the supervisory span of control was increased to a span of nearly 1:8¹⁰.

⁹ Public Law 1995, Chapter 99, Part D § D-3 sub-§1

¹⁰ [4,257 pro/tech + 5,907 workers] ÷ 1,362 supervisors

Eliminations by Category	Total # of Positions in this Category	# Positions Eliminated	Revised Number of Positions in Category	% of Positions Eliminated in Category
Manager	393	66	327	16.8%
Supervisor	1,579	217	1,362	13.7%
Professional/Technical	4,576	319	4,257	7.0%
Worker	6,657	750	5,907	11.3%
Total Positions	13,205	1,352	11,853	10.2%

Rethinking organizational function to enhance performance - In order to maximize agency resources, emphasize a performance-based approach, and to promote growth and development within and outside of State Government, many departments shifted away from organizational structures based on rigid categories in favor of a functional format which encouraged cross-teaming. For example:

- *Department of Conservation* - adopted a functional format in key areas, such as
 - * merging the former Bureau of Parks and the former Bureau of Public Lands into the single functional Bureau of Parks and Land;
 - * merging the former Maine Geological Survey and the former Maine Natural Areas Program into a single Natural Resource Information and Mapping Center; and
 - * combining two Divisions into the Division of Forest Policy in order to streamline management and improve services.
- *State Planning Office* - abandoned its "silo" organizational format and instituted cross-functional teams to carry out its mandates to provide community assistance, stewardship & outreach, performance-budgeting, economic & demographic analysis, development & energy planning, and natural resource planning.
- *Department of Labor* -
 - * Consolidated numerous Job Service Offices with Job Training Services across the state into 14 "one-stop" Employment Assistance Centers; and
 - * Consolidated 3 Training Programs into one in order to encourage high-quality job creation and expansion by directly linking the education and training resources of this State to employment opportunities.
- *Department of Marine Resources* - abandoned its organizational structure based on individual species and adopted a cross-functional organization on the basis of

Fishing/Aquaculture; Watersheds; Anadromous Species; Marketing; Resource Management; Public Health, and Enforcement.

- *Department of Mental Health, Mental Retardation, and Substance Abuse Services* - eliminated its Divisions of Mental Health, Mental Retardation, and Children with Special Needs and replaced them with the new, functionally-oriented divisions of Administration, Programs, and Systems Operations.
- *Department of Education* - completely reorganized itself into four self-directed teams in order to assume a new role as advisor and facilitator to local education agencies in developing equal learning opportunities for students and professional growth opportunities for all staff members.
- *Department of Human Services*
 - * Consolidated administration for long-term care in one location;
 - * Clustered specific licensing functions performed by two bureaus in order to avoid conflicts, increase coordination, and establish links with other departmental licensing functions;
 - * Centralized and combined state determination of disability in the AFDC and Medicaid programs; and
 - * Merged the Office of Child Care & the State Head Start Program in order to increase efficiency and integration with community groups.
- *Department of Transportation* - Eliminated the Bureau of Transportation Services, as well as its 4 Divisions, and created two Offices in order to integrate multimodal functions across the Department.

Upgrading technology - integrated 21st century technology into Maine State Government. A business-as-usual approach would not have been sufficient to achieve the gains we have made in computer automation and modernization, both software and hardware.

- *Department of Human Services*
 - * Installed an "Automated Client Eligibility System" (ACES) to facilitate the automated integration of the AFDC, Food Stamps, Medicaid, and Jobs Retraining & Education programs;
 - * Completed the installation of a computerized case management system to automate Maine's child welfare system. The system will significantly reduce the reliance on paper copy, eliminate duplication of forms, facilitate access to the history of all child protection cases, and will list services, placements, and resources;
 - * Provided voicemail to caseworkers to reduce manual message-taking and wasted call-backs between workers and clients;
 - * Installed modern telephone system in the Portland office, including voicemail;
 - * Equipped caseworker, licensing, and central office staff with cellular phones in order to improve productivity, communication, and safety in the field;

- * Installed a *Personal Health Advisor* toll-free line in order to provide Medicaid recipients with an over-the-phone source of medical advice and reduce the incidence of costly and unnecessary visits to physicians, particularly the non-emergency use of hospital emergency rooms;
 - * Installed a voice-response system in the Bureau of Medical Services in order to efficiently respond to ~5,000 inquiries for information each week;
 - * Implemented advance computerized screening within the Bureau of Medical Services in order to increase the rate of 3rd party insurance recovery;
 - * Implemented additional automation in order to increase the number of claims received electronically by the Bureau of Medical Services, and reduce reliance on the labor-intensive paper claims;
 - * Installed software to enhance the management of Adult Protective cases and provided laptops to Adult Protective Services caseworkers;
 - * Installed document imaging technology to reduce the need for re-typing, keying, and filing paper documents;
 - * Updated automation in the child support program to enable the Division of Support Enforcement and Recovery to improve support collection and paternity establishment activities;
 - * Automated recordkeeping in the Office of Data, Research, and Vital Statistics; and
 - * Created a central Computer Service Center to facilitate conversion of mainframe work to the client-server.
-
- *Department of Public Safety* - Automated and coordinated licensing and inspection functions among the State Fire Marshal's Office, the Bureau of Liquor Enforcement, and the Maine State Police in order to improve license application review, data management and reporting, fee collection, inspection scheduling, and record keeping.
 - *Department of Economic & Community Development* - Developed a Technology Plan to replace outdated computer hardware (286's) with a combination of leased and purchased computers and appropriate software.
 - *Department of Mental Health and Mental Retardation* - Developed an MIS infrastructure for the Department.
 - *Judicial Branch*- Provided additional technology to expedite electronic transcription.
 - *Department of Education* - Automated manual manipulation of data, information, and communications to enhance efficiency and effectiveness.
 - *Department of Labor* - Expanded its automated Comprehensive Information Management System to link DOL services with external providers in order to deliver one-stop services to customers. Set the stage to establish Teleprocessing Centers for the Bureau of Unemployment Compensation.

- *Secretary of State* - Automated certain record keeping functions and arranged to share common databases with other agencies in order to optimize efficiency.
- *Bureau of Information Services* - Retired underused and outdated hardware and software (along with accompanying service contracts) and restructured the organization of DDP Computer Operations.

Creating Administrative Service Centers to reduce administrative overhead - Four Service Centers were created to provide personnel, financial, and other types of administrative functions to clusters of state departments, and replace the current approach of completely reproducing these functions in each department. Each of the Administrative Service Clusters save General Fund dollars through the consolidation of duplicate functions, enhanced coordination, integration, and communication among the member agencies, and the use of common policies and procedures.

- The "ACE" Service Center¹¹ - **A**griculture, **C**onservation, and **E**nvironmental Protection

This was the first cluster developed in the productivity process and became known as the "ACE" Cluster because it provided administrative services to the Department of **A**griculture, Food, & Rural Resources, Department of **C**onservation, and Department of **E**nvironmental Protection. These agencies were chosen for inclusion not only on the basis of their similar focus on natural resources, but also because they are located in close physical proximity to each other. The administrative services provided include support services in financial and human resources, inventory management, and courier services. The Center's purpose is to provide administrative services in an efficient and cost-effective manner to the member departments. The Center is under the joint authority and direction of the Commissioners of the departments who by unanimous decision are authorized to employ a director of the Center.

- Department of Administrative and Financial Services / Department of Economic and Community Development / State Planning Office / Governor's Office / the Blaine House (Governor's Mansion)

These agencies had already been jointly sharing some degree of administrative functions and used the productivity effort as an opportunity to complete the task. The focus of this cluster is to find efficiencies by consolidating administrative functions of several smaller agencies into the Department of Administrative and Financial Services, which is authorized by law to serve as the fiscal agent. This cluster will provide such functions as processing payment vouchers and contract documents, and handling personnel and payroll, financial management, and other related types of functions.

- Department of Defense & Veterans' Services and Department of Public Safety

This, too, is a cluster that was created on the basis of similar functions and mandates, and identifies economies-of-scale by assigning the role of fiscal agent for the relatively small Department of Defense and Veterans' Services to the much larger Department of Public Safety.

- Department of Human Services / Department of Mental Health and Mental Retardation / the Office of Substance Abuse¹²

¹¹ PL 1995. C. 502. Part K.

This Service Center was established not only to provide basic administrative functions, but also to provide auditing, licensing, and contracting services to the Department of Human Services, the Department of Mental Health, Mental Retardation, and the Office of Substance Abuse Services. Services provided jointly include program audits, performance-based contracting, licensing, and complaint investigations. The purpose of the Service Center is to provide a single point of access for purchasing social services and to coordinate licensing and auditing visits for social service providers in a cost-effective manner to the departments. The service center is under the joint authority and direction of the Commissioners of the departments who, by unanimous decision, are authorized to employ a Director of the Service Center. The Task Force had originally conceived this Service Center as incorporating Administrative Hearings related to licensing but the Legislature declined to include this function [PL 1995 c.665, Part CC]. Since this Service Center is exploring new avenues of cooperation among these departments, it is also the only one of the four service centers which has a statutory requirement to report to the Legislature at 6 months and 18 months of operation in regard to the adequacy of the Center's staffing, its improved service to the public, and its administrative efficiency.

In addition to the general benefits listed above, the DHS/DMHMR/OSA Cluster

- * optimizes accountability and quality of service to providers and contract agencies;
- * enhances electronic linkages between the State and its Program Managers and the provider community;
- * strengthens program management of grants and contracts by providing services to the member agencies in such areas as financial analysis, performance outcome measures, training, and technical assistance;
- * maximizes coordination in the delivery of social services in more efficient and cost-effective ways; and
- * simplifies and improves relations with program managers, providers, and clients.

Enriching jobs - The productivity process provided an opportunity to expand the scope of many jobs and to provide incumbents with a clear locus of responsibility, an enhanced level of accountability, and motivation for high-level performance. For example:

- *Department of Environmental Protection* - The jobs of three incumbent Regional Director positions were upgraded to Regional Managers. These Regional Managers now hold direct supervisory authority over Regional staff, with a concomitant increase in the number and scope of duties delegated to the Regions from Central Office.
- *State Planning Office* - By reorganizing itself into 7 cross-functional teams, each position in the State Planning Office will take on new responsibility and more autonomy in decision-making. Each person will be assigned to one of the 7 teams as a "home" team but will be encouraged and expected to support the work of other teams as warranted. Accordingly, each person in the office will have a new

¹² PL 1995.c.665, Part CC.

level of responsibility to share resources and problem solve with other teams in the office.

- *Department of Education* - The scope of eight existing positions will be expanded as part of the Department's productivity plan to form an innovative Regional Services Team charged with building supportive relationships with all schools across the state, providing school personnel with information in accordance with decisions made at the local level, and brokering professional development opportunities and technical assistance. In addition, the scope of other current positions in the Department will be broadened to staff four new self-directed work teams, created to direct and administer educational services to local schools in accordance with the Department's new design.

Consolidating appropriate functions to reduce administrative overhead - Opportunities were sought to consolidate or combine appropriate functions whenever possible, without reducing services

- *Department of Environmental Protection* - Centralized its computer and data services, purchasing functions, and financial management by creating an Office of Management Services, which will also consolidate grant management, contract administration, and staff training.
- *Department of Public Safety*
 - * Centralized and standardized licensing and inspection function;
 - * Centralized collection of liquor taxes from a Bureau to the new Administrative Service Center.
- *Department of Economic & Community Development* - Consolidated its Energy Division within its Office of Business Development to focus on the energy needs of businesses and reduce administrative expense
- *Department of Labor* - Consolidated three employment and training units, merged existing job service and job training administrative units into a new Bureau of Employment Service; and consolidated nine accounting and budgeting offices into one.
- *Department of Transportation* - Eliminated the Office of Special Projects and the Office of Public Affairs and consolidated their functions into the existing Office of Policy Analysis.
- *Department of Human Services* -
 - * Reduced the number of Divisions within the Bureau of Health from nine to six in order to highlight prevention as a primary concept in health planning, recognize administrative efficiencies, and increase coordination;
 - * Centralized the intake system for referrals of child abuse and neglect and reassigned some of the intake workers to specialty assessment units to facilitate evaluation of substantiated cases; and
 - * Consolidated AIDS programming within the Bureau of Health.

Finding effective and innovative means for service delivery, including privatization

- *Department of Environmental Protection* - Enhanced education and outreach efforts through staff reassignment.
- *Department of Public Safety* - Privatized custodial Services at the Maine Criminal Justice Academy.
- *State Planning Office* - Organized staff on the basis of seven teams to maximize staff resources in order to carry out new functions within existing resources.
- *Department of Mental Health and Mental Retardation*
 - * Integrated the Bath Children's Home with a local behavioral health network;
 - * Continued the downsizing of AMHI and BMHI with concomitant transfer of resources to the community;
 - * Reallocated 100% of all savings to community services in order to ensure compliance with all consent decree requirements; and
 - * Developed programming necessary to address the needs of homeless and high risk adolescents.
- *Judicial Branch* - Upgraded the former Court Mediation Program into an Alternative Dispute Resolution Service.
- *Department of Education* - Organized with others to broker technical assistance, rather than making a limited attempt to provide technical assistance directly.
- *Department of Labor*
 - * Privatized boiler, elevator, and tramway inspections and transferred the boiler, elevator, and tramway licensing functions to the Department of Professional and Financial Regulation; and
 - * Made the DOL Administrative Hearings Services available to other state agencies that require an administrative hearing capacity but do not have internal resources to provide hearings.

Issues Warranting Additional Consideration

During the course of its 10 month tenure, the Productivity Realization Task Force precipitated unprecedented levels of productivity and change in State Government. As its final contribution, the Task Force transmitted a collection of issues that the Task Force determined held considerable promise in enhancing the productivity of State Government, but ones which the Task Force was not able to pursue due to time constraints and other impediments. A list of these issues is appended.

Epilogue

Maine may well be the only state in which the Governor negotiated a statutory agreement with the Legislative Branch for the purpose of enhancing the productivity of all three branches of Government and eliminating a specified budget gap in the process. This unique approach contributed to the success of the effort. Other keys to success included:

- Commitment at the highest levels of State Government;
- Unique statutory enabling legislation;
- the compelling Constitutional necessity of filling the \$45 million budget structural gap to balance the biennial budget;
- High-functioning Task Force; and
- Experienced staff person.

When asked at the signing of the final bill implementing Productivity Task Force recommendations whether the Task Force represented his most important initiative to date, the Governor paused for a moment, and then commented that he did not think of the Task Force as a "stand-alone" event, therefore it didn't lend itself to categorization as the most significant event of his Administration heretofore. Rather, he explained that the Task Force is an integral component to his overall vision for an economically revitalized State of Maine. The Governor noted that the positive effects of the productivity effort will be apparent "long after they forget you and me", and that the productivity effort has set the tone for a new approach to a State Government that will only become more productive, more responsive, more efficient, and more customer-oriented to the taxpayers, both as individuals and as business owners, in future years.

Appendix

Issues Warranting Additional Consideration

1. Pursue issues in Accounts and Control
 - A. Establish a single payroll for the entire State;
 - B. Pursue electronic funds transfer and electronic data interchange;
 - C. Include expense reimbursements as a line item on the payroll check; and
 - D. Encourage direct deposit of payroll checks.
2. Establish additional Administrative Service Centers
 - A. Pursue and establish Administrative Service Centers for departments not now included in a Center
 - B. Continue to expand the Cluster for DHS / DMHMR / and OSA in order to include other appropriate functions
3. Continue to employ the interactive use of information technology to enhance the productivity of State Government
4. Reduce workers' compensation costs for State employees
5. Improve access to information on retirement benefits for State employees
6. Identify a means to reduce the cost of health insurance for State employees
7. Develop a unified case management system for efficient delivery of all types of State services to eligible clients
8. Pursue savings from the renegotiation and consolidation of leases
9. Continue to find economies-of-scale with warehouse operations
10. Continue to pursue selected issues regarding fleet management
11. Explore the implications of consolidating law enforcement functions and other functions among different levels of government
12. Ensure that expenditures in all types of government funds maximize productivity
13. Privatize liquor sales
14. Pursue state agency consolidation
15. Consolidate facilities in the Maine State Prison System
16. Conduct a Civil Service Review
17. Coordinate the State's economic development & marketing activities
18. Encourage state agency use of administrative hearing services available in the Department of Labor
19. Give preference to laid-off State employees when hiring on a temporary basis
20. Reconsider Task Force recommendations not enacted by the Legislature
 - A. Privatize the Driver Education and Evaluation Program [DEEP] within the new Department of Mental Health, Mental Retardation, and Substance Abuse Services.

- B. Include Administrative Hearings functions as part of the Audit, Contracting and Licensing Service Center established between the Department of Human Services and the Department of Mental Health, Mental Retardation, and Substance Abuse Services.
 - C. Judicial Branch - close the District Courts at Madawaska and at Livermore Falls.
21. Conduct a Productivity Review of Areas Not Within the Jurisdiction of the Productivity Realization Task Force

Finally, the Task Force noted that a number of areas were outside its area of jurisdiction and, therefore, not subject to productivity review. Nevertheless, the Task Force concluded that these are "fertile areas for review" and "strongly encouraged" the Administration and the Legislature to undertake review of the following issues/agencies with the intent of enhancing productivity and identifying resultant savings.

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| A. Grants and Contracts with Third Parties; | M. Maine Hospice Council; |
| B. University of Maine System; | N. Maine Human Rights Commission; |
| C. Maine State Retirement System; | O. Maine Indian Tribal-State Commission; |
| D. Maine Technical College system; | P. Maine Municipal Bond Bank; |
| E. Maine Maritime Academy; | Q. Pine Tree Legal Assistance; |
| F. the Local Government Fund; | R. State Board of Property Tax Review; |
| G. General Purpose Aid for Local Schools; | S. Maine Public Broadcasting Corporation; |
| H. Finance Authority of Maine; | T. Maine Science & Technology Foundation; |
| I. Maine State Housing Authority; | U. St. Croix International Waterway Commission; |
| J. Maine Advocacy Services; | V. Workers' Compensation Board; |
| K. Atlantic Sea Run Salmon Commission; | W. Maine Turnpike Authority; and |
| L. Atlantic States Marine Fisheries Commission; | X. Public Utilities Commission |