

Government Restructuring and Operations Review Commission
Meeting Minutes No. X

DAY/DATE: **Tuesday, October 27, 2015**
TIME: **1:30 PM**
LOCATION: Ethan Allen Room – Vermont Statehouse
ATTENDEES: John Sayles, Paul Costello, Jeff Wilson, Sue Zeller
ABSENT:
GUESTS: Sec. State Jim Condos, Sec. Admin. Justin Johnson, Steve Whitaker,
PURPOSE: Regular Meeting
DISTRIBUTED Email and Posted

Item Number	Item Description	Action By
1.0	1:30 PM - Call to Order	John Sayles
2.0	Today's Agenda – John asked is anyone from the public wished to speak – Steve Whitaker asked to do so. No other changes.	
3.0	MOTION: To approve Minutes from 10/13/2015 Minutes by Paul; Second by Jeff; Unanimously Approved.	
4.0	Secretary of State Jim Condos testified and provided a handout of the major points of his testimony. He spoke about how he had successfully implements IT projects, numerous changes and efficiencies he has overseen since taking office and several ideas for consolidation in other area of government. A copy of the hand our is attached to these minutes.	Attachment
	<p>Secretary of State, Jim Condos:</p> <ul style="list-style-type: none"> • AHS - big and unwieldy - talked about years ago; • Make DPS an Agency and add Corrections; • Libraries from AoA to SoS; • Now have capacity growth in OPR because of II improvement; • Challenges for Change had some good ideas and many opportunities to add to OPR; <ul style="list-style-type: none"> ○ Corp was manual paper - 1- 12 weeks to process all the paper + temps for data entry – deposits took 10 - 12 weeks - now deposited immediately; ○ Upgraded classification of staff because of higher duties rather than clerical work - used to be 20 - 30 temps, now down to 3; ❖ Question (Paul) - are you proposing all licensing come under Sec. State? Answer - Admin and SoS already talking and there is a bill under development. Each needs to be considered separately - like DMV (drivers, vehicle registration, boats, motorcycles). Example - notification of license expiration now by email - saves \$100k. Sending a pdf of licensee saves another \$100k vs. print and mailing. But maxed out staff wise - have added Admin person & inspector - some needs grow as volume grows. Bringing in more will take time - over period of years. 	

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	<ul style="list-style-type: none"> ❖ Question (Paul) - have you brought up Public Safety in a new agency idea? Answer - yes and no - expect some challenges. Should be looked at and discussed. ❖ Question (Paul) - Libraries is a bit of an orphan and fit with archive is compelling. Answer – we work with Libraries now to look at what they have and what s/b at Sec. State vs. libraries. A number of states have archives/records/libraries/museums together. ❖ Question (Jeff): Sec. State has been successful with IT projects - what do you think the reason for that is? Answer: can't say why they aren't - can say why we were successful. Needs assessment - before project begins; talked about IT security & physical; did penetration tests with pretty good results. Although I was not a proponent of C4C, we have been the poster child of what you can do if you look at operations ongoing to adjust workforce to move forward. Operations is very efficient. ❖ Question (Jeff): Related to the DOC idea - is it just one less headache for AHS to deal with? Answer: DOC will still need to do MH and coordinate but we should look at it. ❖ Question (John) - is it your opinion that your list of suggestions will make things better? Answer – yes, better for public & save \$\$ - we will need to ask for more \$\$ for archives – for example, AHS can't take all the files back to Waterbury – archive is already at 96% - emergencies like Irene saw the need for immediate access to old maps, records, etc. ❖ Question (Paul) – Have you Looked at digitization. Answer - we use each vacancy to look at ways to improve he role and how to do it differently and better – different skills, upgrade position with technology (such as digitization). ❖ Question (John) – based on your experience – what is the biggest barrier to change? Answer - 1) culture (need to change – don't let current practice drive new systems; 2) Look to upgrade staff for future – training, and skills upgrade) <p>John Sayles thanked the Secretary and said he should feel free to come back anytime or to send additional suggestions.</p>	
<p>4.1</p>	<p>As a follow-up – Sue Zeller notified Commission about the Special IT Committee and their charge. Sue also presented an example report and explained of the Strategic Enterprise Initiative (SEI) from 2005. She also presented to old efficiency reports from 1997 & 1998 and try to have them posted for the Commission.</p>	
<p>5.0</p>	<p>Public Comments:</p>	
<p>5.1</p>	<p>Steve Whitaker – independent info policy & IT with 23 years plus experience.</p> <ul style="list-style-type: none"> • Archives – Admin disabled mapping programs so historic maps not available – no plan to digitize old records; • Public Service – old records on microfilm – no current law to require scanning to pdf; • We should look back and not just forward to avoid making the same mistakes. There was a Bill back in '92/'93 about public access & using VIT in Statehouse that went nowhere. 	

	<ul style="list-style-type: none"> Public/Private partnerships – back in ‘90’s GIS was determined to be public/private – now part of ACCD – but, VCGI still provides services which compete with private sector. Libraries – there is a grant to add video conferencing in 43 libraries but managed by DII and this competes with private sector. This s/b a growth area of business and not run by gov’t Conceptual – 1992 H.412 standardization of data collection & sharing. S/b looked at again; Public/Private partnerships – the issue is transparency & meeting requests from public; DII should represent best practices and policies – work should be contracted out VCGI - this is important information and was an orphan – now with ACCD and \$\$ are inside rather than outside. We could train E-911 call takers to update VCGI each time a house is added; DPS – controls their communication systems; DLC does not belong in gov’t – s/b competitive market; DVHA not doing annual update on HC IT report. We are missing opportunity to leverage this grant. ❖ Comment (Paul) – that grant may be restrictive and can’t be used for other things. This is the 5th year developer has proposed a “free” rest area to SOV at Exit 4. But – it is not free – it comes with development strings that will benefit the developer not SOV; Commission should research now defunct Office of Policy & Research & Coordination – dissolved during 2nd Snelling term due to economic downturn. 	
6.0	<p>Commission discussion: how to get public input for the reports due in February and November 2016?</p> <ul style="list-style-type: none"> Paul suggested the report in Feb. could be key categories – too short a period to include recommendations – maybe we will have some, but can’t count on it. We need a list of people we want to talk to and prioritize the list – Commission will collaborate by email. Jeff – agreed – Feb. report should be our best ideas for where we are going. We need to do a lot of fact finding for Feb. report. 	
7.0	Meeting Schedule – Commission agreed to once a month for “full meetings” and then if necessary have mini-meetings in-between to accommodate selected person(s) as long as we do proper public notice. We only have Nov/Dec/Jan before report is due Feb.	
7.1	Next Meeting will be 11/17/2015 – 1:30PM – Sue will get a room. Performance Budgeting and RBA effort – Sue Zeller, CPO will present next meeting	Sue Zeller
7.2	Maybe hold public meetings away from statehouse and Montpelier? Some meetings could be “open-ended” and some could be on specific subjects. Suggest Manchester, Rutland, Chittenden/Burlington, NE Kingdom, and Bennington. Should get public meetings done in April/May.	
7.3	Ken Jones suggested getting comments from state employees. Paul thought that was a good suggestion and maybe hold a meeting for employees? VSEA offered to provide a way for employees to provide input on their website. But – Commission suggestion was that Governor	Sue Zeller

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	and/or Justin Johnson send out a memo telling employees. Sue will follow-up with Justin.	
7.4	John announced that he spoke to UVM about having public policy student do a project for the Commission. A new class starts in the spring and John will follow-up.	John Sayles
7.5	Jeff asked for some sort of info on the GF piece of the “Budget Pie” – Stephanie Barrett and Sue Zeller will work on some sort of summary and list cost drivers for the next 4-5 years.	Sue Zeller & Stephanie Barrett
8.0	<p>Secretary of Administration Justin Johnson:</p> <ul style="list-style-type: none"> • Big picture – Desire for gov’t to do “stuff” is greater than our desire to want to pay for it all. Not convinced we can really “squeeze” out enough costs or get so much more efficient to get there; • Medicaid and Health Insurance costs – biggest driver for State and for state as an employer. This will grow each year until everyone that is eligible is signed up – then the growth will be static; • Union contracts – both state employees and teachers – both impacted by salaries and retirement; • Energy – continued cost increases and transition costs; • We have the challenge of trying to be all things to all people. We are pretty good at some things, but we can’t pick which things we do like a business – also a battle to keep up with best practices and technology; • Continuous improvement (RBA & Lean) must expand; • All of this brings us right back to wanting everything but not wanting to pay for it all – “let someone else pay”; <ul style="list-style-type: none"> ○ Some things sound good – and may feel good but do they really solve the problem? What we do really needs to solve the problem not just feel good. • Question (Jeff) – How do we compare with other states? Answer - on delivering service we do quite well – because we are small and collaborate well with partners; • Question (Paul) – Interested in delivery of service to rural areas – we do not have strong counties like other states? Answer - consolidation feels like it should be more efficient but not necessarily. For example – should we consolidate all regional offices for AOT/AHS/ANR? Sounds good, but not each location is suited for the mission. Do we spend the money to move everyone if that will not make things better or more efficient? Over time things developed where they are for various reasons. Right now, I am thinking about consolidating purchasing & contracting; • Question (John) – RBA & Lean have to do with culture – is this the biggest barrier? Answer - Structural barriers are easier to deal with. Culture barrier are more difficult – long term workforce is both an advantage and a disadvantage when it comes to culture change. Change management is a big issue. <ul style="list-style-type: none"> ○ Programmatically – it is a big challenge – some “silo-ing” because of funding – how do you explain the vision for where you are going? People don’t like changes just to save money - so if you can explain the vision of “why” it is better. 	

	<ul style="list-style-type: none"> ○ Age of workforce – great recession put the brakes on a lot of retirements that would have happened. But, retirement will give us opportunity to bring in younger EEs with new ideas and more comfortable with technology and change. • Question (Jeff) - Any recommendations or proposals? Answer – it will be most useful for the Commission to collect what has been suggested and tried and what has not. Also the report should result in actionable items for 2 - 3 - 5 years out. • Question (Paul) – what about heritage (legacy) functions that could go? Does Gov’s office have functional planning office? How do you address lean given with culture? Answer - we do planning and lean discussion as part of budget meetings – maybe not the best place to do it – but that is where it usually gets done. The Year is very short. The Gov. has Cabinet handle planning and we have created some groups like Climate Group. It would be nice to do this more strategically. • Question (John) – Do we need a 4 year term? Answer – That is not for me to say. • Question (John) – Look at the list from the Governor’s retreat? Answer – I don’t believe there is all this wasted fraud & abuse. If you carve out the big pots of spending – Medicaid, GF to EF transfer, not a lot left for all of this supposed waste/fraud/abuse to be hiding. • Question (Jeff) – IT at AHS – if it goes right what do we get? Answer - better knowledge of customers, what they get, fewer staff making system “work” manually, better audits, better info on cost drivers, ability to redeploy staff capacity, and data to make better decisions. • Question (Paul) based on Sec. Condos’ testimony, licensing and Libraries should go to Sec. State? Answer - we are working with Sec. State now and agree it is good idea. • Comment (Paul) – you are invited to come back at any time. 	
9.0	New Business: Ideas for Speakers: Jeb Spaulding, Mike Smith, Neale Lunderville, Doug Hoffer, Jim Reardon and Mike Schirling (Special IT Committee). John will handle contacting them.	John Sayles
9.1	VSEA will present at the December meeting.	
10.0	4:02 PM - Motion to Adjourn by Paul, second by Jeff, unanimously approved.	

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: Sue Zeller
Cc: Committee Members & Post
Attachments (1)

Attachment 1: Secretary of State Jim Condos Handout

I have over 30+ years of private sector experience (Fortune 100, VT based \$30 million company and a regulated utility) and over 25+ years of public sector experience (18 yrs City Council, 8 yrs State Senate, and 5 yrs as SoS). As you may remember, in my State Senate tenure, I had chaired Senate Gov't Operations, Senate Education, and the Joint Legislative Committee on IT.

During this time, we began the process that ended with the State Archives (SOS) and Records Management Unit (BGS) merging into VSARA (SOS) - looking for synergies that made sense.

As a state senator chairing the Senate Gov Ops committee, before I became SOS, we had a few conversations to look at other areas such as... AHS. Today, most people believe that AHS is too big and unwieldy so these thoughts may help.

- Public Safety – Change status from department (Commissioner) to Agency (Secretary).
- Corrections – Move from AHS to the new Agency of Public Safety
- Criminal Justice Training Council & Center – Move from AoA to new A of Public Safety
- Medical Practice Board (Physician Licensing) – move from AHS to SOS - specifically to OPR as OPR already oversees every other medical license in the state. This was moved pretty much for “political” reasons. Physicians were having difficulty with the SOS/OPR at the time - I believe it started with SOS Douglas before it ended with SOS Markowitz.
- Libraries – Move to SOS – merge into VSARA – we already have interaction including cross duties by statute and could create more positive synergies.
- Expand OPR to the Division of Professional Licensing and Registration within the SOS. All licensing, and registration being “regulated” throughout state gov't be consolidated for efficiencies and productivity.
 - Let me provide you with some details of the improvements and professionalism OPR currently operates under:
 - 2004 – we had approx. 30 employees with about 35,000 licensees
 - 2014 – we have approx. 30 employees with about 60,000 licensees – mainly due to improved processes and new IT
 - Inspections, investigations and enforcements have improved b/c our staff have better focus & expertise.

These are just a few examples...

This could alleviate some of the unwieldy nature of AHS, and allow them to focus more on their core issues.

It could also alleviate the AOA of some smaller depts. - allowing the AOA to focus more on the bigger picture of running state gov't while providing good stewardship and oversight to 2 separate freestanding departments in need of oversight. And both additions to SOS could easily be brought in b/c of similar roles already in existence.

Some of this could be done by Executive Order and some would need legislative change.

Vermont Professional Regulation Review

11/19/13 (updated 7/22/15)

Every year, the legislature contemplates adding more professions, trades or registrations to the list of those regulated in Vermont. These regulatory programs are scattered throughout state government. Quite often they think of the Secretary of State's Office of Professional Regulation (OPR) first because of its reputation as an efficient, responsive and competent regulator protecting the public through licensure and enforcement.

OPR was created as an "umbrella agency" in 1989 to create efficiency in professional licensing. Consolidation of similar functions can have many benefits:

- **Taxpayer savings realized through the enhanced productivity of shared resources (staff, space, IT) and the implementation of best practices;**
- **Less red tape for the regulated individuals and businesses due to standardized, consistent, legal and predictable approaches to regulation; and**
- **Improved public protection and customer service due to shared best practices, more efficient processing, increased transparency, and co-location of similar services creating ease of access for the public**

The current systems of regulation make it difficult for consumers and licensees to know where to go for licensing information. There are professions, trades and registrations spread across state government (see attached). The State of Vermont should review existing regulatory licensing programs and consider the potential savings and improvements in services that could be gained through consolidation.

Other advantages of consolidation:

- Clarify and streamline approaches to professional regulation, advocating for uniform terminology and standards when possible
- Simplify contracts with vendors (IT, legal, exam services) and take advantage of a larger group's bargaining power rather than purchasing the same services through multiple contracts by multiple agencies
- Increase the openness and accountability of previously isolated or neglected licensing programs
- As the health care landscape changes and the team approach emerges with overlapping scopes of practice, encourage a breakdown of those professional turf barriers and monopolies to serve consumer interests not professional interests
- Create a home for those orphaned programs that do not clearly fit within any agency's mission (we should consider a division of "registrations")

The OPR is focused mainly on licensing while other agencies have other functions as their core mission (health, education, public safety). OPR has the experience and resources to pursue a licensing overhaul for the State of Vermont and could take on multiple additional licensing programs if the existing staff and budgets come with those programs. In a few years time, OPR believes that through standardization of processes, sharing of resources and by engaging in best practices, we could greatly improve the services to the licensees and public while consistently bringing down costs and saving taxpayer money.

For such an endeavor to be successful, the OPR would need the full authority of the administration behind it with total access to the agencies and staff affected. For each program we should look at the laws, licensing and enforcement processes, IT systems, staff, and budget to determine the potential efficiencies and savings to be gained.

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Last of all, to emphasize the constant pressure to regulate additional professions, here is a partial list of those that will be considered this year:

Massage Therapists (sunrise review this year)
 Precious Metal Dealers (now with DPS)
 Foresters / Loggers (passed House, Senate this coming year)
 Speech Language Pathology Assistants (effective 9/1/15)
 Dental Therapists (still pending, likely to pass this year)
 Home Inspectors (effective 2014, implemented)
 General Contractors
 Roofers
 Landlords
 Notaries (still pending)
 New - Alcohol and Drug Abuse Counselors (report on transfer to OPR due 1/16)

OPR is currently right-sized for the number of professions we regulate, so taking on additional regulatory programs without additional funding or staffing is not an option (3 positions to be added this year). An exploration of a new structure for state licensing might uncover the answer to how we can handle these concerns without compromising our current mission.

History of OPR and Lessons Learned

Over the years, the State's licensing of professions and occupations became increasingly complex and integral to its economic success. In the 1980's, the Legislature found that the State's system of licensing and regulation was hampered by organizational structure, unclear lines of reporting, and staff that could not keep up with the growing volume and complexity of the licensing workload, and set to work creating the Office of Professional Regulation (OPR).

The founding principle of the OPR, when created in 1989, was to pull dozens of independent licensing entities and programs together under one roof to share their resources and best practices to more efficiently and consistently protect the public from the unlicensed or unethical practice of a profession. It can now safely be said that was a wise move and has proven successful for the 47 professions and 60,000 licensees now regulated by OPR.

Today, OPR accomplishes its public protection mission with a staff of 35 and a special funds budget of approximately \$4M annually to administer the programs and support the boards for those professions, including the investigation and disposition of approximately 750 complaints of unprofessional conduct each year. In ten years, the number of complaints processed by OPR has more than doubled and the number of licensees has increased by more than half. Even with these dramatic increases in workload, the number of OPR staff has grown modestly (28-35) due to gains in efficiency achieved through consolidation of functions, restructuring, standardization and technological advances.

Professional regulation continues to grow more complex and increasingly tied into the State's economy, especially with the large number of health care professions regulated and a new era of health care reform.

By sharing resources in the form of administrative, investigative, and legal staff, equipment, space, and IT systems, the State gets the most from its licensing fees. By standardizing licensing and enforcement best practices, forms, websites, and communication, the regulated licensees and consumers get a predictable and consistent regulatory approach that regulates when necessary and otherwise gets out of the way.

The State of Vermont could benefit from an evaluation of all its licensing programs for professions, trades and occupations to determine if there are any efficiencies to be gained through consolidation and standardization or, at the very least, some improvements in process that would benefit the public.

This would be a difficult process due to the politics and turf battles that will inevitably arise and the potential to eliminate superfluous functions. Before proceeding with such a review, it would be important to have the administration and heads of each agency aligned on the goals of such a study and that those doing the studying have the authority to access and dive deep into each program.

SECRETARY OF STATE, OFFICE OF PROFESSIONAL REGULATION

Accountants (1400)	Acupuncturists (150)
Architects (1000)	Athletic Trainers (160)
Auctioneers (200)	Boxing (5)
Chiropractic (250)	Clinical Social Workers (900)
Cosmetology/Barbers (4600)	Crematories (10)
Dental (2100)	Dietitians (130)
Electrologist (30)	Engineers (4200)
Funeral Services (300)	Hearing Aid Dispensers (40)
Landscape Architects (80)	Land Surveyors (200)
Allied Mental Health (1500)	Midwife, Licensed (25)
Motor Vehicle Racing (10)	Naturopaths (250)
Nursing (23,000)	Nursing Home Admin (80)
Occupational Therapy (450)	Opticians (150)
Optometry (120)	Osteopaths (160)
Pharmacy (3600)	Physical Therapy (1300)
PI/Security (1000)	Property Inspectors (100)
Psychoanalysts (60)	Psychologists (700)
Radiologic Technologists (800)	Real Estate Brokers/Agents (2900) Real Estate
Appraisers (450)	Respiratory Care (300)
Speech Language Pathologists and Audiologists (500)	
Tattooists/Body Piercers(200)	Veterinarians (560)

Professions: 46
 Licensees: >60,000
 Staff: 35
 Budget: >\$4 Million

DEPARTMENT OF HEALTH

Medical Practice Board (7200)	
Physicians, Physician Assistants, Anesthesiology Assistants, Podiatrists, Radiologist Assistants	
Alcohol and Drug Abuse Counselors (500)	Asbestos Abatement
Emergency Medical Technicians (3000)	Lead Abatement

Professions: 3
 Licensees: 10,700
 Staff:
 Budget: \$

AGENCY OF EDUCATION

Teachers / Educators (16,000)
 Speech Language Pathologists (200)
 Audiologists (1)

Professions: 3
 Licensees: ~16,000
 Staff:
 Budget: \$

DEPARTMENT OF PUBLIC SAFETY

Electricians (3400)	Plumbers (1400)
Elevator Inspectors (20)	Elevator Mechanics (140)
Lift Mechanics (3)	Chemical Suppression (120)
Commissioned Boiler Inspectors (150)	Chimney Sweeps (30)
Fire Alarm Inspectors (450)	Fire Sprinkler System Designers (35)
	Precious Metal Dealers (?)
Fire Sprinkler System Installers (170)	Oil Burner Installers (500)
Propane Gas Installers (800)	Natural Gas Installers (300)
Propane and Natural Gas Installer (300)	Blaster (Explosives) (230)
Emergency Generator Installers (50)	Polygraph Examiners (15)

Trades: 18
 Licensees: 8,050
 Staff:
 Budget: \$

AGENCY OF HUMAN SERVICES

Child Care Home Provider (1000)	Child Care Ctr Worker (650)
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Occupations: 1
 Licensees: 1,650
 Staff:
 Budget: \$

AGENCY OF NATURAL RESOURCES

Wastewater & Water Supply Design (170)	Water Sys Operators (1400)
Wastewater Treatment Facility Operators (500)	Well Drillers (70)

Trades: 3
 Licensees: 2,140
 Staff:
 Budget: \$

AGENCY OF AGRICULTURE

Pesticide Applicator (1000)	Weighmaster (400)
Weights and Measures Repairer (200)	

Trades: 3

Licenses: 1,600
Staff:
Budget: \$

JUDICIARY

Attorneys (2500)

Professions: 1
Licenses: 2,500
Staff:
Budget: \$

DEPARTMENT OF LIQUOR CONTROL

Sellers

Manufacturers

Distributors

Staff:
Licenses: 6,500

DEPARTMENT OF FINANCIAL REGULATION

Lenders (560)

Mortgage loan originators (1496)

Sales & Finance companies (171)

Debt adjusters (28)

Check cashiers / currency exchangers (5)

Insurance Agents

Mortgage brokers (221)

Loan servicers (213)

Money transmitters (55)

Insurance Adjusters

Financial Planners

Professions: Multiple
Licenses: 2,500 in banking; unknown in insurance
Staff:
Budget: \$

DEPARTMENT OF MOTOR VEHICLES

School bus drivers

Commercial drivers

Driver instructors

END OF ATTACHMENT 1
