



Government Restructuring and Operations Review Commission
Meeting Minutes No. X

DAY/DATE: **Tuesday, April 26 2016**
TIME: **2:00PM—4:30 PM**
LOCATION: Ethan Allen Room—Vermont State House
ATTENDEES: John Sayles, Paul Costello, Jeff Wilson, Ian Davis, Martha Maksym, John McClaughry, Jim Reardon, Sue Zeller
ABSENT:
PURPOSE: Regular meeting
DISTRIBUTED Email and post

Item Number	Item Description	Action By
1.0	2:00PM—Call to Order	John Sayles
2.0	Review Agenda	
3.0	MOTION: Approve meeting minutes from 3/29/16 as presented. 1 st by Jeff, 2 nd by Paul; unanimously approved.	
4.0	<p>Martha Maksym—United Way</p> <p>State government needs to reaffirm the relationship and value of public-private partnerships. The nonprofit sector is quite fragile right now, many are closing, or teetering on closing. We need to be using our resrouces as efficiently and effectively as possible because of it. Many of the NPs that are struggling are the ones that were set up by the state and are doing a lot of the work that otherwise would be more expensive if the state was the sole funder. The state needs to be a better partner and better coordinate and facilitate resources within the existing system and the existing expertise.</p> <p>When the state does the work itself, you usually lose the leverage and most often lose the value. United Way spends \$335,000 in Chittenden County alone. The state needs to leverage other resources to help support those services.</p> <p>The Dept. of Mental Health cannot function as though they are solely responsible for the mental health of the state of Vermont. Many other stakeholders play a role in that. Currently they function as though they are and it is representative of the siloiing that exists in state government.</p> <p>Vermont Insights: Communities Connected by Data. This data hub was built with \$1 million dollars from the Race to the Top Early Learning Grant...we have been working to expand the site. The state does not have the ability to leverage this community data. Why not? The state should be connected, the state should be developing this information. Why not? Community partners use this, many others use this resource, and it is not sustainable</p>	

State of Vermont

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	<p>beyond the grant. There is an example of where there is an opportunity to grow something that works, to better partner with government and the legislature, but is not happening.</p> <p>We need to always have the client in the forefront of our minds whenever we are offering services. The current system makes it very burdensome for the client, that often have to meet with a number of people from a number of different agencies prior to receiving help. That is not an efficient use of resources and not helpful for the client. We need to get as close to where the client is, where the community partners are. We DO NOT need to reshuffle boxes in state government (i.e. AHS). We recommend going to where people are, trying to make it seamless for the client, and aligning resources to better serve the client.</p> <p>Paul Costello—some of the boxes in government come and go, it is an organic process. Some NPs need to go away, some boxes need to go away, some need to be consolidated, etc. That is not happening. Why not?</p> <p>Martha—I think that is a conversation that we need to be having, many NPs do need to be consolidated or go away entirely. The same goes for some of the boxes in state government. It is not about funding yet, it is about the relationships, the partners. For example, who should be doing what work, what the priorities are, what the funding is, is someone else already doing this, etc. I think that working with the administration and state agencies is very challenging. Occasionally there are good relationships with reasonable people who you can have good, productive conversations with. The problem is there are so many competing interests and beliefs that change the conversation.</p> <p>Paul—There are so many NPs that exist in VT, all balanced over each other, making it all the more complex and challenging. Is there a movement to consolidate NPs?</p> <p>Martha—Here is the challenge. Each of the NPs is funded by a board of directors. United Way gives money to fund those conversations, and they say they will work closer together, but at the end of the day, decide not to merge. It is an issue of territory and a number of other things. I think it is starting to happen in a big way, but at the end of the day it is the boards that govern those decisions.</p>	
<p>5.0</p>	<p>Jim Reardon— I will start by saying I am skeptical. Seems to me to be a feel good piece of legislation on behalf of the legislature. To really bend the curve on state spending requires some heavy lifting and difficult decision-making. What doesn't work well in this building is the fact that we do have competing interests and they get in the way of making good decisions. Some competing interests have to do with geography, where people are from, etc. You can't bend the spending curve by trimming around the edges or restructuring state government.</p>	



I am here today as a private citizen with no other affiliation or representation.

With regards to public-private partnerships, I agree with the interim report. You could apply that to rest areas, we can't afford these Taj Mahal's like in Williston. Vermont Veterans Home is another area for PPP. One thing that doesn't work down there is the union contract, it never works well in our 24/7 businesses. To run a nursing home you need a mix of temporary and full time employees, so as the numbers fluctuate you can change and adapt your workforce. When you have all FTE you are staffing in an inefficient way. Jeb Spaulding pushed in a direction that would amend the 24/7 union workers. PPPs can manage their staffing in a much more efficient way. I know they are working hard to correct these deficiencies, but they still exist.

Regarding training and human capital, I think that is very appropriate. The one thing you also need to look at is a replacement plan. We are becoming an aging workforce and their needs to be a continuity plan to bring people up so that people can fill the shoes when the others retire.

Information Technology—Quite frankly our systems are terrible. We finally went to electronic time sheets in 2013. Saved a bunch of money and time. When you free up capacity like that you have the ability to then redeploy your workforce in a more meaningful way. Again with regards to the Union, the pay increases are not performance based, they are time based. If you wont drastically change the state employees contract, at least have merit based on performance and not longevity.

I agree there could be much better collaboration and coordination across state government. You have these NPs that have all these funding sources from the state that are filling out reports for so many different agencies and departments, if there was a way to make that more seamless, maybe unified reporting of some kind, so then NPs aren't doing X number of reports for X number of agencies and departments. Additionally, you have so many providers in peoples lives, it can be overwhelming to the client; for example, someone has to go the department of mental health for mental health and AHS for substance abuse issues. We need to streamline the delivery of those services.

We need to implement Performance-Based Budgeting into the budget process. Right now it is highly subjective. Now sometimes it is not all about saving money, some times you need to invest, for example in childcare and early childhood education. However, long term planning does not exist. We are nowhere near prepared to deal with another downturn in the economy. Long term planning can help you better prepare for those inevitabilities. We have a spending problem in this state, not a revenue problem. There is not other way to around it.

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6.0	<p>John McClaughry—</p> <p>The legislature, as has been done in the past, still wants to tell of and make efforts to say that they are being more efficient and effective. In Vermont, they have not worked. I have had to look elsewhere, to places outside Vermont, in order to find successful attempts.</p> <p>We need people in state government who can ask the penetrating questions and make people defend their proposals. Once things are installed in government it is very hard to end them.</p> <p>Vermont is way overdue in having a performance review that actually saves taxpayers money, something akin to the other state commissions in Michigan and Texas that actually made big changes.</p> <p>The key to success is having a committed governor, a supportive legislature, competent staff, resources, and a backbone. Otherwise it is hard to squeeze efficiencies out of a system where most of the people are out of your control.</p> <p>Paul—We know where you are coming from and what the challenges are, but that does not forgo our responsibility to the legislature. We do not punt. We do not lack backbone. We are ready to say the best truth it is that we find. It is easy to identify these broad sweeping problems, but we have to make recommendations. Do you have any?</p> <p>Martha Makysm—I don't think we have a tiered system, or have truly had a conversation that identifies what state government's top priorities are. A to-do list. What are the core responsibilities and funding obligations of the state, rank them in terms of importance, and have the as a guide when dealing with state funding.</p> <p>Jim Reardon—performance-based budgeting, performance management, consolidate the court system, Vermont Veterans Home.</p> <p>John Sayles—Thank you</p>	
7.0	Meeting Adjourned	John Sayles

This summary of the meeting forms the basis upon which we will proceed. Please respond with changes, corrections or questions to the originator within 5 working days. If no corrections, changes or questions are received within 5 working days, these minutes will become part of the permanent record.

By: Ian Davis
Cc: Committee Members