

Governor's Commission on Innovation June 13, 2013

Members present:

Maureen Beauregard
Jim Bouley
Howard Brodsky
Tom Burack (staff sitting in)
Sen. Sharon Carson
Christopher Clement
Ed Dupont
Jon Freeman
Eric Herr
Linda Hodgdon
Mark Huddleston
Diana Lacey
John Morison
Robert Oden
Timothy Ranney
Kristyn Van Ostern
Pamela Walsh
Rep. Lucy Weber

Members missing:

Dianne Mercier

9:00 Meet and introductions

9:05 Eric: Overview of Commission and meeting agenda

- 1981 earliest commission to tackle innovation
- Must focus on purpose – why didn't earlier commissions succeed?
- Electronic license renewal was 12 yrs in the making – why so long?

9:10 Linda Hodgdon, Commissioner of Administrative Services: Efficiencies undertaken in state government

Of the 113 LEAN projects undertaken, 72 have been implemented since 2009 in 14 state agencies. Since 2010, 70 individuals have earned their Continuous Improvement Practitioner Certification which is based on Lean Process Improvement techniques and those individuals work with others to spread the word and share the techniques.

- 1) Administrative Services (DAS) streamlined the accounts payable process to move to scanning of documents.
- 2) The Department of Information Technology undertook a Server Virtualization effort that saved the state to date \$2.7 million.
- 3) The Department of Safety had some early successes with the LEAN process including reducing the time from arrest to prosecution for misdemeanors handled by State Police Prosecutors from 153 days to 51 by decentralizing Prosecutors and Paralegals.

- 4) Environmental Services decreased the average time to issue administrative orders from 106 days to 50 days.
- 5) The Department of Transportation automated the Bridge Overweight Permit Review program for obtaining overweight permits. 85% of permits are now approved within minutes compared to previous waits of 5-7 business days with the remaining 15% approved within 24 hours.

Agencies continue to work every day to find efficiencies, separate from the formal LEAN process. Examples include:

- 1) DAS led an effort to consolidate accounts payable functions. The state by June 30th will have consolidated 265,000 AP processing functions into one unit.
- 2) ASOPS (Administrative Services Online Pay Statements) – ASOPS was developed in 90 days and implemented in May 2011 in response to a need to reduce the printing of paper pay statements for State employees who subscribe to pay by direct deposit.
- 3) BASS (Benefits Administration Support System) – BASS was developed in less than 90 days and implemented in May 2012 in response to a critical need for the Department of Administrative Services ability to administer Health Benefits for State employees.
- 4) The NH Lottery, based upon changing operations, scheduling, scale and product mix, increased the sale of instant scratch tickets by 18% from FY11-FY13, and reduced the expenses of printing instant scratch tickets by 1.44%. That is actual gross dollar savings of about \$30,000 while we increased our profitability by millions.
- 5) The Department of Transportation reduced utility costs by shutting off non-critical street lighting, installing wood furnaces in the many patrol sheds, expanded the use of LED lighting in traffic signals and flashing yellow warning lights, and virtualized 15 computer servers into a single unit.
- 6) Transportation has a number of other projects such as open road tolling on I-93 in Hooksett, changes in staffing patterns at toll plazas and cross utilization of staff across bureaus, winter maintenance initiatives, etc.
- 7) Safety's Traffic Ticket Arbitration System, while faced with State Police overtime costs that seemed to be skyrocketing each biennium, the Division partnered with the Administrative Office of the Courts to develop a pre-trial arbitration system, whereby persons who plead not guilty to traffic offenses meet with the Prosecutor at the courthouse and are given an opportunity to tell the Prosecutor their reasons for pleading not guilty and an opportunity to argue for a more favorable outcome. In many cases it appears that the motorist either did not understand the system or simply wanted more time to pay the fine. The total number of cases going to trial has dropped dramatically, and the necessity for Troopers to come to court, for which they collect a minimum 4 hours of overtime if the trial comes at some other time than their regular work hours.
- 8) New Hampshire Business One Stop – This began in 2011 as an interactive web-based application to allow business owners and entrepreneurs information about starting or running a business in New Hampshire as well as a database of all applicable forms required to be submitted to various state agencies. The Go Live is scheduled for June 2013.
- 9) The Department of Corrections completed the construction of a new Residential Treatment Unit (RTU) bringing the Department closer to full compliance with the Holliday court order. Corrections also achieved four straight years of lowering the recidivism rate and had a two year downward trend of parole revocations.

- 10) The Disability Determination Service Bureau electronically interfaced with NH First and submitted daily uploads of payments starting in February 2010. It was a significantly streamlined process, cutting the workload in half and eliminated the filing and bundling of paper.
- 11) DHHS Administratively Attached Boards and Advisory Committees will co-locate (all 23 of them) at the Philbrook Center in November of 2013 providing opportunities to share conference rooms, telephone coverage, ease of access for the public, etc.
- 12) The Judicial Council worked with the Courts and the Public Defender to transfer the responsibility of assigning appointed counsel in criminal and delinquency cases from the individual court assistants in each courthouse to one centralized office located within the Public Defender.
- 13) Agriculture's pesticide product registration program has moved to electronic business wherever possible. They also have a new system of scheduled out of office scale clinics in the weights and measures division.
- 14) The Department of Health and Human Services (DHHS) is following a three-phased approach to transitioning Medicaid services from a fee for service system to a managed care system under which services will be provided by a Managed Care Organization for a capitated rate.

9:20 Discussion of successes and goals

- Agencies and state government don't do a good job of putting forward their successes
- Agencies deal with crisis management 24/7
- Success = constant follow up
- It takes real strategic initiative to focus on those items aimed at long term success
- Goals: often don't exist or are arbitrary
- Kudos to Commissioners for their efforts to meet together and communicate

Deleted: <#>Commissioners need to be integrated at every level of their agency, with every team, going to every meeting

9:30 Judge Ed Kelley

Three years ago began the innovation commission within the Judicial Branch. It began with skepticism from most members on dealing with restrictions from state government. Most of their decisions are based on a document written over 250 yrs ago, so challenges are different from those in the Executive or Legislative Branches.

Suggestions:

- 1) Suspend disbelief
 - a. Began with skepticism – now knows that anything is possible
 - b. Three courts combined to one
 - c. Call system established which sends only 35% of calls to local courts
- 2) Maintain a focus on the mission
 - a. It's not just about saving money; it's about providing better services
 - b. Onus is on the commission members to stay focused
- 3) Don't think critically – think openly too
 - a. This is an open invitation to view the workings of state government
 - b. Leave the nay-saying to others

- c. Lead by following all good ideas and suggestions/don't let a good idea die on the vine
- 4) Test ideas
- a. Members of the Judicial innovation committee visited the DMV and Delta Dental to tour their call centers
 - b. Create your own pilot program
 - c. Answering 65% of calls and forwarding 35% allows for actual work time
- 5) Start with a small tent and worry about the big tent later
- a. It's not the time to be expansive
 - b. Be deliberate in people you choose to be around the working table because these folks will be the ones implementing the ideas
 - i. Choose folks who are: creative, unafraid of big change, those who know your agency inside and out, those willing to admit defeat, those who are willing to be fully available and really committed, and those who can lay goals

10:00 Lucy Hodder, Legal Counsel to the Governor: Legal obligations and Right To Know

The Governor's Commission is a public body.

- RSA 91-A
- 1. meetings must be public and noticed
 - 2. someone must be designated to take notes
 - 3. post all documents included in the meeting
 - 4. members must prepare for non-public sessions

10:15 Governor Maggie Hassan

- How can we best serve the people of New Hampshire
- We must make government more effective
- We must be strategic in our thinking and planning
- We must improve transparency
- We must make investments in the people of New Hampshire
- We must have long term goals and expectations – 5/10 year increments

10:30 Chris Clement, Commissioner of DOT

- DOT is a 108 year old agency
- Balance scorecard – created by 30 different bureaus, each with their own team
 - Beginning to work on asset management
 - Allows all employees to truly engage in their organization
- DOT working on bringing down driving deaths
- \$23.6M open road tolling project on Route 93 – paid outright with savings
- \$40M winter maintenance budget – outsource 60% to private companies
- All agencies have the ability, and should, focus on measuring their data to prove ROI

11:00 Various

Red Cross: balance scorecard looked to measure two items for disaster services

- How long from declaration of disaster to number of meals provided in a day
- Customer satisfaction

State government and institutions:

- Run on basis of law
- Outcomes as a way to improve dialogue
- How do we change the trajectory of state government?
- Incredibly process driven
- Talented folks leave out of frustration and stifling of their ideas/creativity
- Underperformance versus incentives for good performance

Innovation:

- Is about trajectory
- Silicon Valley created more jobs in 40 years than the French government did since 1810
- Must focus on the outcome
- One could imagine organizing around a constituency
- We don't do a good job thinking about long term investments
- If you don't measure it, you don't manage it
- What percentage of government staff deliver services?

11:30 Wrap up

- Eric will deliver a breakdown of the commission in subcommittees with co-chairs
 - Three subcommittees: Innovation, Efficiency and Transparency
- The Commission on Innovation will meet monthly, on the same date every month if possible
- The Commission on Innovation will meet in the Council Chambers whenever possible; otherwise a location in the near vicinity will be provided