

2012 REPORT ON THE
UTAH ADVISORY
COMMISSION TO OPTIMIZE
STATE GOVERNMENT

REPORT TO GOVERNOR HERBERT



AUGUST 20, 2012

August 20, 2012

Dear Governor Herbert,

Since the recommendations of the Utah Advisory Commission to Optimize State Government in 2010, agencies have worked diligently to review and implement changes that offered promise in improving the operations of state government. I am pleased with the efforts of all our agencies in looking deep into their organizational processes and pulling together during extraordinarily tough financial times to achieve significant improvements.

Though we have achieved significant results, the intent of the Commission was to instill a strong culture of continuous improvement across the Executive Branch. We have continued the difficult but fulfilling task of building an eco-system of measures, processes, and methodologies to help put this into effect. We have seen unprecedented partnering within and across agencies, with organizations like Department of Workforce Services contributing resources to help create an operational excellence program resulting in a steering committee and several pilot programs across the enterprise, with the expectation that this culture of optimization will continue to spread.

My thanks go out to all who participate in making Utah successful on a daily basis. It is through these on-going efforts that we have the operational stability that enables innovation to exist, and makes it possible to achieve our four cornerstone objectives.

Sincerely,

A handwritten signature in black ink that reads "Mike Mower". The signature is written in a cursive style with a long horizontal line extending from the end of the name.

Mike Mower
Deputy of Operations, Office of the Governor

Staff Contributions:

Randy Hughes, State Technical Architect, Office of the Chief Information Officer
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ACCOMPLISHMENT SUMMARY

INTRODUCTION

In September 2009, Governor Gary R. Herbert organized the Utah Advisory Commission to Optimize State Government. Chaired by former Governor Norman H. Bangerter, the Commission focused on finding ways in which the state could minimize inefficiencies and deliver an optimal level of governmental services. Overall the Commission recognized the state as an efficiently run organization however, they also made 56 recommendations for improving state government.

Each of the Commission's recommendations focuses on improving the state's processes to better serve the state's constituents. The Commission recognized the importance of continually improving state government through the use of best practice methodologies, incentives, and measures. Since 2010, the Governor's staff has been collaborating with state agencies to implement the Commission's recommendations which have a positive impact on government operations.

SUMMARY BY AREA

Economic Development in Utah

To promote a statewide focus on enhancing Utah's economy, the state is working closely with each agency to ensure it is aligned in its role of enabling economic prosperity while remaining focused on mission objectives. Additionally, SB 312 creates the Governor's Economic Coordinating Council to optimize coordination and policy development for statewide economic development. The recent move of GOED, USTAR and other partners created Utah's dream of establishing a World Trade Center to offer support to Utah companies and enhance coordination of national and international trade.

Executive Branch Performance

The organization of the Governor's Office has been restructured to optimize ongoing operations and aid the efficient delivery of enterprise services. Governor Herbert has named two Deputy Chiefs of Staff: Allyson Isom for communications and Michael Mower for operations, instituted sub-cabinet groups aligned by affinity areas, institutionalized the balanced scorecard system and an operational excellence program which both strive towards continuous improvement. These changes create processes to continually improve programs and enhance public relations and communications. Moreover, the changes in staff accomplish a tighter span of control and were accomplished without an increase in the number of full-time employees in the Governor's Office. This improvement aligns with the Governor's stated objective of "doing more with the same." Recommendations to coordinate and increase efficiency have been well responded to and are making significant progress.

State Employee Compensation

The State would like to increase efficiency, support public policy, assure equitable treatment for employees, and offer a compensation mix of salary and benefits that most effectively attracts and retains high-quality employees. Due to this desire, the state has begun the process of consulting with industry experts to create and recommend changes to compensation.

Technology in Education

Recognizing the impact of education on The State's budget, the growing student population, and Utah's need to remain competitive into the future, The Commission recommended technology solutions to leverage education spending and outcomes. Expanding the use of technology in education can result in cost savings to the state and help students achieve their educational goals more easily. The State is pursuing is the development of hybrid in-class/online general education college courses for high school students. Technology Intensive Concurrent Enrollment using a hybrid system has been shown to have higher completion rates due to a blend of learning activities that can take place in class and online. Students can complete these courses in high school and easily apply the credits they receive to an Associate of Arts or Bachelor of Science degree. These classes are scheduled to be offered for the first time during the Fall 2012 semester. On top of expanding courses for high school students, The State is also working on finding more effective ways to allocate valuable resources such as teachers, time, and textbooks.

Public Safety Systems

To effectively manage prison population changes and reduce inefficiencies in the state prison system, the Commission on Criminal and Juvenile Justice and the Utah Sentencing Commission have partnered with the Board of Pardons and Parole, the Courts, Salt Lake County, and the Department of Corrections to study and adopt evidence-based practices in the sentencing and incarceration of adult offenders. Areas of evaluation include length of stay, technical violations of probation and parole, duration of probation and parole, and the use of technology. The State is opening a Parolee Violator Center as an alternative to prison re-incarceration. This facility is projected to be operational October of 2012. Additionally the state is focusing on how to best manage geriatric and other inmates requiring an increased level of medical attention. A program of co-location has been established in the Lone Peak Facility resulting in better care for the inmates and time saved for security personnel. The combination of these two priorities will minimize costs and inmate housing capacity issues.

State Business Processes

The Commission recognized the importance of continual process improvement, incentives, and measures for achieving sustainable efficiencies. The State has been improving specific state business processes by reviewing functions, improving processes and coordination, and establishing functional consolidation where appropriate. The State has been combating fraud, waste, and abuse through a statewide audit recovery initiative designed to eliminate abuses and maximize recovery as needed.

CONCLUSION

Optimization of State Government is ongoing, comprising people, processes, and innovation to deliver maximum value to our constituencies. As a result, this report is a living document outlining progress in continually improving functional outcomes. The State of Utah is committed to an ongoing process of optimizing state government, ensuring that taxes are used effectively and the quality of continues to lead the nation.

INTRODUCTION

The State of Utah is efficient and well run. However, the state believes that there is always room to improve the quality and efficiency of governmental services and processes.

Therefore, in September 2009, Governor Gary R. Herbert organized a team of community leaders from both the private and public sectors to examine the ways in which the state operates. Chaired by former Governor Norman H. Bangerter, the Utah Advisory Commission to Optimize State Government found ways in which the state could minimize inefficiencies and deliver an optimal level of governmental services.

The Commission spent a year identifying and studying various methods of optimizing the state government. In August 2010, the Commission submitted its analysis to Governor Herbert. The Commission's recommendations were divided into six categories:

Executive Branch Performance

State Employee Compensation

Technology in Education

Public Safety Systems

State Business Processes

Economic Development in Utah

These six areas may seem disparate and unrelated; however, at the core of each recommendation is a focus on improving the state's methods and processes to ensure the efficient delivery of services at a level that meets citizens' needs.

Since 2010, the Governor's staff has been collaborating with state agencies to implement the Commission's recommendations. This report summarizes progress made in the six categories.

THEME 1: EXECUTIVE BRANCH PERFORMANCE

The following goals were established to enhance performance across the Executive Branch through the optimization of ongoing operations and efficient delivery of enterprise services.



Derek Miller
Chief of Staff

1A. Institutionalize Optimization. Although the Commission determined that the State of Utah is an efficient and well-run organization, it recommended the implementation of additional processes for continuous improvement. The Commission also recommended a review of the structure of the Governor's Office to improve span of control and operational oversight.

Consequently, Governor Herbert implemented structural changes in the Governor's Office, further fostering a culture of continuous improvement in business processes and communications. In addition to Derek Miller, the Chief of Staff, Governor Herbert has named two Deputies to the Chief of Staff: Allyson Isom for communications and Michael Mower for operations. These changes have more firmly anchored the state to its commitment to continuously improve programs and enhance public relations and communications.



Ally Isom
Deputy Chief of Staff
Communications

A number of efforts are on-going for institutionalizing optimization beginning with restructuring the balanced scorecard approach to further enable its use as an operations tool within agencies. Furthermore the Governor's Office of Planning and Budget is participating with the Governor's Education Excellence Commission to develop metrics to focus discussion on the identification and recommendation of best practices for public and higher education. An "Operational Excellence" committee has also been implemented to provide guidance on creating a culture of continuous improvement across the enterprise. Other efforts include assigning Executive Director of DAS to focus on "Shared Services" opportunities for enterprise wide efficiencies, and the implementation of cabinet level "Communities of Interest" to identify issues and opportunities for improvements based on common outcome targets.



Mike Mower
Deputy Chief of Staff /
State Planning
Coordinator

1B. Combat fraud, waste and abuse through a statewide recovery audit initiative. The Commission recommended that the state outsource independent, contingency-based recovery audits to the private sector. The audits will verify payments and find overpayments and double payments in Medicaid and other state programs. The state hopes to increase recoveries through contracted reviews and collection services and correct or strengthen system, policy, and procedural weaknesses identified by the contractor.

Department of Health. The Recovery RFP was issued on August 2, 2010. After multiple addendums, the Recovery RFP was awarded on October 22, 2010. The Kick-Off Meeting with the successful contractor was held on January 4, 2011. All necessary data files were provided to the contractor on March 31, 2011. The first contractor recoveries began on July 1, 2011.

A contractor, HMS, was selected to provide RAC (Recovery Audit Contract) and RAC-like services during 2010. Since then the contract has been underway and has been extended to December 31, 2013 as there has been continual progress on recoveries. HMS has recovered over \$2 million for taxpayers to date on this contract.

Department of Administrative Services. The Division of Purchasing and General Services (Purchasing) manages several payment recovery contracts that are available for use by state agencies. Contracts currently available to State agencies include: cell phone management services, utility audit services, and construction cost control.

The Wireless Management Services Contract has been awarded and a pilot is underway. Utility Audit Services Contract reports the audit savings of \$740,000 in state-owned facilities. Additionally, Construction Cost Control Services Contract projects report savings of at least \$210,000.

Purchasing recently issued an RFP on behalf of the Western States Contracting Alliance (WSCA) for Contract Compliance and Cost Recovery Services. Responses to the RFP have been evaluated and WSCA Directors have approved the contract designed to monitor vendors and protect customers. There are now 12 firms available for all participating states for contract compliance and cost recovery audits. Contract Terms and Conditions have been agreed upon and several audits pertaining to particular procurement contracts are underway.

Divisions within the department have also created ongoing processes to review items ranging from payables to fleet usage. With regards to payables, the Division of Finance conducts post audits, as required by the Budgetary Procedures Act, on payables and disbursements. The audits are conducted quarterly on random samples of payments. Additional testing of higher dollar and higher risk payments are also conducted. Payments are tested for, among other things, proper supporting documentation; proper authorization; and compliance with state policies and rules. Exceptions and audit results are reported to agencies.

As for fleet usage, the focus on “right sizing” the fleet has become a priority. This is accomplished through policy controlling the default of replacement vehicles. This replacement policy has been successful in increasing the efficiency of state vehicles. Fleet Operations also provides telematics technology to agencies as a way to monitor the use of their state vehicles for suspected unauthorized use.

1C. Direct Cabinet members to implement enterprise efficiency recommendations. Cabinet members have been working hard to implement a culture of continuous improvement to achieve optimal program outcomes, effectively utilizing measures to achieve the services levels intended by mission, legislation, and agenda and identifying process automation opportunities that return value to stakeholders and reduce operational costs.

Communications of the four cornerstones to the cabinet helps anchor the importance of Economic Development, Education, Energy, and Self Sufficiency within the organization. Resulting from this, agencies are becoming more focused on continuous improvement and the Governor’s objectives.

Cabinet has also been divided into sub-cabinet teams with common business line objectives. This will enable cross agency collaboration around enterprise requirements aligned to line of business functions. Three groups have been established:

1. Internal Executive Branch operations agencies including Administrative Services, Technology Services, and Human Resources. External logistics and infrastructure for public services are included such as Department of Transportation, Public Safety, Tax, Pardons, and Corrections. This group's focus is to enable continued optimization of statewide infrastructure
2. Economic development and regulatory agencies have brought together to better align industry and economic policy and services to achieve balance and momentum for continued economic prosperity
3. Social services agencies such as Arts and Heritage, Workforce Services, Health, Veterans Affairs, and Human Services have been brought together to foster community development and provide assistance when needed. These groups are focused to help Utahns be self-sufficient by providing temporary assistance for those looking to become self sufficient, and provide quality assistance for those with longer term needs.

The State is involved in implementing continuous improvement best practices guided by the expertise of the Department of Workforce Services and other agencies to further anchor enterprise wide adoption. Theory of Constraints continuous improvement methods are being presented to agencies and DHRM is focusing on training and Change Management. Furthermore, DTS is building capacity and capability in project management and business process re-engineering. Development of a shared strategy has been discussed and deemed important.

The Governor has created an 'Operational Excellence Initiative' with the aim of providing a framework for state agencies to achieve optimal performance. The Initiative is currently being piloted by four agencies: the Department of Administrative Services, the Utah Department of Corrections, the Department of Human Services, and the Utah Labor Commission. These agencies are employing 'process involvement' techniques that have proven successful in the private sector.

Thus far the agencies have submitted proposals with details of possible improvements and are moving towards implementing the necessary changes. Their goals and outcomes up to this point are summarized below:

Department of Administrative Services: Improve statewide procurement process. The agency has significantly reduced the number of days state agency contracts are in final contract legal review. A 'Procurement Coordinator' has also been created to work with state agencies on pre-planning for complex projects. These actions have reduced the workloads of both state purchasing agents and agency project managers.

Utah Department of Corrections: Map and improve the business flow for pre-sentence investigation reports. Corrections reworked the fact-finding packet to eliminate redundancy. Support staff now enters data and gleans information from the report for the investigative agent. This helps the agent focus on the highly skilled part of their job,

which is the completion of pre-sentencing investigation reports.

Utah Labor Commission/Wage Claim Unit: Decrease cycle time for wage claims. Unit intake time has been reduced from 8 weeks to 1 day. Additionally, the time parties wait in line from a hearing date until they receive a final decision has been reduced from 480 days to 74 days.

Department of Human Services: Decrease the cycle time for the licensing process. The assessment phase of the project is underway. An independent consultant is currently in the VSM (Value Stream Mapping) process analysis.

1D. Refine the Balanced Scorecard Initiative. Agencies should work with the Governor's Office of Planning and Budget to review how performance metrics relate to the outcome of agencies' missions and establish refined metrics that point to outcomes, costs per unit, and service levels. Better performance metrics will strengthen agencies' ability to identify areas in need of improvement and measure the success of interventions.

This item continues to progress with the balanced scorecard being pressed as an operational toolset within the broader focus of an outcome based eco-system of continuous improvement. The Governor's Office of Planning and Budget has begun the process of collecting metrics and is currently working with agencies for a clear way to organize and present them.

1E. Accelerate the Internal Service Fund implementation directed by HB 402, Department of Administrative Services Modifications. HB 402, Department of Administrative Services Modifications, provides that the Department of Administrative Services may operate a division within the Department, except for the Office of State Debt Collection, as an internal service fund agency.

The Division of Purchasing and General Services will implement this bill by applying an administrative fee to cooperative contracts. The Division of Purchasing and General Services currently administers approximately 650 cooperative contracts. These contracts are available for use by state agencies and non-state governmental agencies. Cities, counties, school districts, higher education, and local governments are the largest users of these contracts. For example, state agencies' total use of these cooperative contracts is approximately 38 percent, compared to use by non-state governmental entities of approximately 62 percent. While all users of these contracts, including The State, receive the benefits of cooperative contracting, the Division of Purchasing and General Services is not reimbursed for expenses incurred in developing and administering these contracts widely used by non-state governmental entities.

To take advantage of current economic conditions, achieve additional savings, maximize efficiencies and optimize procurement best practices, the Commission advised the Division of Purchasing and General Services to accelerate the expected implementation process of eight to 10 years to three years.

The Division of Purchasing and General Services envisions that the administrative fee will allow it to maintain the cooperative contracts and thereby continue to achieve lower cooperative contract prices, a higher quality of goods and services, improved customer service, stronger contract terms and conditions, and better maintenance and service agreements.

To date, the Division of Purchasing and General Services has attached administrative fees to 441 cooperative contracts. As a result the division has decreased its dependence on the General Fund by 38%. The Division hopes to have this initiative completed by Fiscal Year 2014.

The Division of Finance has gone through the process of competitively bidding a contract with a qualified firm to provide state vendors with the ability to receive payments through a credit card account rather than a check or an electronic funds transfer. The state benefits from this arrangement by receiving a rebate from the firm that clears the payment through the credit card process.

The Division of Facility and Construction Management will be applying a project management fee to non-state funded projects. DFCM received authorization to accrue dedicated credits for project management fees on non-state-funded projects during the 2011 legislative session. This initiative was implemented on July 1, 2011.

The State Building Energy Efficient Program (SBEEP) is currently paying for itself from utility incentives and dedicated credits saving \$340,000 annually, effective FY 2013. From FY 2006 to now SBEEP has captured \$4-5 million in utility incentives and \$2.5 million in annual energy savings for the state.

The State Archives is currently imposing a micrographic services fee as government entities request records microfilming. The division is also studying the feasibility of imposing a records management services fee.

1F. Review purchasing functions. The Commission recommended that the Department of Administrative Services, Division of Purchasing and General Services conduct an in-depth review of purchasing functions to determine if changes were needed. The Division would examine delegation of authority for purchasing in order to better understand the controls and create efficiencies in the operations. This review would enable the Division of Purchasing and General Services to conduct more strategic sourcing initiatives, deliver a higher rate of contract compliance, achieve shorter sourcing cycle times, and gain additional cost savings through efficiencies.

As a result of this recommendation, the division has instituted new business processes to measure performance. These processes include, establishing procurement timelines with agencies prior to commencing procurements and establishing a procurement coordination function to assist state agencies on complex procurements. Additionally the Division has begun the process of eliminating bottlenecks in the legal review process.

The division is currently working toward optimizing purchasing process flow across the enterprise. This effort is being completed as part of the Governor's Operational Excellence program working closely with agencies to ensure the resulting process changes will best reflect the needs of the business, while improving overall efficiencies.

1G. Reemphasize role of the Office of the Chief Information Officer. The Department of Technology Services (DTS) has been effective in engaging state agencies in the consolidation of IT infrastructure and financial resources. Now that the infrastructure consolidation is complete, there should be an increased focus on effective IT governance, coordination, collaboration, and

prioritization of technology initiatives between State agencies and DTS.

Changes within the IT Director structure have been completed to improve strategic communication with agencies. The Department of Technology Services will implement the further use of customer surveys to determine the effectiveness of the optimization initiative. Additionally, IT directors are now focusing on personal interface with all levels of management within customer agencies and are accountable for customer care and establishing additional service level metrics as needed. Business Enterprise Group possibilities have been communicated to the Governor's Office of Planning and Budget. Strategic involvement is ongoing with the agencies.

Current discussions with the State's CIO Architect reflect past recommendations from the Optimization Commission of the importance of the CIO function as a strategic asset to the State of Utah. The State is currently in recruitment for the replacement of the Statewide CIO. It is important that this function be aligned to the intent and agenda of the Governor to facilitate the application of automation across levels and branches of Government and to accomplish a broad reaching agenda of objectives around economic development, education, energy, and self-sufficiency.

1H. Improve coordination of financial services functions within agencies.

The Bangerter Commission originally noted that the following departments needed improvements:

Department of Administrative Services. The Department of Administrative Services has decentralized financial service functions. Redundancies result from having separate finance personnel for each division within an agency. These redundancies could be eliminated by restructuring so the Financial Director of DAS oversees and coordinates the work of all finance personnel. Improved coordination could result in efficiencies that may result in personnel savings and greater accountability.

The Department of Administrative Services Consolidated Budget and Accounting Office (CBA) was officially created on May 16, 2011. The office will report to the Department CFO. Organizational structure has been created, employees assigned, and duties transferred. For example, the transaction group has assumed the processing of FINET transactions for the EDO, Administrative Rules, Purchasing and General Services, and the DAS travel coordinator. It is also anticipated that the transaction group will assume the FINET transactions for the Division of Finance and Archives by the end of July 2011.

As of now, the CBA is fully operational with staff performing accounting duties for all DAS divisions with the exception of risk management. The CBA is also in the process of creating specialists in particular types of transactions and studying the feasibility of standardizing processes.

Service Level Agreements (SLAs), which include descriptions of services to be provided by the CBA, are being drafted. It is anticipated that SLAs with several divisions will be in place by the end of July, and SLAs with all of the divisions should be in place by the end of August, early September timeframe. Finally, the CBA is working on a funding mechanism for next fiscal years

budget request and beyond. CBA employees have begun tracking time spent against each Division budget(s). This will assist with building budgets and charging out CBA time to each Division.

Department of Agriculture and Food. The Department of Agriculture and Food is already organized with only one financial director for the agency. That person coordinates all budget and accounting activities with each of the division directors.

Department of Heritage and Arts (Community and Culture). The Department of Community and Culture (DCC) completed a new finance structure design in July 2010. DCC also eliminated one full-time position in March 2011. The finance employees were centralized under the CFO on July 1, 2011.

Department of Environmental Quality. The Department of Environmental Quality (DEQ) underwent a Lean Six Sigma process to identify the areas in DEQ Finance that could be made more efficient.

Improvements to Check Scanning and Accounts Receivable have been fully implemented with and estimated annual savings of 185+ hours.

New database implementation for Cash Receipting and Check Log Automation began July 9, 2012. It is estimated that this system will result in an annual savings of 1,690+ hours across the department.

A Purchase Requisition System is to be implemented July of 2012. Savings are anticipated to exceed 342 hours annually.

Contract Management has been granted approval and is awaiting DTS schedule prioritization. Estimates annual savings are 795 hours annually.

The total estimate of savings in this area is approximately 3,012 hours. These savings allow focus to be reassigned to other administrative support functions.

Department of Health. The Department of Health anticipated personnel savings and as a result took a FY 2012 budget reduction through reduced duplication of effort and streamlined processes. Increased focus for those with financial responsibilities will improve the satisfaction levels of stakeholders and those relying on these financial processes to complete their program responsibilities.

Purchasing processes were evaluated and process improvement recommendations were developed and implemented in December 2010.

An evaluation of the process improvements, development of satisfaction surveys, updated process flow timelines, and identification of personnel efficiencies commenced in 2011 and is targeted for completion in November of 2012.

In June 2011, financial service coordination patterns were updated. Biweekly meetings of all financial supervisors to consider processes, known issues, and potential improvements have

been instituted.

All positions and salaries for financial positions have been reviewed to evaluate needs and potential efficiency gains.

In December of 2011, the Department started a series of process improvement projects - one of which included a focus on contracts. The project team meets regularly and baseline data should be completed by the end of July 2012. It is anticipated that the final results will be achieved in November of 2012.

Department of Natural Resources. The Department of Natural Resources (DNR) is in the process of reviewing existing finance operations and will determine any potential adjustments to improve operations. Through enhanced sharing of resources across division, the department has eliminated two finance positions. This change is being done on a trial basis and will be monitored to determine if workloads can be sustained by a reduced staff through an entire annual finance cycle.

1I. Consider moving the Department of Human Resources back into the Department of Administrative services. The Department of Human Resource Management became a separate department of state government in 1988. The Commission recommended that The State conduct a full review of whether the functions of the Department of Human Resource Management could be efficiently merged with the department of Administrative Service.

This review is part of the state agency realignment project. Further review determined that this function's requirements are strategic in nature resulting in the need for this to remain a cabinet level function.

Theme 2: Review and Modify State Employee Compensation

The following goals were established to review and modify state employee compensation to increase efficiency, support public policy, assure equitable treatment, and promote attraction and retention among the state's public employees.

2A. Systematically change the mix between state employee salary and benefits to better reflect the private sector.

As of October 2009, the average salary of state employees is 16.8% below private sector employees, while state employees' average benefits are 19.5% greater. With a rising generation of employees who are more often interested in "take home" pay than in future benefit streams; the current compensation mix presents challenges to attracting and retaining quality employees. Therefore, the state should seek to better align the compensation of its employees with the private sector.



The Department of Human Resource Management (DHRM) has been promoting a change to the state employee salary/benefit mix for a number of years so that the state can better reflect the private sector. Having the ability to make these types of adjustments allows the state greater flexibility to shift funding in order to better compete with the private sector. Limited dollars appropriated to employees can then be strategically placed where they provide the best return on the investment.

DHRM plans to develop short and long-term plans for shifting costs from benefits into salary in order to have a total compensation mix that is more comparable to market in order to attract and retain a quality workforce. Having a total compensation mix that is more aligned with the private sector allows the state to see where it exceeds the market and where it lags.

DHRM awarded a contract to the Hay Group to compare state employee compensation to that of other public and private sector employees in Utah. This study has provided the data necessary for the determination of the appropriate mix between salary and benefits. This study forms the foundation for ongoing discussions on this subject with GOPB and the Governor's Office.

2B. Obtain accurate compensation comparison data from independent sources. The Department of Human Resource Management (DHRM) has engaged an outside consultant (the Hay Group) to complete an in-depth analysis of compensation and benefits for state employees to provide accurate, independent data with comparisons to the relevant public and private markets on a sector-by-sector basis. In the past, DHRM has obtained data from the U.S. Chamber of Commerce at no cost, but the Chamber recently discontinued distributing this data, which had significant limitations in its comparability, particularly in the benefits arena.

This study has provided the state with an independent third-party review of the state's total compensation mix, which serves as a starting point in determining areas for further review or modification. The study also provides DHRM with options for comparisons in future years. The

Hay Group's final report was presented to the Governor's Office and key Legislative committees in November 2011.

2C. Implement a consolidated review to total compensation for state employees. Three separate entities: the Department of Human Resource Management (DHRM), Utah Retirement Systems (URS), and the Public Employees Health Program (PEHP) were asked to gather data and resources to present compensation recommendations to different entities at different times. In this process, a total compensation model was not created and thus not considered. The funding order for compensation decisions has historically been that retirement rate increases are funded first, medical rate insurance rate increases are funded second, salary increases are considered third but only if there additional funding that remains.

The Commission recommended that salaries and benefits should be reviewed by a single entity for the express purpose of looking at total compensation. A consolidated review could result in a better balance between wages and benefits while keeping the state competitive with the market. This approach would break from the tradition of looking at salary, insurance, and retirement independent of one another. Implementing a consolidated review would lead to better decisions regarding salaries and benefits, an enhanced ability to attract and retain a quality workforce, and the opportunity for better alignment and competition with the private market.

Information provided to the legislature will reflect a total compensation perspective from DHRM, PEHP, and URS and should be discussed jointly instead of independently. Ultimately, funding for employee total compensation is appropriated in a manner that reflects a total compensation perspective and a shift from benefits into salary. Recommendations will be a joint effort and will reflect what is needed to keep the total compensation mix competitive. Funds may not be recommended in a manner that reflects past practices, but rather what is needed from a global perspective. DHRM was assigned to the Retirement and Independent Entities Committee along with key players in state employee compensation, PEHP and URS. This assignment will allow for a more comprehensive and coordinated approach to state employee compensation.

A review of state employee total compensation has been completed by The Hay Group. Furthermore the office is currently working with the GOPB to identify approaches to implementing suggested improvements and will continue to do so in the future.

Link to Workforce Profile Report produced by DHRM for stakeholders in the executive and legislative branch <http://www.dhrm.utah.gov/forms/wfp/2011WorkforceProfile.pdf>

2D. Conduct a careful review of supervisory positions to adjust to an appropriate "span of control" for each state agency. "Span of control" refers to the number of subordinates a supervisor can effectively manage. As of July 2010, the current span of control among Executive Branch agencies is 6.7, with a range beginning at 2.5 and ending at 19.9. Each state agency should work with the Department of Human Resource Management (DHRM) to target its optimal span of control through careful consideration of its specific mission and conditions. Every agency should include a span of control benchmark on its balanced scorecard.

The DHRM Data Team has developed a span of control report that can be run at any time by agency HR managers for agency management teams. HR managers have provided agency management with their respective span of control reports and will consult with agency managers as they review and identify areas for improvement. HR managers have also advised agency management regarding what information should be included in their reports. DHRM has advised agency management that span of control will be added to each agency's balanced scorecard.

Efforts are ongoing by DHRM to assist agencies in continuously monitoring and adjusting span of control to optimize agency functions.

THEME 3: LEVERAGE TECHNOLOGY & EXISTING RESOURCES IN EDUCATION

The following goals were established to leverage technology and existing resources in education to expand the use of technology in teaching and learning, better utilize open-source learning materials, and coordinate efforts to generate economies of scale.



3A. Invest in early learning programs. Children who come to school unprepared are most likely to fall behind and find it difficult to catch up. Those who fail early are most likely to drop out of school and have economic and social difficulties later in life.

Research suggests that the cost of early learning programs should be considered in terms of their potential savings in government expenditure and benefits to society at large. These programs can result

in savings to government by reducing the number of students requiring special education, interventions, incidence of early childbearing, reliance on government assistance, and incarceration.

The State Board of Education has been systematically instituting a full-day kindergarten, beginning with all Title One Schools and at least one full-day kindergarten in all other elementary schools. The State Board of Education received \$30 million in one-time funding in the 2007 General Session for a four-year pilot and \$2.5 million one-time in the 2012 General Session for continuation. The more recent funding is to add a software component. The project is currently implemented in 36 districts, 8 charter schools and includes 9,707 students.

3B. Optimize the transition from high school to college by aligning public education concurrent enrollment and Advanced Placement course offerings with higher education programs and expanding the use of technology for guidance counseling. Utah has honed its concurrent enrollment array to courses that serve three distinct purposes-- fulfillment of: (1) general education requirements at all Utah System of Higher Education (USHE) institutions, (2) CTE "gateway" requirements that meet student and district needs for transfer, and (3) "introduction" courses to various professional programs (e.g, "Introduction to Education"). In addition, with significant funding from the Utah legislature, consortia of USHE institutions, and K-12, educators have developed critical general education courses as Technology-Intensive Concurrent Enrollment (TICE) courses—hybrid courses that increase access, reduce costs for course materials, and utilize a common assessment tool to determine student accomplishment of the desired course outcomes. Six TICE courses are being piloted in multiple high schools in fall 2012. An additional set of six to seven courses are targeted for development during 2012-13. There are 37 Advanced Placement courses that are available to help students obtain credit toward post secondary education. However, students are still finding that many of these courses do not transfer in a way to assist them in completing their educational goals.

3C. Expand the use of online remediation modules in higher education. The Commission advised the Board of Regents to consider the use of online modules for remediation in math, science, and English in Higher Education to assist in making remediation more efficient and effective. USHE institutions have embraced this effort, with particular attention to mathematics, which research shows is the subject providing the biggest stumbling block for students in persistence and completion of a post-secondary credential or degree. Weber State University took the lead in piloting and implementing the “Math Emporium” model and other institutions have adopted changed curricula and learner-specific remediation using the Math Emporium model or others. One of the TICE concurrent enrollment courses developed for piloting in Fall 2012 is Math 1010 Quantitative Literacy, which brings students to a “college readiness” standard in mathematics. Funding provided during the 2012 legislative session will identify a vendor who will provide an on-line self-assessment and remediation tool for students wishing to receive feedback and targeted remediation to improve their readiness to enroll in college-level math courses. In Fall 2011, USHE hosted a “Complete College Utah Academy” with assistance from the Complete College America organization. Each USHE institution sent a team to the academy with the directive to address institutional issues in remediation in math. Similar efforts have been targeted to writing courses, although the focus has been on mathematics most recently.

3D. Expand the use of online textbooks. The Commission has advised education policymakers to encourage participation in open-source or online textbooks and related materials to reduce costs to school districts and post-secondary education students.

Higher Education institutions have made significant progress in promoting more affordable course materials. These include a new policy by the State Board of Regents establishing guidelines, the use of more materials on line which are free to students, and innovations such as textbook rental programs at campus bookstores. All but two of the newly developed TICE courses rely almost exclusively on open source materials.

3E. Expand online high school courses. The Commission recommended that the Governor, along with the State Board of Education, set a future goal of the number of high school courses to be delivered online by 2015. The Governor, working with the State Board of Education, should evaluate the available online courses and delivery methods.

The Optimization Commission evaluated several models with great potential to deliver high-quality online education with teacher-targeted “just in time and just on topic” assistance to students. The model gathers information that allows educators to know the capabilities of each student and customize learning to individual students’ strengths. Through technology, teachers could handle a higher number of students while providing higher quality instruction to those students on a statewide basis. Consideration should be given to providing some courses in an online format only to reduce the need for specialized teachers.

The Utah Board of Education is writing rules to allow students to take online courses at the high school level. In addition, six concurrent enrollment (college) courses are scheduled to be available during the upcoming school year. These courses can be applied to a student’s completion of an associate’s or bachelor’s degree, allowing students the opportunity to get a jump start on their college education. High school students will also have the opportunity to take classes online from state providers.

Further analysis is required to identify the anticipated impact of this project. Online instruction should result in savings related to a reduced need for buildings, buses, and administration, as well as a higher student-to-teacher ratio. Delivering high-quality courses to underserved areas of the state should also be evaluated.

3F. Promote cooperative sharing of services to attain economies of scale in Public and Higher Education. The Commission advised that Utah's Public and Higher Education Systems should seek to create economies of scale and eliminate duplication in procurement, technology services, financial services, human resources, and energy.

One method of achieving this recommendation would be to create a perpetual shared services fund within Higher Education, through which services would be bought and sold through a competitive bidding process that may include higher education entities and for-profit entities as bidders.

Public Education Service Centers could handle District requirements for administrative activities, where practical. All participants in the Service Center would have voting representation. The Service Centers could bid to assume responsibility for less costly centralized administrative services. Local school boards would be accountable if they rejected lower cost services.

Education is planning to streamline technology and efficiencies for all school districts, charter schools, institutes of higher education, governmental agencies, and cities and towns. Education is also updating the Utah Education Network's accountability and governance to lead to better economies of scale.

3G. Utilize competency-based education models. The Commission recommended that the state make better use of competency-based education (moving students through the system more quickly when competency is demonstrated) and include this as an option for both adult learners and public and higher education students in our state system.

One model that the Optimization Commission evaluated was the model used by the State of Indiana. Through Executive Order and with support from the Indiana Commission for Higher Education, the Governor established a new online competency-based university, WGU Indiana. This university was established through a partnership with Western Governors University (WGU), a fully accredited non-profit entity that is based in Utah.

The expansion of competency-based education and the availability of on-line courses from USHE institutions have grown astronomically in the last two years. Degrees that are fully on-line are available in several fields from USHE institutions. Further expansion of on-line delivery is planned within higher education as a means to achieving the state's goal of having 66% of Utahns with a post-secondary degree or certificate by the year 2020. A study conducted by the Cicero Group found that as many as 5% of students who have left higher education without a degree have a higher salary than the average salary of a person with a bachelor's degree. This points out that even those who have "some college," but not an actual degree, gain value from their postsecondary experience.

3H. Make all school days “count.” Education wants to ensure that teachers are providing high-quality instruction every day. One of the ways Education seeks to accomplish this goal is by reforming minimum teaching and reporting requirements in public schools to better utilize school days at the end of the school year, thereby improving the use of the \$7 million that the state spends per school day.

Education aspires to ensure high-quality instruction and high-quality teachers, restore 180-school day calendars for all districts, require teaching up to the last day of school, and restore the teacher quality block grant funding. These actions are pending legislation to provide funding for this project.

3I. Better utilize public and higher education buildings. The Commission suggested that government, non-profit, and other agencies look for ways to utilize the same buildings. Whenever construction of a new building or a remodel is proposed, both education and non-education entities should be contacted to see if there are ways to achieve co-location or co-use of facilities. Public institutions should reach out to private entities, including private education providers, to determine if space can be leased during off-peak times.

Higher Education institutions should consider greater incentives to increase the number of summer students. Some of these institutions could consider the Tri-Semester System, in which students attend two out of three semesters on a rotating basis so the summer semester has substantial use. Federal policy is currently inhibiting this by not allowing federal Pell Grants to be applied to summer enrollment.

Higher education institutions such as Utah Valley University have created higher utilization of classroom space by using flexible scheduling models that enhance learning and maximize classroom space utilization. Efficient scheduling utilizes classroom time slots that used to be “dead time” by using technology to match classroom needs with all available and appropriate classroom space. Weekend, compressed course, and cohort scheduling are being employed in as many circumstances as possible, where program quality can be maintained and there is a benefit to the enrolling students.

3J. Review degrees and programs in the higher education system to seek better balance. The Commission recommended that the Board of Regents perform an in-depth review of degrees and programs with a low volume of student participation. Duplicative programs or degrees could be administered by institutions on other campuses rather than expanding the same degrees or programs within current institutions or changing the classification of current institutions. The Commission noted that the Regents should also evaluate general education requirements and adopt competency standards to provide common basic skills.

One of the criteria used by Regents to evaluate new program proposals from USHE institutions is “need” for the program as defined by student demand and state need for individuals prepared for the workforce in the field of study. Such a review eliminates duplicative programs before they begin. Regular reviews of degree programs are conducted at the institutional level and system level, with a number of programs eliminated each year based on low volume of students or other reasons. The growth of the state’s population, however, demands access to high demand programs in multiple locations.

The USHE is a national model for quality general education that is based on national Essential Learning Outcomes and articulated for transfer among all the USHE institutions. Common course numbering assists in making clear the equivalency of courses from campus to campus. USHE is also involved in the “Passport” development for articulated transfer of key general education courses in five western states.

Theme 4: Create Efficiencies in Correctional & Public Safety Systems

The following goals were established to create efficiencies in Utah's correctional and public safety systems by leveraging current resources, increasing competition, seeking innovative ways to reduce recidivism, and better coordinating the efforts of the state, local governments, and private enterprise.

4A. Develop and implement a strategic plan for managing prison populations. The Department of Corrections was assigned to develop a strategic plan that would define how to best manage the prison population over the next five to ten years. The plan would show how Utah could better use state and county resources, increase competition and efficiency, enhance programming resources in county jails, reduce recidivism, and enhance cooperation and collaboration among the state, counties, and private enterprise.

Among other things, the plan would include where inmates should be housed (i.e., state facilities, county jails, and/or private facilities), the proportion and type of inmates who should be housed in each type of facility, and the type of programming (i.e., education and treatment programs) that should be provided at each facility. In addition, the plan would include an analysis of the competing correctional philosophies, a detailed review of costs, and the effect of these issues on public safety and recidivism.

A five-year projection of prison population has been completed. This is updated once annually to maintain the integrity of the linear regression projection.

The Department has worked with the county jails to identify the total amount of jail space available under contract, as well as the projected amount of space when newly constructed jail beds under contract will become available.

Based on the projections and bed availability, the Department has developed a five-year plan, subject to funding, that maximizes the use of contracted county jail beds as well as identifies the date by which the next prison housing unit will need to become operational.

In short, the 5-year plan is a focus for the department to ensure sufficient prison beds are available when inmate demand arrives. However, the plan is not a guarantee of capacity. Via yearly projections, the department creates accurate estimates of future inmate population. These estimates have proven to be extremely accurate over the past 20 years. The 5-year plan provides a clear understanding of incremental inmate housing needs.

Based on the projections and the 5-year plan, the state will need another secure prison housing unit operating January 2015. This needed prison facility will take between 24-36 months for construction.

During the 2012 Session, the department received an appropriation to increase the number of contract county jail beds it can access, addressing inmate growth for one more year. There was



no consideration related to capital costs/appropriation needed to build the next prison housing unit needed in 2015.

4B. Implement alternatives to incarceration. Better utilization of resources and technology in the criminal justice system and a reduction in the rate of recidivism for offenders returning to prison could have a significant impact. Therefore, the Commission on Criminal and Juvenile Justice (CCJJ) and the Utah Sentencing Commission (USC) have partnered with the Board of Pardons and Parole, the Courts, Salt Lake County, and the Department of Corrections to study and adopt evidence-based practices in sentencing and incarceration of adult offenders. Areas of evaluation include length of stay, technical violations of probation and parole, duration of probation and parole, and the use of technology.

The Early Case Resolution Project increases efficiencies within the criminal justice system by improving case management within the Salt Lake County Attorney's Office and decreases pre-adjudication lengths of jail stays. The contract with Salt Lake County to implement the Early Case Resolution Project was completed in February 2011.

Transition Services for Juvenile Offenders provides substance abuse treatment and job skills training to juvenile offenders upon release from structured placements in an effort to reduce recidivism and improve public safety. During calendar year 2011, 335 youth were served by this project.

4C. Construct and open a Parole Violator Center. The Department of Corrections is opening a 300-bed Parole Violator Center to house parolees with technical violations of their supervision. The Center will provide intensive and targeted treatment to address parolees' needs while they maintain ties to employment and family. The Department hopes to slow the current prison population growth by keeping many of these parolees in the community. The state anticipates saving \$1.2 million annually by using the Parole Violator Center instead of housing technical parole violators in prison.

While ongoing operations funding of \$7.6 million has been rescinded, the 2010 Legislature did allocate \$1.7 million in one-time funding for the Department and authorized the transfer of \$3.6 million from the existing Corrections budget, for a total of \$5.3 million to renovate a suitable facility.

A facility for the Parole Violator Center has been purchased. Architectural drawings for the retro-fit of the facility are now in process. The project is scheduled to be completed by fall of 2012.

After a significant delay on the renovation project primarily due to various facility-related tests that had to be conducted before the project could be put out to bid, a contract has been awarded. The facility is projected to be ready for operation October 2012.

4D. Study the possibility of opening a specialized geriatric corrections facility. The Commission suggested that the state conduct an in-depth analysis of Utah's geriatric/critically ill prison population and recommend changes to reduce both medical and housing costs without compromising public safety.

A review suggests that operating a specialized facility for geriatric/critically ill inmates would result in dramatically lowered housing and medical costs and reduce prison overcrowding.

One aspect of addressing the needs of the geriatric inmate population was to find a long-term care facility that would be willing to provide services to parolees. Placement of some geriatric inmates into the Lone Peak facility is complete. A long-term care facility in Springville is now taking qualifying geriatric parolees.

For the geriatric inmates remaining in prison facilities a program of co-location has been established in the Lone Peak facility. Co-location provides efficiency. By housing many of these offenders together, medical staff can regularly go to their housing unit to provide the needed services. This in turn makes the medical team more efficient in their service delivery and frees some time to provide services to other inmates. Additionally, efficiencies are recognized for security staff, in that the amount of time needed to escort these offenders to medical appointments is decreased substantially.

4E. Establish a standardized process for hearings to modify sentence length. The Board of Pardons and Parole (BOPP) conducts special attention reviews and hearings to modify previous decisions, in order to reduce sentences in certain cases. Stakeholders have worked to develop a standardized process to identify offenders who may qualify for special attention hearings.

The Board has adopted suggested criteria for Department of Corrections (DOC) personnel to use in identifying inmates who may, or should, be referred for special attention review. BOPP and especially DOC management staff members have been consistent in emphasizing special attention reviews with DOC caseworkers and line staff.

This process and the particular changes in process and emphasis have resulted in the following impacts over the past two fiscal years:

Fiscal Year 2010:

Special Attentions Granted: 196
Total Prison Days Cut: 20,733
Total Prison Bed Savings: **\$1,650,761** (based on \$79.62 per day per prisoner)

Fiscal Year 2011:

Special Attentions Granted: 443
Total Prison Days Cut: 28,884
Total Prison Bed Savings: **\$2,299,744** (based on \$79.62 per day per prisoner)

Additional reports for special attention releases:

Fiscal Year 2009:

150 releases, resulting in a total savings of \$900,000.

Fiscal Year 2010

249 releases, resulting in a total savings of \$1.5 million.

4F. Leverage Medicaid and Medicare for eligible community-based parolees. Facilitating the transition of “low-risk” geriatric and terminally ill inmates to settings where they are eligible for Medicare and/or Medicaid would decrease the Department of Correction’s medical costs and free up space for other offenders. Providing enrollment assistance for eligible inmates upon release from custody also would likely reduce the incidence of recidivism.

Therefore the Commission recommends the Department of Corrections provides Medicaid and Medicare enrollment assistance for eligible inmates upon release and transition for certain inmates to facilities where they are eligible for Medicaid and/or Medicare. Preliminary review suggests that the department would save between \$100,000 and \$200,000 annually in medical costs.

The Department is exploring a potential option of facilitating Medicaid eligibility for certain inmates receiving inpatient care in a hospital setting. A long-term care facility in Springville, Utah is now accepting parolees who are in need of their services.

The Department is working with the University Medical Center to begin standardizing billing based on adjusted Medicaid rates with terms that will marginally decrease the Department’s overall off-sight medical costs. Terms are likely to change in FY 2013 because of significant changes in Medicaid.

The Department is now coordinating with the Department of Health and the Department of Workforce Services to screen inmates for Medicaid eligibility and processing qualifying inmate charges through the Medicaid system. An appropriation was provided to the Department of Health during the 2012 Legislative Session to assist in the management of this process. Accessing Medicaid for qualifying inmate billings is now operational.

The Department continues to work cooperatively with its medical service provider partner, University of Utah Medical Center, to operate under a contract that has reduced the overall billing charges for prison inmate patients. This contract is updated annually and both the Department and the University of Utah Medical Center are working together to maintain the lower billing rate.

The Department is working on providing these offenders the necessary forms 90 days prior to release.

4G. Evaluate correctional facility medical services. Sharing a statewide corrections medical system could result in cost saving and may lead to a statewide Request for Proposal for the provision of medical services.

The Department of Corrections has worked with county jail officials to determine the best strategy for delivering medical services at local and state correctional facilities. These activities include:

- Identifying the level of unmet medical needs for inmates housed in the prison system and in jails statewide
- Prioritizing inmates for placements in county jails in order to keep inmates with significant medical problems within the Draper or Gunnison prison facilities
- Determining the level and type of medical staff needed to provide basic medical service to inmates statewide
- Completing and implementing a strategy to provide the needed medical services based on the information gathered

The Clinical Services Bureau within the Department of Corrections currently provides medical services and management for the Department's inmate population. The Bureau also currently circulates staff statewide in order to provide medical services to inmates in jails statewide.

The Department is finalizing the next iteration of the contract for outside medical care. Additionally, the Department is working to identify pathways for Medicaid eligible.

THEME 5: IMPROVE SPECIFIC STATE BUSINESS PROCESSES

The following goals were established to improve specific state business processes through consolidation of functions, adoption of technology, optimization of existing resources, and improved coordination.

5A. Coordinate Health-Workforce Services policy. The Department of Health (DOH) is the Single State Agency for Medicaid and also operates the Children's Health Insurance Program. As part of its operations, DOH develops eligibility policy for these programs. The Department of Workforce Services (DWS) is responsible for providing eligibility services for these programs. Some have claimed the process to coordinate medical policy and procedures between DOH and DWS is labor intensive, duplicative, and inefficient.

The Commission recommended that the two departments implement an interagency initiative to better coordinate policy.

Initial cost savings could accrue through the identification of duplication, disconnects, costs, cycle times, errors, rework, and customer value. Longer-term benefits could include improved eligibility determination, further reducing costs, and improving the timeliness and accuracy of determining eligibility for medical programs.



HB 174 (2011) required these departments (and the Department of Human Services) to study the need to consolidate or privatize eligibility determination. The study indicated that it did not seem practical to privatize the eligibility determination process due to the cost reductions that DWS had already achieved and

because of the integrated nature of the current eligibility determination process.

DOH and DWS have worked closely to design the best process for developing and implementing policy. The departments have implemented a joint policy checklist, streamlined meetings, and improved communication. Some of the accomplishments the departments have achieved or are pursuing include:

- Departments adopted a joint checklist in November 2010.
- In March 2011, the managers were excused from the medical policy coordination meeting to reduce their time in meetings and to ensure that discussion focused solely on policy issues, not other interagency business.
- As needed, a DOH staff member has started attending key DWS meetings, such as strategic policy development meeting regarding all DWS administered programs. As needed, a DWS staff member has started attending DOH meetings such as eligibility policy training.

- More troubleshooting and problem solving is occurring outside meetings as staff members are more likely to pick up the phone to address issues rather than wait for a meeting.
- Staff members from both departments are able to job shadow their counterparts to better understand what happens in the other department.

In order to strengthen and improve training, the departments have agreed to the involvement of a DOH policy specialist in the development and implementation of training for DWS eligibility staff. Quarterly meetings of DOH and DWS deputy directors ensure that potential problems are addressed before they become significant issues.

The departments agree that greater collaboration and an inclusive approach are needed to synchronize DOH and DWS reviews, which includes:

- Better coordinating the federally required Medical Eligibility Quality Control (MEQC) and Payment Error Rate Measurement (PERM) reviews with the DWS audit process.
- Assisting with the identification of and development of the MEQC projects.
- Developing a different method of communicating trends and accuracy rates.
- Developing a regular and consistent package of reports and outcomes that would help DWS identify areas where deficiencies are occurring in eligibility determinations.
- Working on identified trends and issues together.

In 2012, the departments created a Policy, Operations, and Development (POD) team to bring specialists from both departments together to discuss specific issues. Although it was initially envisioned that separate POD's would focus on different types of policy (e.g., long term care), the specialists and their managers decided it would be more effective to bring all of the team together in one group. The POD group has reviewed all eligibility determination errors identified in recent audits and determined whether the cause of each error was primarily the result of a problem in the eligibility system, improper worker training, or poorly written eligibility policy. The departments will be able to use these determinations to decide the most effective means for reducing future errors in eligibility determinations.

When many from eligibility staff were moved from DOH to DWS in 2007, the departments agreed to use a process (known as CRM) to exchange policy questions and documentation. Managers now find the CRM process to be more burdensome than helpful. The department scrapped the CRM process and replaced it with an email protocol that is more flexible and will be easier for staff to access.

5B. Consolidate the Department of Technology Services Printing Services with the Division of Purchasing and General Services. After analyzing the Optimization Commission's recommendation to consolidate the Department of Technology (DTS) Print Services with the Division of Purchasing and General Services, the Department of Administrative Services (DAS) concluded that the consolidation should not move forward at this time because existing

contracts would prevent any cost savings from occurring under consolidation.

The DAS recommends that this issue be revisited at the conclusion of the current contract. The rebid of the printing contract (currently with Xerox) could be timed to coincide with the move to the new facility, and the bid could go out to all potential vendors to include check and non-check printing. This way all vendors could include the cost of the check printing equipment in their bid, and the duration of the contract could be long enough for the vendors to recover their costs.

5C. Consolidate the Division of Public Utilities (DPU) into the Public Services Commission (PSC). The Division of Public Utilities (DPU) makes recommendations to the Public Service Commission (PSC) regarding rate setting, applications, hearings, and other issues affecting the quality of service. DPU also investigates consumer complaints and monitors utility operations to ensure compliance with PSC rules, regulations, and orders. DPU is currently organized under the Department of Commerce, which is primarily a licensing agency.

The Department of Commerce has completed its review of the recommendation to consolidate DPU and PSC, which included a legislative audit done in 1996. The policy issues related to keeping PSC and DPU separate as opposed to consolidated are analyzed thoroughly in that audit. The audit does not make a recommendation, but presents both sides of the issue and leaves it as a policy decision for the Legislature.

Using this audit as a starting point, the Department of Commerce contacted the utility stakeholders. Through informal conversations, the Department determined that the general consensus is that the issues are the same as when the legislative audit examined the issue and that it boils down to a political/policy issue of whether to maintain the current structure or make a change. The feedback the Department received from all stakeholders was to maintain the current structure. The Department of Commerce also supports maintaining the current structure because it allows PSC to perform its independent role as an adjudicator while providing the Governor and the Department Executive Director an independent voice in rate proceedings through DPU.

The Department of Commerce is continuing to operate the program pursuant to current statute. The Department's chief goal is to keep the Legislature informed of this issue and potential modification. Under the current statutes, the Department maintains capable leadership and policies to ensure that both the Division of Public Utilities and the Office of Consumer Services perform their functions capably and independent of each other.

5D. Dissolve the Utah Medical Education Council (UMEC). The Utah Medical Education Council (UMEC) was established through federal Centers for Medicare and Medicaid Services (CMS) pilot project to distribute funds to hospitals participating in graduate medical residency programs. The pilot program ended on June 30, 2010, when CMS began distributing funds directly to hospitals. The UMEC is also responsible for healthcare workforce planning, which could be transferred to the Departments of Health and Workforce Services.

After the program had been evaluated during the 2011 General Session, it was decided that The State would continue funding the UMEC program. Yearly monitoring will be continued to be conducted by the Governor's Office of Planning and Budget and the legislature.

5E. Eliminate the Recovery Assistance Program. Currently, medical professionals with access to controlled substances (e.g. doctors and pharmacists) who commit unlawful or unprofessional acts have the option of being placed on probation or participating in the Utah Recovery Assistance Program. The program is operated by the Department of Commerce and is funded through dedicated credits. Medical professionals pay a premium in licensing fees to support the program, in which approximately 150 professionals currently participate.

The Department of Commerce reviewed the Commission's recommendation to eliminate the Utah Recovery Assistance Program. The Department estimates that program elimination should be revenue-neutral, with the Department and Legislature reducing the licensing fees based on the program's annual budget of approximately \$170,000. However, elimination would probably increase the Department's workload in other areas by increasing the number of licensees on probation. In a September 8, 2010, meeting of the Physicians Licensing Board, individual Board members and a representative of the Utah Medical Association opposed program elimination. Additionally, program elimination would require a statutory change. The Department is continuing to operate the program pursuant to current statute. The Department can provide data if an elected policymaker decides to pursue this statutory change.

5F. Outsource Medicaid Program Integrity review. The Department of Health's Program Integrity Unit reviews payments from Medicaid to medical providers for fraud, waste, and abuse of the Medicaid system. Outsourcing this review function could result in increased recoveries, which totaled \$3.9 million last year. Outsourcing should occur after increased efforts to audit, requiring software improvements. The Program Integrity budget is \$2,275,000, of which \$265,000 for eight FTEs is for Investigations, Collection, and Enforcement.

The medical reviews and software tool RFP was issued on November 15, 2010. Only one potential contractor bid on the RFP; however, the Department notified DTS on January 26, 2011 that the single bid proposal received was rejected for not meeting minimum established criteria identified in the RFP. Taking into consideration the time and expense of the RFP process and the single bid received, the Department decided to not pursue another RFP and to leave the Program Integrity unit intact. Therefore, the goal of outsourcing the medical reviews and recoveries function has not been and will not be fully achieved. However, the Department of Health made every effort to ensure the success of this RFP process. In the opinion of the Department of Health, the goals from the Optimization Reports are still being achieved, though in different ways.

Regular Program Integrity recoveries during Fiscal Year 2011 to date have increased more than 48% as compared to the same period in Fiscal Year 2010 because of increased supervision, new performance measures, and new standards and procedures. Recoveries are expected to increase again starting in June 2011, when full access to the software tool is realized. Recoveries should increase yet again in fall 2011 when the new federally mandated recovery audit contracts are signed and operating on a contingency fee basis. These recovery audit contracts to outsource some reviews and recoveries for fraud, waste, and abuse are required by federal regulations to be in place by a date yet to be specified by the federal government in a final rule to be issued in summer 2011.

On February 21, 2011, the Department signed a joint operating agreement with AdvanceMed Corporation and Utah Medicare/Medicaid Data Analysis Center for free access to a federally

approved fraud, waste, and abuse software tool for a period of five years. After the five-year period, the Department hopes to have a replacement for the current MMIS system featuring an integrated fraud, waste and abuse software tool. The Department gained access to the software tool on June 1, 2011. This software tool usually costs more than \$200,000 per year for a license. For the five year period, this five year access can be viewed as adding \$1 million in value at no additional cost to the State of Utah.

The integrity review function has also been relocated to the Governor's Office of Planning and Budget to provide further oversight.

Further reports indicate the State Medicaid inspector has recouped \$5.6 million in overpaid Medicaid claims and prevented 4 million in spending.

5G. Expedite the full implementation of an employee service call center. The Department of Human Resource Management (DHRM) proposed the development and implementation of the employee service call center as the next step in the development of the shared services concept of human resources. The first step was the consolidation of HR staff and services in 2006, which has produced and continues to produce significant efficiencies. On July 1, 2008, DHRM also launched the Employee Gateway, which is a browser-based tool that allows state employees to access human resource-related information. The Gateway is a web-based solution to state employees' human resource services needs.

As a supplement to the Gateway, the employee service call center will increase transaction consistency, reduce HR staff levels within agencies, and decrease the cost of providing human resource services. Implementation of the employee service center will consolidate routine HR transactions under one team, which will work to streamline processes, procedures, and standardize HR transactions to gain efficiencies.

Implementation of the Employee Resource Information Center (ERIC) was completed on September 17, 2011. Since implementation of ERIC 93% of employee customer issues have been resolved within one business day or less. ERIC has an average wait time of 27 seconds and currently has an overall customer satisfaction rating of 83%. (Data as June 2012.)

DHRM hopes to increase operational efficiencies by expanding access to online HR services for new hires, employees, and managers; consolidating rural HR staff; implementing consistent HR practices statewide. Moving these routine transactions to the employee service center will free HR staff within agencies to focus their efforts on strategic functions, such as recruitment, workforce planning, and organizational development.

By August 15, 2011, the ERIC team was processing payroll for approximately half of the Executive Branch agencies. As a result of the passage of HB 80, DHRM will be processing payroll for all but three Executive Branch agencies by September 19, 2012. This service will be provided by DHRM to all agencies at \$14.00 a month less per full time equivalent than it does today, allowing agencies to either redeploy or eliminate FTEs previously dedicated to doing agency payroll.

5H. Extend Human Service Program License to two years. The Office of Licensing within the Department of Human Services currently issues provider licenses for a 12-month period. To better enable licensure staff to cope with an increased workload because of staff reductions, these licenses could be extended from 12 to 24 months for any licensee with a record of satisfactory inspections and no violations.

The Office of Licensing aspires to create a more manageable licensing staff workload, produce savings to private human services providers from reduced paperwork, and experience a small productivity gain to state licensing staff to help contend with rising caseloads and the budget cuts that have already been imposed.

HB 281 passed and has been signed into law. Two-year licenses are now being issued to qualified applicants under the provisions of the bill.

5I. Automate Human Services licensor inspection and monitoring. Caseloads in the Department of Human Services Office of Licensing are more than double the nationally recommended average. Technology exists that enables a licensor to have all forms, regulations, and inspection checklists available on a handheld device that interfaces with a desktop computer. This technology would help reduce the time necessary to complete licensing inspections and monitoring.

Increased licensing personnel efficiency could delay the need to hire more staff. The productivity gain to state licensing staff may help mitigate rising caseloads and the budget cuts that have already been imposed.

Laptops have been obtained for all Licensors in the field. The Department's Business Analyst and Technology Services staff will continue to seek to identify other automation projects and improvements after June 30, 2011.

Development of the new licensing system is underway by the Department of Technology Services. The first phase of the system will be completed in 2012. The system will include a database and automated files, eventually eliminating storage of hard copy files. The web-based system will allow licensors to access the system in the field providing on-line access and completion of check lists, verification of license, and reducing mailings.

5J. Create an online document generation system for Child Support Applications in the Office of Recovery Services (ORS). The Commission suggested that the Office of Recovery Services (ORS) investigate and issue a Request for Proposal for the creation of an online data/document entry system that will allow ORS clients, employers, insurers, and agents to enter required data online.

Internally, ORS currently generates in excess of 90,000 documents, all requiring physical input by clients, employers, insurers, and ORS agents. Externally, ORS clients submit more than 3,500 child support applications monthly, each requiring data inputs that exceed three hours.

An online process would eliminate time delays and allow an ORS system and agent to immediately review and assess data upon third-party entry, thus reducing timelines for case review. Case processing times would decrease, ORS staff workload would be streamlined,

accuracy would increase, and client satisfaction would improve. Agents would be able to better handle larger caseloads imposed by budget reductions.

Development is underway to automate the intake process. Testing should be completed and implementation will begin in September 2012. Once an on-line application is completed, the new system will automatically open a case in the ORSIS system, which will then be available to the front-line worker. There will be a productivity gain as most of the intake staff can redirect their efforts to collections and cost avoidance activities which reduce the cost of federal entitlement programs.

5K. Transition Office of Recovery Services database to a web-based platform. The Commission suggested that the Office of Recovery Services database move from the current mainframe system to a web-based modular blade server platform, which could have a lower cost. The transition would require a one-time investment of approximately \$1 million. The Office of Recovery Services anticipated a net savings of approximately \$2 million per year.

The Office of Recovery Services and the Department of Technology Services have determined the potential net cost savings of moving just the database would not be as high as originally anticipated. In fact, further studies have shown that the savings likely would be negligible. The focus has shifted toward the eventual movement of the entire system off the mainframe to avoid increased costs that will come in three to five years as remaining users migrate off the mainframe. Other states with similar interests were recently surveyed and responses compiled. More research will be done in the coming year for consideration in the FY2014 budget cycle.

Reductions in operating costs for systems support of mainframe resulted in this project not being economically feasible at this time.

5L. Work with local governments to identify costs and benefits of consolidating public safety dispatch offices. Several consolidated dispatch offices exist throughout the state. In some cases, the Department of Public Safety contracts with local government, and in other cases, local government contracts with Public Safety.

The cities, towns, and counties that have their own dispatch offices may experience savings through the consolidation of efforts with another local entity or the Department of Public Safety. Savings will depend on the opportunities for consolidation identified through the state and local review.

This is under on-going review. Public Safety and the Department of Transportation work closely with cities and counties to collaborate and share resources where practical.

5M. Implement Motor Vehicle Registration alternatives. The Utah Tax Commission sends out 2.1 million motor vehicle packets annually to remind Utahns to register their vehicles. Replacing these mailings with alternatives such as an email or a telephone call could result in significant printing and postage savings. Discontinuing registration reminder mailings would result in approximately \$430,000 annually in savings to the state and counties.

Additionally, the current PIN security system presents significant barriers to Utah vehicle owners. Changing the required registration information to a self-assigned PIN or a driver's

license number, license plate number, and the month and year of the title would present fewer barriers to successful online registration, thus improving customer service.

Initiatives like these, coupled with an incentive to register online or a disincentive to register in person, could increasingly move people away from costly visits to brick-and-mortar Division of Motor Vehicle offices.

The Tax Commission hopes to optimize the registration process while effectively collecting revenues and regulating motor vehicle registrations.

Citizens can now renew their vehicle registration online if they have misplaced their assigned personal ID # (PIN), by providing other vehicle-specific information. Additionally, citizens can now submit an online change of address for their vehicle registrations. A new renewal notice option is now available for those wanting to receive an e-mail reminder instead of being mailed a paper notice. As this option is selected, it will reduce the number of packets that will need to be mailed. Those citizens that do not want to share their email addresses (or those who do not have access to a personal email account) will continue to get reminders in the mail since without some form of notice, registration compliance and related fees would likely decline.

Utah has two very popular online renewal options that have one of the highest utilization rates in the nation. These online applications are now handling more than 50% of the renewal traffic. Since these transactions are no longer being performed in offices, the online applications have allowed the agency to avoid building more offices and hiring more staff to handle ever increasing numbers of motor vehicle transactions. Promotion of the online renewal alternatives will be ongoing.

5N. Implement a Shelf Management Program at liquor and wine stores operated by the Department of Alcoholic Beverage Control. Inconsistent merchandising from store to store creates customer confusion and lost potential profit. Shelf Management software could assist in the strategic placement of products to maximize up-selling opportunities.

Based on the experience of other retail establishments, which generally realize sales increases of 1% to 2% as a result of implementation, a preliminary estimate of increased profit to the State is \$1.5 million to \$2 million per year.

The Department of Alcoholic Beverage Control (DABC) hopes to have all liquor stores on some form of Shelf Management by spring 2012. Shelf Management programs in a retail setting typically generate increased sales of between 0.5% and 3%. The state anticipates results similar to those in retail businesses.

Schematic shelf sets should start showing results soon. After spring 2011, this program became an ongoing endeavor. DABC hopes to have beer sections of shelf management completed by fall 2011.

The combination of a newly implemented merchandising program and the acquirement of space management software has proven to be beneficial in contributing to sales and profit for the state. Currently in FY 2012 there are 44 outlets carrying an average of 2526 SKUs (52.87%) out of the 4778 SKUs that are available. This equates to a 41% increase in the product being

merchandised in state stores. Similarly, from FY 2009 through the current period in FY 2012, sales dollars have increased by 18.85%.

The space management software was acquired in January of 2011. Since then schematics have been designed for spirits, liqueurs, cider, beer, and flavored malt beverage with the schematics for wine underway. Due to this system there is an upward trend and similar results are anticipated for the future.

5O. Enhance liquor and wine store profits. The Commission recommended that to enhance profits generated from the sale of alcoholic beverages, the Department of Alcoholic Beverage Control (DABC) should eliminate consecutive special price adjustments and limit these adjustments to four periods per year for any specific item. Profits generated through the sale of alcohol are transferred to the Minimum School Lunch Program, the Parents Empowered program, and the General Fund. Preliminary analysis suggests these changes could increase profits by up to an estimated \$400,000 annually.

The program has been working well, and the investment buy program has been generating same dollar savings each month with additional sales increases of more than 2%. This is an ongoing program that has now become part of Department of Alcoholic Beverage Control policy. The Investment Buy Program generated \$409,815 in savings in May 2011 (\$12,960 more than the Department saved in May 2010).

5P. Evaluate the use of park rangers in state parks. Utah State Park Rangers are certified Peace Officer Standards and Training Officers, with salaries and benefits commensurate with other state law enforcement officers.

Preliminary analysis suggests that some law enforcement presence at the parks might be reduced and replaced with less costly labor. The State Parks Division should review duties for possible savings. The Department of Natural Resources (DNR) should streamline law enforcement where practical and feasible to minimize costs while maintaining appropriate levels of public service and safety.

DNR plans to evaluate Parks Law Enforcement by identifying geographic areas of required law enforcement activity, organizing law enforcement activity into specialized clusters to minimize costs, decommissioning law enforcement where practical and feasible, and engaging legislature in policy review through task force.



*This Is The Place
State Park*

Thus far the department has been able to achieve efficiencies in park management allowing for safe and effective park management with 14 fewer law enforcement officers.

5Q. Study state parks privatization. DNR will explore options for expansion of concessionaire privatization. The Legislative Auditor General's audit report analysis provided no clear-cut recommendation on the privatization of parks. The review found no other western state parks pursuing privatization.

DNR plans to review the currently privatized “This Is The Place Heritage Park” (\$800,000 current General Fund subsidy). DNR will then discuss the feasibility of transferring park operations to local governments. An internal list of potential privatization candidates will be identified. The agency will then work with the private sector to determine the level of interest in running the state operation.

5R. Evaluate road conditions classifications. The Department of Transportation has identified six rural routes with low winter traffic (5 to 85 cars per day) that could be added to the list of seasonally closed roads. The maintenance efforts required to keep these routes open year round are significant. Savings generated from seasonal closures could be used to apply pavement life, extending surface treatments on level 2 roads in rural Utah. (Preliminary estimate of \$272,000 in savings annually.)

In consultation with the Department of Transportation, the Governor’s Office has reviewed these routes and decided that the state will continue providing these valuable public services. The state has no plans to close these routes.

5S. Reassess snow removal methods of “seasonal” roads. The Department of Transportation has identified nine routes that are seasonally closed after the first major snowstorm. The effort required to open these roads (by Memorial Day) is significant, requiring the use of specialized equipment. If the state closed them on November 1 and waited an additional 15 to 30 days in the spring, Mother Nature would do some of the work. (Preliminary estimate of \$140,000 in savings annually.)

Again in consultation with the Department of Transportation, the Governor’s Office has reviewed these routes and decided that the state will continue providing these valuable public services. The state has no plans to significantly alter the current snow removal practice on these routes, but rather will continue to attempt to keep them open through October in the fall and open them around Memorial Day in the spring if possible and practical.

5T. Require counties to cover the full cost of property tax audits. According to state statute, the Tax Commission conducts personal property audits for the counties at a 30% cost rate. Levying the full cost of county property tax audits on counties would increase state funds by approximately \$200,000 annually. Local governments would bear the full costs of auditing services.

A statute change was required to pass this initiative, so SB276 was drafted and presented to the legislature. During the session, feedback from county officials indicated they were not likely to increase their budget to cover increased costs for these audits. Instead, audit requests would be reduced. To address this issue, the sponsor drafted an amendment to allow the cost to be shared with all locally impacted entities.

The required statute change was not approved by the legislature. Though, in anticipation of the above bill passing, the Appropriations Committees had made a budget cut equal to the impact of the rate change recommendation (\$200,000). It was understood during the session that was cut was based on the bill passing, and that it should have been restored if the bill did not pass. That restoration did not occur.

During the 2012 General Session, the Tax Commission requested either support of new legislation to address this issue, or offered a redirection of internal funds to replace the cut that was made before the related legislation was passed. As a result of that session, the state's portion of this function was reinstated until such a time that the legislature changes the statutory funding requirements of this program.

THEME 6: ENHANCE ECONOMIC DEVELOPMENT IN UTAH

The following goals were established to enhance economic development in Utah by better coordinating efforts among entities that serve and regulate business.

6A. Undertake a review of regulatory impacts to businesses. This review was led by Mike Mower, Ken Hansen (Administrative Services), Thad LaVar (Commerce), Brad Johnson (Environmental Quality), Hunter Finch (Governor's Office of Planning and Budget), and Nick Swisher (intern with the Governor's Office). The review was completed on December 6, 2011, with the issuance of the *Utah Business Regulation Review*. As part of this review, state agencies identified 295 changes to administrative rules, 32 organizational changes, and 41 changes to statute that would require legislation. The number of changes identified to improve Utah's business environment totaled 368. The review also included an internal analysis of administrative rules by the Governor's Office, and public outreach.

<http://www.rules.utah.gov/reports/2011UtahBusinessRegulationReview.pdf>

6B. Coordinate and highlight state business services during the regulatory process. Services



to new or existing Utah companies are offered by multiple entities. The Department of Commerce manages the registration and regulation of a business. The Governor's Office of Economic Development (GOED) facilitates business growth, promotion, recruitment, and incentives, and World Trade Center Utah in coordination with GOED's International Trade and Diplomacy Office provides services to enhance international trade and foreign direct investment opportunities.

Many businesses are not aware of these various services, which should be highlighted as a tool for Utah companies. The Department of Commerce is making efforts to educate the business community about the services offered by the state government and has developed multi-agency Internet tools. The Department is updating the One-Stop Business Registration, a multi-agency regulatory tool for new business start-ups. The tool has been running effectively for several years and is being updated to be easier to use.

The Governor's Office of Economic Development and the Department of Commerce are coordinating efforts to market the tools and services available to businesses.

6C. Review Department of Financial Institutions functions for duplication. The Department of Financial Institutions (DFI) charters, regulates, supervises, and examines persons, firms, corporations, associations, and other business entities furnishing financial services to the citizens of the state of Utah. Through examinations and remedial action orders, the Department determines each regulated entity's financial solvency and compliance with applicable state and federal laws and rules, safeguarding the interests of depositors, members, and shareholders. Without the Department of Financial Institutions, banks and credit unions could

only be federally chartered and the state would have no authority to interpret or apply its laws or influence the financial condition of any banking institution operating in Utah.

DFI does not duplicate the functions of any other federal or state agency. The agency demonstrates regulatory best practices and very efficient operations. The Department demonstrates an efficient and effective supervisory span of control. DFI maintains accreditation with banking and credit union associations, which is prestigious and represents compliance with regulatory agencies' best practices and denotes very efficient operations. DFI was re-accredited by these associations in December 2009, at which point supervisory positions were reviewed and deemed appropriate.

6D. Add Economic Development to every state employee's mission and require every state agency to have an economic development plan. Creating a culture within state government that has all groups interested, involved, and coordinating in the goal of business development may create opportunities to re-evaluate current regulations and services that are not conducive to economic development.

The Commission recommended that under the Governor's leadership, senior staff should solicit input from state and private entities to identify counterproductive regulations in an effort to provide opportunities to make changes in statute or rule.

The Governor's Office of Economic Development (GOED) published the Utah Economic Development plan in fall 2010 and created pocket-sized cards for the Governor's Office and GOED staff to carry with them. The card includes the Governor's vision and mission for stimulating Utah's economy, as well as a list of positive accolades the State has received because of its business-friendly climate.

GOED has identified specific agencies with which to coordinate for better align economic development goals and remove barriers for business development. Furthermore, GOED coordinates regularly with these target agencies.

A monthly report is currently presented to the cabinet, which can be utilized by each agency. The Governor's office issued a copy of the Key Economic Performance Indicators (KEPI) document that was also presented to the cabinet along with a press release that made the data service available to the public.

At each cabinet meeting the Governor and/or his Chief of Staff make economic development a priority discussion point and have the Executive Director of GOED highlight current activities.

GOED's Director of Communications is working with the Governor's Office communication team to develop an economic development dialogue with each agency through its Public Information Officer.

The Governor's Office has tasked state agencies with reviewing all rules and regulations and developing suggestions for streamlining rules and regulation processes in order to make state government more efficient for private-sector companies.

GOED has drafted language for a ceremonial declaration of Economic Development Month. Its

purpose is to encourage all government agencies and economic development entities to align efforts and develop plans for fostering economic development and improving the business environment. GOED in cooperation with the Governor's office and 66 statewide offices conducted the ceremonial signing on Entrepreneur Day.

The first Public Information Officer (PIO) meeting occurred on September 7, 2011; GOED has completed the second training of the quarterly PIO meetings held with all state agency PIOs.

6E. Expand Business Resource Center Advisory Board duties. The Commission recommended that the Business Resource Center (BRC) Advisory Board's responsibilities be expanded to include reviewing performance, providing advice, and improving the effectiveness of state-funded business assistance service providers operating within Utah. An expansion of board duties would leverage an existing board to provide valuable advice to increase efficiencies and coordinate services to Utah businesses, resulting in better performance accountability and coordination of services to align with the State's economic development mission and objectives.

The legislature successfully passed HB 359, which expands the make-up and scope of the BRC Advisory Board to address performance accountability and coordination with the Governor's Economic Development Plan. Consequently, the Board's duties have been expanded and the coordination and delivery of services to Utah businesses are expected to become more efficient.

6F. Evaluate the coordination of International Trade and Diplomacy functions in the Governor's Office of Economic Development and the World Trade Center. World Trade Center Utah (WTCU) and the Governor's Office of Economic Development (GOED) both promote international trade activities. The Commission advised that a review of functions in each entity should be completed and a clear single mission should be identified to better coordinate international business development.



SB 312 was passed during the 2011 General Session, creating the Governor's Economic Development Coordinating Council. The council will be made up of key economic development stakeholders that will meet quarterly to better coordinate economic development efforts. This will allow WTCU and GOED to better coordinate marketing Utah internationally and to help strategically leverage one another's shared economic development goals and activities. Early 2012 WTCU and GOED moved in together. This

elevated level of coordination allows the WTCU and GOED to better coordinate in marketing Utah internationally. It also strengthens the shared goal of increasing Utah's international trade activities.

CONCLUSION

Optimization of state government is ongoing, comprising people, processes, and innovation to deliver maximum value to our constituencies. As a result, this report is a living document outlining progress in continually improving functional outcomes. The State of Utah is committed to an ongoing process of optimizing state government, ensuring that taxes are used effectively and the quality of life in Utah continues to lead the nation.

Interim Report:

Diane Ferguson, BYU Graduate Student, previous intern for Governor's Office of Planning and Budget
Jim Grover, Budget Analyst, Governor's Office of Planning and Budget