

Minutes
Council on Efficient Government
May 13, 2009
Betty Easley Conference Center
4075 Esplanade Way, Room 152
Capital Circle Office Complex
Tallahassee, FL

CALL TO ORDER

The Council meeting was called to order at 10:00 a.m. by Chairman Linda South.

ROLL CALL

The roll was taken by Council executive assistant, Suzanne Keele, with the following members present:

Chairman Linda H. South
Diana Flagg for CFO / Council member Alex Sink
Secretary of State Kurt S. Browning
Council member Steve Evans
Council member Tim Yandell (via conference phone)
Council member Akhil Agrawal (via conference phone)

Others Present

Others present included Council staff members:
Henry Garrigo, Executive Director
Noah McKinnon, Senior Management Analyst
Evelyn Gonzalez, Senior Management Analyst
Suzanne Keele, Executive Assistant
Carolyn Mooney, OPS

A quorum for the meeting was called by Ms. Keele and Chairman South proceeded to the agenda.

APPROVAL OF AUGUST 14, 2008 MINUTES

Motion: Chairman South requested approval or correction to the August 14, 2008 minutes.

Second: Mr. Evans moved to accept. Mr. Yandell seconded the motion and the motion passed unanimously.

WELCOME TO NEWEST COUNCIL MEMBER

Chairman South introduced the Council's newest member, Secretary of State Kurt S. Browning. The Chairman summarized Secretary Browning's professional achievements and expertise and welcomed him as a member of the Council on Efficient Government.

PUBLIC COMMENTS

Chairman South asked if anyone from the audience wished to address the Council for public comments. There were no public comments and the Council moved forward with the agenda.

ADMINISTRATIVE

Council Meeting Schedule

Chairman South addressed the proposed meeting schedule for the remainder of the year, pointing out that the Council does not need to convene unless there is business to be addressed. The Chairman asked Council members to note the remainder meeting dates on their calendar; however, with respect for Council members' time, no meetings will take place unless there is business to address.

Business Case Review

Council Executive Director Henry Garrigo recapped the business cases reviewed by staff for FY 08-09. Staff has completed 23 business cases, all under the \$10 million-dollar threshold, however, advisory reports were issued for all 23. Through this analysis, the Council identified savings to the state in excess of \$55 million. With several business cases currently under review, the final numbers for the FY will increase.

The Council continues to engage with more agencies resulting in a small increase in the number of cases received for Council review. In addition, one of the business cases recently reviewed included an option for insourcing. The Council is engaging with agencies to ensure business cases include alternative sourcing, whether that be no changes to a contract or actually insourcing with services reverting back to the state.

Mr. Evans noted the business cases reviewed to date are actually outside the Council's statutory authority; however, the Council is positively impacting the business case development and submission process by actively engaging with agencies on all submitted business cases. Mr. Garrigo agreed and commented that by asking agencies to propose alternatives in their submissions, it yields a wider variety of potential cost saving results to consider.

Business Case Training Update

Mr. Garrigo briefed the Council on the business case training initiatives staff has undertaken in an effort to educate agencies on its initiatives, e.g. best practices and statutory requirements. State agencies have responded positively to the business case training and although many do not have the resources or skills to develop business cases, the Council is proactive in both partnering with the agencies to develop a business case and in educating agencies on the resources available to support their business case development needs.

Although the Council is resource constrained, four agencies and 55 participants attended training this FY.

Council Website Informational Sheet

Mr. Garrigo introduced two Web site graphs indicating traffic on the Council's Web site. One graph illustrated usage since the August 14, 2008 Council meeting; the other graph provided statistics as of January 1, 2009.

A drill-down explaining the specific areas of usage was also provided. The graph revealed the number one most frequented site is the Council's resources and forms, and the Council member site is now the second most frequented. Mr. Garrigo also noted the reports site continues to get interest from viewers, including the special report to the governor that was generated over 18 months ago.

NEW BUSINESS

Budget

Chairman South addressed the Council members and staff regarding the unprecedented legislative session Florida had in 2009. As Secretary of DMS, she was tasked to balance the department budget under the guidelines set forth by the legislature and consequently, it was her decision to offer the Council as one of those cuts. The Chairman stated the Council was only one of several programs DMS submitted to the legislature for consideration and this was in no way a negative reflection of the work the Council does. In the end, the Council received support from the legislature and was not cut from the budget. The Chairman requested a budget update from Mr. Garrigo, given the Council's limited funds and resources.

Mr. Garrigo advised members that the Council's FY 09-10 funding is the same as funding for FY 08-09. As part of the budget savings exercise each division was required to undergo, the Council worked internally to aggressively cut cost. As a result, Mr. Garrigo now has the sole blackberry/cell device; travel has been reduced by using teleconferencing for Council meetings (although this may not be the optimal solution for the Council's out-of-town members it is the most cost effective); and alternative training methods keep staff certified and current by using free or low-cost training where available through other agencies, such as the Chamber of Commerce. The net result has been a reduction of approximately 40 percent of administrative discretionary funds and an overall 10 percent savings for the total budget. This met the legislative mandate to reduce costs by at least 10 percent.

Overall the Council has maintained the same service levels to its customers while also increasing productivity.

Motion: Chairman South requested a motion to approve the budget as presented.

Second: Secretary Browning moved to accept; Mr. Evans seconded the motion and the motion passed unanimously.

Annual Report

Statute requires the Council submit an annual report to the governor and the legislature. Two required components of this report are the status of outsourcing in state agencies and the discussion of innovative trends in the delivery of state services. The goals for this year are the same as the past year:

- Continue to advocate for innovation and best practices
- Educate agencies on best practices, and lessons learned; and,
- Continue the business case evaluation process for potential savings to the state.

One of the Council's deliverables for the report is an agency-wide annual survey. Staff has developed the survey materials and instrument, which is currently being validated by FSU for

methodology. Once the review is completed, distribution to state agencies will begin, resulting in data collection.

Research on innovative methods is currently underway and a working list of subjects has been created. However, staff want to engage the Council members and asked them to contribute topics of interest that would bring value for the state.

Mr. Garrigo stated that if the timeline falls as planned, the annual report will still be in production mode during the next Council meeting scheduled for July 21; however, the final report should be ready for Council ratification at the September 23 meeting.

Mr. Evans inquired what topics were currently being considered for the report. Mr. Garrigo replied that technology; third-party administration; food services; and maintenance services are all being considered. The economy has affected the vendor community and agencies are looking at the possibility of insourcing again. Mr. Garrigo reiterated that the Council does not individually drive a business case to a particular solution but instead focuses on crafting a solution while evaluating agency-proposed solutions. Chairman South added that the tools the Council provides lead agencies down a path of exploration which examines insourcing, outsourcing and other activities. Mr. Garrigo added that looking at alternatives is an important part of the business case process.

Mr. Agrawal stated there seems to be a trend towards private-public partnerships and asked if this was an area that should be considered for the annual report. Chairman South echoed Mr. Agrawal's thought and also felt it would be a good topic. Mr. Garrigo indicated it was one of the ideas to be considered and any others should be communicated to staff for further consideration.

Internship Pilot Program

Part of what the Council is doing to remain cost effective and increase its service level is to look at additional resources and alternative sourcing for staff. Consequently, an internship pilot program is in the process of being developed.

The program has been piloted internally within the Council and plans to expand it within DMS. Many college students must fulfill an internship requirement for graduation, yet find internships specific to their chosen career paths hard to acquire. State government offers a broad range of professions that can help interns meet this need.

The Council has developed a process map on how to recruit interns and process them through the system. A start-up database of local college internship coordinators has been developed and staff expects to expand the database further. The Council anticipates that the program will be a repeatable process that could result in a turn-key operation for any agency that needs college interns.

As another prospective source for interns, Chairman South spoke about the Governor's Fellows Program. The Governor's Fellows Program generally involves students at the master's level who are assigned to the governor's agencies or executive offices for a period of nine months. It is a paid fellowship and the Fellows are exposed to the highest level of management. It is a very competitive program and those agencies that are interested really have to work to attract a

Fellows interest to intern with them. Chairman South would like for the Council to consider the prospect of engaging a Governor's Fellow into the internship program to help the internship program reach its full potential.

Business Case Toolkit

Having developed standards for reviewing business cases and educated agencies on that process, the Council's next step is Web-enabling the processes and tools used. Staff has developed a prototype that has been tested through the first phase. Mr. Garrigo reviewed with the Council members several screen shots depicting the flow of the prototype and the various data that will be captured as users navigate the application. Mr. Garrigo added that the purpose of Web-enabling the business case process is to improve accuracy and timeliness. In addition, the Council will have a database that can be used for data-mining and research.

Another Web-based tool in development is a site on the Council Web page used to post completed advisory reports. This will enable Council members to be more engaged in the business cases that have been reviewed. Staff anticipate the site will be up completed within the next few months.

Mr. Yandell expressed his interest in the construction design of the Web-enabling tool and asked about the research or ideas used in developing the prototype. Mr. Garrigo responded that the work so far has been developed by the Council's intern and the DMS technology department's database administrator. Consequently, specifics about the program would have to come from their expertise. With this also being Mr. Yandell's area of expertise, Chairman South asked if he would like to work with Mr. Garrigo and his staff on the continued development of this Web tool. Mr. Yandell readily agreed and will speak further with Mr. Garrigo regarding this. Mr. Garrigo indicated the next step beyond the prototype will have database, hosting, and potentially staffing cost; therefore, he will need to meet with Chairman South later to discuss these issues. Mr. Garrigo added however, that the advisory report site will have no costs associated with it.

In response to the cost for the Web-enabling project, Chairman South indicated she is currently negotiating the Council's funding stream for FY 09-10 and now is the time to request additional funding needs for the Council.

Prudential-Davis Productivity Award

Chairman South announced the Council is a recipient of the 2009 Prudential-Davis Productivity Award. The Council is being recognized with a plaque in the team category for the design and implementation of a robust business case process for outstanding state projects. The Council staff will be awarded the plaque at the annual Prudential-Davis awards luncheon in June.

The Prudential-Davis Productivity Award is co-sponsored by Florida TaxWatch. Councilman Steve Evans currently serves as the Chief Operating Officer for Florida TaxWatch and heartily endorsed the program. Mr. Evans stated many ideas and cost-saving measures resulting from the awards program could be captured, replicated and disseminated by the Council to other state agencies.

Council Modifications

Chairman South began a discussion with the Council members on suggestions for adjusting the scope of the Council for submission to the 09-10 legislative session.

Mr. Evans indicated that his prior suggestion of replicating the cost savings ideas initiated through the Prudential-Davis Productivity program would be an excellent opportunity for the Council. Chairman South agreed, countering this would provide momentum in an effort to expand the mission of the Council. The Chairman also advised that she will be working this summer with members of the legislature and the governor in aligning the role of the Council for it to be more meaningful in coming years.

Mr. Yandell spoke to the current threshold mandated by statute. Given the current economy, potentially lowering the threshold to better reflect current economic trends would also allow more involvement by the Council. Mr. Yandell would like to see agencies provide business cases for review prior to procurement in order for the Council to do the job it was charged to do. Mr. Agrawal agreed with Mr. Yandell; however, he stated lowering the amount of the threshold may not accomplish what is best for Florida taxpayers.

Mr. Evans commented that the mission and education of innovation is where he felt the Council could make a difference. Ms. Flagg and Chairman South both agreed that utilizing the Council as a clearing house for innovative ideas would be a good strategic direction for the Council.

Secretary Browning questioned why doing business cases is not a requirement or expectation like other rules and regulations agencies must adhere to. He stated that at a minimum, agencies should be required to attend training on the business case process as this would result in a greater potential for the state to save money.

There was discussion on ways to bring public-private partnerships to agencies. Chairman South asked Mr. Garrigo if there was anything in the business case analysis that asks if an initiative in this marketplace be done. Mr. Garrigo stated agencies are asked to provide three options in their analysis; however, no specific type of analysis is required. After additional discussion, the Chairman asked that the incorporation of demonstrated research into public-private partnerships be included in business case analysis.

Chairman South then summarized the main talking points for Council modification as:

- Replication of the Prudential-Davis Productivity activities;
- Lowering the threshold for Council review; and,
- Advocate the Council's mission as the office of innovation for the state.

The Chairman envisions having a Council staff member skilled in working with groups to stimulate innovation, and conduct innovation workshops. Chairman South envisions the Council as a resource for all state agencies to use as an innovation process consultant. The Chairman asked Council members if they agreed these three things are what is needed to be advocated on the Council's behalf as she would like to go ahead and begin talking to key stakeholders about changing the mission of the Council in the next legislative session. Council members agreed; however, Mr. Garrigo also noted as a fourth consideration the educational factor Secretary Browning mentioned. The Chairman indicated this was not a statutory change but an action item.

To summarize what the Council views as its goals and mission, Chairman South requested Council staff to begin working on a white paper covering the items discussed.

Secretary Browning raised a concern regarding the difficulty the Council seems to have promoting its work. Chairman South indicated she would work with DMS staff to see what she could do. Mr. Garrigo offered that the Council already has some communication materials that may help in this area, such as the brochure, report card, and annual report.

Mr. Evans pointed out that although the Council envisions taking on the role as consultant for innovative ideas, care will need to be taken that the Council does not become the focal point for vendors who think the Council is the gateway to state agencies.

Mr. Yandell also proposed that if the Council is heading in the direction of change, he feels a name change in the organization should be considered in order to reflect the Council's role. Chairman South agreed and indicated that the DMS communications department could help with this.

ADJOURNMENT

Motion: Having no other business, Chairman South made a motion to adjourn.

Second: Secretary Browning so moved and Mr. Evans seconded.

The meeting was adjourned at 11:23 a.m.