

Wyoming Spending and Government Efficiency Commission
2018 Report to the Governor, Management Council and the Joint
Appropriations Committee

Commission Activities and Recommendations

Commission Membership:

Senator Drew Perkins, Chairman
Representative Jerry Obermueller, Vice-Chairman
Senator Ray Peterson
Representative Joe MacGuire
State Auditor Cynthia Cloud
Don Claunch
Dean Fausset (non-voting)
William Mai
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Tony Young (non-voting)

November 30, 2018

List of Acronyms and Abbreviations

Alvarez and Marsal	Alvarez and Marsal Public Sector Services, LLC
A&I	Department of Administration and Information
Commission	Wyoming Spending and Government Efficiency Commission
Efficiency Account	State Savings and Efficiency Initiatives Account
ETS	Department of Enterprise Technology Services
JAC	Joint Appropriations Committee
K-12	Kindergarten through Twelfth Grade Public Education System
LSO	Legislative Service Office
LSRA	Legislative Stabilization Reserve Account
PMO	Project Management Office
RFP	Request for Proposal
SAO	State Auditor's Office
SF 120	2018 Senate File 120 (2018 Laws, Ch. 112)
SF 156	2017 Senate File 156 (2017 Laws, Ch. 183)
WCCC	Wyoming Community College Commission
WDE	Wyoming Department of Education
WOLFS	Wyoming On-Line Financial System
W.S.	Wyoming Statutes

Executive Summary

The Wyoming Legislature continued and expanded the membership and mission of the 2017 Wyoming Spending and Government Efficiency Commission (Commission) through the passage of 2018 Senate File 120 (SF 120). The legislation requires the Commission to identify new savings and efficiency opportunities for Wyoming's state government. It also requires the Commission to monitor and provide recommendations on savings and efficiency activities and to track expenditures from the State Savings and Efficiency Initiatives Account (Efficiency Account) established by SF 120. The legislation also directs the Commission to work with the Governor's Office and any efficiency consultants retained by the State to keep apprised of new or continuing savings and efficiency opportunities and to make recommendations on opportunities. Finally, the Commission, which will sunset at the end of the biennium on June 30, 2020, must report its activities and recommendations to the Governor and Legislature each year and act as a conduit for agencies and the Governor's Office to assure a coordinated effort in accomplishing savings and efficiency initiatives.

The Commission held three meetings during the 2018 interim and worked primarily with four state agencies to explore and discuss ongoing efficiency initiatives: 1) Department of Administration and Information (A&I); 2) Department of Enterprise Technology Services (ETS); 3) State Auditor's Office (SAO); and 4) Wyoming Department of Education (WDE). Most of the Commission's work centered around enterprise or cross-agency services and concerns, such as bulk technology purchasing, human resources issues, agency office space utilization, and upgrades to technology system, such as the State's uniform accounting system, WOLFS (Wyoming On-Line Financial System).

The Commission also worked with the Governor's Office and took testimony from efficiency consultants Alvarez and Marsal Public Sector Services, LLC (Alvarez and Marsal) related to establishing the 2017 Commission-recommended Project Management Office (PMO). Alvarez and Marsal began work in October of 2018 and have identified seven workstreams for tracking and evaluating various efficiency projects and initiatives:

1. Project Management Office
2. Technology Integration
3. K-12 Shared Services for School Districts
4. Shared Services for State Agencies
5. Organizational Line of Service Review
6. Strategic Sourcing Review
7. Medicaid for Special Education Services

The Commission adopted four primary recommendations, which will inform and impact the Commission's remaining work through the biennium. These recommendations, discussed in detail in Section 4 of this report, are as follows:

1. All agency efficiency recommendations and initiatives should be incorporated into the PMO's workstreams for coordinated and comprehensive tracking and continuous monitoring by the Commission. The Commission also recommends two additional workstreams directly related to potential future legislative changes.
2. The Legislature's Joint Appropriations Committee (JAC) should utilize findings and recommendations related to agencies' span of control and associated organizational charts developed for A&I's 2018 Span of Control Study.
3. The Legislature's Management Council and JAC should continue to consider statutory changes related to K-12 education efficiencies.
4. Strategic sourcing should be implemented across the enterprise, to the maximum extent possible.

Upon passage of SF 120, the Legislature established a long-term partnership with the Governor's Office to identify, implement, and evaluate efficiencies and cost savings across state government. By establishing the PMO to provide expertise and guidance on a range of efficiency initiatives, the State should be able to better track and evaluate both cost savings and operational efficiencies over time. However, the PMO consultant will be only a temporary resource. It will be key for the Legislature and state agencies to integrate and incorporate efficiency projects and practices into regular operations and budgets for continued long-term success.

Section 1. Introduction:

During the 2018 Budget Session, the Wyoming Legislature continued and expanded the membership and mission of the Commission (Commission) through the passage of 2018 Senate File 120 (2018 Laws, Ch. 112; hereinafter referred as SF 120). The Commission was originally established during the 2017 General Session with the passage of 2017 Senate File 156 (2017 Laws, Ch. 183; SF 156). While the 2017 Commission was composed of six (6) members, including two legislators, the current Commission is composed of twelve (12) members appointed or authorized as follows:

- Five (5) members appointed by the Management Council of the Legislature, of whom one (1) is from the private sector and two (2) each from the Wyoming Senate and Wyoming House of Representatives;
- Four (4) members appointed by the Governor, of whom two (2) are from the private sector and one (1) is a member of the Governor's staff;
- State Auditor, or the Auditor's designee;
- The Director of ETS (and State Chief Information Officer), or an appropriate designee;
- Director of A&I, or an appropriate designee.

Each member has voting authority on the Commission except the ETS Director and A&I Director.

Pursuant to SF 120 the Commission's goal is to identify new savings and efficiency opportunities for Wyoming's state government, and to study and monitor implementation of various efficiency projects. The Commission's specific duties and responsibilities include the following:

1. The Commission shall monitor and, where appropriate, provide recommendations regarding all savings and efficiency activities initiated under SF 120 or because of the 2017 Commission's work and recommendations;
2. The Commission shall work with the Governor's Office and any efficiency consultants retained by the Governor's Office to keep apprised of new or continuing savings and efficiency opportunities that are or might be pursued by the State and, where appropriate, make recommendations on the opportunities;
3. The Commission shall monitor expenditures from the Efficiency Account and shall keep apprised of any progress made on projects funded from the account;
4. The Commission shall act as a conduit between the executive branch and the Legislature to assure a coordinated effort in accomplishing all savings and efficiency initiatives pursued under SF 120. The Commission should accept for consideration any legislative changes identified by the Governor's Office or any other entity assigned duties under SF 120 as necessary to accomplish any initiatives pursued;
5. On or before November 30, 2018 and again on or before November 30, 2019, the Commission shall provide a report to the Governor, the Management Council of the Legislature and JAC summarizing its activities. The report may provide recommendations regarding any activity undertaken under SF 120 and shall include an outline of any legislative changes recommended to the Commission during its work or which are

independently identified by the Commission. In the report due on or before November 30, 2019, the Commission shall recommend whether the Commission should be continued.

Finally, as noted in the Commission's duties and responsibilities, SF 120 created the Efficiency Account, which was appropriated \$10 million from the Legislative Stabilization Reserve Account (LSRA). Money from this account may only be used to fund efficiency projects and initiatives for which regular biennial budgets or cost savings generated from the project are insufficient to fund and that are determined by the Governor as likely to produce savings or increased operational efficiencies. The Commission will sunset on June 30, 2020 unless further legislative action is taken.

Section 2. 2017 Commission Background:

The 2017 Commission's core goal was to obtain an estimate of the amount of potential future cost savings and operational efficiencies that could be achieved in state government. The 2017 Commission assisted the Governor's Office in selecting an efficiency consultant to conduct an initial study of efficiencies and savings potential for the State. The Governor contracted with consultants Alvarez and Marsal to conduct this initial analysis.¹

Alvarez and Marsal's focus, based on the 2017 Commission's authorizing legislation, included all agencies that expend more than \$20 million per biennium, with specific emphasis on a few selected large and shared service agencies for more in-depth review: The Department of Revenue, Department of Audit, ETS, A&I, SAO, WDE, and the Department of Health. Alvarez and Marsal issued its report to the 2017 Commission, dated November 6, 2017, and presented its findings and recommendation to the 2017 Commission. Refer to **Appendix A** for the Alvarez and Marsal report executive summary.

The 2017 Commission's November 30, 2017 report to the Governor and Legislature included the following top five (5) recommendations, which were not intended to preclude or exclude pursuit of other projects or recommendations contained in the 2017 Alvarez and Marsal report:²

1. Creation of a project management office to implement identified efficiency initiatives and coordinate further study of efficiency in the State;
2. Integrating technology across state agencies, including further study of regional services centers for school districts;
3. Creation of a Governor's Grants Office to pursue and better coordinate federal reimbursements, matches and other funding opportunities;
4. Implementation/expansion of shared services throughout the State's agencies (including human resources and financial systems);

¹ 2017 SF 156 appropriated \$300,000 from the LSRA for contracting purposes.

² The 2017 Commission's full report can be accessed at the following link:
<https://wyoleg.gov/InterimCommittee/2017/2017Final%20Report.pdf>.

5. Conducting a statewide organizational/line of service review to reveal overlapping responsibilities and assure that appropriate and efficient organizational and managerial structures are utilized.

The 2017 Commission further concluded that most of the efficiency goals identified by Alvarez and Marsal and analyzed by the Commission would only be accomplished through further study and a sustained commitment to implementation. Overall, the 2017 Commission recommended efficiency efforts be continued and funded through 2018 and 2019.

The 2017 Commission recognized several other efficiency options for consideration:

1. Pursuing increased staffing levels for key audit and tax collections agencies;
2. Pursuing a strategic sourcing review within the State's procurement system;
3. Exploring the establishment of a Governor's "Ideas Festival" to incentivize state employee teams to develop and implement efficiency initiatives;
4. Encouraging the Department of Health to continue its work to address on Medicaid errors and implement system improvements.

Refer to **Appendix B** for a tabular summary of Alvarez and Marsal's recommendations as implemented or impacted by the Legislature's 2018 Budget Session actions.

Section 3. Summary of 2018 Commission Activities:

The Commission met three times during the 2018 interim: June 19, October 9, and November 13. At its June 19, 2018 meeting, the Commission received updates from the Governor's Office and numerous agencies on steps taken to study and implement efficiencies since the 2017 Alvarez and Marsal and 2017 Commission reports were published. Refer to **Appendix C** for the meeting agenda. Key issues discussed during this meeting included the following:

- As allowed by SF 120, the Governor's Office commenced with a request for proposal (RFP) process to contract with an efficiency consultant to establish a PMO for the State (RFP #0429-C). The RFP was posted in late-May 2018, with contractor proposals due June 11, 2018.
 - The Governor's Office established a proposal review and evaluation team and a prospective bidder was chosen for contract negotiations in July 2018.
- A&I studies of 2017 Alvarez and Marsal recommendations and other efficiency opportunities, including a review of the ratio of employees/subordinates to supervisors (span of control review; also requested by the Governor), Motor Pool operations review, and assessment of agencies' use for State owned space as well as agencies' leases of private office space (space utilization review).
- ETS' pilot project to purchase technology hardware in bulk, implementation of improved cybersecurity measures, and initial exploration into an enterprise digital or e-signature solution.
- WDE's initial steps to assess school district special education, transportation, and other efficiency or cost saving measures outlined by the Legislature and Alvarez and Marsal.

- The SAO's steps to implement a vendor self-service module to streamline vendor registrations, modifications, and payments through the State's uniform accounting system (the Wyoming On-Line Financial System or WOLFS).

At its second meeting on October 9, 2018, the Commission received additional progress updates and reports from the same agencies that presented at the June 19, 2018 meeting, culminating in several agencies concluding that specific efficiency projects or actions are taking shape and nearing implementation stages. Refer to **Appendix D** for the meeting agenda. The Commission also received testimony from LSO and A&I on the potential to study and implement strategic sourcing statewide. LSO was directed to forward the A&I Span of Control Study to the JAC for reference during upcoming budget hearings. Refer to **Appendix E** for the letter forwarded to the JAC (see also under *Section 4: Commission Recommendations*, below). Finally, the Governor's Office notified the Commission that Alvarez and Marsal was awarded a contract to establish a PMO for the State and to help lead, organize, and evaluate efficiency project implementation through December 31, 2019. The contract with the Governor's Office and Alvarez and Marsal was executed on October 9, 2018.

At its third meeting on November 13, 2018, the Commission received testimony from the contracted efficiency consultant Alvarez and Marsal on its initial efforts to set up the PMO. Refer to **Appendix F** for the meeting agenda. Alvarez and Marsal also summarized its processes and project plans, schedules, and an evaluation and monitoring framework with State agencies to begin implementing various efficiency projects. Refer to **Appendix G** for the Alvarez and Marsal summary presentation of its planned work. The Commission also received updates from the SAO and Governor's Office related to transition planning with the Auditor-elect and Governor-elect staffs, respectfully. The Commission received an update on the Governor's Office status of funds summary for tracking contract and project expenditures from the Efficiency Account, as established by SF 120.

Section 4. 2018 Commission Recommendations:

The agencies that presented to the Commission provided extensive explanations of their efficiency work conducted since the 2017 Commission's report was published. Included with the testimony and summary reports were numerous recommendations for both administrative and legislative action. The Commission has also added several recommendations that complement agencies' actions. Refer to **Appendix H**.

While the Commission intends to continuously review and monitor agencies' implementation on administrative recommendations, the Commission believes these agencies' actions should be aligned with and tracked under the Alvarez and Marsal PMO process. Inclusion of both PMO and agency-initiated efficiency projects will allow the Governor and Legislature to accumulate and assemble comprehensive data on the overall efficiency impact to the State.

The Commission adopted the following recommendations:

1. The Commission recommends that actions and recommendations provided to the Commission during the 2018 interim be incorporated, to the extent practicable, into the seven workstreams developed by Alvarez and Marsal and shown in **Appendix G**. These workstreams, which are based off Alvarez and Marsal's core areas from its 2017 statewide efficiency assessment, categorize efficiency initiatives for long-term implementation and tracking. *Figure 1*, on the next page, provides a proposed Commission-adapted schematic of how the Alvarez and Marsal workstreams can incorporate Commission and agency administrative recommendations and actions. These agency actions will complement additional PMO-identified projects and initiatives.
2. The Commission recommends the Legislature's Management Council and JAC consider legislative recommendations related to K-12 education, as indicated in **Appendix I** (*in conjunction with the summary table in Appendix H*). This appendix provides an informal outline of draft statutory changes to show how the legislative recommendations may be implemented. Upon request by the Management Council, the JAC, or an individual legislator, LSO will formalize any proposed statutory changes into bill drafts for legislative consideration. *Figure 2* summarizes two additional workstreams to structure and track potential legislative cooperative initiatives and proposed amendments that may impact efficiency projects. While the current legislative considerations focus on a variety of education efficiencies, future legislation may need to be considered in other arenas or from other agencies.

The Commission further recommends the following separate actions to continue efficiency projects and encourage cost savings through the end of the biennium (June 30, 2020):

3. The Commission recommends the JAC review the 2018 A&I Span of Control Study and consider the study's findings and recommendations when conducting agency supplemental budget hearings in December 2018, in preparation for the 2019 General Session, and for future agency budget requests. The organizational charts developed during the study could be incorporated into each agency's budget request with position numbers included where appropriate or practical. The Commission recommends any agency or departmental reorganization include revisions to organizational charts and span of control considerations with specific justification for any span of control below the targeted ratios.
4. The Commission believes one of the most promising, and potentially highest savings, areas is strategic sourcing. The Commission recommends the PMO and relevant agencies continue data gathering and analysis to identify potential and likely procurement cost savings across the enterprise. The PMO should maintain continuous communication with affected agencies and provide the Commission with administrative and legislative recommendations to remove unreasonable barriers to strategic sourcing implementation. The PMO should also identify gaps in state procurement staff professional credentials and training needs and recommend solutions to greatly reduce or eliminate these gaps. The PMO should establish a network of Wyoming suppliers ("Team Wyoming") to solicit feedback on elements of the State's

procurement system in need of modernization and streamlining. Refer to **Appendix J** for a summary of Alvarez and Marsal's strategic sourcing framework.

Figure 1. Commission and State Agency Recommendations Incorporated into Alvarez and Marsal Efficiency Project Workstreams

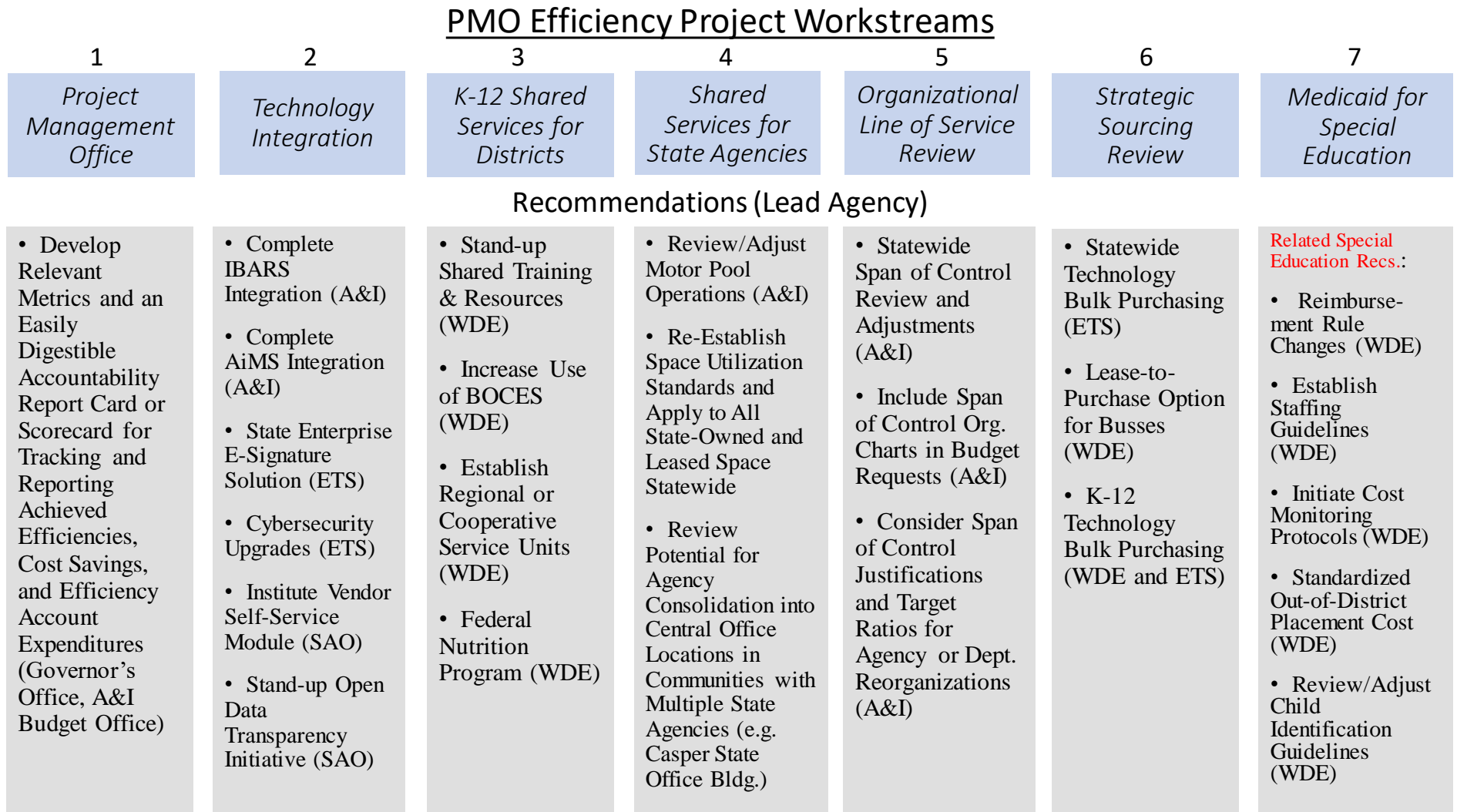


Figure 2. Efficiency Commission Recommended Additional Workstreams

<u>Commission Recommended Workstreams</u>	
8	9
<i>Legislative-State-Local Cooperative Initiatives</i>	<i>Potential Statutory Amendments for Further Review</i>
Recommendations (Lead Agency)	
<ul style="list-style-type: none"> • Early Childhood Program Consolidation (WDE, DFS, DWS, WDH) • Consolidate Schools' Employee Benefit Plans (WDE) • Purchase Transportation Telematics System for Districts (WDE) • Extend Bus Replacement Schedule (WDE) • Repeal Bus Purchase Moratorium: W.S. 21-13-320(m) (WDE) • Review and Possibly Reinstate Wyoming Teacher Shortage Loan Repayment Program: W.S. 21-7-601 (WDE and WCCC) 	<ul style="list-style-type: none"> • Amend Cooperative Service Incentive: W.S. 21-13-331 (WDE) • Amend Transportation Operations and Maintenance Formula: W.S. 21-13-320(j)(i) (WDE) • Amend Cooperative Transportation Incentive: W.S. 21-13-320(g)(ii) (WDE) • Amend Mileage Reimbursement for Special Education Parents: W.S. 21-4-401 (WDE)

Section 5. Conclusion:

The 2017 Commission acknowledged the State may not be able to pursue all efficiency options immediately or at the same time and that some options may not be feasible due to Wyoming's unique geography, culture, and priorities. Upon passage of 2018 SF 120, the Legislature established a long-term partnership with the Governor's Office to pursue a process to identify, implement, and evaluate efficiencies and cost savings across State government. The Commission and relevant executive branch agencies should continue to pursue low or no cost efficiency solutions where possible, while long-term and larger savings can be achieved through coordinated and methodical use of the Efficiency Account. By establishing the Governor's PMO to provide expertise and guidance on a range of efficiency initiatives, the State should be able to better track and evaluate both cost savings and operational efficiencies over time. However, the PMO consultant will be only temporary and it will be key to integrate and incorporate efficiency projects and practices into the State's operations and budgets for continued long-term success.

APPENDIX A



ALVAREZ & MARSAL
**WYOMING GOVERNMENTAL SPENDING AND
EFFICIENCY COMMISSION**

DRAFT

October 18, 2017



PROJECT OVERVIEW

- This report contains observations and recommendations for the Wyoming Governmental Spending and Efficiency Commission (“Commission”) to review the efficiency of State government per Senate File 156, 2017 Session Laws Ch. 183.
- The objective of the task was to conduct a rapid assessment to identify, quantify, and prioritize new approaches for the Commission that would pinpoint opportunities to reduce costs and operate more efficiently. The scope of the Statewide Efficiency Review focused on the following key agencies:
 - Department of Administration and Information
 - Department of Education
 - Department of Health
 - Department of Revenue
- A&M also conducted a cross agency benchmark analysis, reviewed the plans submitted by agencies with more than \$20 million in biennial budget, and identified ways to incentivize the identification of efficiencies by state employees.
- As a result of these reviews, A&M found:
 - The need for a broad scale organizational review to include a programmatic review of the lines of service provided by the state agencies, an assessment of the span of control and reporting structure of the supervisors, and review of opportunities to make changes to both the employee benefits and school district benefit programs to drive savings.
 - There is a need to modernize systems and coordinate investment across state agencies to allow for better integration of technology solutions, particularly in the areas of Human Resources and Finance.
 - There are opportunities to increase revenues through the creation of a Governor’s Grants Office to improve pursuit of Federal Funds, the creation of an interagency Discovery Unit for tax audit and collections, and a need to hire audit and collections staff.
 - There are a high number of administrative functions performed at the agency level, where use of shared services across state agencies and regional shared services across school districts would increase the level of service and help drive efficiency.
 - There is an opportunity to enhance employee benefits through the creation of school district benefit plans, additional wellness options and programs, and opportunities to incentivize employees to identifying efficiency initiatives.

EFFICIENCY OBSERVATIONS

	Current State
Organizational	<ul style="list-style-type: none"> • Span of Control Challenges: The agency supervisory span of control (i.e., the number of staff that report to each supervisor) is low with an average staff to manager ratio of 4:1, below standard benchmarks of 6-8 and significantly below best in class levels of 12-13. • Staffing Levels: Staff reductions have left key functions understaffed, including Auditors and Collection staff. • Organizational Structure: The State has a high number of agencies, boards, and commissions per capita. Within these agencies there are a significant number of small agencies that each maintain separate administrative functions. As a result, there are opportunities to consolidate functions and reporting structures, and to create new programs that cut across agencies to break down silos.
Incentives	<ul style="list-style-type: none"> • Structural Inefficiencies in Budget Savings: The State’s annual budget process incentivizes agencies to hold back savings until after the first wave of cuts are delivered. Alternatives include target reductions and share in savings. • School District Spending: The current funding model encourages districts to spend inefficiently as there are limited reporting or compliance requirements to receive state funding.
Innovation	<ul style="list-style-type: none"> • Dashboard and Analytic Capabilities: The Wyoming Department of Health’s Directors Unit for Policy Research and Evaluation (DUPRE) has developed best in class analytic and dashboarding capabilities that could provide lessons learned for other departments and other states in the analysis and management of data to affect agency decision-making. • Indian Health Services: Wyoming should be commended for their innovative approach to establishing the necessary protocols and infrastructure to realize Medicaid savings, and for promoting coordination of care through collaboration with tribal governments and with IHS. • Property Tax Function: The state has developed a business case for conducting statewide Aerial Imagery scanning and spatial comparison to identify new properties or structures that should be added to the tax rolls delivering automated identification of new properties without site visits, delivering these properties to the tax rolls years sooner.

EFFICIENCY OBSERVATIONS

	Current State
<p>Federal Funds</p>	<ul style="list-style-type: none"> • Gaps in Federal Funds Pursuit: The State does not strategically pursue Federal grants, and there are numerous examples of agencies bypassing Federal funds. Wyoming is the only state that does not seek reimbursement for Medicaid funds for school districts. Participation in Federal child nutrition programs is well below benchmarks and numerous schools have dropped out of the programs. • Over Reliance on State Funds: There is cultural bias away from Federal funds, where small amounts of resistance discourage full evaluation of opportunities to gain additional funds. • Administrative Burden: Agencies and school districts are reluctant to pursue Federal Funds due to administrative tracking, reporting, and compliance requirements.
<p>Technology</p>	<ul style="list-style-type: none"> • Enterprise Technology Services: The State has taken the right steps towards coordination of technology solutions through the establishment of a centralized Enterprise Technology Services (ETS) to coordinate information technology structure across the state agencies. • Technology Pivotal to Efficiency: The modernization of systems is a foundational step necessary before the State can realize efficiency from solutions generated through shared services, improved process, or improved tracking and reporting of funds. • Disparate Use of Technology: Agencies often independently purchase their own technology solutions instead of pursuing technology purchases across state agencies or following statewide technology policies, which would allow the state to take full advantage of the systems and programs, particularly given the state government’s size. • Limited System Integration: There is significant manual data entry between systems that should be more integrated causing agencies to extract/upload data across multiple systems and/or manually manipulate data extractions to get the desired reporting. • Collaborative Funding: Because of lack of collaboration, the State is unable to fully take advantage of the administrative benefits associated with allowable recovery of federal funds when investing in centralized technology solutions or recovering central administrative costs.

EFFICIENCY OBSERVATIONS

	Current State
<p>Shared Services</p>	<ul style="list-style-type: none"> • Decentralized Staffing / Processes: Each agency continues to maintain administrative functions that overlap with centralized services including, human resources, finance, IT, and procurement. • Customer Service: The administrative functions, including shared services functions, need to be resourced with staff that can provide the right level of support to front line agencies. Without enough input from agencies, products or services are designed where the final product often doesn't meet the needs of the agencies as intended. For example, core accounting system issues result in lack of access or manual processes to generate needed reporting.
<p>Procurement</p>	<ul style="list-style-type: none"> • Decentralized Procurement: Each agency has a procurement function that interacts with the central procurement division. Most of the interaction with the central procurement division is for compliance rather than process support, indicating a lack of economies of scale across statewide procurement. • Data Limitations: The State does not provide ready access to data for the procurement staff to conduct meaningful analysis of expenditures or procurement practices. System integrity issues create the arms length access to data. • Collaboration: The State would benefit from greater collaboration across departments to increase buying power.
<p>Education Funding</p>	<ul style="list-style-type: none"> • Remote Student Expenditures: The State spends a disproportionate share of funds on remote location students, in some cases providing personalized learning solutions. In the most extreme examples, staff outnumber students and financial resources dedicated to educating small groups far exceed the State's average per pupil cost. • Perspective: School districts are able to spend state resources with minimal requirements for tracking performance metrics or compliance reporting resulting in reduced recovery of Federal funds.
<p>Rural Nature of Wyoming</p>	<ul style="list-style-type: none"> • Spending Perspective: The State points to the rural geography to justify higher spending in areas such as education for remote students, the cost of transportation, or the lack of industry to provide services in health, technology, etc. • Minimal Regional Collaboration: While some government-to-government collaboration occurs in the state and through school district BOCES, the State could benefit from increased regional collaboration between the state, local, and school districts to drive services or increase savings.

EFFICIENCY RECOMMENDATIONS

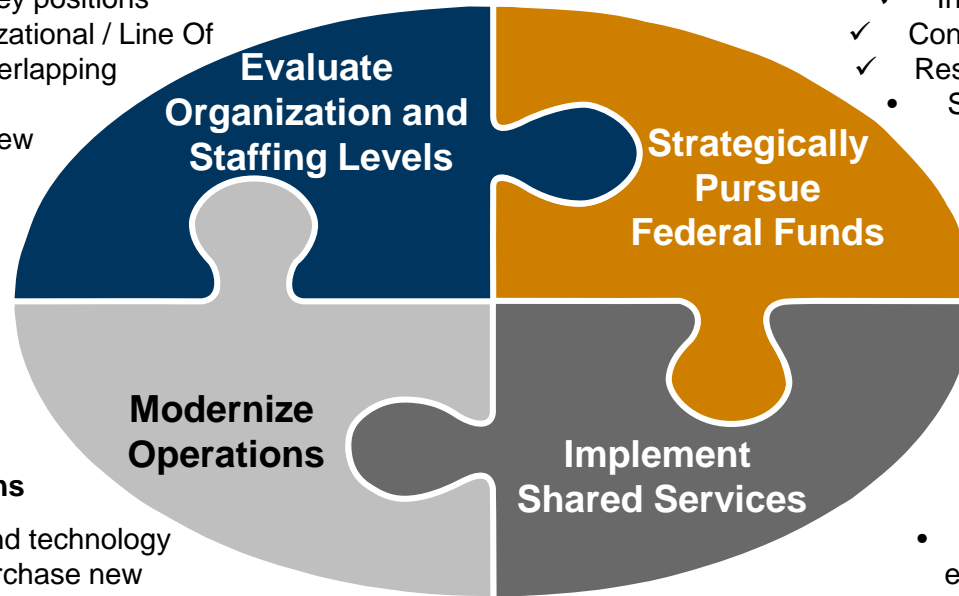
State of Wyoming Efficiency Study
Recommendations

Organization and Staffing

- Evaluate opportunities to streamline administrative functions
- Increase staffing levels for key positions
- Conduct a statewide Organizational / Line Of Service review to resolve overlapping responsibilities
- Conduct span of control review

Strategically Pursue Federal Funds

- Establish a Governor’s Grants Office
- Increase Federal reimbursement requests
 - ✓ Initiate school-based services request
 - ✓ Consider additional Medicaid programs”
 - ✓ Restructure the Child Nutrition Program
- Strengthen reporting and compliance capabilities



Modernize Statewide Operations

- Invest in people, process, and technology
 - ✓ Expand on existing or purchase new technologies to minimize “paper-pushing”
 - ✓ Drive data quality improvements across the state financial and personnel systems
- Integrate technology solutions across agencies
- Sponsor efficiency-increasing technology for local governments and school districts

Implement Shared Services

- Study the potential opportunities for expanded shared services in the state
 - ✓ Make necessary infrastructure enhancements
 - ✓ Build on successes in construction
 - ✓ Build on technology shared services successes
 - ✓ Consider expansion in Procurement
 - ✓ Consider Expansion in Human Resources
- Establish Regional Service Centers for school districts

ANNUAL IDEAS FESTIVAL

Key Findings

- **At least 11 states have employee suggestion incentive programs where the employee gets a bonus as a percentage of the savings achieved by the suggestion. The award suggestions vary by state:**
 - Wisconsin had an employee suggestion program since 1954 that identified \$12 million in savings over the life of the program
 - Kansas has an employee suggestion program in which an employee can receive 10 percent of the savings for a suggestion up to \$5,000.
 - California, Tennessee, and North Dakota have employee suggestion programs with limits of up to \$50,000, \$10,000, and \$4,000 respectively.
- **Award programs tend to trail off without program maintenance and awareness.**

Recommendations

- **Wyoming should implement a Governor's Annual Ideas Festival.**
 - Administering the Ideas Festival and annual program can be developed and instituted with minimal administrative burden.
 - The Governor's Annual Ideas Festival would award teams of individuals up to \$25,000 as a team and \$5,000 per person to identify and help implement savings opportunities.
 - The payout would be split upon award and after savings have been implemented.
 - Actual realized savings realized would help fund future program awards.
- **The critical steps include:**
 - Creation of statutes that allow for funding of the Governor's Annual Ideas Festival.
 - Design and rollout the Ideas Festival.
 - Host the program and awards ceremony.

CONCLUSION: ESTIMATED ONE-TIME INVESTMENT AND BIENNIAL SAVINGS

Investment and savings ranges shown below reflect estimates of the impacts of A&M recommendations for process, technology and policy changes. These amounts are subject to change based upon the implementation strategies selected. In addition, potential costs associated with additional planning activities are not reflected in these estimates.

	Est. One-Time Investment (State Funds)		Est. Net Biennium Savings (State Funds)	
	Low	High	Low	High
Cross Agency	\$1,850,000	\$2,750,000	\$20,985,395	\$41,950,791
Administration & Info	500,000	700,000	5,350,000	8,800,000
Education	2,400,000	3,750,000	42,593,411	83,626,961
Health	1,876,882	3,753,765	19,920,282	43,120,396
Revenue and Audit	2,000,000	2,500,000	19,300,000	38,600,000
Other \$20M+ Agencies	2,272,015	2,272,015	3,510,449	9,387,085
State Total	\$10,898,897	\$15,725,780	\$111,659,537	\$225,485,232
Local Impacts	1,992,000	1,992,000	852,305	2,142,679
Total	\$12,890,897	\$17,717,780	\$112,511,842	\$227,627,911

PHASE 2 PROJECT PLAN

Phase 2 Project Plan Overview

Work Step	Yr	2018												2019						
	Mo	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6
1. Establish PMO Function																				
2. Organizational Study																				
3. Strategic Sourcing Review																				
4. Technology Integration Study																				
5. Employee Benefits / K-12 Benefits Study																				
6. Statewide Real Estate Study																				
7. Governor's Grants Office																				
8. WDR/Audit Discovery Unit																				
9. Indian Health Services																				
10. Electronic Visit Verification																				
11. Home and Community Based Services																				
12. BOCES for Shared Services and Procurement																				
13. Other Agency Reviews																				

Project Overview

- The PMO function would ensure coordination and timing throughout the Phase 2 effort.
- Areas that were identified for potential efficiency initiatives are included for further study and development of a transition plan.
- There are efficiency opportunities with near-term impacts including reducing surplus assets and hiring additional audit and collections staff, that should be considered for immediate implementation.
- There are a agencies that were out-of-scope for Phase 1 that should be reviewed in Phase 2 including;
 - Department of Transportation
 - Department of Corrections
 - University of Wyoming
 - Wyoming Community Colleges
 - Department of Health – Behavior Health
 - Office of State Lands and Investments
 - Department of Environmental Quality

Project Risks/Issues

ID	Description	Mitigation	Status	Owner
1	Legislative approval is required for implementation for a number of the efficiency initiatives.	Efficiency initiatives have been vetted by the agencies and the SAGE Commission.		
2	Technology integration, restructuring procurement and shared services would require significant coordination across agencies.	Agencies were provided an opportunity to review the recommendations and provided comment. Additionally, the PMO function will help to facility cross-agency coordination.		
3	Implementation of recommendations or further study will require financial investment from the State.	While there is an upfront, or even ongoing investment required, the initiatives should yield savings to more than offset the cost.		

Risk Level Low Moderate High Mitigated/Avoided

APPENDIX



ORGANIZATION AND STAFFING

The State should engage in an a statewide organizational assessment that would provide clarity into service levels, right-size staffing levels, and streamline government structure.

ORGANIZATIONAL REVIEW RECOMMENDATIONS

ADMINISTRATIVE FUNCTION REVIEW	LINE OF SERVICE REVIEW	SPAN OF CONTROL REVIEW	STAFFING LEVEL ASSESSMENT
<ul style="list-style-type: none"> The Administrative Function Review would study the breadth of administrative services that are provided by both the State and state agencies. Having better insight into the structure of the administrative services would help the State to ensure that the structure through which these services are provided is effectively and efficiently meeting the agencies' needs. 	<ul style="list-style-type: none"> The Line of Service Review would evaluate the programs and services provided by the State to assess overlapping responsibilities, obsolete programs, or areas for enhancement. By creating a catalog of services provided, the State will be able to evaluate the impact and outcomes of the associated programs. The Line of Service Review would give the State the information needed to consolidate or eliminate programs that are under-utilized or ineffective, or expand services as needed. 	<ul style="list-style-type: none"> A Span of Control Review will evaluate the supervisor to front line staff ratio across the state agencies to identify areas to shift resources and improve services. The State should identify opportunities to increase span of control targets from 4:1 to better align with industry benchmarks. The goal is to affect long term workforce planning to shift staffing levels toward front line staff to increase the level of service both internally and to Wyoming citizens. 	<ul style="list-style-type: none"> The State has reduced the number of state employees resulting in the loss of staffing of key revenue generating roles. A concerted effort to replace these staff should be prioritized in the coming year. The State should create a Discovery Unit that bridges the Audit and Revenue departments. The state should establish a Governor's Grants Office to improve fiscal management of federal funds.

STRATEGICALLY PURSUE FEDERAL FUNDS BY ESTABLISHING A GOVERNOR'S GRANTS OFFICE

Strategy

- Drive strategic identification, analysis and prioritization of Federal funding opportunities.

Risk and Compliance

- Conduct risk assessments and compliance reviews of Federal funds programs.

Execution

- Monitor Federal funds / grants programs for execution and timely reimbursement requests.

Cost Recovery

- Review the Statewide Cost Allocation Plan (SWCAP) allocations procedures for revision and improved capture.

Technical Assistance

- Provide technical assistance and tactical support to the school districts.

Technology

- Provide oversight of systems implementation to facilitate better funds management.

IMPLEMENT SHARED SERVICES

Organizational effectiveness and cost savings opportunities can increase through formal collaboration efforts between agencies.

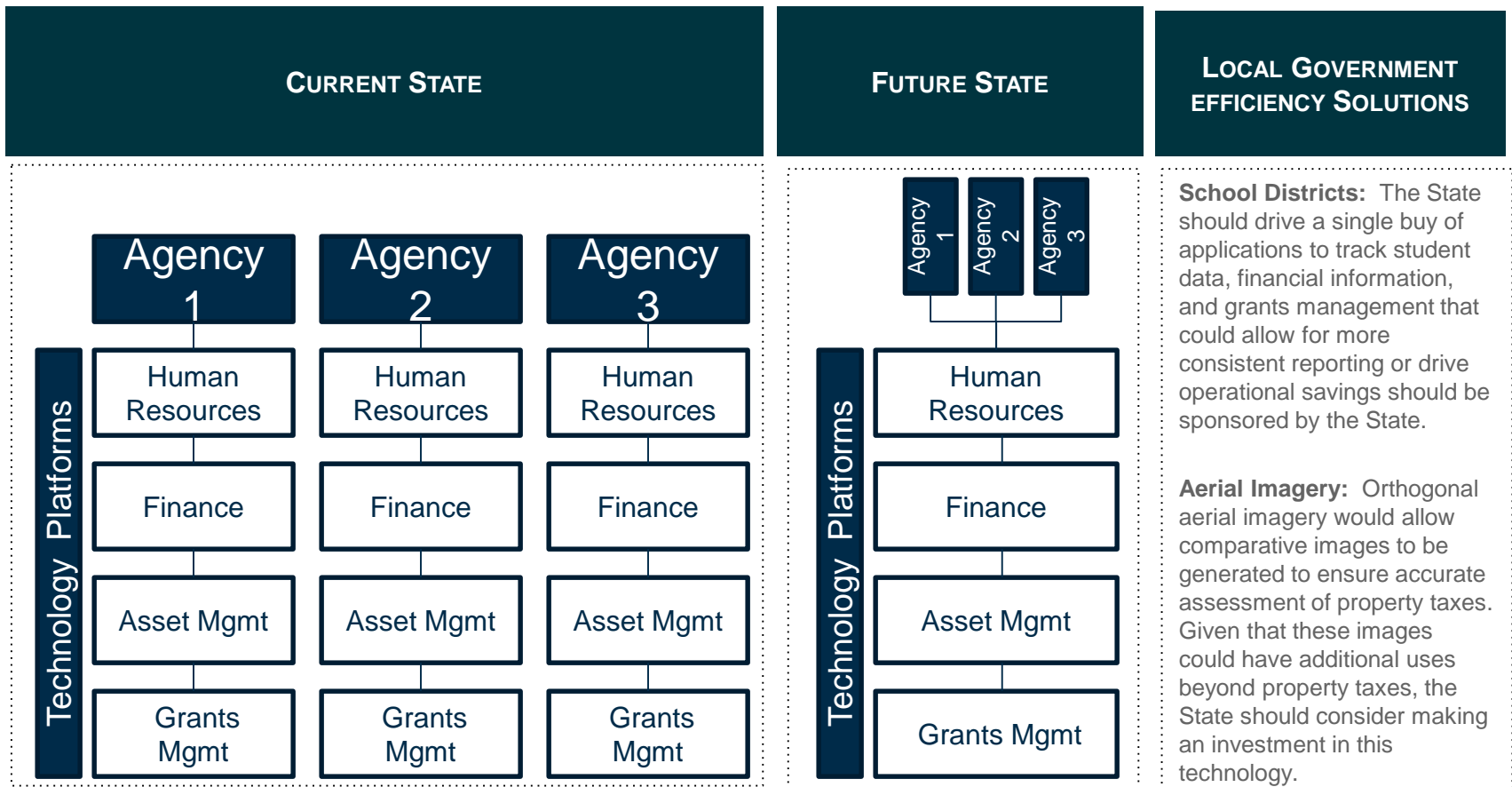
SHARED SERVICES OPPORTUNITIES			COLLABORATION
FINANCE	HUMAN RESOURCES	INFORMATION TECHNOLOGY	PROCUREMENT
<p>Accounts Payable and Payroll: Shared Processing; Standardized and automated workflow on approvals.</p> <p>Potential to add in:</p> <ul style="list-style-type: none"> Accounting Entries Financial Reporting General Oversight ERP Systems Grant Compliance and Claiming 	<p>Human Resources: Shared HR functionality across agencies with a cross-agency Human Resources Information System (HRIS).</p> <p>Benefits Coordination: Shared processing and support including school districts.</p>	<p>Technology: Shared oversight and support functions.</p> <p>Integrated Solutions: Alignment to technology solutions across agencies.</p> <p>System Interfacing: Strategic technology interfacing that allows for communication across related systems.</p>	<p>Purchasing Coordination: Collaborate on market intelligence, pricing opportunities, RFP management, contract negotiations, contract management and minimum buying commitments.</p> <p>Capitalize on volume discounts and rebates.</p> <p>Shared analysis of spending, monitoring and optimization of pricing.</p>

Governance structures, service level agreements and implementation plans will vary based upon the range of services included and the agencies participating in a collaborative model.

MODERNIZE STATEWIDE OPERATIONS

The State will benefit from investment in technology applications across agencies and should consider investing in technology solutions for local governments.

MODERNIZATION RECOMMENDATIONS



CROSS AGENCY BENCHMARKING AND ANALYSIS

Overview

- There are a number of areas where potential opportunities have impacts that extend beyond one particular agency, including Human Resources, Retirement, Employee Insurance Group, Technology, and Procurement.
- The A&M team conducted a review of the aforementioned areas to understand key processes and functions to identify opportunities for improved efficiency.
- A&M conducted analysis of expenditure and staffing data to further characterize the environment.

Observations

- The State experienced a significant decline in revenues in the past five years resulting in one time steps to close budget deficits.
- The State has over 8,900 Full Time Equivalent (FTE) staff.
- Span of Control levels in the State average 4.0 across state agencies.
- The state agencies coordinate some procurement activities, but could do more to increase purchasing collaboration.
- The State requires the retirement function to utilize statewide systems to conduct business, where improved custodial services could improve investment returns and reduce processing fees.
- The State discontinued a wellness program in 2011 to pursue opportunities to revamp the employee benefits program to utilize newer health benefit models.

Recommendations

- Conduct a strategic sourcing exercise to drive cross agency savings through collaborative purchasing.
- Provide an exemption for using the central accounting system to the Wyoming Department of Retirement Services to allow for improved processing of benefit payments and immediate deposit into the custodial account.
- Conduct an organizational study to identify improvements to the statewide Span of Control.
- Conduct a review of the employee benefits program to search for opportunities to implement refined benefits models such as health savings accounts (HSA) and wellness programs.

ESTIMATED ONE-TIME INVESTMENT AND BIENNIAL SAVINGS

Investment and savings ranges shown below reflect estimates of the impacts of A&M recommendations for federal funds, process, technology and shared services changes. These amounts are subject to change based upon the implementation strategies selected. In addition, potential costs associated with additional planning activities are not reflected in these estimates.

	Est. One-Time Investment (State Funds)		Est. Net Biennium Savings (State Funds)	
	Low	High	Low	High
Statewide Strategic Sourcing Exercise	\$1,000,000	\$1,250,000	\$5,000,000	\$10,000,000
Electronic Payment of Pension Benefits	0	0	220,000	420,000
Direct Deposit of Employee Contributions	0	0	861,000	1,722,000
Implement Span of Control Changes	350,000	750,000	4,904,395	9,808,791
Employee Benefits Revisions	500,000	750,000	10,000,000	20,000,000
State Total	\$1,850,000	\$2,750,000	\$20,985,395	\$41,950,791

Overview

- The Department of Administration and Information (A&I) provides services to all branches to Wyoming's state government through the divisions of Human Resources, General Services, Economic Analysis, Budget, and the State Library.
- The A&M team reviewed key processes and functions within A&I, including budgeting, insurance and risk management, motor pool, and facilities operation and trades management.

Observations

- Considerable savings have been generated through the motor pool's implementation of system-wide GPS tracking, however there is a heavy reliance on permanently assigned vehicles as opposed to shared vehicles.
- The State does not have metrics or reporting to clearly track and monitor space utilization.
- The State manages an intensive budget process that engages the agencies, but budget adjustments are made on a largely incremental basis.
- A significant portion of the workers compensation debt reflects penalties and interests, and is largely uncollectable.

Recommendations

- Conduct a study to identify surplus real estate and land that could be sold to generate revenue for the State.
- Review space utilization of state agencies to ensure optimized usage of state-owned real estate.
- Expand shared services in the motor pool and use of technology for vehicle sharing.
- Enable a debt write-off for outstanding workers compensation debt.
- Establish a performance based budgeting approach.

ESTIMATED ONE-TIME INVESTMENT AND BIENNIAL SAVINGS

Investment and savings ranges shown below reflect estimates of the impacts of A&M recommendations for federal funds, process, technology and shared services changes. These amounts are subject to change based upon the implementation strategies selected. In addition, potential costs associated with additional planning activities are not reflected in these estimates.

	Est. One-Time Investment (State Funds)		Est. Net Biennium Savings (State Funds)	
	Low	High	Low	High
Establish a Governor's Grants Office	\$375,000	\$750,000	\$1,500,000	\$3,000,000
Surplus Asset Sales	250,000	350,000	3,800,000	5,700,000
Expand Motor Pool Shared Services	0	0	50,000	100,000
Establish a Performance Based Budgeting Approach	0	0	0	0
State Total	\$625,000	\$1,100,000	\$5,350,000	\$8,800,000

DEPARTMENT OF EDUCATION

Overview

- The Wyoming Department of Education (WDE) supports 94,000 students across 48 school districts, with about 80% of districts having less than 2,500 students. Approximately 1% of schools operate as charter schools.
- Wyoming school enrollments have been relatively flat over the past three years.
- WDE enables equitable funding across school districts through the funding formula and budget allocation process.
- A recalibration exercise is in process to ensure all school districts are receiving the appropriate level of funding.
- Federal funds were compared to peer states and national averages to better understand the WDH funding structure.

Observations

- The State receives significantly less in Federal funds on a relative basis when compared to peer states and the national average.
- Wyoming is the only state that does not seek Medicaid reimbursement for school-based services
- Spending on special education (SPED) maintenance of fiscal support (MFS) is outpacing growth in SPED student population and total instruction expenditures.
- School districts are allowed to purchase benefits from the State plan, but only one district does so currently.
- The majority of school districts are small, thus more impacted by the cost of overhead, procurement, and other administrative services.

Recommendations

- Review reimbursement practices for SPED spending to identify options to reduce the growth in SPED expenditures.
- Study school nutrition across school districts and identify mechanisms to increase participation in Federal programs.
- Evaluate options to include school-based services in the Medicaid State Plan.
- Develop a consolidated plan that all school districts could use to purchase employee benefits.
- Develop cooperative purchasing plans to use collective buying power to drive more favorable procurement pricing.
- Establish regional shared services centers to allow for more efficient delivery of administrative services.

ESTIMATED ONE-TIME INVESTMENT AND BIENNIAL SAVINGS

Investment and savings ranges shown below reflect estimates of the impacts of A&M recommendations for federal funds, process, technology and shared services changes. These amounts are subject to change based upon the implementation strategies selected. In addition, potential costs associated with additional planning activities are not reflected in these estimates.

	Est. One-Time Investment (State Funds)		Est. Net Biennium Savings (State Funds)	
	Low	High	Low	High
Special Education	\$0	\$0	\$0	\$0
School Nutrition	500,000	750,000	9,147,406	18,690,669
School Based Medicaid Services	350,000	500,000	6,000,000	12,000,000
Consolidated Benefit Plan	300,000	500,000	11,296,981	22,593,963
Cooperative Purchasing Plans	250,000	500,000	11,881,999	21,808,279
Regional Shared Services Model	1,000,000	1,500,000	4,267,025	8,534,050
State Total	\$2,400,000	\$3,750,000	\$42,593,411	\$83,626,961

DEPARTMENT OF HEALTH

Overview

- The Wyoming Department of Health (WDH) promotes, protects and enhances the health of the State's citizens.
- WDH manages the State's Medicaid programs and recently assumed responsibility for the Department of Family Services (DFS).
- There is significant interaction with Indian Health Services (IHS) to provide healthcare to the Native American population.
- The State faces relatively high costs to provide healthcare to a geographically disperse population.
- The State participated in Cycle 1 of the CMS Payment Error Rate Measurement (PERM) review in 2015. WDH has been working through pilot PERM reviews to make necessary enhancements in advance of the 2018 PERM review.
- The A&M team analyzed WDH data associated with nursing facilities and home and community based services (HCBS) to understand Wyoming's long-term care programs.

Observations

- WDH maintains best-in-class reporting and dashboard capabilities for data analytics.
- The State has made considerable headway in maximizing IHS funding for physical health services and has developed an innovated shared savings model to share the enhanced match with the tribe.
- While the State has made efforts to enroll new participants in HCBS, there have been limited efforts to shift current participants from nursing facilities to community based care.
- The State does not employ electronic visit verification (EVV) to monitor home based services. WDH is in the process of procuring EVV functionality as a part of their Medicaid Management Information System (MMIS) procurement.

Recommendations

- Establish processes to expand the amount of services that are provided via telehealth.
- Continue to explore opportunities to secure enhanced Federal match for IHS-related services.
- Expand home and community based services (HCBS) and develop processes to safely transition participants from institutional settings to community based care.
- Expedite procurement and implementation of electronic visit verification (EVV).

ESTIMATED ONE-TIME INVESTMENT AND BIENNIAL SAVINGS

Investment and savings ranges shown below reflect estimates of the impacts of A&M recommendations for federal funds, process, technology and shared services changes. These amounts are subject to change based upon the implementation strategies selected. In addition, potential costs associated with additional planning activities are not reflected in these estimates.

	Est. One-Time Investment (State Funds)		Est. Net Biennium Savings (State Funds)	
	Low	High	Low	High
Telemedicine Expansion	\$0	\$0	\$119,958	\$399,861
Indian Health Services	500,000	1,000,000	10,720,112	24,560,112
Home and Community Based Services Expansion	500,000	1,000,000	4,695,799	9,391,598
Electronic Visit Verification	876,882	1,753,765	4,384,412	8,768,824
State Total	\$1,876,882	\$3,753,765	\$19,920,282	\$43,120,396

DEPARTMENTS OF REVENUE & AUDIT

Overview

- The Wyoming Department of Revenue (WDR) is responsible for the administration and collection of mineral and excise taxes, as well as the valuation of property and the wholesale distribution of alcoholic beverages.
- The Wyoming Department of Audit (Audit) is responsible for conducting audits for the collection of Federal and state mineral royalties, state mineral and excise taxes, regulation of financial institutions, and auditing of public agencies and local governments.
- WDR and Audit partner in the auditing and collection of taxes through a memorandum of understanding.
- A&M conducted analysis of the various tax sources to better understand revenue trends.
- A&M reviewed trends in the staffing levels for audit and collections positions, and their revenue generating capacity.

Observations

- The State's decision to reduce audit and collections staff to manage budgetary pressures may be contributing to the decline in tax collections.
- While WDR and Audit do collaborate throughout the tax collection process, there is not a function dedicated to consistently identifying key audit targets.
- WDR invests in technology and supplies for the county assessor's offices to help facilitate the assessment process. Property taxes are generally reassessed on a six-year cycle.

Recommendations

- Hire back 8 audit staff and 10 collections staff to maximize tax collections.
- Establish a Discovery Unit co-led by both agencies to determine the overall audit plan for the State.
- Invest in aerial imagery to facilitate more frequent and accurate property tax assessments.

ESTIMATED ONE-TIME INVESTMENT AND BIENNIAL SAVINGS

Investment and savings ranges shown below reflect estimates of the impacts of A&M recommendations for federal funds, process, technology and shared services changes. These amounts are subject to change based upon the implementation strategies selected. In addition, potential costs associated with additional planning activities are not reflected in these estimates.

	Est. One-Time Investment (State Funds)		Est. Net Biennium Savings (State Funds)	
	Low	High	Low	High
Hire back 8 Audit Staff	\$ -	\$ -	\$ 4,800,000	\$ 9,600,000
Hire back 10 Collections Staff	0	0	7,000,000	14,000,000
Establish Discovery Unit	2,000,000	2,500,000	7,500,000	15,000,000
State Total	\$2,000,000	\$2,500,000	\$ 19,300,000	\$38,600,000
Local Impacts	1,992,000	1,992,000	852,305	2,142,679
Total	\$3,992,000	\$4,492,000	\$20,152,305	\$40,742,679

OTHER \$20 MILLION AGENCIES

Overview

- As a part of the State's efforts to drive efficiency, agencies were asked to submit reports detailing the work they had done to promote efficiency, non-priority programs, statutes that lead to inefficiency, and any recommended efficiencies.
- The A&M team reviewed the SAGE reports to understand the efficiency efforts of agencies with \$20 million budgets that were not included in the key assessment areas and identify any recommendations that should be further explored.
- Unlike the key assessment areas, the review of the other agencies was limited to the reports provided to the SAGE commission. Recommendations focus on opportunities for further study.

Observations

- Agencies often engage in one-off purchasing of technology solutions without consideration of statewide integration.
- GIS/aerial imagery technology could provide a number of benefits to the State in addition to property tax assessment.
- The Department of Corrections ended the in-prison substance abuse treatment program, which has contributed to an increase in inmate recidivism.
- A significant portion of the workers compensation debt reflects penalties and interests, and is largely uncollectable.

Recommendations

- Develop a structure where ETS must approve technology spending above a certain threshold.
- Identify opportunities to better integrate technology solutions across agencies.
- Expand exploration of aerial imagery solutions to identify to all purposes that the technology could serve.
- Evaluate opportunities to leverage Federal funds to increase healthcare services to inmates, particularly in the area of substance abuse prevention.
- Enable a debt write-off for outstanding workers compensation debt.

ESTIMATED ONE-TIME INVESTMENT AND BIENNIAL SAVINGS

Investment and savings ranges shown below reflect estimates of the impacts of A&M recommendations for federal funds, process, technology and shared services changes. These amounts are subject to change based upon the implementation strategies selected. In addition, potential costs associated with additional planning activities are not reflected in these estimates.

	Est. One-Time Investment		Est. Net Biennium Savings	
	Low	High	Low	High
Corrections Substance Abuse Program	\$ 2,272,015	\$ 2,272,015	\$ 4,735,218	\$15,368,490
Department of Transportation	0	0	285,680	405,680
Enable Workers Compensation Debt Write-off	0	0	1,000,000	1,500,000
State Total	\$2,272,015	\$2,272,015	\$6,020,898	\$17,274,170

APPENDIX B

Government Efficiency Study Summary of Recommendations: Post-2018 Session Status

Agency	Recommendation	Action Level	A&M	Estimated time to	Est. Savings*	Est. Savings	Est. Savings	Post-2018 Session Status
			Page #	Full Implementation	12/31/2018	6/30/2019	12/31/2019	2018 Session Legislative actions related to recommendations
WDH	Telemedicine Expansion	Immediate	Pg 11, 82, 92	6 months	0	64,977	129,955	No 2018 Legislative Action.*
WDH	Indian Health Services	Immediate with Budget	Pg 11, 87, 92	12-24 months	0	1,102,507	5,512,535	No 2018 Legislative Action.*
WDH	Home and Community Based Services Expansion	Immediate with Budget	Pg 11, 86, 92	12-24 months	0	440,231	2,201,156	2018 HB 0001 appropriated half of the WDH's \$6.6 million exception request for increased HCBS long term care waiver services; other half of exception request funding was set-aside pending further Legislative appropriation in 2019; also appropriated \$20 million (\$10M GF and \$10M FF) for Developmental/Intellectual Disabilities Waivers
WDH	Electronic Visit Verification	Immediate with Budget	Pg 11, 84, 92	12-18 months	0	1,644,155	3,288,309	No 2018 Legislative Action.*
WDE	Special Education	Legislative	Pg 56-57, 69	6-12 months	0	0	0	2018 HB 0140 amended W.S. 21-13-321: (b) ... <u>The statewide total amount reimbursed under this section in school year 2019-2020 or 2020-2021 shall not exceed the statewide total amount reimbursed under this section in school year 2018-2019, notwithstanding any additional appropriation for that purpose by the legislature.</u> Also, the bill specifies in Section 4 that the WDE shall review <u>state statutes</u> and its <u>rules relating to special education</u> for any possible fiscal efficiencies, and report to the JEC by June 1, 2018 suggested changes to statute or rule and any rulemaking conducted as a result of its review. The WDE must also, on or before January 1, 2019, establish statewide guidelines for adequate special education staffing levels.
WDE	School Nutrition	Immediate with Budget	Pg 56-57, 69	12-18 months	0	1,739,880	5,219,639	No 2018 Legislative Action
WDE	School Based Medicaid Services	Legislative	Pg 56-57, 65-66, 69	6-12 months	0	2,250,000	4,500,000	No 2018 Legislative Action. School Districts could continue to explore recommendation implementation
WDE	Consolidated Benefit Plan	Legislative	Pg 30, 58, 69	12 months	0	4,236,368	8,472,736	No 2018 Legislative Action
WDE	Cooperative Purchasing Plans	Legislative	Pg 43, 58, 60, 64, 68, 69	12-18 months	0	2,105,642	4,211,285	2018 HB 0001 requires the Department of Enterprise Technology Services to study the feasibility of bulk technology purchasing programs for school districts (Section 2, Section 077, Footnote #1)
WDE	Regional Shared Services Model	Legislative	Pg 64, 67, 69	12-24 months	0	0	1,600,134	2018 SF 120 creates the State Savings and Efficiency Initiatives Account and authorizes the Governor's Office to fund projects related to this recommendation (Section 1(c)(ii));
A&I	Establish a Governor's Grants Office	Legislative or Executive	Pg 13, 42, 46, 47	6-12 months	0	562,500	1,125,000	2018 SF 120 authorizes the Governor to designate staff to provide assistance in obtaining, tracking and monitoring federal grant funding and to work with the State Auditor to develop a grants management system (Section 1(j))
A&I	Surplus Asset Sales	Executive	Pg 47	3-6 months	0	2,375,000	2,375,000	No 2018 Legislative Action.*

Government Efficiency Study Summary of Recommendations: Post-2018 Session Status

Agency	Recommendation	Action Level	A&M	Estimated time to	Est. Savings*	Est. Savings	Est. Savings	Post-2018 Session Status
			Page #	Full Implementation	12/31/2018	6/30/2019	12/31/2019	2018 Session Legislative actions related to recommendations
A&I	Space Utilization Study	Legislative	Pg 44, 47	12-24 months	0	0	0	No 2018 Legislative Action.*
A&I	Expand Motor Pool Shared Services	Immediate	Pg 45	6-12 months	0	18,750	37,500	No 2018 Legislative Action.*
A&I	Establish a Performance Based Budgeting Approach	Immediate	Pg 42, 47	12-24 months	0	0	0	2018 SF 120 creates the State Savings and Efficiency Initiatives Account and authorizes the Governor's Office to fund projects related to this recommendation (Section 1(c)(viii)); <i>impact of implementation may be dependent on coordination and cooperation with Legislature/JAC in working through overall budget request and appropriations process</i>
WDR/Audit	Hire back 8 Audit Staff	Executive	Pg 102, 106	3-6 months	0	900,000	2,700,000	2018 HB 0001 appropriated 5 Additional audit positions (2 for DOR and 3 for DOA; approp. \$786,000, 95% GF), and includes reporting requirements for December 31, 2019 and June 30, 2020 (Section 2, Sections 011 and 021, Footnote #3 and Footnote #1 , respectfully)
WDR/Audit	Hire back 10 Collections Staff	Executive	Pg 102, 106	3-6 months	0	1,312,500	3,937,500	No 2018 Legislative Action
WDR/Audit	Establish Discovery Unit	Legislative or Executive	Pg 13, 100-104, 106	12-24 months	0	1,406,250	2,812,500	No 2018 Legislative Action.*
WDR/Audit	Local Property Tax	Immediate with Budget	Pg 103, 106	12-18 months	0	374,373	748,746	No 2018 Legislative Action
Cross-Agency	Statewide Strategic Sourcing Exercise	Immediate with Budget	Pg 31-32	12-24 months	0	937,500	2,812,500	2018 SF 120 creates the State Savings and Efficiency Initiatives Account and authorizes the Governor's Office to fund projects related to this recommendation (Section 1(c)(vi)); 2018 HB 0001 requires state agencies to use the Department of Enterprise Technology Services semi-annual technology purchasing program and report to the Legislature on savings (Section 324)
Cross-Agency	Electronic Payment of Pension Benefits	Legislative	Pg 29	12 months	0	80,000	160,000	Individual legislator considered idea for the 2018 Session but after discussion with agencies, legislation was not pursued
Cross-Agency	Direct Deposit of Employee Contributions	Legislative	Pg 29	12 months	0	322,875	645,750	Individual legislator considered idea for the 2018 Session but after discussion with agencies, legislation was not pursued
Cross-Agency	Implement Span of Control Changes	Executive	Pg 33	12-24 months	0	919,574	2,758,722	2018 SF 120 creates the State Savings and Efficiency Initiatives Account and authorizes the Governor's Office to fund projects related to this recommendation (Section 1(c)(iv))
Cross-Agency	Employee Benefits Revisions	Legislative	Pg 30	12 months	0	3,750,000	7,500,000	No 2018 Legislative Action to change benefit statutes. 2018 HB 0001 changed funding support for retiree health insurance (current benefit payments and the 0.6% pre-payment amount) for total \$8.0 million GF, \$634,000 FF, and \$1.4 million OF savings to the FY2019-2020 biennium only.
Other \$20M	Corrections Substance Abuse Program	Immediate with Budget	Pg 111, 120	12-18 months	0	0	2,512,964	2018 HB 0001 appropriated \$3.7 million additional GF and TT for re-establishing some SA treatment programs that were discontinued with previous budget cuts

Government Efficiency Study Summary of Recommendations: Post-2018 Session Status

Agency	Recommendation	Action Level	A&M	Estimated time to	Est. Savings*	Est. Savings	Est. Savings	Post-2018 Session Status
			Page #	Full Implementation	12/31/2018	6/30/2019	12/31/2019	2018 Session Legislative actions related to recommendations
Other \$20M	Department of Transportation	Executive	Pg 114, 120	6-12 months	0	86,420	172,840	No 2018 Legislative Action
Other \$20M	Enable Workers Compensation Debt Write-off	Executive	Pg 119, 120	6 months	0	625,000	625,000	No 2018 Legislative Action
Executive Summary	Establish a PMO	Executive	Pg 13	12-24 months				2018 SF 120 creates the State Savings and Efficiency Initiatives Account and authorizes the Governor's Office to accept proposals and fund projects, for which savings shall be identified and quantified according to adopted procedures and standards/methods (Section 1(c), (d), & (e))
Executive Summary	Conduct an Organizational Study	Executive	Pg 13, 41, 80	6 months				2018 SF 120 creates the State Savings and Efficiency Initiatives Account and authorizes the Governor's Office to fund projects related to this recommendation (Section 1(c)(iv))
Executive Summary	Technology Integration Study	Executive	Pg 13, 28, 42, 85, 112	6 months				2018 SF 120 creates the State Savings and Efficiency Initiatives Account and authorizes the Governor's Office to fund projects related to this recommendation (Section 1(c)(i))
Executive Summary	Other Agency Reviews	Executive	Pg 13	3-6 months				2018 SF 120 creates the State Savings and Efficiency Initiatives Account and authorizes the Governor's Office to fund projects related to this recommendation (Section 1(c)(iii & vii)); 2018 HB 0001 requires reviews/reporting of various agencies or programs for efficiencies/necessities: WDE reviews of St. Stephens school and national teacher certification program (Section 206, Footnotes #2 & #3); Environmental Quality Council (Section 220); University Medical Residency program (Section 324 Task Force); 2018 Joint Appropriations and Joint Labor Interim Committees studying potential change in operation or ownership of Wyoming Retirement Center and Wyoming Pioneer Home
Executive Summary	Annual Ideas Festival	Legislative	Pg 11	6 months				2018 SF 120 creates the State Savings and Efficiency Initiatives Account and authorizes the Governor's Office to fund events related to this recommendation (Section 1(k))

* Executive Branch could continue to explore recommendation implementation under current agency authorizations (e.g. statutes, appropriations, etc.)

APPENDIX C



Updated: June 18, 2018

GOVERNMENT EFFICIENCY COMMISSION

June 19, 2018 | 10:00 AM
Jonah Business Center, Room L54
3001 E. Pershing
Cheyenne, WY

Livestream available on the Legislature's website at www.wyoleg.gov

This proposed agenda sets forth the order in which the Committee may consider each topic. The agenda is subject to revision and all times listed are tentative and may be subject to change. If a topic is concluded early, the Committee will proceed to the next topic. For multiple day meetings, topics not completed on the indicated day may be carried over to the next day. Breaks will be taken as necessary.

Tuesday, June 19, 2018

- 10:00 AM 1. Call to Order
- Introduction of Commission members
 - Election of chair
 - Adoption of rules
- 10:30 AM 2. Commission Duties
- Legislative direction pursuant to Wyoming Session Laws, Ch. 112, Section 2
- 10:45 AM 3. Update on Executive Branch Efficiency Projects and Consultant Selection
- *Michelle Panos, Policy Advisor, Office of Governor Matthew H. Mead*
- 11:30 AM 4. Receive Efficiency Reports and Updates (Topic continues after lunch break)
- Span of Control Study
 - *Dean Fausset, Director, Department of Administration and Information*
 - Strategic Bulk Technology Purchasing
 - *Tony Young, Chief Information Officer, Department of Enterprise Technology Services*
 - Special Education and Transportation Efficiency Review
 - *Dicky Shanor, Chief of Staff, Wyoming Department of Education*
 - *Jed Cicarelli, School Foundation Program, Wyoming Department of Education*
 - Vendor Self Service
 - *Cynthia Cloud, Wyoming State Auditor*
- 12:00 PM 5. Lunch

- 1:30 PM 6. Receive Efficiency Reports and Updates (Cont.)
- 3:00 PM 7. Public Comment
- 3:30 PM 8. Review Future Meeting Dates and Potential Agenda Items
- 3:45 PM 9. Adjourn

**NOTE: In accordance with Management Council policy, opportunity for public comment will also be provided upon the conclusion of each topic.*

APPENDIX D



Updated: October 08, 2018

GOVERNMENT EFFICIENCY COMMISSION

October 9, 2018 | 9:00 AM

Jonah Business Center, Room L54

3001 E. Pershing Blvd.

Cheyenne, Wyoming

Livestream available on the Legislature's website at www.wyoleg.gov

This proposed agenda sets forth the order in which the Committee may consider each topic. The agenda is subject to revision and all times listed are tentative and may be subject to change. If a topic is concluded early, the Committee will proceed to the next topic. For multiple day meetings, topics not completed on the indicated day may be carried over to the next day. Breaks will be taken as necessary.

TUESDAY, OCTOBER 9, 2018

9:00 AM 1. Call to Order

- Roll call
- Chairman opening remarks
- Approval of June 19, 2018 meeting minutes

9:10 AM 2. Governor's Office

- *Michelle Panos, Policy Advisor, Governor's Office*
 - Update on transition planning for next Governor related to savings and efficiency projects
 - Update on the Project Management Office (PMO)

9:45 AM 3. Department of Administration and Information (A&I): Agency Update

- *Dean Fausset, Director, Department of A&I*
 - Span of control study
 - Motor pool operations study
 - Space utilization study
 - AIMS for General Services utility and maintenance program management
 - IBARS budgeting system upgrade project

10:45 AM 4. Management Audit Committee Report: State Procurement and Leasing (September 2018)

- *LSO Staff*
- *Dean Fausset, Director, Department of A&I*
 - Strategic sourcing discussion

11:15 AM 5. State Auditor's Office (SAO): Agency Update

- *Cynthia Cloud, State Auditor*
 - Transition planning for next Auditor related to Efficiency Commission work and SAO efficiency initiatives
 - Vendor Self Service project

- WOLFS 3.11 upgrade
- State financial transparency reporting

12:00 PM 6. Lunch

1:00 PM 7. Department of Enterprise Technology Services (ETS): Agency Update

- *Tony Young, Chief Information Officer, ETS*
 - Bulk computer purchasing
 - Enterprise solution for electronic signatures
 - Cybersecurity issues

2:00 PM 8. Wyoming Department of Education (WDE): Agency Update

- *Dicky Shanor, Chief of Staff, WDE*
- *Trent Carroll, Finance Director, WDE*
 - Special education savings and efficiencies
 - School district transportation savings and efficiencies
 - Summary of Joint Education Interim Committee action taken at its September 27-28 meeting related to savings and efficiency projects
 - *LSO Staff*
 - Federal food program participation
 - Consolidated purchasing for school district employee benefit plans
 - Cooperative purchasing by districts
 - Regional/shared administrative service units for districts

3:00 PM 9. General Public Comment

3:30 PM 10. Efficiency Commission Directives to LSO

- Next meeting date?
- Commission Report to Governor, Management Council, Joint Appropriations Committee (due November 30, 2018)

4:00 PM 11. Adjourn

**NOTE: In accordance with Management Council policy, opportunity for public comment will also be provided upon the conclusion of each topic.*

APPENDIX E



WYOMING SENATE DISTRICT 29

November 7, 2018

Joint Appropriations Committee Members,

I write to inform you of the Span of Control Review prepared by the Department of Administration and Information's Human Resources Division (Human Resources Division). This report was presented to the Wyoming Spending and Government Efficiency Commission ("Government Efficiency Commission") on October 9, 2018 and can be found on the Legislative Service Office (LSO) website: <https://www.wyoleg.gov/InterimCommittee/2018/SGE-20181009AI-GovernmentEfficiencyCommission-StateSpanofControlstudy.pdf>

This report evaluates worker-to-supervisor ratios ("span of control") of 91% of state executive branch employees across 19 state agencies, excluding the University of Wyoming, Community Colleges, and the offices of the state's elected officials. The report originates from a finding in the 2017 Alvarez and Marsal report submitted to the 2017 Government Efficiency Commission, which found the supervisory span of control in state agencies was at a ratio of 4:1 (4 workers:1 supervisor), below standard benchmarks of 6-8:1 and significantly below best in class levels of 12-13:1. The Alvarez and Marsal report recommended the state conduct a review of the state agencies' span of control.

The Span of Control Review conducted by the Human Resources Division found the average span of control for the 19 agencies reviewed ranged from 2.64:1 to 6.5:1 and that agencies have up to 10 organizational layers between the agency director and frontline workers. The main findings included:

- Efficiencies and savings can occur through achieving an optimum span of control;
- The span of control decreased in recent years due to budget cuts;
- Short and long-term increases in agencies' span of control can and are being made because of agency reviews;
- Longer-term changes need to be made carefully to avoid sacrificing effectiveness for efficiency; and
- It is better to make span of control decisions agency by agency rather than through across-the-board directives.

The Span of Control Review recommendations are as follows:

- Span of control should be a part of the Human Resources Division and agencies' routine reviews;
- Agencies requesting more positions or fewer positions should explain the impact on span of control and organizational layers in their statement(s) of need; and
- Agency heads should review cases and capitalize where span of control could be improved.

The appendix of the Span of Control Review provides information for each of the 19 agencies. It includes each agency's span of control ratio with and without temporary positions, the number of organizational layers at the agency, a history of the agency's span of control, statutory, administration or other barriers to improving the span of control, and the agency's short and long-term plans to improve efficiencies.

I recommend the use of the Span of Control Review during agency budget hearings and consideration of the findings and recommendations contained therein as you develop the 2019 supplemental budget bill and future agency budgets. Specifically, I propose the following:

- That the actual organizational charts developed during the span of control study be incorporated into each agency's budget request with position numbers included where appropriate or practical; and
- That any agency or departmental reorganization include revisions to organizational charts and span of control considerations with specific justification for any span of control below the targeted ratios.

Sincerely,



Senator Drew Perkins
Chairman, Government Efficiency Commission

Cc:
Members, Government Efficiency Commission
Don Richards, LSO Budget/Fiscal Administrator

APPENDIX F



Updated: November 07, 2018

GOVERNMENT EFFICIENCY COMMISSION

November 13, 2018 | 9:00 AM

Jonah Business Center, L54

3001 E. Pershing Blvd.

Cheyenne, Wyoming

Livestream available on the Legislature's website at www.wyoleg.gov

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TUESDAY, NOVEMBER 13, 2018

9:00 AM 1. Call to Order

- Roll Call
- Chairman opening remarks
- Approval of October 9, 2018 meeting minutes

9:10 AM 2. Governor's Office and Project Management Office (PMO) Consultant

- *Michelle Panos, Policy Advisor, Governor's Office*
- *John "J.W." Rust, Senior Director and Project Manager, Alvarez and Marsal*
 - Discussion of plans for the 2019 interim, efficiency work completed to-date, recommendations for incorporating efficiency projects into agency budgets, and suggestions for Commission action
 - Update on transition planning with Governor-elect related to PMO and efficiency and savings projects

10:30 AM 3. State Auditor's Office (SAO)

- Update on transition planning with Auditor-elect related to efficiency and savings projects
 - *Cynthia Cloud, State Auditor*

10:45 AM 4. Public Comment

11:00 AM 5. Efficiency Commission Report

- *LSO Staff*
 - Commission interim work summary
 - Recommendations to Governor, Legislature's Management Council and Joint Appropriations Committee

12:00 PM 6. Efficiency Commission Directives to LSO

- Commission report components and final approval
- Next meeting date

12:15 PM 7. Adjourn

**NOTE: In accordance with Management Council policy, opportunity for public comment will also be provided upon the conclusion of each topic.*

APPENDIX G



Wyoming Government Savings and Efficiency Project

Testimony

ALVAREZ & MARSAL

November 13, 2018

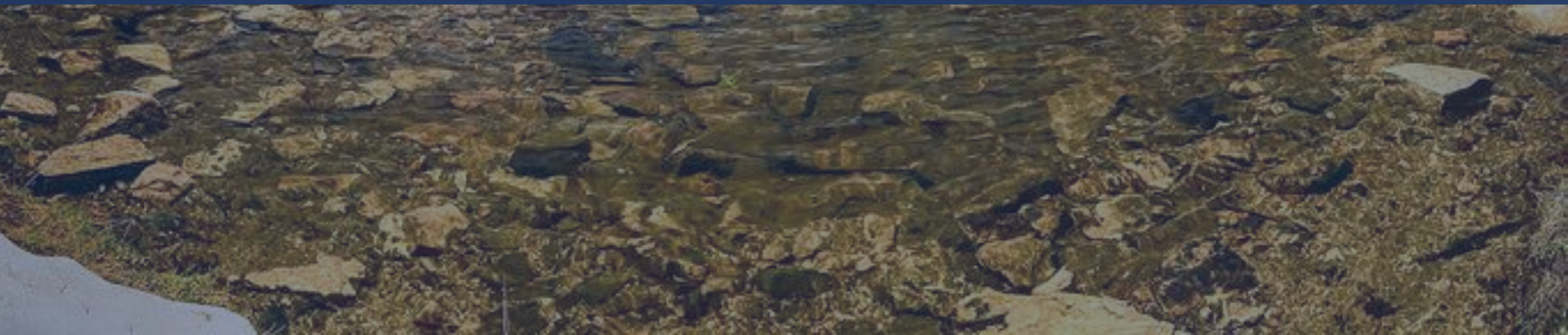


Table of Contents

- Project Overview
- Overview and Responsibilities of the Governance Board
- Overview of the PMO Responsibilities
- Overview of Strategic Sourcing
- Project Schedule and Next Steps

Project Charter

Alvarez & Marsal (A&M) has been re-engaged by the Office of the Governor of the State of Wyoming to continue the efficiency work initiated by the Spending and Government Efficiency (SAGE) Commission in 2017.

This phase will include a detailed design of the recommendations set forth in the 2017 Statewide Efficiency Study, to expand the analysis across all major agencies, and to support implementation of those recommendations in order to realize savings.

To improve the state's operations and lay a framework for longer-term transformation A&M's involvement in the 2018 Wyoming Savings and Efficiency Project will include:

- Establishing a Project Management Office
- Implementing the appropriate project management tools
- Developing a framework to identify and quantify savings associated with efficiency projects
- Designing the Business Case and Implementation Plans for select project work streams
- Driving project execution
- Monitoring and reporting on progress of efficiency initiatives
- Identifying additional projects the state should pursue

Project Status Report

Wyoming Statewide Efficiency Project
(Phase 2)

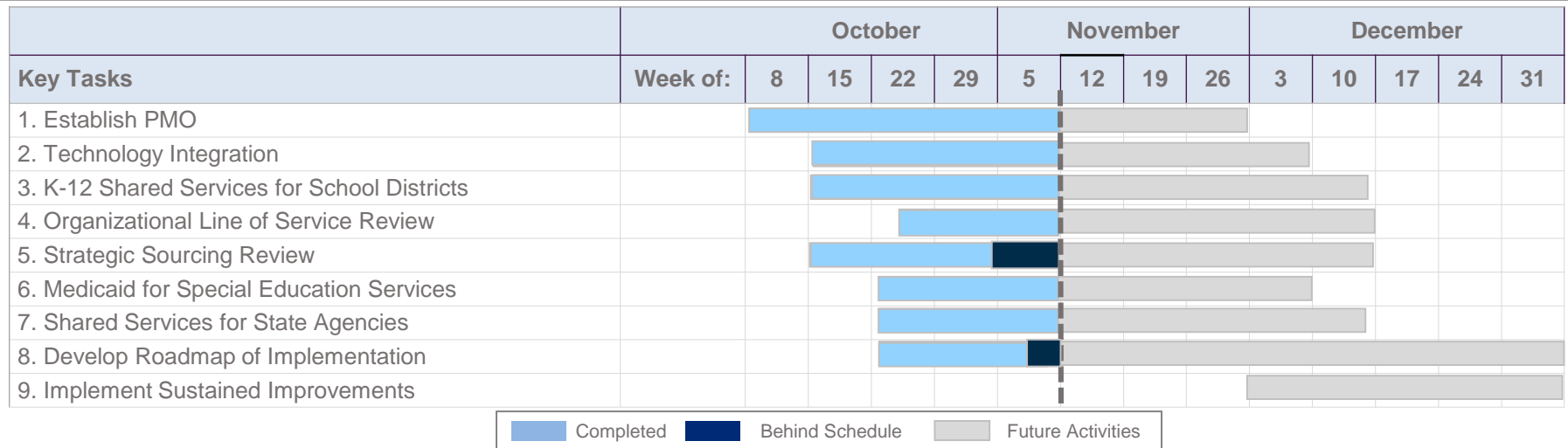
Overall Project Status:



Project Manager:
JW Rust

Date
11/13/2018

Detailed Project Progress



New/Updated Project Risks/Issues

ID	Description	Mitigation	Status	Owner
1	Finalize PMO tool selection	Schedule follow-up review with ETS and Governor's Office	●	J. Rust
2	Have not received all necessary data to complete in-depth analysis and formulate recommendations	Continue to follow-up on outstanding data requests and escalate when necessary	✓	C. Clower
3				

Previous Week's Key Accomplishments




- Conducted workstream kick-off meetings with agency leadership and stakeholders across the different workstreams
- Submitted data requests, started in-depth data analysis, and submitted clarifying questions and data requests
- Developed PMO Charter and Other Artifacts

Key Upcoming Tasks:

- Continue stakeholder interviews and data analysis
- Select official PMO Tool and develop implementation plans
- Finalize Recommendations and Develop Business Cases

Risk Level
 ● Low
 ● Moderate
 ● High
 ✓ Mitigated/Avoided

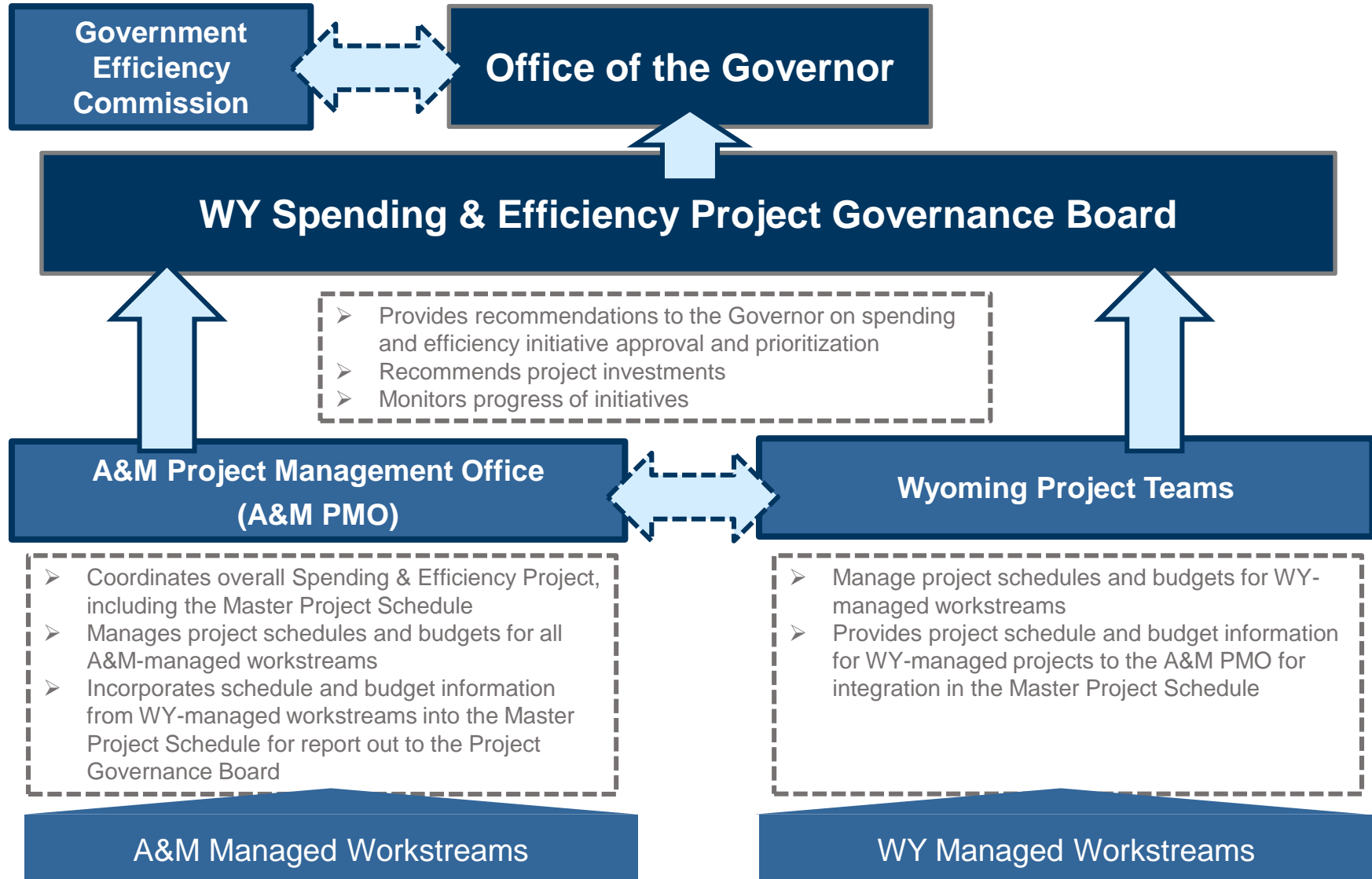
Efficiency Project - “Where we have been, Where we are going”

Phase 1 Recommendations 	Agency Initiatives Projects 	Next Steps 
<p>Efficiency Assessment</p> <ul style="list-style-type: none">• Rapid assessment of four key agencies (Administration, Education, Health, and Revenue) and review of efficiency plans for agencies with budgets over \$20 million <p>Final Commission Report</p> <ul style="list-style-type: none">• A&M presented recommendations on improving financial and operational efficiency to the SAGE Commission	<p>Dept of Administration</p> <ul style="list-style-type: none">• Span of control study• Motor pool operations study• Space utilization study• IBARS budgeting system upgrade <p>Enterprise Technology</p> <ul style="list-style-type: none">• Vendor self service project <p>State Auditors Office</p> <ul style="list-style-type: none">• Vendor self service project <p>Dept of Education</p> <ul style="list-style-type: none">• Special Education and Transportation Efficiency Review	<p>Stand-up PMO</p> <ul style="list-style-type: none">• Creating tools to project management• Developing a framework to identify and quantify savings associated with efficiency projects• Coordinate A&M and WY project teams <p>Project Evaluation</p> <ul style="list-style-type: none">• Identifying additional projects the state should pursue• Prioritization Meeting <p>Project Execution</p> <ul style="list-style-type: none">• Individual efficiency project workstream kick-off meetings• Driving project execution• Monitoring and reporting on progress of initiatives

Efficiency Project Workstreams

Project Management Office	Technology Integration	K-12 Shared Services for School Districts	Shared Services for State Agencies	Organizational Line of Service Review	Strategic Sourcing Review	Medicaid for Special Education Services
A&M Team: <ul style="list-style-type: none"> Erin Covington J.W. Rust Sheena Gordon Connor Ginsberg 	A&M Team: <ul style="list-style-type: none"> Jim Childress Connor Ginsberg Randy Tucker Andrew Chludzinski Mike Ciccarone 	A&M Team: <ul style="list-style-type: none"> Erin Covington Jim Whitmore Connor Ginsberg 	A&M Team: <ul style="list-style-type: none"> Cody Chenault Mark Krueger Rachael Onserio 	A&M Team: <ul style="list-style-type: none"> Nancy Zielke Sheena Gordon Ian Collins 	A&M Team: <ul style="list-style-type: none"> Cyndi Joiner Tom Kness Chris Clower Paul Kiekhaefer 	A&M Team: <ul style="list-style-type: none"> J.T. Lane Caroline Brazeel Kristy Huang
State Team Leads: <ul style="list-style-type: none"> Michelle Panos 	State Team Leads: <ul style="list-style-type: none"> Tony Young 	State Team Leads: <ul style="list-style-type: none"> Kim Morrow 	State Team Leads: <ul style="list-style-type: none"> Tricia Bach 	State Team Leads: <ul style="list-style-type: none"> Tony Lewis 	State Team Leads: <ul style="list-style-type: none"> Lori Galles 	State Team Leads: <ul style="list-style-type: none"> Dicky Shanor Teri Green
Key Activities: <ul style="list-style-type: none"> Establish the project management office Stakeholder outreach and training Collect and evaluate project submissions Project execution Monitor projects and measure performance 	Key Activities: <ul style="list-style-type: none"> Understand enterprise and agency needs Gather data Analyze and validate data Communicate implementation roadmap 	Key Activities: <ul style="list-style-type: none"> Develop share services strategy Conduct performance assessment Identify improvement opportunities Design service model Communicate shared services roadmap 	Key Activities: <ul style="list-style-type: none"> Stakeholder outreach and assessment Develop region service center strategy Win stakeholder buy-in Design service model Communicate roadmap to stand up service centers 	Key Activities: <ul style="list-style-type: none"> Conduct key stakeholder interviews Conduct organizational assessments Report findings to key stakeholders Develop change management plan Communicate implementation roadmap 	Key Activities: <ul style="list-style-type: none"> Conduct opportunity assessment Define business requirements Conduct market analysis Develop category strategy 	Key Activities: <ul style="list-style-type: none"> Review existing school-based health practices Define and validate capacity building needs Develop service model Communicate implementation roadmap

Project Governance Model



Project Governance Board Responsibilities

The Governance Board will provide recommendations to the Governor with regard to project priorities, the selection of efficiency initiatives, and monitoring of project progress.

Establishing Project Priorities

- Develop factors that will determine a project's value
- Assign weightings to the factors
- Make recommendations to the Governor on the resulting framework that will drive project prioritization

Selection of Efficiency Initiatives

- Review project business cases
- Provide recommendations to the Governor on projects that should be approved and the level of investment

Monitoring Project Progress

- Review progress of approved initiatives
- Monitor key performance metrics to measure and estimate the impact
- Provide recommendations on project adjustment or cancelation

Project Management Office (PMO)

PMO function will ensure that new project and opportunities are designed and implemented in a systematically, on-time, and on-budget



Goals

- Establish the leadership and governance processes as well as long and short term goals
- Make all roles and responsibilities clear and ensure that that vision and goals are articulated
- Conduct outreach to key stakeholders to train them on tools and templates
- Work with teams to complete templates planning documents and conduct project evaluation
- Develop overall project roadmap
- Establish project communication protocols to ensure that is going according to plan and PMO is receiving status updates
- Monitor projects by collecting and analyzing feedback
- Auditing compliance to ensure adherence with all protocols set up earlier

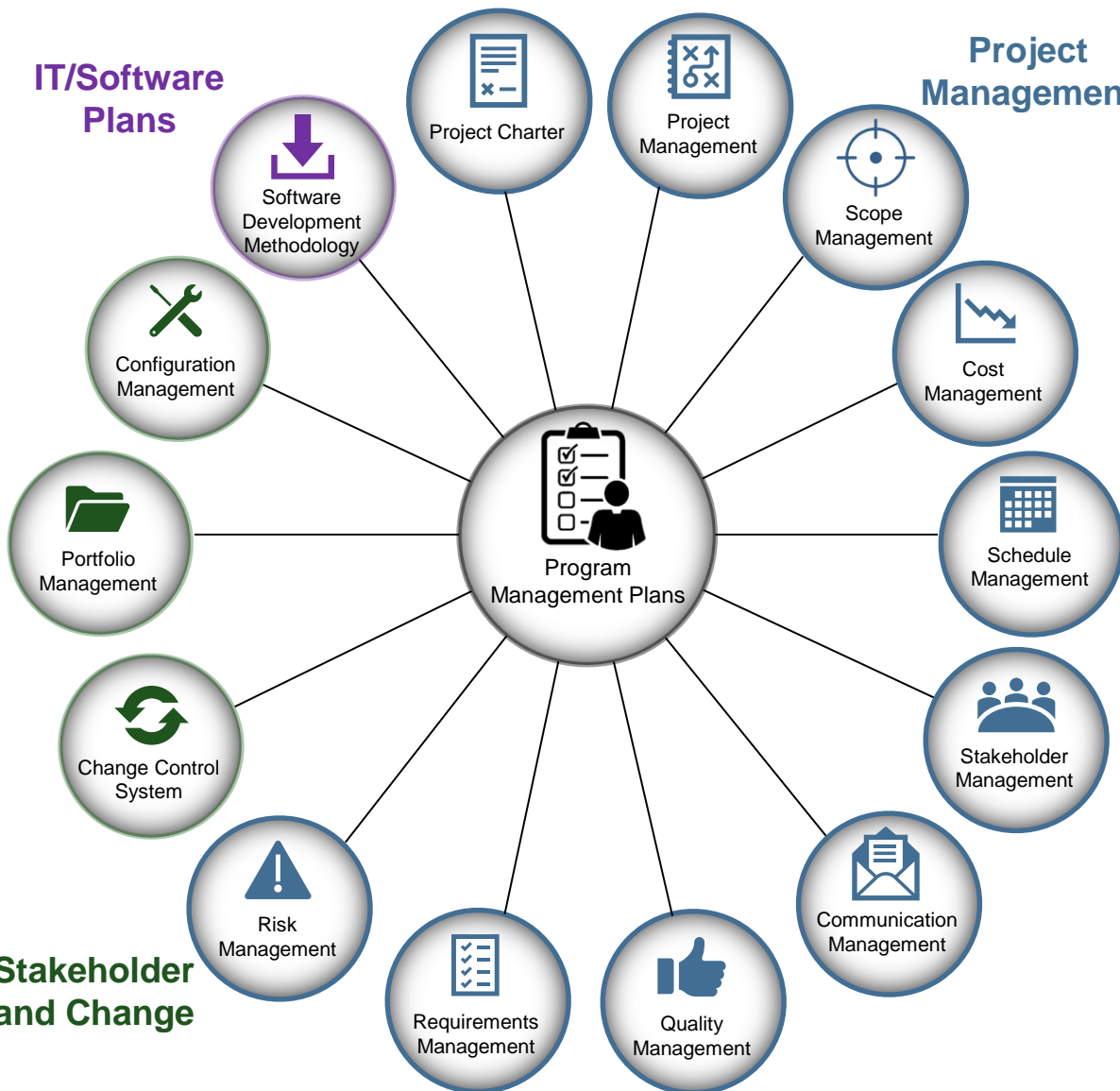
Key Outcomes/Deliverables

- PMO Vision and Goals
- Roles and Responsibilities
- PMO Tools and Templates
- Stakeholder buy-in
- Project business cases
- Implementation plan with final project planning documents
- Risk Management Plan
- Ongoing project reporting (status reports, scope updates, risk management updates)
- Progress reports
- Final transition report

Program Management Collateral

IT/Software Plans

Project Management



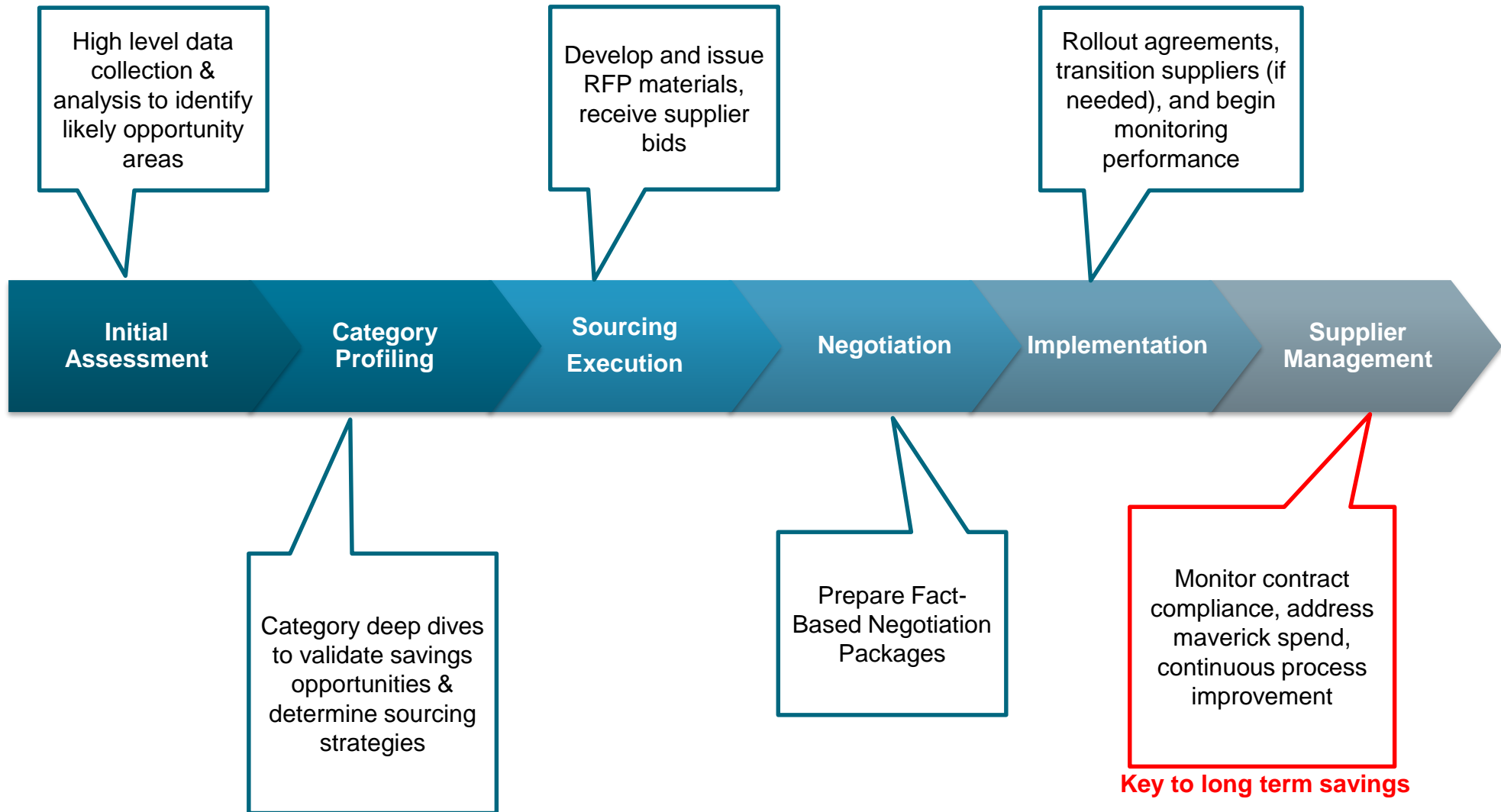
Stakeholder and Change

Structured Program Management ensures that project implementation is done in a systematic manner

Component	Description
Project Charter	▶ Document that formally authorizes the existence of a project
Project Management Plan	▶ Document that describes how the project will be executed, monitored, controlled, and closed
Scope Management Plan	▶ Component describing how scope will be defined, developed, monitored, controlled, and validated
Cost Management Plan	▶ Component describing how costs will be planned, structured, and controlled
Schedule Management Plan	▶ Component that establishes the criteria / activities for developing, monitoring, and controlling the schedule
Portfolio Management Plan	▶ Document that specifies how a portfolio will be organized, monitored, and controlled
Communication Management Plan	▶ Component describing how, when, and by whom information will be administered and disseminated
Stakeholder Management Plan	▶ Component listing actions for productive involvement of stakeholders in project decision making/execution
Configuration Management Plan	▶ Procedures used to track project artifacts and monitor and control changes to these artifacts
Risk Management Plan	▶ Component describing how risk management activities will be structured and performed
Quality Management Plan	▶ Component describing how an organization's policies, procedures, and guidelines will be implemented to achieve the quality objectives
Software Development Method	▶ Framework used to structure, plan, and control the process of developing an information system
Requirement Management Plan	▶ Component describing how requirements will be analyzed, documented, and managed
Change Control System	▶ Set of procedures that describes how modifications to the project deliverables and documentation are managed and controlled

A&M Approach: Strategic Sourcing Process

A&M views the Strategic Sourcing process as the beginning of a long term supplier relationship

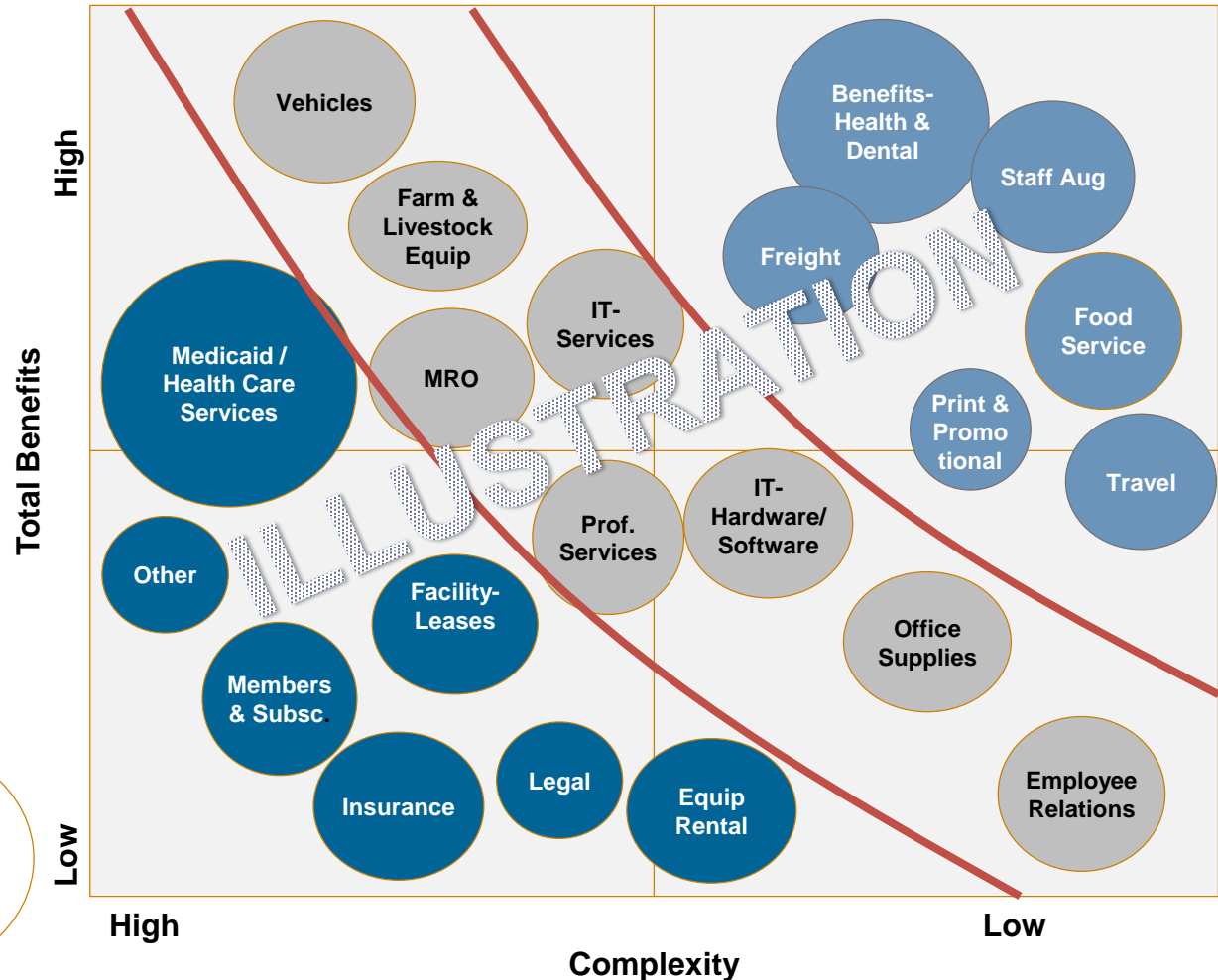
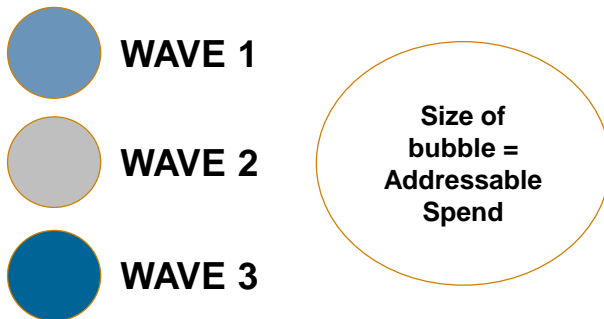


A&M Approach: Sourcing Opportunities Roadmap

A&M generally recommends a multi-wave sourcing roadmap to address the best opportunities first, while delivering continual improvements

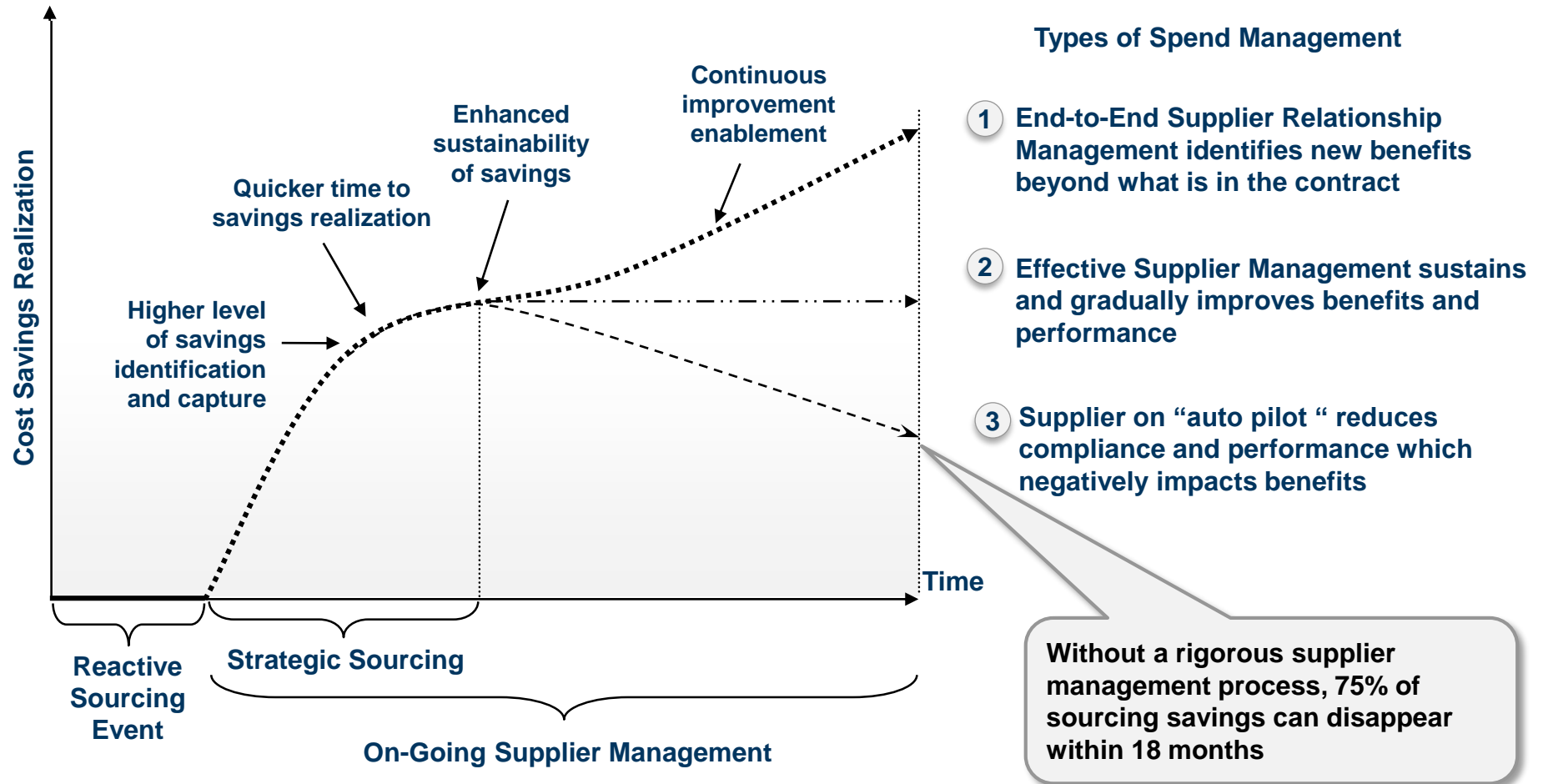
Prioritization and Analysis factors generally include:

- Savings Potential
- Ease of Implementation
- Contract Expiration/Out clause
- Technology Alignment
- Resource Availability
- Organizational Readiness
- Other Project Dependencies



Benefit “Leakage” Post-Contract Award

A structured Supplier Management process is required in order to sustain the benefits and drive continuous improvement after sourcing events



A&M Approach: Supplier Relationship Management

Supplier Management is a formal process of actively and continuously managing suppliers strategically to reduce risk and achieve a competitive advantage across the enterprise.

Supplier Performance Improvement

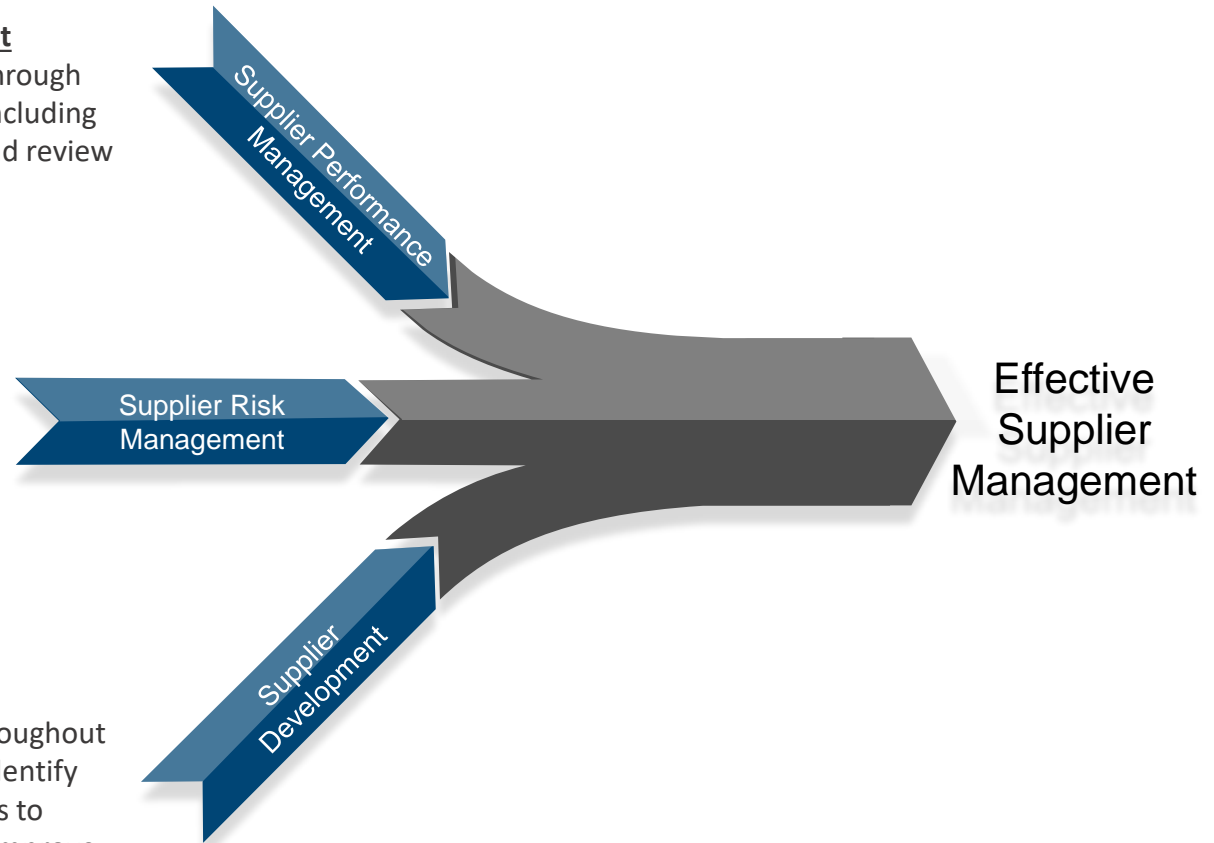
Reducing Total Cost of Ownership through systematic supplier management, including supplier score-carding, feedback, and review

Supplier Risk Management

Understanding critical suppliers through multiple dimensions: materiality and relevance, business impact associated with supplier unavailability, and probability of default

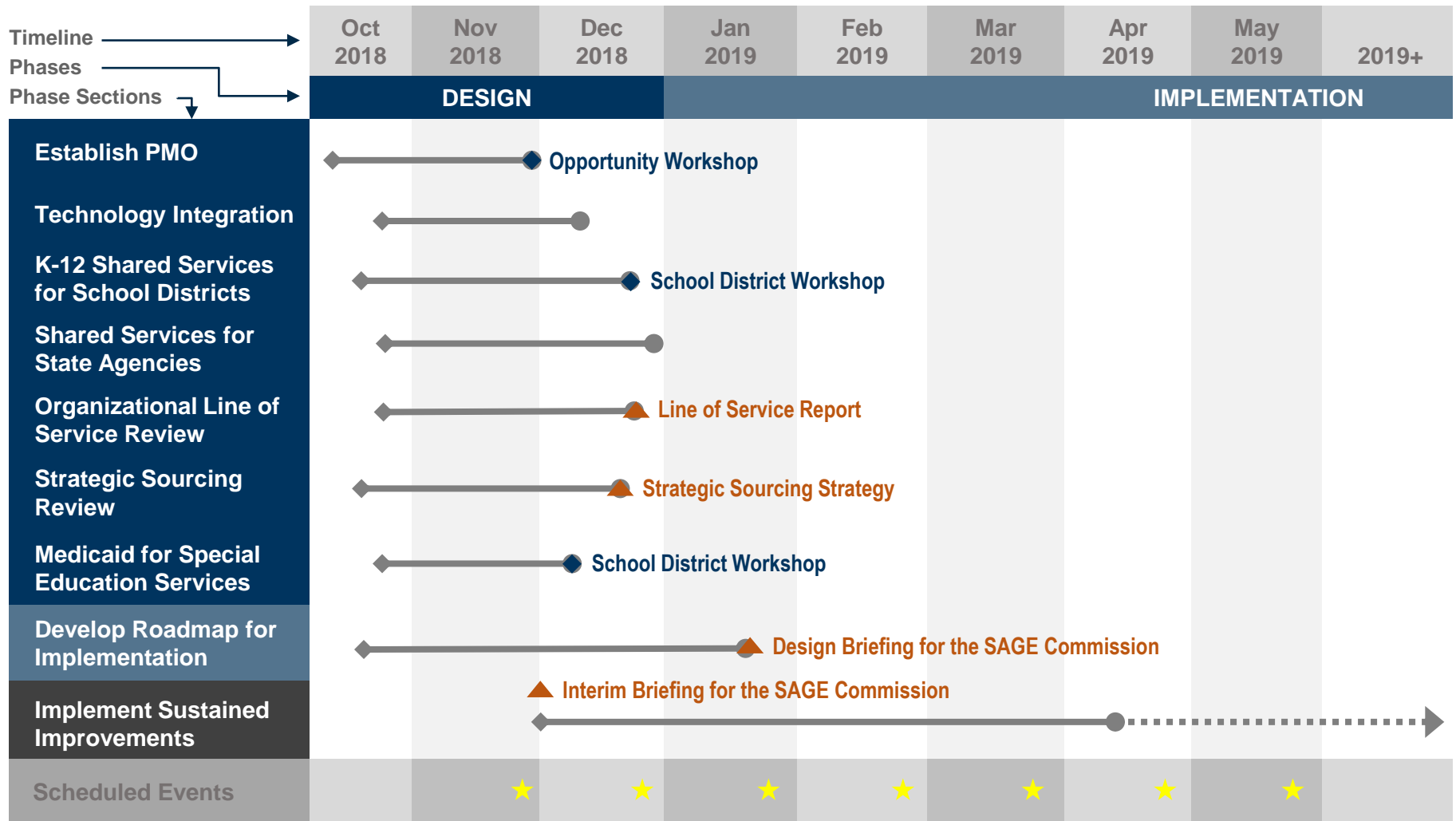
Supplier Development

Involvement and collaboration throughout the product / service lifecycle to identify value and innovation opportunities to eliminate waste, reduce cost and improve quality



Proposed Project Schedule

Detailed Timing for Statewide Fiscal and Operational Solutions Approach



Key:
 ★ Status Updates
 ◆ Briefings / Working Session
 ▲ Performance Objective
 ◆ Workstream
 ◆ - - - ► Additional Workstream / Timeline TBD

Team Calendar (October 2018 – March 2019)

October

M	T	W	T	F
1	2	3	4	5
8	9	10	11	12
15	16	17	18	19
22	23	24	25	26
29	30	31		

November

M	T	W	T	F
			1	2
5	6	7	8	9
12	13	14	15	16
19	20	21	22	23
26	27	28	29	30

December

M	T	W	T	F
3	4	5	6	7
10	11	12	13	14
17	18	19	20	21
24	25	26	27	28
31				

January

M	T	W	T	F
	1	2	3	4
7	8	9	10	11
14	15	16	17	18
21	22	23	24	25
28	29	30	31	

February

M	T	W	T	F
				1
4	5	6	7	8
11	12	13	14	15
18	19	20	21	22
25	26	27	28	

March

M	T	W	T	F
				1
4	5	6	7	8
11	12	13	14	15
18	19	20	21	22
25	26	27	28	29

Milestones

- I — PMO Project Kickoff
- II — Report (Draft & Final)
- III — Commission Briefing

Status Updates

- 1 — Weekly 2pm Conference Calls with Project Teams
- 2 — Biweekly Governance Board Updates

Agency Briefings

- A — Overall Kickoff
- B — Report Prep
- C — Final Review

Next Steps

- Prepare for interim report to the Government Efficiency Commission on 11/30
- Design Business Cases and Implementation Plans for each workstream
- Draft recommendations for incorporating efficiency projects
- Draft suggestions for Commission Action
- Support the transition team related to the PMO and efficiency savings projects

APPENDIX H

Commission and Agency Recommendations

Agency	Subject	Agency Administrative Recommendations	Use of Efficiency Initiative Account?
Department of Administration and Information (A&I)	Span of Control Study	Span of control and other organizational factors should be a part of HRD's and other agencies' routine reviews	
		Agencies going through the legislative process of requesting more positions or the elimination of positions should explain the impact on span of control and organizational layers in their statement(s) of need	
		Agency heads should review cases and capitalize on opportunities where span of control could be improved	
		Agency requests for A&I assistance in reorganizations should involve a discussion of how anticipated reorganization could improve efficiencies or outcomes	
	Motor Pool Operations Study	No recommendations (A&I anticipates a draft report in December 2018 with and a final report in January 2019)	
	Space Utilization Study	Revise State Building Commission Rules to implement new required standards in future space programming and facilities operation and use	
		Determine roles and responsibilities for implementation and enforcement	
		Develop office and workstation building assemblies and furniture standards	
Develop communication plan for dissemination of standards			
IBARS Upgrade	Determine whether to evaluate specific spaces/buildings for space reduction and cost savings		
	No recommendations (estimate complete upgrade by June 2019)		
Department of Administration and Information (A&I)	Asset Information and Management System (AiMS)	No recommendations (estimate complete integration by June 2019)	
	Strategic Purchasing (A&I and SAO primary participants)	Will require outside expertise to study before recommendations may be formulated and implemented	
Department of Enterprise Technology Services (ETS)	Statewide Bulk Purchasing	Continue to develop bulk purchasing standards and procedures and evaluate effectiveness	
	Cybersecurity	No recommendations	
	Enterprise Electronic Signature (e-signature) Solution	State could purchase an enterprise e-signature solution for approximately \$700,000-\$800,000 per biennium	X
Wyoming Department of Education (WDE)	Medicaid Reimbursement for Schools	See "Special Education" above	
	Efficiency Actions Already Taken (as of June 2018)	1) Reduction of contracts and memberships (est. \$4.5 million annual savings); 2) Electronic forms and signatures (\$5,000 annual savings); 3) Telecommunication equipment and service accounts (\$50,000 annual savings); 4) Travel reductions, vehicle elimination (\$9,000)	

Commission and Agency Recommendations

Agency	Subject	Agency Administrative Recommendations	Use of Efficiency Initiative Account?
Wyoming Department of Education (WDE)	Special Education	Coordinate with the Wyoming Department of Health to implement Medicaid billing for school-based services, which could result in annual savings of \$3-\$6 million	
		Promulgation of Chapter 44 rules to provide more detailed guidance to school districts on reimbursable special education expenditures	
		Review of identification guidelines and assessment of possible over-identification of students with disabilities	
		Review of the current special education programming across the state in an effort to share best practices and develop a platform for shared training and resources	
		Continue work on staffing guidelines per W.S. 21-2-202(a)(xxiii) and W.S. 21-13-321(f). The WDE will work with the task force to develop and implement staffing guidelines by January 1, 2019	
		Continued work to develop a monitoring protocol (results driven accountability model) to compare costs of special education services, and expanding to include an examination of costs	
		Standardization of costs for out-of-district placements (e.g. BOCES, residential treatment facilities, etc.)	
		Increased use of BOCES or other cooperative agreements to provide comparable services to students throughout the state including regional day treatment centers that may provide lower costs to districts	
	Transportation	Evaluate allowable reimbursements and amend agency rules: Chapters 2: Minimum Standards for Wyoming School Buses; and Chapter 20: Pupil Transportation Component Within the Education Resource Block Grant Model	
		Reinstate the lease-to-purchase option for busses	
	Districts' Bulk Purchasing	See "K12 Bulk Purchasing Feasibility Study," required by 2018 HB 1 (2018 Laws, Ch. 134, Section 2, Section 077, Footnote #1)	
	Shared/Regional Services for Schools	WDE assembled task force recommends providing more publication and technical assistance to identify opportunities for shared services and encourage district participation.	
	Shared/Regional Services for Schools	WDE assembled task force recommends examining the feasibility of developing regional education service units to provide cooperative services between school districts, and in some cases other state agencies. Cooperative services in transportation, professional development, virtual education, post-secondary enrollment programs, career technical education and general administrative services, including purchasing and procurement	
	School Nutritional Program	Per WDE data, there is not a trend of Wyoming districts withdrawing from the National School Lunch Program (NSLP). Out of 48 school districts, 45 currently participate in the program. Regardless, as nutrition is largely a local issue without funding from the funding model block grant, the WDE cannot require districts to participate in NSLP. As food service operations are considered self-funding, minimal state savings are projected	

Commission and Agency Recommendations

Agency	Subject	Agency Administrative Recommendations	Use of Efficiency Initiative Account?
State Auditor's Office	Open Data Transparency Initiative	Initiate an RFP to secure technology services for more efficient and effective State financial information transparency	
	Vendor Self Service Module	Fund vendor self-service module upgrade to WOLFS uniform accounting system (cost estimated at: \$551,679, including \$191,679 license catch-up, \$360,000 pilot consulting services)	X

Commission and Agency Recommendations

Agency	Subject	Agency Legislative Recommendations	Pursued by 2018 JEC? (Y/N) ¹
Wyoming Department of Education (WDE)	Special Education	Amend W.S. 21-4-401 to include the option to reimburse mileage costs of a parent or legal guardian of a special education student providing transportation	N
		Discussed coordination with the Wyoming Community College Commission to review past success of the Wyoming Teacher Shortage Loan Repayment Program to attract and retain qualified special education teachers and related services staff, and determine if the program could be reinstated (W.S. 21-7-601, which expired in June 2016)	N
	Transportation	Extend bus replacement schedules closer to the national average: 1) Amend W.S. 21-13-320(c)(ii) to read that “schedules specified by department rule and regulations, within 10% of the national average.” 2) Amend W.S. 21-13-320(f) to remove the language “In addition and for purposes of reimbursement under subsection (g) of this section, the department shall in consultation with the pupil transportation committee, establish a minimum, average and optimal replacement schedule for each school bus type or other student transportation vehicle type.” 3) W.S. 21-13-320(g)(iii)-(iv) could be repealed	N
		Create Incentives for sharing transportation services and buses: Amend W.S. 21-13-320(g)(ii) to read “a district’s fleet shall be commensurate with district ADM and comply with fleet size standards established by the department...”	N
		Legislature could purchase a statewide telematics system to allow all school districts to track and monitor bus fleet use and maintenance data for long-term efficiencies	N
		W.S. 21-13-320(m) could be repealed (bus purchase moratorium)	N
		W.S. 21-13-320(j)(i) could be amended to read “An amount equal to the average of transportation operations and maintenance expenditures for fiscal years 2014-15, 2015-16 and 2016- 17, with increases in subsequent years based on an external cost adjustment to account for inflationary factors	N
	Shared/Regional Services for Schools	Cooperative Service Incentive statute: Amend statute (W.S. 21-13-331) to include savings realized through shared services with BOCES allowing school districts to receive 50 percent of the documented cost savings and amend W.S. 21-13-331 to include bus sharing and asset transferring as part of the transportation cooperative services incentive	N
	Consolidated Schools' Employee Benefit Plans	No recommended action; the concept of a consolidated plan was presented to the Joint Education Interim Committee by LSO in September 2017 but no action was taken; WDE has not devoted any additional time or resources to the topic	N

¹ The Joint Education Interim Committee (JEC) was tasked with considering similar Department of Education efficiency/cost savings recommendations as the Efficiency Commission throughout the 2018 interim. As of the writing of the Commission's report, the JEC had not voted to pursue the legislative recommendations with sponsored bill drafts. Late interim decisions of the JEC are not reflected in this report.

Commission and Agency Recommendations

Agency	Subject	Commission Recommendations
Department of Administration and Information	Span of Control Study	Organizational charts developed during the study should be incorporated into each agency's budget request with position numbers included where appropriate or practical
		Any agency or departmental reorganization should include revisions to organizational charts and span of control considerations with specific justification for any span of control below the targeted ratios
	Space Utilization Study	Office space standards developed by A&I for use in state owned buildings in Cheyenne should also be applied, to the extent practicable, to state office spaces (leased or owned) throughout the state
		Similar to the current Casper State Office Building capital project, the State should study the feasibility and potential efficiencies/cost savings of additional consolidation of State agencies' office space in other communities around the state. This study should focus on agencies satellite offices with an initial reduction in State-paid leased properties that rely significantly or solely on State general funds
		The Commission should work closely with the Governor's Office and the Project Management Office consultant to develop an easily digestible accountability report card or scorecard. This mechanism should include relevant metrics for each agency and project and be used as a means to continually and routinely track agencies progress toward meeting efficiency and cost savings goals. This should include or be complemented with agency-specific plans and timelines/benchmarks
Wyoming Department of Education	Special Education	Consultation with the DFS and the DOH to explore the feasibility of transferring early childhood education programs and functions, including special education services, to the WDE; 2018 Joint Education Interim Committee considered draft legislation (19LSO-0008 Working Draft 0.6-Early childhood education) to implement early childhood education programs' consolidation, but decided not to sponsor

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LSO staff for the Government Efficiency Commission prepared this appendix at the request of the Commission Chairman to provide an informal outline of draft statutory changes considered by the Commission during the 2018 interim. These draft statutory changes have not been reviewed for conformance with Wyoming Statutes. Prior to consideration by a legislative committee or an individual legislator, LSO will need to formalize the request(s) into bill drafts.

Although several agencies presented recommendations for increasing efficiencies through administrative action, only the Wyoming Department of Education (WDE) suggested statutory changes to the Commission. The origin of the eight potential statutory changes outlined in this appendix can be found in the memoranda submitted to the Joint Education Committee and the Government Efficiency Commission.¹

Additionally, the Commission recommends continued exploration into the feasibility of transferring early childhood education programs and functions, including special education services, to the WDE. A bill draft, 19LSO-0008 0.6, related to this recommendation was considered but not acted upon by the Joint Education Committee at its Sept. 27-28, 2018 meeting.²

Draft Outline of WDE Suggested Statutory Changes

1. Reinstate the Wyoming Teacher Shortage Loan Repayment Program.

Section 1. W.S. 21-7-601(o) is amended to read:

21-7-601. Wyoming teacher shortage loan repayment program; eligibility criteria; procedures; program reporting.

(o) This program created by this section shall expire effective ~~June 30, 2016~~ June 30, 2022.

2. W.S. 21-13-320(c)(ii) could be amended to read that “schedules specified by department rule and regulations, within 10% of the national average.” W.S. 21-13-320(f) could be amended to remove language “In addition and for purposes of reimbursement under subsection (g) of this section, the department shall in consultation with the pupil transportation committee, establish

¹ See June 6-7, 2018 memorandum to the Joint Education Committee titled "Preliminary Evaluation & Recommendations on Transportation Efficiency." The memorandum was presented to the Government Efficiency Commission during the June 19, 2018 meeting. Available at: <https://www.wyoleg.gov/InterimCommittee/2018/SGE-20180619MemoonTransportationEfficiencies.pdf>; June 6-7, 2018 memorandum to the Joint Education Committee, titled "Special Education Efficiencies." The memorandum was presented to the Government Efficiency Commission during the June 19, 2018 meeting. Available at: <https://www.wyoleg.gov/InterimCommittee/2018/SGE-20180619MemoonSpecialEducationEfficiencies.pdf>; Sept. 27-18, 2018 memorandum to the Joint Education Committee, titled "K-12 Transportation Fiscal Efficiencies Final Report." The memorandum was presented to the Government Efficiency Commission during the Oct. 9, 2018 meeting. Available at: <https://www.wyoleg.gov/InterimCommittee/2018/SGE-20181009WDE-MemoonTransportationEfficiencies.pdf>.

² This bill draft is available on LSO's website at: <https://www.wyoleg.gov/InterimCommittee/2018/04-2018092719LSO-0008v0.6.pdf>.

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a minimum, average and optimal replacement schedule for each school bus type or other student transportation vehicle type.” W.S. 21-13-320(g)(iii)-(iv) could also be repealed.

Section 1. W.S. 21-13-320(c)(ii) and (f) are amended to read:

21-13-320. Student transportation; amount within school foundation program formula for transportation maintenance and operations expenditures and school bus purchases; district reporting requirements.

(c) In addition to subsection (b) of this section and for buses purchased or leased before April 1, 2002, subject to state standards and department rule and regulation, the transportation adjustment under this section for each district shall include one hundred percent (100%) of the expenditure for the purchase or lease of school buses and other vehicles used primarily for the purpose of transporting students to and from school and to and from school activities. Amounts included within the adjustment under this subsection shall be subject to the following:

(ii) Buses and other vehicles used primarily for student transportation, for which reimbursement is authorized, shall not exceed state minimum standards for vehicle specifications and equipment and shall be subject to vehicle replacement schedules specified by department rule ~~and regulation, which shall provide for vehicle replacement schedules that are within ten percent (10%) of the national average age of buses and other vehicles used for student transportation;~~

(f) The department of education shall adopt necessary rules and regulations to implement and enforce state standards established under this section and to administer this section. District expenditures computed under subsection (b) of this section shall not include expenditures for employee contributions to the Wyoming retirement system exceeding five and fifty-seven hundredths percent (5.57%) of any member employee's salary. In addition, the department shall, in accordance with procedures prescribed by department rule and regulation, establish a base price for each school bus type or other student transportation vehicle type for the applicable fiscal period that complies with minimum state standards for vehicle specifications and

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equipment. The department shall also establish a process including competitive bidding which guarantees the acquisition of school buses and other student transportation vehicles approved for reimbursement and complying with state minimum standards and district fleet size restrictions at the established base price for the applicable fiscal year. ~~In addition and for purposes of reimbursement under subsection (g) of this section, the department shall in consultation with the pupil transportation committee, establish a minimum, average and optimal replacement schedule for each school bus type or other student transportation vehicle type.~~ School districts shall notify the department of school bus and other student transportation vehicle needs and requirements for the appropriate fiscal year in the manner and within the times prescribed by department rule and regulation, and shall report expenditures, purchases and lease arrangements for the applicable reporting period, including vehicles replaced by purchases and leases, as required by department rule and regulation. The department shall annually review and conduct audits as necessary of information submitted under this section. As authorized under W.S. 21-13-307(b), the department may correct the information reported by districts under this section as necessary to fairly and accurately reflect the data type, classification and format required to administer this section in accordance with law and department rules and regulations.

Section 2. W.S. 21-13-320(g) (iii) and (iv) is repealed.

3. Amend W.S. 21-13-320(g)(ii) to read “a district’s fleet shall be commensurate with district ADM, average bus ridership, geography, school schedules, and specialized needs and comply with fleet size standards established by the department...”

Section 1. W.S. 21-13-320(g) (ii) is amended to read:

(g) In addition to subsection (b) of this section and for buses purchased or leased on or after July 1, 2002, the transportation adjustment for each district under this section shall include an amount computed under this subsection for the purchase or lease of school buses and other vehicles used primarily for the transportation of students to and from school and to and from school activities. Computations of amounts reimbursed under

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this subsection shall be based upon the base price established by the department under subsection (f) of this section for the student transportation vehicle type. Amounts included within the adjustment under this subsection shall be subject to the following:

(ii) The number of buses and other student transportation vehicles comprising a district's fleet shall be commensurate with the district's ADM, average bus ridership, geography, school schedules and specialized needs and comply with fleet size standards established by the department in accordance with paragraph (c)(ii) of this section, unless otherwise waived by the department for the provision of safe and efficient student transportation services;

4. W.S. 21-13-320(j)(i) could be amended to read "An amount equal to the average of transportation operations and maintenance expenditures for fiscal years 2014-15, 2015-16 and 2016-17, with increases in subsequent years based on an external cost adjustment to account for inflationary factors."

Section 1. W.S. 21-13-320(j)(i) is amended to read:

21-13-320. Student transportation; amount within school foundation program formula for transportation maintenance and operations expenditures and school bus purchases; district reporting requirements.

(j) Effective for the school year 2018-2019 and each school year thereafter the amount computed under this section shall be in accordance with the provisions of this subsection. Each district shall receive:

(i) An amount equal to an average of the amounts the district received for school years 2014-2015, 2015-2016 and 2016-2017 pursuant to paragraphs (i) and (ii) of subsection (b) of this section, with increases for the school year 2019-2020 and each school year thereafter based on an external cost adjustment to account for inflationary factors; plus

5. W.S. 21-13-320(m) could be repealed (bus purchase moratorium).

Section 1. W.S. 21-13-320(m) is repealed.

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6. Amend W.S. 21-13-331 to include savings realized through shared services with BOCES allowing school districts to receive 50 percent of the documented cost savings; Amend W.S. 21-13-331 to include bus sharing and asset transferring as part of the transportation cooperative services incentive.

Section 1. W.S. 21-13-331(a)(intro) and by creating a new subsection (d) is amended to read:

(a) If two (2) or more districts enter into an arrangement to combine, share or transfer school buses, other student transportation vehicles and student transportation services, the district shall receive an amount in addition to the guarantee under W.S. 21-13-309(p) during the succeeding school year, subject to the following:

(d) Combined service agreements under subsection (a) or (b) of this section may include the board of cooperative educational services.

7. Amend W.S. 21-4-401 to include the option to reimburse mileage costs of a parent or legal guardian of a special education student providing transportation. Although some school districts have entered into such agreements, statute could be amended to allow consistent eligibility requirements. *LSO notes that requested statutory changes are unclear. Accordingly, W.S. 21-4-401 is replicated below with no amendments.*

21-4-401. Transportation or maintenance for isolated pupils.

(a) The board of trustees of any school district within the state shall provide transportation or maintenance for isolated elementary, middle, junior high or high school pupils resident within the district, whenever it would be in the best interests of the affected children to provide transportation or maintenance than to establish a school to serve these pupils, and for those isolated pupils resident within the district who are attending a school in another district pursuant to W.S. 21-4-502. Amounts paid under this section shall be subject to subsections (d) and (e) of this section and shall not exceed the actual costs incurred by parents or pupils.

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(b) The state superintendent shall adopt reasonable rules and regulations pertaining to residence requirements establishing eligibility under this section and for provision of tuition and transportation or maintenance. No person is eligible as an isolated pupil under this section unless the pupil's parents or legal guardians demonstrate to the local school board that the family's residing in the isolated location is necessary for the family's financial well being. The burden shall be on the parent or guardian to demonstrate that the family's residing in the isolated location is necessary for the family's financial well being. The final decision as to eligibility shall be made by the district board of trustees.

(c) The rights accorded under this section shall be enforceable by writ of mandamus, and in such event the district shall pay all costs and legal expenses of a petitioner successful in obtaining such writ.

(d) To receive transportation payments under this section, the parent or legal guardian of any isolated pupil eligible under this section shall file a transportation reimbursement claim with the district on a form provided by the district specifying the total round trip miles traveled each day to and from the bus stop or the school, as applicable. The total round trip miles shall be multiplied by the applicable mileage rate prescribed under W.S. 9-3-103(a)(iii) to compute the daily mileage reimbursement amount. Where combined transportation is provided for two (2) or more isolated pupils being transported to the same school, only one (1) reimbursement shall be made. Payments to parents or guardians for transporting students to and from school shall be computed excluding the first two (2) miles traveled each way. No payments shall be paid to a parent or guardian for transportation of students unless the pupil resides in an isolated location as specified under subsection (b) of this section.

(e) Monthly maintenance payments may be paid under this section in lieu of transportation payments if the pupil resides at a location near the school rather than the isolated location. The amount paid shall be the lesser of the amount of maintenance payments claimed or the transportation payments that would have been payable under subsection (d) of this section. Monthly

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maintenance payments under this section shall reimburse the isolated student's parent or legal guardian for additional reasonable living expenses for only those months school is in session. A district shall be reimbursed for the full amount of isolation or maintenance payments it makes under this section. Reimbursement shall be made as if the district's total foundation program amount computed under W.S. 21-13-309(p) was increased by the amount of isolation or maintenance payments made during the preceding year.

8. The state of Wyoming maintains considerable assets in school transportation and reimburses roughly \$90 million each year in total expenditures. The Legislature could purchase a state telematics system to provide the data to make the necessary changes to realize long-term fiscal efficiencies. *This request may require statutory changes to provide for the implementation of a telematics system.*

1. Of this [general fund/other fund appropriation] from the _____ account _____ dollars (\$_____) shall only be expended by the department of education to purchase a telematics system for use by school districts and the department to track and monitor fleet use and maintenance of buses and other student transportation vehicles.

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November 23, 2018

To: Chairman Perkins, Commissioner Symons and Commissioners

From: Tom Kness, Senior Director, Alvarez and Marsal

RE: Follow-up from November 13 Government Efficiency Commission Meeting

Chairman Perkins, Commissioner Symons and Fellow Commissioners:

Pursuant to your request for a summary outlining A&M's approach to Strategic Sourcing, A&M respectfully submits the following.

What is Strategic Sourcing?

Strategic sourcing goes beyond traditional transaction - based procurement and actively manages procurement expenditures through ongoing strategy, analysis, and supplier management. The goal of Strategic Sourcing is to leverage data, technology, innovation and supplier partnering to transform procurement processes from a price focused mindset to a more disciplined enterprise - wide system that considers the Total Cost of Ownership (TCO), product quality, supplier diversity and best-in class contracting.

The A&M Approach to Strategic Sourcing

A&M uses its proven and repeatable strategic sourcing methodology and process improvements that employ high quality industry benchmarks, as well as product and service resources to realize the greatest value for the organization and enable long-term sourcing improvements. Our keen focus on training staff and transferring knowledge will help embed continuous improvements even after the project is completed.

The Process

A&M considers Strategic Sourcing to encompass a regular, recurring six-stage process:

- 1) **Initial Assessments**- High level data collection and analysis to identify likely opportunity areas
- 2) **Category Profiling**- Category deep dives to validate improvement opportunities and determine sourcing strategies
- 3) **Sourcing Execution**- Development and issuance of RFP materials, fielding of questions, analysis of supplier bids
- 4) **Negotiation**- Fact-based negotiation built on appropriate benchmarks
- 5) **Implementation**- Rollout of agreements, transition of suppliers (if needed), and initiation of monitoring of supplier performance and development
- 6) **Supplier Management**- Monitoring of contract compliance, addressing of maverick spend, enablement of continuous process improvement. This step is the key to long term savings; **A&M views the Strategic Sourcing process as the beginning of a long-term supplier relationship.**

Benefits of Strategic Sourcing



A well planned and supported Strategic Sourcing program provides organizations a proven method to reduce operating costs resulting in increased value. Other positive outcomes and benefits include:

Strategic Sourcing Outcomes	Realized Benefit
<i>Items frequently purchased at lower unit cost with equal or improved quality.</i>	<i>Saves money, improves value for the organization</i>
<i>Provides opportunity for operating budget reductions</i>	<i>Saves money</i>
<i>Decreases the number of (similar) items purchased and leverages spend across the organization</i>	<i>Saves money, streamlines operations and reduces complexity resulting in saved time.</i>
<i>Utilizes a proven framework to streamline the process of identifying and capturing future savings and efficiencies</i>	<i>Saves money, time and effort</i>
<i>Rationalizes and consolidates supplier base</i>	<i>Saves money by leveraging purchasing power. Saves time and effort required to manage suppliers and procure goods and services</i>
<i>Encourages greater cross-departmental and cross-functional coordination</i>	<i>Saves time and effort by reducing duplication of effort and improves internal communication and coordination.</i>
<i>Creates opportunity for defined standards and refined purchasing policies and procedures</i>	<i>Saves money and time, defines standards, helps define policy, creates a repeatable process the drives long-term gains for the organization</i>

Key success factors for Strategic Sourcing

People

- Strong support, resources and leadership from management on moving to a Strategic Sourcing model. Openness and willingness of operational leadership to change
- Cultural shift from reactive procurement to proactive, planned strategic sourcing
- Cross-agency cooperation to leverage buying power and eliminate duplicative and redundant effort
- Increased transparency and resource sharing across agencies to drive continuous improvement
- On -going professional training for Procurement staff.

Process

- Procurement organization that represents “one-voice” and centralized decision-making authority
- Strategic category and supply management plans that allow for proactive, versus reactive cost reduction activity
- Material and supplier consolidation and uniformity to reduce complexity for the supply base and internal operations
- Supplier Relationship Management processes and procedures in place to minimize risk and reward continuous improvement by suppliers

Technology

- Effective use of technology to increase speed, leverage data and simplify processes
- Increased capacity through improved use of technology

A&M views strategic sourcing as just one portion of a supply chain. Employing a structured Supplier Management process over the full procurement lifecycle is required in order to sustain the benefits and drive continuous improvement after sourcing events.