

**FINAL REPORT**

**GOVERNMENT EFFICIENCY  
INTERIM STUDY COMMITTEE**

**Presented to the Legislative Council  
and the Iowa General Assembly  
January 1993**

**Prepared by the Legislative Service Bureau**

# FINAL REPORT

## GOVERNMENT EFFICIENCY INTERIM STUDY COMMITTEE

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### AUTHORIZATION AND APPOINTMENT

The Government Efficiency Interim Study Committee was established by the Legislative Council for the 1992 legislative interim period, and was authorized to hold two days of meetings.

### STUDY COMMITTEE CHARGE

The charge of the Committee, as provided by the Legislative Council, was as follows:

Review implementation and effectiveness of measures enacted by the 74th General Assembly and make recommendations on additional steps and measures that can be enacted to improve government efficiency.

### COMMITTEE MEMBERS

Members serving on the Committee included the following:

Senator John Kibbie, Co-chairperson  
Representative Phil Wise, Co-chairperson  
Senator Emil Husak  
Senator Jim Lind  
Senator Derryl McLaren  
Senator Joe Welsh  
Representative Dennis Black  
Representative Clifford Branstad  
Representative Dorothy Carpenter  
Representative Rod Halvorson

## COMMITTEE PROCEEDINGS

The Committee held meetings on December 11, 1992, and January 14, 1993, in the State Capitol, Des Moines. The Committee considered testimony from a number of persons. Materials distributed to the Committee are available upon request at the Legislative Service Bureau.

### MEETING -- December 11, 1992

The first meeting of the Committee was held on December 11, 1992, in Room 118 of the State Capitol. The Committee heard testimony from several departments and discussed a strategic planning program in Oregon known as "benchmarking."

The Committee was informed by representatives of several departments about issues affecting state government organization and the delivery of services. Presentations were made by the following persons:

#### Ms. Linda Hanson - Director, Department of Personnel

Ms. Hanson commented upon the Department of Personnel's efforts to restructure state government and improve efficiency within agencies. She discussed early retirement incentives enacted by the General Assembly and the projected savings to the state. Ms. Hanson discussed the concept of "rightsizing" of agencies, and managing attrition by prioritizing staff and other resources based on need. She also discussed the formulation of plans to decrease layers of bureaucracy and to increase the "span of control" of administrators of service providers.

#### Ms. Racquel Miller - Quality Coordinator, Department of Personnel

Ms. Miller discussed initiatives to incorporate total quality management practices within state government. She described the use of project teams created within agencies to implement total quality management principles. Ms. Miller discussed plans for expanding implementation of total quality management principles throughout state government.

#### Ms. Sally Cunningham - Deputy Director, Department of Human Services

Ms. Cunningham described the recent reorganization of the Department of Human Services, and reductions in personnel suffered by the Department. Ms. Cunningham also described foster care programs and the shift in policy from using

out-of-home placement of children to using in-home placement by providing services in the child's home.

### COMMITTEE DISCUSSION - BENCHMARKING

The Committee discussed a program referred to as "benchmarking" which was briefly described by Mr. Douglas Adkisson, Legal Counsel, Legislative Service Bureau. The Committee discussed how the use of "benchmarks" is used in Oregon to measure the progress of public programs in line with a strategic vision of that state's economic, environmental, and social future, by setting a number of standards ("benchmarks") over a period of 20 years. The Committee also discussed the implementation of a similar program in Minnesota referred to as "Milestones." According to materials distributed to members, the purpose of the Oregon benchmarks is to identify needs and enable decision makers to consider the costs of pursuing (or not pursuing) end goals, and allocating scarce resources. Members commented that this system appears to identify policy objectives, bridge gaps between goals and service delivery, encourage agency cooperation, and increase public accountability by focusing upon results rather than simply calculating the amount of resources dedicated to a program.

### MEETING -- JANUARY 14, 1993

The second meeting of the Committee was held on January 14, 1993, in Room 116 of the State Capitol. The Committee listened to testimony and discussed recommendations.

#### Ms. Gretchen Tegeler - Director, Department of Management

Ms. Tegeler discussed the concept of "benchmarking" adopted in Oregon. She expressed support for the principles of a benchmarking process which incorporates strategic planning and an outcome-oriented approach to budgeting. Ms. Tegeler noted that an operations committee has been established by the Department to review the state's budgeting process. According to Ms. Tegeler, that committee is exploring the concept of benchmarking.

Ms. Tegeler also summarized recommendations of the Governor's Committee on Government Spending Reform. She noted that the percentage of revenue statutorily dedicated to support certain programs was reduced during the 1992 legislative session. Ms. Tegeler discussed organizational changes in state government, including a trend toward privatization and subcontracting for services. She also stated that the Governor's Committee is interested in issues involving

property tax limitation, Medicaid reform, and biennial budgeting and program review.

### COMMITTEE DISCUSSION

Members discussed several matters raised during the meetings, including issues relating to privatization, contracting, the termination of positions held by older employees, the displacing of field personnel by management employees whose positions have been terminated, and incentives for early retirement. Members discussed issues relating to improving governmental operations, including total quality management initiatives and Oregon's benchmarking program.

### COMMITTEE RECOMMENDATION

The Committee approved the following recommendation:

That the Legislative Council create a permanent structure to develop and monitor ways to improve government efficiency in general, and to specifically pursue, in collaboration with the executive branch of government, the implementation of a "benchmarking" system of evaluating programs in the context of a strategic vision of the state's future.