

Government Restructuring and Operations Review Commission Minutes  
Tuesday, July 26, 2016  
Present: Paul Costello and John Sayles  
On Phone: Jeff Wilson

Agenda item number 1.1 Call to Order  
Done by John Sayles

Agenda item number 2.0 Review and amend agenda, if necessary  
No changes to minutes

Agenda item number 3.0 Approve prior meeting minutes  
Moved approval of minutes by Paul Costello and seconded by Jeff Wilson

Agenda item number 4.0 Mike Smith, former Secretary of Administration  
Mike is now working on preparing a ten-year capital budget for the Burlington Schools.

John Sayles realizes that there are system and culture issues and would like to hear ideas from Mike.

Mike would like to think of it as a systems issues and take it in steps rather than a total system change. Look at AHS because that is where the people are and half the budget. Familiar with AHS since he was the Secretary in the past.

Mike disagrees with Jane Kitchel as far as her idea to break apart the AHS. When he was there he worked to unite the agency. If you tried to break it apart and have Health related issues separate from all the other AHS functions. It would be equivalent to Apple Corp. breaking out the iPhone from the rest of the company. There is an interconnection in AHS that needs to be coordinated.

First recommendation: Work within system designed in 1980's even though the health care aspect may be a burden. Putting it in a separate agency may not be effective. Medicaid is a central part of AHS. The health care part is fundamental to the ability of people being able to help themselves, help themselves. The problem with breaking the AHS apart is that client's issues relate to several departments. In 2006 there was a sky rocketing number of women being incarcerated. Instead of putting the problem on the DOC they decided to look at it as an agency problem. They brought together all the commissioners and looked at the problem as an entirety, improving DMH services, foster care, substance abuse services.... Once they pooled resources they were able to see trends. The more we break down compartments the more we see the whole host of issues. These issues cannot be compartmentalized. We need to take one issue and start out with a moderate objective and move forward with that.

Try to break down compartmentalization. Mike spent a lot of time in each District Office and gave them more responsibility. Moved around the top heavy organization and made it flatter.

Mike didn't get a chance to do all that he wanted because he was asked to take over job as Secretary of Administration.

Improving government does not have to take more time and money but it does involve redeploying people.

One day, when Mike was Sec of AHS, the staff was debating what to do with the foster care system. They were talking to several of the service providers but were not asking the people who were receiving the services, foster kids. They held a summit in the State House with about 200 kids, broke them into groups and learned about their issues and needs. From that they changed the law to give benefits to the age of 21 from the age of 18.

Other issue was that they did not have a good handle on outcomes. What were we getting? For some people the benefits should be transitional. Part of our success should be how we are moving the clients off of our services and into the workplace. We were very good at tracking who came into the system but not as good at tracking people as they moved out of the system. Con Hogan did a lot of work on the overall outcomes of the agency but Mike was more interested in granular information.

Paul Costello related his experience when working with VCR. Each service provider had a separate set of information that could not be shared. That compartmentalization created some issues regarding providing services.

Mike did not have those sort of problems with incarcerated women and foster kids, although there is some confidentiality with the foster kids. By the time the women were incarcerated they had often burned every bridge and had no support system. We were almost guaranteeing that they would come back into the system. The AHS decided to provide supports such as housing to reduce the number coming back in to the system.

AHS was the only agency where once he started stepping on the accelerator things moved. His objective was for the Agency to become nimbler. Used to be a situation where the AHS was always chasing their tail. Flattened out the Admin office and each morning had a meeting with 10 direct report people. Even though it is a big organization it is possible to make changes.

The Agency of Administration, one of things Mike wished he had done was putting focus on middle management and spending more time talking about having middle management provide better customer service. We tend to focus on the Commissioners and Secretary's but we need to focus on middle management if we want to effect change. Mike has a deep appreciation of the work force and has defended them but that does not mean that we shouldn't try to change the culture. Are we meeting the needs of the customer? We need to focus on mission and customer service.

Paul Costello noted how during the Douglas Administration the size of state government was reduced. Asked Mike if there are areas in state government where the size is too large?

Mike noted that it has been eight years and things have changed. Would need to take a deep dive in order to answer this question.

Paul Costello noted the work that is being done on LEAN and RBA. Does Mike have any perspective on this work?

Mike thinks that it is great but if you don't integrate how you are looking at complex problems on an integrated basis you are still not coordinating. That is the fundamental issue dealing with state government.

Paul, regarding breaking down barriers, how do we provide this leadership role? Have looked at the last of a planning and coordination office who are always looking at this issue. What are our returns, what should we be doing? Does the Secretary of Admin Office have the capacity to do this work?

Mike believes that the place to house this effort is the Sec. of Admin, if you are going to go in that direction. The Sec. of AHS is separated, although Gov. Douglas did include the Sec. of AHS in planning meetings. The Sec. of Admin needs to have the mandate. To show progress start out by looking at something that you can identify. Drug abuse, incarcerated women and foster care. Brought Health Care reform up onto the fifth floor. Probably should have not done that because it did not help the AHS at all. Did not serve the agency well.

Paul. It was interesting that in a Republican Admin that Mike would have tried to flatten agency. Have discussed on a regional level how to make regional services more efficient by coordinating. If you were looking at service districts with a blank slate one might draw the lines differently.

Mike saw great work out in the districts. The more that we can coordinate and decentralize the better. This does put enormous pressure on the Sec. of AHS because it takes more monitoring.

One last question. Regarding agricultural development. You have two regulatory agencies, Agency of Agriculture and ANR. Should the economic development functions that relate to Working Land be in one agency? Should these functions be united?

Mike, the answer is "yes". The question used to be should we keep regulatory separate from promotion?

Paul, regarding the two-year election cycles. Should we be looking at four year terms?

Mike, the answer is "yes", no matter how popular the Gov. is they are always thinking about reelection.

Paul, what does it prevent the Gov. from doing?

Mike, be a little bit bolder in the second year. It holds the Gov. back until the next year.

John Sayles, why can't we get it done?

Mike, because we try big and fail big. You have to start small and take small steps. Once you take little steps it builds fast.

Jeff Wilson, regarding reorganization and restructuring we have not heard any compelling testimony about moving things around, the deck chairs. We got your answer regarding AHS where you are not too enthusiastic. Do you have any other ideas?

Mike, always looked to where the money was and therefore looked at AHS. Had the benefit of having Jim Reardon who was well aware of where the money was. We had been looking at a \$600 million Medicaid deficit before Global Commitment. He gets credited with coming up with the GC idea but it really came from a brainstorming session. We solved the Medicaid problem.

Jeff, Any ideas about privatizing?

Mike, we looked at liquor but could not find savings. Never looked at the Vets Home.

Jeff, how about Designated Agencies, any thought?

Mike, was happy with the DA's but can see that there are some more recent problems such as in Rutland. Came up with a proposal to agree to a funding proposal in the MH portion of the DA's where they agree to live within a certain parameter over five years.

Jeff, how about higher education? How about the Johnson and Lyndon Merger?

Mike, had a conversation about this on my show last week. I think it's a good idea. HE is struggling right now. We know that there are some institutions where if they don't get a bus load of kids they are done. Jeb is on the right track with consolidation and maybe look at online education.

John, something that kept coming up when you talked about RBA etc. How do we keep the momentum going in the face of a new administration coming in?

Mike, the only way to make sure that this stays in place is to get so far down the road that people see the benefits and it keeps going.

At cabinet meetings he would hammer away at the need to treat customers well. There were some legitimate concerns and so we needed to recognize customer service.

John, given your experience with the Legislature do you have any advice?

Mike was 22 years old when he was in the Legislature so he had a big ego. He did not listen well and didn't know state government very well. If he has any advice he thinks that new legislators have more training in the operations of state government. Would like to bridge the gap by providing more training. Need a longer process than the orientation given by the Snelling Center. Need more training for new legislators.

Paul, sometimes the Legislature puts things such as studies in law without fully considering the cost. Is there a better approach?

Mike, maybe there needs to be a committee who reviews studies before they can be put in law. Studies are a burden to departments so there needs to be a better process before they are put in law.

Mike, In order for this to be successful you need the Administration to grab on to this effort and for the Legislature to agree to as well. It is a good idea to come up with a list of things to look at.

Agenda item number 5.0 Discuss Consultants for Final Report

John, received Email from Sue and reached out to a few people. Received no strong opinions on the group or whether a consultant should be hired.

John would like to find out from Steve how much is available from JFO for a consultant? He will ask Steve Klein if he has any ideas regarding who should be approached to do the work.

Agenda item number 6.0 Discuss Public Outreach

Will try to set up three meetings in the evenings. Will try for dates in September. John will reach it to some people to set the meetings up (Dave Snedeker ??? from RPC's) How often should they meet, every week, every two weeks? Benefit of partnering with the RPC's is that they have ability to do out reach.

John with have his assistant survey the three members of the Gov. Restructuring Committee to determine what dates work for the meetings. John would like Jeff and John to send dates to him when they are available to meet in September and October.

Agenda item number 7.0 New Business

General discussion about LEAN

Note in report that the issue of looking at services that are provided on a regional level may be beyond the scope of this commission.

Meeting adjourned.