

Department of Agriculture and Land Stewardship

FY 02 Reorganization Summary

- Total Savings from Reorganization: \$626,717.
- Reduced number of divisions from five to four by combining the Laboratory Division with the Regulatory Division.
- Decreased management/supervisory positions by 11 FTEs. This helped IDALS take a big step towards the span of control goal.
- Formulation and implementation of the reorganization strategy occurred between October 2001 through approximately February 15, 2002.
- Reorganization required consideration of and changes to appropriations, changes in the Code and Administrative rules where division names were referenced.

FY 02 Reassignment Summary

- Total Savings from Reassignments: \$ 71,270.
- Support reassigned to decrease positions by 2 FTEs.
- Reassignment implementation occurred almost immediately upon a decision to proceed.

Attorney General

1. **Size of Cuts.** General fund appropriations for the Department of Justice (Department) were reduced from \$14,735,671 in FY00 to \$9,784,163 for FY03. This is a reduction of almost \$5 million (33.60%), one of the larger reductions faced by a state agency.

2. **Reorganization.** The Department has dealt with these cuts primarily by holding vacancies open. Currently, there are 11 attorney vacancies and 2 support staff vacancies. The Department has reassigned attorneys to cover the workload. The focus has been to continue to perform the core responsibilities of the Department in a professional, competent manner. These core responsibilities include criminal appeals, area prosecutions, tort claims and workers compensation, consumer protection, and agency representation.

3. **Furloughs/Cost Savings/Grants.** The Department imposed staff furloughs in FY02 that resulted in savings of about \$75,000 and has imposed furloughs for FY03 that will save about \$180,000.

In FY02, the Department achieved non-salary costs savings exceeding \$150,000. This is a significant savings in an agency where about 92% of the budget is salaries.

The Department has aggressively pursued new sources of revenue in the form of federal grants.

4. **Span of Control.** Several managers have left the Department and the current span-of-control is about 1 to 14.

Department of Corrections

Iowa sentencing policy and declining community substance abuse and mental health services impose unprecedented demand for institutional and community based correctional services. Institutional demand peaked at a historic high over 8150 at the same time that legislators imposed FY 02 staffing reductions of 216.25. That staff would support the full operation of a 750-bed institution. (Attachment – FY 02 Staffing)

Community based corrections lost 16 staff in FY 02 or the equivalent staffing to manage 2000 community offenders. To adjust judicial districts forced caseloads even higher resulting in dramatic revocation increases. Despite numerous efforts by the Parole Board and Judicial Districts to adjust workload, continuing demand forces more offenders into prison and neutralizes efforts to reduce the prison population.

To meet FY 03 budget reductions the Department of Corrections must continue to address a growing workload with 255 fewer staff. These staff losses are not reorganizations. Rather they are the very high risk shedding of essential workloads that transfer or delay services needed for inmates to reenter the community. DOC remains structurally the same, as the Code of Iowa mandates without the staffing to support the legal mandate. (Attachment – FY 03 Staffing)

In FY 03 budget reduction imposed additional staffing reductions equivalent to a 750-bed institution. In other words, policy makers reduced the prison systems safe carrying capacity by 1500 inmates for FY 02 and FY 03 yet require the agency to continue to manage 8100+ increasingly medically and mentally ill offenders. (Attached charts for medical and mental health costs).

The competing interests of population pressures create a highly volatile situation that challenges policymakers to reset the legal requirements for safe working conditions for correctional staff at much riskier level. Until policymakers adjust the demand for prison space and probation and parole supervision, the Department of Corrections cannot sacrifice any more staff. Equally important communities can ill afford to increase the very high risk for re-offending when offenders return to the community without substance abuse and mental health treatment.

In summary form, the Department outlines the following charts how we adjusted to this conflicting set of circumstances by taking these actions:

- Decreased security, medical, treatment, maintenance, probation, parole, and administrative staff below critical minimum.
- Eliminated treatment contracts and programs essential to safe community reentry.

- Restricted medical trip to UIHC based on reduced clinic requirements.
- Decrease visiting hours.
- Reduced supervisors.
- Reduced overtime.
- Increased vacant positions.
- Reduced support costs.
- Increased vacant positions.
- Plan for incredibly high-risk furloughs by locking down prison system.
- Reduced offender education to levels supported by inmate telephone funds.

Iowa is currently 44th lowest state in the country for correctional costs. The further transfer of risk to Iowa's already burdened communities pushes these issues outside the boundaries of responsible governance and conscience.

Department of Cultural Affairs

Objective: To design an efficient, flexible, effective Department of Cultural Affairs positioned to advance the goals of Imagine Iowa and serve our constituents.

Guiding principles:

We will provide excellent service to our constituents

We will provide services that meet real needs, not just perpetuate programs

We will address the priorities of Imagine Iowa.

We will look for opportunities to improve our service and the way we work.

We will be entrepreneurial in generating revenue and forming partnerships.

We will use technology to re-engineer our processes.

We will capitalize on the strengths of our staff and provide continuous opportunities for participation in the improvement of our processes.

Strategies of New Plan:

Consolidate administrative/building management functions

Create opportunities for interdivisional collaboration to maximize use of personnel

Implement new systems to make it easier for customers to access services

Provide just-in-time programs and services based on data collection

Conduct research to accurately measure impact of programs

Key Elements of New Plan:

- Department has been reorganized with 3 divisions and 6 bureaus. Organizational structure will be under continuous review.
- Six bureau chiefs report to director
- Director serves as Administrator of the State Historical Society, the State Historic Preservation Officer and Executive Director of the Iowa Arts Council
- Staff are located in a functional division and work/report to an interdivisional team

- An entrepreneurial center will be created in the department, starting with our food service/rental program, to develop new revenue streams
- Department will launch a model electronic granting system that allows constituents to make applications on line, standardizes application procedures and streamlines workflow within the agency.
- The Department will develop a Peer Mentoring Network. This will link individuals and organizations in need of technical assistance with knowledgeable resources in their region.
- The Department will partner with Iowa State University to develop and conduct first assessment of the creative economy in Iowa.

Savings Achieved Through Reorganization

The Department of Cultural Affairs' budget was cut 31% for FY03. This followed cuts totaling 22% of our budget in FY02.

The Department lost 67% of its grant funding, including 50% of its funding for Cultural Grants (from \$600,000 to \$300,000), all funding for historic preservation grants (HSPG and HDRP), and one third of its funding for conservation of Iowa's Civil War battle flags.

FTE Savings and Span of Control

The Department of Cultural Affairs has lost 30% of its staff over the last 12 months through three rounds of layoffs, early retirement and attrition.

Current span of control for the department stands at 1:11.

Improved Operations

In FY02, the Department of Cultural Affairs successfully achieved the principles and strategies of reorganization, despite repeated budget cuts and layoffs. They include:

- Excellent hands-on service and technical assistance in all 99 counties of Iowa. One staff-member personally visited more than 200 communities in FY02.
- Timely response to changing economic environment to assist cultural organizations facing budget difficulties. The department conducted an "instant" survey of constituents, and launched two programs to meet their immediate needs: The Big Yellow Schoolbus, that funded field trips for schoolchildren to cultural organizations, and Give A Ticket Give A Lot, a holiday campaign to stimulate private contributions for cultural organizations. The Big Yellow Schoolbus project is now being imitated by private organizations in Iowa.
- Timely response to the unprecedented events of 9/11. Launched and implemented The American Spirit Project, that documented and commemorated the events of 9/11 and the American Spirit that was associated with 9/11 through oral histories, a web site, and a grant program that delivered funds to successful applicants in just 6 days after the grant deadline. This project has received national attention.
- The goals of Imagine Iowa 2010: A Cultural Vision have been integrated in our grants program, and the successes of the first year have been celebrated at our Imagine Iowa reunion.
- The Museum School, in which 100 elementary school children spent their first seven weeks of school in the State Historical Museum, has become a model for an integrated approach to learning,

and partnership development between schools and cultural organizations. The demonstration project has already been replicated in the state.

- An interdivisional staff team has nearly completed design of a new e-grant system that will be a model for the state, providing enhanced service to customers and streamlined workflow.
- A team is finalizing work on a public-private partnership that will provide a new level of excellence in our rental/food service and a new income stream for the department.

Additional Steps

A few of our projects are in the launching stage:

- The e-grant system is expected to be implemented this fall
- The new food service is expected to open in October.
- The creative economy research is expected to begin in October and be completed in February.
- The Peer Mentoring Network will be designed this fall and in place by the end of the fiscal year.

We will continue to evaluate and improve staff deployment as we adjust to the major changes that have occurred in the department this year.

Department of Economic Development

The Department's FY '03 budget was reduced \$4,100,521 or 24.52% from FY '02. In addition, Rebuild Iowa Infrastructure Fund (RIIF) appropriations were cut \$1,100,000 or 18.96%. Local Housing Assistance, Brownfield Redevelopment & Dry Fire Hydrant programs are on hold. We presently have 33 unfilled positions, with the work absorbed by existing staff

Reorganization Strategy

IDED responded by focusing staff on core mission and two customer groups – businesses and communities—by reorganizing from 5 into 3 divisions on August 1, 2001: The three divisions are Business Development, Community Development, and Administration.

The goal was to:

- Integrate marketing and strengthen branding
- Integrate operations and share information
- Focus on customer service
- Eliminate bureaucracy
- Encourage entrepreneurial thinking and teamwork across division lines
- Make programs user-friendly and meaningful
- Collaborate and strengthen partnerships

Results

Business Development

Business and International Divisions were combined because business decision-makers in US companies are often affiliated with international organizations; or international organizations wishing to invest in a US company or find a place to expand have ties to organizations in the United States.

Combining them has built efficiencies into the Division in many ways. We have evaluated how we collectively operate and eliminated duplication of effort. Staff, including the Foreign Office personnel, consult with each other on a more regular basis to utilize the expertise that another co-worker can better provide. This has allowed us to be more efficient in both business prospecting, lead generation and program delivery. As a result, we can better attract businesses and investors and, internationally, have succeeded in bringing COBO International to West Burlington.

Marketing materials for the entire Division have been revised to reflect the *Iowa—Smart Idea* brand and design, strengthening the image of Iowa and reflecting positively on the Department. These materials are globally focused multi-purpose marketing materials that position Iowa as a contender in the world marketplace. The Human Resource Recruitment Consortium, Business Assistance Team and the A Taste of Iowa program have also become more integrated into the operations of the division. Foreign Office personnel and consultants have also been brought into the group, worked with clients, met with key individuals within IDED and presented their programs to staff. Increased communication and awareness of the various staff functions have created internal sharing of duties on marketing and educational projects, maximizing use of time and individual expertise.

The Strategic Investment Fund, which funds several programs, was changed legislatively to be more flexible. This allows staff to apply and leverage funds on high priority projects and the best projects rather than be confined and limited by program lines.

Community Development

Tourism is one of the ways a community can build its economic base. In many cases, the local leaders involved in tourism are also involved in other aspects of community development. The two divisions have always worked together, but by officially pulling them together we are of greater assistance to the communities by bringing them the entire picture of what they can do to grow.

Management set overall goals for all areas, tied to the 2010 Plan and the Department's mission. Synergy has occurred from staff understanding each other's functions and expertise. Clients find a cohesive organization and easier access to answers. Areas such as Main Street, Volunteer Services, the Iowa Film Office and Tourism have all been brought into one home with a common purpose, although unique responsibilities.

The Community Development Fund was changed to incorporate several other small programs and be more flexible. Staff can now apply and funds to higher priority, high quality projects applied for by communities. An example is the research done for the Iowa Alliance for Advanced Telecommunications on statewide needs concerning Internet access.

Numerous partnerships were formed or strengthened. Throughout the year IDED worked with the following organizations:

Iowa Finance Authority (IFA)
Iowa Workforce Development
Department of Transportation
Department of Natural Resources
Department of Education

Professional Developers of Iowa/ Iowa Chamber of Commerce Executives
Three cluster industry groups, including participation by the Regents Universities
Iowa Alliance for Advanced Telecommunications
Human Resource Recruitment Consortium
IDED Board of Directors
Vision Iowa Board
City Development Board
Agricultural Products Advisory Council
Small Business Advisory Council
Iowa Wine and Beer Promotion Board
Travel Federation of Iowa
Marketing Advisory Committee (corporate members & utilities)
Marketing Advisory Group for Iowa Communities (development members & utilities)

Department of Education

In the Department of Education we have not done a formal structural reorganization, however we have examined our mission and statutory responsibilities and have taken a number of steps to reduce costs and increase efficiencies while still providing essential services. These steps include reducing staff and shifting to a greater dependence on federal funds; reducing the functions and services of the Department and State Board; and cutting back on costs for travel, postage, printing and phones.

Staff Reductions, Shifts to Federal Funding

In FY01, the Department's appropriation, including salary adjustment funding was approximately \$6 million. Since July 1, 2000, the Department of Education general administration appropriation has decreased by \$1 million, which equates to a 20% reduction in the operating budget of the agency.

As a result of these and previous reductions, the state funded staff in the Department of Education has been reduced by more than 60% since 1991. The Department has four divisions dedicated to helping communities meet the learning needs of all of their children and adults and the work of these divisions will now be largely federally funded. For FY03, the following divisions will be primarily federally funded: the Division of Early Childhood, Elementary and Secondary Education; the Division of Vocational Rehabilitation Services; and the Division of Community Colleges. Only the Division of Financial and Information Services will be funded primarily from state resources.

This change in the balance of funding means that state funds will now only minimally cover the regulatory functions assigned to the Department. The Department continues to place a high priority on these regulatory functions because they may be needed to protect children and the integrity of local education delivery. These compliance mechanisms, however, do little to generate improvement in student performance. For FY03, the non-regulatory support functions of our Department will be funded almost exclusively from federal funds.

The transfer to federal funding will change the responsibilities of the staff involved but also creates potential problems with federal funds being used to fulfill state responsibilities. Where meaningful, the

department intends to establish as much congruency as possible between state and federal responsibilities, however time and effort will need to be proportional to the federal funds provided. Responsibilities will be aligned with the federal requirements to the extent that federal funds are provided.

Change/Reduction in Functions and Services

The Department also took proactive steps to focus its resources on those activities most critical to carrying out our mission. We sought a number of statutory revisions that will allow us to eliminate or streamline some functions or pay for them in a different way. At our request, this past session the legislature passed and the Governor signed H.F 2515, which provides for the following statutory revisions:

1. Electronic Funds Transfer. Allows the director to disburse state and federal funds by electronic funds transfer. This eliminates staff time required to mail checks to school districts, community colleges and grantees, and is in line with the direction to utilize technology for greater efficiency across state government.
2. Professional Employees. Allows the director to designate full time professional staff as 9, 10 or 11 month employees. This flexibility will help us recruit and retain education professionals at the Department. School districts are currently more competitive in their ability to offer health benefits for 9-12 months of salaried employment.
3. K-12 Accreditation Visits. Allows the Department more flexibility in conducting accreditation visits. Currently visits are conducted on a five- year cycle and this would allow the Department to make accreditation visits on an as-needed basis if necessary because of further budget cuts. Depending upon the overall status, districts may need visits on a more frequent or less frequent basis.
4. Approval of vocational technical programs. Requires director approval instead of State Board approval of vocational programs as eligible for federal Carl Perkins vocational education technical funding. This steam-lines the approval process.
5. Building construction plans. Removes the requirement that the Department receive and approve school building construction plans.
6. Approval of community college buildings. Eliminates the need for State Board approval of community college buildings including dormitories.
7. Appeals to the State Board of Education. In 2001 approximately 80% of administrative law appeals to the State Board of Education dealt with open enrollment. The Department sought statutory change to eliminate most of the open enrollment appeals currently going to the State Board. Since enactment of the open enrollment statute in 1988, this area of the law has been extensively defined through administrative law decisions. The legislation also limits appeals to those brought by a pupil and/or parent or guardian. These changes will save administrative law judge and legal assistance time.
8. School breakfast program. Makes a school breakfast program optional at the discretion of the district. Since mandatory implementation of a school breakfast program, districts have experienced low participation.
9. Supplemental mileage payment. Changes the supplemental mileage payment for parent reimbursement for nonpublic transportation to a predictable formula for ease of administration. This will allow for quicker reimbursement to parents and schools and will significantly reduce agency time spent processing claims.

10. School bus inspections, driver permits and bus driver physicals. Allows the Department to charge a \$15 fee for conducting school bus inspections and revamps the bus driver permit process to simplify the system and make it web-based. The fee will be used to help defray the costs of 4 FTEs employed by the Department for school transportation and bus inspection services.
11. Driving Under the Influence Courses. Allows the Department to recover administrative expenses for the data collection on court ordered courses for drinking drivers offered by community colleges.
12. Driver's education. Moves driver's education to the Department of Transportation. This change coincides with the graduated driver's license law passed several years ago.
13. Environmental education. Moves the environmental education grant program to the Department of Natural Resources. This \$350,000 program awards REAP funding to school districts and teachers for environmental education. Moving the program back to the DNR will allow reallocation of staff time.
14. Proprietary schools. Moves the surety bonding requirements for proprietary schools (i.e. cosmetology, barber schools) to the Secretary of State which also incorporates these businesses.

Reductions in Travel, Postage, Printing and Phones

During FY02, staff was notified of our intent to reduce our reliance on the dissemination of information through the use of printed materials sent through the mail. Wherever possible, all newsletters and other information resources are being sent electronically and posted on the Department web site. This has enabled us to reduce our postage and printing costs by nearly 40%. We also reviewed all of our journal subscriptions and eliminated a number of low usage subscriptions. Office supplies were also reviewed and inventory dramatically reduced.

We reviewed our telephone systems and have been able to eliminate or reduce some phone services resulting in a 10% cost savings between FY01 and FY02.

Travel expenses were reduced by approximately 20% by closely reviewing each proposed trip, by sending only one person to meetings that might normally have included more staff, and by reducing the number of overnight stays on in-state travel. The State Board of Education also reduced their scheduled number of meetings, saving nearly 20% in travel and per diem costs for the Board expenses.

As we begin budget planning for FY04, it becomes clear that any further significant reductions will substantially change the way we function as an agency and the services we are able to provide to the schools, students and citizens of Iowa. If there are additional reductions the regulatory and information gathering for federal or state compliance purposes will be compromised. We would be less able to gather data to support compliance monitoring or policy development. With additional cuts we would be less able to provide support, including accreditation and technical assistance for continuous improvement, to schools, community colleges and area education agencies. We would be less able to provide oversight to assure that school districts have assigned appropriately licensed staff or are offering the minimum course requirements. Finally, we would have to reduce the technology support to our own employees -- one of the primary means by which we have maintained productivity despite losing 60% of our state funded staff.

Department of Elder Affairs

Overall description of the reorganization

The Iowa Department of Elder Affairs (IDEA) has made significant changes in the areas of Assisted Living Program portion of the organization. Through 28-D and 28-E agreements, IDEA has transferred oversight and monitoring functions of Assisted Living Program to the Iowa Department of Inspections and Appeal (DIA), who has traditionally had oversight and monitoring responsibilities for other licensed and certified facilities which provide health and social services on location at the "licensed" facility.

The Robert Wood Johnson Foundation decided to work directly with the Iowa Finance Authority (IFA) on the remaining Coming Home grant efforts for affordable assisted living. IDEA has worked with Iowa Finance Authority to move the Coming Home - Affordable Assisted Living activities to the Iowa Finance Authority. This includes a 28E agreement for 1 FTE located at IFA.

Additional changes in operations resulted in the elimination of funding, reporting and oversight activities for Mental Health Outreach and Alzheimer's Chapters as separate program activities and similar relatively small changes over the past twelve to fifteen months.

Dollar savings achieved through reorganization (you may simply describe the scope of your reduced appropriations).

Changes in the Assisted Living Program activities did not result in financial savings. Other changes have resulted in state General Fund reductions equal to \$1,117,989 since FY 2001 (\$789,906 in FY'02 and an additional \$328,083, planned during FY'03).

Additionally, IDEA has continued to aggressively pursue public and private grant opportunities to assist in meeting our mission. Successful efforts include: 1) a grant focusing on Alzheimer's victims working with the University of Iowa, all Alzheimer's Chapters in Iowa and three Area Agencies on Aging, 2) a federal Performance Outcome Measures efforts with the Administration on Aging and Area Agencies on Aging, 3) Operation Restore Trust – Centers for Medicare and Medicaid, and others.

FTE savings or reductions achieved, and impact on span of control

There has been a reduction of two FTEs coming into FY'03, down to a total of 36 approved FTEs. While formal changes have not yet occurred, current operations have decreased supervisory staff by 1 FTE, or 20% of total supervisory staff. Once completed and all approved FTEs are filled, the span of control ratio will be 8 to 1.

Note: One of the four remaining supervisory positions should more realistically be considered only half supervisory, since that position still carries a caseload.

Ways in which the reorganization has improved operations within the department or allowed the department to maintain current levels of services with reduced resources

Clearly reductions in service have resulted although those reductions have been somewhat mitigated due to the Home and Community Based Services funding from the Senior Living Trust.

Our change efforts have attempted to prioritize and manage the work load, as well as federal and state mandates and requirements within existing resources, while minimizing the negative impact.

Timeframe for implementation and any additional steps needed to complete the project.

We plan to formalize additional changes during the current Fiscal Year.

Department Of General Services

Over the past two years, we have merged seven divisions into five; Building Services was merged into Capitol Complex Maintenance (CCM), and Purchasing and Administration merged into the Operations Division. Respectively, the number of division administrators went from seven to five and the number of supervisors was reduced as well, increasing DGS' span of control.

The consolidation of building services into CCM allowed us to assign staff by building, creating "Facility Partnerships" between custodial and maintenance functions and a true feeling of ownership and pride for the buildings they jointly maintain.

The creation of an Operations Division allowed DGS to combine internal and finance related operations under one umbrella. For example leasing and purchasing became part of the Operations Division.

We continue to look at other consolidation opportunities. Right now, we are in the process of combining four work units into two – customer service and technology support; and fleet accounting into the rest of our accounting work unit. Again, this will reduce the number of DGS supervisors, streamline functions and position DGS better for our role in the Department of Administrative Services next year.

Department of Human Services

There has been a planned, strategic effort to identify and focus on core services, customer results, service excellence through best practice in service delivery, establishing accountability and teamwork across divisions, while focusing on improved efficiencies and cost containment.

Institutions

The budget for the two DHS Juvenile facilities in FY 02 was 6.0% less than originally appropriated, and they are dealing with a reduced budget in FY 03 that is 4.3% less than the ending FY 02 appropriation.

Bed capacity at these facilities will be reduced in FY 03 by 22 beds. Strategies to address the reduced funding will include reductions in force, holding vacant positions vacant, and reducing support budgets.

- Other efficiencies include: Both the State Training School at Eldora and the Iowa Juvenile Home at Toledo are paying for some of their education costs previously funded with General Fund dollars with federal Title I grant money. This saved approximately \$120,000.
- The Toledo facility also plans to save money by increasing their use of special education staff from the local Area Education Agency, and accessing funding from the court-ordered services appropriation for services at the local mental health clinic.

The budget for the four DHS Mental Health Institutes in FY 02 was 6.0% less than originally appropriated, and these facilities are dealing with a reduced budget in FY 03 that is 6.8% less than the ending FY 02 appropriation.

- There will be a net decrease in FY 03 in bed capacity at these facilities of 49 beds. Strategies to address the reduced funding will include reductions in force, holding vacant positions vacant, and reducing support budgets.
- MHI- Mt. Pleasant will save \$30,000 over FY 02 by having inmates at the adjacent correctional facility do laundry instead of contracting with a local vendor.

The two Resources Centers have unique challenges because they are on "net budgeting". Reduction in state funds significantly reduces their federal funding.

- Each Resource Center will be carefully balancing support budgets, staffing levels, and numbers of clients to operate within their available resources.

Financial Health and Work Support

Work units with similar functions have been combined, supervisory ratios increased, and a Bureau Chief position eliminated as a part of the reorganization. We have organized into work teams and are in the process of spreading program knowledge through the teams to increase our knowledge base.

In order to streamline work and become more efficient so that fewer staff can provide the best quality of service possible we have:

- Suspended burdensome Family Investment Program (FIP) policy related to truant youth between the ages of 5 and 13.
- Changed the appeal procedures for some FIP hearings reducing the staff time involved without sacrificing due process.
- Changed the way we meet the State Supplemental Assistance Maintenance of Effort requirement, which will result in fewer and more predictable rate changes. This will improve customer service and satisfaction while also saving time for the workers, reduce the number of calls from providers and clients, and save time for central office.
- Eliminated policy to provide burial assistance.
- Eliminate well-being visits.
- Eliminate multiple approvals needed to refer for a Food Stamp Intentional Program Violation hearing.
- Eliminating FIP entrepreneurial training waivers.

- Changed mailing expedited benefits to go out from Des Moines rather than being issued from local offices saving local office staff time.
- Increased the time to provide expedited food stamps from 5 to 7 days.
- Changed policy so that families needing food stamps do not need to be cancelled and reapply when they move from one county to another.
- Changed policies to protect the earliest possible application dates for FIP, Food Stamps and Medicaid.
- Streamlined FIP Case Review processes to reduce the amount of staff time involved in reviewing the accuracy of benefit termination for noncompliance.
- Reduced the number of staff involved in the Homelessness Task Force and the *hawk-i* Board meetings
- Reduced the quantity of FaDSS (Family Development and Self-Sufficiency) Council meetings and the Welfare Reform Advisory Group meetings and reduced the number of staff involved.

During 2003 we plan to make these additional changes:

- Merge the pre and post FIP diversion programs into one Diversion program improving customer service and reducing staff time.
- Extend the FIP eligibility review frequency from 6 to 12 months to match Medicaid policy.
- Pursue a statewide contract for Community Action Agencies to determine eligibility for the Emergency Assistance program

Medical Services

Medical Services is pursuing strategies which will maximize Federal dollars, control costs, and increase state savings while also improving operational efficiency, expand span of control and reduce costs.

These include:

- Moved forward with the leveraging activities directed by the legislature including the State Maximum Allowable Cost (SMAC) program. This program will set upper limits on what Medicaid will reimburse providers for some generic medications. Emergency rules have been filed and will take effect 10/01/02.
- ICF-MR provider participation fee was approved by the state legislature this past session and will generate additional revenue to offset Medicaid costs.
- The Hospital Upper Payment Limit was approved by CMS allowing inter-governmental transfers which will generate additional Federal Medicaid revenue for the Iowa Hospital Trust Fund.
- The Drug Utilization Review (DUR) program and Retrospective Drug Utilization Review programs are being expanded and will result in more cases being reviewed which will reduce client clinical treatment costs and improve clinical results.
- Policy changes have been made to the nursing home bed hold day, Medicare crossover claims and Dual Certification policies. In addition, we have also reduced the reimbursement rate for contract medical transportation; reduced contract fees, such as the Maximus contract and transferred veterans' costs to Veterans Affairs. These activities will assist in cost containment, help to maximize federal dollars and save state dollars.

- The bureaus of Long Term Care and Managed Care have both been reorganized to operate with significantly fewer staff (about 50%) while still completing core responsibilities necessary to operate the State Medicaid Plan. Completion of non-emergency, non-core work now takes longer to complete because staff are stretched to cover multiple responsibilities which had previously had dedicated staff.

Child and Family Services

In FY 2003, the state appropriation is \$3.3 M less than the projected FY 2002 expenditures. In FY 2002, we served an average of 13,460 children each month. In FY 2003, we anticipate being able to serve just under 12,000 children each month. We are managing this by reducing travel, supply and other operating costs, expanding span of control. As a part of the reorganization we eliminated the Division of Mental Health and Developmental Disabilities shifting these responsibilities to the Division of Child and Family Services through the Bureau of Community Services, resulting in a reduction of staff, elimination of the Division Administrator position and reduced operating costs while improving client results. Below is a summary of the additional strategies used:

- Strengthening the assessment, case planning and monitoring processes (still in process, with goal of 10-1-02 implementation);
- Establishing a waiting list for group care (effective 8-1-02);
- Limiting services to parents, schools and others who ask for help with "at risk" children; and
- Significantly reducing investments in prevention and early intervention services.
- We've significantly reduced the number of training days for new workers, as well as on-going training for experienced workers.
- Shortening courses to one day to cover core child welfare knowledge and skills
- Taking these "on the road" to each of the 8 Service Delivery Areas to reduce field travel costs. This approach will also facilitate all staff hearing the same messages.
- We sought input from partners and advocates to streamline and improve the child welfare system. Following recommendations from the Workgroup on RTSS Provider Regulation and Continuous Quality Improvement, we for example changed certain child welfare program license requirements from 1 year to 3 years. This helps target limited staff resources towards providers that most need monitoring. We also received approval from the Legislature to extend the time child care licenses are effective from 1 year to 2 years.

Field Operations

Conducted a reorganization of field operations during FY02. This includes the following:

- Eliminate 5 regional offices and staff and 38 local field managers and the creation of 8 smaller service areas resulting in the reduction of 34 field managers;
- Increased the number of less than full-time offices from 3 to 34 to better align and place staff in closer proximity to peers and supervisors while increasing supervisor to staff span of control.
- Maintain 118 vacancies during FY03 as a cost savings strategy.
- Due to a shift in demand for services, we will utilize a RIF to re-align and/or re-classify 15 to 20 field staff resulting in the movement of staff within and/or across service area boundaries. This does not result in a net reduction of staff but a re-alignment of staff resources resulting in a re-balancing of workloads to better respond to client needs.

General Administration

A wide range of cost reduction and reorganization efforts are underway or have been completed in General Administration resulting in cost reduction, increased span of control, shift in workloads, combining of bureaus to increase staff efficiency, and to better support field operations and the delivery of services to our clients statewide, including: elimination of 50 vacant positions from the TO; holding vacant 62 vacancies; elimination of the Deputy Director of Administration position; holding the Division Administrator of Medical Services position vacant and covered by the Deputy Director of Policy; and substantially reducing support expenditures for technology, mailings and manual copies. The staff reduction is equivalent to nearly one-third of the 386 FTE's authorized at the beginning of FY02 for Central Office. No additional layoffs are anticipated during FY03. Some additional cost savings activities include:

- Employee manuals are being made available to persons outside DHS through electronic on-line manuals to reduce printing and mailing paper copies.
- Policy updates, staff directives, administrative rules, and other materials are also being created and distributed to DHS local offices electronically to reduce the number of paper copies maintained.
- Travel costs have been significantly reduced and will continue to be monitored. Many meetings are either being cancelled or held over CIDS.
- Supplies and equipment is being reduced and/or delayed.
- The Department is aggressively pursuing revenue maximization and identification of grant and other funding streams to support the provision of services and operation of programs.
- With approval from the Attorney General's Office, DHS streamlined communication of confidential information among DHS staff by using e-mail. Use of e-mail saves postage and copying costs.

Child Support Recovery Unit

Maintain vacancy levels, sustain reductions of FY02, reduce postage, stop issuing coupons, and apply direct deposit mandate where possible.

Division of Data Management (DDM) Positions were combined and span of control increased.

- FTE savings, reductions achieved and impact on span of control
- Bureau Chief for CWIS IT staff also supervises Project Management office
- Loss of two bureau chiefs in DDM. One position eliminated. One reassigned to RBA.
- Bureau chief for IM Systems now has responsibility for Data Warehouse Bureau chief for ICAR system now covers DDM staff that support the institutions.
- CIO now covers Quality Assurance Unit, since their supervisor took early retirement.
- Dedicated staff to monitor major projects for the Department
- Eliminated unnecessary emails accounts for terminated staff
- Ceased purchasing new computers, printers, and servers.

Information Technology Department

The Information Technology Department (ITD) has made the following reorganizations:

1. Combined the operations and responsibilities of the Enterprise Quality Assurance Office, the Business office, the procurement office, and legislative liaison.
2. Eliminated Office of IT Innovation
3. Eliminated three supervisory positions in the Operations Division.
4. Rewrote all PDQ's in the Customer Liaison Division to match skills needed to deliver services, and provided training to match skills needed.
5. Restructured the Business Office to establish responsibilities based upon subject matter expertise and workflow.
6. Restructured the layout of Hoover level B to more appropriately place staff next to people they more routinely with, and provided quiet space for those who perform complicated coding and need more concentration.
7. In the process of restructuring the department as a shared services organization.

Dollar savings achieved:

1. \$180,000 savings by combining items referenced in # 1 above.
2. \$30,000 savings through reclassification of employees.
3. \$1,124,000 savings through lay-offs of 18 ITD staff people. ITD began FY '02 with 209 state employees, interns, and contractors and we currently have 140 employees interns and contractors—a reduction of 69 people who had been providing information technology services.
4. ITD (with the assistance of Expense Reduction Corporation) negotiated with one of its software vendors, Computer Associates (CA), to reduce the annual expense (\$884,000) related to a software maintenance contract. The contract payment was due June, 2002. On March 14th, ITD received a proposal from CA to reduce the FY02 June payment by \$234,000. Approximately 61% or \$143,000 of this amount is ITD's share of the savings. We are continuing to work with the Expense Reduction Corporation to identify other savings opportunities.

Span of Control:

Our span of control has improved by eliminating three supervisory positions. We are considering the reclassification of two other supervisory employees.

Additional Steps:

1. Completing an overhaul redesign of our department to reflect a customer service focus and to move toward a shared services organization. This will include business process redesign, remapping our core processes as well as changes in organizational structure.
2. For details on other efforts by ITD to reorganize and provide enterprise services in a more efficient manner, see the "charter website." <http://www2.info.state.ia.us/charter>.

Department of Inspections and Appeals

The general fund appropriation for FY03 was reduced by \$3,692,986, compared to the FY02 appropriation. This includes attached units (SPD, FCRB, EAB and R&G).

Operational Unit Reduction

The general fund appropriation for FY03 was reduced by \$883,334, compared to the FY02 appropriation. The cuts are identified as follows:

	<u>Operations</u>	<u>FY03 New Cuts</u>
07/01/01 Fiscal Year 2002 Appropriation	\$6,184,932	
11/01/01 4.3% Reduction	(\$265,952)	
03/01/02 1% Reduction	(\$59,189)	(\$59,189)
Unspecified Salary Cut	(\$44,345)	(\$44,345)
	<hr/>	
FY02 Appropriation Balance	\$5,815,446	
Additional Reductions for FY03		
2.2% Reduction	(\$125,938)	(\$125,938)
Furlough Reduction for FY03	(\$137,018)	(\$137,018)
Additional Legislative Net Reductions	(\$91,010)	(\$91,010)
Salary Adjustment Shortfall	(\$159,893)	(\$159,893)
	<hr/>	
	\$5,301,587	(\$617,393)
	<hr/>	
Total Reductions July FY02 to July FY03	(\$883,345)	-14.28%

Careful analysis was made of all areas of the department. As with other financial challenges over the past year, the overriding consideration in the plan's development was to continue to provide services to Iowa's citizens, to the best extent possible. The following criteria was used in decision-making:

- Maintain the protection of the health, safety and well being of our most vulnerable citizens
- Minimize the disruption of services
- Leverage the use of federal funds
- Assess the availability of other potential funding sources, such as grants

Those programs that were funded with state dollars only were the first to be directly impacted by the budget reductions. Since most department funding is utilized to match federal funds, consolidation of general fund programs first helped to minimize the total loss of funds. Two division administrators and secretarial support were eliminated during the first round of reductions. Program supervision was reassigned to the Administration Division to be supervised by the director or the deputy director. Additional general fund clerical support positions were consolidated in later reductions. The department will continue to provide mandated services. While services will continue to be provided, customers will most likely see a delay in the delivery or response time in some service areas. Examples include the timeframe for processing and issuing various licenses or certifications; collecting, preparing and disseminating data and reports; developing administrative rules; preparing general correspondence; and

conducting administrative hearings. In addition, some services may be provided in limited formats, such as electronic only versus hard copy and electronic.

Span of control was increased from 1:12.82 at the beginning FY02, to 1:14 for FY03. A total of 23.5 FTE positions were eliminated (12.5 positions were vacant). Throughout FY02, the department delayed merit increases for non-contract employees capped out at their salary range.

The department will continue to attempt to maximize the use of federal funds by reassigning remaining staff to federal programs or providing shared services when possible.

Attached Unit Reductions

Child Advocacy Board:

The general fund appropriation for the Child Advocacy Board was reduced by \$324,740 as a result of across-the-board reductions, temporary layoff equivalency, other legislative reductions, and salary adjustment shortfall, compared to the FY02 appropriation.

Effective July 1, 2002, the Court Appointed Special Advocate Program (CASA) was transferred from the Legislative Branch to the department under the newly created Child Advocacy Board, which was created by modification of the existing Iowa Foster Care Review Board structure (ICFCRB). This Board also has oversight responsibility for the ICFCRB.

The current layoff plan is undetermined.

Employment Appeal Board:

The general fund appropriation for the Employment Appeal Board was reduced by \$4,927 as a result of across-the-board reductions, temporary layoff equivalency, and salary adjustment shortfall, compared to the FY02 appropriation.

The Board will meet this amount through selected support reductions in the OSHA program. This program is funded with 50% matching federal funds, which will result in an equal loss of federal dollars.

Racing and Gaming Commission:

The general fund appropriation for the Racing and Gaming Commission was reduced by \$408,470 as a result of across-the-board reductions, temporary layoff equivalency, and salary adjustment shortfall, compared to the FY02 appropriation.

The Commission achieved savings by merging the duties and responsibilities of greyhound stewards and gaming representatives at Dubuque Greyhound Park & Casino and by reducing the number of Commission meetings from ten to eight annually.

Budget cuts forced the Commission to sacrifice employee training, maintenance and upgrade of information systems and equipment, as well as travel to licensed facilities.

Future impacts of the budget cuts will also likely include reducing the number of racing days allocated to licensed racetracks due to the cost per racing day of stewards, veterinarians and drug testing of participating animals.

State Public Defender:

The general fund appropriation for the State Public Defender and Indigent Defense Fund was reduced by \$2,071,504 as a result of across-the-board reductions, furlough equivalency, other legislative actions, and salary adjustment shortfall, compared to the FY02 appropriation.

When two field office supervisor positions became vacant, those offices were assigned to existing supervisors in other field offices for supervision. The span of control increased from 10.47:1 to 11.88:1. Field office supervisors are now required to handle cases as well as supervisory responsibilities. In addition, in order to achieve budget reductions, between eight and ten positions must be held vacant during the year. Vacant positions in the public defender field offices result in more cases being referred to private attorneys where the cost per case is generally higher. Public defenders are required to increase caseloads in an effort to offset increased costs to the Indigent Defense Fund.

Iowa Communication Network

The Iowa Communications Network (ICN) has not made any significant organizational changes that result in savings to the agency. The ICN is still charged with providing the same level of service to its customers. However, the ICN has taken a very aggressive look at expenses, making reductions where possible, and continues to monitor all rates. In fact, the ICN has reduced rates over the past three fiscal years.

ICN has always monitored expenses closely since we are an enterprise agency, and receive only a small percentage of our operational revenues from the state's General Fund. The General Fund appropriation is used to subsidize the rates charged to educational entities and for FY 03 is estimated to make up only 3% of the agency's operational budget. During FY 2002, not only was the ICN's operational appropriation decreased, revenues were negatively impacted because of other state agencies budget cuts.

The following are examples of major steps the ICN has taken to increase efficiencies and reduce costs.

- ✓ The ICN was designated as a common carrier in December 2000 qualifying it as a Universal Service Fund (USF) provider for eligible authorized users in FY 2002. Discounts for these users can be applied to all commercially available telecommunications service, Internet access, and internal connections. The ICN/State will not benefit from discounts received by eligible users on voice, Internet, and data services. In the case of two-way, full motion video services, the ICN/State can recover the appropriate discount against the operational cost subsidized by the ICN through cross subsidization from other ICN services or by the subsidization appropriated by the State. The network has not received all USF funding for FY 02 but is estimating it will be \$726,000. The ICN is estimating \$2,651,000 for the State's share of revenues from the Universal Service Fund for FY 2003 and 04.

- ✓ The operations division of the ICN has taken on additional duties to reduce the requirements the ICN has under certain maintenance contracts. This will result in a savings during FY 2003 of approximately \$200,000.
- ✓ The ICN let two FTEs remain vacant for FY 2002, resulting in savings of approximately \$114,000. The ICN has realized savings of approximately \$30,000 by staggering the time it takes to refill other vacant positions. Additionally, the ICN no longer allows use of employee overtime, bonuses, or incentives. It is estimated that this will provide an annual estimated cost avoidance of \$30,000. Total savings in personnel costs is \$174,000.
- ✓ The ICN has also reduced employee training and travel to mission essential requirements only. ICN field personnel travel into Des Moines two times per month rather than once a week. The ICN is using the video network more for meeting with members of the network's customer base. The ICN has reduced out-state travel. These measures have reduced the ICN's travel costs by approximately \$144,000 from FY 2001 to FY 2002.
- ✓ Generally, telecommunications organizations overcharge their customers an average of 20%. The ICN is aggressively auditing bills received from the private sector to identify those errors. It is estimated that this will provide an annual cost avoidance of at least \$100,000.
- ✓ ICN has reduced paper billing as the agency moves to electronic billing, including detail, reducing the amount of paper used per billing cycle from 20 to 9 cases of paper. This would save approximately \$5,000 per year.
- ✓ The Network is in the process of enabling authorized users to make their own IFAS code changes for services purchased from the ICN, to insure timely and more accurate changes. It is estimated that this will provide an estimated annual cost avoidance of \$20,000 to \$25,000.
- ✓ The ICN has participated in fewer technology demonstrations and other opportunities to avoid expense. It is estimated that this will provide an annual cost avoidance of \$3,000.
- ✓ The ICN has moved distribution of key documents with large distribution from hard copy including mailing and other distribution charges to electronic distribution. These documents include the metro state agency telephone book, the quarterly newsletter and the annual report. It is estimated that this will provide an annual cost avoidance of \$30,000.

The ICN has postponed administrative and network equipment and software purchases where possible.

Iowa Ethics and Campaign Disclosure Board.

Appropriations to the Ethics Board have been reduced from approximately \$515,505 to \$401,000 from FY 01 to FY 03. The Board has undertaken agency reorganization, but has combined positions and has undergone a change in focus.

The Board has reduced the number of FTEs from eight to six, and has not employed or contracted for services with either of those individuals. By combining the Executive Director and Legal Counsel positions, the Board has one supervisor position for five employees. Previously, the Board had two supervisor positions for six employees. Thus, the span of control has increased from 1-3 to 1-5.

The Board also combined a staff auditor position with the Systems Administrator position. This was done to reflect the fact that the Board's electronic filing program for campaign disclosure reports is near completion and a full-time Systems Administrator was no longer needed.

Although Board staffing had been reduced by 25%, the current level of service to the regulated community has not been significantly decreased due to the following:

1. Increased use of technology, especially electronic filing of campaign reports and making reporting information available to the public through the Internet;
2. A refocusing of agency priorities so that "big picture" campaign finance issues are addressed, increased attention is given to executive branch ethics and executive branch lobbying, and that "minor" campaign, ethics, and lobbying issues are disposed of in an expedited manner;
3. Streamlining of procedures and policies to eliminate unnecessary work;
4. Overhauling of administrative rules to eliminate unnecessary requirements; and
5. A thorough review of all staff duties to eliminate redundant or unnecessary work.

The Board continues working to embrace technology, streamline procedures, and eliminate unnecessary requirements and duties. By doing so, the Board hopes to continue providing the current level of service to the regulated community and the public.

Iowa Veterans Home

In the spring of last year, we volunteered to participate in the Iowa Excellence Initiative by completing a self-assessment. A team of 9 people from all classifications and departments met weekly to assess our organization based on the Iowa Excellence Criteria. It was an enlightening experience that precipitated our movement into performance excellence.

The self-assessment revealed significant strengths and we have tried to capitalize on these. The assessment also revealed significant opportunities for improvement in the areas of Organizational Leadership (Category 1); Long Range Thinking (Category 2); Data Based Decisions (Category 4); and Results Orientation (Category 7). The Examiners' Feedback Report validated this information.

Based on this information, we believed that before we could address any other areas, we first had to address the Leadership issues. Many of these concerns centered on poor communication mechanisms; and redundancies and overlap in many areas, resulting in little accountability for results. Our performance improvement plan began with this initiative and we spent the next six months evaluating

our current organizational structure, identifying core functions of key areas, reviewing the literature, and soliciting input from staff, residents and other state veterans homes in the nation. This process led to the development of four possible organizational structures. One was chosen as the best option for the Iowa Veterans Home and we are currently awaiting approval from the Department of Management and the Governor's Office to initiate the reorganization.

The revised table of organization flattens the organizational structure, resulting in cleaner lines of communication. Although the Iowa Veterans Home already exceeds the Governor's recommended span of control ratio, (we are currently at a 1:15.55 supervisor to staff ratio), we recognized that the distribution of supervisory positions was not always equitable. This initiative will enhance communication and increase accountability, without compromising our ability to provide the highest quality of health care to our veterans. By focusing our resources on those employees who care for the veterans and those employees who support them, we can remain a leader in providing services to Iowa's veterans. Cost savings are theoretical at this point, but this reorganization will greatly enhance our ability to continue to provide excellent care within the arena of net budgeting. In keeping with the principles of Accountable Government, we are also in the planning phase of revamping the committee structure to align with a new table of organization. We have renewed our emphasis on Strategic Planning and have developed a plan whereby our Strategic Plan will align with the Governors initiatives for the state, as well as reflect the direction we need to take to remain a Champion of Industry. Our agency performance plan, fiscal year budget, departmental plans and individual employee development plans will align with the goals set forth in the IVH Strategic Plan.

Additionally, we are continuing to look at revenue generation opportunities and cost saving measures. We are building our performance measurement system based on the criteria set out in the Iowa Excellence Initiative. This system will enhance our ability to be proactive and to facilitate data based decision-making. It will also allow us the means by which we can communicate our excellent performance to our shareholders.

We appreciate the opportunity to share our plans for the future of the Iowa Veterans Home with you. If you have questions, please feel free to call me at 641-753-4307.

Department Of Management

As you can see in the paragraphs below, the Department of Management has reassigned staff to emerging customer demands, and increased the workloads of remaining staff.

The Department has experienced a 13% (\$312,000) reduction in general fund appropriations over the last two fiscal years, a 7% reduction from FY 01 to FY 02 and an additional 6% reduction from FY 02 to FY 03. The Department also saw the voluntary departures of four staff members in FY 02, three under the early out program. None of these positions have been refilled, and the duties of the departed staff have been redirected and absorbed by existing staff. Budget analysts workloads have increased significantly as they have absorbed the responsibility for managing the budgets of an additional number of agencies. Likewise, the workloads of both the budget and planning teams have expanded as new customer demands have emerged. The Department now employs 27 staff, six under the number of employees on staff in FY 2001.

Some of the emerging customer demands that have required a redirection of staff resources include, administration of the Budget Redesign project, the Accountable Government Act, the Enterprise Resource Planning project, the Improving Government Initiative, the Grants Enterprise Management System and supporting creation of the Department of Administrative Services.

Department of Natural Resources

Reorganization planning for the DNR began in summer, 2001. The Director appointed a group of approximately 10 employees to serve on the committee to develop recommendations for reorganization. Guidelines provided by the Director were to focus and flatten the organization, eliminate duplication of efforts, and decentralize as many functions as feasible.

The group met for about three months and, with the input of management across the department, developed the first part of the reorganization plan which addressed the reorganization of the overall structure of the department. Several recommendations were presented to the Director last fall.

After discussion between the Director and the group, a final recommendation was selected. The Director presented the new plan to all department employees in December, 2001 and immediately began to make organizational changes.

Many of the management changes were made after early out retirement in late January, early February, 2002. All management and major organizational changes were complete by the end of May, 2002.

Remaining management changes to be implemented include the hiring of three bureau chief positions in the Environmental Services Division and one bureau chief in the Conservation and Recreation Division. These hirings will be complete by October, 2002. Some bureaus will undertake internal restructuring, mainly the Water Bureau and Energy and Waste Management Bureau, which will be completed by December, 2002.

The draft plan for decentralization was presented to the Director in July, 2002. Planning continues but decentralization efforts are already underway. Six FTEs will be placed in field offices this fall, 2002, and further decentralization will continue, according to the plan, for the next five years.

Cost savings through reorganization are estimated to be \$500,000.

Key Benefits of Reorganization:

- 1. Enhances Customer Service for the People of Iowa.**
- 2. Better Achieves the Natural Resources Goals of the State.**
- 3. Improves Efficiency and Saves Money.**

How Reorganization Will Enhance Customer Services for the People of Iowa

Background Issues:

- Serving the people of the state is one of our primary goals.
- Better customer service means improved communication, increased convenience, faster processes and greater assistance. This plan works to achieve that service The DNR has an image of being of “faceless bureaucracy.”
- Reorganization is an opportunity to move staff into the field, working directly with the people we serve.

Reorganization Provides Solutions:

Decentralization

- The DNR is planning to move as many functions as possible – where it makes the most sense – across the state.
- Our objective is to provide the best customer service in a way that is cost-effective and beneficial to the state.
- Our planning process is as follows: A staff team is currently analyzing areas for potential decentralization. While some areas such as Fisheries, Wildlife and Parks have large percentages of field staff, other service areas could be greatly enhanced by moving staff out of the central office. **EXAMPLE:** permitting process (DNR is working to streamline the process – eventually will move permit review from the central office to assisting people in the field).
- This will be a multi-year process. We will move positions via vacancy and attrition. This will help lower moving costs while maintaining/improving employee satisfaction. This is important – our greatest asset is our dedicated and talented staff.

Opportunities associated with decentralization:

- Creates rural economic development opportunities for communities seeking new businesses and jobs in their towns.
- Will eventually consolidate Des Moines staff into the Wallace Building, eliminating capital-area lease costs.
- Creates a partnership opportunity with community colleges – dual purposes for campuses, internships, better communications, ties to community, etc.
- Will work to instill a sense of belonging with these communities – puts a “face” on the DNR.

How Reorganization Will Achieve the Natural Resource Goals of the State:

Background Issues:

- Reorganization offers the opportunity for innovation, better collaboration and changes in management philosophy to bring together unique partnerships to maximize results.
- Can seek opportunities to refocus on priority issues in natural resources.

Reorganization Provides Solutions:

Alignment of bureaus within new divisions provides greater collaboration.

- Two major divisions are Environmental Services and Conservation and Recreation
- Environmental Services brings together current Environmental Protection bureaus with Geology, Energy and Waste Management. Offers more opportunities to solve environmental problems together. **EXAMPLE:** Coal tar waste excavated from Boone is being treated at Cedar Rapids

landfill using landfill gas. Land Quality, Waste Management and Energy worked together to make this happen.

- Conservation and Recreation brings together Fisheries, Wildlife, Law Enforcement, Forestry and Parks. This means better communication, problem solving and partnerships. **EXAMPLE:** Parks Interpretation Programs, Hunter Safety and Aquatic Education are collaborating on education offerings in state parks.

Management Services will provide administrative, budgeting and accounting, as well as information technology to support the entire agency.

Policy Planning and Coordination will work with stakeholders, key constituents and legislators to ensure natural resource goals are understood and prioritized in policy decisions for the state.

How Reorganization will Improve Efficiency and Save Money

Background Issues:

- Saving money is a critical goal for the state. About 15% of DNR funding comes from general funds and it is in the DNR's and the state's best interests to find economies of scale and consolidate where possible.
- Improved efficiency means better operations, streamlining, faster decision-making and better customer service.

Reorganization Provides Solutions:

- 7 Divisions to 3 Divisions
- Reduction in total number of Managers – more closely aligns with 12 to 1 management ratio the Governor is seeking. Currently DNR has 9 to 1 supervisor –to-employee ratio.
- 21 Bureaus to 15 Bureaus
- Reduces number of middle managers
- Consolidates and integrates overlapping activities, for example, licensing is folded into administrative support services.
- Saves an estimated \$500,000 in annual salary costs

Office of Drug Control Policy

The STOP Violence Against Women Grant Program has moved to the Attorney General's Office, Crime Victim Assistance Division to enhance coordination of resources and services.

Transfer of ODCP prevention programs and staff to Public Health is planned for completion in FY04. Additional federal grant funds and congressional earmarks are being sought for application in SFY03-04.

Dollar savings, FTE savings, and reductions achieved through reorganization

The Office of Drug Control Policy is making every effort to secure and maximize federal grant funds to maintain programs and services. The total FY03 appropriation of \$255,104 is \$219,897 below the FY02 level, a reduction of 46%.

The transfer of Stop VAWA resulted in a reduction of two FTE's and \$30,000 in State General Fund support for ODCP.

One FTE qualified for the Early Out Retirement Program, resulting in a state general fund savings of approximately \$3400.

State General Fund support for the SAFE Community Program and the Iowa Substance Abuse Information Clearinghouse has been eliminated.

Ways in which the reorganization has improved operations within the department or allowed the department to maintain current levels of services with reduced resources.

ODCP operations have been streamlined and more sharply focused on top priorities as the office has become almost entirely reliant on federal funds and a small amount of state matching funds to retain federal grant supported programs/services.

Time frame for implementation and any additional steps needed to complete the project.

The Drug Policy Coordinator continues to seek additional federal funds for programs throughout the State of Iowa. Current requests are pending before Congress.

Department of Personnel

1) Overall description of the reorganization

Response: We have steadily made decisions to reduce and consolidate the number of divisions (and management staff) within the Department of Personnel since FY 2000. My most recent action was taken in response to budget realities present in FY 2003. In FY 2003, I've reorganized to eliminate one division administrator, moving the Department to two divisions and creating additional direct reports to the Director.

2) Dollar savings achieved through reorganization (you may simply describe the scope of your reduced appropriations)

Response: As with many of the administrative agencies in Iowa government, IDOP has experienced a severe reduction in general funds appropriated to support our core operations. At the start of fiscal year 2001, the Department was appropriated \$4,884,280, including salary adjustment. For fiscal year 2003, we were allocated \$3,757,124, a \$1.1 million, or 23%, reduction in that period.

3) FTE savings or reductions achieved, and impact on span of control

Response: In total, IDOP will staff 65 positions, about 25% below our 86 positions authorized. Our span of control is 1 to 16.25.

4) Ways in which the reorganization has improved operations within the department or allowed the department to maintain current levels of services with reduced resources

Response: Our goal throughout the budget cutting and reorganization process has been to maintain positive customer relations and critical services by communicating priorities and resource limitations. We've taken the following actions in FY 2003 to achieve this goal:

- Continue agency service agreements.
 - We will have two fewer personnel officers in FY '03. We have only one person handling classification and pay plans. Other areas of the department are also understaffed. Therefore, it is essential that we continue to enter service agreements to identify with agencies their priority needs. With reduced staff, we will be unable to fulfill all departments' requests. Fewer personnel services does increase the risk of agencies making mistakes that can lead to costly grievances, arbitrations, and settlements.
 - Provide employee information through program staff, shift some training to on-line learning where possible, and eliminate some training options.
 - As we shift administrative staff to program areas, there will be fewer resources available for employee communications. However, the department plans to continue providing newsletters and other information through training staff. This will reduce the amount of time trainers have available for other classes. We will need to use these communications to explain delays that some may experience in obtaining employment and benefit responses and actions.
 - Maintain labor relations staffing to work directly with the unions and department management.
 - Grievances and other employee actions increased from 583 in FY '00 to 851 in FY '01, a 46% increase. Through the beginning of June, 725 have been filed. We anticipate that numbers will remain this high, or climb, next year. Fortunately, an alternative process, GRIP, has reduced the number of grievances that progress to arbitration, saving agencies time and money.
 - Union contracts must also be negotiated during the upcoming year. With staff handling negotiations, grievances, arbitrations, and reviewing layoff plans, they will have no time to provide training, support and technical assistance to labor-management teams in the departments. Unfortunately, these are the activities that that can prevent grievances from being filed.
- a) *Emphasize communications with departments in high risk areas*
Provide agency management and employees information and technical assistance on containing insurance and workers' compensation costs.
- b) *Communicate the availability to apply for jobs on-line*
The job application process is currently being automated. With a reduction of employment staff and remaining staff helping layoff employees with outplacement and recall, it is essential that we get as many applicants as possible applying for jobs over the Internet.

5) Timeframe for implementation and any additional steps needed to complete the project.
Response: Actions outlined above have been taken and implemented in FY 2003.

Public Employment Relations Board (PERB)

The Public Employment Relations Board (PERB) is charged with administering the collective bargaining statute for the state (Iowa Code Chapter 20).

PERB was created to be an autonomous, neutral state agency and has never had a large staff or budget. At the beginning of FY 2002 PERB had a total of 12 employees: 3 full-time Board members, appointed by the Governor and confirmed by the Senate, 6 Administrative Law Judges, and 3 support staff.

The agency had proposed to the Governor and legislature an FY02 budget of \$982,865. In 2001 the legislature approved a budget of \$857,489 plus \$30,900 in the salary adjustment bill for a total operating budget of \$888,389, nearly \$100,000 less than the agency figured was needed to carry out the mandates of Chapter 20.

The 4.3% across-the-board cut in November of 2001 caused a deappropriation of \$38,201. The additional 1% cut and mandatory furloughs (or equivalent dollars) amounted to cuts of \$8,502 and \$7,476, respectively.

In an attempt to preserve the small staff with which the agency was functioning, the PER Board, in July of 2001 implemented several cost-saving measures. The Board eliminated all out-of-state travel, eliminated the use of court reporters for adjudicative hearings (except where mandated by statute), restricted in-state travel by staff by telling the parties they would get only one mediation session, and mandated furloughs for all staff, including the Board members. However, as the year progressed and more budget cuts occurred, the Board was forced to look at more drastic cost-cutting measures.

The 36 Ad Hoc mediators located around the state were told that they would not be used in FY02, which saved about \$23,000 in the budget, but dramatically increased work load on a stretched-thin staff and Board. One ALJ had to go on medical disability in January of '02 and eventually had to take disability retirement. The Board also had to lay-off a 12-year veteran ALJ of the agency in April of 2002 in order to make budget.

This forced reorganization has not improved PERB operations. The fact is the agency is not able to maintain the level of service to our customers that they desire or have come to expect from PERB. Services that had traditionally been offered to help the parties build better working relationships (i.e. interest-based bargaining and labor-management committee training) have been drastically reduced. Grievance mediation is offered, but with a cost attached, making this alternative dispute resolution technique less accessible to some of PERB's constituents.

Further, the loss of one-third of PERB's professional staff has caused delays in getting adjudicative decisions rendered in a timely manner because the remaining staff and Board are carrying much bigger work loads.

Span of control is not an issue at PERB. The Board Chair is the only supervisor for the agency. In summary, PERB is currently operating with two Board members, four ALJ's and three support staff, for a total of 9 FTE's. It is expected that a new Board member will be appointed in the near future. The FY03 budget of \$814,210 is \$168,655 below what the agency requested to maintain level of service to it's customer base, the public employers and employees in the school districts and at city, county and state levels.

Department of Public Health

The Department of Public Health continues its successful track record of attracting federal funding including receipt of the maximum award for bioterrorism funding provided by the Centers for Disease Control. As a result of this funding, the Center for Acute Disease Epidemiology was folded into the Office of Disease Epidemiology and Disaster Preparedness.

In FY02 the department eliminated 24.45 FTE's, including management positions, which reduced the span of control from 8:1 to 12:1. The number of division directors reporting to the department director was reduced from 6 to 4. IDPH was able to meet the FY03 budget cuts and preserve the work force by moving employees to federal funding and eliminating vacant positions.

The Department reduced bureaucracy by simplifying and standardizing contracts for county governments and agencies. The review of the Public Health Service Agreement continues to provide a forum for discussion that improves customer service and coordinates efforts with constituents.

The combined effect of all FY03 budget cuts was a reduction of 24.2 percent in the state funded budget for the Iowa Department of Public Health compared to FY2002. Although IDPH expanded their federal programs, fewer dollars were available for private providers of services for the elderly, local public health nursing services, and substance abuse treatment. Some of the specific cuts made in FY02 are:

- Dollars for substance abuse treatment dollars were reduced. The result was that 182 Iowans did not receive substance abuse treatment services (22,888 admissions were made in FY 01.), 11,358 Iowans did not receive substance abuse prevention services (224,594 individuals received services in FY 01.), length of stay for methamphetamine was reduced to less than 6 weeks (research says treatment should be for at least 3 months), and curriculum development and teacher training on prevention of methamphetamine use was eliminated.
- Prompt physician care for 1,500 uninsured or underinsured children with acute, episodic illness and the Council on Chemically Exposed Infants were both eliminated. Reduced staff in the HOPES Infant Mortality program meant 37 pregnant women/families with a newborn with multiple high-risk factors were denied comprehensive home visiting services. (753 families were served in FY 01.)
- Budget cuts led to elimination of the Primecare community grant program that assisted 8 communities of 10,000 or less in recruiting and retaining health care providers in FY01. The

number of chronic renal disease clients who receive health insurance reimbursements was reduced and reimbursement for travel expenses for dialysis treatments was eliminated.

- The number of health assessments for seniors were reduced by more than three-fourths, from 9,595 in FY01 to 2,188 in FY02. 1,553 fewer public health nurse visits were made to homebound Iowans who have exhausted all other means of receiving health care services. (Dollars remaining provided for about 28,500 skilled nursing visits in FY02). Fewer dollars for home care aides meant a reduction of 16,731 hours of services for homebound Iowans who have exhausted all other means of receiving health care services. (Dollars remaining provide for 280,967 hours in FY02.)
- Home Care Aide Court Ordered Services offering support and parenting education to families needing court ordered protective services were reduced by more than half, from 15,904 hours of service to 1,112 families in FY01 to 6,604 hours of service to 462 families in FY02.
- Positions were left unfilled on the Health professional licensing boards which led to delays in investigation of complaints and in hearing disciplinary cases, and reduced routine inspection and enforcement activities.

Department of Public Safety

The command staff and employees of the Department of Public Safety, as well as the labor unions, have worked closely in developing a spending plan for fiscal year 2003 that meets the budget constraints placed on the Department while having the least negative impact on the services provided to the citizens of Iowa. All parties have been extensively involved in finding solutions to a \$6.6 million (13%) reduction. The reduction is a result of across-the-board and furlough reductions enacted by the Legislature, coupled with under funding of salary adjustment, increased workers' compensation billings and payments required under the early retirement program completed in February of this year.

All general fund equipment and overtime budgets were eliminated as a means of balancing the fiscal year 2002 budget, leaving DPS with even more difficult choices in fiscal year 2003. The Department thus far has been able to avoid layoffs of permanent full-time and permanent part-time employees due, in part, to assistance from our federal traffic safety partners. This stream of funding, from the National Highway Traffic Safety Administration (NHTSA), is a one-time source of funds.

The bulk of the savings achieved for fiscal year 2003, nearly \$2.6 million, have been derived from positions that remain vacant. Absent an infusion of new revenue the positions must remain vacant indefinitely. These 49 positions include both supervisors and front line employees and range from assistant directors and bureau chiefs to troopers, agents and secretaries. This has necessitated the consolidation of functions under remaining supervisors and a redistribution of work among remaining staff.

The Department has negotiated with our federal granting agencies to permit the shifting of several employees to \$1.2 million in one-time and recurring grant funding which has prevented the layoff of 25

additional employees. These employees will be dedicated to special enforcement efforts such as; the Alcohol Safety Assistance Program, Motor Carrier Safety Assistance methamphetamine enforcement and money laundering. The Department has also offered a leave without pay program that will save an estimated \$55,000 and will be able to save nearly \$90,000 in salaries for employees who are on extended military leave.

Other savings have been achieved through the elimination of telephone lines, metering mail at remote locations around the state, elimination of overtime for ISP post secretaries through scheduling changes and deferral of real estate payments. The savings achieved through these measures is nearly \$90,000.

Additional revenue opportunities exceeding \$400,000 have been identified as a result of increased usage of the IOWA System and increased federal health care facilities inspections.

In addition to the above mentioned efforts, an undetermined number of layoffs, and furlough days exceeding six days per employee will be required department-wide.

Board of Regents

The following information represents actions taken and/or the results of the FY 2002 Budget Reductions.

- University of Iowa
- Reduced 247 General Education Fund FTE positions – Faculty 107, Graduate Assistants 63, P&S 50 and Merit 27.
 - Loss of faculty equates to fewer classes and greater average class size and increases reliance on the use of temporary faculty to provide instruction. There will be 160 fewer course sections offered in the summer of 2002.
 - Suspended admission into the Graduate MIS program at Tippie College of Business (62 students) (still offering undergraduate program).
 - Within the College of Education, closed Journalism Education, Communications Studies Education, Health Occupation Education and a minor in Human Relations.
 - Reduced faculty start-up support, which severely limits the University's ability to make competitive offers to newly recruited faculty, particularly in the sciences.
 - Reduced the value of faculty technology training commitments from \$3,000 to \$2,000. This will negatively impact the transfer of technology into the classrooms.
 - Slowed or halted searches for major academic leadership positions (e.g.; Internal Medicine, Cardiothoracic Surgery, Physiology, Biophysics).
 - Increased reliance on clinical earnings to support academic activities. (Reduces attention given students because faculty are pushed to earn

clinical income.)

- Reduced student employment opportunities (e.g. Libraries).
- Reduced equipment budget by \$1.1 million or 15%, which will slow the University's efforts to modernize undergraduate classrooms and laboratories.
- Reduced travel and outreach, including travel related to economic development.
- Cut the building renewal budget by \$2 million or 30%.
- Reduced support for Library improvement and the new student Writing Initiative.
- Shifted costs of financial management and oversight of capital projects from operating budgets to individual capital project budgets (increases cost of capital and reduces flexibility).
- Permanently eliminated VP for External Relations position.
- Decreased the number of undergraduate student advisors.

The University believes that the above actions may jeopardize its ability to meet accrediting agency standards.

Iowa State
University

- Eliminated 209 FTE positions from the General Fund:
 - 44 faculty
 - 80 professional and scientific employees
 - 58 merit employees
 - 27 graduate assistants
- Offered fewer courses which can extend the time for a student to graduate.
- Increased course sizes.
- Increased student to faculty ratio.
- Reduced ability to attract and retain faculty.
- Negatively affected responsiveness to student needs by staff reductions in student affairs, administrative offices, and non-academic areas.
- Closed the office of Vice President for External Affairs.
- Eliminated Associate Deans in Education and Veterinary Medicine.
- Combined the positions of Associate Dean of Students with Director of Minority Student Affairs.
- Reorganized the biological sciences and, as a result, restructured curricula and the administration of several departments.

- Plans to eliminate 4 degree programs:
 - Organizational learning and human resource development (MS, PhD)
 - Community health education (BS)
 - Engineering science (BS)
 - Engineering applications (BS)
- Merged departments for administrative savings:
 - Landscape architecture with community and regional planning
 - Animal ecology with forestry
- Reduced funds for building repairs and maintenance even further despite over \$60 million in deferred maintenance.
- Cut funds for professional development for faculty and staff.
- Reduced research and other activities that foster economic development in Iowa.
- Reduced funds for faculty travel to professional conferences for presenting research findings.
- Increased University Extension fees.

University of
Northern Iowa

- Reduced approximately 150 adjunct faculty and 217 classes during the spring semester; postponed professional development leaves; implemented larger class sizes; and assigned overload appointments to permanent faculty.
- Eliminated four and a half professional and scientific positions, six secretarial/clerical positions, five custodians, and a boiler operator.
- Reduced the number of hours for student employment.
 - Cut expenditures from academic supplies and services and equipment line item budgets.
 - Slowed the implementation of the Modern Executive Management and Financial Information System (MEMFIS) which delays access to timely and accurate information for decision makers and off campus reporting.
 - Significantly reduced building repairs line item budget by 83%.
 - Delayed expenditures such as early retirement securitization to the next fiscal year, in a sense borrowing from FY 2003.

Iowa School for the
Deaf

- The School has utilized the savings from an unfilled administrative

faculty position to cover the reductions.

Iowa Braille and
Sight Saving
School
Board Office

- The School used utility savings to cover the net reductions in appropriations and allocations.

To address the appropriation reductions, the Board Office:

- Used salary savings associated with vacant positions.
- Reduced travel and related costs of Board meetings.
- Limited the number of printed Regent publications and purchased publications.
- Suspended membership to a major national higher education governance organization.
- Eliminated professional conferences, changed vendors, and delayed purchases.

The following information represents actions taken for FY 2003 Budget.

University of
Iowa

- Eliminated positions, including faculty, professional and scientific, and merit.
- Left existing faculty and staff lines vacant and close the Iowa Social Science Institute.
- Postponed recruitment of new faculty.
- Loss of faculty positions has impaired the College of Dentistry's ability to support its existing laptop program for dental students.
- Shrink the academic curriculum by dropping courses and sections of courses.
- Fewer faculty in the college of Public Health will hinder the development of the College and will reduce the amount of time and effort available to support public health outreach, distance education, and service to the state.
- Reduced student work opportunities.
- Closed laboratories.
- Reduced the number of course offerings.
- Increased class sizes.

- Eliminate 209 FTE positions from the General Fund
- 44 faculty members
- 80 professional and scientific employees
- 58 merit employees
- 27 graduate assistants
- Offer fewer courses, larger course sizes, longer time to graduate,
- Increase in student to faculty ratio,
- Shift costs to students through higher tuition and fees,
- Reduce its ability to attract and retain faculty,
- Reduce staff in student affairs, administrative offices, and non-academic areas affecting responsiveness to student needs,
- Close the office of Vice President for External Affairs,
- Eliminate Associate Deans in Education and Veterinary Medicine,
- Combine the positions of Associate Dean of Students with Director of Minority Student Affairs,
- Reorganize the biological sciences and, as a result, restructure curricula and the administration of several departments,
- Eliminate 4 degree programs,
- Organizational learning and human resource development (MS, PhD)
- Community health education (BS)
- Engineering science (BS)
- Engineering applications (BS)
- Merge departments for administrative savings, landscape architecture with community and regional planning animal ecology with forestry
- Reduce funds for building repairs and maintenance even further despite over \$60 million in deferred maintenance,
- Cut funds for professional development for faculty and staff,
- Reduce research and other activities that foster economic development in Iowa,
- Reduce funds for faculty travel to professional conferences for presenting research findings,
- Increase University Extension fees,
- Reduce investments in strategic initiatives slowing progress.

University of
Northern Iowa

- Closed or suspended a number of centers (e.g., Center for Economic Education, Center for the Study of Adolescence, Center for the Enhancement of Teaching)
- Reduced support for others (e.g., Center for Environmental Education, Center for Social and Behavioral Research).
- Partnered with the University of Iowa to process all of UNI's outbound mail. Early estimates of postage savings were projected at \$150,000 annually, spread across all campus departments.
- Moved Conferences and Visitor Services from the Advancement division to Continuing Education and Special Programs, within the Academic Affairs division. The move from does present greater challenges to maintaining the relationship-building aspects of the office.
- Reorganized, within Information Technology Services, teams and position sharing resulted in the elimination of 3 FTEs.
- Reorganized the administration of the offices of Admissions and Career Services under a single director, resulting in staff reductions.

Special Schools

- Eliminated summer school offerings for students.
- Reduced building repairs and equipment budgets.
- Iowa School for the Deaf also implemented a pilot project where the school calendar was reduced from 180 to 175 days, with the same number of hours of instruction.

Iowa Department of Transportation

1) Overall description of the reorganization.

The Iowa Department of Transportation's (DOT) effort to restructure the agency began in March 2000, and is being accomplished through multiple phases. The following are the key pieces of the reorganization:

A. Administrative reorganization: The DOT was reorganized into seven divisions as follows:

- Three previous divisions (maintenance, engineering and project development) were combined into a new highway division,
- Two new divisions were created – modal and information technology, and
- Four divisions were retained (director's staff, motor vehicle, operations and finance, and planning and programming).

B. Establishment of a clear "modal" focus: Within the new modal division, created the offices of aviation, public transit and rail transportation, as well as a river transportation section.

C. Establishment of six district offices: Modified the management structure of six transportation centers by appointing a district engineer with overall management responsibilities and renaming the centers district offices. The new district offices assumed many tasks previously performed by the central office.

D. Consolidation and closure of some facilities:

- 27 garages (from 140 to 113)
- 5 highway maintenance offices (from 22 to 17)
- 7 highway resident construction offices (from 20 to 13)

E. Implementation of a combined worker concept that combines construction, maintenance, and materials activities into one position.

F. Modification of highway construction inspection and monitoring from a 100 percent quality management approach to a less than 100 percent quality control approach.

G. Reduction in local agency coordination: The DOT eliminated materials inspection, testing and auditing on all local secondary and Farm-to-Market projects. This was done as a courtesy to local governments and provided no mutual benefit to the state.

H. Downsized fleet and equipment inventory: Reduction of approximately 240 pieces of primarily back-up rolling stock, including 102 fewer snow plow trucks, 23 fewer motor graders, 13 fewer crawler tractors and 56 fewer mowing tractors.

I. Workforce reduction: Elimination of 403 positions, which is approximately an 11 percent reduction in the DOT's total number of positions.

2) Dollar savings achieved through reorganization.

These organizational changes have resulted in Iowa DOT's FY03 operating budget being about \$35M less than it would have otherwise been.

3) FTE savings or reductions achieved, and impact on span of control.

Effective June 22, 2002, the DOT eliminated 403 positions, which is about an 11 percent reduction in overall positions. As a result of these organizational changes and downsizing, DOT's span of control, counting all funded permanent and nonpermanent positions, has increased from about 9:1 to 14:1.

4) Ways in which the reorganization has improved operations within the department or allowed the department to maintain current levels of services with reduced resources.

- Revenue generation and cost containment/avoidance: Disposal of state-owned equipment and facilities generated a one-time windfall of revenue into the state's Primary Road Fund and equipment Revolving Fund and reduced ongoing operational costs.

- **More efficient services:** Field personnel formerly assigned to either construction or maintenance activities will now serve both functions, providing more effective year-round utilization of staff resources.
- **Energy savings:** By closing facilities, the state will reduce its energy consumption which can have a long-term effect on energy availability for the public.
- **Focus on what's important to the public:** By redirecting its resources to the core transportation services important to the public, the DOT can ensure the related services and products meet the highest quality standards.
- **Modal identity:** By establishing a Modal Division, the unique needs of rail, water, transit and air transportation will be addressed.
- **Reduce confusion and red-tape:** By decentralizing many of the department's services and transferring them to the six district offices, services are closer to the customer and decisions are made locally.

5) Timeframe for implementation and any additional steps needed to complete the project.

The organizational changes and downsizing were fully implemented by July 1, 2002. The DOT will continue to look for and implement additional streamlining opportunities.