

Wyoming Government Spending and Efficiency Commission

**Report to the Governor, Management Council and the Joint
Appropriations Committee**

2017 Final Report on Activities

Prepared by:

The members of the Wyoming Government Spending and Efficiency Commission

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Section 1. Introduction:

During the 2017 General Session, the Wyoming Legislature established the Wyoming Spending and Government Efficiency Commission ("Commission") through the passage of 2017 Senate File 156, 2017 Wyoming Session Laws, Chapter 183 ("Senate File 156"). Pursuant to the legislation, the Commission was comprised of six (6) members: one (1) senator, one (1) representative, and one (1) member of the public appointed by the Legislature's Management Council; two (2) members appointed by the Governor; and one (1) non-voting member appointed by the Chief Justice of the Wyoming Supreme Court. Section 1(d) of the legislation established the Commission's duties as follows:

- (i) Review the current configuration of the Wyoming state government and the duties and responsibilities of state agencies including identifying any potential areas of overlap and any programs that have accomplished their original objective or have otherwise become obsolete;
- (ii) Identify current opportunities for increasing efficiency and reducing costs through executive action or legislation;
- (iii) Identify areas for further study, including a recommendation of specific areas with a high likelihood for potential savings;
- (iv) Consider development and implementation of a program to incentivize the identification of potential efficiencies by state employees;
- (v) Review the plans provided under W.S. 28-1-115(a)(ii) for any state agency expending more than twenty million dollars (\$20,000,000.00) in a biennium;
- (vi) Examine the opportunities for savings in the Medicaid program subject to the following:
 - (A) The examination shall determine the error rates in Medicaid enrollment through the Medicaid eligibility system, error rates in continuing enrollment in Medicaid and the costs of these error rates;
 - (B) The commission is authorized to cause an audit of a sample of Medicaid enrollees to determine the error rates in enrollment and continued enrollment and the potential savings from correcting the error rates. The audit may be done by state personnel or through a contract with a private firm, or both;
 - (C) The examination shall include a review of the Medicaid system to detect and correct errors in billing for Medicaid services;

(D) The examination shall include an inquiry concerning how the Medicaid program could reduce expenditures by reducing unneeded utilization of Medicaid services.

The Commission held its first meeting on June 29-30, 2017 in Cheyenne, Wyoming. Prior to the meeting, significant coordination took place between the Governor's Office, the Commission, and state agencies. Specifically, the Commission requested that the six (6) agencies with the largest state budgets [i.e. the Department of Education, the University of Wyoming ("U.W."), the Department of Transportation, the Department of Corrections, the Department of Health, and the Department of Family Service] prepare presentations for the Commission, addressing the following subjects:

- Agency work to promote efficiency and reduce spending, including any prior studies completed or work done to improve agency inefficiencies;
- Nonpriority programs and expenditures that may be statutorily required but which could or should be discontinued to promote efficiency;
- Agency-related statutory provisions that lead to inefficiencies;
- Suggestions for improvement in efficiency, i.e., describe your "perfect world scenario."

The Commission provided notice of the meeting to all agencies that spend more than \$20 million per biennium and invited each of these agencies to testify. The Commission also invited comment on additional issues including: state audit functions, state procurement and contracting, technology integration, state debt collection, and Medicaid services. The Commission asked the Department of Audit, the Department of Enterprise Technology Services ("ETS"), the Attorney General's Office, the Department of Administration and Information ("A&I"), the State Auditor's Office, and the Department of Health to speak on these issues.

In response to the Commission's notice and invitations, a number of agencies provided written responses to the information sought by the Commission. These responses are included in this report as **Appendix A**.

At the Commission's June 29-30, 2017 meeting, the Commission received testimony on specific government operations from the Department of Audit, A&I, ETS, the Attorney General's Office, the Department of Revenue and the State Auditor's Office. The Commission also received detailed presentations about agency efficiency efforts, spending and efficiency proposals from the Department of Education, the Department of Corrections, U.W., the Department of Health, the Department of Family Services, and the Department of Transportation. The Department of Health provided a targeted discussion about Medicaid error rates and its efforts to prevent Medicaid errors.

Section 2. Retention of an Efficiency Consultant:

Given only one interim to conduct the study required by 2017 Senate File 156, and a Commission meeting and expense budget of \$11,000, 2017 Senate File 156 contemplated retaining a consultant to accomplish the tasks required by the legislation. Specifically, Senate File 156 authorized the Governor, in consultation with the Commission, to hire an efficiency expert. The legislation provided a \$300,000 appropriation for that purpose.

In May of 2017, the Governor's Office started working with the Commission and the Attorney General's Office to issue an RFP for the retention of an efficiency expert. The state's competitive procurement process was used and eventually yielded three candidate firms. Following interviews by the Commission with each of the firms and a recommendation by the Commission, the Governor's Office and the Attorney General's Office entered into contract negotiations with Alvarez & Marsal Public Sector Services, from Washington, D.C. ("A&M"). A contract with A&M was signed on August 4, 2017 for a total contract price of \$298,500.00.

Although 2017 Senate File 156 required a broad and comprehensive review of the state's spending and efficiency, A&M and the other firms that submitted proposals agreed that an all-encompassing review was not possible within the given time frame. Because of the lengthy contracting process and a final report due date in November, the contractor was allowed approximately three months to complete its work. For that reason, the contract between the Governor's Office and A&M was structured to require a rapid, but detailed, assessment of only four (4) Wyoming agencies: the Department of Administration and Information ("A&I"), the Department of Education ("Education"), the Department of Health ("Health"), and the Department of Revenue ("Revenue"). A&M believed that these would be the agencies most likely to yield opportunities to reduce costs and operate more efficiently. Among other tasks meant to address the areas of study required by 2017 Senate File 156, A&M's contract also provided for a cross agency benchmark analysis of all agencies in Wyoming that spend more than \$20 million per biennium. A&M was asked to identify efficiencies that could be achieved in the operation of Wyoming's government and to estimate the potential savings that might be realized if those efficiencies were implemented. A&M was also asked to review Medicaid error rates, to outline a strategy for completing a more comprehensive study pending further approval by the Legislature, and to propose a way to incentivize state employees to identify potential areas of improved efficiency and savings.

Section 3. Alvarez & Marsal Efficiency Study:

On August 14, 2017, A&M established an office in Cheyenne and started its work based on the foundation that was established at the Commission's June 29-30 meeting. A&M continued that work by interviewing agency personnel and reviewing performance, budgeting and other raw data. In addition to conducting a detailed review of A&I, Education, Health and Revenue, and performing a cross agency benchmark review of

every agency spending more than \$20 million per biennium, A&M reviewed the plans submitted by state agencies in preparation for the Commission's June 29-30 meeting. Every week, A&M held a telephone conference to seek necessary guidance and to update the Governor's Office and a Commission working group on its progress.

The Commission held a second meeting on October 18, 2017 in Casper, Wyoming to receive A&M's initial recommendations and review A&M's first, draft efficiency report. At that meeting, A&M's personnel reviewed the draft report in detail and all agencies were invited to comment on the report. After the meeting, A&M followed-up with agencies that recommended changes or additions to the report.

A&M's final efficiency report was issued on November 6, 2017. A copy of the report is included in **Appendix B**. Attached as **Appendix C** is a summary of A&M's final report which contains an overview of the larger report. The final report is organized to mirror the analysis required by 2017 Senate File 156 and a brief summary of each relevant finding is included in the final report. **Appendix B**, p. 17.

Generally, A&M's final report provides a number of efficiency-related observations and recommendations that can be used to guide efficiency and spending improvements in Wyoming's government. These include:

- The need for a broad scale organizational review, including a programmatic review of the lines of service provided by state agencies and an assessment of the span of control and reporting structure of supervisors;
- The need to modernize systems and coordinate investment across state agencies to allow for better integration of technology, particularly in the areas of human resources and finance;
- The opportunity to increase revenues through the creation of a Governor's Grants Office which would focus on improving the state's pursuit of federal funds and the creation of an interagency Discovery Unit for tax audit and collections;
- Rehiring key staff to perform critical auditing and collections duties;
- The need to limit the high number of common administrative functions that are performed across state agencies and promote the use of shared services across state agencies, including regional shared services across school districts;
- The need to enhance employee benefits through the creation of school district benefit plans and additional wellness options; and
- The need for a program to incentivize employees to identify and implement efficiency initiatives, possibly through a Governor's Ideas Festival.

Section 4. Efficiency Recommendations:

Upon receiving A&M's draft report and hearing testimony at its October 18, 2017 meeting, the Commission met again, via telephone conference on November 14, 2017, to discuss A&M's final report and to adopt recommendations for this report. The Commission conducted a vote to identify its top five (5) efficiency recommendations.

Before listing its recommendations, the Commission notes that the process of improving spending and promoting efficiency in Wyoming has only just begun. While there are efficiencies that may be relatively easy to achieve based on discoveries made this interim, the majority of the efficiency goals identified by A&M and analyzed by the Commission can only be accomplished through further study and a sustained commitment to successfully implement those goals. For that reason, the Commission's primary recommendation is that efficiency efforts be funded and continued through the 2019-2020 biennium. Through legislation authorizing and funding a new, competitively bid contract, the Commission recommends that one or more efficiency experts be retained to continue the work started by A&M, to help formulate a comprehensive and coordinated efficiency plan, and to pursue additional targeted reviews of those state agencies where new efficiencies are likely to be discovered. A&M has provided a rough outline for this additional work in its final report and could be considered for this contract if the firm applies during the competitive bidding process. **Appendix C**, Phase 2 Project Plan Time Line p.13; see *also* **Appendix D**, discussed in Section 5, below.

From the substantive recommendations made in A&M's final report, the Commission has adopted the following list of five (5) recommendations as those upon which the Executive Branch and Legislature could focus during the next interim (**Please be aware that, by making these five (5) recommendations, the Commission does not intend to preclude the pursuit of any of the other recommendations outlined in A&M's report, particularly as the specific details of other recommendations are flushed out with further study):

- 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);
- 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.

Although not voted as its top priorities, the Commission also sees merit in pursuing increased staffing levels for key audit and collections positions, in pursuing a strategic sourcing review within the State's procurement system, and in exploring the establishment of a Governor's ideas festival to incentivize state employee teams to develop and implement efficiency initiatives.

A special note regarding Medicaid recommendations is necessary. As explained above, 2017 Senate File 156 required a study of Medicaid related efficiencies and provided the Commission with authority to sample Medicaid enrollees to determine Wyoming Medicaid error rates. A&M conducted a review of the Department of Health and its handling of Medicaid. This review revealed that the Department, since 2015, has been engaged with the Centers for Medicare and Medicaid Services ("CMS") in an intensive study of Medicaid error rates as part of CMS' Payment Error Rate Measurement ("PERM") review. The Department has concluded its fourth pilot PERM review in order to make necessary enhancements in advance of a 2018, formal PERM review. A&M noted in its report that the Department has taken corrective actions to mitigate errors that have been revealed through the various pilot PERM reviews. The Department also has engaged in an internal eligibility error review process since 2014 which reviews a sample of 100-175 Medicaid cases per month for errors. The Department should be encouraged to continue its work on Medicaid errors and system improvement. The Department should use all data revealed by the 2018 PERM review to improve the efficient operation of Wyoming Medicaid. However, given the Department's significant recent work and the fact that the Department will soon be engaged in its formal 2018 PERM review, a review which will reveal Medicaid errors, error rates, error codes, costs of errors and other data with more scientific rigor than can be orchestrated by the Commission, the Commission recommends that any future commission not be required to further study Medicaid error rates.

Section 5. Project Timing and Funding:

On November 24, 2017, Alvarez and Marsal provided the spreadsheet include as **Appendix D**. The spreadsheet identifies each of the efficiency initiatives proposed by A&M and provides some suggestions on the ways in which these initiatives might be pursued and paced over time. This information was requested by the Commission at its meeting on November 14th and provides a supplement to the Phase 2 summary provided at page 13 of A&M's final report. **Appendix C**. The information on this spreadsheet is intended to aid the Legislature in determining the timing and coordination of future efficiency efforts. The last column of the spreadsheet was added by LSO to outline potential, specific actions necessary to implement A&M's recommendations.

Consistent with testimony provided by A&M, the Commission believes that an effort should be made to coordinate efficiency projects in order that one (1) grouping of projects can be completed, and those projects' savings achieved, in time to use the

savings to help fund the next set of projects. In this way, projects that require more significant state funding might be at least partially funded through already-realized, efficiency-related savings. Although only an estimate, A&M believes that its efficiency initiatives might have a cost between \$12.8 million and \$17.7. **Appendix C**, p.12. Given the significantly depressed budget situation in Wyoming, the Commission believes that a number of valuable, identified efficiencies will only be achieved if they are incorporated into a significantly planned and coordinated process.

Because the extent and nature of Wyoming's future efficiency efforts have not been determined and will need to be defined through further study, the Commission does not have specific recommendations on how those efforts should be funded. The Commission did, however, receive testimony from Don Richards, LSO Budget & Fiscal Division Administrator, regarding potential implementation mechanisms. Mr. Richards outlined three (3) potential options and explained that hybrid approaches to these options exist:

- Reduce agency funding in the amount of expected efficiency savings and fund new efficiency projects with the amounts that will no longer be awarded to each agency. A safety-net account, accessible to the Governor, could be funded through appropriation to provide funding in the event efficiency savings are not actually realized;
- Fund more expensive efficiency initiatives only upon the relevant agency's realization of savings from less expensive efficiency projects in an amount sufficient to fund a predetermined portion of the cost of the more expensive initiatives. The realized savings could be dedicated to new initiatives with, potentially, some portion going back to the agency as an incentive for producing the savings;
- Fully fund existing agency budgets and authorize only those efficiency initiatives that fit within a relevant agency's current budget. Subsequently, track savings in a methodical and critical manner so as to reveal when any savings are being realized. When, and only when, savings are realized, appropriate them back to the agency that created them or deposited them back to the General Fund.

Although a variety of funding mechanisms may be appropriate as future efficiency efforts begin and start to show results, the Commission believes that the Legislature and Executive Branch should start cautiously by pursuing projects that are reasonably well defined and whose potential can be achieved without the need to be funded through savings earned from prior efficiency projects. The supplemental spreadsheet provided by A&M identifies the projects that might be pursued immediately. **Appendix D**. While the first round of projects are pursued, additional studies can be conducted that will more completely formulate a strategic and comprehensive approach toward staging and funding future Wyoming government efficiency efforts.

Section 6. Continuation of the Commission:

The Commission recommends that the Legislature and the Executive Branch invest in continued efficiency efforts through the 2019-2020 biennium. Because much of that work will focus on and be driven by Executive Branch agencies, the central drive for efficiency must be guided by the executive branch. For that reason, the Commission has recommended the creation of a Project Management Office ("PMO") to oversee full implementation of an efficiency plan. The creation of a PMO does not, however, leave the Commission without a continuing function. The Commission recommends that it be funded and continued through the 2019-2020 biennium and that it be assigned the duty of monitoring and providing recommendations to the PMO and any efficiency consultants hired to continue efficiency studies. The Commission should act as a conduit and coordinator between the Executive Department and the Legislature since it will take both branches of government to fully implement the efficiencies that have already been identified and those that will be identified through continued work.

If the Commission is continued, changes to its membership structure should be considered which will allow it to operate with a better cross-section of relevant stakeholders. In addition to the current Commission membership, the State Auditor, or her designee, and the Chief Information Officer of Enterprise Technology Services, or his designee, should serve on the Commission. These positions could be designated as non-voting members, consistent with the status currently held by the Supreme Court's designee, or the Commission could be altered so that all members are voting members. Further, the Commission recommends that one additional private sector member be appointed by the Governor. Finally, the Commission recommends that the Governor's Office be allocated a representative on the Commission. This last recommendation is particularly appropriate given the crucial part the Governor's Office played in the Commission's work this interim and the necessary involvement the Governor's Office will have in future efficiency efforts.

The Commission, with its revised membership, should be funded at a level that will allow it to conduct monthly telephone conferences and to meet one (1) time every other month during the 2018 interim and quarterly thereafter. This would allow approximately four (4) physical meetings and nine (9) telephone conferences during the 2018 interim, and six (6) additional physical meetings or telephone conferences through the end of the biennium. It is recommended that the Commission terminate at the end of the 2019-2020 biennium.

Section 7. Conclusion:

The Wyoming Government Spending and Efficiency Commission met four (4) times during the 2017 interim to comply with its duties under 2017 Senate File 156. Consistent with that legislation, the Governor's Office contracted with Alvarez & Marsal Public Sector Services to perform a substantive review of four (4) large Wyoming agencies, to perform a cross agency benchmark of all Wyoming agencies that spend

more than \$20 million per biennium, and to review agency reports discussing agency efficiency. In performing these tasks, Alvarez & Marsal identified efficiencies that may be realized in the operation of state government and estimated both the costs of pursuing these efficiencies and the potential savings to be realized by pursuing these efficiencies. Although the final costs of pursuing all efficiency options could exceed \$17 million, not all efficiency initiatives should be pursued immediately or at the same time. Instead, the State, through the Governor's Office and the Legislature, should commit to a longer-term process where efficiencies can be staged, coordinated and pursued in a methodical fashion. This process will assure a well thought-out approach to government efficiency and likely will allow future efficiency efforts to be funded through savings realized through earlier efforts.

Because the State, through the Commission, has only just begun to study efficiency, the Legislature should consider the recommendations made in Alvarez & Marsal's report and in this report, and pursue those clearly defined efficiency options that can be accomplished without the need to be funded through savings earned from prior efficiency projects. A project management office should be established to guide these efforts, to coordinate further efficiency studies, and to refine options that have already been proposed. Approval and funding should be given to hire one or more efficiency experts who can staff the project management office, assist in the various efficiency efforts and continue the work started by Alvarez & Marsal. The Commission should be continued, with an expanded membership, to oversee this process. The overarching goal of all participants should be to work together to pursue identified efficiency and cost-saving initiatives while developing a long-term, comprehensive, and coordinated efficiency plan for the State of Wyoming.

APPENDIX A



June 27, 2017

To the members of the Wyoming Government Spending and Efficiency Commission:

The mission of the Department of Administration & Information (A&I) is to support our diverse customers by promoting innovative practices and providing essential information, systems and structures. This mission is the core principle that continues to guide the department as the state's needs and best management practices evolve over time. It is through the dedication, commitment, and loyalty of our employees that we are able to accomplish and fulfill this important mission.

A&I has a very diverse portfolio of services and customers because centralization of certain functions have been found to be more efficient than duplicating them across all agencies. A&I is organized into five divisions led by the Director's Office: Budget, Economic Analysis, Human Resources, General Services and the Wyoming State Library. These divisions provide a wide variety of services to all branches of state government. Our customers are other state agencies, state employees, state officials and the public-at-large. A&I's diverse services provide the backbone to state government, helping other state agencies to function more efficiently.

CORE BUSINESS/PRIMARY FUNCTION

A&I is organized by broad functional areas into five divisions led by the Director's Office.

Director's Office

The Director's Office, in addition to serving the department as a whole, provides services and information to state agencies, elected officials, the Judiciary and the Legislature. The Director's Office serves as the administrative conduit between the Governor and the Executive Branch, manages internal and external communications for A&I, serves as the legislative liaison for the agency and develops agency-wide and statewide policies and plans for the efficient operation of state government.

The Director's Office also includes three sections that serve the department and external agencies:

- The **A&I Accounting section** provides accounting and billing services to the department, as well as to the Governor's Office and Residence and a variety of licensing boards and small offices outside of A&I proper. Accounting processes billings and revenues for the A&I internal service operations (Central Mail postage and Motor Vehicle monthly billings) and processes accounts payable for A&I.



- Professional Licensing Boards, operating under the A&I Accounting section, provide administrative and fiscal services to seventeen licensing boards and fiscal services to six non-supported licensing boards.
- **A&I Human Resources** provides human resources services to the Department of Administration & Information, the Governor's Office, the Governor's Residence, the Wyoming Office of Homeland Security, the Office of the State Public Defender, the Wyoming Livestock Board, the School Facilities Department, the Professional Teaching Standards Board, the Wildlife and Natural Resources Trust and the Miner's Hospital Board.
- The **A&I Safety Office** provides guidance to the department in safety-related areas, including training, safety studies, emergency preparedness and preparation of the Continuity of Operations Plan.

Budget Division

The Budget Division provides budgetary assistance to the Governor, other elected officials, executive branch agencies and the judicial and legislative branches with respect to biennial and supplemental budget preparation, submission and administration. In addition, the division is responsible for both the preparation and administration of the Statewide Indirect Cost Allocation Plan and the federal Cash Management Improvement Act (CMIA).

Economic Analysis Division (EAD)

EAD manages the State Data Center and Decennial Census databases. The division forecasts the behavior of demographic and economic variables and projects and monitors state revenues. EAD also generates the Wyoming Cost of Living Index and provides policy and economic analysis to government agencies through published reports, presentations, and customized information responses. EAD serves the Governor, other statewide elected officials, the Legislature, state agencies, local governments, Wyoming businesses and citizens, and the federal government. Its data products are also used by businesses and citizens from other states and countries.

Human Resources Division (HRD)

HRD performs centralized HR functions for the Executive Branch including hearings, grievances, state and federal employment law interpretation, record retention, rule interpretations, personnel database entry, position control, selection, recruitment, training, pay determination, position classification, and group insurance plans. HRD maintains, promulgates and interprets the State Personnel Rules. HRD also acts as



an internal HR consultancy providing expertise on request to Executive Branch Agencies, the Legislative Service Office, the University of Wyoming, Community Colleges and the residents of Wyoming.

- **Employee’s Group Insurance** (EGI) program within HRD provides employee communication, rule interpretations, flexible benefit plan administration, data entry, benefit maintenance, grievances, hearings, state and federal law interpretation, and record retention. EGI is a self-funded insurance enterprise which provides employee group insurance (health, dental, disability, etc.) for the Executive Branch, the University of Wyoming, community colleges and the Natrona County School District.

Wyoming State Library (WSL)

WSL supports Wyoming’s public, academic, school and special libraries with training, consulting, marketing, centralized purchasing, and management of the statewide shared library catalog and databases. It offers state government employees reference and interlibrary loan services, and access to meeting rooms for state business. The Division facilitates access to government information: it is the official depository for all state publications and is a selective depository for federal documents. WSL provides every resident of the state with access to ebooks and licensed databases, and it preserves and promotes the state’s history through the Wyoming Digital Collections. It holds fiscal responsibility for federal funds granted to enhance library services. Its mission is to promote library development, foster library cooperation, and provide reliable information to customers.

General Services Division (GSD)

GSD provides essential support services to state agencies. GSD is organized into six sections:

- **Motor Pool** administers the state motor pool fleet of approximately 1,200 vehicles, of which about 100 are in the shared pool for agencies to use on an as-needed basis. Motor Pool provides maintenance and repairs for all fleet vehicles. The section is primarily funded as an internal service fund by charges billed to agencies which use fleet vehicles.
- **Central Mail** provides all mailing services to state agencies in the Capitol Complex and within the Cheyenne area. Central Mail is primarily funded as an internal service account by charges billed to agencies that send postal mail.
- **Trades Management** maintains state facilities for the Capitol Complex and around Cheyenne including electrical, plumbing, heating and air conditioning, carpentry, painting, locksmith, ID management and office furniture repairs.



- **Facilities Operations** provides full janitorial services and grounds maintenance for the Capitol Complex and other A&I-maintained property in Cheyenne.
- **Risk Management** procures insurance and manages claims for liability, property, and vehicle and aircraft insurance coverage for the State of Wyoming.
- **Purchasing/Procurement** develops formal competitive bids and requests for proposals to acquire goods and services for the State of Wyoming. This section develops and enforces compliance with statewide purchasing procedures and maintains bidder lists.
 - **Surplus Property** operates as a unit of the Purchasing Section with statutorily defined responsibilities. This office receives and redistributes usable surplus items from federal and state agencies to other state agencies, governmental entities and private non-profit organizations.

BUDGET OVERVIEW

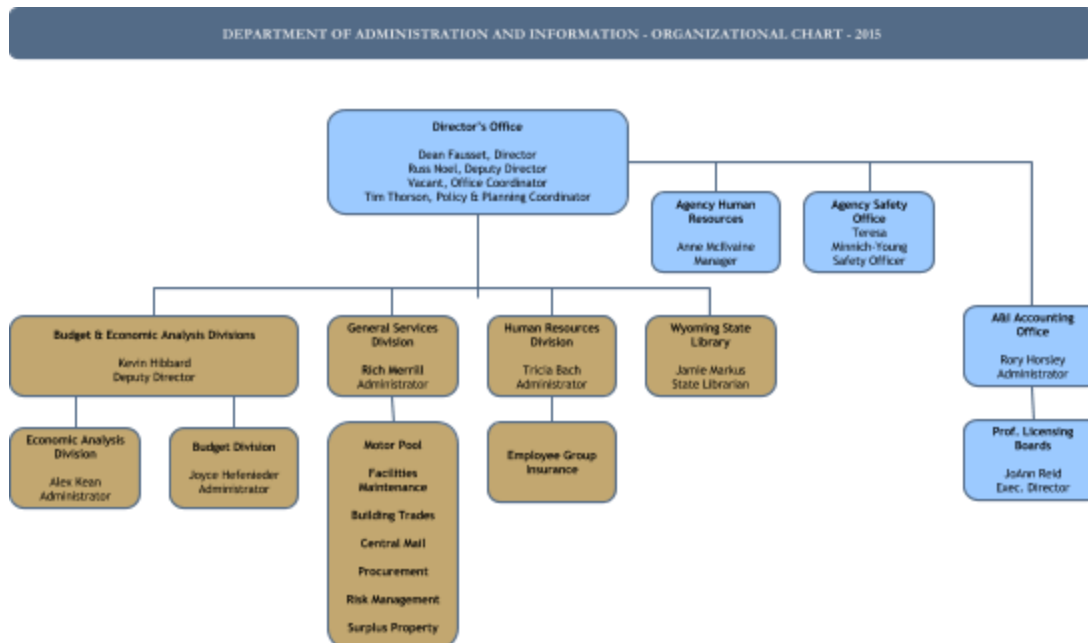
- 87% of A&I's budget is spending authority for Employees' Group Insurance.
- 4% are other funds tied to specific purposes like vehicle depreciation and federal library funds.
- Of the remaining 9% of A&I's overall budget, approximately one-half or 52% is committed to fixed costs such as statewide leases, the general fund appropriation to the Risk Fund, and utilities for state-owned buildings in the Cheyenne Capitol Complex.
- A&I operates its five divisions on approximately 4% of its overall budget.

AGENCY EFFICIENCIES

- The Director's Office conducted a statistically valid performance management survey of all state agency executives, client groups for several divisions and a representative, random sample of state employees. The results will be used to benchmark future performance. This process was awarded the 2016 National Association of State Chief Administrators (NASCA) *Innovations in State Government Award*.
- A&I Accounting instituted an electronic logging process for all of the WOLFS documents that flow through the office. Accounting also started scanning documents as attachments to WOLFS documents in WOLFS itself in an effort to eliminate the number of paper copies. A&I Accounting processed approximately 42,000 documents for A&I, Governor's Office, Governor's Residence and Wildlife and Natural Resources Trust.

- The Budget Division used the IBARS system for the first time to have agencies post legislatively unidentified budget reductions, which was also used for departments to identify and break out budgets for use during the 2017-2018 budget fiscal year.
- HRD's Agency Services section implemented a process of collaboration with the Budget Division when performing reclassifications to ensure that agencies are staying within the zero based budget requirements.
- The Wyoming State Library conducted fifty-five training sessions with library workers, state employees, teachers, and Wyoming residents. Archived training videos were accessed 10,120 times and watched for 56,392 minutes (39 days, 3 hours).
- The Procurement Section, the state's purchasing office, transitioned to an online RFP / bid process through PublicPurchase. This change reduces paperwork and processing time for vendors and state agencies and increases access to and competition for state contracts and procurements, resulting in more competitive bids.

ORGANIZATIONAL CHART



QUESTIONS FROM THE COMMISSION

Agency work to promote efficiency and reduce spending, including any prior studies completed or work done to improve agency inefficiencies.

- Fiscal Consolidation within A&I - Allows fiscal work to be done with fewer fiscal employees, leaving remaining fiscal people to be repurposed for other division needs. Also provided cross training and succession planning opportunities, more consistent training and application of accounting and fiscal policies and procedures, management of fiscal employees by fiscal management, reduction of document entry errors, reduction of processing time.
- Formal printing of most documents has been reduced. Documents are provided electronically.
- Fewer State Vehicles - A&I has reduced the number of vehicles assigned to the department by returning one vehicle. This resulted in a savings of \$4,488/biennium. Department employees utilize their own personal vehicles for local travel without reimbursement.
- Less Travel - rather than traveling to attend meetings A&I staff does not attend meetings and training or utilizes Google Hangouts whenever possible. For our customers we stream large meetings online utilizing [YouTube.com](https://www.youtube.com).
- Automatization of Systems:
 - Paper reduction through electronic processes and digital document storage by utilizing Google Docs.
 - Procurement implemented electronic bidding through [publicpurchase.com](https://www.publicpurchase.com).
 - Motorpool is now selling motor vehicles online through [publicsurplus.com](https://www.publicsurplus.com).
 - Motorpool has implemented an online vehicle reservation system and online service request system which contributes to higher efficiencies as it frees up staff for other functions.
 - State Accounts Receivable Application (SARA) - the state's web-based billing system for motorpool and central mail was updated from an antiquated system, creating more staff efficiencies and reducing paper and filing.
 - Risk Management is currently implementing an online claims submission and tracking system to improve timeliness and reduce paper.
 - Professional Licensing Board is currently conducting a Request for Proposal (RFP) to secure a updated online credentialing systems for the 17 State Boards it manages.
 - Employees Group Insurance will be rolling out this fall an online employee benefits portal. This will allow employees to view benefits and edit or update information.



OFFICE OF THE DIRECTOR

Matthew H. Mead, **Governor** | Dean Fausset, **Director**

- Consolidation of Office Space. Fourteen employees vacated a building located at 700 W. 21st in Cheyenne, and moved into current existing space at the Woodson building and the Wyoming State Library located in Cheyenne. The previous space is now occupied by the State Construction Department (SCD) to better meet their needs. The previous space of the SCD on the 5th floor of the Hathaway Building will be used in the future for employees currently in leased space. This move will reduce the state's leasing budget.
- Created and developed a safety and health program for the department. The Safety Officer has completed training and implementation of this program for 216 A&I employees. The department was able to establish a 10% safety discount in Workers Compensation premiums. This has resulted in a \$15,780 savings over the past 12 months.

Non-priority programs and expenditures that may be statutorily required but which could or should be discontinued.

- Legislative reversion requirements have resulted in quarterly reports (*Master-GF Reversions-Overspent Budgets FY17-QTR1*. SF 70 and SF 71 of the 2014 legislative session.) that are due to SAO. This requirement has added more work to fiscal staff in all agencies.
- Strategic plans-resources are getting more restricted, limiting ability to properly develop and continue strategic plans.
- The Budget Division would save approximately \$12,500/biennium if they didn't print hard-copy budget books. Currently the division provides both printed and electronic copies to agencies and other branches of government.
- Recycling program - One (1) staff member is dedicated to the recycling program at a cost of approximately \$96,000/biennium. It costs about \$15/dump for plastics, which amounts to about \$720/biennium. It costs about \$300/year to dispose of paper. The aluminum recycling program brings in revenue of about \$300/year to the general fund.

Agency-related statutory provisions that lead to inefficiencies.

- Inconsistencies between branches of Government: Executive branch, Department of Transportation, University of Wyoming Legislative Branch and Judicial Branch. All have their own procurement, leasing, risk, motor pool, surplus property and some HR services. Utilize the same systems and programs statewide.



Suggestions for improvement in efficiency, i.e., describe your “perfect world scenario.”

- Director’s have the responsibility to ensure program and mission activity is as efficient as possible and should have the flexibility to assign the right people and the right resources and apply the savings to other programs (flex within their budgets). This puts the accountability where it should be - at the executive level rather than the legislative level.
- Create an executive branch Efficiencies Council, made up of deputy directors to help provide some “staying power”. The council would be tasked with looking at statewide program efficiencies/inefficiencies that would include: duplication, overlap and fragmentation. This council could also look at shared services, and be a clearinghouse to share best and existing practices among agencies.
- Create a statewide Planning Section under A&I. This Section would be responsible for long range facility planning for all state agencies. Real estate acquisition, disposal, exchange, leasing, and space planning would be some of the responsibilities of the Section. The section would be developed with current A&I resources.
- Implement a Human Resource Information System (HRIS) or Human Resource Management System (HRMS). Technology, as well as program success, should be shared across agencies to eliminate redundancy and help agencies move forward more efficiently; a clearinghouse to share best and existing practices among agencies should be created.
- Consolidating or co-locating offices for state agencies. Create one or two locations in most cities/towns occupied by state agencies. This would help eliminate leased space and optimize efficiencies and cost effectiveness for agencies and the products and services they provide. Savings would be contingent upon location, market, availability, agency missions, and other factors.
- Centralized statewide training programs for employees. Share training and trainers between departments.



The Wyoming Department of Agriculture is dedicated to the promotion and enhancement of Wyoming's agriculture, natural resources and quality of life.

June 28, 2017

Wyoming Government Spending and Efficiency Commission
200 West 24th Street, Rm 213
Cheyenne, WY 82002

Dear Senator Perkins and members of the Commission,

In response to your June 14, 2017 request for information regarding agency work to promote efficiency and reduced spending, the Department of Agriculture is not requesting the opportunity for in-person testimony, but instead submits the following written information:

1. Agency work to promote efficiency and reduce spending, including any prior studies completed or work done to improve agency inefficiencies.

The Wyoming Department of Agriculture (Department) has taken a strategic approach to absorbing required budget reductions in recent years. The scale of general fund reductions (16.2% general fund only reduction between BFY13 and BFY 17) have resulted in program prioritization based on the core mission of the Department. The Department is dedicated to the promotion and enhancement of Wyoming's agriculture, natural resources and quality of life. We took a tiered approach to prioritization, which has increased our cost efficiency. Our Tier One programs are those that directly impact human health and safety of citizens and our employees. Examples of these programs include our State Meat Inspection Program, food safety inspections, pesticide control, laboratory analytics for potentially harmful products in food and water, among others. Our Tier Two priority programs are those programs that ensure commerce can legally continue in the State. Examples of these Tier Two programs included our weights and measures program that certifies mass scales and volumetric pumps required for sale of goods by mass or volume, meat and dairy inspections required by federal law, policy programs to ensure agricultural operations can continue in the face of increasing federal requirement. Tier Three programs are all other programs that are statutorily authorized and provide benefits but do not directly protect human health or commerce. Examples of these programs include our Applied Producer Research Grant program, our Wildlife/Livestock Disease Research Partnership and our Coordinated Resource Management program along with various collaborative conservation projects such as the Western Landscape Conservation Initiative and the Jonah Infield/Pinedale Anticline Project Office.

2. Prior studies or work done to identify or improve agency inefficiencies.

The Department has analyzed operations across Divisions to identify inefficiencies. A recent example included the formation of an employee-led committee to analyze scale pump certification activities. We were able to alter geographic areas of responsibility, programmatic areas of responsibility and structure of employee supervision to more evenly distribute workloads for optimum service delivery after losing to budget reduction. We have been able to maintain our statutorily mandated rate of inspection with fewer employees.

We are currently conducting a study within our Consumer Health Services Division regarding day-care inspections to streamline our inspections for sanitation with those inspections required for all other purposes by the Department of Family Services. The objective of this analysis is to identify and eliminate any duplication of

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The Wyoming Department of Agriculture is dedicated to the promotion and enhancement of Wyoming's agriculture, natural resources and quality of life.

efforts. If it is determined that we can reduce our presence in day-care facilities, we would redirect our energy towards our State Meat Inspection Program to provide more commerce opportunities for meat plant operators across the State.

3. *Nonpriority programs and expenditures that may be statutorily required but which could or should be discontinued.*

We were able to identify statutorily **authorized** but **not required** programs within our purview that we discontinued to reduce the Department's expenditures. Examples of these programs included Wildlife/Livestock Disease Research Program and the Applied Producer Research Grant Program.

4. *Agency-related statutory provisions that lead to inefficiencies.*

The Department conducts statutorily required inspections of scales, pumps, commercial food establishments, pesticide storage facilities and plant nurseries among other areas. We may be able to increase our efficiencies if statutorily defined frequencies of inspections were reduced in some areas. This will take considerable research, however, as some of our inspections are also mandated by federal law. It would be prudent for us to comprehensively review our federal obligations before we offer a statute change that may inadvertently disqualify our customers from participation in interstate commerce.

However, a state example that could be considered is W.S. §40-7-105, which references the frequency of inspections of each fuel storage tank in the state. This statute requires annual inspections and a reduction to biennial inspection would create greater efficiencies for our inspectors who travel extensively to attempt to meet this current requirement.

Additionally, Wyoming Food, Drug and Cosmetic Safety Act W.S § 35-7-121 (b) references that upon completion of an inspection, a report in writing must be given to the owner, operator or agent; Public Pool and Spa Health and Safety Act W.S § 35-28-107 (b) also references that upon completion of an inspection that a report in writing must be given to the owner, operator or agent. Often times operators request electronic reports instead of hard copy reports for their files and efficiency to send to corporate headquarters. The statute does not state that they can have an electronic report instead of the hard copy. This small change to allow for electronic reporting would allow inspectors the ability to move towards a paperless process. In addition, this change could save time for the inspector who would not have to make copies because inspection reports are done on tablets and the operator is able to sign their name on the tablet screen.

5. *Suggestions for improvements in efficiency, i.e., describe your "perfect world scenario".*

Ideally, the WDA would like to have the necessary staff and resources to most efficiently carry out all of the Department's statutory requirements. However, given the budget picture of the State of Wyoming and current budget restraints we understand that there are certain limitations. However, many efficiencies could be gained if the license renewal time frames could be staggered throughout the year. Below is a list of statutory changes to consider creating a more efficient use of resources.

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Weights & Measures Program: Change license date from March 31 to July 31, in addition a change from annual to biannually licensure with increased fees to reflect two years of fees would balance and stagger the incoming renewals. See Weights & Measures Licensing Statute W.S. § 40-10-136

Plant Industry: Maintain current renewal date of March 31 and change renewals from annual to biannually with increased fees to reflect two years of fees. See Nursery Stock Licensing Statute W.S. § 11-9-102

Predator Management: Change renewal date from March 31 to October 31, annually. Predator Management Licensing Statute See W.S. § 11-6-105

In our Technical Services division approximately 35,705 licenses are sent, issues and reviewed between December 31- March 31 by two WDA licensing personnel. By changing these renewal dates, it would allow for more efficiency by spreading licensing duties out across the calendar year and improve turnaround time and customer satisfaction.

In that same vein, Public Pool and Spa Health and Safety Act W.S. § 35-28-108 (b) states that all licenses shall expire June 30 of each year. A simple change to the renewal of the license to be due one year from the date of issuance would create much greater efficiencies for our inspectors and support staff. Staggering this deadline would help better control workflow and new operators would always receive the full benefit of an entire year's licensing instead of the remainder leading up to the deadline.

Finally, a change to biennially licensing operations falling under Wyoming Food, Drug and Cosmetic Safety Act W.S. § 35-7-121 (a)(ii). These facilities that only have pre-packaged non potentially hazardous foods that require refrigeration. These lower risk establishments could lead to greater time usage efficiencies if only reviewed biennially.

Sincerely,

/s DM

Doug Miyamoto
Director, Wyoming Department of Agriculture

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Wyoming Attorney General's Office (015)

Government Spending and Efficiency

6/22/2017

I. **Agency work to promote efficiency and reduce spending, including any prior studies completed or work done to improve agency inefficiencies.**

While not all of the budget reductions over the past two years have led to greater efficiency – without a consequence to agency services – some have been successful. The most effective changes within the recent past have been:

Reducing the Use of Outside Counsel (Law Office)

In coordination with the Department of Workforce Services, we began an initiative to provide legal representation for the defense of workers compensation claims to the Workers Compensation Commission on a reimbursable basis. The Department had been paying private law firms throughout the state to do this work, using professional services contract. So far, the Attorney General's office has hired two attorneys, one in Cheyenne and one in Casper. The projected biennial cost of these two positions is \$550,000. Prior to this effort – during 2015-16, the Department paid a private firm \$1.13 million to handle these cases in Casper alone.

General Efficiencies (Law Office)

Some of the efficiencies are simple. The office has undertaken a careful review of expenses, which has resulted in small, but noticeable, savings. Since 2013, the office has eliminated color letterhead (which was printed on color copiers), resulting in a savings of more than \$20,000. Moreover, when the copier rental agreements were renegotiated, several color copiers were replaced with black/white models. The office has removed redundant cell phones and vehicles. The Attorney General has traditionally had a state car for official travel. This vehicle is now available for use by all law office attorneys, and the Toyota Prius has traveled more than 40,000 miles in three years. Office assistants must check Amazon and Office Depot before purchasing office supplies of any significance. All copy paper is purchased through the state's official contract for paper.

Crime Scene Scanners (Division of Criminal Investigation)

The Crime Laboratory, within DCI, provides a Crime Scene Response Unit to assist with processing crime scenes. Analysis revealed that a number of the requests for

help from the Unit were solely to scan the crime scenes with electronic laser scanners. Although a very valuable service, this frequently required Unit employees, located in Cheyenne, to incur significant costs traveling throughout Wyoming. DCI concluded that this service could be provided by DCI investigators located in the field if the agents had access to the necessary equipment and training. DCI is now working to place laser scanners in most DCI field offices. Working with Wyoming Office of Homeland Security, DCI received a federal grant to purchase one of these scanners. This scanner is in Casper, and DCI has trained agents on its use. This has already proven successful. DCI is now working to purchase more of these scanners for other parts of the state.

Reduction of Control Terminal Services (Division of Criminal Investigation)

Until 2016, DCI operated a Control Terminal on a 24/7/365 basis, which allowed DCI agents to be available at all times. While important, the terminal staff largely duplicated the functions of the dispatchers at the Wyoming Highway Patrol. DCI has now eliminated the Control Terminal, which resulted in the layoff of three employees (a Control Terminal Supervisor and two Control Terminal Specialists) through a Reduction in Force (RIF) as well as the position that was acting as the receptionist for DCI. This position was eliminated via attrition through a retirement. The Wyoming Highway Patrol dispatchers are now the command center for this law enforcement work.

Travel Policy (Division of Criminal Investigation)

To reduce travel costs, DCI requires individuals of the same gender who are traveling together to utilize a single motel room for double occupancy. Additionally, in 2016, DCI instituted a requirement that vehicles be driven to 120,000 miles instead of the state recommended 100,000 miles. In 2017, the legislature increased this to 150,000 miles.

Infrastructure Improvements (Wyoming Law Enforcement Academy)

In 2015, the Academy installed a new facility boiler system, resulting in cost savings in natural gas consumption as well as savings in electrical utilities due to the variable speed circulating pumps that accompanied the boiler system. When comparing the two years prior to the boiler installation against the most recent two years, gas consumption has decreased by approximately 9% with a cost savings of approximately 26% overall. (To be sure, some cost savings may be from declining gas prices over the past four years.) In 2014, the Academy purchased a liquid ozone system to replace most of the chemicals used for cleaning and disinfecting the facility. When compared to previous purchases of cleaning chemicals from 2010–2014, this has led to a cost savings of approximately \$12,000 a biennium. Finally, the Academy has used Tridium Building Management System since 2004 that operates mechanical motors, circulating pumps and ventilating dampers. This system effectively controls daily operational functions and manages various HVAC demands throughout the facility, and when the facility is not

populated (such as evenings and weekends), the system automatically reduces operational functions. This cycling process has decreased the continual operation of HVAC related equipment, which adds to the overall longevity of each piece of equipment.

Grant Management (Division of Victim Services)

The Division of Victim Services fully implemented an online grants management system that greatly improved management of funding awarded to community based victim service providers. Changes include: (a) Revision of payment method to community based service providers. All payments are now based on reimbursement for allowable expenses that are submitted monthly to the Division. Prior to this system, there was very little accountability for payments being made to providers; (b) Expenses are reviewed by program managers and once approved, are paid; (c) Closer monitoring of expenses incurred by programs has resulted in improved compliance with federal guidelines for managing grants; (d) Federal funds reverted or unspent during the fiscal year are allocated to providers the following year. In the past, unspent federal funds were returned to the federal government.

Travel Costs (Governor’s Council on Developmental Disabilities)

The Council meets 4 times a year. In the past, the Council has travelled around the state for three out four meetings (with one meeting in Cheyenne.) The Council began two years ago to have all but one meeting Cheyenne each year. The Council also began using ZOOM computer conference at a low cost per year for many of its collaborative meetings. The Council would like to start using this for its quarterly meetings so council members do not have to travel.

II. Non priority programs and expenditures that may be statutorily required but which could be discontinued.

A. Law Office

None are noted.

B. Division of Criminal Investigations

None are noted.

C. Wyoming Law Enforcement Academy

None are noted.

D. Peace Officer Standards and Training Commission

None are noted. However, the Office of the Attorney General is considering whether it would make sense to consolidate the POST function with the Wyoming Law Enforcement Academy, as is done in some other states.

E. Division of Victim Services

None are noted.

F. Governor's Council on Developmental Disabilities

None are noted.

III. Agency related statutory provisions that lead to inefficiencies.

A. Law Office

None are noted.

B. Division of Criminal Investigations

Legislatively Mandated Fees

The legislatively mandated fees contained within a statute do not contemplate future cost increases imposed by vendors providing services necessary to accomplish the required tasks. For example, Wyoming Statute 6-8-104(p) authorizes DCI to charge a person \$5.00 for a duplicate concealed firearms permit, but the vendor charges DCI \$10.00 to provide the duplicate permit. As a result, DCI loses \$5.00 on every duplicate concealed firearm permit issued. It would be more efficient for legislation to allow for appropriate fees to be set through the rulemaking process rather than by legislation.

C. Wyoming Law Enforcement Academy

No statutes stand in the way of Division efficiency at this time.

D. Peace Officer Standards and Training Commission

Licensing Fees

Unlike other professional licensing boards, POST does not have explicit statutory authority to charge peace officers and corrections officers a licensing fee for certification renewal. The agency is currently looking at whether it would be feasible to charge \$25 for every two years of certification, which would not only allow the agency to continue to improve its electronic records database but would bring ownership of the certificate/license to the officers rather than their employing agencies.

Time to Certify

Wyoming law gives a part time or reserve officer two years to complete basic training while a full time officer has one year to complete. Wyo. Stat. Ann. § 9-1-704(f). This allows non-certified officers to work for two years without formal training.

E. Division of Victim Services

No statutes stand in the way of Division efficiency at this time.

F. Governor’s Council on Developmental Disabilities

No statutes stand in the way of Division efficiency at this time.

IV. **Suggestions for improvement in inefficiency, i.e. describe your “perfect world scenario.”**

A. Law Office

Supervision of Private Counsel

Some agencies continue to employ outside attorneys, often for significantly more money than needed. While the Attorney General must approve all attorneys that litigate in court on behalf of the State – which allows for supervision – the office has had resistance with attorneys who appear only in agency hearings or as agency advisors. The office could continue to increase efficiencies, where appropriate, if the Attorney General had to approve the use of private attorneys by all taxpayer-funded agencies.

B. Division of Criminal Investigations

Video Testimony

Crime Laboratory Scientists and Special Agents spend a significant amount of time testifying in criminal prosecutions around Wyoming. This reduces the time an agent or scientist can devote to other investigations. This results in slower turnaround times. DCI has the technology to provide video testimony from our headquarters in Cheyenne to courts around the state. This will likely require both statutory authorization as well as judicial approval, given that all criminal defendants have the right to confront the witnesses against them, and this will often require in person testimony. It may be worth exploring whether video testimony could be authorized by the Legislature for motion hearings and non-jury trials. Video testimony would significantly reduce travel costs, overtime costs and potentially reduce the time of analysis for DCI's forensic scientists.

Pay Flexibility

The State of Wyoming has developed pay bands for all employee classifications. These bands include a minimum salary for the position and based upon salary surveys include a "market salary" for these positions. Many of the DCI employees only have one classification and thus can't be reclassified to a higher level. This has resulted in a salary compression. For instance, an employee who was hired 10 years ago is making 89% of the market level. A new employee could be hired and provided a salary at the market level, which would be hundreds of dollars more per month. It can be difficult to increase the salary of the 10 year employee to move them closer to the market level. The inability to increase an employee's salary within the pay band for their classification results in compressed salaries, unless the Director is willing to hire a new employee at a higher salary than a more experienced employee. As part of a broader examination of personnel policies, it is worth considering whether to allow agency supervisors to hire a person in at the bottom of the pay band and increase that person's salary over the course of their employment. This could be accomplished if the Director were given the freedom to accomplish this with the requirement that they not increase their overall budget.

Leave Compensation

An area that may be considered to improve spending and efficiency is the area of sick leave compensation. Currently an employee is financially compensated for all of their accrued annual leave and their accrued sick leave up to 480 hours upon separation from state service. This significantly impacts an agency's budget and may require leaving a position vacant for some time in order to absorb the cost in the budget. It might be worth compensating an employee for accrued leave by converting this time to months of service toward retirement? Another option would be to financially compensate the employee for all of their accrued annual leave and convert the sick leave to months of service. To be effective, the sick leave cap would likely have to be removed. This scenario

would appear to provide an incentive to employees to accrue as much leave as possible, which should reduce the cost associated with donated sick leave and result in better service to the State.

C. Wyoming Law Enforcement Academy

None are noted.

D. Peace Officer Standards and Training Commission

Certification levels

In a perfect world, the State would eliminate levels of certification for officers. Once an officer completes basic, that individual would be certified as a peace, detention, correction or dispatcher and would renew every two years based on training completed and licensing fees. POST currently uses a complex system to certify officers throughout their career, using years of service, education and advanced training. In one scenario an officer could go from basic to professional in two years. While another officer needs five years to complete the process. Again this is based on training hours and higher education. This would make tracking certifications easier.

E. Division of Victim Services

Consolidation of Programs

The Division has preliminarily explored the feasibility of consolidating the non-profit Domestic Violence/Sexual Assault (DVSA) programs into a regional model rather than continuing to fund county based programs. This could allow programs to reduce the administrative expense of funding executive directors, bookkeeping costs, and some fixed costs of operations. Any effort in this area would need to be a joint effort with other stakeholders to ensure that victims of domestic violence continued to receive services at a high level.

F. Governor's Council on Developmental Disabilities

None are noted.

2300 Capitol Ave., 5th Floor, Suite B, Cheyenne WY 82002

Commissioners

*Mr. Larry Atwell, Cheyenne
Mr. Bruce Brown, Devils Tower
Ms. Katherine Dooley, Powell
Dr. Craig Frederick, Guernsey
Dr. Jackie Freeze, Rock Springs
Ms. Sandra Meyer, Evanston
Ms. Julia Newman, Torrington*



*Ex-officio
Governor Matt Mead
State Superintendent Jillian Balow
Executive Director
Dr. James O. Rose*

*Phone: 307-777-7763
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www.communitycolleges.wy.edu*

June 16, 2017

TO: Wyoming Government Spending and Efficiency Commission

FROM: Jim Rose

RE: Response to request

As an agency, the Wyoming Community College Commission is charged with a number of statutory responsibilities, one of the most significant being the development of budget requests and allocation of funding that supports the operations of the seven community colleges. Consequently, of the total general fund appropriations received by the WCCC, less than 1.5% is actually retained by the agency.

The largest components of the WCCC's budget are distributed directly to the colleges, consisting primarily of support for their operations and reimbursement for the costs of health insurance for their benefited employees. The remaining budget allocation applied to agency functions includes support for an administrative computing system employed by the colleges and agency, together with a variety of smaller, ancillary programs such as the Wyoming Investment in Nursing program and the Adult Education program.

The administration of these and other legislatively-mandated programs requires staffing, and exclusive of the portions allocated directly to the colleges, the single largest component of the agency's administrative budget is for personnel. The elimination of programs such as Wyoming Family Literacy, combined with the statutory changes to the WCCC's role in community college capital construction, resulted in a net reduction of 12.5% in agency staff. Given current administrative responsibilities and the increased workload assumed by current staff, it is difficult to imagine where any further reductions could occur without seriously impacting the agency's ability to fulfill its required functions.

The seven community colleges have each implemented various measures and engaged in significant cost reductions in response to recent budgetary challenges. As institutions, their efforts continue, seeking and employing ways to reduce costs and improve efficiencies. These measures have resulted in the elimination of programs, reductions in force and curtailing of non-essential services. Tuition and fees have been increased to

supplement vital resources, with students bearing an increased portion of the overall cost of educational services.

At various times through the recent budget discussions with the executive and legislative branches, we have collected, compiled and reported on the specific strategies the colleges have undertaken to address conditions induced by diminished funding. These data provide a sober picture of the effects each college confronts. And because local resources from property taxes levied in the seven college counties have declined along with state revenue, the colleges face amplified fiscal challenges.

We are sensitive to the magnitude and nature of the challenges facing the state and will do all we can to assist in addressing them. However, our current circumstances, combined with the modest proportion of general funds that the agency controls, make it difficult to suggest any areas where reductions can be achieved without lasting harm.

If Commission members have questions or require additional information, please let me know. Thank you for your consideration.

WYOMING DEPARTMENT OF CORRECTIONS
EFFICIENCIES – SUMMARY COMPARISON FY09/10 to FY17/18

June 29, 2017

	<u>FY09/10*</u>	<u>FY17/18</u>
Standard Budget	\$254,840,862	\$260,169,825 (+2%)
General Funds Budget	\$250,026,277	\$252,497,588 (+1%)
Institutional Bed Space	1,843 Total	2,563 Total (+39%)
Operating Capacity (OC)	1,636	2,302 (+41%)
Average Daily Inmate Population	1,454	2,229 (+53%)
Average Daily Offender Population	6,391	6,750 (+6%)
Authorized and Funded Positions	1,149	1,116 (-3%)

***WMCI opened in January 2010, previously had 439 inmates housed out-of-state**

Among others, efficiencies already incorporated by WDOC have included:

- 1) Reduced hiring rates for easier to recruit positions.
- 2) Eliminated referral, hiring, and retention bonus programs for new employees.
- 3) Renegotiation of existing contracts to lower amounts, most notably the contracts for inmate medical services (e.g., lowered medical contract over \$2 million, expanded cost share approach for off-site services and partnered with vendor to negotiate lower off-site and hospitalization costs.) or long-term extensions of service contracts with no increase in costs or reduction in services (e.g., residential substance abuse and secure housing for 100 inmates).
- 4) Expanded use of electronic storage and change in vendor to significantly reduce costs at an annual savings of about \$7,000 per year.
- 5) Redesign of inmate law library to single server resulting in about \$25,000 per year reduction in costs.
- 6) Reduced transportation costs to the state for releasing inmates who arrange for own transportation by up to \$200 per inmate.

- 7) Converted classroom training to on-line training where appropriate to reduce travel costs for 20-25 attendees per class and reduced the number of trainings per year (saved about \$38,500).
- 8) Centralized necessary classroom training geographically and use no-cost venues whenever possible, resulting in lower training and overnight travel costs.
- 9) Use dormitory space to house new hires going through the training academy eliminating the need for motel and per diem expenses for nine-week academy (saves about \$212,000 per year).
- 10) Reduced size of agency vehicle fleet through consolidation wherever possible.
- 11) Reduced audit days spent at various locations by 2/3rds using electronic means resulting in travel, motel and per diem costs for four to six staff per audit.
- 12) Redesigned delivery of inmate programming from copyrighted materials to effective public-domain materials (save \$183.70 per inmate per class).
- 13) Trained case workers in inmate program delivery to reduce contract costs.
- 14) Redesigned emergency management response system to public-domain approach saving costs for copyrighted materials, annual training and certification expenses.
- 15) Changed method of conference phone use to low-cost no-cost solutions.
- 16) Converted a number of offices and practices to paperless approaches, saving on paper and printing costs.
- 17) Centralized purchasing of food and canteen items to greatest extent possible to maximize efficiencies of bulk purchasing and standardize products.
- 18) Adopted an evidence-informed risk-based approach to incarceration, supervision of offenders and frequency of drug-testing focused on risk (see attached graphics).
- 19) Trained agency investigators to conduct polygraph examinations to reduce contract costs.
- 20) Consolidated job duties whenever possible to absorb critical work as the total number of authorized positions was reduced.

Significant negative consequences of efficiencies and budget reductions taken to date:

- The agency has 122 frozen and unfunded FTE positions, primarily within the security ranks.
 - Remaining employees have had to take on a significant amount of work in addition to regular job duties without additional compensation.
 - The number of employee departures has consistently exceeded the number of new hires (increasing number of vacancies despite reduced turnover rate) since elimination of P.O.S.T. salary scale for correctional officer series employee.

- Overtime costs across the agency will exceed the amount budgeted for overtime by \$6,700,000 at the end of FY17/18.
- Funding for in-prison substance abuse treatment was reduced 41%, resulting in the loss of all institutional out-patient treatment services and a reduction in residential treatment capacity of 95 beds (74 male and 21 female beds).
 - Incarcerated individuals with low to moderate substance abuse treatment needs (about 45% of males and 60% of females) must wait until release to obtain out-patient services, taxing the resources of local communities to provide those services.
 - The number of returns to prison for parole revocations has increased, primarily for substance abuse related reasons.
 - Recidivism rates (the rate of return to prison or supervision within three years of release) have increased about 7%.

Suggested efficiencies that will require statutory change and/or additional funding:

WDOC had investment-grade energy audits conducted at all facilities and DOC buildings. These audits identified \$28,572,500 in energy related projects that would reduce the energy spend 21% per year and result in \$1,723,403 annual savings moving forward. Current statute and the state constitution limit an agency's ability to proceed with these projects absent a specific appropriation. (Agencies cannot take on debt absent prior legislative approval.) This prevents investment-grade energy audit implementation by disallowing third-party financing for state agencies, as is contemplated by the Wyoming Energy Conservation Improvement Program. Third-party financing for these energy conservation measures would allow for projects to be paid for as a result of energy savings, with that amount of savings guaranteed under the program. (Amend Wyoming's Energy Performance Program established under W.S. 9-12-1201, et seq.)

Restrict the amount of reimbursement allowed to vendors under all state contracts for per diem, lodging and travel to state/federal rates. Currently agencies reimburse at receipted-for levels. It is believed this would save WDOC alone several thousand dollars per year for longer-term construction and "as needs" contracts.

Require all state agencies to contract with Wyoming correctional industries (doing business as Wyoming Brand Industries) for printing, janitorial supplies, and other services/products offered (such as office furniture and signage) unless the contracting agency can do it at a lower cost in-house, specifications cannot be met by WY Brand Industries, or pricing is not competitive. Due to the availability of inmate labor, cost of production is often significantly less.

Through statute, maximize opportunities for state agencies and local government to partner or contract with WDOC for the utilization of the eligible inmate work force for labor-intensive tasks such as data entry, highway repair, call centers, captive breeding programs for endangered species, pre-fabricating panels for snow fences, etc. This could potentially reduce personnel costs for those agencies, increase vocational training and employment opportunities for inmates, and permit the inmate to reimburse the state in part for the cost of care.

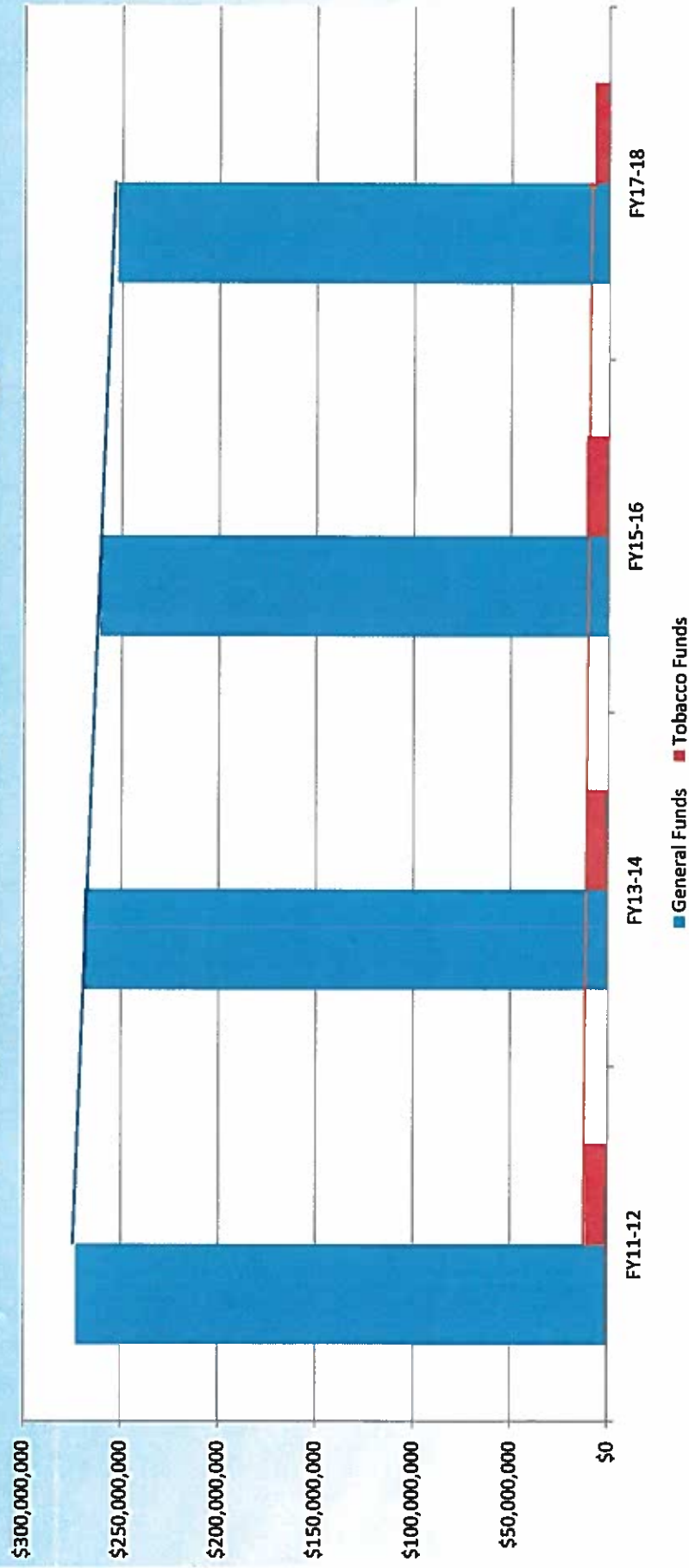
Pass criminal justice reform measures that provide for an increase in alternatives to incarceration. The JJIC considering scaled down version that does not include:

- Restrict courts' ability to place misdemeanants on supervised probation or remove statutory obligation for WDOC to provide supervision to misdemeanor population.
- Extend length of time inmates may be referred to Adult Community Corrections Centers from two years prior to parole eligibility to three years.
- Expanded ability of court to reduce sentence length for successful probation terms.
- Expand Youthful Offender Act (boot camp) program to allow for placement of older first-time offenders as well (not accepted for Interim study.)

Reinstate \$2,272,015 in funding for substance abuse related treatment programs within the agency as an investment in efficiency. This would allow for the capacity necessary to address all levels of risk through evidence-based treatment during incarceration and prior to release .

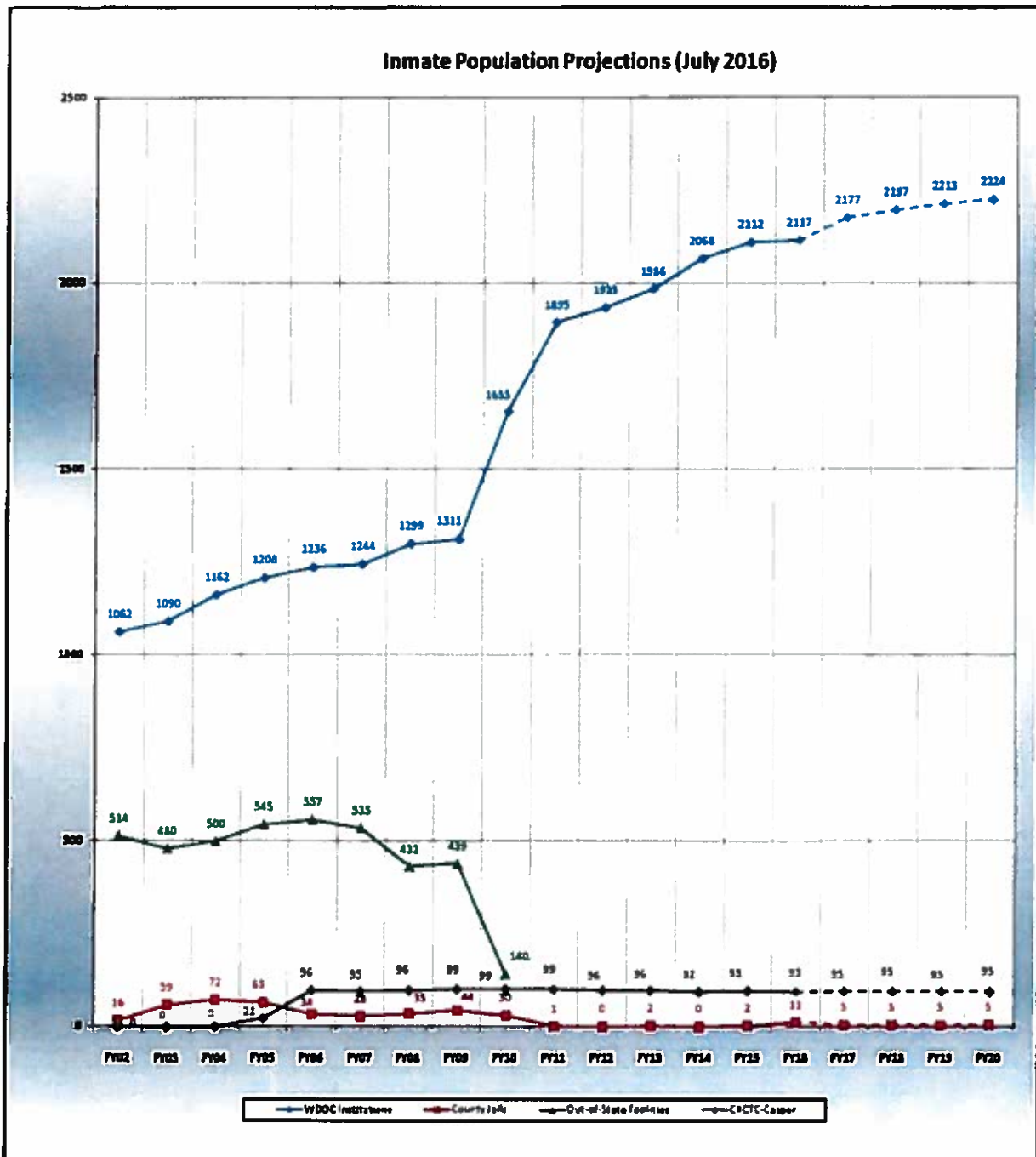
- The amount of tobacco funds allocated to the agency, which is the funding source for substance abuse treatment-related programs, was reduced by \$2,272,015 or 41%. As a result, 303 fewer inmates now receive out-patient substance abuse treatment prior to release and 95 fewer high-risk inmates receive residential substance abuse treatment prior to release from prison, increasing their risk for failure.
 - This reduction is expected to increase overall recidivism rates by about 15% and has already resulted in a 7% increase in the number of probation and parole technical revocations due to substance use.
 - It is estimated that each 1% increase in recidivism is the equivalent of about 16 additional inmates per year coming to prison. Assuming current average costs of \$113.80 per day per inmate, that is \$664,592 in increased costs for every 1% increase in recidivism.
 - The reduction of \$2,272,015 is the equivalent of 55 additional inmates per year, which is enough to offset a 3.4% increase in recidivism rates, but no more than that. Replacement of the \$2,272,015 would likely result in long-term savings to the state of between \$2,367,609 per year (assuming continuation of the 7% impact already shown) to \$7,684,245 per year (assuming a 15% impact).

Wyoming Department of Corrections Standard Budget

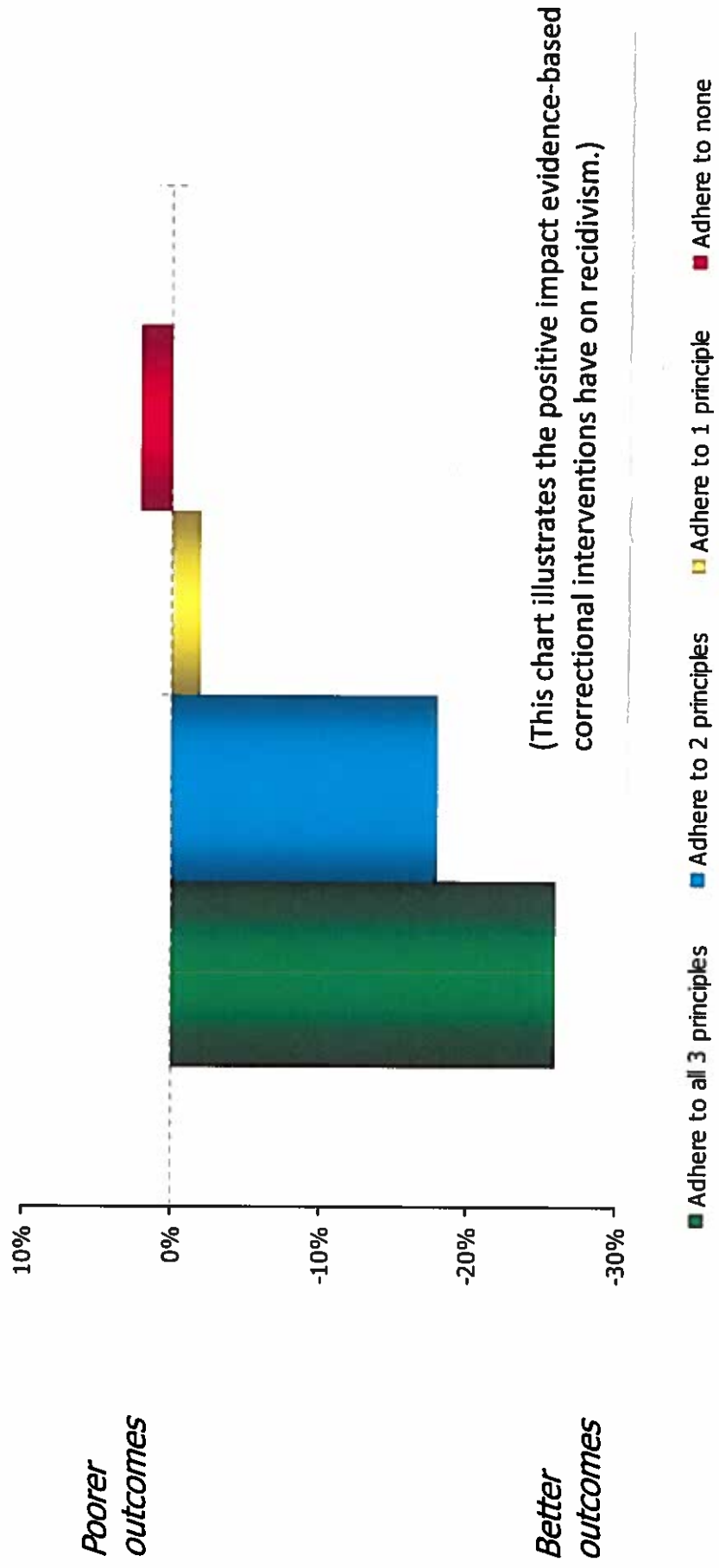


Population Projections

	Projections																Percentage Inc/Dec FY02 vs FY20			
	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	
WDOC Institutions	1062	1090	1162	1208	1236	1244	1299	1311	1635	1895	1935	1986	2068	2112	2117	2177	2197	2213	2224	109.42%
County Jails	16	59	72	65	34	28	35	44	30	1	0	2	0	2	11	3	3	3	3	-68.75%
Out-of-State Facilities	514	480	500	545	557	535	432	439	140											
CRCTC-Casper	0	0	0	21	96	95	96	99	99	99	96	96	92	95	93	95	95	95	95	
Total	1592	1629	1734	1839	1923	1902	1862	1893	1824	1995	2031	2084	2160	2209	2221	2277	2287	2313	2324	43.08%



Impact of Adhering to the Core Principles of Effective Intervention*



* meta-analysis of 230 studies (Andrews et al., 1999)

Relationship	Correlation
High blood pressure meds & reduced stroke risk	.03
Heart bypass & 5 year survival	.08
Smoking & lung cancer within 25 years	.08
OTC meds & reduced cold symptoms	.11
Lead exposure & reduced IQ	.12
Ibuprofen & reduced pain	.14
Mammogram & cancer detection	.27
Cog-behavioral treatment & reduced recidivism	.29
Actuarial risk tools as predictors of recidivism	.30
Evidence-based treatment & reduced recidivism	.30
Antisocial attitudes/companions & recidivism	.18 – .39
Targeting criminogenic needs & reduced recidivism	.55
Andrews, et al, 1990; Andrews & Bonta, 1994; Gendreau, et al, 1996; Meyer, et al, 2001; Simourd & Andrews, 1994.	

(This chart illustrates the positive impact evidence-based correctional interventions have on recidivism in comparison to generally accepted practices around health care issues.)

2013 Cohort Success Rates and Costs

Non-Prison Alternatives

- Traditional Probation Misdemeanor
 - 55.4% Success Rate \$5.19/day
- Traditional Probation Felony
 - 70.0% Success Rate \$5.19/day
- ISP Probation Felony
 - 55.1% Success Rate \$15.21/day
- ACC Probation Placements
 - 42.2% Success Rate \$39.92/day
- Split Sentencing
 - 60.0% Success Rate \$60.00/day

Prison Placements

- Boot Camp
 - 37.9% Success \$118.07/day
- Prison
 - 70.4% Success \$122.83/day
- Traditional Parole
 - 57.9% Success \$5.19/day
- ISP Parole
 - 68.0% Success \$15.21/day
- ACC Post-Prison
 - 56.8% Success \$39.92/day

***Sentence Completion 90.2% Success**

***Full Parole Completion 84.6% Success**



WYOMING
DEPARTMENT OF EDUCATION

*Creating Opportunities
for Students to Keep
Wyoming Strong*

Jillian Balow

Superintendent of Public Instruction

Dicky Shanor

Chief of Staff

Brent Bacon

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On the Web

edu.wyoming.gov
wyomingmeasuresup.com

June 27, 2017

To: Acting Chairman Senator Drew Perkins and members of the Wyoming Spending and Government Efficiency Commission

From: Dianne Bailey, WDE Chief Operations Officer, Trent Carroll, WDE Finance Director

Re: June 29th Meeting Testimony

Acting Chairman Perkins and Commissioners,

Thank you for creating this commission and asking agencies for information on how we can work together to make Wyoming government more effective. Consistent with a June 14 email we received from LSO regarding the topics to be discussed at your first meeting, this memorandum will address the following:

1. Agency work to promote efficiency and reduce spending, including any prior studies completed or work done to improve agency inefficiencies;
2. Prior studies or work done to identify or improve agency inefficiencies;
3. Nonpriority programs and expenditures that may be statutorily required but which could or should be discontinued;
4. Agency-related statutory provisions that lead to inefficiencies;
5. Suggestions for improvement in efficiency, i.e., describe your "perfect world scenario."

In order to provide you with the most comprehensive response possible in the time frame allotted, we had every team in our agency work on this project and provide us with ideas. Our responses incorporate feedback from many members of the WDE team who combined carry with them significant years of experience in the private and public sector. Our Chief of Staff Dicky Shanor also provided some feedback in number five related to legislative practice when it comes to cuts.

1. Agency work to promote efficiency and reduce spending, including any prior studies completed or work done to improve agency inefficiencies.

Travel

- Reduced the number of employees attending the same trainings and attend only free, low-cost, or essential conferences and professional development.
- Use WebEx to stay in the office for meetings whenever possible.
- Carpool within WDE and with other agencies.
- Implemented specific approval processes for travel with detailed explanations as to the purpose and projected costs, requiring multiple steps of review and approval.
- Limited out-of-state travel as much as possible.
- Eliminated several permanently assigned vehicles. Of the vehicles still assigned to our agency, rather than let them sit when the primary driver is not using them, we share with others when the need arises in another division or team.
- Maximize routes for federal monitoring visits to conduct as many visits as possible while traveling in a given geographic area.

Internal efficiencies

- Incorporated technological advances into our processes that have enabled us to eliminate expensive contracts and take on that work on internally.
- Replaced outdated technology with more cost effective solutions.
- Review communication costs on a monthly basis and eliminate inactive land lines and mobile devices.
- Use google hangouts for interviews of candidates from outside the Cheyenne area.
- All vacancies evaluated for strategic need before filled. Specific expertise is sought during the hiring process to help replace costly contract work with internal expertise.
- Migrating to digital forms and digital signatures which will allow paperwork to be processed digitally and staff that may be out of the office to review and approve using digital signatures. With position cuts and fewer employees to do the work, this saves us time and minimizes the backlog that occurs when supervisors, directors, and chiefs spend a significant amount of time on the road.

2, Prior studies or work done to identify or improve agency inefficiencies.

-RTI Information Technology and Data Systems Assessment – In April, 2013 the WDE interim director, Dr. Jim Rose, contracted with RTI for a study to understand the opportunities and challenges for Information Management and Data Security within the Wyoming Department of Education. The vendor performed an assessment of the department's data and information technology systems and recommended strategies for enduring that the WDE had reliable, secure, sustainable, and responsible data and information management capabilities. RTI testified about the report and its findings before the Joint Education Committee on June 3, 2013 and follow-up to the findings has been completed.

-EDI capacity review - The Education Delivery Institute is a national consulting firm that evaluates state education agencies for efficiencies. The Council of Chief State School Officers engaged EDI to conduct a capacity review of WDE at the beginning of Superintendent Balow's term. The study was to determine the WDE's ability to achieve its goals for students and to develop a strategic goal for leadership and all the Wyoming educational stakeholders.

This study was the first step to strategic goals and objectives for the WDE. Results, metrics, and progress is viewed by education stakeholders at a website called Wyoming Measures Up, <http://wyomingmeasuresup.com/>. This information underpins Superintendent Balow's annual update to the legislature.

3. Nonpriority programs and expenditures that may be statutorily required but which could or should be discontinued.

-Given the timeline associated with this meeting and requests for information, we have not had time to discuss this efficiency and cost savings project with the State Board of Education. However, the legislature may find that a productive exercise.

-Look at efficiencies with large contracts and possible reductions. Review contract services and eliminate on a case-by-case basis when possible.

-Consider lessening our reliance on outside contractors for statewide accreditation of districts and schools

4. Agency-related statutory provisions that lead to inefficiencies.

-A comprehensive analysis of all statutes related to the educational roles and responsibilities of the following agencies, and how we could reduce overlap and redundancy, would likely result in efficiencies for the state:

- i. Professional Teaching Standards Board;
- ii. Legislative education committees;
- iii. Attorney General's office;
- iv. Department of Audit;
- v. Legislative Services Office;
- vi. State Board of Education;
- vii. Wyoming Department of Education;
- viii. Wyoming Community College Commission;
- ix. School Facilities Department;
- x. Office of Homeland Security;
- xi. University of Wyoming;
- xii. Department of Agriculture;
- xiii. Department of Family Services;
- xiv. Governor's office; and
- xv. Any other governmental stakeholders with specific education responsibilities in statute.

5. Suggestions for improvement in efficiency, i.e., describe your "perfect world scenario."

A) **Rational actors**-Agency directors are rational actors who will strive for certainty and protect their ability to complete the job they have been tasked with. The current process for legislative cuts to agencies does not account for this well in that it creates a perverse incentive for agency directors to hold onto every dollar and every employee they possibly can. For

example, if an agency knows it will lose vacant positions during a legislative session, it will fill those positions before the session. If an agency knows it will get cut during the session regardless of how many employees/dollars it cuts voluntarily prior to the legislative session, the agency will not voluntarily cut anything. If an agency knows that a hiring freeze is on the horizon, it will hire as many positions as possible before that freeze takes effect. These are all inefficient practices encouraged by the existing known processes.

B) Percentage cuts done over time-The Governor's office in recent history has been effective at strategically cutting agencies. By setting a target, say 8% in cuts, and giving the agency sufficient time to make those cuts, an agency is able to use attrition and a thoughtful process to reorganize the agency to absorb the loss in funding/employees. With enough time, agencies can overcome significant cuts and maintain substantially similar service levels.

C) Longitudinal tracking of cuts-If the legislature/Governor's office could come up with a multi-year plan for cuts, say five years, and track all of the cuts agencies make over the course of that time and provide some sort of credit to those agencies or immunity from further cuts, that would provide agencies with an incentive to voluntarily start moving on efficiencies.

D) Expenditure control budgeting- In our current budgeting system, a strong incentive exists to pad all budget requests and avoid reverting any money. Expenditure control budgeting is a process for government budgeting where the department is provided an incentive to do the opposite-save. Generally speaking, in an ECB system, the department would be appropriated a set amount as is done in our current system. However, at the end of the fiscal period, in our case at the end of the biennium, if the department spends less than it was budgeted, a portion of those savings would stay with the department as discretionary funds and the remainder would revert to the general fund. There would also be an understanding that the department's subsequent budget would not necessarily be reduced in accordance with the savings realized.

If a department director does not fear getting his or her budget reduced because of reversions, and understands that some of the earned savings will be able to be used by the department at its discretion, we can begin to alter long-held inefficient bureaucratic behaviors toward improving efficiencies.

DATE: June 29, 2017

TO: GOVERNMENT SPENDING AND EFFICIENCY COMMISSION
HONORABLE DREW PERKINS
HONORABLE JOE MACGUIRE

FROM: Tony Young, CIO 

SUBJECT: Agency Work to Promote Efficiency and Reduced Spending

In response to: agency work to promote efficiency and reduce spending, including any prior studies completed or work done to improve agency inefficiencies

1. A prior study was conducted by the Management Audit Committee, which led to the consolidation of IT and the establishment of ETS.
2. Through the consolidation effort, IT positions were reduced from 283 FTE to 242 FTE.
3. Every budget year, ETS works with each agency to analyze the use of our enhanced services (400 series) and collaboratively try to find efficiencies in what services they are utilizing. We walk through each individual enhanced service in detail and encourage each agency to participate in these enterprise level services which can ultimately lower the cost of IT across all State government.
4. ETS provides a quarterly “cell device zero usage report,” which is shared with agencies who then identifies devices that can be turned off.
5. Enterprise solutions:
 - a. LANDesk - enables ETS technicians to provide remote support reducing the need to travel.
 - b. CrowdStrike - provides universal endpoint protection, increases our security posture and eliminated the need for two other applications.
 - c. Unified Network - provides redundant high speed network connectivity.
 - d. Cloud environment - provides anytime anywhere access, redundancy, backups, and a decrease to hardware and software purchases.
 - e. Data Center co-location - provides a highly secure environment and redundant environmental for State IT equipment.
 - f. Enterprise database environment - provides for a single location for databases needed across agencies improving support, and lowering licensing costs.
 - g. Trello - a free cloud solution providing task management to ensure items are being assignment and completed.
 - h. KissFlow - a cost effective cloud solution providing a basic approach to approvals for process such as travel, training and purchases.



- i. ETS Request - a cloud solution providing an avenue for agencies to gain CIO approval for IT contracts, RFPs and purchases.
- j. Help Ticket System - a cloud solution providing a method for agencies to request desktop support, password requests, etc.

In response to: prior studies or work done to identify or improve agency inefficiencies

1. N/A - ETS was established in 2012 through consolidating common and shared services related to technology. No further studies have been conducted since agency inception. However, there is currently an interim study on this topic assigned to JAC.

In response to: non-priority programs and expenditures that may be statutorily required but which could or should be discontinued

1. N/A - ETS is a service agency and does not have programs outlined in Wyoming Statute.

In response to: agency-related statutory provisions that lead to inefficiencies

1. Increased oversight of 400 series
 - a. ETS collaborates with agencies in developing the needed funds to support their IT needs. However, there are no provisions in statute giving ETS oversight of the movement of these funds. The Budget Office does work with ETS when agencies request moving 400 series funds into other areas of their budget, but they are not required.
2. 9-2-1036 (g): Annual Report on Concerns with Unfair Competition
 - a. The state chief information officer is required to submit an annual report to JAC for a mandate assigned to the Department of Administration and Information (A&I).
 - b. We believe this language was missed when ETS was established and the language could be updated to the Director of A&I.

In response to: suggestions for improvement in efficiency, i.e., describe your “perfect world scenario”

1. ETS plans to present to JAC in July two items related to the interim study, priority #2, ETS Consolidation, Hardware and Software
 - a. Direct Bill Program - ETS will be recommending this program to be funded through a recapture process involving the Statewide Cost Allocation Program (SWCAP) for those positions providing common services.
 - i. ETS provides services such as help desk support and database, network, server, and systems administration for the enterprise. However, there are approximately 30 FTE within the direct bill budget model providing these same services to single agencies.



- ii. The funding for these positions could be moved to ETS to provide an enterprise approach to support these agencies, which would allow for cross-training among other technical experts and better unified support.
 - iii. Streamlining the billing process would create efficiencies and simplify the budgeting process. Currently, ETS budgets for spending authority, the agencies budget funds in their 400 series and then ETS has to bill agencies monthly. Moving this process to SWCAP would allow for the billing to occur within A&I's existing process.
- b. Wyoming Unified Network - State agency circuit funding: General Funds and 300 Series
 - i. ETS will be requesting approximately \$3M as an exception request for the 19/20 biennium budget to generally fund non-core network circuits for State agencies. ETS has estimated the biennial cost savings to be approximately \$1.3M across all funding sources.
 - ii. ETS will be modifying the assessment and purchasing of approximately 358 circuits. A number of locations outside of Cheyenne still utilize legacy circuits, which can create bandwidth challenges and periodic loss of connectivity.
 - iii. Due to these outdated technologies being costly to maintain and support, ETS is conducting a statewide assessment of locations to determine the appropriate circuit, and will move forward for the remainder of the 17/18 biennium with the purchase of upgraded circuits for these locations.



To: Government Spending and Efficiency Commission
From: Todd Parfitt, Director, Department of Environmental Quality *JP 6/28/17*
Subject: Response to Commission Agenda Topics
Date: June 27, 2017

Dear Acting Chairman Perkins and Commission Members,

The Wyoming Department of Environmental Quality appreciates the opportunity to provide comments to the Government Spending and Efficiency Commission. DEQ is proud of its efforts in improving efficiency and reducing spending. DEQ is continuously exploring ways to improve processes and interactions with the regulated community and the public.

The mission of DEQ *is to protect, conserve and enhance the quality of Wyoming's environment for the benefit of current and future generations.* This is achieved by DEQ through the implementation of the Wyoming Environmental Quality Act, Industrial Development Information and Siting Act and numerous delegated federal programs. The DEQ consists of the Office of the Director and seven divisions: Air Quality, Water Quality, Land Quality, Industrial Siting, Solid and Hazard Waste, Abandoned Mines Lands and Management Services.

DEQ serves approximately 5,000 businesses annually which operate over 32,000 individual facilities throughout the State. DEQ work processes include: technical reviews, permit actions, inspection and compliance, remedial actions, outreach and program administration. In addition, DEQ reviews and comments on federal regulations, engages in the federal NEPA (National Environmental Policy Act) process, responds to spills and complaints, receives and reviews public comments, and addresses public records requests.

The following is DEQ's response to the Commission's agenda topics:

(1) Agency work to promote efficiency and reduce spending, including any prior studies completed or work done to improve agency inefficiencies.

- In 2016 DEQ created a Standardization and Efficiency Management Committee (SEMC). The SEMC consists of representatives from each of the seven divisions. The goal of the SEMC is to identify agency processes for standardization and areas for improving efficiency. Once the SEMC evaluates an issue and develops a course of action, the SEMC presents the recommendation to DEQ's senior leadership for consideration and implementation.
- DEQ is part of the Environmental Council of the States (ECOS) Business Process Improvement (BPI) practitioners working group. The working group consists of EPA

and state officials who facilitate and advocate for BPI (lean) activities within their agencies. The goal of the group is to share methodologies for improving efficiency and value. In 2016, ECOS established the program to support state environmental agencies in offering peer-to-peer training and mentorship on Business Process Improvement (BPI). This program was modeled after a successful independent mentoring arrangement offered by the Arizona Department of Environmental Quality.

- DEQ is part of a joint state/EPA E-Enterprise project workgroup. As an E-Enterprise project, states and EPA have partnered to study how states are digitizing their permitting systems and how to accelerate their use. To assist states in evaluating the impact of potential investments in ePermitting, this state/EPA workgroup is developing a Return on Investment (ROI) calculator that will allow states to see the amount of economic activity that could be happening if approval times were reduced through ePermitting efforts or other process streamlining. Additional metrics will provide monetized estimates of the beneficial impacts of increasing certainty in permit reviews, and the efficiency gains from instant access to information available online. Users will be able to tailor cost factors unique to their state or use the default settings provided and generate a one-page summary report of the estimated impact of economic activity that could be realized with process streamlining.

- DEQ, working with ETS, developed a plan for implementing an initiative with the objective of the agency becoming “substantially paperless”. The goal of the paperless initiative was to develop an IT system that would include: comprehensive web-based permitting; electronic reporting; expansive state-wide geospatial capabilities; unified IT infrastructure; data exchange between DEQ, Oil and Gas Conservation Commission, State Engineers Office, OSM and EPA; and, system support & sustainability. DEQ developed a timeline for implementation and requested the appropriate resources consistent with the timeline. To date, \$5,387,500 has been funded by the Legislature. However, with recent budget reductions, DEQ has deferred requests for additional project implementation funds.

Paperless Initiative and other efficiency projects:

- The Inventory, Monitoring, Permitting, And Compliance Tracking (IMPACT) web-based data system was developed to allow the Air Quality Division (AQD) to: better manage the flow of information and data across all programs, provide better service to industry, improve data quality, and offer increased transparency within the AQD and between the division and regulated community. IMPACT represents a new way of conducting business electronically. One of the overall goals of this project is to minimize information processing time to improve efficiency and enhance data quality.

- In 2012, the Air Quality Title V permitting program conducted a Kaizen continuous improvement event and made the following improvements: instituted a standardized way to consolidate and organize all information needed for permitting; as a result,

eliminating redundant research, promoting continuity and accuracy, and optimizing accessibility of relevant information; implemented a “Permit Basis Date” approach to permitting, which allows the agency to better manage change, reduce rework, and improve permit timeliness; changed internal review processes to better utilize and develop staff resources and reduce bottlenecks; transitioned most communication with EPA and permit applicants to electronic methods; reduced newspaper published public notice verbiage to the minimum required elements, supplemented with additional information on our website (30- 50% advertising cost savings); where possible, redirected training efforts to what can be accomplished in house with internal staff expertise, via webinar, and by LCCC to minimize costs

- The Air Quality Division's WyVisNet website allows the public and AQD staff to view and interpret near to real time air quality data from the AQD's monitoring stations around the State, generate National Ambient Air Quality Standards (NAAQS) and specialized detailed summary reports of Wyoming's validated air quality data, download quarterly and annual summary reports from stations, view archived image galleries, make visual comparisons of air quality conditions and find helpful and educational web links. This website is an important public communication and self-serve public information tool, and is also an important air quality analysis tool for the Division.
- DEQ's Solid and Hazardous Waste Division's (SHWD) WyWaste project started in August 2013 with a Kaizen Event to consolidate work efforts, systems and processes to a single application. Prior to this effort, SHWD's programs (solid waste, hazardous waste, and inspection and compliance) were all using different databases and spreadsheets to track their workflows and progress. The WyWaste development process consolidates into one database a tool that tracks work flows, permitting activities, and inspection information across the various programs to assure that permits are issued in an efficient and timely manner and facilities are being inspected for compliance with SHWD regulations. Additionally, the SHWD has completely digitized their paper files and is currently finalizing an electronic file management system that meets the needs of the Division. Going forward, the goal is to use the lessons learned from the SHWD's digitization initiative and apply to the other agency Divisions.
- As a result of the increased natural gas production and increased number of permit applications, the Water Quality Division's (WQD) Wyoming Pollutant Discharge Elimination System (WYPDES) Permitting Program conducted a “Kaizen” Event in June 2008 that was designed to streamline the work flow associated with issuing an individual WYPDES permit. Specifically, the event was tailored to reduce the number of days to issue a permit and develop a permitting process that could be consistently used for all permits (coal bed methane and non-coal bed methane permits). Prior to 2008, the average number of days to issue a permit was

approximately 200 days. During the event, each step of the permitting issuance process was carefully reviewed and evaluated to identify redundancies and inefficiencies. A new process was devised which involves fewer steps resulting in a reduction in the average number of days to issue a permit to its current average of 124 days. In addition, the number of days from the end of the public notice to issuance of the permit has decreased from approximately 85 days to 30 days. The improved process developed as a result of the Kaizen event is still being utilized and adapted as needed resulting in increased permitting efficiencies for the WYPDES Permitting Program.

- In 2013, the Land Quality Division (LQD) began production of Mining Information DAtabase System (MIDAS). The MIDAS application is one-stop shopping for the entire Division. It is used to access data about mine operations, establish work flows, conduct electronic permitting, view permit documents, download template documents, and create inspection reports. MIDAS is capable of housing all LQD documents - permits, correspondence, inspection reports, annual reports, violations, and monitoring reports. These documents are housed in a secure electronic Records Center that meets the U.S. National standard for electronic records management. This is the key to being truly paperless. The centralization of information and documents reduces flow of paper between LQD field offices and between LQD and operators. This has the benefit of streamlining work flow and, more importantly, provides a single source for information. This important feature reduces the potential for different versions leading to errors and miscommunications. MIDAS has increased efficiency and shortened permitting times by reducing the physical flow of paper and making access to documents more immediate. All incoming documents are converted to electronic format, and the process has begun to convert existing documents to electronic format. The LQD should be fully paperless within a few years.
- DEQ is successfully using SharePoint to facilitate document-sharing and improve records management. SharePoint Document Libraries have been built to more efficiently share information between WDEQ staff as well as to share information with other agencies. Document libraries have also been used to allow staff to collaboratively edit draft documents, resulting in more efficient workflows. SharePoint Records Centers have been built to electronically store records to meet retention schedules. Records Centers reduce the amount of physical material stored at State Archives (resulting in reduced costs) and improve staff access to records. Records Centers have been developed to track retention schedules and facilitate document disposition, ensuring that records are regularly maintained. Metadata attached to documents allow staff to easily sort and query for needed documents. Additional benefits of SharePoint not mentioned above include improved ability to respond to public records requests, reduced costs due to electronic records being stored in one central location rather than multiple locations, and improved working

space for staff due to reduced physical space needed to store paper records within the agency.

(2) Nonpriority programs and expenditures that may be statutorily required but which could or should be discontinued;

N/A

(3) Agency-related statutory provisions that lead to inefficiencies

- As part of the Standardization and Efficiency Management Committee (SEMC), the Agency is examining areas for using a more efficient method for how we provide public notices that doesn't impact federal requirements, primacy and public participation.
- DEQ is evaluating whether any general state statutes impede multi-media coordination or electronic document/business processes; or jurisdictional overlap (DEQ-EQC). The Attorney General's Office may be more appropriately suited to provide information on statutes that apply generally to all state agencies such as the Administrative Procedure Act, the Public Records Act, etc.
- DEQ is evaluating potential streamlining opportunities for multi-media permitting such as Gravel Pits. For example, LQD and AQD permitting processes and time frames may differ in part because of federal and/or state requirements.

(4) Suggestions for improvement in efficiency, i.e., describe your "perfect world scenario."

- Fully integrated IT system for tracking, preparing and managing all permitting and compliance evaluation activities within the agency (AQD, WQD, LQD and SHWD).
- Cooperative Federalism – ensure the federal agencies (EPA, BLM, OSMRE) stay in their lane; continued communication with federal agencies on simplifying and streamlining federal processes that are outside state control but may negatively impact state resources.
- Working collaboratively with EPA, through ECOS, on E-Enterprise implementation to identify and implement process improvements and efficiencies.
- Flexible spending authority with budgets that align with planned work activities.
- Clean, professional and comfortable work environment (office space).
- 100% of market for salaries which would improve long term retention of staff.

- A timely permitting process that allows adequate and appropriate time for comprehensive analysis and public opportunity for comment.
- Permits issued efficiently and the regulated community 100% compliant, resulting in robust economic development while maintaining environmental integrity of natural resources and public health.

Government Spending and Efficiency Commission

1

Thomas O. Forslund
Director



Wyoming
Department
of Health

Commit to your health.

Agenda

2

- **Previous agency work** to promote efficiency and reduce spending.

- **Suggestions for improvement:**
 - Statutory inefficiencies; and,
 - Program improvements.

Previous Work



Agency-wide

4

- **Department re-organization (2011)**
 - Streamlined to four divisions.
 - Three deputies to one.

- **DUPRE group created from existing positions**
 - Studies completed in-house:
 - Medicaid Options (2013)
 - Medicaid Expansion Plans (2012 - 2015)
 - WLRC Efficiency Study (2013)
 - Hospital Cost Shift Study (2014)
 - Nursing Home Regulation Report (2015)
 - Multi-Payer Claims Database and State-Administered Health Insurance Study (2016)
 - UW Residency Study (2016)

Agency-wide

5

- **HealthStat** performance management system
 - Increased accountability.
 - Data-driven decision making.
 - Identification of deficits and strategies to address them.

- **Human Resources:** Kronos timekeeping system implemented for Cheyenne and five (5) WDH facilities.
 - FLSA compliance.
 - Efficiencies in scheduling (facilities).
 - Tracking Medicaid time - maximizing federal funds.

Agency-wide

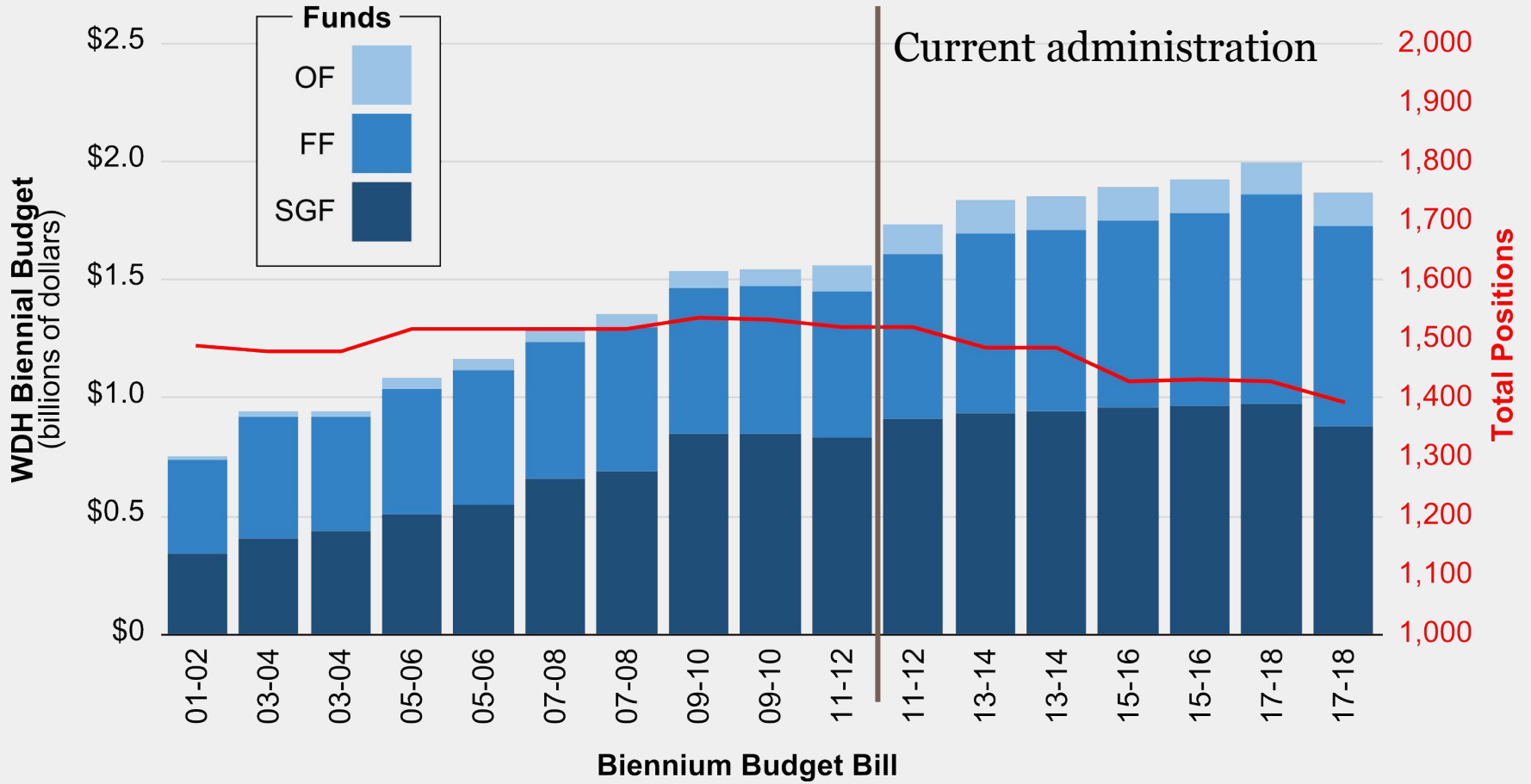
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➤ **Fiscal**

- All budgets under-expended
 - Outstanding prior budgets paid back (~\$20 million in 2011/12)
 - \$5.7M reverted in 2013/14
 - \$17-\$20M reverted in 2015/16
 - ~\$34M in Title 25 costs absorbed since 2010
 - Budget reductions:
 - ~\$9.6M (Tax Refund and Senior Dental Programs) in 2016
 - ~\$92M across-the-board cuts in 2017

Stabilized budget, decreasing positions

7



Medicaid Division

8

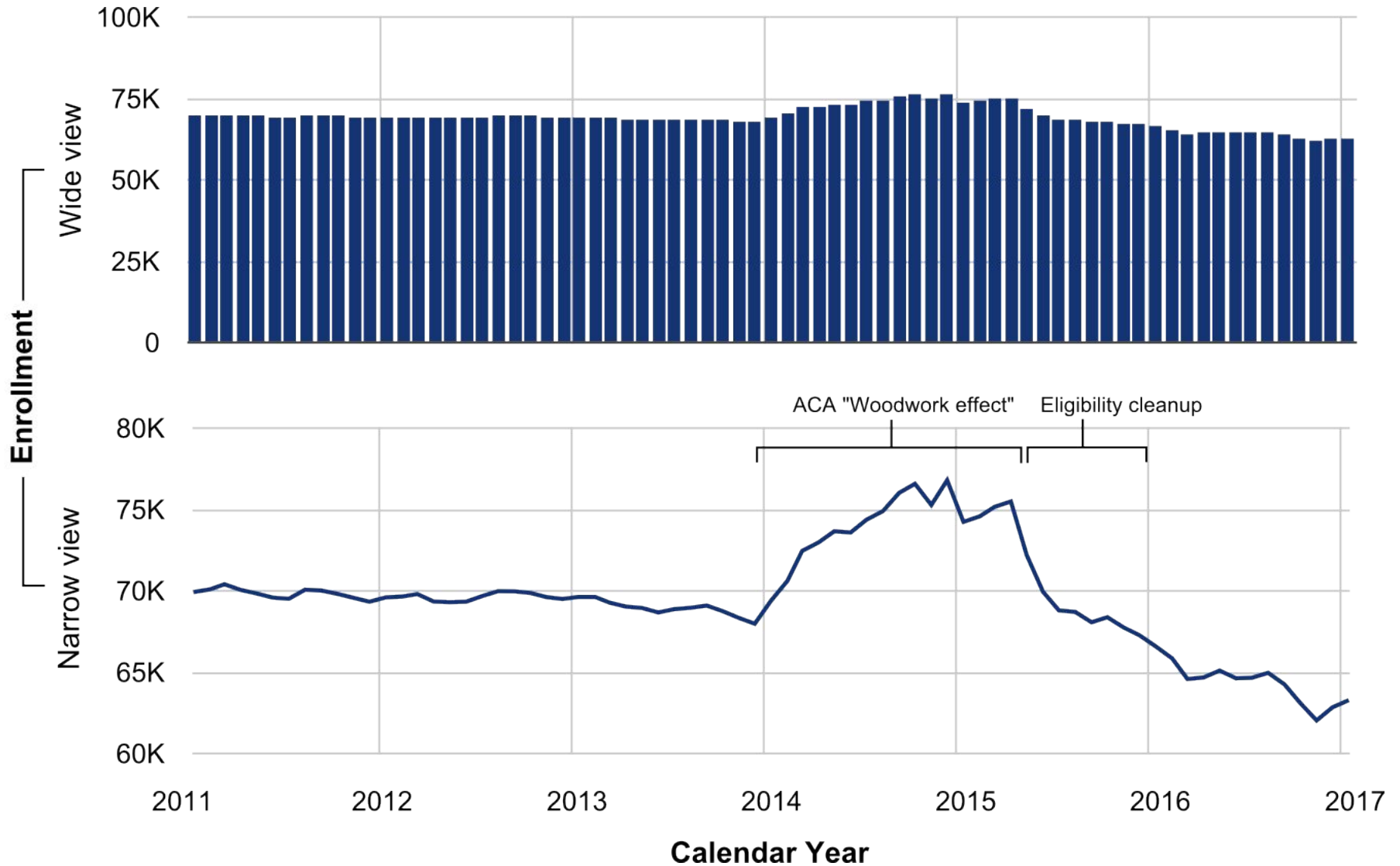
- **Long-term care alternatives** to nursing homes
 - ~\$6.3M savings

- **Psychiatric Residential Treatment Facility** court order wording
 - ~\$3M savings

- **Increased rebates** for physician-administered drugs
 - ~\$1.4M savings

- **New eligibility system** implemented with 90% federal funds
 - Assumed oversight of Medicaid eligibility from DFS
 - Removed 3,557 ineligible people

Medicaid Enrollment (2011 - 17)



Medicaid Division

10

- **New MMIS claims system**
 - 90% federal funding.
 - Procurement in progress.

- **Coordinated care study (2014)**
 - Conducted by outside consultant (HMA).
 - Recommended against managed care for Medicaid.
 - Continue Patient Centered Medical Home (PCMH).
 - Develop Wyoming Super Utilizer (WySUP) program.

Behavioral Health Division

11

- **Waiver redesign** for individuals with intellectual or developmental disabilities (I/DD) and acquired brain injuries (ABI)
 - 250 more served (8% increase)
 - Wait list from 600 to 173
 - Today, only 1.2% waiting over 18 months

- **Wyoming Life Resource Center** study - 2013
 - ~ \$6.4M savings between 2014 - 2016

Behavioral Health Facilities

12

- **New Title 25** billing system
 - Enhanced accuracy and quality control.
 - Funded internally, using MMIS.
 - Anticipate federal match for certain stays.

- **Title 7** queue at the **State Hospital**
 - Enhanced accountability.
 - Decreased wait times
 - Outpatient: from 80 to 40 days.
 - Inpatient: from 102 to 79 days.
 - Identification of policy issues.

Public Health Division

13

- **Immunization Unit** focus on vaccine waste.
 - Over \$200K SGF savings since 2012.

- **Prevention** - transition to single fiscal agent.
 - ~\$1.1 M annual savings in administrative costs, reallocated to community prevention services.

Aging Division

14

- **Office of Healthcare Licensing and Survey (OHLS)** reforms.
 - Average plan review wait times reduced from ~44 days to ~7-15 days today.

- **Community Living Section**
 - Moving from block grant to invoicing/reimbursement model for senior centers.
 - Enhancing accountability and data quality.

Facilities

15

- **Legislative/Executive Facilities Task Force**
 - Condition assessment (2013)
 - Facility missions re-focused (2015)
 - Level I/II studies complete (2016)
 - Level III study underway (2017)

- **Wyoming Retirement Center (WRC)**
 - Operating break-even.

- **Wyoming Pioneer Home (PH)**
 - Moving towards greater self-sufficiency.

Department of Family Services (DFS)

16

- **WDH assumed management of DFS** (June, 2017)
 - Currently assessing options for reorganization, potential agency integration, and efficiencies.

- **DFS Rule and policy reduction**
 - Over 30% reduction since 2011.

- **Title IV-E** (foster care)
 - Assessing options for increasing federal funds and reducing SGF.

- **Child Support Enforcement**
 - Ranked #1 in United State for performance.

- **Clinical Services/Social Services**
 - Reduction in number of children in congregate care.

Suggestions for improvement



Fully-insured CHIP coverage

18

Problem

- Statute requires the procurement of a **fully-insured** health benefits package for its KidCare CHIP program.
- Historically only **one bidder**.
- ~**\$1.8M** higher costs annually (compared to “self-insured” Medicaid kids).

Policy alternative

- Wyoming could **self-insure** its CHIP program, and pay medical expenses directly (as with Medicaid), if the statute (W.S. §35-25-103) were changed.

Title 7 Forensic Evaluations

19

Problem

- ~**20-30** evaluations completed per month.
- ~70% ultimately found **competent**.
- ~30% of evaluations for **misdemeanor** offenses.
- ~20% of inpatient days at the State Hospital are for **misdemeanor** offenses.

Policy alternative

- Improve efficiency by narrowing State Hospital scope:
 - Limit evaluations or charge for evaluations
 - Limit or eliminate misdemeanor evaluations
 - Reduce or eliminate inpatient bed days for misdemeanors

EIEP Funding Model

20

Problem

- Per-child **funding amounts mandated** in statute.
- MOE requirement from feds.
- Highest identification rates in the country.

Policy alternatives

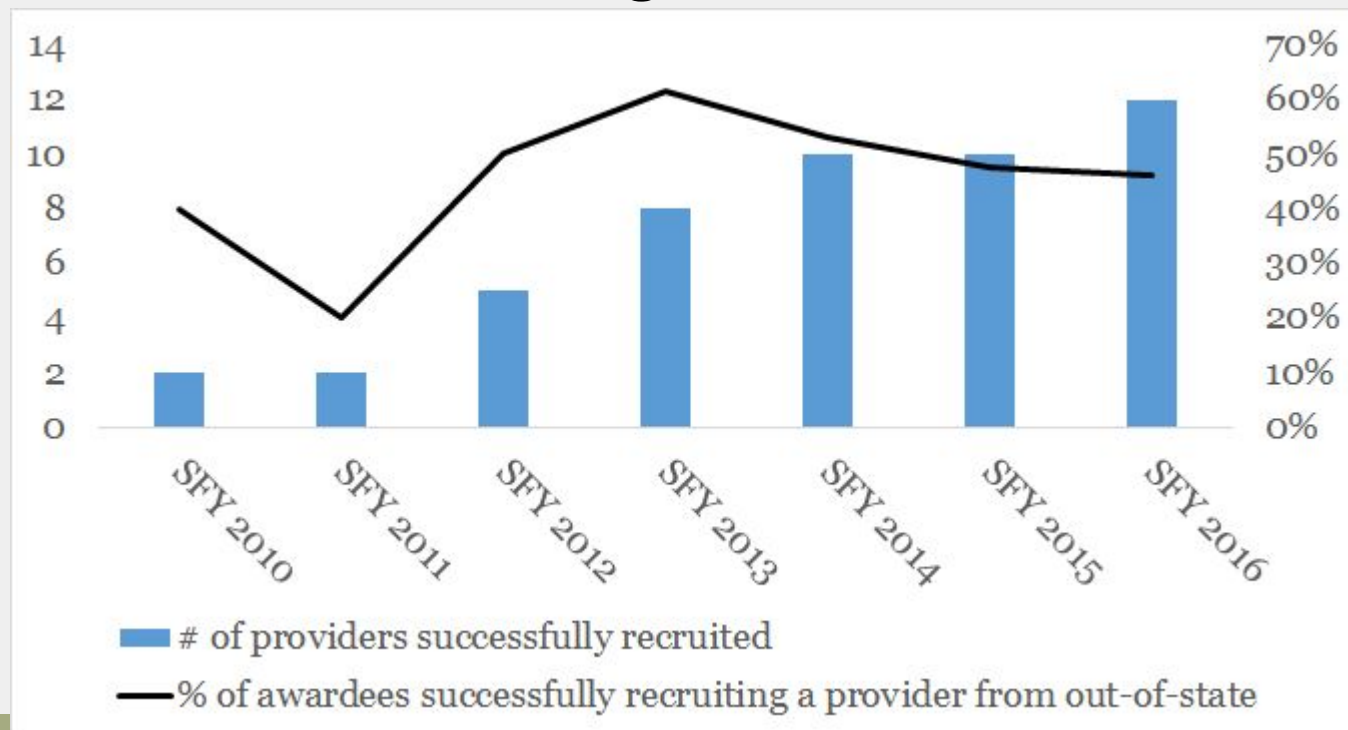
- Revisit per-child funding model.
- Further standardize tools used for child identification.
- Collect more accurate and longitudinal outcomes data (pilot project underway at WDH).

Provider Recruitment Grant Program

21

→ Problem

- ◆ Required by W.S. §35-1-1101: “the department shall”
- ◆ Only 12 of 26 (46%) recruitments in SFY 2016 were successful, at an average cost of \$47,020.



MHSA Block Grants

22

Problem

- ~ **\$49 million** SGF annually on MHSA treatment
- **Block grants**, paid out in 1/12 monthly installments, in exchange for a **quota of total service hours**.
 - In general, little economic incentive to aggressively pursue high-needs clients.
- Difficult to prevent “**double-billing**”

Policy alternative

- **Payment reform:**
 - Prioritize high-need (e.g., Title 25) clients by adjusting funding model and outcomes while maintaining infrastructure
 - Ensure funds provide services not paid for by other payers.

Questions?



Wyoming
Department
of Health

Commit to your health.



DEPARTMENT OF REVENUE

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June 27, 2017

Senator Drew Perkins, Acting Chairman
Committee Members
Wyoming Government Spending and Efficiency Commission

Mr. Chairman:

The Department of Revenue would like to submit the following testimony related to efforts made by our agency over the last 19 years to minimize costs and generate more revenue to the state while maintaining our ability to meet our strategic goals. The Department understands the need to review the effectiveness of government and the efficient use of limited resources. We also understand the importance of insuring that we collect and distribute revenues due the state and local governments on a timely basis. There is a point where limiting resources affects the ability to collect revenue.

The Department is comprised of six operating units; Administration, Administrative Services, Excise Tax Division, Mineral Tax Division, Property Tax Division, and the Liquor Division. With the exception of the Liquor Division, the Department of Revenue receives its funds from the state general fund. The Liquor Division is an enterprise agency that operates on the profit from the sale of wine and spirits to retail licensees.

The Department has been working to become more efficient for years. Probably the best place to begin is a review of the agency's workforce. In 1998, the Department staff included 139 employees, 133 fulltime, and 3 part-time and 3 contract employees. As of this date, the agency staff includes 112 employees and 6 temporary employees. The only business unit that has increased staff has been the Liquor Division which has seen exceptional growth over the years.

The reduction in staff has been possible for a number of reasons. The Department has developed a strategic plan that focuses on delivery of excellent customer service. We make ourselves available to our customers. Customers receive direct lines to the team that can provide assistance. We educate our vendors and taxpayers on the appropriate way to collect and pay the taxes we administer. The goal is to maximize compliance with tax law. Through compliance, the State receives the revenues authorized by the legislature.

Many of the efficiencies the Department has undertaken are specific to the divisions within the agency. We would like to address them individually.

Excise Tax Division:

The Division recognized the need for modernizing the previous computerized tax collection system that had evolved over the previous fifteen years. The development of the new system from start to finish encompassed a 5-year timeframe. The new system integrated all excise taxes with the sales and use tax system under a common user interface. The Department developed the Mineral Tax System but used the same user interface. We enhanced electronic filing, which led to major reduction in the handling of paper returns.

The Excise Division created a separate section (Education and Taxability) to handle all taxability requests and to implement a vendor education program. With the reduction in our travel budget the Education and Taxability section responded by training vendors using webinars rather than on-site seminars. By providing educational opportunities for our vendor-force, we have raised compliance with the tax laws from approximately 60% to over 95% based on audit findings.

The Division implemented a more effective mechanism for revocation of licenses. When a licensee becomes delinquent with the agency, it is critical to resolve these delinquencies quickly. Issues that at one time took over a year to resolve through the court system are now being resolved in 60 days by conducting in-house hearings.

Property Tax Division:

The most significant efficiencies achieved by this Division came with the formation of a task force on purchase of a single Computerized Assisted Mass Appraisal system (CAMA) for all twenty-three counties in Wyoming. The task force researched the available products on the market, generated a request for proposal and then selected the product for rollout to the local assessors.

This implementation placed all counties on a single system, both hardware and software. Training on the system became more efficient as it applied to all assessor offices across the state. Performing property valuations on a common platform aids the state's statutory obligation to value property at its fair market value. All data is at the fingertips of the assessors rather than waiting for reports printed at the state offices and mailed.

The assessment information is stored on each county's servers. The same data is replicated on the State's servers. This helps the Department when we are performing reviews of the assessor's compliance with assessment practices. With the division travel budget significantly reduced, the ability to review county data does make the review process much more efficient. It does not replace an actual on-site visit but does help the department mitigate problems with our statutorily required review of the county assessor's practices.

Mineral Tax Division:

The implementation of the new Mineral Tax System (MTS) has been helpful in the performance of the annual severance tax gross products tax reconciliation. This was once a manual process involving many man-hours of time-consuming labor to report discrepancies. The system now

conducts the match, identifies discrepancies in value between the two taxes, and creates the notices to the taxpayers.

The user interface for the MTS software is common to the Excise Tax System interface previously described. Having common interfaces makes cross training employees from other areas much more efficient. The navigation within each system looks and feels the same.

The accounting system for the MTS system including electronic filing significantly more efficient. The Mineral Division has reduced staffing from 22 employees to 15 during a time when the volume of data received was growing exponentially.

Administrative Services Division:

The upgrades of both the ETS and MTS tax systems have led to significant improvements in the operation of the Division that processes incoming and outgoing correspondence with taxpayers and vendors. The percentage of vendors filing electronically with the State has increased to 55% of the 27,000 vendors in the system. The savings alone in postage, paper and personnel costs has been substantial. The Division has gone from 15 employees in 1998 to 10 employees in 2017.

In 1999 the Division brought the printing of tax returns in-house in order to minimize postage costs and eliminate a contract they had with a third party printer. Tax returns that were being printed and mailed at 75 cents per form. Bringing the process in-house reduced the cost to 18 cents per form including the machinery purchased to print the returns in-house.

With the upgrade of the ETS and MTS systems, the processing of tax returns has improved with the purchase of high-speed scanners. Reading the paper returns with an "Optical Character Recognition" system that posts the returns to the vendor accounts automatically again reduces the human interaction with the posting process making staff more efficient. The Division is in the process of implementing an electronic deposit of funds that effectively eliminates handling checks manually. The process referred to as "Check 21" transmits images of the checks to the bank without the physical check.

We have not included the Liquor Division as part of this discussion as the Division receives its funding from profits of sales of alcohol to retailers in Wyoming.

Potential Efficiencies:

Based on the efficiencies gained by the Department through electronic filing it might be beneficial to alter the vendor compensation statutes to provide incentive to vendors to file electronically. Rather than offering the incentive to file early as the statutes currently read, offer compensation for filing electronically. This would save the state in postage, supplies such as paper, envelopes, printer ink and in labor. It would cost no more than it currently does to offer the incentive. Since the rollout of the ETS system in 2011, we have been averaging roughly \$20,000 in annual postage savings with additional savings in paper costs and envelopes. The more vendors that file electronically the more the State will save on these costs.

The Excise Tax Division could be more efficient in the collection of delinquent accounts with creation of a “trust tax” obligation with vendors related to the collection and remittance of sales taxes from taxpayers. Currently the only vendors that held personally liable for the payment of the taxes collected and not remitted are “sole proprietors” and “simple partnerships”. Members of LLCs and officers of corporations are not liable for the payment of this tax. The entity structure shields members and officers from the liability. In many states, the officers of the corporation or members of an LLC are liable for taxes; they have collected from the public and not remitted to the State. This would allow the State to issue liens directly on the officers and pursue collection beyond the corporate veil. Of \$3,852,350 in tax, penalty and interest written off in FY 2017, almost \$2,000,000 of that amount was associated with businesses organized under corporations or LLCs. How much of that amount is associated with taxes collected and not remitted is indeterminable without looking at each license individually.

The Department is currently investigating a new methodology for valuing minerals for property tax purposes. If we find this methodology to be viable, it would significantly reduce administrative burdens on both state and local resources. The method currently under investigation is referred to as “Discounted Cash Flow” valuation. A number of the mineral producing states value minerals with Discounted Cash Flow. It removes the volumes of amendment activity that we process annually.

The Department of Revenue will continue to pursue efficient means of collecting the State’s revenue while insuring we provide the services our citizens deserve.

With regards,

Daniel W. Noble, Director
Wyoming Department of Revenue
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State Engineer's Office

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MATTHEW H. MEAD
GOVERNOR

PATRICK T. TYRRELL
STATE ENGINEER

To: State of Wyoming, Government Spending and Efficiency Commission

From: Pat Tyrrell, State Engineer *Rick Dawell Sr*

Date: June 28, 2017

Re: SEO Issues Statement for June 29-30, 2017 Meeting

Commission Members:

The State Engineer's Office submits the following information related to questions posed ahead of the June 29-30 meeting. We do not anticipate providing oral testimony, but believe the information contained herein to be useful. Thank you for the opportunity to comment.

The email received from LSO on June 14, 2017 contained a list of 5 topics on which agencies were invited to provide comment. Not all of those applied directly to the SEO, so the following list is abbreviated, responding only to those that do:

1. Agency work to promote efficiency and reduce spending, including any prior studies completed or work done to improve agency inefficiencies.

The SEO has worked to flatten the structure of the organization to promote efficiency. Examples include combining the Deputy and Assistant State Engineer positions and removing a layer of management in the surface water division.

We have implemented a cross training program so that personnel can be moved around depending on workload demands. This is both within divisions and across divisions. This has helped us maintain customer service as positions have been eliminated for budget purposes.

Technology has been embraced to reduce personnel and travel costs. This includes an expansion and automation of our stream gauging, canal gauging, and reservoir gauging programs. Now the data are real time and available on the SEO website to all users while the personnel and travel time costs are reduced.

Modern technology on measuring flow in streams, canals, and pipelines has improved the quality of measurements and reduced the time necessary to make those measurements. One example is the Sontek River Surveyor that uses acoustic velocity flow velocity measurement along with RTK GPS on a floatable platform to determine flow in a canal or river. Not only is it faster and more accurate than traditional methods it is a remarkable safety improvement by not having personnel wading in flowing water.

Continued implementation of the e-permit permitting and database system has been a tremendous boost to efficiency. Now SEO data are available to all personnel in Cheyenne office, the field offices, and to water users at their computer. This saves time for everyone. A big advantage of the system has been water right searches. In the past up to 50% of staffs time could be consumed doing these searches. Now people are directed to the e-permit system to get their information. Considerable effort is made to educate people in the use of the system and several classes have been given to realtors within the State to assure the system is used to its potential.

Through budget reductions it has been necessary to reduce the SEO staff by thirteen positions and leave two more positions vacant (about 12% of our staff). Through efficiencies described above, we have tried to reduce impact to water users but there are impacts. There has been an elimination of three hydrographer positions making it

necessary to combine water districts, but the response time to water users in those districts has increased, and the workload for other field Division employees has increased as a result. The loss of personnel continues to make updates to the Tabulation of Water Rights a lower priority, and it is not possible to meet the statutory requirement of updates every two years. We, in fact, have struggled to maintain this schedule even before the current significant reduction in staff. Another area that has been impacted is e-permit. There is less time available to verify the data that were migrated to e-permit originally and there is less time to get historical documents scanned and uploaded to e-permit.

4. Agency-related statutory provisions that lead to inefficiencies.

The statutes require an update to the tabulation of adjudicated water rights every two years. Since all the data in e-permit have yet to be verified, this schedule is beyond reason for the current staff. Once all the data are verified in e-permit the tabulation will be automatically updated after each Board of Control quarterly meeting.

5. Suggestions for improvement in efficiency, i.e., describe your "perfect world scenario."

E-permit is an invaluable tool and database. At this point much of the original migrated data have not been verified and there are still many documents that need to be scanned and uploaded. Until these tasks are complete there are still inefficiencies in maintaining both an electronic and paper system.

Notification processes required by statute for the use of certified mail and newspaper advertising has become expensive and not effective. It would be good to look into more modern notification processes that are more effective and cost less. This would require some changes to statutes. We have not yet identified the dollar savings this could create.

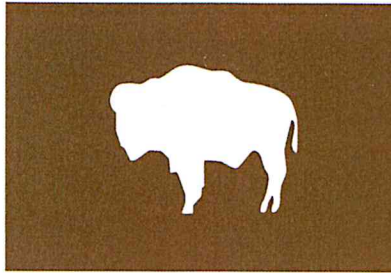
Considerable effort is put into making assignments to permits. Typically these are industrial landowners when ownership changes. These do not affect the right, which is typically tied to the point of use; it only updates the mailing address. Investigating the use of current GIS land ownership data for ownership could save this effort. Again, a change in statute or rule may be required to reduce this process, and we have not finally estimated the saving that could be realized.

Further, because of the importance of our field presence, restoring a full slate of water commissioners to field positions would greatly benefit our field staff's workload, and be more responsive to constituents we serve.

In closing, there are areas where we continue to find efficiencies, and areas where we struggle to maintain duties already assigned. We might see additional benefits related to assignments and constituent notifications, but those fiscal effects have not been fully analyzed as yet.

WYOMING OFFICE OF STATE LANDS AND INVESTMENTS

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MATTHEW H. MEAD
Governor

BRIDGET HILL
Director

June 27, 2017

Wyoming Government Spending and Efficiency Commission
200 West 24th Street, Rm 213
Cheyenne, WY 82002

Dear Senator Perkins and Members of the Commission,

In response to your June 14, 2017 request for written submittals regarding agency work to promote efficiency and reduced spending, the Office of State Lands and Investments submits the following information:

1. Agency work to promote efficiency and reduce spending, including any prior studies completed or work done to improve agency inefficiencies.

Before the recent required budget reductions, the Office of State Lands and Investments had been working to become more efficient and thereby reduce spending while at the same time continuing to fulfil our mission to manage Wyoming State Trust Lands to generate revenue for our beneficiaries. As additional budget reductions have been required, that work became even more critical. Through our early work and the continued efforts to improve our efficiency, we have increased our ability to operate with a smaller budget while at the same time continuing to generate revenue for the permanent land and income funds. Indeed, as of May 31, 2017, we forecast that we are on pace to generate \$253,884,996 in revenue for fiscal year 2017 (this amount includes a one-time payment of \$46 million from the sale of a parcel in Grant Teton National Park).

Although there have been various efforts on a small scale to improve agency efficiency, the large scale efforts that I would like to highlight are:

- **Developed a new data management system, the State Land Asset Management System (SLAMS).** As recently as 2010, the Office of State Lands and Investments was nearly completely reliant on paper-driven processes which were inefficient and time consuming. Over time we sought to become fully “automated” and made good strides in that regard by creating database systems to handle various business processes. Even so, inefficiency still existed because our systems for each process were independent or “siloes” and did not communicate with each other. In 2015,

we began the process to build a new system that will allow almost all of our programs to work efficiently in one integrated and unified system. In particular, the system will include all our surface and mineral land records, inspection records, forestry records; will communicate with GIS; and will provide time tracking services. Various parts of the system have already gone live, and the full system will go live before the end of 2017. In addition to increasing our own efficiency, the system will also provide the ability for our customers to access the system to both look up data and to submit payment providing the public with more efficient interaction with the Office.

- **Reorganized the Office and created field offices.** In 2012, the Office was reorganized to create four specifically aligned divisions with responsibility for the various functions of our agency: the Trust Land Management Division, the Forestry Division, the Field Services Division, and the Financial Services Division. Because similar duties and functions were aligned in specific divisions, we have experienced increased efficiency over the agency. One example of increased efficiency occurs in our Field Services Division which, among other things, performs appraisals and inspections. Having these functions in one division allows us to schedule and plan all the field activities such that as many inspections as possible can be performed in a single day or trip, reducing our travel budget. Likewise, by having staff strategically located around the state, we are able to decrease overnight travel expenses but increase the number of visits to state land parcels because we can do more in one-day trips.
- **Focus on Cross-training.** In our Field Services Division we have mineral inspectors, surface inspectors, and appraisers. We have undertaken a significant cross-training effort which allows whichever type of personnel is out performing activities on the land to review more than one issue. These efforts allow us to eliminate multiple trips to state parcels. For example, if we have an appraiser out appraising the land for lease purposes, that appraiser has also been trained so that they are proficient in mineral inspections and surface inspections so that they may also perform those activities along the same route or on the same parcel. These efforts have allowed us to stretch our travel dollars to maintain an acceptable inspection level.
- **Utilize Online Oil and Gas Auction Services.** In March of 2017, we utilized, for the first time, an online auction service for our oil and gas lease auction. Traditionally, our oil and gas lease auction has been an in person oral auction. However, we found that several state trust land offices were conducting their oil and gas lease auctions through internet auction services, EnergyNet in particular, and experiencing good results. For example, Texas, Colorado, North Dakota, Utah, and New Mexico all use the EnergyNet service. The BLM is also utilizing EnergyNet's services.

Through research we determined it may be beneficial for Wyoming to also use EnergyNet's services because the auction list reaches a wider audience. EnergyNet.com does not charge OSLI for the auction service so our costs to use the service are \$0. EnergyNet is compensated through "buyer's premiums." In particular, EnergyNet charges 2% of the winning bid to the successful bidder. This

amount does not come out of the proceeds. It is an amount charged in addition to the amount bid. Our early research with other state land offices indicates that most participants do not oppose this fee, as it is viewed as a convenience fee which would have otherwise been spent traveling to the location of the auction. EnergyNet produced marketing material such as hard stock flyers and note cards to be distributed, and presented the auction list on their website with interactive mapping capabilities, parcel info, and general industry trends in each area of Wyoming. During the thirty day advertisement period, EnergyNet also qualified and registered potential bidders. The auction began on March 8th and ran for eight days, ending March 15th. This on-line auction generated \$29,793,060 in bonus money.

All of these efforts, as well as our small scale efforts, have and will continue to increase our level of efficiency.

With regard to prior studies, the Office has not undertaken formal studies to identify or improve agency efficiency, but we continually analyze our operations to identify and address inefficiencies. One result of this type of analysis is an initiative we call Total Program Compliance. This program is an electronic internal communication tool that allows our multiple divisions to communicate with each other in a timely easy manner regarding any particular customer's compliance with the requirements of our office. The program allows each division to quickly note whether a customer is compliant with their program. Other divisions can then electronically see whether a customer is compliant with all requirements when working with that customer in the division's own programs. For example, if Company X has unpaid royalties, the Financial Services division would note this in Total Program Compliance. The Trust Land Management Division is then immediately able to know that Company X is not compliant with our Office. When Company X applies to assign several of its mineral leases, because the Trust Land Management Division knows that Company X is not compliant, it will hold the assignment applications until the non-compliant issues are resolved. In addition to efficient communication between the divisions, this initiative has led to quick resolution of non-compliant issues with our customers.

2. Nonpriority programs and expenditures that may be statutorily required but which could or should be discontinued.

Like most agencies, we have undertaken the difficult work to prioritize our programs and include that prioritization in our budget submissions. Our approach has been to first prioritize those functions that are constitutionally required and are necessary to meet our fiduciary obligation to generate revenue for our beneficiaries. We next prioritize those programs that are statutorily required but not related to our fiduciary obligations. We lastly prioritize those programs that are not statutorily required but that we administer. This results in some of our grant and loan programs and our forestry programs appearing lower in the priority list including such things as our Forestry Conservation Camp Program and our Courthouse Security Grant Program. Although these programs appear lower on the list because they are not constitutionally required or don't generate revenue, they are important programs for cities, towns, counties, and other constituents. As such, at this time, we would not recommend that any specific statutorily required programs be discontinued.

3. Agency-related statutory provisions that lead to inefficiencies.

The Office was not able to identify any particular agency-related statutes that lead to inefficiency. However, it is worth noting that our agency administers some statutory grant and loan programs that are not currently being heavily utilized or that do not generate revenue such as our Joint Powers Act Loan Program, Aeronautics Loan Program, Hydro-Power Loan Program, and Courthouse Security Grant Program. Because these programs are not heavily utilized we only spend a small percentage of staff time and supplies on them and it is uncertain that any significant gains in efficiency would be made if these programs were altered or discontinued. Likewise, it does not appear that significant general fund monies would be saved inasmuch as most of these programs utilize other funding sources such as permanent funds or one-time appropriations as their authorized funding streams.

4. Efficiency study by hired consultant – suggestions for fruitful areas of study within the agency.

The Office could not identify any particular “fruitful areas” of study within our agency.

5. Suggestions for improvement in efficiency, i.e., describe your “perfect world scenario”.

In the short term, continued efficiency for the Office of State Lands and Investments lies in the ability to continue to “automate” and upgrade and maintain our electronic databases and systems. In the long-term, efficiencies could possibly be gained by having statewide database systems that communicate with each other. For instance, while doing our work, we need to have significant interaction with other state agencies like the Wyoming Oil and Gas Commission, the Department of Environmental Quality, and Game and Fish. Although each agency has its own mission and needs for its own database systems, if the systems were all on the same platform so they could communicate easily, efficiency may be gained. For instance, if our database system could automatically call up production reports submitted to the Oil and Gas Commission and compare those reports to the reports submitted to our office for royalty purposes and then calculate any difference, we would not then have to do that type of comparison manually.

This is not to say that each agency should have the same systems or management or that there should be more centralization. Given the diverse agency responsibilities and missions, we don’t believe that to be a feasible solution. Indeed, given the diversity of all state agencies, flexibility is key. The ability to tailor government operations to each agency and its structure may actually lead to better efficiency.

Thank you for the opportunity to comment. If the Commission needs additional information or would like to have additional discussions, we would be happy to participate.

Sincerely,



Bridget Hill, Director

**Wyoming State Parks & Cultural Resources
Government Spending & Efficiency Commission Topic Response
Submitted by: Darin Westby, P.E., Director**

- 1. Agency work to promote efficiency and reduce spending, including any prior studies completed or work done to improve agency inefficiencies;**
- 2. Prior studies or work done to identify or improve agency inefficiencies;**

With shrinking budgets and reduced staffing, the agency implemented a budget efficiency program to ensure our programs' survival. We built this efficiency into our strategic planning efforts and in our employees' performance goals. As part of this continual process review effort, all programs have developed budget gap plans with innovation and streamlining being areas of focus to continue to provide a transformative experience for our consumers.

- A) Our Agency has reduced its workforce by 21 Full Time & Part Time Employees since 2008. With these reductions in staffing, we performed a holistic review of all staffing and duties to see where we could combine program duties to consolidate tasks among our broad agency to ensure program service continuity while maintaining minimal consumer impact.
 - 1) Each department within the Administration Division requests employees submit survey responses on quality and efficiency. We use these results to help make our agency more effective and efficient
- B) We partnered with an architectural/engineering firm as well as local power companies to perform energy audits on our park/site facilities. These reports allowed us to develop some construction budget line items to improve facility operations system wide. For example an LED fixture retrofit at the Wyoming Territorial Prison realized a significant savings in electric bills. Installed insulation in walls/roofs to improve energy efficiency and knock down fuel bills. These types of operational savings helped minimize the impacts of the previous budget reductions.
- C) Technology: We have leveraged technology to reduce everything from paper supplies to face-to-face meetings. These include but are not limited to:
 - 1) Pushing more customers to the website for information rather than printing maps, user information, etc.
 - 2) To reduce travel expenses, we are also using Uber conferencing, GoTo Meetings, or Google rather than traveling to meetings, Using free conference calling program, leverage Google suite, SLACK and other free collaboration tools.
 - 3) All of the commission, council, and/or boards have reduced travel costs significantly by holding only half of their meetings in person. The other half are held via conference call or another computer based system.
 - 4) Almost all programs in the Agency have moved from printing board/commission/council materials and other printed information to electronic versions. This saves costs to the State in printing, supplies and mailing.
 - 5) Using Google Drive, Archive staff transfer records requests to agencies without necessitating copying, mailing, or physical delivery. State Imaging Staff scan

large quantities of agency records and transfer them online, rather than burning and delivering CDs, as we did until recently.

- 6) Archives reference staff train users to scan and download documents for their research, rather than photocopying them. We save on paper, toner, and billing time.
 - 7) Wyoming Arts Council is now using electronic software to manage information. Grants are generated, reviewed and managed electronically eliminating printing costs, supply and mailing costs. This system allows for quicker processing of grants saving staff time. All board books are created electronically as well.
 - 8) SHPO has and continues to upgrade their electronic database and Section 106 technology. They are able to gather and review information in a much more streamlined manner eliminating supplies, printing and mailing costs significantly. Under a current revision project, “paperless” submissions and electronic compliance will be implemented.
 - 9) State Museum is purchasing a new scanner and printer at the off-site storage so we will be able to eliminate one Xerox machine contract.
 - 10) The Office of the Wyoming State Archaeologist is currently developing a new database for our collections. The new database will make our collections more accessible to our client base, allowing external users to access and search remotely. This will reduce staff workload as they will no longer have to manually process many of these requests and will reduce overhead by curtailing supply, printing, and mailing costs
- D) We internally developed a revenue generation and budget efficiency document that we have been implementing where we can. Some examples from this report are:
- 1) Investigated the need for increased flexibility in the Parks’ fee structure. Was successful in getting the necessary flexibility and should roll out a complete change for 2018 season. This should increase the fee revenue which in turn will increase the percentage amount we can use for maintenance.
 - 2) Investigated and sent out Requests for Proposals to see if there were any businesses interested in short term concessions in the park system.
 - 3) Investigated the costs of providing RV dumpstations. With the flexibility fee structure, we can now charge for the dumpstations as an amenity to offset operation costs.
 - 4) Investigated establishing an online store to sell agency merchandise - increase in special revenue. We are currently working on a policy/procedure.
 - 5) Investigated the setting up of a donation function on the fee program, agency website and reservation systems. Look to establish a corporate sponsorship development program for events, structures and areas. With the modification to the fee statute, we are currently working on policy/procedures.
- E) Travel Reduction:
- 1) Reduced travel significantly, made efforts to coordinate and combine trips and to use technology where we can (See Subsection C above)



- 2) The State Historic Preservation Office and the Office of the Wyoming State Archaeologist regularly works with partnering agencies to share travel costs where appropriate, e.g, BLM will allow State employees to ride-share with Federal employees to attend a meeting between the two organizations.
 - 3) The State Archives eliminated “transfer trips” around the state to retrieve boxes of records. They now require agencies and political subdivisions to deliver boxes to the Archives for processing.
- F) Investigated our MVMS fleet to determine if we have vehicles that could be utilized different to potentially reduce fleet size. Were able to reduce our permanently assigned fleet of MVMS vehicles from 98 to 87 since 2009 for a 11% reduction. This continues to be an ongoing review and analysis.
- G) Office Consolidation:
- 1) The Wyoming Arts Council relocated their offices from the Kendrick Building to occupy largely unused space in the Barrett building enabling other agencies space in a State owned building rather than renting space in Cheyenne.
 - 2) The Office of the Wyoming State Archaeologist moved the Archaeological Survey offices from a location off of the University of Wyoming campus where rent and utilities were charged to a site on the University of Wyoming campus where offices are rent free and utilities are provided.
- H) Archives - Storage Space Needs Reduced:
- 1) Records management staff regulate this efficient, centralized process avoiding multiple storage and destruction sites for every state agency.
 - 2) In the next few years, many agencies such as the DEQ, Secretary of State, and Legislative Service Office, displaced by the Capitol and Herschler Building renovations, will be moving back into offices with much smaller footprints. The records management program is actively working with agency staff to eliminate unneeded files, and move others into the Digital Archives. This will eliminate the need for offsite storage rental for older records.
 - 3) Reappraisal of records, both in the Records Center and the Archives storage. Using the archival concept of appraisal, determining the long-term value of records and retention schedules, Archives staff re-examine groups of records in our care. In some cases they can be weeded so that only the useful portions remain or were able to shorten many of the retention schedules significantly. Records analysts work with agency staff to re-evaluate retention schedules so that records are kept only as long as required or useful. Both practices save on scarce shelf space in the archive storage space as well as in the offices of the originating organization.
- I) The Wyoming Digital Archives: The electronic archive, established with funding from the Legislature, now has 13 agency participants and continually enlists new agencies. Unlike other states which are only now planning for the massive digital documentation created by their state agencies, Wyoming’s digital archives is well established. It



provides a secure, cost-effective method of housing both non-permanent and permanent records of value to the state.

- 1) Archives staff provide training in and maintenance of this centralized system. Agency staff import new documents and access them via the Digital Archives, on the Internet. Some are scanning paper records and discarding the paper, saving office storage. Others transfer “born-digital” files directly to the Digital Archives.
 - 2) Just recently, the State Archives learned that the Department of Family Services was seeking to purchase a separate digital storage solution from a private vendor. Informed by ETS that an excellent statewide digital repository already existed, they were able to scrap those plans and join the Digital Archives. They will pay minimal storage cost (\$.11 per gigabyte), and avoid the start-up and maintenance costs of a newly purchased system.
 - i) Other agencies have invested in proprietary storage software that no longer meets their needs. Corrections and Vital Records are transferring their files to the Digital Archives, saving annual database upgrade and maintenance fees.
- J) Investigated all credit card accounts to ensure we have the lowest negotiated fees and that we are getting discount credits for our PCI compliance.
- K) Reduce, reuse, recycle:
- 1) Archives and records management staff accumulate large amounts of office supplies such as paper clips, folders, notebooks, and pads of paper which are made available to other SPCR staff for reuse.
 - 2) Records management staff reuse any boxes still in usable condition when the contents are removed for destruction. Most of these boxes are redistributed to state agencies in town for transferring new records to the Records Center.
 - 3) All programs in the agency now share copier/printer/fax machines rather than each staff member having equipment in their section or office space.
- L) An extensive internal examination of memberships and periodicals led us to combining individual memberships to group memberships and cancelling certain membership dues as well as finding important research material for free through our partners.
- M) Through interagency cost allocation, we charge appropriate budgets when the Administration Division works/travels for another Division within the Agency. This has required the respective managers that request assistance to determine if the costs are warranted or if technology (teleconference, etc.) could be used instead.

3. Nonpriority programs and expenditures that may be statutorily required but which could or should be discontinued;

- A) The State Archives recognized the inefficiency of the practice of microfilming and has discontinued it in favor of digital scanning of documents. This has resulted in savings of filming supplies, as the finished scans are stored or transferred online. It has also increased agency access to records: many have microfilm of past records but no equipment to view them.



- B) The SHPO office currently administers the Mine, Trails and Byways program W.S. 36-8-1402(b). Interpretive signage is not an allowable cost under the Federal Historic Preservation Fund. The state funding for this program was eliminated through recent budget reductions and could be discontinued.

4. Agency-related statutory provisions that lead to inefficiencies;

- A) Evaluate the purchase and construction procurement thresholds held by statute. If we can significantly increase thresholds, the costs of performing the smaller items (less than \$25k) would reduce 15%-20%
- B) Not statutory, but a thorough review and modification the personnel rules guiding how we allow employees to work remotely could be updated to give the Directors more discretion. See Subsection 5.A below.
- C) Provide more statutory flexibility and authority with our fee program funds (Special Revenue Account) to operate more efficiently. For instance we are not able to hire fee program seasonals, who collect the fees, with SRA as we can only pay for maintenance related costs. A slight modification to the fee statute could remedy this situation.

5. Suggestions for improvement in efficiency, i.e., describe your “perfect world scenario.”

- A) Investigate the opportunity for alternative work location agreements for personnel that do not physically work with the public. We have several programs that do not have face to face contact with the public. Most of the business is either electronic or by phone. With a change in structure, multiple employees could share one generic office and/or meeting space on a pre-established rotating schedule. We could strategically combine remaining staff into areas to free up valuable office space for other agencies. This could eliminate some of the need for the State to construct new office space and/or occupy rented office space.
- 1) This has a secondary bonus. We are seeing a significant shift in the employees we can hire (millennials), and having a more flexible environment will allow the agency to hire the right person, not just the person that fits in our employment box. This would also go a long way with employee satisfaction and ultimately their retention with our agency.
- B) Depending on the programs, consider allowing entire programs to move to a 4 day work schedule. An entire program could effectively reduce utilities use in a building if all the staff were gone for one extra day a week. If structured properly, we could relocate these programs together to accomplish the energy savings.
- C) With our statewide expanse, not everyone is on the unified network. It would be efficient to have everyone on the State network and have them pull their own InfoAdvantage accounting reports rather than being sent out in excel format monthly. This is a work in progress and we will continue to re-evaluate reports and the customer’s wants and needs. This is more of an efficiency effort rather than a budget saver.
- D) Phones:
- 1) We are currently perform an extensive review to ensure we aren't paying for extensions that are frequently going unused: land lines, email accounts, cell phones, voicemail, etc. No preliminary savings projected yet.



- 2) If a cellular device is required and offered, remove the landline, voicemail, etc. from that specific office. Would save on the cost of the line & voicemail as well as the cost of the hardware (actual phone). The actual land line number could be pushed/forwarded to the cellular device for no cost with no outward facing change. This could potentially save \$15,000 per biennium.
 - 3) Perform a review of the use and need of fax machines. Push this communication to scan/email to eliminate the fax phone line, machine and materials to operate. This could save over \$18,000 per biennium.
 - 4) Authorize the use private phone for state business and give an appropriate stipend to those that carry state phone. Will reduce 0400 series budgeting by reducing the number of cellular devices. This could potentially save \$6,000 per biennium.
- E) Should consider reducing the numbers of board members on some of our larger boards, e.g, the SPCR Commission, National Register Board and the Wyoming Arts Council. The downside is less representation from around the state. The upside is a reduction in travel and administrative costs.
- F) Are there any grant opportunities to offset state budgets, for example Medicaid/care; Tobacco Fund. Are there other federal payments we have not accepted?
- G) Create an App for State Parks to include features such as: permit sales, GPS/mapping, marketing through "push messaging technology", advertise events, Friends Group Membership , online merchandise store, interactive opportunities such as geocaching and other peer challenges.
- H) Accelerate the Auditor's Office timeline on timesheet automation. If the employee can submit the timesheet directly to their supervisor for approval and it goes directly to the Auditor's office, this could make the HR department more efficient with their time to concentrate on training and assisting supervisors & employees become the best they can be.
- I) Motor pool could change their policies/procedures so vehicles can be rented for a specific amount of time rather than on an annual basis, ie. seasonal use.
- J) The State could consider a motor pool system that allows employees to travel together more often (Ride-Share Program). Motor pool could develop an online system for employees check to see if another employee might be traveling to the same location.





Matthew H. Mead
Governor

Wyoming Department of Transportation

"Providing a safe, high quality, and efficient transportation system"

5300 Bishop Boulevard
Cheyenne, Wyoming 82009-3340



William T. Panos
Director

June 29, 2017

Senator Drew Perkins,
Acting Chairman of the Wyoming Government Spending and Efficiency Commission
Wyoming State Legislature
200 W. 24th Street, Room 213
Cheyenne, WY 82002

Re: Information from the Wyoming Department of Transportation for June Commission Meeting

Dear Senator Perkins and Members of the Committee:

Please find attached the requested information and related materials from the Wyoming Department of Transportation (WYDOT) for discussion at the commission meeting June 29-30. We appreciate the opportunity to provide this information and assist the commission with its legislatively mandated task of reviewing issues related to efficiencies in Wyoming state government. As you will see, WYDOT has enacted a wide variety of strategies to improve agency efficiency, and we will have additional ideas to share with you during the meeting.

I look forward to appearing before the commission and anticipate our discussion of efficiency and related concepts. If I can provide any additional information on these or other topics, please let me know.

Sincerely yours,

William T. Panos
Director



Response to Government Spending and Efficiency Commission June 28, 2017

Question 1: Agency work to promote efficiency and reduce spending, including any prior studies completed or work done to improve agency inefficiencies.

In response to this request, the Wyoming Department of Transportation (WYDOT) submits the attached Efficiencies, Saved Resources and Reduced Expenditures Report. This report has been updated to provide the Commission with the most current activities within the Department.

Question 2: Nonpriority programs and expenditures that may be statutorily required but which could or should be discontinued.

WYDOT is required to maintain the following nonpriority projects which could be considered by the Legislature for modification or discontinuation to better improve state efficiency. The Department does not support or oppose legislative action on either of these nonpriority projects.

1) Local Roadways

Several highways on the state transportation system carry very low volumes of traffic and primarily provide access to land with little or no through traffic. Many only provide access to a single location or only connect to a state highway on one end. Despite this, WYDOT is required to expend funding to inspect, maintain, repair, and operate these road segments.

Potential Action: These local roadways could be relinquished to the appropriate local government or WYDOT could reduce the surface to gravel with very little impact to the public.

Estimated Cost Savings: Actually savings depends on total miles relinquished. WYDOT would save \$20,000 per mile annually.

2) Mountain Automated Weather Observation System (AWOS)

The AWOS provides weather information to pilots traversing the mountains of Wyoming. There are 5 AWOS stations at various mountain locations around the state. At this time, WYDOT cannot track pilot usage of the weather stations. The primary user of the system appears to be the National Weather Service (NWS). The original state capitalization cost was approximately \$1,250,000. The current, annual maintenance cost to the state is approximately \$120,000.

Potential Action: WYDOT could pursue a dialogue with the NWS on cost sharing or cost shifting the system's maintenance from the state.

Estimated Cost Savings: \$120,000 annually



Response to Government Spending and Efficiency Commission June 28, 2017

Question 3: Agency-related statutory provisions that lead to inefficiencies.

The Department of Transportation offers the following suggestions to consider for legislative actions that could lead to cost savings or efficiency measures for the State. WYDOT does not support or oppose legislative action on any of these proposals.

1) **W.S. 24-2-106 (b) (Appointment of chief engineer; duties of director and engineer.)**

(b) No contract for the construction of a bridge is valid unless the plans and specifications have been prepared by the director of the department of transportation or the chief engineer or, if prepared by other professional engineers, the bridge designs, plans and specifications have been approved by the director or the chief engineer before the start of construction. The review and approval under this section shall be made without cost to cities, towns and counties. Final payment upon any contract shall not be made until the bridge is inspected and the payment approved by the designer of the bridge and the appropriate governing body.

This section of the statute requires the Department of Transportation to review and approve the design plans and specifications for all bridges to be constructed on public roadways. The Department's review may be duplicative, adds time to the design process, and in many cases is unnecessary as all bridge designs are required to be completed by a licensed professional engineer.

Potential Action: The Legislature could consider modifying language or eliminating section (b) to remove the requirement for the Department to approve all bridge designs on public roadways. WYDOT would continue to provide standard plans, specifications, data, and consultation to the local public agencies as requested or needed.

Estimated Cost Savings: \$10,000 per year

2) **W.S. 31-7-119 (g) (Expiration and renewal; required tests; extension.)**

(g) The division shall send an application for license extension pursuant to subsection (f) of this section to the last known address of an eligible licensee within one hundred twenty (120) days prior to license expiration. The license extension application shall be returned to the division with a postmark at least thirty (30) days prior to the license expiration date. The application shall be accompanied by written evidence that the applicant's visual acuity is 20/40 or better with or without corrective lenses, as tested within one (1) year prior to submitting the application. Upon receipt of a completed application and the fee prescribed by W.S. 31-7-113(a)(v), the division shall issue a license extension to eligible licensees. The division shall provide a summary of changes in the law relating to motor vehicles to licensees who receive a license extension.



Response to Government Spending and Efficiency Commission June 28, 2017

This section requires the Department of Transportation to physically mail paper applications for license renewals to eligible constituents. Additionally, due to the fact that not every driver is eligible for a mail-in renewal, it requires multiple letters to be drafted within the system and requires additional programming when information must be updated. Essentially, as this section is written, the language prevents WYDOT from implementing a more cost-effective process.

One possible solution could allow for implementing a one-time notification using postcards that provide basic information about when the license will expire and the renewal process.

Potential Action: The Legislature would need to review the statute and revise language to address more modern practices.

Estimated Cost Savings: Initially, cost savings by the Department would be realized through consolidating all notification efforts to a single, standard notification form for all constituents. Additional savings would be through a reduction in mailing costs (\$47,840 annually).

3) W.S. 35-9-108 (State Fire Marshall plan review; procedure; fees.)

The pertinent parts of this statute are:

(a) Prior to beginning any new construction, the remodeling of existing buildings except as provided under subsection (q) of this section, or the installation of aboveground flammable or combustible fuel storage tanks, the owner or the owner's designated representative shall submit plans to the state fire marshal for review of the proposed project for compliance with applicable fire and electrical safety standards for:

- (i) Buildings or structures owned or leased by the state or local governmental entities;
- (ii) Public buildings over five thousand (5,000) square feet of total floor area including basement;
- (iii) Multistory public buildings;
- (iv) Buildings intended for use as child care centers housing more than ten (10) children;
- (v) Public bars, public lounges, restaurants, night clubs, lodge halls, theaters, churches or public meeting places regardless of size;
- (vi) Public and private aboveground fuel dispensing facilities.

(d) The department shall collect fees for plan reviews and other inspections except as provided in subsections (q) and (r) of this section, in the amount provided in the 1997 Uniform Building Code and adjusted for inflation as adopted by rule or regulation by the department. Fees collected under this subsection shall be deposited into the general fund.



Response to Government Spending and Efficiency Commission June 28, 2017

This statute requires the Wyoming Department of Fire and Electrical Safety to review WYDOT's highway project plans. WYDOT incurs a fee for each review. Additional plan reviews are required on highway projects that include electrical work even though these plans and specifications are developed under the supervision of a licensed professional engineer. The review fees are based on the estimated cost of the work involved and most often these reviews do not result in any changes to the plans or specifications. This approval is often duplicative and requires WYDOT staff to track and transfer funds.

Potential Action: The Legislature would need to modify language to exempt WYDOT from seeking approval of project plans from the Wyoming Department of Fire and Electrical Safety in instances where the approval is a duplicative and/or unnecessary effort.

Estimated Cost Savings: \$25,000 per year

Question 4: Suggestions for improvement in efficiency, i.e., describe your "perfect world scenario."

At the request of the Legislature, WYDOT has preliminarily identified three areas of possible improvements that would be a significant step toward a "perfect world" scenario relative to transportation in Wyoming. Empowering Commercial Air Service, Flexibility in Attracting and Retaining Employees, and Indexing User Fees are areas that may warrant a closer look. Each of these possible areas of improvement is describe in some detail below.

1) Improving Commercial Air Service

The state currently funds air service to several communities in the state through the Air Service Enhancement Program (ASEP). While the program benefits communities and the state by providing quality air service access, further efficiencies may be possible. WYDOT is actively working to achieve these efficiencies by modifying the current program into one where the state and local communities enter into a long-term Capacity Purchase Agreement (CPA) with a single commercial air service provider, versus contracting with several providers at intermittent lengths. There are several benefits to contracting certain parts of Wyoming's commercial service under one agreement:

- Place Wyoming communities at a competitive advantage for businesses and economic development;
- Secure and expand air service amid industry-wide reductions to small non-hub airports;
- Enable the State and local communities to directly oversee the commercial operations of the carrier through involvement in ticket pricing, flight scheduling, marketing, and operational reliability;
- Lower the overall ongoing financial exposure to the State and local communities by applying the revenue from profitable markets to those operating at a loss;
- Reduce overhead by contracting for one long-term contract versus several shorter



Response to Government Spending and Efficiency Commission June 28, 2017

contracts;

- Leverage larger purchasing power for reduced rates; and,
- Create a unique, state-wide brand of air service.

A long-term public-private partnership for air service enables the state and local communities to realize their full market potential, secure reliable air service in an increasingly competitive environment, and ultimately provide Wyoming communities with sustained air service, better fares, and improved schedules.

Potential Action: The potential action would involve the Legislature and WYDOT, working together, to develop a suitable action plan that achieves sustainable commercial air service to eight airports in Wyoming. Such a plan could include, but is not be limited to: a public private partnership involving a single air service provider; support by appropriate revenue guarantees; local funding commitments; and the application of state air service enhancement program funding.

2) Agency Retained Compensation Flexibility

The programs administered by the Wyoming Department of Transportation are directly connected to the government's ability to operate in Wyoming and the daily operation of our economy.

WYDOT has been evaluating its current classification and pay structure to determine if it meets the current recruitment and retention needs. For the last several years, the Department has several critical job types that support its core services that experience higher turnover due, in part, to an inability of the Department to recognize employee contributions with appropriate pay adjustments. These job types include maintenance worker, mechanic, driver's license examiner and trooper. If the Department was able to move an employee from the lower end of the pay band towards the mid-point in a timely manner, we believe we would be able to retain many of the employees who leave. In addition to increasing the agency's ability to attract and retain engineering, maintenance and other employees, the flexibility could also be successfully employed to benefit the Wyoming Highway Patrol.

Potential Action: The potential action would involve the Legislature allowing this specific Department more retained authority and flexibility to compensate employees, subject to certain restrictions, for the purpose of recruitment and retention.

3) Indexing Highway User Fees

Currently, transportation funding in Wyoming comes from primarily three sources; federal monies, state highway user fees, and Federal Mineral Royalties (FMRs). State highway user fees including registration fees, driver's license fees and state fuel taxes are not indexed to account



Response to Government Spending and Efficiency Commission June 28, 2017

for the loss of buying power due to inflationary effects. Said another way, almost immediately upon increasing a user fee, the financial benefit of that fee increase begins to decline. As a result of that decline, maintenance and construction projects are delayed causing a backlog of necessary projects that would otherwise maintain or improve our transportation infrastructure.

To illustrate the potential revenue that can be generated through indexing, we will use fuel tax as an example. In 1998, the legislature increased the fuel tax from 9 cents to 14 cents per gallon for both diesel and gasoline. Had indexing been implemented at that time, Wyoming would have generated an additional \$341,436,823 in revenue through 2016 for transportation projects. An important item to note is that had indexing been implemented in 1998, our current per gallon tax would only be one penny per gallon higher than it is today.

Potential Action: To ensure that the state's buying power doesn't erode, and that the integrity of Wyoming's transportation infrastructure is maintained for the state's economy, indexing could be applied to state user fees that support highway construction. The state user fees that could potentially be indexed to inflation are: Fuel Tax – both diesel and gasoline; Driver's License Fees; and Motor Vehicle Registration Fees.

WYOMING DEPARTMENT OF TRANSPORTATION



**Efficiencies, Saved Resources, and
Reduced Expenditures**

Updated June 2017



Introduction

The Wyoming Department of Transportation (WYDOT) is one of the largest state agencies with approximately 2,000 employees dispersed throughout the state. Employees are responsible for overseeing approximately 7,600 miles of federal-aid roadways, which includes some city and county roads, and more than 900 miles of national, interstate highways.

In addition to Highways, WYDOT responsibilities include: Wyoming Vehicle and Driver Services; Ports of Entry and the Wyoming Highway Patrol; Airports and Air Travel; Fuel Tax Administration; Transportation System Technology; and Emergency Communications. WYDOT maintains the widest variety of agency assignments of any state department of transportation in the United States, while being one of the smallest such agencies in the nation.

The Department's primary functions include the following:

Aeronautics - managing the state's airport capital improvement program, operating the state's aircraft, enhancing and negotiating commercial air service, and administering federal-aid funds related to aeronautics and airports.

Financial Operations - managing agency budget and disbursements, maintaining financial services, maintaining procurement services, collecting and distributing state fuel taxes, and financial auditing.

Highways - planning, designing, rehabilitating, and improving transportation infrastructure. This also includes regular maintenance, maintaining existing pavement assets (primarily highways and airport runways), and highway and roadside features (such as bridges, drainage, fences, guardrail, and rest areas) in the best possible condition and preserving the state's investment in roads, bridges, and other structures. This function includes snow control, litter removal, fence building, mowing, striping, maintaining drainage systems, and fleet and building management.

Highway Patrol - enforcing Wyoming's motor vehicle traffic laws, providing crash response and investigation, facilitating safety education, and collecting user fees from freight movement.

Support Services - issuing and regulating driver's licenses, regulating commercial vehicles, administering vehicle titles and registrations, deploying employee training, managing human resource functions, and maintaining agency administrative services.

Technology - managing WYDOT's enterprise technology platform, integrating geographic information systems, deploying intelligent transportation system technologies, and maintaining government telecommunications program.

The first WYDOT efficiency report was published in May 2013 and revised in May 2014. This summary report for 2017 improves on the previous reports. WYDOT continues to identify and implement efficiency through our employees, an extensive internal review processes, and a continuous improvement program deployed in all parts of our agency.



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Aeronautics

Aeronautics Project Management Database

The project management database is used to track and administer airport development projects and funding.

Benefit: The system ensures that all project-related information is readily available to allow project managers to make more timely and effective decisions.

Project Status: Implemented

Aircraft Maintenance Cost-Leveling Program

The Cost-Leveling Program is a maintenance program geared to cover the cost of engine repair, mid-period hot section, and end-of-period overhaul. Money is contributed each month based on an industry-wide average historical cost for the engine type.

In 2016, we were required to overhaul all four engines. Had we not participated in this program, we would have had to come up with approximately \$8.4 million to fund this project. As it stands, our total contribution to this program has been less than \$4 million, which shows the benefit of participating. The other benefit of this program, other than a constant monthly cost, is that we receive a “volume” discount from the engine manufacturer, Pratt and Whitney, even though our four engines would not normally qualify.

Benefit: If aircraft maintenance costs exceed the average, then the manufacturer absorbs the additional costs. If there are excessive moneys left at the end of the period, then WYDOT receives a refund.

Project Status: Implemented

Aircraft Parts Cost-Leveling Program

This is a cost-leveling program used to pay for repair parts. Money is paid into the fund each month and the cost of repair parts are taken out of the fund.

Benefit: If aircraft parts costs exceed the average, then the manufacturer absorbs the additional costs. If there are excessive moneys left at the end of the period, then WYDOT receives a refund.

Project Status: Implemented

Air Fleet Fuel and Flight Profile Efficiency Initiatives

The Aeronautics Division (Flight Operations) has researched and analyzed flight profiles for efficiency and implemented guidelines to save fuel. By flying specific altitudes and airspeeds (power settings) and by practicing certain ground procedures, the Program reduced its fuel costs by approximately \$32,000 in FY16 and is on course to do the same in FY17.

Benefit: The enhanced procedures allow the Program to burn approximately 15% less fuel than the average figures published by the manufacturer and other industry data.



Project Status: Implemented

Airport Design Standards Inventory

This inventory is a physical survey of each airport to identify and track Federal Aviation Administration (FAA) airport safety standards deficiencies.

Benefit: The inventory is used to develop necessary projects to correct issues.

Project Status: Implemented

Airports Inventory and Implementation Plan

This provides an inventory and evaluation of the Wyoming Aviation System consisting of the 40 publicly-owned Wyoming airports and an implementation plan to meet the established goals and objectives. The role each airport serves within the local communities, as well as the state aviation system, was identified with specific measurements and target performance associated with each goal. In accordance with the 2012 Management Audit Committee's recommendation, this study is regularly updated and reported to the Aeronautics Commission and the Legislature.

Benefit: Performance is continuously monitored to assess the effectiveness of each airport within the system and throughout the overall state aviation system.

Project Status: Implemented

Group Crack Seal Projects for Airports

WYDOT continues to manage the annual state-wide group crack seal projects for airports, saving substantially on design, mobilization, and construction costs; providing the most value in the use of state funds.

Benefit: The program has been beneficial in ensuring that pavement is maintained adequately by airports, thereby extending the pavement life and ensuring that an asset funded with state funds is appropriately maintained.

Project Status: Implemented

Group Non-federal Navigational Aids (NAVAID) Maintenance

Airports with non-federal NAVAIDs must contract a regular maintenance schedule for each of those NAVAIDs.

Benefit: Group procurement was done to get a better price than if airports procured the service individually. Savings are realized using one vendor, which reduces manpower and travel expense passed on to the airport.

Project Status: Implemented

Group Seal Coat and Marking Procurement for Airports

Airports receiving Aeronautics Commission grants for seal coating and/or marking pavement participate in a group procurement to obtain a better price.



Benefit: The Department has experienced significant savings by procuring a group price for seal coat and marking projects at airports in the state.

Project Status: Implemented

Increased Oversight and Improved Procedures on Engineering and Construction Projects

Staff efficiency plans for each project are developed to establish how many site visits should be made by staff and for what purposes. Additionally, the improved guidance is being developed for specific milestones and documents that will be required for each project, along with more standardized procedures. These changes align with comments and recommendations that were made in the 2012 Management Audit Committee audit.

Benefit: The changes have improved efficiency and effectiveness of the Aeronautics Division.

Project Status: Implemented

Pavement Management for Airports

The Aeronautics Division provides pavement inspections at public airports every four years. The inspections and resulting pavement management analysis and reporting are provided by the Aeronautics Division to ensure consistency, effectiveness, and efficiency in achieving state-wide pavement management objectives.

Benefit: The pavement management system predicts the life of pavement, identifies needs, and plans for upcoming major rehabilitation and reconstruction projects to ensure optimal timing and adequate funding. This ultimately extends the pavement life and maximizes the use of state funds.

Project Status: Implemented

Priority Rating Model for Airport Projects

The Priority Rating Model for Airport Project Evaluation is a tool used to prioritize airport development funding requests. This tool ensures that state airport improvement funds are allocated according to state goals and objectives. The model is in the process of being updated for the first time since 2006 to incorporate changed conditions and circumstances in Wyoming aviation.

Benefit: The update is a direct result of the 2012 Management Audit Committee audit of the Aeronautics Commission, and will improve efficiency and effectiveness of the Aeronautics Division.

Project Status: The updated model has been used since 2014 to evaluate all airport improvement funding requests submitted to the Commission. In addition, a one-year follow-up review was completed in August 2015. The Aeronautics Commission plans to review and revise the model again in late 2017.

Wyoming Aviation Capital Improvement Plan

This is a priority based state grant funding allocation system that includes integration with a state-wide capital program. This process has replaced a system consisting of individual funding requests presented to the Aeronautics Commission on a semi-annual basis.



Benefit: The current process ensures that the appropriate level of development, timed to best serve the aviation system as a whole, is promoted and results in the most efficient use of state resources.

Project Status: Implemented

Financial Operations

Asphalt Supply and Pricing Risk Management

As the supply and the price of asphalt has greatly fluctuated, WYDOT contracted with a consultant to provide a review of the asphalt market.

Benefit: The assessment provided information about market trends and possible options to better predict and potentially lessen WYDOT's market risk and cost for asphalt.

Project Status: Implemented

Auction Vehicles

WYDOT has discovered that there is a high demand for used vehicles and equipment, particularly patrol cars. WYDOT now sells its vehicles and equipment through an auction website to capitalize on this opportunity.

Benefit: The Department makes about three times more per item by selling online than it does through traditional dealership trade-ins.

Project Status: Implemented

City/County Purchasing Benefits via WYDOT

WYDOT is reaching out to local governments to allow them to take advantage of its bulk purchasing ability. The Department will also provide its specifications and bid documents to local governments if they choose to bid the items through their own processes. WYDOT has also provides buyback information to local governments for their use in negotiating their own equipment agreements with dealers. (See Buyback Program in Roads and Bridges below.)

Benefit: Contracts now extend WYDOT pricing for materials and fleet equipment to local governments who wish to purchase the same items.

Project Status: Implemented

Efficient Project Financial Obligation Processes

WYDOT created an interactive budget process that provides better use of funding and more information with focus on the transparency of all WYDOT budget activities. Information is better shared with the Joint Appropriations and Joint Transportation, Highways & Military Affairs Committee on an annual basis.

WYDOT continues to be a leader in the nation with active obligations, keeping available funding working on projects. As a result, \$25 million of Highway Funds were made available to additional projects.



Benefit: Actively putting funds to work on projects improves Wyoming's economy and supports its workforce. WYDOT welcomes the opportunity to share this information in an effort to remain transparent in all of its endeavors.

Project Status: Implemented

Master Service Agreements

WYDOT has deployed master service agreements for consultant and contractor work needed on an inconsistent basis. Often these are services needed quickly and without prior warning.

Benefit: These agreements allow for quick assignment and delivery of repetitive services as needed preventing project delays. The agreements are limited to a maximum period of five years so new firms have an opportunity to compete.

Project Status: Implemented

Wholesale Fuel Purchase for Flight Operations

WYDOT has purchased its jet fuel through wholesale resources and maintained a facility to self-serve its aircraft since 2008. This has allowed a reduced cost for acquisition and a ready supply.

Benefit: WYDOT's use of the bulk/wholesale fuel purchase program accounts for roughly 80-85% of the fuel consumed by the Flight Operations Program. Overall savings in FY16 was \$135,800. The average difference the price of one gallon of wholesale fuel versus retail fuel was \$1.80. A greater savings is expected in FY17 as the price difference between wholesale and retail has increased to \$2.74 a gallon.

Project Status: Implemented

Roads and Bridges

Accelerated Emergency Repair Contracts

WYDOT is exploring opportunities to streamline the design, advertising, and award of emergency repair contracts. Slide and flood repair is highly variable and often involves specialized contracting methods.

Benefit: Accelerating contracts to repair damages due to landslides and flooding will ensure routes and facilities are reopened in a timely manner minimizing the impacts and costs to the traveling public.

Project Status: Implemented

Asset Management System

WYDOT implemented an integrated asset management system. This system now includes a Bridge Management System, Pavement Management System, and Safety Management System. Linking asset management to a variety of possible funding scenarios allows WYDOT to make appropriate investment decisions. As annual data is added to the system, its predictive power improves. These management systems are being updated and refined to ensure that WYDOT constructs those projects having the greatest value.



The district offices of WYDOT have realized value from the pavement management system, bridge management system, and safety management system by selecting and prioritizing highway improvement projects. The safety management system was used to identify high-crash curves, which resulted in successful projects at those curve locations. The districts are now using the safety management system to identify project priorities.

Based on the additional revenues, WYDOT has updated the predictive models used in its pavement and bridge management systems. The annual pavement and bridge rehabilitation strategies are monitored in the development of the State Transportation Improvement Program (STIP) to ensure that goals are met.

Benefit: To maintain the roadways in their current condition, the management system favors extending the life of existing pavements and other highway infrastructure assets, and recommends fewer major reconstruction projects. Data from all three management systems is becoming valuable information that the districts can use efficiently. The management systems have facilitated better and timelier discussions about transportation safety issues between WYDOT and local governments.

Project Status: Implemented

Automated Drilling Log Entry

WYDOT has developed standard templates for its various types of drilling operations. These templates have streamlined data entry and plotting of the soil information into the electronic drill log software.

Benefit: WYDOT spends about 30% less time entering drill log information, which is now electronically stored and easily retrieved in a digital format.

Project Status: Implemented

Bridge Inspection

Working with the Federal Highway Administration (FHWA), WYDOT is exploring opportunities to complete bridge inspections on a risk-based approach.

Inspection procedures are being revised due to changes in national bridge inspection practices. Inspection software has been updated and consultants are being used to complete some of the bridge inspections.

Benefit: This will result in a more effective and consistent evaluation of the structural condition and provide for better inputs into and recommendations from the Bridge Management System.

Project Status: Ongoing

Bridge Inspection Software

WYDOT modernized its bridge inspection software. The new software is web-based and customized for WYDOT. The software incorporates new national inspection elements that are required by the FHWA.



Benefit: The software provides a more effective means of transferring data, better reporting tools, and built-in quality control and quality assurance functions to help ensure quality data for the bridge management system.

Project Status: Implemented

Budget and Overtime Electronic Management Tools

WYDOT executive staff and program managers use an electronic management tool that quickly provides timely budget and labor/overtime reports. Management can review information in different formats with the click of an icon, and they can sort information by division or crew level details.

Benefit: This process offers timely and proactive budget and cost tracking reviews.

Project Status: Implemented

Buyback Program – Heavy Equipment

WYDOT partnered with its equipment vendors to institute a guaranteed buyback option for certain heavy equipment bids. This option allows the Department to acquire new equipment at a greatly reduced cost over the buyback period. At the end of the buyback period, the used equipment is returned to the vendor with no additional obligation to the state.

Benefit: Significantly reduced ownership cost for the buyback period. Overall, this program has proven to be very successful. The most recent buyback bid resulted in the low bidder buying back the equipment for more than what WYDOT initially paid for the equipment. Due to the success in heavy equipment, WYDOT has expanded the program to more types of equipment where possible.

Project Status: Implemented and expanding

Contracting Road Operations

WYDOT is currently contracting some services, such as plowing snow on low volume roads, maintenance of roadway lighting, painting, landscape maintenance, vehicle servicing, and minor repairs in areas such as guardrail and snow fence.

Benefit: WYDOT will continue to outsource contractual services when it is practical and/or it saves state funds.

Project Status: Implemented and expanding

Contractors' Desk Application

WYDOT simplified and streamlined its process by which highway contractors bid on WYDOT construction projects.

Benefit: The computer application has greatly reduced the time to submit bids and calculation errors have been virtually eliminated.

Project Status: Implemented



Corporate Sponsorship for Litter Control

WYDOT'S Maintenance staff is outsourcing portions of litter pick up through corporate sponsorship to reduce litter control costs. The Department is currently researching support for and the applicability of the project in Wyoming.

Benefit: Sponsorship areas are maintained at no cost to the Department through funding by the private sector, reducing WYDOT's litter control costs.

Project Status: Implemented

County Road Design Guide

In conjunction with the Wyoming County Commissioners Association, WYDOT reviewed, modified, and streamlined the County Road Design Guide. The new guide provides design requirements, including administrative guidelines for county, Industrial Road Program, state, and federally-funded projects. WYDOT also offers the new guide on its website.

Benefit: The new guide provides greater flexibility in design, based on program or project type and funding versus a one-size-fits-all approach.

Project Status: Implemented

Digital Survey Photography

WYDOT converted from a film based photogrammetry to digital camera operations. This transition was the final piece of technology needed to make the Department's survey operations 100% digital.

Benefit: The need to buy, process, develop, and store large rolls of film is no longer necessary. The digital format allows for easier sharing of data and pictures both internally and to external customers.

Project Status: Implemented

Electronic Documentation System (EDS)

The Construction staff implemented an EDS for administering construction projects. The staff continues to maintain and enhance this program.

Benefit: The EDS program further reduces handwritten paperwork while streamlining contractor input and feedback mechanisms, in addition to other time and cost saving features. Automation reduces the risk of errors.

All highway construction projects are now administered using EDS. Project documentation is readily accessible by field, district, and headquarters personnel. Monthly pay estimates are processed more efficiently.

Project Status: Implemented

Energy Efficiency Audit

WYDOT utilized the Wyoming Energy Conservation Improvement Program (WYECIP) to initiate successful energy savings. Much of the energy efficiency upgrade project costs are paid for using future energy savings realized through the implementation of more efficient technologies. Phase 1 included:



lighting, plumbing, waste oil heaters, cooling tower and rooftop air handler units, paint booth upgrades, and new boilers for building heat. WYDOT investigated its buildings around the state and over 30 buildings received some sort of energy retrofit. Seventy-one percent of the savings is predicted to come from lighting upgrades. Phase 2 included facility improvements, parking lot lighting, statewide roadway lighting, highway tunnels at Green River and Cody, compressed natural gas (CNG) maintenance facilities, and an arc flash study of WYDOT buildings. WYDOT is the first state agency in the nation to implement such a program.

Benefit: Following the WYECIP, WYDOT will receive a total of \$14.58 million in energy efficiency upgrades and \$1.61 million in cash for capital improvements. All other project costs are paid for with future utility cost savings. Total partnership savings over the next 15 years is estimated at \$16.75 million.

Project Status: Implemented

Environmental Mitigation and Commitment Database

WYDOT implemented a program for tracking environmental commitments associated with highway projects. This initiative utilizes a database that aids in the post-construction monitoring of environmental mitigation projects.

Benefit: The purpose of this effort was to reduce the risk for WYDOT and FHWA of overlooking an environmental commitment that would impact an outside regulatory agency. This also assists in the transparency to individuals or groups that secure an agreement with WYDOT to perform specific mitigation of mitigation progress.

Project Status: Implemented

Fleet and Equipment Maintenance

WYDOT continues to work to reduce vehicle idling time. This includes changes to warning lights and how they are wired into the vehicles, as well as educating its operators about how the diesel exhaust fluid system works in conjunction with the particulate filters. Idling for long periods can plug the particulate filters on new trucks. Less vehicle idling can prevent this from happening, reducing costly engine damage and saving fuel costs.

Tractor transport trucks with removable dump boxes and sanders were purchased to add versatility. Some trucks are purchased with a 13-speed transmission to accommodate the commercial drivers' license testing for new WYDOT operators. These trucks can also be used for snow removal, which was not possible with the old transport trucks.

WYDOT continues to increase its use of direct application tanks to the fleet for improved storm response. Snow maintenance crews have had good success with the new equipment and methods.

WYDOT crews are encouraged to innovate. Our South Pass crew has equipped one truck with a spray bar that drills brine into the hard pack. Once a small area is melted, the snow and ice pack breaks up quickly.



WYDOT continues to work on writing new purchasing specifications to ensure that it is getting the correct sized vehicle for the job. For example, the specifications for the rural striping tender truck have been revised to support an entire day of striping without returning to a station to refill with paint and beads to increase efficiency of striping operations.

Benefit: All of these changes increase the overall efficiency of WYDOT's equipment operations.

Project Status: Ongoing

Field Operations Documents and Reusing Computers

Computers that would normally have gone to Surplus Property are being used by field construction crews to electronically document project support activities, such as project diaries, materials testing, and other non-pay items.

Benefit: WYDOT computers are typically traded in five-year intervals. This program extends laptop use even further without having to purchase new computers for field tasks.

Project Status: Implemented

FHWA Risk Assessment Review

The FHWA and WYDOT conduct an annual comprehensive assessment of various programs, including the design, construction, right-of-way, materials, bridge, environmental, and local government coordination functions.

Benefit: The annual assessment process identifies cost and regulatory risks, and helps us formulate performance improvement tasks within WYDOT programs.

Project Status: Ongoing

Fuel Stations

WYDOT has implemented a controlled use fuel system allowing other state agencies access to our statewide fuel systems.

Benefit: Fuel consumption is more closely accounted for and lost fuel has been minimized.

Project Status: Implemented

Integrated Highway Project Management

WYDOT has implemented project management oversight to coordinate and direct communications and efforts across all programs involved in the design and development of highway projects.

Benefit: Project activities and processes are monitored resulting in fewer delays and more rapid resolutions to disruptions. Since creating the Highway Project Delivery Program, there has been a 60% reduction in significantly at-risk projects. Increased participation and buy-in to the project management process is paving the way for continued success in the efficient delivery of highway projects.

Project Status: Implemented



Improved Project Schedule Review

Highway design project schedules are the basis for scheduling and coordinating project design work activities. Scheduled activity durations and relationships are being reviewed to ensure an efficient project delivery process and reduce the overall time needed to complete the design of transportation projects.

Benefit: Efficient and realistic design schedules will result in more efficient resource utilization and project planning.

Project Status: Implemented 2018

Highway Project “Shelf” Development

Programs and districts are working toward a goal of having one year’s worth of projects “on the shelf.” These are projects that have been designed and are ready for contract letting, or could be made ready very rapidly.

Benefit: WYDOT will experience increased agility as a result of this initiative. If more money becomes available, or an unforeseen disruption occurs that prevents a project from being let to contract as scheduled, additional projects will be readily available so that impacts can be minimized and all highway funds can be spent as they become available.

Project Status: Implemented and Ongoing

Historic Project Analysis

WYDOT has hired an historic analyst to lead the federal 106 process on projects where there is an adverse effect on a historic bridge or property. Bridges and other structures become eligible for historic designation when, among other things, they reach 50 years of age. Many bridges have reached the 50-year age requirement and many urban areas where WYDOT has construction projects exceed that age. The skills and time needed for the federal 106 process had become very onerous and as a result, projects were delayed.

Benefit: The historic analyst will coordinate these activities with other state agencies and help keep the project costs contained and project design on schedule.

Project Status: Implemented

Innovative Snow Fence Contracting

WYDOT continues to explore innovative contracting methods to enhance the delivery of services throughout the state. For example, WYDOT has entered into long-term contracts that utilize a private contractor to maintain, repair, replace, and construct snow fence throughout the state. The contractor salvages and markets the recycled weathered wood internationally.

Benefit: In this instance, snow fence repair and replacement is being completed timely and at little or no cost to the agency. The recycled weathered lumber minimizes waste and contributes to the overall state economy. Additionally, WYDOT personnel spend less time maintaining snow fences, allowing staff to perform other essential maintenance functions.

Project Status: Implemented



Light Duty Vehicle Mileage/Replacement Review

WYDOT has increased its minimum mileage requirements for replacing light duty vehicles, including patrol vehicles, sedans, and light-duty pickup trucks, as a result of an improved preventive maintenance program. Mileage for trade-in was increased by 20,000 miles for each vehicle classification. Patrol vehicles will now be traded at 120,000 miles and all other light duty fleet will be evaluated for trade-in at 160,000 miles. Diesel pickups will be traded at 200,000 miles.

Benefit: WYDOT estimates it has saved over \$1 million per year. Evaluation will continue to optimize the balance between maintenance costs, trade-in values, and mileage for trading its light duty vehicles.

Project Status: Implemented

Long-Range Fleet and Equipment Planning

Long-range plans to determine fleet and equipment needs are developed. The plans help WYDOT to determine the most cost-effective method for meeting operational needs in the future. Work activities and the required equipment are being evaluated to compare costs to contract activities. The plan also sets forth guidelines for the best method for obtaining equipment; buyback, leasing, or renting; and/or rebuilding existing equipment. Equipment fleet costs and usage are also being evaluated.

Benefit: Cost savings and optimization of equipment usage.

Project Status: Ongoing

Managing Risks in Project Selection

With uncertainties in funding sources and inflation rates, WYDOT studied a mix of projects by type and dollar value to assure an efficient project design flow. Larger jobs, primarily reconstruction, continue to be a focus to let to contract at the scheduled time.

Benefit: This minimized design costs, delays in project delivery, and maximized the efficient use of resources.

Project Status: Implemented and complete.

Off-System Bridge Widths

The Off-System Bridge Replacement Program (BROS) helps fund the timely replacement of bridges owned by cities, towns, and counties. The local entity is required to match approximately 10% of project costs. WYDOT has decreased the minimum bridge roadway widths for BROS projects, increasing the use and efficiency of the program.

Benefit: The more narrow bridge widths will reduce project costs. Applying the new widths to the bridges that have been constructed using BROS funds over the past 10 years yields a possible average savings of \$70,000 to \$80,000 per structure on future structural projects.

Project Status: Implemented



Pavement Rehabilitation Solutions

WYDOT is utilizing innovative pavement rehabilitation solutions. Full depth reclamation (FDR) is a cost-effective pavement rehabilitation strategy. The existing pavement is recycled and rejuvenated in-place utilizing an environmentally friendly construction process. FDR and other recycling opportunities, such as cold and hot in-place recycling of the asphalt pavements, will continue to be utilized.

Benefit: In most cases, the construction duration is reduced and impacts to the traveling public are minimized.

Project Status: Implemented

Programmatic Biological Opinion

WYDOT, working with various regulatory agencies, has established a programmatic biological opinion which enables WYDOT to streamline the process of Section 7 of the Endangered Species Act and more efficiently deliver projects. These opinions must be renewed periodically. The current programmatic agreement and process were created six years ago, and the agreement was renewed in 2017.

Benefit: This action ensures a timely delivery of projects in the STIP. Over the last six years the process has minimized project delivery, application, and review delays for WYDOT and other regulatory agencies.

Project Status: Implemented

Project Scope and Costs

WYDOT is using its asset management systems to identify and weigh project purposes and needs while optimizing the costs and overall program of projects to meet performance goals.

Benefit: The anticipated outcome is a better defined project scope, resulting in a reduction in scope growth, more accurate construction cost estimates, an appropriate mix of project types, a better representation of the investment, and a more stable STIP.

Project Status: Ongoing

Review of Design Functions

WYDOT uses consultants to provide a review of project design documents for conformance with national and state design requirements. Work includes developing a peer review process and a quality-scoring system to evaluate plans and specifications. This work includes not only internally generated designs but also consultant designs and plans. WYDOT's design process and procedures are also evaluated.

Benefit: WYDOT expects to implement a more efficient design process based on the outcome of the study. Enhancing documentation, reducing duplicate processes, eliminating redundant reports and reviews, and making better use of technology will ensure a more efficient use of resources.

Project Status: Implemented



Right-of-Way Document Management System

WYDOT enhanced its right-of-way document management system which stores the data and generates the necessary reports and letters needed for right-of-way acquisition and disposal, and right-of-way leases.

Benefit: Ensure consistency for better internal tracking of federal government parcels by their reference numbers, promote the generation of more efficient appraisal reports, and reduce data entry time. Also, the conversion of all templates freed up space on the network server.

Project Status: Implemented

Road Maintenance and Operation

Road maintenance crews are encouraged to innovate. They have streamlined processes to make their work more efficient. This includes, but is not limited to:

- Combining maintenance crews to be more flexible in responding to customer needs. Resulted in improved response rates and more flexible capacity utilization (Implemented);
- Contracting rest area maintenance and moving the former maintenance position to a higher-priority job assignment in the field. Allowed for more time to work on other maintenance projects (Implemented);
- Reduced fleet purchases and time by combining chip seal equipment, motor graders, auger lift trucks, etc., into multiple equipment use setups (Implemented);
- Flexible budgeting of road work and assignment of man hours to address the highest priority work to achieve minimum maintenance quality control standards (Implemented);
- Replaced some median barrier warning devices with a flexible type of device to reduce the frequency of replacement (Implemented);
- Districts are cross-training construction and maintenance personnel to better utilize personnel during peak workloads (Implemented);
- Use of culvert cameras to determine the physical integrity inside of a culvert structure, improve the timely maintenance of culverts, and aid designers in determining whether a culvert repair and replacement is necessary (Implemented); and
- Developed standard agreements so that local ranchers and farmers can appropriately forage hay from the highway right-of-ways. The benefit is that WYDOT does not have to use its own workforce and equipment to cut the vegetation from the right-of-way (Implemented).

Rolling Letting Schedules

Historically, WYDOT published an annual letting schedule identifying the monthly projects that would be let during the current fiscal year (October through September). The schedule is now updated monthly to identify projects that will be let within the next 12 months. This provides the contracting community a continuous, full-year look ahead for upcoming projects.

Benefit: Contractors are able to more effectively plan their work activities and schedule resources in anticipation of projects in the coming construction year.



Project Status: Implemented

Salt/Sand Storage Environmental Risk Reviews

WYDOT is reviewing its current building designs and placement options for salt/sand storage buildings. Environmental regulations require WYDOT to prevent groundwater contamination from its salt/sand stockpiles. The Department has engaged in a program over the last several years to contain and prevent runoff of water at these sites.

Benefit: The program was suspended to review efficiencies in design, building types, and other state departments of transportation practices to maintain a “best practice” plan for Wyoming.

Project Status: Implemented

Shared Services and Resources

WYDOT is sharing personnel and equipment across district boundaries to more efficiently and effectively address localized short-term needs. This past winter, several rotary plows and operators were repositioned to assist in clearing record snowfall in the western part of the state. Similarly, several crews assisted others in removing snow from roadways and responding to flood events. Other opportunities are being considered.

Benefit: The Department will be more nimble and can address needs in a more timely and efficient manner.

Project Status: Implemented

Sign Installation Outsourcing

Recent legislation and updates to the specific service signing rules and regulations provide the necessary funding for WYDOT to outsource installation of certain signs on the interstate highway system.

Benefit: The reduced traffic sign crew workload expedited upgrading the specific service signs to meet Manual on Uniform Traffic Control criteria and provides an appropriate level of sign quality. These changes also benefit the traveling public.

Project Status: Implemented

Snow Control Techniques

Road maintenance crews are encouraged to innovate. They have streamlined processes to make their work more efficient. This includes, but is not limited to:

- Implemented use of blade technology to improve snow removal efficiencies, increase safety, reduce fuel use, and reduce additional snow cleanup and snow “booming” operations (Implemented);
- Changing plow driver schedules to split shifts at several locations to improve snow removal coverage (Implemented);
- Utilizing new chemicals in snow removal efforts such as magnesium chloride, beet juice, etc. and pre-storm treatment of known problem locations with liquid chemicals to reduce ice and snow build up (Implemented);



- Installation of salt brine storage tanks and mixing stations at remote locations to improve response time and reduce travel time (Implemented);
- Implemented direct-brine application tanks to increase WYDOT's flexibility in handling different types of storm events. WYDOT can pull low-boys and water tanks and, in the future, belly dumps to improve efficiency in operations without sacrificing sanders or liquid tank dispensers for snow removal operations (Implemented);
- Conversion of large tanker trailers to direct application tanks allows for brine treatment to be applied to the roadway, while keeping the trucks on the road for longer periods of time before having to return and refill treatment materials (Implemented);
- Modified snow removal fleet to increase the number of larger 10-yard trucks versus 4-yard trucks (Implemented);
- Purchased new trucks equipped with more advanced plow controls and equipment to pre-mix deicer with the sand before it is applied to the road surface (Implemented);
- Contract out snow removal at rest areas to free up more workforce hours for necessary work on the highway. This allows more of WYDOT's crews and snowplows to focus on snow and ice maintenance on the highway routes (Implemented);
- Developed snow removal performance measures to track current performance and to help cultivate snow and ice removal efficiencies (Implemented); and
- Implemented the use of tow plows state-wide for snow maintenance. The plows attach to existing snow plow trucks and are capable of plowing more than one lane of highway in one pass while utilizing only one plow truck (Implemented).

Structural Analysis Software

The Bridge Program uses a structural analysis software program called BRASS. BRASS is a suite of design and analysis programs that was developed by WYDOT more than 30 years ago. This software is maintained by a consultant, and marketed and sold to other government entities and consulting groups.

Benefit: License fees are used for updating and enhancing the software based on changes to the design specification. This has been, and continues to be, a primary design tool for the design and rating of bridges. Enhancements to the software continue to improve design efficiencies, reduce design time and minimize errors in calculations.

Project Status: Implemented

State-wide Liaison with Federal Agencies

WYDOT continues to partner with the U.S. Forest Service to support a liaison position to promote and facilitate the effective delivery of projects affecting the national forests in Wyoming. The liaison anticipates the needs and opportunities associated with projects and assists in the resolution of challenges.

Benefit: Since this program was implemented, no WYDOT projects have been delayed due to conflicts with the U.S. Forest Service. Project planning and development, NEPA document preparation, and reviews and permitting have been streamlined. Through this relationship, communication has greatly improved and projects stay on schedule.

Project Status: Implemented



Streamlined Right-of-Way System

WYDOT implemented a new right-of-way management system to produce and track property acquisition documents and manage the acquisition process more efficiently.

Benefit: The acquisition process is a sizable undertaking for the Department, and results from the last three years indicate that the average number of days needed to acquire a property has been reduced by up to 20 percent. This is the result of the new software and reorganization of teams resulting in the ability to work on several different processes concurrently.

Project Status: Implemented

Public Transit Database

WYDOT oversees the distribution of federal funds for transit activities, and is responsible for reporting transactions to the Federal Transit Administration (FTA). Over 40 Wyoming transit providers receive federal funding. All reporting of their core data, such as vehicle use and ridership, has to be manipulated or re-entered in several different formats. A single website is being constructed to allow for the providers to enter their required data for the grants and allows WYDOT to use the data in decision-making processes.

Benefit: This project reduced the man-hours needed to enter, manipulate, and put the data into a format that is useable for decision makers. Decisions, such as the allocation of limited funds, became more transparent to the public and customers.

Project Status: Implemented

Value Engineering Studies

Value engineering studies are being conducted on WYDOT road design projects.

Benefit: Recommendations are reviewed and evaluated for possible implementation to address the efficiencies or inefficiencies of each project.

Project Status: Implemented

Variable Speed Limits

Electronic variable speed limit (VSL) signs have been deployed in several locations throughout the state. Actual vehicle speeds, roadway conditions, and weather conditions are monitored.

Benefit: Studies have indicated that there has been a reduction in vehicle crashes. Speed limits are remotely adjusted to ensure drivers are traveling at a speed commensurate with the actual conditions.

Project Status: Implemented

Vehicle Repair

Light duty vehicle repair is being outsourced to allow our heavy duty vehicle mechanics more time to work on the heavy diesel equipment fleet.

Benefit: This ensures timely maintenance and minimizes down time of the entire vehicle fleet.



Project Status: Implemented

Warm Mix Asphalt

Warm plant mix asphalt is a technology that allows lower mixing and compaction temperatures compared to that of traditional hot plant mix asphalt pavements.

Benefit: This technology reduces greenhouse gases, reduces worker exposure to asphalt fumes, and extends paving seasons. Burner fuel consumption is reduced and construction cost savings should be realized.

Project Status: Implemented

WYDOT Design Guides

WYDOT design guides and associated policies have been updated to reflect the minimum nationally recognized design standards. The FHWA and the Transportation Commission approved the new WYDOT Design Guide in February 2014 and project reviews and design standards were implemented in March 2014. Savings realized as a result of these changes resulted in several additional miles of highway improvements being constructed annually.

Benefit: This allows for greater options in design and provides significant cost savings, shorter design timelines, and greater opportunity to meet the public's project delivery expectations.

Project Status: Implemented

Support Services

Compliance and Investigation Efficiencies

WYDOT Evaluated memberships and subscriptions and discontinued memberships to non-essential trade organizations or publications.

The Compliance and Investigation Program repurposed locking cabinets that would have been discarded by another program to maintain evidence and confidential information in the Douglas and Thermopolis offices.

The program also purchased multi-function printers for Douglas and Thermopolis offices to reduce postage and increase efficiency in providing case reports and correspondence to the main office for record keeping.

Benefit: All of the above items will save WYDOT significant time and money in the future.

Project Status: Implemented

Compliance and Investigation Vehicle Training Modules

WYDOT has prepared educational training modules respective to elected officials, law enforcement agencies, and WYDOT-regulated businesses concerning many types of vehicle identification, sale, titling, and registration circumstances. These training modules are available upon request in an electronic format for entities to use at their convenience.



Benefit: The state has significantly reduced the use of resources for an investigator to travel for training and compliance issues.

Project Status: Implemented

Driver Services-National Registry II Pilot Project

WYDOT is developing an electronic transfer system for DOT Medical Certificate information between the Medical Examiner and the state. This project will facilitate communication between the states regarding commercial driver qualifications.

Benefit: Reduction in manual data entry for the CDL Helpdesk regarding DOT Medical Certificates for Wyoming commercial drivers. Commercial driver license holders will also benefit by not having to visit offices to update their medical cards in person.

Project Status: Ongoing

Driver Services-Online Driving Record Inquiry System

WYDOT has implemented an online web-based driving record inquiry process. This system allows an insurance agent to verify the driving history of an applicant before issuing a policy. Previously, an insurance company would issue a policy and wait for the requested paper copy of a driving record to be sent from the Driver Services Program.

Benefit: The insurance industry is now able to make real-time, informed decisions when issuing policies.

Project Status: Implemented

Drug and Alcohol Training

WYDOT provides drug and alcohol training for all WYDOT commercial driver license holders. District offices have multiple DVDs and the training was added to the WYDOT intranet site for easy online access by employees.

Benefit: This training saves employee down time and travel expenses as they do not need to attend a class away from their duty station.

Project Status: Implemented

Human Resources-Electronic Document Management

Human Resources reduced the time for processing new employees by implementing an electronic new hire employment packet. In addition, the Human Resource program is working to create electronic personnel files for current and new employees.

Benefit: Decrease in the amount of time and resources to complete processes allowing for additional focus on customer service.

Project Status: Implemented



International Fuel Tax Agreement and Registration Plan System

WYDOT is implementing an online web-based system for customers to report their quarterly taxes, order new license plates and provide registration paperwork for commercial customers subject to the International Fuel Tax Agreement and International Registration Plan.

Benefit: Better utilization of WYDOT resources for quality control and to provide better customer service to commercial motor carriers.

Project Status: Ongoing

Mass Certified Mailings

Districts now use e-receipts for certified mail through the U.S. Postal Service. This saves the agency \$1.35 for each certified letter. As an example, WYDOT must prove it has contacted 51% of landowners when dealing with projects on the Wind River Reservation, which can equate to 2,500 letters per mailing.

Benefit: Using the example above, the savings is \$3,375 for one mailing.

Project Status: Implemented

Motor Vehicle Services-Online Temporary Vehicle Tag System

WYDOT is implementing an online web-based system for temporary vehicle registrations for sale or transfer of vehicles. Currently, dealerships are required to mail a portion of the registration to Motor Vehicle Services for record keeping purposes. Additionally, if a vehicle is stopped by law enforcement with a temporary registration outside business hours, it can be difficult for law enforcement to determine ownership.

Benefit: More efficient use of WYDOT resources for both record keeping and audit purposes. Enables law enforcement to better identify the ownership of vehicles that have a temporary registration.

Project Status: Ongoing

WYDOT Staff Development and Training

WYDOT has implemented several unique training opportunities, such technical training, leadership training, and personal enhancement training, allowing our employees to learn new skills and techniques to make them more productive and efficient in their daily activities. Many of these courses are developed and shared on a national level and employees participate via the internet. Training is also being accomplished throughout the state rather than sending many employees to Cheyenne for training, where the WYDOT training center is located, and district personnel carpool to meetings, if necessary, to minimize travel expenses.

Benefit: Potential cost savings, improved efficiency, and staff retention.

Project Status: Implemented and Ongoing



Technology

Automated “Call Before You Dig” System

WYDOT developed an email and voice response system that can automatically let excavators know if they are cleared of WYDOT utilities. When people call for utility locates, they can provide their email address. If they choose to do so and there are no WYDOT utilities in the project area, the system will automatically send them a message. If they do not provide an email address or the email address is not valid, an automated phone system will call them to provide the information. The system asks for confirmation, so if the call fails, WYDOT personnel will be alerted to follow up manually.

Benefit: WYDOT reviews and clears approximately 20,000 “Call Before You Dig” requests annually. In the past, routine clearance calls took approximately six hours per day during peak construction months. The system now is completely automated and will email or call excavators with information.

Project Status: Implemented

Automated Overweight/Oversize Vehicle Bridge Analysis

An upgraded application has been developed to replace an older graphical information systems program that can no longer be updated or maintained. In the future, the application may be used by port-of-entry personnel and possibly the trucking industry, to efficiently analyze and verify that the load can safely travel along a proposed route.

Benefit: The new system allows users to more efficiently input a route for an overweight load that is traveling through Wyoming. All bridges that the vehicle drives over are automatically checked to ensure that it can pass without causing damage to the bridge. The software saves time in the analysis of overweight vehicles, provides better reporting tools, and allows WYDOT to track how many loads are being placed on the state’s bridges.

Project Status: Implemented

Automated Road Condition Reporting

The Road Condition Reporting System (RCRS) is an Android-based application that allows snow plow operators to update road conditions from a tablet mounted in snow plows. The application can communicate via the statewide WyoLink radio network or at state-owned Wi-Fi hotspots. The RCRS also improves situational awareness of plow operators by providing them weather radar, information about what is posted on electronic message boards, real-time information from environmental sensors and more. Development of the tablet was paid for through a Federal Highway Administration Weather Responsive Traffic Management grant, and additional equipment was purchased through State Transportation Innovation Council Incentive Funds.

Benefit: The project required an independent evaluation that showed use of the application with a 75% adoption rate could save the equivalent of one full-time TMC operator per year. In addition, operators who used the application provided twice as many road condition reports as those who did not have access to it and three times as many variable speed limit recommendations, thereby making roads safer for the traveling public.



Project Status: Implemented and Ongoing

Citrix Upgrade

WYDOT upgraded and updated the Citrix Application and Virtual Desktop Deployment environment.

Benefit: This system brought WYDOT up-to-date in version, support and ability to deploy systems quicker using the virtual environment.

Project Status: Implemented

Cloud Based Proxy Server

WYDOT implemented a cloud based proxy server to improve information management efficiencies

Benefit: The cloud based proxy server makes better use of the limited network bandwidth by routing Internet traffic across a shorter path.

Project Status: Implemented

Commercial Vehicle Operator Portal

WYDOT developed a website specifically designed to provide commercial vehicle operators the information they need to make travel decision when inclement weather is predicted. The password-protected website provides road condition forecast in 12-hour increments up to 72 hours in advance for the areas that are most affected by truck traffic: visibility, road surface condition, and wind. The website provides an easy-to-read color coded map and text-based information to help commercial vehicle operators decide whether to adjust their travel plans due to storms.

Benefit: Commercial vehicle operators are better able to make informed travel decisions. Users are also able to provide feedback which allows TMC to make useful enhancements to the website.

Project Status: Implemented

Computer Lending Library

WYDOT IT purchased a number of different small form factor (SFF) computers to allow personnel to then borrow for evaluation. This saves the state time and effort in evaluating new hardware/software.

Benefit: The pilot program allowed employees to evaluate various types of SFF computers and select the platform that best fit their needs. It helps the state make quicker and practical decisions about technology.

Project Status: Implemented

Cyber Audits

WYDOT conducts cyber security audits of its systems more frequently and in more detail than other audit systems.

Benefit: This allows WYDOT to have a third party evaluate its security posture and to make recommendations to improve security across WYDOT. By reducing security threats, there is a reduction in the risk of mitigation costs that could come with a breach in security. This is



also beneficial to the other state agencies in reducing the risk to their systems coming from WYDOT.

Project Status: Implemented

Enterprise Resource Project

WYDOT solicited requests for proposals for ERP hosting services and was able to obtain new hosting with minimal increased cost.

Benefit: The new environment provides a virtual infrastructure and eliminates the need to purchase and replace hardware. The new environment also provides an improved disaster recovery environment with respect to recovery times and recovery points.

Project Status: Implemented

Falcon Document Management System (DMS)

The Falcon DMS is a searchable document management database that saves time and promotes better agency-wide decision making by allowing information to be more readily available. The system makes it easier to store and share files internally among all programs and with external customers as well. Most WYDOT reports and plan sets are scanned and distributed using this system.

Benefit: The system is also available on WYDOT's website for external customers (consultants, local governments, other federal agencies). Users can access documents directly rather than requesting them from WYDOT. The ability to share files electronically has reduced agency paper consumption, mailing costs and time needed to file and retrieve files. For example, bridge inspection reports are now shared with local governments electronically rather than sending paper copies of these reports.

Project Status: Implemented and Ongoing

Firewall Upgrade

WYDOT worked with Enterprise Technology Services to upgrade its network firewall. Typically these systems are implemented and used until they reach end-of-life. The upgrade was anticipated and planned for as part of WYDOT's normal technology replacement cycle.

Benefit: The new firewall improves WYDOT's cyber security posture, reduces risks associated with potential system failures, and has improved the performance of the network.

Project Status: Implemented

Fuel Tax System

WYDOT IT rewrote the mainframe fuel tax system to run as a bolt-on application within existing software used by WYDOT.

Benefit: Removing the old system from the mainframe and placing it within an existing software program saves time and money. The rewrite also improves productivity, as it will allow system users to write and run their own reports. The system is also easier to modify and maintain.



Project Status: Implemented

Global Position System (GPS) Survey Equipment

GPS has made it possible for one person to measure stockpiles, guardrail, fence, set grade stakes, and to accomplish other tasks that, in the past, required three-person crews using rod and level or total station survey equipment.

Benefit: One person can do the job that a three-person crew used to do, which resulted in a significant savings to WYDOT. Districts can now use GPS survey equipment to document project quantities for making payments to contractors in much less time.

Project Status: Implemented

Highway Advisory Radio

WYDOT has developed a highway advisory radio using a powerful, yet inexpensive, computer called “Raspberry Pi.”

Benefit: The Raspberry Pi-based highway advisory radio is very versatile and inexpensive. The system can automate road condition updates, thereby improving the efficiency of the TMC, while reducing the cost of a highway advisory radio controller from about \$10,000 to about \$50.

Project Status: Implemented and Ongoing

Highway Safety Quality Assurance System

WYDOT developed a new system for quality assurance within the highway safety program.

Benefit: This system reduced the amount of time needed to process reports from two weeks to two hours.

Project Status: Implemented

Monitoring System – State Facilities

WYDOT currently monitors access and the mechanical systems of the State’s critical facilities. This includes systems such as HVAC, lighting, fire, smoke and moisture detection, power, etc. which was previously done by the Department of Administration and Information. The after-hours monitoring of these facilities has now been transferred to WYDOT and the number of temporary personnel that were previously needed for coverage has been reduced.

Benefit: Future general fund expenditures will not be necessary, resulting in an overall anticipated general fund budget reduction of \$184,000 annually and the reduction of three positions.

Project Status: Implemented

Port of Entry Payment Processing Change

WYDOT eliminated mainframe processing of the Port of Entry receipts interface files, transferring them directly from WYDOT Oracle to the ERP Oracle database by file transfer.

Benefit: This eliminated several steps in daily processing of payments, saving time and money.



Project Status: Implemented

Public Traffic Information

WYDOT now monitors and broadcasts traffic developments in real time, 24/7. Using technological advances, the Department has reduced the number of temporary personnel that were previously needed for coverage.

Benefit: Services have increased, and the public interest and usage continues to increase. Online features and text messaging have saved considerable costs and received widespread public approval.

Project Status: Implemented

Reporting Tool for Information Management

WYDOT worked to implement a new reporting tool for the WYDOT enterprise. This end-user reporting tool will allow the enterprise to have a central location for reporting needs. It also adds the ability to embed the reports in other software and applications.

Benefit: The new system reduces annual maintenance costs. Anticipated cost reductions from reporting are approximately 50%.

Project Status: Expected to be deployed by December 2017.

Specialty Plate Renewals System

WYDOT developed and implemented a new functionality allowing constituents to renew their specialty license plates online.

Benefit: This system reduced the amount of time needed to process specialty license plate renewals from one week to two hours.

Project Status: Implemented

Vehicle Inspection Reporting System

A web-based vehicle inspection report system will allow users of the WYDOT fleet to conduct pre-trip and post-trip equipment inspections and to automatically escalate them to a repair request, if needed.

Benefit: In the past, WYDOT has relied on a manual inspection of equipment, before and after each use of the equipment. A separate repair request form was then used to create a work order for items found to be defective. This process was entirely manual and could take significant time to complete. The new Vehicle Inspection Reporting process allows a user to electronically track pre- and post-trip inspections. If a defect is identified, the system will automatically escalate tickets to mechanics and notify them via email. The system allows multiple mechanics to work on individual problems and it keeps an electronic record of the trouble tickets so patterns of problems can be searched and identified

Project Status: In final testing stage.



Wake-on-Local Area Networks (LAN)

WYDOT implemented “Wake-on-Lan” effort to increase efficiency by allowing IT to turn on and update computers after normal business hours.

Benefit: Performing updates after normal business hours increases user productivity because updates do not impact computer performance while end users are using their computers during peak working hours.

Project Status: Implemented

Web Based Meetings

WYDOT frequently utilizes web based applications such as the Transportation Learning Network, teleconference calls and Google Hangout. WebEx (an online teleconferencing company) is being used to view and share documents.

Benefit: Travel time and related costs are drastically reduced, and in some case are eliminated. Staff can attend from their desks and readily share and view documents being discussed.

Project Status: Implemented

Web Service Data Share

WYDOT worked to instantly send travel data from the WHP dispatch center to the Transportation Management Center (TMC) dispatch center.

Benefit: This system allows specific data affecting travel to be sent to the TMC dispatch center where it can be communicated to the public.

Project Status: Implemented

WYDOT Authorized Travel

WYDOT Authorized Travel is a web-based tool that allows travelers to apply for permission to travel on otherwise closed roadways under certain circumstances. This might happen if a road is closed due to a crash yet the road is safe to travel past a closure gate and approaching the crash location.

Benefit: The WYDOT Authorized Travel program improves mobility of citizens because it allows people who need to tend to livestock, attend medical appointments, or travel to or from work to pass a closure point if the road is safe to do so. The Department benefits because the work necessary to deliver travel authorizations is automated and the sign-up process takes place during periods when WHP personnel have time to devote to the task. Previously, WHP Dispatchers attempted to provide authorizations in a manual fashion that took hours to administer for each closure.

Project Status: Implemented

WYDOT Website Upgrades

The largest and most utilized website in the state, WYDOT is working to upgrade and update the infrastructure and front-facing components of its website.



Benefit: This freshening of the WYDOT website allows constituents to more easily and quickly find information they need. This will also reduce the hours and cost associated with maintaining the website.

Project Status: Expected to be deployed by August 2017

Wyoming Aviation Geographic Information System (GIS)

The Aeronautics Division's GIS information management system is being developed and will be built on base maps of each airport. In addition to the base maps, specific information is geo-referenced to provide efficient access to large amounts of information. This information is especially needed for Aeronautics Division staff to identify and evaluate airport project needs and to develop recommendations for the Aeronautics Commission.

Benefit: GIS provides a method of centrally locating and making information available to internal and external users, which saves time and allows for more efficient communication.

Project Status: Ongoing

Wyoming Highway Patrol-USB Backups

WYDOT worked with the WHP to implement a USB backup approach for the in-car systems.

Benefit: In the event of hardware failure, IT is now able to recover a WHP trooper's files to put on another tablet and get the trooper back on the road quicker.

Project Status: Implemented

Wyoming Travel Information Map

WYDOT updated its traveler information map. This map is available on WYDOT's website and provides information to the public about road conditions, traffic incidents, and other travel information.

Benefit: The new travel information map uses technology that is already in use at WYDOT for other purposes and removes the dependency on a second vendor's license. As a result, there is about a \$50,000 cost savings each year. The new development platform uses a rapid development template which allows for more enhancements to be made, including the addition of National Weather Service watches and warnings and weather radar. The map development also included a design for those who are color-blind.

Project Status: Implemented

Wyoming Highway Patrol

Citizen Services and Safety Information

Deploy highway safety initiatives such as variable speed limits (VSL), dynamic message signs (DMS), WYDOT authorized travel (WAT), and hundreds of electronic notifications to authorize restricted travel during specific road closures, weigh-in-motion (WIM) sensors for specific roadways over mountain passes, and specific road closure plans.



Complete changes to the WYDOT Rules and Regulations, Motor Carrier Section, Chapter 5, Size and Weight Limitations of Vehicles. The “Gold Book” (truck size, weight, and permit book), which is currently being updated, provides useful guidance to the trucking industry.

Benefit: The projects will improve highway safety.

Project Status: Implemented and Ongoing

Efficient Interdiction and Compliance

To reach Federal Motor Carrier Safety Alliance compliance by the end of 2019: foster relationships with industry, local, state and federal partners; deploy a High Intensity Drug Trafficking Program; and participate in the Rocky Mountain High Intensity Drug Trafficking Areas group.

Benefit: Fostering relationships at all levels will benefit public safety and criminal interdiction efforts. The WHP ultimately strives for virtual weigh stations and electronic permitting and routing.

Project Status: Implemented and Ongoing

Internal Efficiency Initiatives

The WHP strategic plan works through a three-year planning cycle and provides a defined set of operational goals. More significantly, it allows each WHP district and division to customize their own approach to address specific issues through the BSC process. They review and adjust their BSC every three years. Information received from customers is also considered and included in the strategic plan and the BSCs. Some of the significant goals are to reduce highway fatalities, reduce alcohol and drug related injury crashes, enhance customer service, maximize educational and support efforts, and to develop and care for our employees.

The WHP implemented new schedules to address critical issues in the Highway Patrol Dispatch Center, Ports of Entry and with Troopers, concerning overtime, burnout, morale, and other matters within the workplace.

The WHP focuses on quality customer service by: soliciting public input after the public is contacted by a state trooper, communications officer or a port-of-entry employee; provide comment cards; and add an online customer satisfaction portal are made available to provide suggestions and/or positive or negative comments.

The WHP will continue to standardize its vehicle fleet to reduce agency costs.

Benefit: The WHP’s strategic plan has resulted in an identified focus on public safety initiatives, employee satisfaction and good stewardship of resources with positive results. By continually reviewing internal initiatives and processes, the WHP constantly strives to be more efficient.

Project Status: Implemented



Modernize Record Management System (RMS), Computer Aided Dispatch (CAD) System and E-Citation System

The WHP is modernizing the current in-car computers (mobile data terminals) to access a records management system (RMS), issue E-citations, and to complete applicable forms.

Benefit: The project will increase communication, effectiveness, and efficiency within the WHP and with the courts, statewide.

Project Status: Estimated completion date is fall 2019.

Uniformity and Consistency - Ports of Entry

The WHP developed a uniform training program, updated policies and procedures, and reorganized the leadership structure to maintain consistency within ports-of-entry statewide.

Benefit: To ensure uniformity in commercial vehicle compliance, education, and enforcement.

Project Status: Implemented

Using Data Envelopment Analysis and Data Driven Approaches to Crime and Traffic Safety

Data driven analysis is designed to identify best practices. The Wyoming Highway Patrol (WHP) is currently building a business case and technology review to modernize WHP records and computer aided dispatch (CAD) systems, including e-citations, with analytical analysis tools.

Benefit: Available resources and existing personnel will positively address public safety problem areas.



June 28, 2017

Ian Shaw
Legal Division Administrator
Wyoming Legislative Service Office
200 West 24th Street, Rm 213
Cheyenne, WY 82002

Dear Mr. Shaw.

On behalf of the University of Wyoming, attached please find the following documents for submission to the Wyoming Government Spending and Efficiency Commission Meeting, scheduled for June 29-30, 2017.

- Wyoming Government Spending and Efficiency Commission Written Submittal
- Attachment A: Phase I Financial Reporting and Processes Needs Assessment
- Attachment B: Performance Improvement Project
- Attachment C: Strategic Sourcing Project
- Attachment D: Academic Affairs Efficiencies

I will deliver hard copies of the documents to the Legislative Services Office today. Please contact me with any questions.

Sincerely,

Chris Boswell
Vice President for Governmental and Community Affairs

cc: Mary Kay Hill, Policy Director, Office of Governor Matt Mead
Michelle Panos, Policy Advisor, Office of Governor Matt Mead
Tamara Rivale, Staff Attorney, Legislative Services Office

Wyoming Government Spending and Efficiency Commission
June 29-30, 2017 Meeting

University of Wyoming
Written Submittal

Laurie Nichols
President

Kate Miller
Provost and Vice President for Academic Affairs

David Jewell
Associate Vice President for Budget & Institutional Planning

Agency work to promote efficiency and reduce spending, including any prior studies completed or work done to improve agency inefficiencies:

1. WyoCloud Implementation:

One of the key findings from the January, 2015 *University of Wyoming: Effectiveness of Block Grant Funding* audit that was conducted by the Legislative Service Office was that the University's existing accounting and reporting systems needed to be re-evaluated.

In response to the audit, the University hired Huron Consulting Group to conduct an assessment (see Attachment A: "University of Wyoming: Phase I: Financial Reporting and Processes Needs Assessment Full Report," November 2015). Upon completion of the Phase I assessment, the University's Executive Team determined the best path forward to address the institution's needs was to overhaul its major enterprise planning systems. After a competitive processes, the University of Wyoming (UW) selected Oracle's cloud-based financial management, human capital management, supply chain management, grants management and budgeting and planning systems (branded "WyoCloud") and is in the middle of a multi-year implementation effort. The new financial management, supply chain management and grants management system will go live in July 2017, the budgeting and planning system is scheduled to go live in December 2017, and the human capital management system is anticipated to go live in the fall of 2018.

2. FY17-18 Efficiency Measures:

- a. Table 1: Operational Consolidations** (see Attachment B: "University of Wyoming Performance Improvement Project," Fall 2016)

Initiative	Description	Estimated Savings
Fleet Consolidation	Consolidate and centrally manage University-owned vehicles currently distributed throughout campus and then downsize the overall size of the fleet to increase utilization rates throughout the year.	\$75K-\$100K
Information Technology (IT) Consolidation	Consolidated 16 IT positions that were distributed throughout campus departments that were providing duplicated services that the central IT unit was providing University-wide. After consolidation, the central IT staff was reduced by 15 positions.	\$1.1M

b. Table 2: Employer Paid Fringe Benefits (see Attachment B: “University of Wyoming Performance Improvement Project,” Fall 2016)

Initiative	Description	Estimated Savings
Long-Term Disability	UW had its own long-term disability insurance program that paid 100% of the premium for all employees, so the University moved to the long-term disability program offered by the State of Wyoming where the employee opts in to the coverage and contributes to the premium costs.	\$300K
Realignment of Employee Workload	Employees who had a workload greater than 0.5 but less than 1.0, were either moved to part-time (workload below 0.5) or to full-time (workload equal to 1.0) status.	\$750K
Fringe Benefit Rate Policy	UW submitted a fringe benefit rate proposal to the U.S. Department of Health and Human Services that will allow the University to recover fringe benefit costs from federally sponsored research grants.	\$100K - \$250K

c. Table 3: Position Eliminations and Reductions

Position Type	Vacancy Eliminations	Reductions in Force (RIF)	Total Eliminations and RIFs
Faculty	177	0	177
Staff	156	37	193

d. Table 4: Procurement/Strategic Sourcing (see Attachment C: “University of Wyoming Strategic Sourcing Project Summary,” June 27, 2017)

Category	1. Office Supplies	2. Laptops/ Desktops	3. Scientific Supplies	Total of all 3 Areas
Estimated Annual Spend	\$705k+	\$965k+	\$3,175K+	\$4,845K+
Est. Annl. Recurring Savings	\$161,700	\$108,600	\$538,770	\$809,070
Annl. Recurring Savings %	~23%	~11% savings at 55% standard models adoption	~16%	~15%
Signing Incentive	\$200,000	N/A	\$75,000	\$275,000
Est. Total Year 1 Savings + Signing Bonus	\$361,700	\$108,600	\$613,770	\$1,084,070
Est. Total 3-Year Contract Savings	\$685,100	\$325,800	\$1,691,310	\$2,702,210

e. Table 5: Academic Affairs Increased Efficiency (see Attachment D: “UW Academic Affairs Efficiencies,” June 28, 2017)

Initiative	Description	Result
Changes in Teaching Load Expectations	Increase teaching workload to represent a minimum of 62.5% of teaching time for all instructors and faculty members.	FY17 Savings of \$2,691,574
Academic Program Review	A 2016-17 review of 56 programs with low enrollment defined as: Undergraduate programs with less than 50 graduates total from 2010-2015, Masters programs with less than 25 total graduates from 2010-15, and at the Dean’s request.	5 programs with low enrollment were eliminated and other areas of consolidations were recommended
Reorganization and Duplication of Effort	Combined effort for enrollment services, IT/Video Conference, Marketing/Communications, and an overall reduction in personal (13 FTE). In addition, streamlined administrative functions for Enrollment Management, International Programs, and Graduate Education.	Reduced spend by \$500K and increased enrollment from the freshman and transfer classes
Educational Efficiencies through Community College Transfers	50 degrees/majors have undergone articulation with community colleges. Additionally, UW has developed 4-year plans for all degrees/majors to make credit transfer easier	Streamlined curriculum across the state and has reduced curriculum bloat.

Nonpriority programs and expenditures that may be statutorily required but which could or should be discontinued:

The University of Wyoming has no recommendation on the discontinuation of nonpriority programs and expenditures that may be statutorily required.

Agency-related statutory provisions that lead to inefficiencies:

The University of Wyoming, as a state agency, is granted the flexibility it needs to be able to continuously implement efficiency measures such as the ones outlined above.

Suggestions for improvement in efficiency:

One key suggestion that the University of Wyoming would offer is for the State of Wyoming to explore upgrading its enterprise management systems so that the University's and the State's systems are better integrated – especially with regard to human resources and benefits as well as budgeting and planning.

Attachments:

Attachment A: "University of Wyoming: Phase I: Financial Reporting and Processes Needs Assessment Full Report," November 2015

Attachment B: "University of Wyoming Performance Improvement Project," Fall 2016

Attachment C: "University of Wyoming Strategic Sourcing Project Summary," June 27, 2017

Attachment D: "UW Academic Affairs Efficiencies," June 28, 2017



University of Wyoming: Phase I: Financial Reporting and Processes Needs Assessment Full Report

November 2015



Phase 1 Report Table of Contents

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Project Background

Phase 1 Project Narrative and Deliverables

Phase 1 was initiated in response to the Management Audit Committee report issued by the State of Wyoming Legislative Services Office after the audit identified a lack of robust reporting capabilities.

Phase 1 Project Narrative

Phase 1 involved assisting the University of Wyoming in assessing financial processes and systems to identify opportunities to improve financial reporting capabilities and better support decision-making. This phase focused on developing a thorough understanding of the University's current business environment as well as understanding the technology solutions used across campus and how they were utilized to produce both financial and non-financial reports. The information gleaned from Phase 1 was used to re-envision and re-scope Phase 2 to more closely align with the needs of the University of Wyoming as well as the Legislative budget timeline.

Number	Deliverable
1	Catalog of current reports utilized by function including data elements, data sources, report producer, frequency of use, and report "utility"
2	Documentation of stated reporting needs by function, synthesized from our interviews, data request(s), and survey
3	Report highlighting critical gaps between reporting needs and current reporting capabilities, priority findings from interviews, and an overarching reporting hierarchy

Phase 1 Tasks Completed

- Interviewed over 100 UW stakeholders
- Received and reviewed over 60 data files from the executive sponsors group and from interview participants
- Received and reviewed 272 survey responses (53% response rate) from UW employees across 3 groupings: Academic, Business/Financial, and Other
- Identified 6 key themes and observations which Huron believes proliferate the existence of “shadow” financial systems in almost every department across campus
- Determined key elements of the current state that need to be addressed in order to improve the financial reporting capabilities of the University
- Developed a list of guiding principles to inform current reporting gaps and desired future reporting capabilities
- Performed benchmarking research to develop an understanding of the financial reporting used at UW peer and aspirational institutions
- Created a Reporting Hierarchy to guide and inform future reporting capability development
- Created a catalog of current reports by function including data elements, data sources, and report producer
- Developed revised Phase 2 approach that more effectively aligns with University needs and the legislative timeline
- **Developed this document, which represents Huron’s Complete Phase I report highlighting critical gaps between reporting needs and current reporting capabilities, and includes priority findings from our interviews, an overarching reporting hierarchy, a catalog of current reports, and a prioritized list of aspirational reports**

Phase 1 Timeline

The complete project timeline is described in the table below.

Project Timeline	Week of:											
	8/24	8/31	9/7	9/14	9/21	9/28	10/5	10/12	10/19	10/26	11/2	
• Deliver Data and Interview Request Lists and Develop and Administer Project Survey												
• Project Kick-off and Project Scope Confirmation		M										
• Stakeholder Interviews												
• Catalog Current Reports and Perform Benchmarking												
• Develop Guiding Principles							M					
• Report Findings											M	D

D Final Deliverables to University of Wyoming

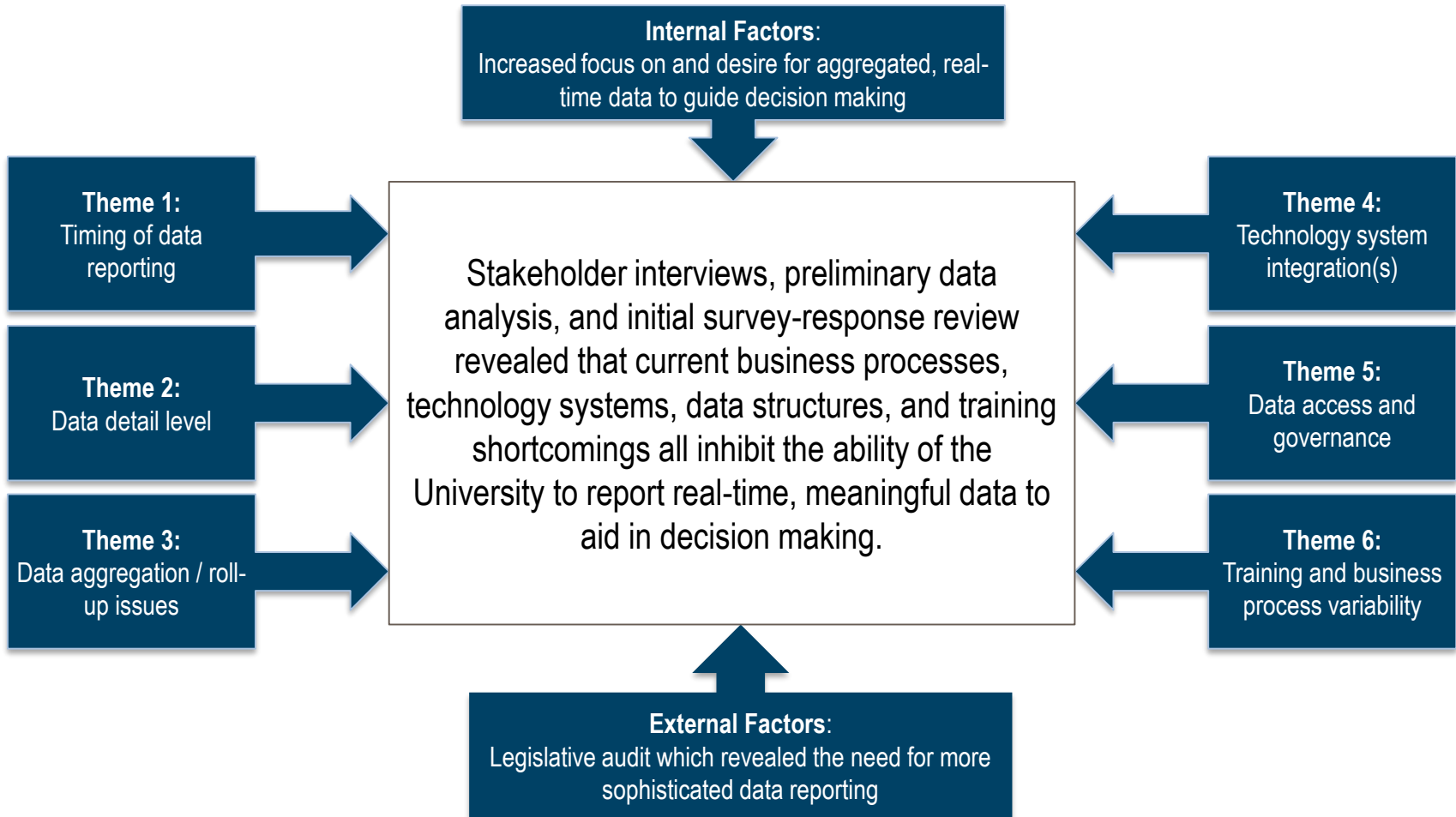
M Meeting with Executive Sponsors/Council

Key Themes & Observations

Key Emerging Themes and Observations

OVERVIEW

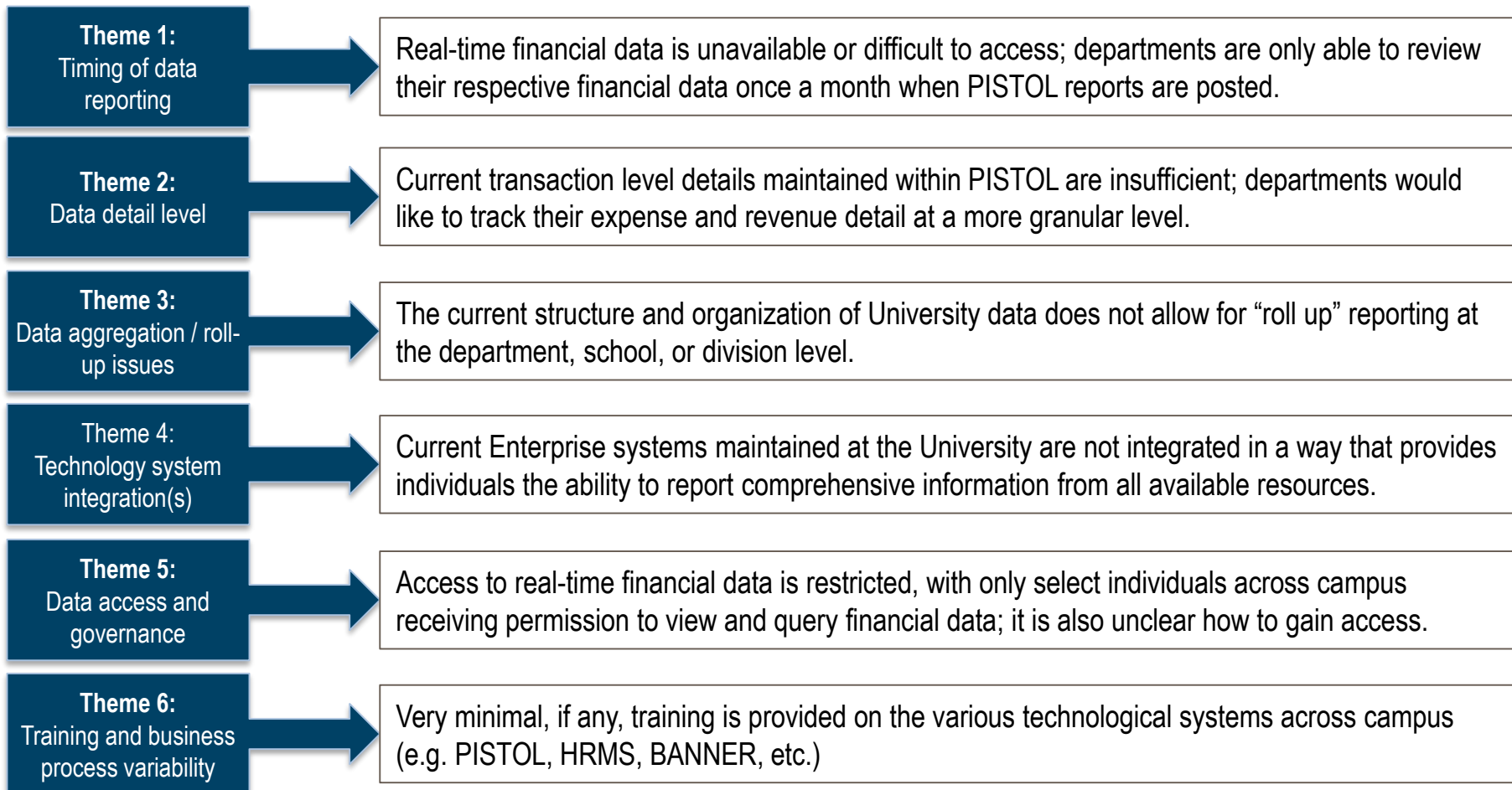
Through data and survey analysis, and interviews with key stakeholders across the University of Wyoming, Huron was able to identify the following themes and observations.



Key Emerging Themes and Observations

SUMMARY

Our initial themes and observations are described in more detail below, and supporting information is presented on subsequent slides.



Departments reported that they were unable to access real-time financial data and that the data they did receive on a monthly basis were still weeks behind their “shadow system” reports.

- PISTOL reports are posted once a month to the University’s share-drive; departments are then responsible for reconciling these PISTOL reports with their “shadow” financial system reports
- Many interview and survey participants reported:
 - The need for more regular and up-to-date financial information; and
 - The unfamiliarity or inability to access PISTOL financials to generate and review posted transactions, or the cumbersome nature involved in reviewing posted financial transactions.
- Because P-Reports are only received once a month, every department across campus has developed their own “shadow” system to track real-time financial transactions; while not all transactions within their “shadow” system have necessarily been posted, departments are able to accrue transactions in-process to give an up-to-date financial picture of their department’s performance
- Current business processes are manual and paper based creating significant delay in the actual processing of financial transactions so that they appear in the financial system

In order to maintain real-time financial data to inform decision-making, almost every department across campus has developed a “shadow” financial system (e.g. MS Excel, Quickbooks, Sage 50, etc.).

Key Emerging Themes

THEME #2: DATA DETAIL LEVEL

Most departments across campus maintain “shadow” financial systems that contain more granular and detailed accounts when compared to the accounts maintained within PISTOL

- Many stakeholders reported the need and desire to track both revenue and expense data at a more granular level than they currently could if they were to use the account codes maintained within the PISTOL financial system
 - Some departments have created their own “Chart of Accounts” to accommodate for this desire
- There appears to be a significant desire for a “descriptions” field within PISTOL financials so that departments could better categorize revenues and expenses for their own reporting and aggregation purposes

	SUPPLIES - Commodities purchased for consumption or inventory in current usage and considered expendable, with several years life and less than \$2,500.00 cost for each or per set.	
	OFFICE SUPPLIES	
220300	Copy Charges - per copy charges	OFFICE-COPY
220400	Photographic Supplies - The cost of film and batteries for cameras.	OFFICE-PHOTO
220500	Office Supplies - Those supplies that are normally used in the operation of an office and are primarily considered expendable in nature, e.g., copy machine paper, envelopes, toner, typewriter cartridges, calculator ribbons, staplers, tape dispensers, microfilming supplies, cassette tapes under \$2,500.00, etc.	OFFICE-SUPPLIES
220600	Data Processing/Technical and Supplies - The cost of items used for data processing. Examples of such items are computer mice, keyboards, printers, scanners, and cables. Includes all software, software licenses, software upgrades, and site licenses.	OFFICE-DATAPRO
	EDUCATIONAL AND RECREATIONAL SUPPLIES	
227000	Educational and Instructional Supplies - Including VCRs, TVs, and projection equipment under	EDSUPPLIES
227100	Hobby, Arts and Crafts Supplies	HOBBYSUPPLIES
227300	Athletic and Recreational Supplies - The cost of any non-equipment recreational items. Includes admission fees.	ATHSUPPLIES
227400	Other Educational and Recreational Supplies- Includes passport, visa, manuscripts, brochures.	OTHEREDSUPPLIES
227500	Subscriptions and Databases - The amounts expended for subscriptions to magazines, periodicals, reference materials and services providing informational reports. Includes subscriptions to on-line computer informational services and the purchase of databases.	SUBSCRIPTIONS
227600	Newspapers	NEWSPAPERS
227700	Books	BOOKS



Law School Chart of Accounts
Supplies
Books
Computer Supplies
Copy Charges
Educational & Instructional Supplies
Magazines
Newspapers
Office Supplies
Other Educational
Photographic Supplies

Due to insufficiencies within PISTOL, departments are using the detail maintained within their “shadow” financial systems for financial reporting purposes.

Key Emerging Themes

THEME #3: DATA AGGREGATION / ROLL-UP ISSUES

The current PISTOL data structures and organization lack both department, school, and division “roll-ups”, making it difficult to display and review aggregated financial information.

- The University of Wyoming is unable to report financial data at the school, college, department, or division level without significant manual data integration effort
 - While individual “organizations” are associated with specific departments, there exists no ability to “roll up” organizations within the PISTOL financial system without combining multiple “organization” P-Reports

HISTORY - History Department	
HISTRY-A - APPROPRIATION BUDGET	[18080] - Noyes Fund
[12098] - History Summer School	[18737] - Cardoso Faculty Development Fd
[12136] - History	[19736] - 2009 Phi Alpha Theta Co Conf
[20167] - International Travel	[20238] - Proj Residual-History
[20745] - FGIA - BROSE	[20273] - International Travel - History
HISTRY-N - NON BUDGETED	[20323] - Larson,Steckel,McGee Scholarsh
[12924] - History	[20800] - Outreach Rev Share - History
[13351] - History Language	[21166] - Mary Lou Pence History Scholar
[14512] - Cone,Susan Horton	[21618] - Jo Ann Fley Memorial History
[17266] - Wilma Pugh History Fund	HISTRY-I - ICRT-BUDGET
[17658] - Excellence Fund in History	[12799] - IC-History



Observations

- To determine a complete picture of the History department, at least 19 individual “organization” P-Reports would need to be aggregated manually
- In addition to aggregating P-Reports, the business officer would likely need to integrate additional financial reports from the Foundation and InfoEd for sponsored research

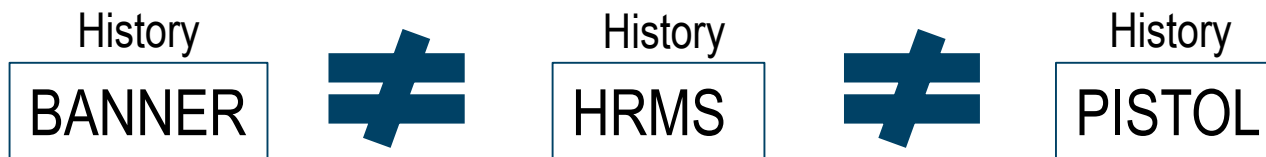
Departments have created their own “shadow” systems to facilitate the ease by which financial data can be aggregated to show a complete picture at the School, College, and/or Department level.

Key Emerging Themes

THEME #4: TECHNOLOGY SYSTEM INTEGRATION(S)

Enterprise systems maintained at the University are not integrated in a way that provides individuals the ability to report comprehensive information from all available resources.

- There exists no complete crosswalk between PISTOL, HRMS, and BANNER that allows the University to report complete and timely data at the department and/or college/school level
- Stakeholder interviewees reported that creating a crosswalk between PISTOL and either HRMS or BANNER was impossible due to the way the financial system is currently set up
- Data structures maintained within the different technology systems vary, making integration extremely difficult (i.e. there is no department-to-department comparison across systems)



- Current Peoplesoft technology systems (PISTOL and HRMS) are versions 9.1, and since their initial implementation only technical upgrades have been performed with limited attention given to process improvements and feature(s) enhancements

Departments have developed “shadow” systems in order to aggregate financial and non-financial data from multiple technology systems across campus (e.g. PISTOL, HRMS, BANNER, InfoEd, etc.)

Key Emerging Themes

THEME #5: DATA ACCESS AND GOVERNANCE

Interviews of key stakeholders across the University have revealed that individuals often do not have complete access to data and/or systems, and that governance associated with access is unclear.

- Based on stakeholder interviews, the responsibility for providing access to different levels within technology systems at the University varies by system and is often unclear
- In addition, stakeholders reported that they often times did not have access to all of the organizations that fall within their department, and that they would have to gather information from multiple individuals in order to develop a complete financial picture
- Many stakeholders also expressed confusion as to where they should go to obtain access technology systems across campus
- There exists no campus-wide data governance and management group

Because data access is often limited and unclear, departments across the University have historically utilized “shadow” systems to aggregate data and provide a complete financial picture.

Stakeholder interviews also revealed that very little University-wide training on technological systems and processes exists, and that departments are often responsible for training new employees.

- Interviewees often reported that they had gained system knowledge either through informal training (e.g. word of mouth) from someone in their department or from someone who had held the position previously, or that they had learned primarily through personal experience and experimentation
- While instruction manuals for HRMS and PISTOL are posted on the UW website, stakeholders reported that manuals were often not accurate and that they were rarely, if ever, updated to reflect revised instructions
- The lack of training at the University was described by both interviewees and survey respondents as one of the biggest challenge they currently face related to financial reporting

Without sufficient training offerings, departments have limited their use of centralized technology systems and have historically utilized their “shadow” systems to track and report financial data.

University of Wyoming Strengths, Challenges, & Critical Components

Through our engagement with stakeholders during interviews and through a review of survey responses, Huron noticed many strengths at UW which are described in detail below.

- University employees have been thoroughly engaged throughout this initiative and are committed to the betterment of the University as a whole
- Stakeholders have been candid and thoughtful in expressing their opinions and frustrations which has allowed Huron to develop what it believes to be an accurate and consistent understanding of the University's operations and culture
- Business / financial staff across the institution were found to be very collaborative to ensure that the business operations of the University continue to function even with the business process and technology solution shortcomings
- There is alignment between the business operations and the information technology teams in recognizing the need to improve business operations and processes and the role technology solutions play in achieving that goal

Huron believes that the institution is approaching these reporting challenges in a thoughtful and structured way that builds upon institutional strengths to provide a comprehensive reporting solution.

Huron also identified key challenges at the University which need to be addressed in order to improve reporting capabilities.

- There is **heavy dependence on shadow systems** with almost every department across campus maintaining their own local system for reporting and decision-making purposes
 - Huron documented at least **6 different types of shadow systems**, with multiple solutions being implemented in multiple departments on campus separately, and **over 50 different licenses** being purchased on campus across the various solutions
 - Of the UW reports cataloged by Huron through stakeholder interviews and survey responses, approximately **45% were reports run out of department shadow systems**; these reports often contained daily transaction information as well as more granular financial transaction detail to inform department decision making and produce department financial statements
- Business processes are **labor-intensive** and **largely paper-based**, limiting the University's ability to provide up-to-date data
- There is **no mechanism for easily obtaining data across the major enterprise technology solutions** (HR, Financials, Student Data)
- There is a **lack of training and training materials** available to campus stakeholders on accessing and utilizing technology solutions

Additional challenges and more thorough descriptions of the challenges described above are presented in the subsequent slide.

University of Wyoming Challenges

The current business environment at the University of Wyoming is extremely challenged; in order to address these challenges, UW must pursue a change to their current enterprise systems.

Challenge	Observations
Dependence on Shadow Systems	<ul style="list-style-type: none"> • Almost every department maintains their own shadow system(s). • Shadow systems limit leadership's insight into the complete University financial picture, cause significant delays in the University's ability to respond to data/information requests, and represent a high cost to the University due to the duplication of labor required for upkeep.
Timeliness of Reporting	<ul style="list-style-type: none"> • Reporting is done only once a month after the account period closes meaning the data provided to departments is outdated
Inability to Aggregate and Roll-up Data	<ul style="list-style-type: none"> • UW lacks an accurate and up-to-date department roll-up reporting tree. • In order to obtain financial data for a division or series of departments, a user must manually aggregate data from multiple spreadsheets.
Inability to View Integrated Data	<ul style="list-style-type: none"> • There is no mechanism for easily obtaining data across the major enterprise technology solutions (HR, Financials, Student Data). • Groups that need to aggregate data end up using their shadow systems to aggregate data across systems.
Lack of Training	<ul style="list-style-type: none"> • There is a lack of training and training materials available to campus stakeholders on accessing and utilizing technology solutions, and on the inherent business processes required to conduct business and process transactions at the University. • The lack of training is exacerbated by the fact that a large amount of institutional knowledge is held by a small number of individuals who are approaching retirement age and 35% of the business/financial support staff have been hired within the past 2 years.
Paper-based Processes	<ul style="list-style-type: none"> • Current business processes are labor intensive and paper-based creating a significant delay in the time it takes to process a transaction. • Inefficient business processes exist across both the HCM (Human Capital Management) and FSCM (Financial Supply Chain Management) applications, and include (but may not be limited to): Vouchers, Journals, Benefits enrollment, weekly time sheets, and effort reporting.
Functional Ownership	<ul style="list-style-type: none"> • Functional ownership of the PeopleSoft modules is low, and the technical team often has difficulty getting the business owners to define requirements and/or test changes. • UW also lacks true business analysts who can bridge the gap between the business owners and the development team.

Our stakeholder engagement revealed that optimizing reporting at UW will require that the University address a number of critical components.

In order to substantially improve financial reporting, the University of Wyoming needs to ensure that:

- **Consistent and thorough training** is provided to employees at all levels (appropriate for their levels based on identification of job responsibility needs);
- Appropriate **data governance** structures are put in place to ensure that users know how to acquire access to needed data sets and systems, and ensure that consistent data definitions are established and communicated across campus;
- Efficient **business processes** are established to support the availability of accurate and up-to-date information (real time); and
- **Expectations are established** to ensure that departments, units, and divisions are utilizing and reporting on desired data metrics.

By addressing these components and ensuring that future reporting capabilities align with the guiding principles presented in the subsequent section, Huron believes UW can substantially improve its reporting.

Guiding Principles, Critical Reporting Gaps, & the Impact of Shadow Systems

In order to provide structure to our review, Huron worked with a broad group of stakeholders to develop the following list of guiding principles to use to identify and document current reporting gaps.

Technology systems and reporting at the University of Wyoming should:

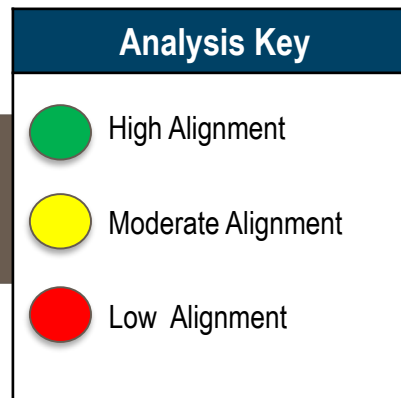
- SP** Support the academic, research, and service missions of the University by **closely aligning decision making** with the university's **strategic plan** to meet university priorities and expectations;
- TC** Be **timely and current** and allow users to access both systems and data at their own inclination from both on-campus and remote locations;
- FCI** Be **flexible, comprehensive, and integrated**, allowing users to access, **aggregate, and query** both basic and detailed information from multiple data sources using user-defined criteria at all levels of the organization, and allow for any desired future changes or reorganization;
- RT** Be **transparent and clear**, (clear data definitions, commonly understood and consistent formats, complete and accurate) be driven by a **reliable, trusted data source** to allow for sound data-driven analyses, and promote fiscal trust, responsibility, and accountability;
- ET** Be intuitive, **easy to use, and easily trainable** to ensure users at all levels are able to understand both the enterprise systems and the data they produce; and
- MY** Enable **multi-year forecasting and strategic resource planning** to ensure future strategic priorities are met at all levels of the organization.

In addition to being used to identify current reporting gaps, the guiding principles detailed above should be used to ensure that selected solutions meet the desires and needs of campus stakeholders.

Guiding Principles Application Methodology

Huron used color-coded bullets to represent how aligned current reporting capabilities are with the guiding principles; the letters within the bullets correspond with the guiding principles themselves.

GP Bullet:	Brief GP Description
SP	Closely aligns decision-making with the strategic plan
TC	Timely and current
FCI	Flexible, comprehensive, and integrated, and allows users to aggregate and query
RT	Reliable and trusted data source, and transparent and clear
ET	Easy to use and easily trainable
MY	Enables multi-year forecasting



- Color-coded bullets correspond with the guiding principles and describe how aligned those guiding principles are with current report capabilities based on Huron's understanding of best practice

The color-coded guiding principle methodology described above is used in the following 4 slides.

Critical Reporting Gaps

CURRENT REPORTING CAPABILITIES VS. REPORTING NEEDS: TECHNOLOGY

Through stakeholder interviews and survey responses, Huron has found a variety of technological and process shortcomings which contribute to the reporting challenges currently faced by the University.

Theme	Current Reporting Capability	Guiding Principle Alignment	UW Reporting Need
Aggregation / Roll-Up	<ul style="list-style-type: none"> Financial and non-financial data needs to be manually aggregated in shadow systems in order to provide complete department, functional unit, and/or School/College level detail 		<ul style="list-style-type: none"> Appropriate roll-ups should be established within the centralized financial technology solution (will require a new Chart of Accounts) to allow users to aggregate financial information at all levels, ensure the University can meet internal and external requests for data, and allow for peer benchmarking
Timing	<ul style="list-style-type: none"> Many financial and non-financial reports are generated infrequently (e.g. PISTOL Reports are only posted once a month) Real-time financial data cannot be accessed through centralized technology solutions 		<ul style="list-style-type: none"> Reports should be available when needed and reporting capabilities should be aligned to ensure the University can meet the needs of both internal and external stakeholders in a timely manner Financial transactions should be processed daily to ensure the data accessed through centralized technology solutions is real-time and therefore actionable
Detail	<ul style="list-style-type: none"> Financial transaction information is not detailed enough to allow for effective decision making and resource management at the department level 		<ul style="list-style-type: none"> Financial information maintained within the centralized financial technology solution should include transaction description information and be adequately detailed enough to meet the needs of most stakeholders across campus

Analysis Key: Low Alignment Moderate Alignment High Alignment

Critical Reporting Gaps

CURRENT REPORTING CAPABILITIES VS. REPORTING NEEDS: OPERATIONS

In addition, Huron has identified additional operational deficiencies which create critical gaps in the University’s current reporting capabilities and prevent achieving the desired reporting needs.













Theme	Current Reporting Capability	Guiding Principle Alignment	UW Reporting Need
Business Process	<ul style="list-style-type: none"> Current business processes include significant lag-time due to the time it takes for documents to move through campus mail and the time it takes for financial departments to process transaction paperwork, which creates significant challenges in being able to provide real-time transaction data 		<ul style="list-style-type: none"> Many business processes need to be redesigned / streamlined to ensure that real-time financial transaction data can be produced and is available to campus stakeholders when needed
Training	<ul style="list-style-type: none"> Very little training exists, and most training that does exist is informal and provided via word of mouth A few “legacy” employees maintain much of the institutional knowledge regarding current technology solutions and business processes, and they are unable to train others due to the high demands on their time 		<ul style="list-style-type: none"> The University should establish consistent and constant training opportunities to ensure that University employees are able to most effectively utilize both their time and the technological capabilities available to them The University of Wyoming should establish standardized onboarding training materials and demonstrations to ensure all employees develop a baseline understanding of the campus technology solutions

Analysis Key: Low Alignment Moderate Alignment High Alignment

Critical Reporting Gaps

CURRENT UW REPORTS

Huron applied the same color-coded guiding principles to common PISTOL reports and found them to be misaligned; campus stakeholders attempt to address these misalignments with shadow systems.

Report Category	Current Report Name	Report Description	Guiding Principle Alignment
Finance	PISTOL Report (P-Report)	P-Reports are provided to all functional areas across campus once a month to allow users to see what transactions have been posted to their accounts. Users utilize these reports to reconcile their respective internal documentations of the transactions they have submitted for processing	     
Finance	Voucher Lookup (Vouchers Paid, Vouchers Paid - Payment Requests, Vouchers Paid - Purchase Order)	The report/query is used by employees to review vouchers for a specified department (org.) within PISTOL financials to balance budgets and reconcile posted transactions with their shadow system. Employees can segment vouchers by type: All Paid, Paid by Payment Requests, Paid with Purchase Order, etc.	     

Analysis Key:  Low Alignment  Moderate Alignment  High Alignment

Huron obtained PISTOL reports as well as the corresponding shadow system report from the IT department to further demonstrate the misalignment displayed above.

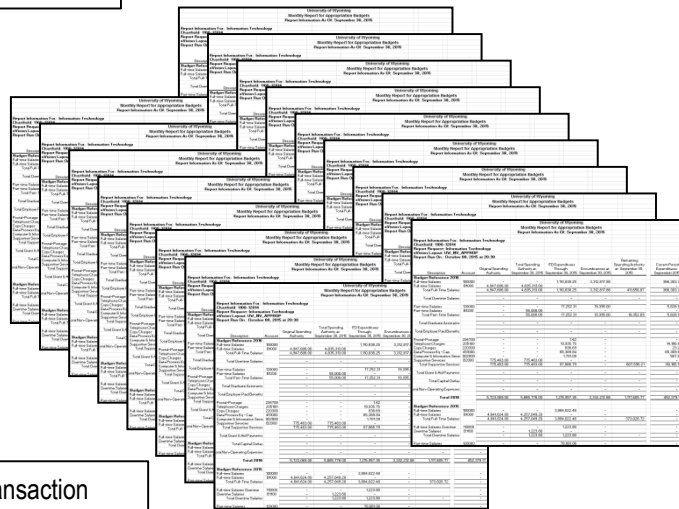
Critical Reporting Gaps

PISTOL REPORT VS. DEPARTMENT FINANCIAL REPORT

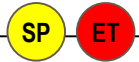
The comparison of IT PISTOL reports and the corresponding shadow system report(s) below reflect the misalignment of the current reports with the established guiding principles.

Employees within the IT Department need to access PISTOL reports individually

60+ PISTOL Reports



Shadow system aggregates all 60+ PISTOL reports into a single report that is searchable and contains much more transaction detail information than is available within PISTOL



MS Excel Shadow System

INFORMATION TECHNOLOGY MANAGER'S SECTION I MONTHLY BUDGET REPORT - FISCAL YEAR 2016 Report Date: FY16 Appropriation									
OVERALL INFORMATION TECHNOLOGY SUMMARY									
	Budget	Original Budget	Budget	Adjusted Budget	Actual Expenses	Encumbrance	Total Spent	Balance Available	% Spent
INFO TECH SUMMARY	et	Type							
	11,553,146.00		11,215,500.00	14,230,924.1	5,337,943.70	6,215,547.02	4,958,419.04	2,254,484.96	22.2%
Full-time	6,731,508.00	(112,233.00)	6,619,275.00	10,384,441.1	5,112,988.00	6,151,402.41	467,812.59	32.33%	
Part-time	449,412.00	23,598.00	473,010.00	73,219.08	47,012.00	120,231.08	352,776.32	25.42%	
Over-tim	-	-	-	-	-	-	-	-	N/A
Support	4,372,246.00	(41,400.00)	4,330,846.00	318,066.77	177,943.70	436,018.47	3,894,828.53	11.65%	
Budget Summary by Unit									
	Budget	Original Budget	Budget	Adjusted Budget	Actual Expenses	Encumbrance	Total Spent	Balance Available	% Spent
VICE PRESIDENTIAL OFFICE	7,444,059.00	(57,219.00)	7,406,840.00	1,047,119.19	5,188,467.84	6,215,547.02	1,171,128.98	84.13%	
Full-time	6,688,596.00	(112,233.00)	6,576,363.00	1,027,595.95	5,081,538.00	6,103,533.95	466,789.05	32.30%	
Part-time	-	-	-	55,000.00	11,423.41	41,540.00	52,363.41	2,036.59	36.30%
Over-tim	-	-	-	-	-	-	-	-	N/A
Support	775,463.00	-	775,483.00	1,638.82	65,389.84	73,029.66	702,373.34	9.43%	
APPLICATIONS & DATABASE SERVICE	1,576,320.00	(72,804.00)	1,503,516.00	279,320.85	142,839.72	411,629.69	1,044,886.31	27.49%	
Full-time	42,912.00	-	42,912.00	10,350.00	31,050.00	41,400.00	1,512.00	98.46%	
Part-time	168,192.00	(102,504.00)	65,688.00	12,192.00	1,992.00	14,394.00	71,504.00	16.55%	
Over-tim	-	-	-	-	-	-	-	-	N/A
Support	1,347,828.00	29,700.00	1,377,528.00	256,661.96	109,343.73	366,005.69	1,011,520.31	25.75%	
CLIENT SUPPORT SERVICES	1,422,341.00	-	1,422,341.00	81,931.72	4,816.13	86,718.30	1,335,622.70	6.10%	
Full-time	-	-	-	-	-	-	-	-	N/A
Part-time	236,220.00	66,500.00	302,720.00	63.45	1,800.00	43,865.67	258,854.33	14.49%	
Over-tim	-	-	-	-	-	-	-	-	N/A
Support	1,386,141.00	(66,500.00)	1,319,641.00	39,562.04	3,276.13	42,778.17	1,276,862.83	3.24%	
DATA	180,310.00	-	180,310.00	1,647.32	900.00	3,155.32	177,154.68	17.5%	
Full-time	-	-	-	-	-	-	-	-	N/A
Part-time	11,000.00	-	11,000.00	668.00	400.00	2,067.32	12,932.68	17.1%	
Over-tim	-	-	-	-	-	-	-	-	N/A
Support	169,310.00	-	169,310.00	1,019.32	400.00	1,088.00	11,068.00	6.42%	
RESEARCH SUPPORT	571,706.00	-	571,706.00	11,934.70	400.00	13,334.70	558,371.30	2.3%	
Full-time	-	-	-	-	-	-	-	-	N/A
Part-time	4,600.00	-	4,600.00	5,930.00	400.00	6,330.00	1,370.00	137.6%	
Over-tim	-	-	-	-	-	-	-	-	N/A
Support	571,106.00	(4,600.00)	566,506.00	7,004.70	-	7,004.70	560,101.30	12.53%	
SYSTEM SERVICES	135,850.00	-	135,850.00	6,828.21	1,480.00	8,308.21	127,541.79	6.1%	
Full-time	-	-	-	-	-	-	-	-	N/A
Part-time	14,000.00	-	14,000.00	740.00	1,480.00	2,220.00	11,780.00	16.06%	
Over-tim	-	-	-	-	-	-	-	-	N/A
Support	121,850.00	-	121,850.00	6,188.21	-	6,188.21	115,681.79	5.02%	

Employee transaction data must be accessed/pulled separately by employee category (i.e., full-time, part-time, etc.)

Over 60 individual PISTOL reports for the IT department are published once a month, one for each individual organization

Shadow system provides real-time data which allows for management to make timely and more informed decisions regarding the utilization of department resources

Shadow system allows managers to budget and track expenditures by project – a functionality which does not exist in PISTOL

The prevalence of shadow systems across almost every University of Wyoming department create significant costs to the University through lost productivity.

Business/Financial Employees at The University

Total Annual Business/Financial Salaries with Fringe (\$000's)*	Total Annual Business/Financial FTE
\$13.8M	293

Estimated Costs of Shadow System Management and Duplication of Data Entry and Effort

Estimated % of Time	Estimated \$ Cost (\$000's)	Estimated FTE Cost
20%	\$2.2M	58
40%	\$5.5M	117
60%	\$8.3M	176

Based on interviews and survey responses, Huron estimates that business / financial staff spend between 20-60% of their time managing shadow systems and duplicating data entry

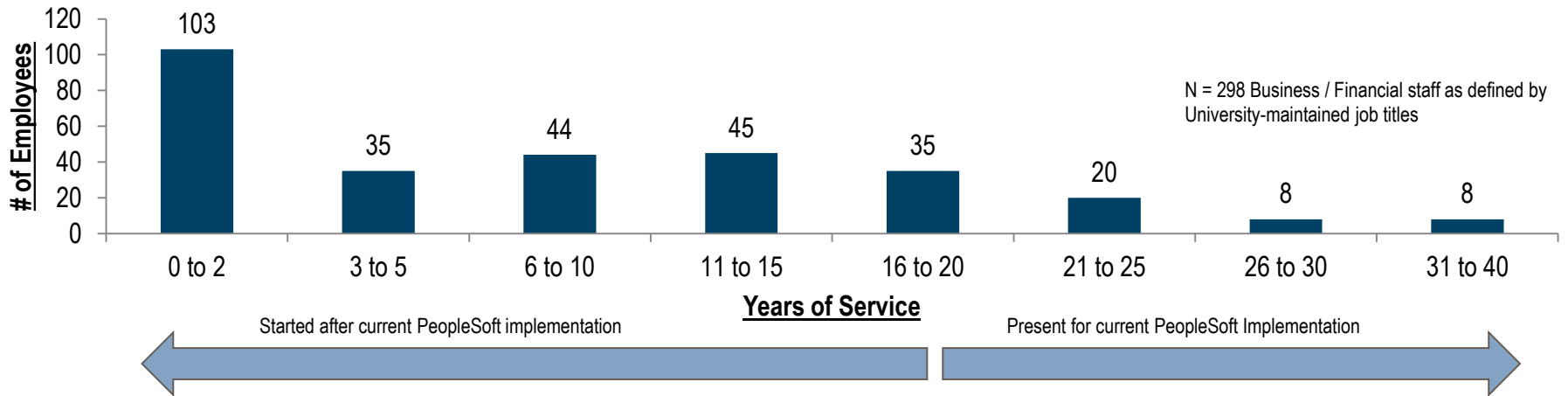
Observations

- Huron estimates that the day-to-day management of detailed and extensive shadow systems and the necessity for dual data entry into both central technology systems and shadow systems across campus costs the University between \$2.2M and \$8.3M (58-176 FTEs) in lost productivity annually

Time spent by business/financial employees managing shadow systems and duplicating data entry could be much better spent on mission-critical and strategy-driven tasks.

Furthermore, Huron has observed that much of the institutional knowledge associated with current PeopleSoft applications, financial history, policies, and practices is held in the minds of a small group of employees.

Years of Service to the Institution for Business / Financial Staff



Observations

- Many of the employees present for the initial PeopleSoft implementation are nearing retirement, which will limit the future institutional knowledge available to create trainings and educate new employees
- Huron found that 103 business / financial staff joined the institution within the last 2 years, meaning approximately 1/3 of the current business / financial staff did not receive any up-to-date trainings concerning the current PeopleSoft applications utilized at the University
- Less than 20% of current business / financial staff were around when PeopleSoft was initially implemented in 1997

Benchmark Analysis

Benchmark Analysis

OVERVIEW

Huron performed benchmarking across many of the University's peers to determine whether they meet certain reporting criteria that are currently lacking at the University.

		Institution							
		Arizona State University	The Ohio State University	University of Michigan	University of Texas - Austin	University of Washington	University of Montana	University of Idaho	University of Wyoming
Reporting Criteria	How often are reports refreshed with updated data?	Daily	Daily	Daily	Daily	Daily	Daily	Daily	Monthly
	Do employees have (limited) querying capabilities?	●	●	●	●	●	NA	●	●
	Does the institution maintain a data warehouse?	●	●	●	●	●	●	NA	NA
	Does the institution offer formal training(s)?	●	●	●	●	●	●	NA	NA
	Does the institution have a centralized reporting resource?	●	●	●	●	●	●	NA	NA
Institutional Characteristics	FY14 Operating Expenditures (\$M)	\$1,796.8M	4,622.1M	\$6,381.3M	\$2,364.4M	\$4,384.0M	\$399.4M	\$360.8M	\$520.9M
	Number of Schools/Colleges	16	14	19	18	16	11	10	8
	Fall 14 Undergrad./Grad. and Professional Students	67,507 / 15,794	44,741 / 20,127	28,395 / 15,230	39,523 / 11,790	29,468 / 13,829	9,281 / 1,186	7,824 / 1,290	10,209 / 3,720

Additional detail on the reporting capabilities of the above institutions is documented in the subsequent slides of this section.

Benchmark Analysis

PEER: ARIZONA STATE UNIVERSITY

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Arizona State University has created a website where a variety of data dashboards are available to ASU employees, including various financial reports that are updated on a daily basis.

Admission Services

Administrative System Access

AECP Migration

ASU Staff Training

Benefit Reporting

Budget Position Control

Course Enrollment Management

Enrollment Tracking

Faculty

Financial (Super Report)

Global Launch Migration

Graduate Degree Progress

Human Resources

Payroll

Personnel Transaction Requests

Research

Retention

Sponsored Effort Reporting

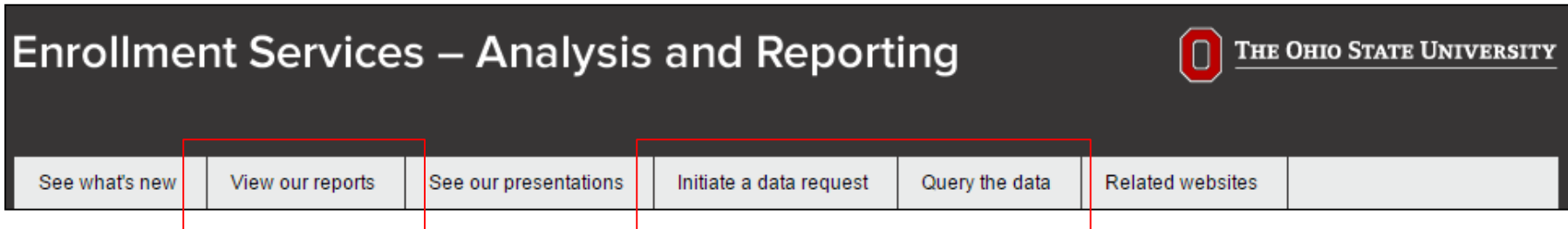
Transfer Pathway Programs

Travel

Report Name		Report Description	Regularity of Report Update
1	Budget Position Control	The budget position control report details the budget by current budget, expense, encumbrance, total committed, and available balance. The detail level can be at the department level, account, position, or employee ID.	Daily
2	Financial Super Report	The Super Report provides detail on financial data for all object codes by budget, current expenditures, expenditures to date, outstanding encumbrances, and available balance. It also provides detailed information about payroll expenditures by employee ID.	Daily

- The website contains detailed information on how to use the data dashboards, including instructions on how to drill down to more detailed information
- The website also contains functionality whereby ASU employees can request access to the different dashboards available through the website

The Ohio State University maintains a reporting solution entitled eReport which allows employees to access both standardized reports as well as query detailed financial and non-financial data.



Search

eReports Types

- Employee Analytics Reports
- Faculty Analytics Reports
- Finance eReports**
- Human Resources eReports
- Institutional Data Policy eReport
- eRequest eReports
- Procurement eReports
- Student Information System eReports
- Travel eReports

Job Aids & Tools >

Links >

Finance eReports

Demonstrations

- [Standard Monthly Report](#) (3 minutes)
- [Ad hoc - Standard Query Production Report \(8 minutes\)](#)
- [Ad hoc - Interactive Report](#) (5.5 minutes)
- [Pivot Table](#) (7 minutes)

Report Matrix

- [Financials Report Matrix](#)

General Ledger

Standard, Flex, Simplified Flex, and Other General Ledger Reports

- [Access General Ledger Standard Monthly Reports Less Detail](#)
- [Selecting Flexible Report Parameters](#)
- [Add a User Request Report](#)
- [Setting Up a Fee Payment Authorization Flexible Report](#)
- [Balance Sheet by Fund Report - GLU603DW-78](#)
- [Fund Group Summary of Assets, Liability, and Equity - GLU602DW-61](#)
- [Detail Activity Report - GLU604DW-91 \(Flexible\)](#)
- [Detail Activity Report - GL609DW-91 \(Simplified Flexible\)](#)
- [Revenue and Expense - Budget vs. Actual Income Statement - GLU606DW-90](#)
- [Revenue and Expense - Budget vs. Actual Income Statement - GLU608DW-90](#)
- [Journal and Budget Journal Detail Report - GLU131DW](#)

- The Ohio State University has a webpage dedicated to Enrollment analysis and reporting whereby employees are able to view previously created reports, initiate a data request which is typically responded to within 2-4 weeks, and even query enrollment data themselves
- In addition, OSU has a webpage dedicated to describing reports available through its eReporting solution; the webpage includes video demonstrations on utilizing the reporting tool as well as detailed information on the different types of reports and data that can be accessed by employees

The University of Michigan maintains multiple reporting tools which can be accessed by employees through online interfaces.

University of Michigan Data Warehouse Data Descriptions

Data Area	Data Sets
College Resources Analysis System (CRAS)	<ul style="list-style-type: none"> M-Pathways CRAS Legacy CRAS
Development	<ul style="list-style-type: none"> Development Alumni Relationship Tool (DART) Development/Alumni Constituent (DAC)
eResearch	<ul style="list-style-type: none"> Human Subjects Research Proposal Management
Financial	<ul style="list-style-type: none"> M-Pathways Financial M-Pathways Accounts Receivable and Billing Legacy Financial
Human Resource	<ul style="list-style-type: none"> M-Pathways Human Resource M-Pathways Human Resource Snapshot M-Pathways Benefits Legacy Human Resource
Payroll	<ul style="list-style-type: none"> M-Pathways Payroll M-Pathways Time and Labor Legacy Payroll
Physical Resources	<ul style="list-style-type: none"> M-Pathways Asset Management M-Pathways Space Management
Student	<ul style="list-style-type: none"> M-Pathways Admissions Snapshot M-Pathways Admissions Roster M-Pathways Recruiting and Admissions M-Pathways Student Records M-Pathways Financial Aid/Student Financials M-Pathways Third Week Count M-Pathways Student Retention and Completion Legacy Official Third Week Count Legacy Student
Teaching & Learning	<ul style="list-style-type: none"> Learning Analytics

- M-Reports, one of the University's reporting tools, appears to serve as the aggregated reporting tool providing University management and research leaders with financial, student, and human resources data for decision making

Finance Reports (AST)

Highlights

The M-Reports Finance Landing Page has links and descriptions for:

- Monthly reports
- Quarterly reports
- Annual reports

Financial Management reports feature:

- Quick trend analysis via graphs, variances, and more
- Drill-down options to go from high-level totals to transaction details

- BusinessObjects is the reporting tool attached to the University's data warehouse, which aggregates data across multiple technology solutions for detailed reporting
- The website also includes detailed information on utilizing the different reporting tools

Benchmark Analysis

PEER: UNIVERSITY OF AUSTIN - TEXAS

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HuronEducation

UT-Austin has a business intelligence data warehouse initiative called Information Quest designed to provide data/manage information about critical University operations to support decision making.



WHAT STARTS HERE CHANGES THE WORLD
THE UNIVERSITY OF TEXAS AT AUSTIN

ABOUT IQ:

- IQ Governance
- Sponsors
- Stewards
- IQ Staff
- Subject Areas
- Business Rules
- FAQ
- Contact Us

INFORMATION QUEST

Providing university leaders with the information they need in the way they want it

IQ

- The website contains information about the governance group put in place to establish common data definitions and evaluate data integrations
- In addition, the website contains information about live training sessions, which appear to be offered at least once a month to employees
- The website also contains links to the Cognos reporting tool for both customers and report developers, although both require a UT-Austin sign-on for access

CLASSES

DW109-Financial/HR Part I

Prerequisite: none

DATE	TIME	STATUS
Friday, November 6, 2015	09:00 AM-11:30 AM	OPEN
Friday, December 4, 2015	09:00 AM-11:30 AM	OPEN
Friday, January 8, 2016	09:00 AM-11:30 AM	OPEN
Friday, February 12, 2016	09:00 AM-11:30 AM	OPEN
Friday, March 11, 2016	09:00 AM-11:30 AM	OPEN

DW110-Financial/HR Part II

DW310-Intro to IQ-PBIS Academic Info - Course Enrollments
DW320-Teaching Activities/Faculty Workload & Faculty Demographics
DW330-Student Demographics

Benchmark Analysis

PEER: UNIVERSITY OF WASHINGTON

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The University of Washington maintains a website dedicated to enterprise data and analytics providing employees with standardized reports, training, and instructional information all in one place.

<p>Employees are able to request access to different data available through the University's Enterprise Data Warehouse (EDW)</p>	 <p>Request Access</p>	<p>Employees are able to view pre-recorded video demonstration videos, sign up for live training sessions, and join working groups dedicated to developing user knowledge</p>	 <p>Training Workshops</p>
<p>Employees are able to browse and review 161 pre-designed reports and visualizations, see how the reports were developed, and review the data terms and definitions</p>	 <p>Browse Reports & Visualizations</p>	<p>Employees are able to review the current license agreement with Tableau, the visualization software that connects to the University's EDW, and review training materials associated with the tool</p>	 <p>Tableau</p>

The University of Washington is typically viewed as a leader in the industry regarding financial reporting capabilities and the associated support and training the University offers its employees.

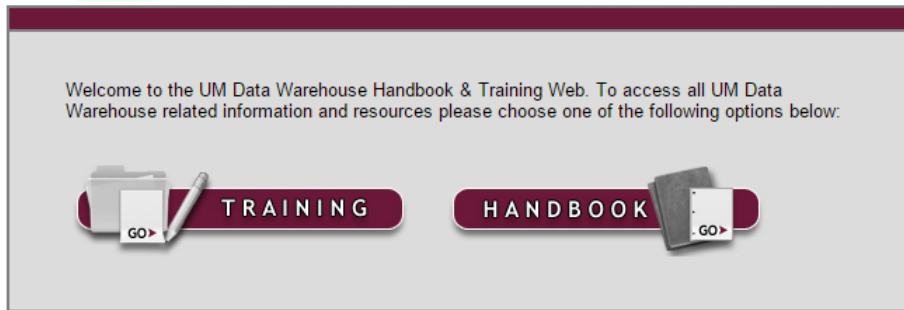
Benchmark Analysis

PEER: UNIVERSITY OF MONTANA

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HuronEducation

The University of Montana uses Banner for financials, HR, and student data; the University also maintains a data warehouse for reporting purposes and offers robust and regular training courses.

UM DATA WAREHOUSE



- While it is not clear what reports are available through the UM data warehouse, Huron was able to view some of the regularly-offered training courses:
 - UMDW Finance and Payroll: Course on running Finance reports that summarize Banner data for Finance and Payroll information
 - GrizMart Strategic Procurement: Course on accessing, navigating, and using the GrizMart procurement system for the University
 - U-Approve: Course on the web application used by the University for the creation, routing, and approval of business forms

BUS101 - UMDW Finance and Payroll Database

Hands-on training will be offered during this two hour session on UMDW Finance and Payroll. The first hour will include training on running Finance reports and using the online help tool. During the second hour, Payroll reports will be introduced. Come find out how UMDW can simplify your job using the reports designed to summarize the Banner data for Finance and Payroll information.

Prerequisites: None - previous Banner and MS Access experience not necessary

Sections:

#	Date	Time	Location	Instructor	Open Seats	
3	Nov 19, 2015	10:10 am - 12:00 pm	LA 139	Robert Hlynosky, Jackson Moua, Andrea Scheuering	14/17	Register
4	Dec 17, 2015	10:10 am - 12:00 pm	LA 139	Robert Hlynosky, Jackson Moua, Andrea Scheuering	15/17	Register

Benchmark Analysis

PEER: UNIVERSITY OF IDAHO

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The University of Idaho utilizes Banner for financials, HR, and student data, though training offerings vary and it is not clear what reporting capabilities exist for reporting data across the three modules.

Resources

- Expense Code Booklet
- Revenue Code Booklet
- Finance Self Service Guide
- Banner Forms and Reports Help Guide
- UBIT Presentation from FIG
- Administrative Procedures Manual, Chap. 20
- UI Audited Financial Statements

- The University of Idaho does not appear to maintain one central reporting resource to inform and educate employees about using their Banner ERP systems
- Huron was able to locate some resources for Banner financial users regarding querying financial information, but there didn't appear to be any formal training offerings
- However, Huron was able to locate some formal training course offerings for the use of Banner HR

Upcoming Schedule

Date	Time	Course	Open Seat(s)
Nov 11,2015	10:00-12:00	HR: Query	4
Nov 18,2015	08:30-12:00	HR: EPAF	3
Nov 24,2015	13:30-16:00	HR: Advanced EPAF Training	2
Dec 08,2015	14:00-16:00	HR: Query	5
Dec 10,2015	01:00-01:30	HR: EPAF	5
Dec 10,2015	13:00-16:30	HR: EPAF	5

Proposed Reporting Hierarchy

Proposed Reporting Hierarchy

STAKEHOLDER GROUPS

The proposed Reporting Hierarchy is comprised of both external and internal stakeholder groups, each with differing reporting needs.

- Legislators
- Board of Trustees
- Donors
- Students / Alumni / Parents
- Vendors

External Stakeholders

- University Leadership
- College / School Leadership
- Department and Functional Unit Leadership and Business Managers
- Administrative Staff and Daily Data Users

Internal Stakeholders

- External stakeholders request and utilize data to inform policy and drive budgetary decision-making
- In addition, external stakeholders request data to ensure funds are being utilized in a constructive and responsible manner
- The University needs to ensure their reporting capabilities are flexible enough to meet the needs of all external stakeholders and, in particular, address any BOT or Legislative requests
- Internal stakeholders require and utilize data to evaluate actual spending against original budgets, and to drive University strategy and inform decision-making
- In addition, internal stakeholders utilize data to perform historical trend analysis and identify potential areas for more effective cost management

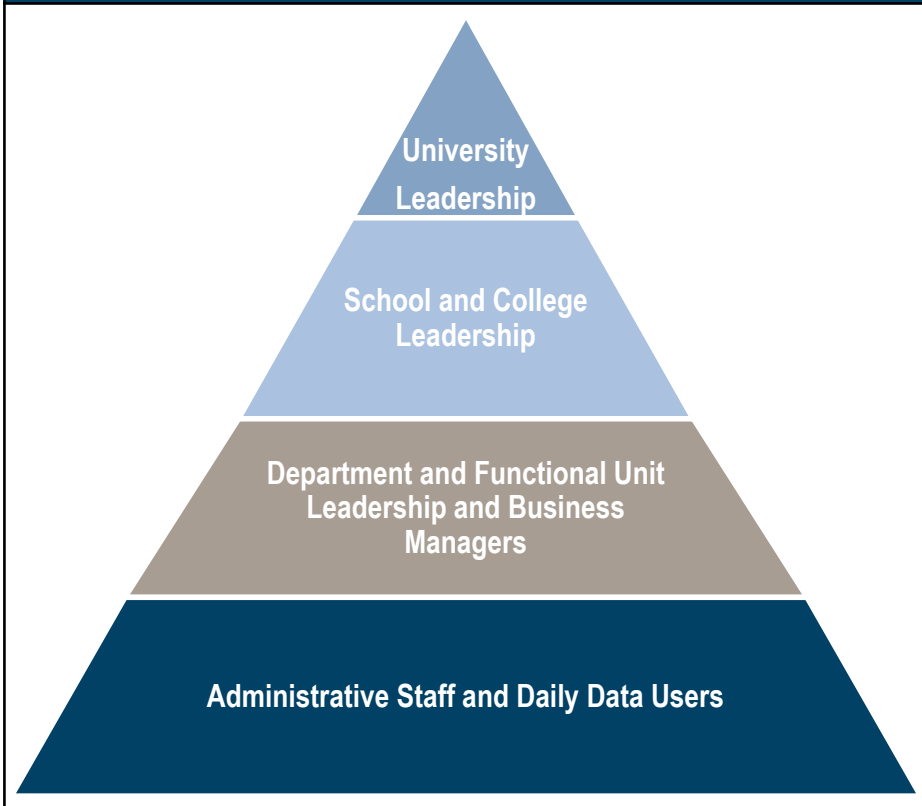
External stakeholder needs revolve around accountability, while the needs of internal stakeholders are associated with responsibility in providing users with data and reporting to inform decision-making.

Proposed Reporting Hierarchy

REPORTING NEEDS BY STAKEHOLDER LEVEL

The proposed hierarchy describes the most critical reporting needs by level, as identified through stakeholder interviews, survey responses, industry best practice, and received data.

Reporting Needs By Stakeholder Level

 <p>University Leadership</p>	<ul style="list-style-type: none">• Ability to review financial information at an aggregated level without significant manipulation• Ability to perform trend analysis and benchmark• Ability to make budget to actual comparisons• Ability to meet external stakeholder requests for data
<p>School and College Leadership</p>	<ul style="list-style-type: none">• Ability to roll up financial data to the appropriate School and/or College level• Ability to perform trend analysis and benchmark• Ability to make budget to actuals comparisons• Ability to evaluate Fund balances
<p>Department and Functional Unit Leadership and Business Managers</p>	<ul style="list-style-type: none">• Real-time, detailed financial transaction information and associated materials (e.g. scanned documents)• Ability to roll-up financial data to the appropriate department level• Ability to query/create customized reports
<p>Administrative Staff and Daily Data Users</p>	<ul style="list-style-type: none">• Real-time, detailed financial transaction information and associated materials (e.g. scanned documents)• Ability to make budget to actual comparisons and review daily account amounts• Ability to query/create customized reports

In order to resolve the reporting challenges, the University first needs to establish a solid foundation and meet the needs of daily data users; this will ensure aggregated information is complete and accurate.

Proposed Reporting Hierarchy

EXAMPLE REPORTS

Example reports that the University should be able to produce through the new selected technology solutions are described below.

Report Category	Report Name	Report Description
Finance	Revenue and Expense – Budget vs. Actuals Report	Report shows the budget, actual revenue and expense transactions, revenue and expense encumbrances, and budget balance information at the individual and aggregated account levels
Finance	GL Variance Report	Report shows a comparison of one ledger from a specified period / timeframe to another ledger for another specified period / timeframe
Finance	Paid and Unpaid Voucher Report	Report lists vouchers that have been paid within a specified date range, as well as those vouchers that have not been paid, including the approval status, match status, and scheduled pay-date
Student / Finance	General Ledger Reconciliation Report for Student Financials Detail	Report bridges the gap between the data in the Banner SIS system and the rolled up journal entries posted to the general ledger, helping departments with the reconciliation of Banner revenue and expenses with general ledger revenue and expenses
Research	Month-End Financial Statements	Report provides detailed financial statements to each Principal Investigator giving the current status of project budgets, expenditures, commitments, and balances (includes a project financial summary, detail of expenses, project stores expenses, project demurrage expenses, and detail of PO-related commitments, payroll expenses, and payroll and GL commitments)
Research	Project End Date Warning Report	Report provides a list of employees funded by research projects that have ended, will end within 15 days, and / or will end within 30 days to ensure that employees are not paid from sponsored research funding that has or will expire in the near future
Human Resources	Regular Faculty Review Schedule and Demographics Report	Report provides a list of tenure-track faculty with their progress status as well as non-tenure-track faculty

To produce similar reports to those described above, Huron believes the University of Wyoming needs to pursue the implementation of new technology solution(s), which are described in the subsequent slide.

Short Term Wins & Next Steps

Short Term Wins

POTENTIAL REPORTING SOLUTIONS ACHIEVABLE WITHIN 6-12 MONTHS

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Huron's ultimate recommendation is for UW to pursue one of the three previously outlined pathways to address its critical reporting gaps and needs, but we recognize the need for immediate solutions.

- Regardless of the pathway forward UW chooses, each one represents a multi-year timeline, so the following are some short term wins that could improve reporting at the University of Wyoming within the near term

Short Term Wins

- Script the environment refresh process so that the Reporting environment can be **refreshed every day** as opposed to every month. Otherwise, enable users to query or run reports against the Production Financials environment.
- **Update the existing Department roll-up tree** or create a new Department tree for the purpose of reporting on Financial data at varying/aggregated levels within the organization.
- **Develop new Summary Financials Report** (XML / BI Publisher) that utilizes this Department roll-up tree and can be run real-time and ad hoc at either a node or individual department level. Drilling functionality has been disabled for the nVision reports due to performance concerns, so there should not be a loss of functionality in doing this.
- Begin posting **GL journals every day**. Currently they are only posted once a week. This process can be run in batch (or manually) to Edit, Budget Check, and Post all not-posted Journals on a daily basis. This will help alleviate some of the time delays in viewing transactions.
- **Create or update training materials** so that they provide instructions on how to execute PISTOL and HRMS business processes. In addition, develop and offer in-person training to campus on a regular basis.

Given the time sensitivity of the UW legislative budget funding request, exploring these potential short term reporting fixes are not part of the Phase 2 scope but could be incorporated into Phase 3.

Huron will continue to build the “case for change” during Phase 2 of the engagement; the following three workstreams have been proposed and accepted with workstreams 1 and 2 already underway.

- **Workstream 1: Technology Evaluation and Implementation Costing**

- Synthesize trends, institutional priorities, and systems into a comprehensive vision for new systems infrastructure and roadmap for implementation
- Assist campus leadership with the development of estimated resource requirements and related budget ranges for presentation
- Develop a high-level post-Phase 2 work plan and implementation timeline, and establishing a governance and project management structure

- **Workstream 2: Business Process Cataloging and Mapping**

- Develop straw-man inventory of processes through Huron’s experience and interviews already conducted
- Identify processes that are unique to the University’s business environment and develop detailed process maps
- Identify constraints to current processes and their attendant causes (e.g., State statute, University policy, School policy, existing practice, historical happenstance)

- **Workstream 3: Organization and Data Governance**

- Assess existing data standards and data governance structures
- Evaluate alternative organizational structures and governance responsibilities, and develop a future-state data governance model
- Develop group charter and utilize the catalog of business processes to inform group strategy

Next Steps

TECHNOLOGY SOLUTION PATHWAYS

Huron believes the University of Wyoming should pursue one of three available paths; high-level pros and cons of each pathway are described below.

Pathway	Pros	Cons	Considerations
1. Re-implement the current PeopleSoft Applications	<ul style="list-style-type: none">• Stable technical platform• Aligns with current IT skillset	<ul style="list-style-type: none">• Potentially higher cost option• Older technical platform• Costly upgrades	<ul style="list-style-type: none">• Legacy perceptions of PeopleSoft applications• Significant concerns about the capacity and capabilities of functional leaders to lead change initiatives
2. Upgrade to Oracle Cloud applications	<ul style="list-style-type: none">• Potential lower cost option for implementation• Pre-developed, efficient business processes• Continuous development of functionality	<ul style="list-style-type: none">• Evolving application functionality• Organizational and process change dependent	<ul style="list-style-type: none">• Ability to substantially improve and streamline business processes• Alleviates current licensing issue• Pricing for subscriptions and implementation likely to increase in the next 3-6 months
3. Go to market to purchase new technology (s)	<ul style="list-style-type: none">• Ability to evaluate all potential solutions to fully align UW needs with market capabilities• Pre-developed, efficient business processes• Continuous development of functionality	<ul style="list-style-type: none">• Lag in implementation timeline due to 4-6 month RFP process• Potentially larger total cost• Evolving application functionality	<ul style="list-style-type: none">• Ensures that UW acquires the best possible technology solution given its current- and intended future-state business environments• Ability to substantially improve and streamline its business processes

During Phase 2 Huron will further explore these options and assist University leadership in selecting the best pathway forward for the University of Wyoming and provide an estimate of the cost.

Next Steps

PHASE 2 TIMELINE

The estimated timeline for Phase 2 is detailed in the graphic below.

Project Work Stream	Week of:											
	11/2	11/9	11/16	11/23	11/30	12/7	12/14	12/21	12/28	January		February
Technology Assessment	Legislative Budget Decision - Feb											★
Option Development and Selection	■	■	■	■	■							
Initial Requirements Gathering and Documentation				■	■	■	■	■	■	■		
Initial Cost Estimation and System Decision Hierarchy					■	★	■	■	■	■	■	
Cost Refinement								■	■	★	■	■
Business Process Catalog and Mapping												
Interviews with Key Stakeholders			■	■	■	■	■					
Catalog Business Processes					■	■	■	■	■	■		
Unique Business Process Mapping								■	■	■	■	■
Organization and Data Governance												
Assess Existing Organizational and Governance Structures								■	■	■		
Evaluate Alternatives									■	■	■	■
Future State Model										■	■	
Building Capacity and Transitioning												■

Appendix A: Catalog of Current Reports

Catalog of Current Reports

1 OF 6

The catalog below provides some insight in to the different types of reports that can be run out of the main enterprise technology systems maintained on campus.

Report	System	Functional Area:	Report Description	Category
1 PISTOL Report (P-Report)	PISTOL / nVision	All	P-Reports are provided to all functional areas across campus once a month to allow users to see what transactions have been posted to their accounts. Users utilize these reports to reconcile their respective internal documentations of the transactions they have submitted for processing	Finance
2 Journal Head and Line IDRs (Interdepartmental Revenue Transfer)	PISTOL / nVision	All	The report provides detail on IDRs (Interdepartmental Revenue Transfers) so that departments may reconcile their revenue and expense accounts.	Finance
3 Voucher Lookup (Vouchers Paid, Vouchers Paid - Payment Requests, Vouchers Paid - Purchase Order)	PISTOL / nVision	All	The report/query is used by employees to review vouchers for a specified department (org.) within PISTOL financials to balance budgets and reconcile posted transactions with their shadow system. Employees can segment vouchers by type: All Paid, Paid by Payment Requests, Paid with Purchase Order, etc.	Finance
4 Cash Report by Bank	PISTOL / nVision	All	The report provides beginning and ending bank balances by Fund for a specified time frame. The report includes transactions for the previous period(s).	Finance
5 Summary of 20xx Budget Activity by Program (Budget to Actuals report for the year)	PISTOL / nVision	All	The report provides budget activity by program for the Section I Block Grant (Instruction, Research, Public Service, Academic Support, Student Services, Institutional Support, Operation and Maintenance of Plant, Scholarships, Intercollegiate Athletics, Capital Outlays). The report also has total amounts by expense category.	Finance
6 Monthly Report for Non-Budgeted	PISTOL / nVision	All	The report shows month-end balance sheet accounts, revenues, and expenses by account description and account number. It includes beginning balances, transactions for the month, ending balances, and encumbrances	Finance

Catalog of Current Reports

2 OF 6

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The catalog below provides some insight in to the different types of reports that can be run out of the main enterprise technology systems maintained on campus.

Report	System	Functional Area:	Report Description	Category
7 Monthly Report for Appropriation Budgets	PISTOL / nVision	All	The report shows amounts by account description and account number. It includes original and total spending authority, ITD expenditures to-date, encumbrances, remaining spending authority and current period expenditures.	Finance
8 Monthly University & Foundation Combined Gift Account Report (CDO Report)	Advance	Foundation	The report provides monthly updates on the balances available and funds by name, College, and department.	Finance
9 University of Wyoming Foundation Endowment History Reports	Advance	Foundation	The report provides year-end updates on all of the funds by College and department for the current year and the past 4 years.	Finance
10 Active Employees	HRMS	All	The "Active Employees" report provides information on all current employees during a specified date range for a specified department (org).	Human Resources
11 Overtime Earned	HRMS	All	The "Overtime Earned" report provides the overtime earned for a single, specified employee for a specified date range.	Human Resources
12 Financial Statement Reports	Created	Accounting	These documents are created once yearly by the accounting office to show how the general ledger report creates the audited financial statement numbers.	Yearly Statements
13 Budget Index	Budget Prep	Budget	This report represents the Annual Operating Budget.	Yearly Statements

Catalog of Current Reports

3 OF 6

DRAFT
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The catalog below provides some insight in to the different types of reports that can be run out of the main enterprise technology systems maintained on campus.

Report	System	Functional Area:	Report Description	Category
14 Departmental Budget / Expense / Revenue Spreadsheets	Shadow System	All	These reports are used to track and balance financial transactions with financial transaction information provided through PISTOL for the various departments across campus. Though departments may maintain different shadow systems, they are all used for the same purposes (i.e. maintaining more detailed financial information, aggregating financial informatoin in a single place for their department, etc.). These reports serve as the record of expenditures and account balances for each budget maintained by the various departments.	Finance
15 Income Statements	Shadow System	All	The report shows the year-ending income statement. It includes incomes, expenses separated by personnel, benefits, and operating expenses, and it includes capital reserve and equipment replacement transactions.	Finance
16 Total Project Budget Worksheet	Shadow System	Facilities Planning and Management	The report provides budget updates on construction costs including current estimated cost, cost adjusted for inflation, budget, committed funds, expenditures to-date, remaining commitments, and remaining balance in the account budget. The report also includes professional fee and equipment expenses, and contingencies estimates. These reports are used to manage the capital project budgets and track costs for all facilities planning projects.	Finance
17 Monthly Financial Statement	Shadow System	Facilities Planning and Management	The report provides monthly financial updates by project.	Finance

Catalog of Current Reports

4 OF 6

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HuronEducation

The catalog below provides some insight in to the different types of reports that can be run out of the main enterprise technology systems maintained on campus.

Report	System	Functional Area:	Report Description	Category
18 Half Acre Renovation and Addition (Example of Total Project Budget Worksheet)	Shadow System	Facilities Planning and Management	The report shows all expenses, including accounts and payment descriptions, balances allocated to different contractors, and budget to actuals for those contractors and for the overall budget by project. This report provides the current status of the construction project in terms of expenditures.	Finance
19 Part-time Non-Benefited Personnel Budget Report	Shadow System	Libraries	The report includes 2 pages: one shows totals by General Libraries Department, and the other shows personnel by name including hourly rates and the expended amount for the month. It also shows any circulation adjustments	Finance
20 Budget Summary for UW Libraries	Shadow System	Libraries	The report shows total budget summary for Section 1, Section 2, Gift Accounts, and Grant Accounts.	Finance
21 Quick Report	Shadow System	Deans Office	The Quick Report shows date, vendor name, description and account information, and beginning and ending balances.	Finance
22 Account Balance	Shadow System	Information Technology	This report displays current account balances.	Finance

Catalog of Current Reports

5 OF 6

DRAFT
HuronEducation

The catalog below provides some insight in to the different types of reports that can be run out of the main enterprise technology systems maintained on campus.

Report	System	Functional Area:	Report Description	Category
23 Budget Income Statements and Trial Balances	Shadow System	Intercollegiate Athletics	These reports create display the income statement and trial balance for Intercollegiate Athletics	Finance
24 Food Cost	Shadow System	Housing and Dining	This report is used to determine what part of the current budget is being spent on food.	Finance
25 Income Statement, Daily Register Z Report, Online Order Reconciliation	Shadow System	Housing and Dining	This report is used to identify and track sales trends.	Finance
26 Financial Statement (W/O P-Report)	Shadow System	Performance Art Center	The report shows budget to actual expenditures as well as the funding sources and the various budget amounts.	Finance
27 Monthly Budget Report	Shadow System	Physical Plant	The report shows budget summaries by unit for both section 1 and section 2 funds. It includes Administrative, Facilities Engineering, Facilities Management, Facilities Services, and Utilities Management. These reports are used to provide real-time budget, expense, and encumbrance numbers to managers on a monthly basis.	Finance
28 Accounts Receivable	Shadow System	Residence Life & Dining	This reports are used to determine customer balances, accuracy of payments applied, to answer questions on accounts, to send statements, and to assess and apply finance charges.	Finance
29 Pcard Report, PO's, Vouchers, and P-Reports	Shadow System	Transit and Parking	These reports are used to create income statements and balance sheets for the Transit and Parking department.	Finance

Catalog of Current Reports

6 OF 6

DRAFT
HuronEducation

The catalog below provides some insight in to the different types of reports that can be run out of the main enterprise technology systems maintained on campus.

Report	System	Functional Area:	Report Description	Category
30 Hotel Reservations	Shadow System	UW Casper INBRE	The report is used to track spending for staff and faculty on the travel P-card.	Human Resources
31 UW Libraries Personnel Budget	Unknown	Libraries	The report shows position listings with budget information (Base Budget, Base Salary, and Adjusted Salary) by individual employee by name.	Human Resources
32 Detailed Product Sales Report	CSI	Campus Recreation	The report describes everything that was sold at the Gym, including memberships, retail items, equipment rentals, trips, classes, and lockers.	Finance
33 CDO Reports	F-Reports	College of Business Dean's Office	This report shows endowment fund usages and remaining balances.	Foundation
34 Cash Summary, CashVend Sys Variance, Sales		Vending Services	The report is used for day-to-day cash reporting.	Finance
35 USAT Daily Sales, Blackboard Daily Sales	USAT and Blackboard	Vending Services	These reports are used to track daily sales and equipment usage.	Finance
36 Accounts Receivable Report	VADDS	Veterinary Sciences	This report is used to provide updates on AR balances.	Finance
37 FY15 Faculty Travel	Unknown	Unknown	The report shows both expended and encumbered travel expense information by employee (traveler) as well as the event, the destination, and the dates.	Finance
38 Payments for on-campus Housing	TouchNet	Housing and Dining	This report is used to verify that on-campus housing occupants have made payments in a timely fashion.	Finance

Appendix B: Reporting Hierarchy – Prioritized Catalog of Aspirational Reports

Proposed Reporting Hierarchy

CATALOG OF ASPIRATIONAL 1 OF 4

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HuronEducation

The catalog below provides some information regarding the types of the reports the institution should aspire to be able to run out of their future enterprise technology solutions.

Report Title	Report Description	What questions does this report answer?	Report Type
1 Fund Group Summary of Assets, Liability, and Equity	Summary of balance sheets owned by an organization.	What are the balances of the Funds owned by my organization/department?	Finance
2 Revenue and Expense Transaction Detail	Monthly or daily Income Statement account transactions Account transaction detail by ChartField Combination	What income and expenses were posted against my accounts during a specified date range?	Finance
3 Balance Sheet Transaction Detail	Monthly or daily Balance Sheet Account transaction detail by fund Summarized revenue and expense information from income statements	What asset and liability transactions were posted against my Funds during a specified date range?	Finance
4 Revenue and Expense - Budget vs. Actual	Budget, actuals, encumbrances, and budget balance information at the individual and aggregated account levels This report can be run for whatever specified time-frame the user would like, including running detail up to the current day or for a specified month	How much budget do I have left for the year and how have my expenses looked to-date? From a high-level "Section 1 Funds" perspective, how much budget do I have left for the year and how have my expenses looked to-date? From a high-level "Section 2 Funds" perspective, what is my budget variance and plan for the year?	Finance
5 Detail Activity Report	Detail of income statement and/or balance sheet transactions for a specified time period	What transactions were posted against my accounts?	Finance
6 GL Actuals vs. Budget Report	Budget and Actuals information for each revenue and expense account specified Summarizes a specified time period's activity Can report across multiple fiscal years	What transactions posted against my accounts during a specified time range? How much budget do I have left for the year?	Finance
7 Summary Activity Report	Summarizes a specified time period's activity	What was the summary of activity posted to a particular, specified account for the year or for a specified time range (or across fiscal years)?	Finance
8 GL Variance Report	Compares one ledger to another ledger for one period/timeframe to another period/timeframe Can report across multiple fiscal years	What were the revenues and/or expenses for a given period/timeframe compared to another period/timeframe?	Finance

Proposed Reporting Hierarchy

CATALOG OF ASPIRATIONAL 2 OF 4

The catalog below provides some information regarding the types of the reports the institution should aspire to be able to run out of their future enterprise technology solutions.

Report Title	Report Description	What questions does this report answer?	Report Type
9 Balance Sheet by Fund	Provides a fund financial summary	What are the assets and liabilities held by my fund?	Finance
10 Valid Fund Values	Lists Fund values and their corresponding descriptions	What are valid Fund values?	Finance
11 Valid Department Values	Lists Department values and their corresponding descriptions	What are valid Department values?	Finance
12 Valid Organization Values	Lists Organization values and their corresponding descriptions	What are valid Organization values?	Finance
13 Valid Project Values	Lists Project values and their corresponding descriptions	What are valid Project values?	Finance
14 Valid Account Values	Lists Account values and their corresponding descriptions	What are valid Account values?	Finance
15 Asset Management Report	Assists in tracking changes to asset information (additions, transfers, retirement, custodian and location changes) Lists assets by profile and location Includes Physical Inventory and Equipment Review reports	What asset activity has occurred in my area? What kinds of equipment does my area own? What equipment is in a specific building or room?	Finance
16 Paid Voucher Report	Lists paid vouchers within a specified date range	What vendors were paid for expenses during the specified date range?	Finance
17 Unpaid Voucher Report	Lists vouchers that have not been paid within a specified date range, the approval status, match status, and scheduled pay-date of the voucher(s)	What vouchers are unpaid for my area?	Finance
18 Inventory Billing Report	Lists Stores transaction detail	What are the detailed transactions that have occurred within the store that make up the summary entries on my GL reports?	Finance
19 Procurement Card Reconciliation Report	Lists Pcard transaction detail for the GL entries	What are the detail P-card transactions that make up the summary entries on my GL report?	Finance
20 Procurement Card Transaction Report	Lists Pcard transactions by organization for a specified date range	Are there any trends in the use of our area's P-cards?	Finance
21 Procurement Card by Org Report	Lists all the Pcards issued to a department	Who in my department has a P-card?	Finance

Proposed Reporting Hierarchy

CATALOG OF ASPIRATIONAL 3 OF 4

DRAFT
HuronEducation

The catalog below provides some information regarding the types of the reports the institution should aspire to be able to run out of their future enterprise technology solutions.

Report Title	Report Description	What questions does this report answer?	Report Type
22 Purchase Order Report	Lists approved, dispatched, and completed purchase orders for a specified department and date range Includes remaining purchase order balance	What purchase orders were issued this month for my department? How much money is left on my department's purchase orders? What are all of my outstanding blanket orders?	Finance
23 General Ledger Reconciliation Report for Student Financials Detail	Bridges the gap between the data in the Banner SIS system and the rolled up journal entries posted to the GL, helping with the reconciliation of Banner revenue and expenses	What are the details (e.g. name and amount) behind the lump sum for Banner related activity on my department's GL reports?	Student
24 Student Financials Receivable Detail	Provides information on outstanding balances	By account, what students have outstanding balances, how old are they, what are the balances for, how many are there, and when was the last time there was activity against the balances?	Student
25 Salary Listing Report	Provides a list of employees' salaries and FTE status by funding sources, as well as totals for each department	What is a complete list of the employees belonging to my department, what is their FTE status, and how are their positions funded?	Human Resources
26 Regular Faculty Review Schedule and Demographics Report	Provides a list of Tenure Track and Non-Tenure Track faculty	What is the progress of the tenure-track faculty belonging to my department, and what faculty members are non-tenure track?	Human Resources
27 Job Requisition Worklist Report	Identifies job requisitions that require approvals	What job requisitions currently live require additional approvals, and what are those approvals?	Human Resources
28 Position Worklist report	Identifies positions that require approvals	What positions currently live require additional approvals, and what are those approvals?	Human Resources
29 Personal Expenditure Report	Shows the personnel expenditures by person for a designated department and pay period	What personnel expenses were paid out during the last pay period for my department?	Human Resources
30 Employee or Supervisor Report	Allows you to see who supervisors are by employee, department, or roll-up level	To whom do employees within my department report to?	Human Resources
31 Budgeted Salary Report	Shows the name, title, classifications, FTE %, annual salary, and percentage of salary for a specified budget for full-time positions	What are the budgeted, salaried positions for my department?	Human Resources

Proposed Reporting Hierarchy

CATALOG OF ASPIRATIONAL 4 OF 4

DRAFT
HuronEducation

The catalog below provides some information regarding the types of the reports the institution should aspire to be able to run out of their future enterprise technology solutions.

Report Title	Report Description	What questions does this report answer?	Report Type
32 Month-End Financial Statements	Report provides detailed financial statements to each Principal Investigator giving the current status of project budgets, expenditures, commitments, and balances (includes a project financial summary, detail of expenses, project stores expenses, project demurrage expenses, and detail of PO-related commitments, payroll expenses, and payroll and GL commitments)	What are the month-end statuses on my research projects, and what commitments do I have for the future?	Research
33 Daily Financial Transaction Detail	Report provides up-to-date financial transaction detail for a specified research project allowing PI's to review real-time transaction information	What transactions were processed today for my research projects? What is the status of a specific payment owed to a vendor?	Research
34 Project end Date Warning Report	Provides a list of employees funded by research projects that have ended, will end within 15 days, and/or will end within 30 days to ensure that employees are not paid from sponsored research funding that has or will expire	What are the statuses of my research projects, and when do they expire so that I may ensure employees are no longer funded by this sponsored research funding source?	Research
35 Encumbrance end Date Warning Report	Provides a list of employees funded by research projects and whose end dates for encumbrances are past, will end within 15 days and/or will end within 30 days to ensure that employees have correct encumbrance end dates	What are the statuses of my research projects, and do my encumbrances fit within the funding timeframe and funding availability?	Research
36 Employees Paid from Grant Report	Shows employees assigned to a grant budget for a specific fiscal year and whether they are active or terminated	What employees are applied to my grant(s) and how is their funding distributed?	Research
37 Grant Inception to Date Report	Shows information on all posted budget and expense transactions from the inception of the grant award	What transactions have been incurred on my grant(s) to-date?	Research
38 Grant Transaction Detail Report	Shows detailed information on grant transactions	What is the detailed transaction information for these charges on my grant(s)?	Research
39 Grant Summary Report	Allows you to print several grant accounts ending at a specific date	What does my current grant portfolio look like at a summarized basis?	Research

Appendix C: Inventory of Technology Systems

Inventory of Technology Systems

1 OF 2

Through data and survey analysis, and interviews with key stakeholders across the University of Wyoming, Huron has been able to identify the following technology systems used across campus

Technology System:		Description of Technology System:
1	PeopleSoft Financials (PISTOL)	Primary financial system
2	PeopleSoft Human Resources Management System (HRMS)	Primary HR system
3	Banner Student Information System	Primary student information system
4	InfoEd Global	Primary research administration accounting system
5	Nebraska Book Company POS	Primary bookstore inventory management and accounting system
6	Academic Works	Financial Aid accounting system
7	Quickbooks	Shadow accounting system
8	Sage 50	Shadow accounting system
9	Microsoft Dynamics GP	Shadow accounting system
10	PeachTree	Shadow accounting system

Inventory of Technology Systems

2 OF 2

Through data and survey analysis, and interviews with key stakeholders across the University of Wyoming, Huron has been able to identify the following technology systems used across campus

Technology System:		Description of Technology System:
11	Time Clock Plus	Time entry system used in various departments
12	Blackboard Transact	Card Office financial system
13	Kronos	Workforce management system
14	EventMaster Plus	Catering, meeting space, and event management system
15	ERezLife	Residence life software
16	CBord	Campus ID card system
17	StarRez	Student housing software system
18	Advance	UW Foundation donor management software
19	Fleet Commander	Fleet management software
20	FuelMaster	Fuel management software
21	Schedule Source	Enterprise time management software

Appendix D: Additional Guiding Principles Material

What are Guiding Principles?

The development of guiding principles is an important step in the due diligence and visioning phase of the financial system and reporting assessment initiative.

- Huron used the guiding principles established to identify gaps in current reporting capabilities
- In addition, the guiding principles will be used in future phases to inform next steps and ensure that the selected solution(s) meets all the criteria and needs of campus stakeholders

A principles-based approach to financial reporting:

- Describes the vision and establishes the priorities for the desired future state
- Incorporates broad stakeholder feedback across academic and administrative units

Common Elements of Guiding Principles

The following table includes elements that were used to inform the creation of the list of guiding principles.

Element	Description
Mission	<ul style="list-style-type: none">Assure key stakeholders the University is committed to its core academic and research mission and that the financial reports serve as a decision-making tool to facilitate this mission
Strategy	<ul style="list-style-type: none">The strategic plan is an articulation of University goals, and financial reports should inform decision making that align and support institutional strategy
Stakeholders	<ul style="list-style-type: none">Articulate the importance of how the financial reports should be utilized by institutional stakeholders to guide their decisions.
Future / Planning	<ul style="list-style-type: none">Focus on the reality that the data gathered and aggregated to produce financial reports represent an opportunity to strengthen the university through data-informed decision making
Transparency	<ul style="list-style-type: none">Financial reports (and the processes that underlie the data) should provide full transparency, both with respect to what decisions are made and how the data impacted those decisions
Timeliness	<ul style="list-style-type: none">Financial reports should be available to stakeholders at all times and should reflect up-to-date information
Simplicity	<ul style="list-style-type: none">Financial reports should be simple to read, use, explain and maintain

Guiding Principles

The guiding principles developed by the UW stakeholder group and Huron satisfy what Huron believes to be the critical elements of guiding principles.

Guiding Principles & Elements of UW's Technology and Reporting

	Mission	Strategy	Stakeholders	Future / Planning	Transparency	Timeliness	Simplicity
1. Support the academic, research, and service missions of the University by closely aligning decision making with the university's strategic plan to meet university priorities and expectations	●	●					
2. Be timely and current and allow users to access both systems and data at their own inclination from both on-campus and remote locations						●	
3. Be flexible, comprehensive, and integrated, allowing users to access, aggregate, and query both basic and detailed information from multiple data sources using user-defined criteria at all levels of the organization, and allow for any desired future changes or reorganization				●			●
4. Be transparent and clear, (clear data definitions, commonly understood and consistent formats, complete and accurate) be driven by a reliable, trusted data source to allow for sound data-driven analyses, and promote fiscal trust, responsibility, and accountability					●		
5. Be intuitive, easy to use, and easily trainable to ensure users at all levels are able to understand both the enterprise systems and the data they produce							●
6. Enable multi-year forecasting and strategic resource planning to ensure future strategic priorities are met at all levels of the organization			●	●			

Appendix E: Interview Participant List

Interview Participant List

1 OF 6

The following UW employees are included as part of the intended interview list for this engagement.

Interviewee	Department	Title
Sue Koller	Office of Institutional Analysis	Associate Director
David Willems	Office of Institutional Analysis	Research Scientist, Assistant
Tammy Scott	Office of Institutional Analysis	Information Specialist
Suzie Waggener	Office of Institutional Analysis	Information Specialist
Lisa Muller	Office of Institutional Analysis	Research Scientist, Associate
Mark Collins	Associate VP's of Admin	Associate VP Operations
Janet Lowe	Associate VP's of Admin	Associate VP Administration
Arley Williams	Special Assistant to the VP Admin	Assistant VP/Special Assistant to VP Admin
Mary Ann Garman	UW Foundation	VP for Financial Services
Kathleen Miller	Internal Audit	Internal Auditor
Ishtar Hogsett	Internal Audit	Auditor, Senior
Mark Bercheni	HR & Payroll	Interim Director
Sheralyn Farnham	HR & Payroll	Payroll Manager
Tara Evans	Legal Office	Deputy General Counsel
Mara Chopping	Legal Office	Legal Assistant
Dorothy Yates	Research & Sponsored Programs	Associate VP of Research
Jonnie Jenkins	Research & Sponsored Programs	Manager, Sponsored Programs
Margaux Christensen	Information Technology	Executive Business Manager
Robin Petroski	Information Technology	Account Associate, Senior
Rhetha Davis	Information Technology	Office Associate, Senior
Martha Miller	Procurement	Manager, University Procurement Services

Interview Participant List

2 OF 6

The following UW employees are included as part of the intended interview list for this engagement.

Interviewee	Department	Title
Greg Livingston	Procurement	Assistant Manager
Janet Wilson	Procurement	Buyer, Senior
President Richard McGinity	Executive Sponsors	President
Bill Mai	Executive Sponsors	Vice President
Robert Aylward	Executive Sponsors	VP Information Technology & CIO
Billy Sparks	Athletics	Senior Associate Athletic Director/Business Operations
James Wilkerson	Athletics	Athletics Executive Business Manager
Debbie Allred	Athletics	Accounting Associate, Senior
Carolyn Smith	Auxiliary Services	Director
Julie Becker	Auxiliary Services	Office Associate
Ashlie Reese	Financial Services	Manager
Aaron Courtney	Financial Services	Assistant Manager
Darcy Bryant	Physical Plant	Deputy Director, Business Services
Holly Barker	Physical Plant	Business Manager
PJ Shumway	Budget Office	Budget/Reporting Analyst, Senior
Kathy Dempsey	Budget Office	Budget Analyst, Senior
Dawn Deiss	WyoOne ID Office	Manager
Paul Kunkel	Transit & Parking	Assistant Director
Elizabeth Whitt	Transit & Parking	Manager
Laurie Mendick	Library	Business Manager, Executive
Lori Phillips	Library	Interim Dean

Interview Participant List

3 OF 6

The following UW employees are included as part of the intended interview list for this engagement.

Interviewee	Department	Title
Klinton Alexander	Law College	Dean/Professor
Megan Barber	Law College	Business Manager, Executive
Cid Walck	Facilities Planning	Business Manager, Executive
Larry Blake	Facilities Planning	Director
Robert Holzwarth	Facilities Planning	Associate Director
Merl Haworth	Facilities Planning	
Shelley Dodd	Admissions / Registrar	Director
Lane Buchanan	Admissions / Registrar	Interim Registrar
Juanita Carroll	Accounting	Manager
Arin Wesnitzer	Accounting	Assistant Manager
Nancy Courtney	Accounting	Accountant
Jon Kelly	Accounts Payable	AP Supervisor
Misty Eaton	Book Store	Assistant Director
Kendall Gonzales	Book Store	Accountant
Kathleen Bobbitt	Student Financial Aid	Director
Carrie Gose	Student Financial Aid	Business Analyst, Executive
Bill McCleary	Vending	Manager
Barbara Stickelman	Vending	Accounting Associate
Rick Ewig	American Heritage Center	Associate Director/Archivist, Associate ETT
Megan Barber	American Heritage Center	Business Manager, Executive
Meghan Monahan	American Heritage Center	Accounting Associate, Senior

Interview Participant List

4 OF 6

The following UW employees are included as part of the intended interview list for this engagement.

Interviewee	Department	Title
Shawn Fletcher	Car Rental Services	Manager
Chris Bretones	Car Rental Services	Office Associate, Senior
Candice Ramsey	Car Rental Services	Accounting Associate
David Jones	Academic Affairs	VP for Academic Affairs
Tami Benham-Deal	Academic Affairs	Interim Associate Provost
Kathie Hull	Academic Affairs	Director, Business Affairs
Frank Galey	College of Agriculture	Dean/Professor
Cath Harris	College of Agriculture	Business Manager, Executive
Paula Lutz	College of Arts & Sciences	Dean/Professor
Roxanne Keeney	College of Arts & Sciences	Business Manager, Executive
Sanjay Putrevu	College of Business	Dean/Professor
Karen Rhodine	College of Business	Business Manager, Executive
Ray Reutzel	College of Education	Dean/Professor
Kimberly Montez	College of Education	Business Manager, Executive
Joe Steiner	College of Health Sciences	Dean/Professor
Laurie Jo Kempert	College of Health Sciences	Business Manager, Executive
Michael Pishko	College of Engineering and Applied Sciences	Dean/Professor
Rimvyda Valiukenas	College of Engineering and Applied Sciences	Business Manager, Executive
Susan Frye	Outreach School	Dean
JoelAnne Berrigan	Outreach School	Business Analyst
Sandy Roller	Outreach School	Accountant

Interview Participant List

5 OF 6

The following UW employees are included as part of the intended interview list for this engagement.

Interviewee	Department	Title
Jayne Pearce	Outreach School	Manager, Outreach Credit Programs
Susan Moldenhauer	Art Museum	Director
Cherie Kelley	Art Museum	Accountant
Sara Axelson	Student Affairs	VP Student Affairs
Christina Irion	Student Affairs	Staff Assistant
Sean Blackburn	Dean of Students	Associate VP, SA/Dean of Students
Sandra Clinton	Dean of Students	Office Associate, Senior
Keener Fry	Alumni Association	Executive Director
Marisa Reilly	Alumni Association	Business Manager
Eric Webb	Residence Life & Dining Services and Wyoming Union	Executive Director
Jami Miller	Residence Life & Dining Services and Wyoming Union	Associate Director, Business Operations
Darcy DeTienne	Residence Life & Dining Services and Wyoming Union	Director, Wyoming Union
Jana Schott	Residence Life & Dining Services and Wyoming Union	Business Manager
Pat Moran	Campus Recreation	Director
Abbie Connally	Campus Recreation	Business Manager
Marjorie Jaeger	Veterinary Science	Accountant
Kristy Kay Isaak	Office of the Registrar	Office Associate
Vicki Staddie	Mathematics	Accounting Associate, Senior
Nicole Wade	Physics & Astronomy	Accounting Associate, Senior
Joslyn White	Science & Math Teaching Center	Accounting Associate, Senior
Kristin Wold	Art	Office Associate, Senior

Interview Participant List

6 OF 6

The following UW employees are included as part of the intended interview list for this engagement.

Interviewee	Department	Title
Lori Dockter	Statistics	Office Associate, Senior
Rachel Anne Stevens	School of Pharmacy	Office Associate, Senior
Julie Schroyer	Information Technology	Project Manager, IT Application and Database Services
Jen Chavez	Information Technology	Director, IT/Application & Database Services
Megan Hanneman	Associate VP Administration	Director, Shared Business Services
Stacey Holzwarth	Associate VP Administration	Coordinator, Shared Business Services
Jill Jensen	Associate VP Administration	Associate Director, Shared Business Services

HuronEducation



**University of Wyoming
Performance Improvement Project**

Fall 2016

The University of Wyoming engaged Huron to assist in the identification, prioritization, and development of business cases for opportunities to grow revenue and reduce costs.

- Over the course of the 11-week project, Huron **interviewed 110 members of the UW community** to understand the current operating environment, identify opportunities for cost savings and revenue enhancement, and collect and synthesize data to inform our analyses.
- Huron **identified over 100 opportunities** during the initial phase of the engagement; the preliminary list was consolidated to 64 discrete menu opportunities that were presented to the Steering Committee for feedback and prioritization.
- Based on the Steering Committee's direction, Huron presented **13 business cases** that outline cost savings and revenue enhancement opportunities in operational, enrollment, student affairs, and student programming that have the potential to make a significant financial impact to the University.
- **Selected elements** from Huron's work, along with the work from the FCAC and other leaders on campus was designed, in-part, to assist President Nichols and the leadership team to develop a **plan for cost savings** that will be presented to the Board of Trustees later in the year.

Opportunity Overview

Some of the opportunities identified by Huron will be immediately implemented during the current fiscal year; others will need longer lead time and further discussion before implementation.

Immediate Opportunities	Other Business Cases
FY 2017-18	To Be Further Discussed
<ul style="list-style-type: none"> • Procurement: Strategically Source Selected Commodities • Pursue Vendor Partnership for Facilities Stores • Centralize Selected Information Technology Operations/Services • University Fleet Consolidation • HR Benefits: Amend Long Term Disability Policy • Reorganize Student Health Center Operations 	<ul style="list-style-type: none"> • HR Benefits: Amend Domestic Partner Benefits • Enrollment: Optimize Tuition/Fees, Retention, Transfer Students • Pursue Vendor Partnership for University Bookstore • Amend Transit Routes and Parking Permit Structure • Amend Residential Life Policies • Explore Amended Student Health Fee and Third-Party Billing Options • Reorganize Outreach School • Restructure Facilities Staffing Model

Additional detail for each of the opportunities listed in the left-hand column is provided on the subsequent slides.

UW has the opportunity to reduce supply expenses by leveraging its buying power, negotiating purchasing contracts, and outsourcing the Facilities Management supply purchasing function.

The Case for Change

- An analysis of the University's spending indicates that the UW has approximately \$83 million that can be strategically sourced
- Spending through existing purchasing contracts account for less than 5% of "addressable spend," or spend that can be reduced by negotiating contracts
- When supplies are requested, the Facilities Store goes through a lengthy bid process to procure supplies; while there is confidence that UW is getting a lower price, it can take up to six weeks for the supply to come in after going through this process creating a lag to complete work orders and maintenance tasks

Goals and Projected Annual Impact (\$1.5 - \$3.3M)

1. Involve the campus throughout the strategic sourcing wave plan to gain support and buy-in early in the process to optimize results
2. Assess potential vendors for MRO/Janitorial supplies; create and open RFP for services

Implementation Work Group Members

- William Mai, (VP Administration)
- Janel Lowe (Associate VP for Fiscal Administration)
- John Davis, (Executive Director, University Operations)
- Martha Miller, (Manager, University Procurement Services)

Despite a recent consolidation, a significant number of distributed IT resources duplicate services provided centrally; available data indicate that these services are also less efficient than central services.

The Case for Change

- An analysis of HR data and interviews suggest that there are over 30 IT positions outside of University IT
- After interviews, a majority of those positions outside of central IT appear to perform similar services to central IT's Client Support Service group
- Through a consolidated service model and economies of scale, IT can more effectively pursue industry and peer benchmarks to achieve significant cost savings

Goals and Projected Annual Impact (\$630K - \$1.1M)

1. Conduct a detailed analysis of services and associated activity provided at department levels to confirm and rationalize consolidation
2. Identify distributed resources that will not be included in IT consolidation

Implementation Work Group Members

- Robert Aylward, (VP & CIO)
- Maggie Morrison, (Director, Client Support Services)
- Jennifer Chavez, (Director, Application & Database Services)

In order to support its expansive footprint across the state, the University manages a substantial fleet of vehicles and operates a Car Rental Services operation.

The Case for Change

- Car Rental Services operates at near capacity during September, October, May, and June, but well below capacity during Winter months
- Over half (52%) of Car Rental Services expenses are from asset depreciation
- Despite variable demand, Car Rental Services vehicles average over 16,000 miles per year while distributed cars in Academic, Administrative, and Research units average under 5,000 miles per year

Goals and Projected Annual Impact (\$100-\$300K)

1. Engage distributed units on viability of shared motor pool model and solicit feedback
2. Identify vehicles to move centrally into shared fleet and vehicles to sell
3. Develop model for crediting departments that will be moving vehicles centrally and departments that will be selling vehicles

Implementation Work Group Members

- William Mai, (VP Administration)
- Shawn Fletcher, (Manager, Fleet Services)
- Carolyn Smith, (Director, Auxiliary Services)

UW can adopt the State of Wyoming's long-term disability benefit to align with state-wide agencies, and reduce University operating expenses.

The Case for Change

- UW provides a benefit in long-term disability (LTD) that is beyond what State provides
- UW uses the State's plan (Standard Insurance Co.) for short term disability benefit, but not for LTD benefit
- UW's current LTD insurance (Lincoln National Life) contract is up for renewal in September 2016, creating an opportunity to change the current policy, giving employees the option to select, and pay for, the LTD coverage

Goals and Projected Annual Impact (\$325K)

1. Communicate to employees the University's LTD policy will be changing once the existing plan is up for renewal
2. Work with the State of Wyoming to offer LTD benefit to University employees
3. Prepare internal infrastructure for employees to enroll in the State's benefit

Implementation Work Group Members

- William Mai, (VP Administration)
- Mark Bercheni (Associate Director Classification/Compensation)
- Eric Goldenstein, (Associate Director Benefits & Records)



UNIVERSITY OF WYOMING STRATEGIC SOURCING PROJECT SUMMARY

UNIVERSITY OF
WYOMING

June 27, 2016

WYOMING STRATEGIC SOURCING INITIATIVE

HURON HIGH LEVEL SPEND ASSESSMENT

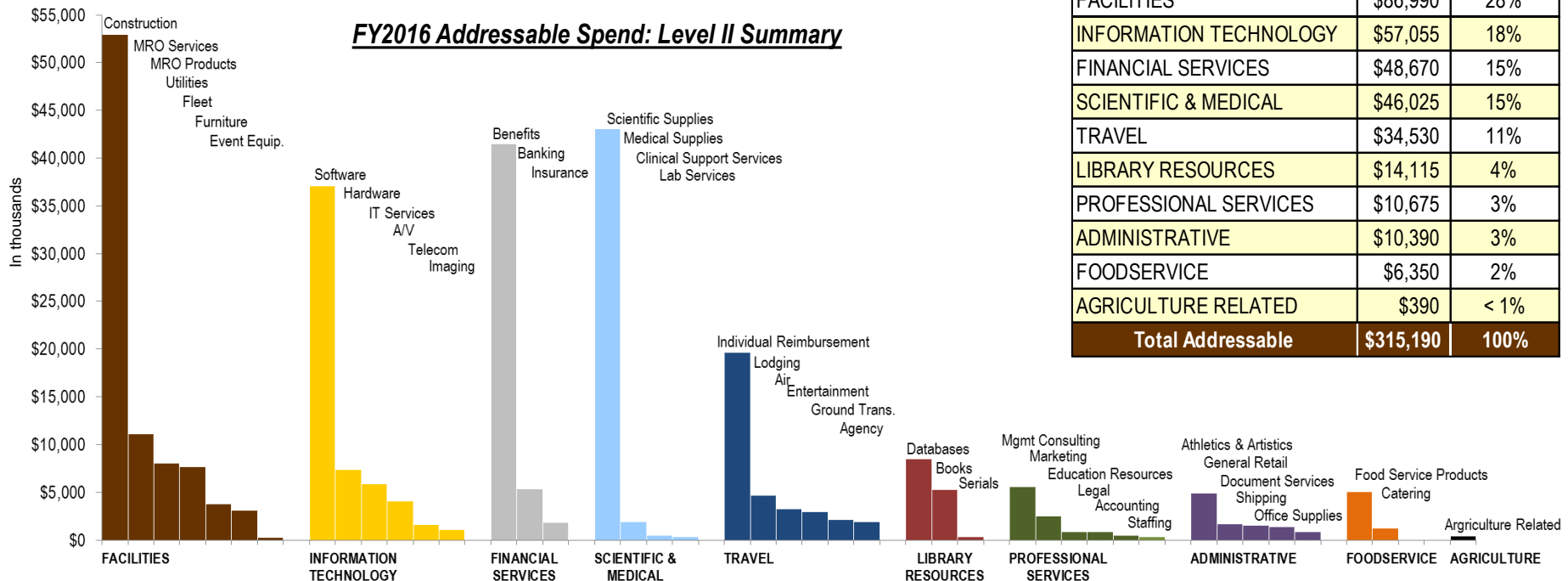
As part of a broader performance improvement assessment, Huron conducted a high level spend analysis of the University of Wyoming's AP and P-Card spend and identified potential areas for sourcing opportunities.

- Huron categorized Wyoming's FY2016 PO, Payment Request, and P-Card spend first into 9 Level I categories then further into 51 Level II subcategories to better understand Wyoming's spend profile
- Based on the spend analysis exercise, Huron and Wyoming agreed on 3 areas for phase I strategic sourcing initiative: **office supplies, computers, and scientific supplies and stockroom**

FY2016 Addressable Spend: Level I Summary

Level I Category	Addr. Spend <small>In thousands</small>	% of Addr. Spend
FACILITIES	\$86,990	28%
INFORMATION TECHNOLOGY	\$57,055	18%
FINANCIAL SERVICES	\$48,670	15%
SCIENTIFIC & MEDICAL	\$46,025	15%
TRAVEL	\$34,530	11%
LIBRARY RESOURCES	\$14,115	4%
PROFESSIONAL SERVICES	\$10,675	3%
ADMINISTRATIVE	\$10,390	3%
FOODSERVICE	\$6,350	2%
AGRICULTURE RELATED	\$390	< 1%
Total Addressable	\$315,190	100%

FY2016 Addressable Spend: Level II Summary



WYOMING STRATEGIC SOURCING INITIATIVE

HURON GUIDING PRINCIPLES

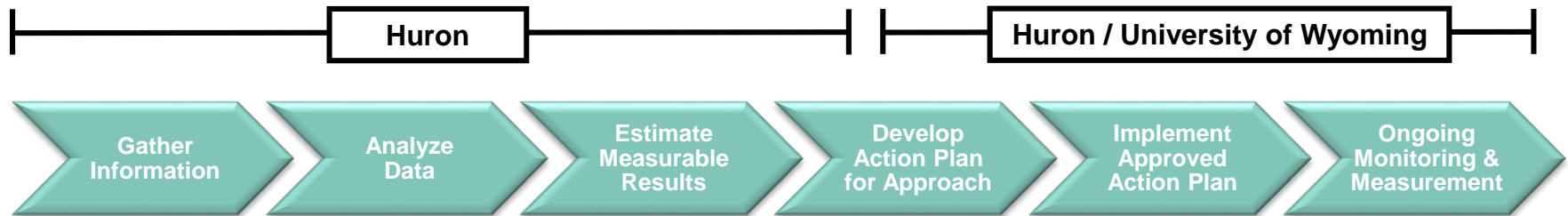
Huron's approach to Strategic Sourcing focuses on delivering against University of Wyoming's objectives and follows several guiding principles, including:

- **Deliver total cost reduction** – Our primary focus is reducing the total cost of goods and services to Wyoming by examining all cost drivers and exploring pricing improvements, demand management, product substitution, and contract compliance opportunities related to copiers
- **Conduct fact based analyses** – Huron's recommendations are validated by our experience, data analysis and benchmarking
- **Maintain or enhance quality** – Opportunities for improvement are identified with consideration of the current standard of service and quality
- **Facilitate behavior change** – By understanding Wyoming's situation and needs, we are able to develop solutions that positively impact the institution
- **Assist Wyoming in delivering results within a compressed time frame** – Our team will work diligently with to create a prioritized action plan with efforts focused on value add activities that directly impact cost reduction and improve operational performance
- **Strengthen relationships** – Throughout the Strategic Sourcing efforts, Wyoming will enhance their relationships with customers and suppliers by focusing on open communication and relationship building with key stakeholders
- **Knowledge transfer** – Through collaboratively working with the Wyoming team, Huron will also conduct informal knowledge transfer and ensure that Wyoming team members understand the strategic sourcing principles and basic methodology

WYOMING STRATEGIC SOURCING INITIATIVE

HURON STRATEGIC SOURCING METHODOLOGY

Huron followed our proven six step strategic sourcing methodology with heavy emphasis on data analysis and benchmarking to drive initiative success and obtain best savings and value for the University of Wyoming.



Key Activities					
Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
<ul style="list-style-type: none"> Internal Data <ul style="list-style-type: none"> – Spend data – Contracts – Invoices – Reporting Market data Stakeholder discussions 	<ul style="list-style-type: none"> Spend analysis Contract analysis Determine key cost drivers Intellectual property Cost modeling Command of the facts 	<ul style="list-style-type: none"> Set targets Present compelling supportive facts Estimate opportunity Demand management 	<ul style="list-style-type: none"> Determine best strategy and approach Ensure team collaboration Solicit stakeholder input 	<ul style="list-style-type: none"> Determine desired outcome Fact-based negotiations Persistent approach 	<ul style="list-style-type: none"> Implement final agreement and processes Develop audit plan & monitoring process Ensure performance is compliant End user education and knowledge transfer

WYOMING STRATEGIC SOURCING INITIATIVE

PRELIMINARY PROJECT TIMELINE

Huron projected that the scope of the strategic sourcing project for the three categories would take ~ 25 to 27 weeks and through end of May 2017; contracts finalization through general council might take additional time.

Key Activities / Week	Preliminary Timeline in Weeks																									
	Dec.				Jan.				Feb.				Mar.				Apr.				May					
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26
Sourcing Engagement Kick-Off	█																									
Sourcing Data and Information Gathering		█	█	█	█																					
Schedule Functional Area Interviews		█	█																							
Stakeholder Interviews					█	█	█																			
eProcurement High Level Assessment						█	█	█																		
Supplier Data Review and Analysis						█	█	█	█																	
Savings Quantification and Business Cases Development								█	█	█	█															
Present Cases to Wyoming Team									█	█	█															
Discuss and Finalize Sourcing Strategy										█	█	█	█													
Sourcing Execution Process for All Three Areas										█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█
MOT Finalization and Area Wrap-Up																						█	█	█	█	█
Overall Engagement Wrap-Up																										█

WYOMING STRATEGIC SOURCING INITIATIVE

HURON ENGAGEMENT APPROACH

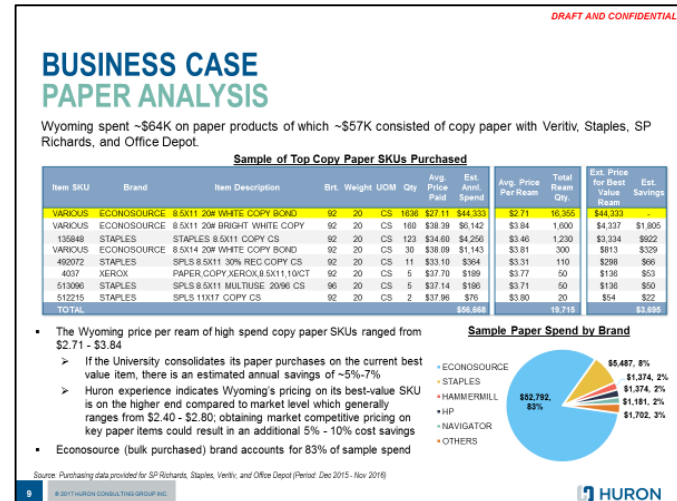
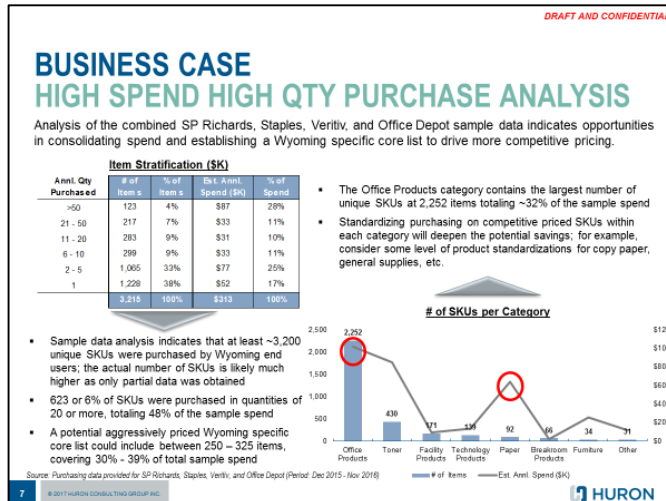
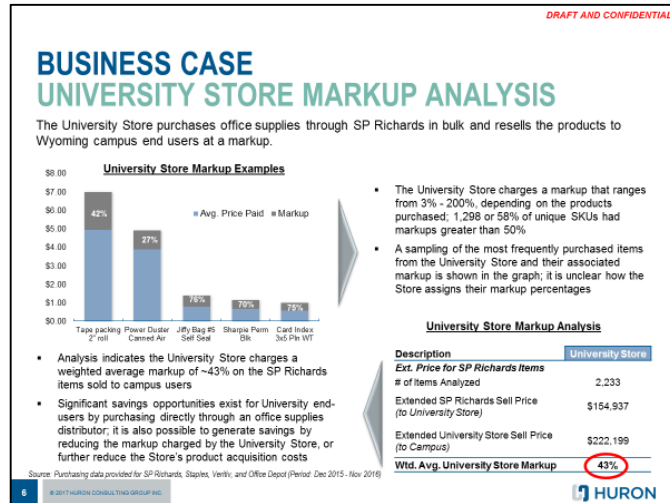
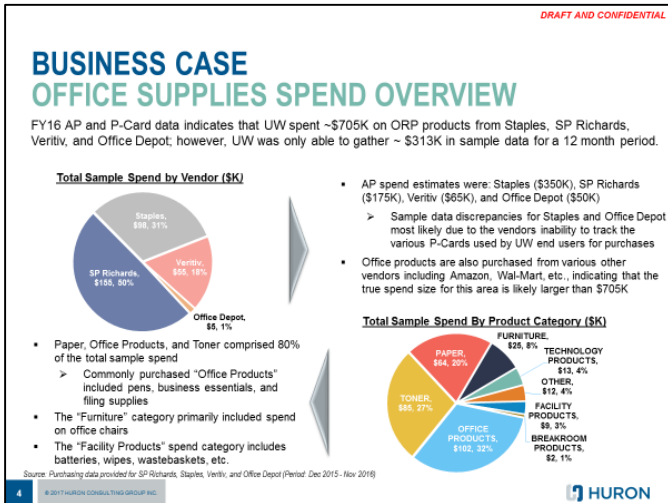
Huron collaboratively worked with the Wyoming Procurement team and area key stakeholders throughout the sourcing initiative from data gathering, interviews, the RFP process, to business terms finalization.

- Gathered supplier detailed transactional usage data from the following key vendors:
 - **Scientific Supplies:** Fisher (\$2.1M), VWR (\$800K)
 - **Office Supplies:** Staples (\$350K), SP Richards (\$175K), Quill (\$65K), Office Depot (\$50K)
 - **Desktops/Laptops:** Dell (\$2M), Apple (\$1.7M), HP (\$260K)
- Conducted 20+ interviews and town hall sessions with 40+ UW stakeholders regarding input and concerns on all three target sourcing categories
- Analyzed supplier data and benchmarked pricing/discounts against Huron's previous experiences to identify savings and developed the business case for sourcing execution
- Huron business case estimated first year savings opportunities are as follows:
 - **Scientific Supplies:** \$215K - \$355K
 - **Office Supplies:** \$120K - \$195K
 - **Desktops/Laptops:** \$80K - \$175K
- Huron then facilitated and supported the sourcing execution process including RFP development, proposal response analysis and comparison, negotiation support, strategy guidance, memorandum of terms development, as well as pricing, discounts, and business terms finalization

WYOMING STRATEGIC SOURCING INITIATIVE

EXAMPLE BUSINESS CASE ANALYSIS (1 OF 3)

Sample data analysis and business case findings slides for the University of Wyoming's office related products category are included below:



WYOMING STRATEGIC SOURCING INITIATIVE

EXAMPLE BUSINESS CASE ANALYSIS (2 OF 3)

Sample data analysis and business case findings slides for the University of Wyoming's computer desktops and laptops category are included below:

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PERSPECTIVES INDUSTRY AND WYOMING

The personal computer market is a highly competitive landscape. Spend within higher education is typically concentrated among a few vendors.

Industry Overview

- The PC market has consolidated by way of mergers and acquisitions
 - Dell, HP, and Lenovo are the major manufacturers in the market
 - Vendors place high value on long-term preferred / primary status contract relationships
 - Desktops and laptops can also be purchased through IT distributors such as CDW-G and GovConnection
 - Typical PC lifecycles span 3 to 5 years
- Pricing for computer products is driven by several key factors
 - Standardization: standard configurations can provide deep discounts to universities
 - Product configuration and customization: premium pricing for component upgrades
 - Volume: buying in bulk provides leverage in pricing negotiations
- Apple, a higher cost option compared to PCs, has seen an increase in end user preference on college campuses, especially for their iPad line of products.

Wyoming Perspective

- Dell has been the University of Wyoming's unofficial preferred desktops, laptops, and peripherals vendor for many years now
- UW IT has established a current list of Dell computer standards for desktops and laptops that is available via the UW Dell Premier page
 - Utilization of standard desktop and laptop models is encouraged; however, it is not mandated; Standards: 3 desktops and 3 laptops
- End users are also able to purchase non-Dell machines such as Apple, HP, Lenovo, etc.; the majority of end users purchase Dell and Apple computers
 - Apple computers are available to campus through the University Store
- Dell currently provides UW IT with a 3.5% rebate. The rebate is currently used to partially fund 2 UW FTEs in the IT support shop
- Most end-users rely on UW IT to help identify the appropriate computer to purchase based on their needs / requirements
- Refresh cycles are usually determined by IT and individual departments, but typically have around a 3-4 year refresh cycle before a machine is replaced

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BUSINESS CASE SPEND OVERVIEW

FY16 AP and P-Card data indicates that UW spent ~\$3.9M on Computer products from Apple, Dell, HP, and Lenovo; UW was able to gather ~\$2.1M in sample data for a 12 month period from these vendors.

Total Sample Spend by Vendor (\$K)

- AP spend estimates were: Dell (\$2M), Apple (\$1.7M total spend - University only spend was unclear), HP (\$259K), and Lenovo (\$20K)
- Dell and HP combined consist of 80% of the sample spend indicating high preference for PC based products
- The \$407K of Apple spend in the pie chart represents University purchases only and does not include student spend through the University Store

Total Sample Spend By Product Category (\$K)

- Desktops, Laptops, and Enterprise Systems were the largest product categories, comprising 73% of the total sample spend
 - "Enterprise Systems" spend category includes servers and networking management devices
- The "Peripherals" category primarily included spend on monitors, headphones, adapters, etc.
- All tablets were purchased from Apple with a total spend of ~\$62K

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BUSINESS CASE MONITOR ANALYSIS

Spend on monitors accounted for 40% of total IT peripheral sample spend, with the majority of purchases comprising of Dell 23" and 24" displays.

Monitors - Qty Purchased by Base Model

Monitor Est. Annl. Spend = \$121K

Model	Qty Purchased	Est. Annl. Spend
Dell 23 Monitor - P2317H	126	\$189
Dell 23 Monitor - P2314H	80	\$116
Dell 23 Monitor - E2316H	20	\$133
Dell 23 Touch Monitor - P2314T	13	\$322
HP EliteDisplay - S2307M	42	\$295
Dell 24 Monitor - P2417H	83	\$116
Dell 24 Monitor - P2414H	80	\$116
Dell UltraSharp - U2417H	10	\$116
Dell 27 Monitor - P27164	8	\$116
Others (19)	54	\$116

- A total of 516 monitors were purchased from Dell, Apple, and HP; Dell comprised of 416 or 90% of the volume purchased and \$101K or 84% of the monitor sample spend
- Other common sources for monitors are IT peripherals distributors such as CDW-G and GovConnection
- The top 5 most popular models accounted for 73% of the total monitor sample spend
- End users bought 28 unique monitor SKUs during the one year sample period
- UW standard models purchased: P2317H (126), P2417H (83), U2417H (10), and P2017H (0); Combined, the standards totaled ~\$46K or 38% of the sample monitor spend and 219 or 42% of the total volume purchased

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BUSINESS CASE PRICING COMPETITIVENESS

While UW's Dell pricing is generally competitive for non-standard purchases, the University can further realize savings by negotiating deeper discounts on standardized desktop and laptop bundles.

Dell Desktop Wtd. Avg. Discount (\$K)

Dell Laptop Wtd. Avg. Disc. - Est. Annl. Spend > \$10K (\$K)

- The UW OptiPlex weighted average discount received ranged between 32% - 54%
- OptiPlex 7440 AIO and 3040 each had an annual spend of less than \$15K
- The incremental pricing opportunity for Dell desktops ranges between 4% - 9%
- The Latitude weighted average discount received ranged between 30% - 43%
- The incremental pricing opportunity for Dell laptops ranges between 5% - 10%

HURON

WYOMING STRATEGIC SOURCING INITIATIVE

EXAMPLE BUSINESS CASE ANALYSIS (3 OF 3)

Sample data analysis and business case findings slides for the University of Wyoming's scientific supplies and stockroom operations category are included below:

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SCIENTIFIC SUPPLIES PURCHASE ANALYSIS

AREA SPEND OVERVIEW

FY16 AP and P-Card data indicates that UW spent ~\$3.2M on scientific supplies through Fisher, Sigma-Aldrich, and VWR; UW was able to gather ~\$1.6M in sample transactional data from these vendors for a more recent 12-mos. period.

Supplier	P-Card Spend	Voucher Spend	Total FY16 Spend
Fisher	\$435	\$1,714	\$2,149
VWR	\$310	\$488	\$797
SigmaAldrich	\$227		\$227
Total	\$971	\$2,202	\$3,173

Supplier	Est. Spend	% of Spend
Fisher	\$843	52%
VWR	\$578	39%
SigmaAldrich	\$194	12%
Total	\$1,615	100%

- Individual purchases on P-Cards are likely not all included in the sample data due to potential data tracking lost

Sample Supplier Transactional Data - Category Spend

- Thermo Fisher Scientific is the highest spend general scientific supplies and equipment vendor for the University of Wyoming at ~\$2.1M annually - this spend number does include spend on Thermo Scientific product divisions in addition to Fisher Scientific
- Analysis indicates that while most general supplies are purchased through Fisher and VWR, a large portion of chemicals are purchased through Sigma-Aldrich which offers higher purity and custom blend products

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Sigma sample data FY 2016
VWR sample data FY 2016

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SCIENTIFIC SUPPLIES PURCHASE ANALYSIS

FISHER: BENCHMARKING ANALYSIS

Benchmarking analysis against Huron's Higher Ed experiences indicates that opportunities exist for Wyoming to achieve cost savings through pricing and discount improvements.

Benchmarking indicates that Wyoming's current pricing are anywhere between 5% to 50%+ higher than Huron experiences at other universities and colleges

These findings are not surprising as there is no current university-wide contracts in place with Fisher and end users frequently paid non-discounted list prices

Manufacturer / Item #	Item Description	UOM	Qty	Wyo. Avg. Unit Price	Huron Experience
DFH234	HEXANES ACS 4L	CS	2	\$241.63	\$20 - \$53
63815478-40	RIFET DROPS 50/250PK	CS	5	\$80.00	\$20 - \$25
61-257-40	WATER COLLIP. PMP-FC 1 GALLON	GA	4	\$22.00	\$0 - \$54
V64	WATER LOGS OPTIM-4L	CS	1	\$311.65	\$102 - \$130
TF112-1000-FS	1000LL FLTR TP-STR 960PK	PK	3	\$99.52	\$45 - \$60
FA184-10-FS	1000LL FLTR TP-STR 960PK	CS	1	\$144.36	\$60 - \$83
PH10	GLY METR DMF/FCBZ M100PK	CS	2	\$82.04	\$60 - \$70
609-025-FS	MDT H63 TSM NAT 500MMCT	PK	5	\$32.76	\$7 - \$10
63014-678-60	RIFET DROPS 50/250PK	CS	2	\$69.00	\$20 - \$25
L-912	GLY DMF/M63 NTRL PFLG 100PK	CS	2	\$143.28	\$65 - \$70
TF112-1000-FS	1000LL FLTR TP-STR 960PK	PK	1	\$22.75	\$45 - \$60
FA184-10-FS	1000LL FLTR TP-STR 960PK	PK	1	\$141.45	\$47 - \$53

CDC #	Category Description	UW Total	Wyo. Avg. Discount	Huron Experience
16	Apparatus & Supplies	\$24,495	54%	62% - 65%
14	Apparatus & Supplies	\$17,480	25%	30% - 30%
18	Apparatus & Supplies	\$15,702	32%	34% - 50%
21	Apparatus & Supplies	\$14,960	41%	26% - 70%
30	Fisherbrand Hi Vol Consumables - 1	\$13,563	42%	50% - 70%
32	Coming Sld. & AA Lint	\$8,170	30%	30% - 50%
31	Fisherbrand Hi Vol Consumables - 2	\$6,705	44%	41% - 70%
20	Apparatus & Supplies	\$6,210	39%	32% - 61%
104	Solvents HPLC (purity)	\$5,550	76%	63% - 85%
101	Solvents ACS	\$5,402	84%	50% - 85%
177	Safety, Safety Cont Products	\$4,997	39%	33% - 55%
5	Fisher Apparatus & Supplies	\$4,586	36%	30% - 43%

Fisher contract category benchmarking indicates opportunities to obtain more competitive general discounts and savings, especially for Wyoming's high spend categories

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SCIENTIFIC SUPPLIES PURCHASE PROCESS

SUGGESTED FUTURE PURCHASING PROCESS

Leveraging the Oracle Procurement Cloud eProcurement system, targeted to go live on July 1, 2017, and select Stockroom and RMMC services realignment would streamline and automate some processes for better compliance.

Dept. Customers

- Order through Procurement Cloud from various vendors (contracted)
- Order through Chem Stockroom
- Reduce vendor direct P-Card usage

Chem Stockroom

- Inventories ordered through Procurement Cloud (if applicable)
- Stop accepting P-Card from departments as form of payment
- Reduce stock of sensitive chemicals

RMMC

- Order chemicals for departments
- Pickup chemicals from receiving
- Central receiving point for chemicals / substances that need to be tracked
- Process barcode, enter into EH&S / Chemical Inventory System
- Safely deliver sensitive chemical products to departments / stockroom
- Deliver from stockroom to departments as applicable
- Handle hazardous waste disposal

Future Procurement Cloud Ordering Process Workflow

Name or Keyword	CAS	Approve	Notify	Note
Explosive	x	Keyword		
Radioactive	x	Keyword		
Radioactive	x	Keyword		
Hexachlorocyclopentadiene	108-02-6	x	Hexachloro Chemical	
Hexachlorocyclopentadiene	108-02-6	x	Hexachloro Chemical	
Hexachlorocyclopentadiene	108-02-6	x	Hexachloro Chemical	
Hexachlorocyclopentadiene	108-02-6	x	Hexachloro Chemical	
Hexachlorocyclopentadiene	108-02-6	x	Hexachloro Chemical	

RMMC should discontinue ordering chemicals for end users and instead refocus services on receiving, processing, inventorying, and safely delivering hazardous chemicals to end users compliantly; RMMC staffing level and mix will need to be reviewed / augmented to succeed in this new model

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SCIENTIFIC SUPPLIES PURCHASE PROCESS

PURCHASE / DELIVERY PROCESS - TARGET

With the implementation of appropriate systems, streamlined processes, and clear designation of roles and responsibilities, Wyoming will be able to reduce risk, become compliant, and increase customer service satisfaction.

Target Future State Scientific Supplies / Chemicals Purchasing and Delivery Process

- Consistent, competitive and contract compliant pricing from contract vendors ordered through Procurement Cloud
- EH&S will be notified of / approved the flagged haz mat products during the ordering process; these will then be shipped directly to RMMC, bypassing Central Receiving
- All haz mat products will be centrally received in RMMC for process, entry into Chem. Inventory Mgmt. System, barcode, before delivery to end users / Chem Stockroom
- Chem Stockroom should limit quantity of haz mat stocked; RMMC can then deliver haz mat chemicals once per day and only to necessary buildings on campus
- UW will need to invest in a Chemical Inventory Mgmt. System for cradle-to-grave haz mat tracking whether homegrown or purchased

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WYOMING STRATEGIC SOURCING INITIATIVE

SUMMARY OF SAVINGS ACHIEVED

The sourcing execution for the 3 focus areas has achieved an estimated total first year savings of ~\$1,084K and three-year savings of ~\$2,702K, exceeding the original business case savings estimation.

Category	Office Supplies	Laptop/Desktops	Scientific Supplies	Total 3 Areas Sourcing Savings Achieved
Est. Annual Spend	\$705K+	\$965K+	\$3,175K+	\$4,845K+
Est. Annl. Recurring Savings	\$161,700	\$108,600	\$538,770	\$809,070
Annl. Recurring Savings %	~ 23%	~11% savings at 55% standard models adoption	~ 16%	~ 15%
Signing Incentive	\$200,000	NA	\$75,000	\$275,000
Est. Total Year 1 Savings + Signing Bonus	\$361,700	\$108,600	\$613,770	\$1,084,070
Est. Total 3-Year Contract Savings	\$685,100	\$325,800	\$1,691,310	\$2,702,210

- Based on the success of these sourcing initiatives, the University of Wyoming has further engaged Huron for another strategic sourcing initiative for the maintenance, repair, and operations (MRO) supplies area

UW Academic Affairs

Efficiencies
June 28, 2017



UNIVERSITY OF WYOMING

UW Efforts Towards Increasing Efficiency

- Changes in Teaching Load Expectations
- Academic Program Review
- Reorganization and Duplication of Effort
- Educational Efficiencies through Community College Transfers



UNIVERSITY OF WYOMING

Teaching Workload Expectations

Time and Effort:

Instruction – Organized Classes

3 + 2 Load (62.5% of Overall Workload)

- 2 semesters x 40 hrs/week = 80 hrs
- 5 x 3 hrs/course = 15 hrs
- 5 x 3 x 2-3 hrs = 25 - 45 hrs
- 3 x 5 = 15 hrs
- 55 – 75 hrs
- **27 – 37 hrs/week***
- **ca. < 70% to > 90% of a 40 hour week***
- 9 month academic year
- Time in class
- Preparation and Grading*
- Office hours
- Total
- Hours/week
- New workload assumes 62.5%

These are minimums. New courses, new pedagogical approaches, field and lab courses – add many extra hours



UNIVERSITY OF WYOMING

Academic Program Review

- 56 programs with low enrollment underwent Program Review in Academic Year 2016-17, with low enrollment defined as:
 - Undergraduate programs with less than 50 graduates total from 2010-2015;
 - Masters programs with less than 25 total graduates from 2010-15;
 - Dean's request



UNIVERSITY OF WYOMING

Academic Program Review: Results

- In the Spring, 12 of the 56 programs were evaluated for possible elimination. Results were:
 - Elimination of 5 of the 12 programs under review, impacting 17 current students
 - Restructuring of one administrative unit, the Science and Mathematics Teaching Center
 - One-year abeyance for 2 programs
 - Major modification / improvement recommendations with a 3-year time horizon for 4 programs
- In addition, as a result of reviews, the Colleges of Arts and Sciences and Education underwent major restructuring to consolidate departments to reduce administrative costs.



UNIVERSITY OF WYOMING

Reorganization of Academic Affairs

- Reduced \$500K
- Combined effort for enrollment services
- Combined effort for IT/Video Conference services to IT
- Combined effort of Marketing/Communications
- Reduction in personnel (n=13 FTE)
- Streamlined administrative functions for:
 - Enrollment Management
 - International Programs
 - Graduate Education



UNIVERSITY OF WYOMING

Effects of AA reorganization

Reducing Inefficiencies by Creating Synergies

Enrollment Management

+2 FTE Outreach Registration & Summer School ; +1 Degree Analyst

Institutional Marketing

+ 2 FTE Student Resources & Digital Marketing; + 2 UW TV

Institute for Innovation in Instruction & Assessment

Establish institute to transform educational experiences for ALL students through faculty innovation centers
7 FTE from OCP + 1 FTE Assessment + ECTL

Outreach School

Information Technology

+ 5 FTE from Outreach Technology Services

Office of Global Engagement

Establish autonomous unit to include functions of IPO, ISS, ELC, plus
+ 1FTE Ambassador & Events Coordination

Office of the Provost Business Office

+ 2 FTE for centralized accounting & budgets
+ 1 FTE for compliance & accreditation

UW-Casper & Regional Centers

Streamline & Restructure



UNIVERSITY OF WYOMING

Reorganization - Bottom Line

- No net increase in administrative titles
- No net budget increase
- Recruitment of students strengthened:
 - Largest freshman class ever for fall 2017 at +13% with 1,730-1,750 expected students
 - Large transfer class for fall 2017 at +10% with 1,050 expected transfer students, both Laramie campus and distance education



UNIVERSITY OF WYOMING

Educational Efficiencies through Community College Transfers to UW

- Result of 3 years of statewide UW-Wyoming Community College program articulation efforts:
 - 50 degrees/majors have undergone articulation with community colleges, covering more than 80% of all incoming students from Wyoming colleges.
 - In addition, UW has developed 4-year plans for all degrees/majors so that students who transfer from out of state or into a program without a formal articulation agreement will find credit transfer and course selection easier.
 - These initiatives have resulted in streamlining curriculum across the state and has reduced curriculum bloat.



UNIVERSITY OF WYOMING

APPENDIX B



ALVAREZ & MARSAL

WYOMING GOVERNMENTAL SPENDING AND EFFICIENCY COMMISSION

FINAL REPORT

November 6, 2017





OUTLINE

- I. Executive Summary
- II. Background and Purpose
- III. Cross Agency Benchmarking and Analysis
- IV. Department of Administration & Information
- V. Department of Education
- VI. Department of Health
- VII. Department of Revenue/Department of Audit
- VIII. Other \$20M Agency SAGE Reports

PROJECT OVERVIEW

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 & 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 a 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 identify 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: Wyoming Department of Health Director’s Unit for Policy, Research and Evaluation (DUPRE) developed best in class analytic and dashboarding capabilities that could provide lessons learned for other departments as well as 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 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 without site visits. The automated identification is estimated to help identify new properties in unincorporated areas up to two 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. This causes 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

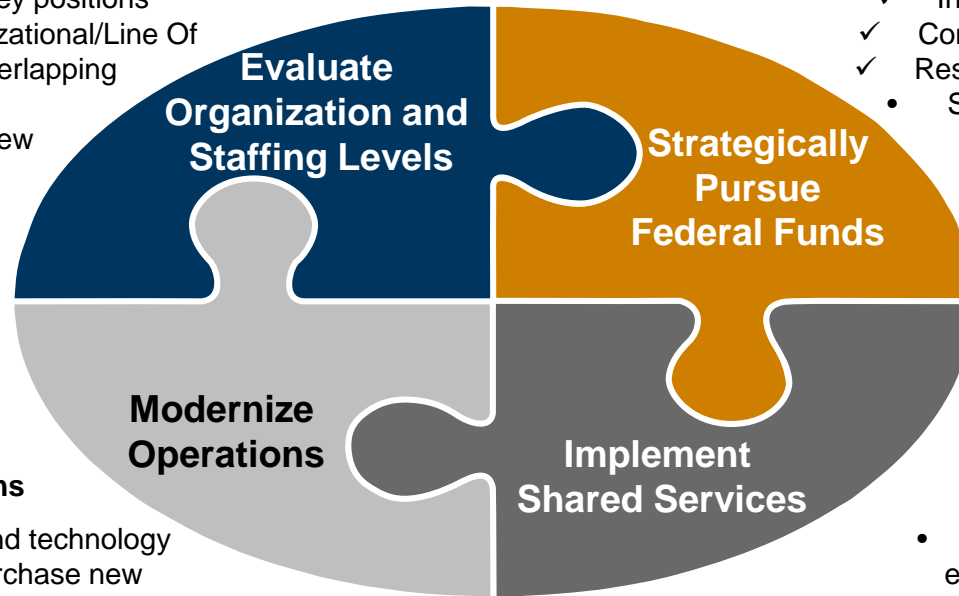
State of Wyoming Efficiency Study Recommendations

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

ORGANIZATIONAL REVIEW

ORGANIZATION AND STAFFING

The State should engage in 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.

SHARED SERVICES REVIEW

IMPLEMENT SHARED SERVICES

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

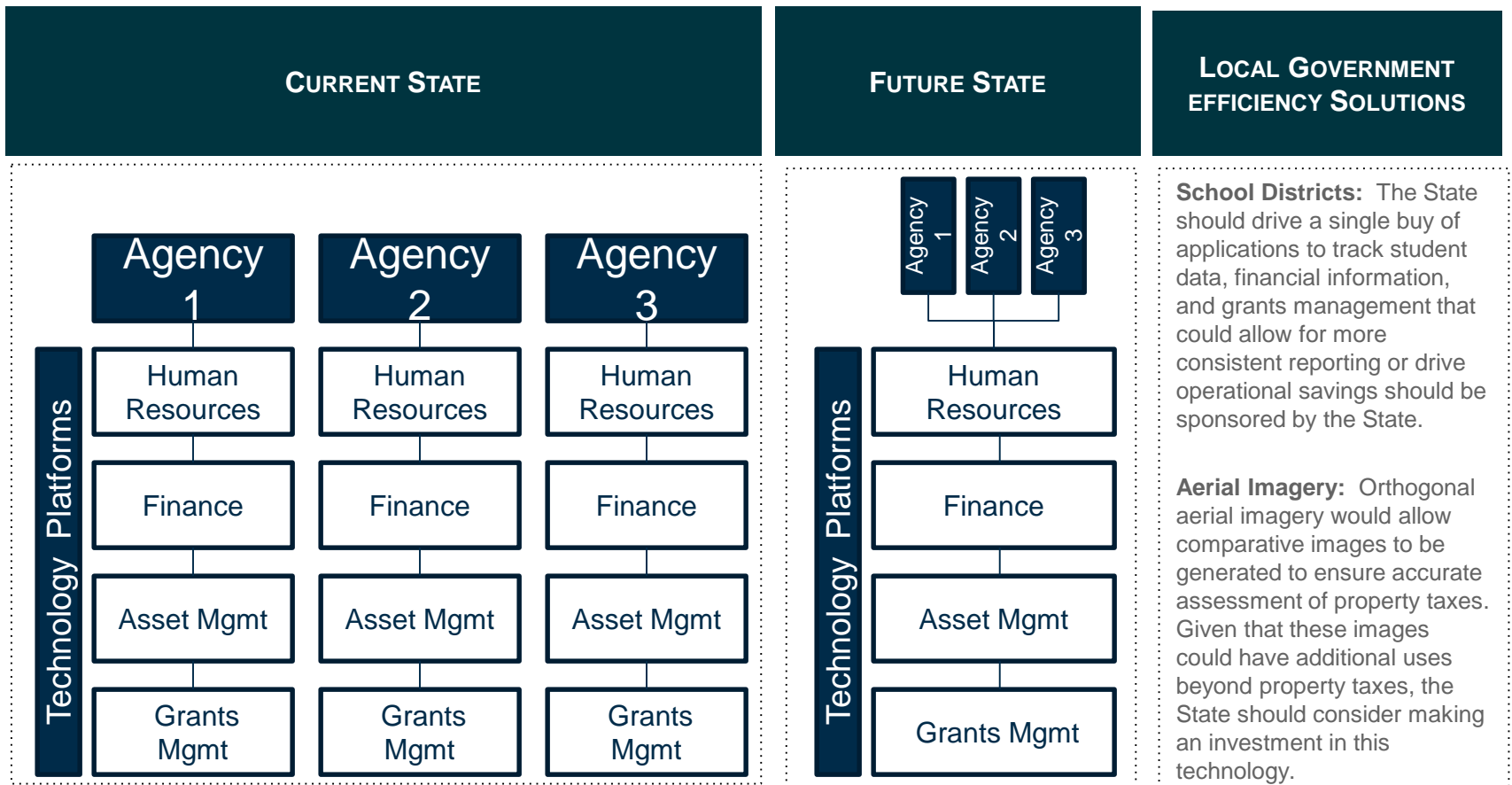
SHARED SERVICES OPPORTUNITIES			COLLABORATION
FINANCE	HUMAN RESOURCES	INFORMATION TECHNOLOGY	PROCUREMENT
<p>Accounts Payable and Payroll: Shared Processing; Standardized and automated workflow on approvals.</p> <p>Potential to add in:</p> <ul style="list-style-type: none"> • Accounting Entries • Financial 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



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.

EXECUTIVE SUMMARY

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		[Gantt bar from Dec 2017 to Dec 2018]																		
2. Organizational Study		[Gantt bar from Dec 2017 to Dec 2018]																		
3. Strategic Sourcing Review		[Gantt bar from Dec 2017 to Dec 2018]																		
4. Technology Integration Study		[Gantt bar from Dec 2017 to Dec 2018]																		
5. Employee Benefits / K-12 Benefits Study		[Gantt bar from Dec 2017 to Dec 2018]																		
6. Statewide Real Estate Study		[Gantt bar from Dec 2017 to Dec 2018]																		
7. Governor's Grants Office		[Gantt bar from Dec 2017 to Dec 2018]																		
8. WDR/Audit Discovery Unit		[Gantt bar from Dec 2017 to Dec 2018]																		
9. Indian Health Services		[Gantt bar from Dec 2017 to Dec 2018]																		
10. Electronic Visit Verification		[Gantt bar from Dec 2017 to Dec 2018]																		
11. Home and Community Based Services		[Gantt bar from Dec 2017 to Dec 2018]																		
12. BOCES for Shared Services and Procurement		[Gantt bar from Dec 2017 to Dec 2018]																		
13. Other Agency Reviews		[Gantt bar from Dec 2017 to Dec 2018]																		

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



OUTLINE

- I. Executive Summary
- II. Background and Purpose
- III. Cross Agency Benchmarking and Analysis
- IV. Department of Administration & Information
- V. Department of Education
- VI. Department of Health
- VII. Department of Revenue/Department of Audit
- VIII. Other \$20M Agency SAGE Reports

PROJECT OVERVIEW

This report contains observations and recommendations completed for the Wyoming Governmental Spending and Efficiency Commission (“the Commission”) to review the efficiency of State government per Senate File 156, 2017 Session Laws Ch. 183, including:

- i. A review of the current configuration of the Wyoming State (“the State”) government and the duties and responsibilities of state agencies including identifying any potential areas of overlap and any programs that have accomplished their original objective or have otherwise become obsolete.
 - The objective of the task was to help reduce the budget deficit, the State requested a rapid assessment to identify, quantify, and prioritize new approaches for the Commission that would pinpoint opportunities to reduce costs and operate more efficiently or to reduce overlapping or obsolete programs. The scope of the Statewide Efficiency Review is focused on the following key agencies:
 - **Department of Administration & Information**
 - **Department of Education**
 - **Department of Health**
 - **Department of Revenue**

- ii. Identification of opportunities for increasing efficiency and reducing costs through executive action or legislation.
 - A&M’s review focused on identifying opportunities across the operational areas noted above that would yield:
 - 1. Increases in Sources of Revenue Across All Levels of Government (Federal, State, and Local)**
 - Improved strategy and execution would enable increased levels of funding from federal sources, would improve collection of State funds, and would improve compliance reviews at the local level.
 - 2. Improvements to the Increased Effectiveness and Efficiency**
 - Improved processes that would enable increased levels of service to the citizens and enhance financial controls and financial stewardship of the state’s funds and assets.
 - 3. Cost Avoidance and/or Cost Savings**
 - Enhanced processes and structures that would enable the state to realize savings and/or avoid potential costs in the future, including consideration of potential investments required to mitigate ongoing cost exposure.

PROJECT OVERVIEW

This report contains observations and recommendations completed in for the Wyoming Governmental Spending and Efficiency Commission (“the Commission”) to review the efficiency of State government per Senate File 156, 2017 Session Laws Ch. 183, including:

- iii. Identification areas for further study, including a recommendation of specific areas with a high likelihood for potential savings.
 - Through the course of this study, observations and recommendations were made that will require further areas of study both through new executive branch agency reviews (such as the Department of Corrections or the Department of Transportation) and through areas within the existing agencies that will require further study to identify and quantify efficiency opportunities (such as a more detailed review of Behavioral Health, an analysis of the statewide span of control, or a review of the school district cooperative purchasing program).

- iv. Consideration for the development and implementation of a program to incentivize the identification of potential efficiencies by state employees.
 - Recommendations were made for the establishment of an Annual Governor’s Ideas Festival program to provide an incentive based program for state employees to identify and help realize potential efficiency savings.

PROJECT OVERVIEW

This report contains observations and recommendations completed in for the Wyoming Governmental Spending and Efficiency Commission (“the Commission”) to review the efficiency of State government per Senate File 156, 2017 Session Laws Ch. 183, including:

- v. A review of the plans provided under W.S. 28-1-115(a)(ii) for any state agency expending more than twenty million dollars (\$20,000,000.00) in a biennium.
 - A cross agency benchmark analysis was conducted to help identify potential savings from the agencies with more than \$20 million in budget to include a review of cross agency procurement opportunities and human capital opportunities.
 - Detailed agency reviews for the agencies with greater than \$20 million in biennia funding were outside the scope of this efficiency review. However, in addition to the more detailed analysis of the key agencies, A&M assessed the plans submitted by each of the following agencies to the Spending And Government Efficiency (SAGE) Commission for potential efficiency recommendations.
 - ✓ Attorney General’s Office
 - ✓ Department of Agriculture
 - ✓ Department of Corrections
 - ✓ Department of Enterprise Services
 - ✓ Department of Environmental Quality (DEQ)
 - ✓ Department of Transportation
 - ✓ Office of State Lands and Investments
 - ✓ State Engineers Office
 - ✓ State Parks and Cultural Resources
 - ✓ University of Wyoming
 - ✓ Wyoming Community College Commission



OUTLINE

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- VIII. Other \$20M Agency SAGE Reports

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.

AVAILABLE FUNDING FOR THE 2017-2018 BIENNIUM

Based on the January 2017 CREG revenue forecasts and projected expenditures, \$204.5 million in one-time funding was used to balance the FY2017-2018 General Fund budget. After statutory funding of the Reserve Account, there is still a \$25 million deficit.^{[1],[2]}

FY2017-18 Projected Revenues

<u>Source</u>	<u>General Fund</u>
Budget Reserve Account Carryover	(\$2,410,231)
Increase in GF Reversions transferred to BRA	40,914,675
General Fund Revenues	2,041,529,426
Budget Reserve Account Revenue	628,600,000
Total Traditional Funds Available	\$2,708,633,870

FY2017-18 Projected Expenditures

<u>Source</u>	<u>General Fund</u>
2016 Budget Bill GF Appropriations	(\$2,981,180,894)
2017 Budget Bill GF Appropriations	279,433,294
2017 Budget Bill GF Appropriations - Governor's vetoes	(3,222,038)
Other 2016 Bills with GF Appropriations - Budget Session	(187,071,613)
Other 2017 Bills with GF Appropriations - General Session	1,904,609
ONE TIME 2016 Budget Bill - Interfund Loan from 1% severance tax	168,500,000
ONE TIME 2016 Budget Bill - BRA Transfers from LSRA	36,000,000
2017 Budget Bill - Net Statutory Reserve Transfer from LSRA	56,552,772
Total Funds Appropriated / Tranferred	(\$2,629,083,870)
General Fund / BRA Balance	\$79,550,000
Less: Statutory Reserve (5% of GF revenues)	(104,550,000)
Total Traditional Funds Available for Appropriation	(\$25,000,000)

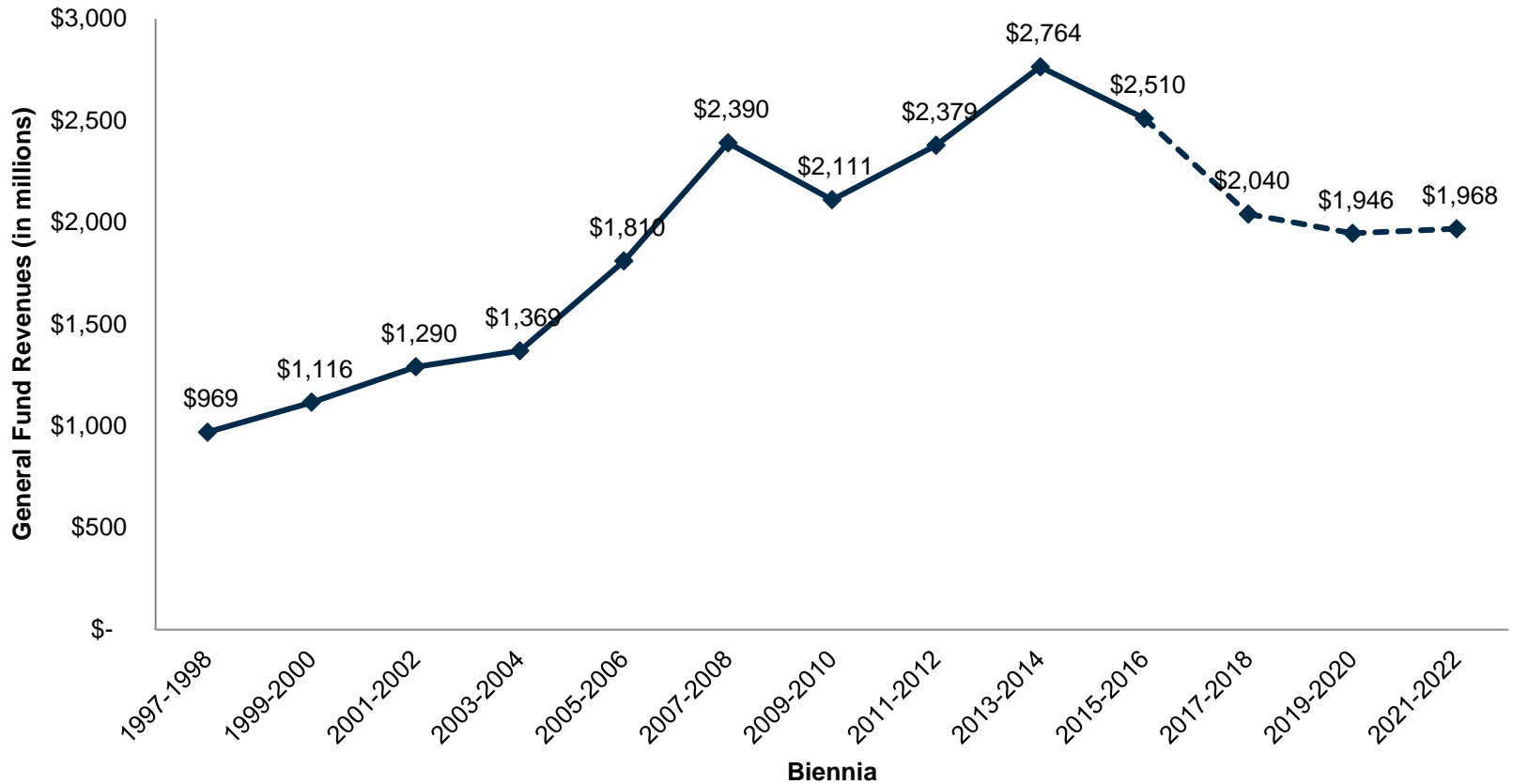
\$204.5 million in one-time funding was used to supplement the FY2017-2018 General Fund budget.

After statutory funding of the Reserve Account of \$104.6 million, there is still a \$25 million deficit

REVENUE FORECAST

CREG projections for General Fund revenues for FY2017-2018 are \$723 million below the peak of \$2.76 billion in FY2013-2014. Declines in General Fund revenues are expected to persist through FY2019-2020, continuing to stress the State's ongoing financial health^[3].

Trends in General Fund Revenues



PERSONNEL OVERVIEW

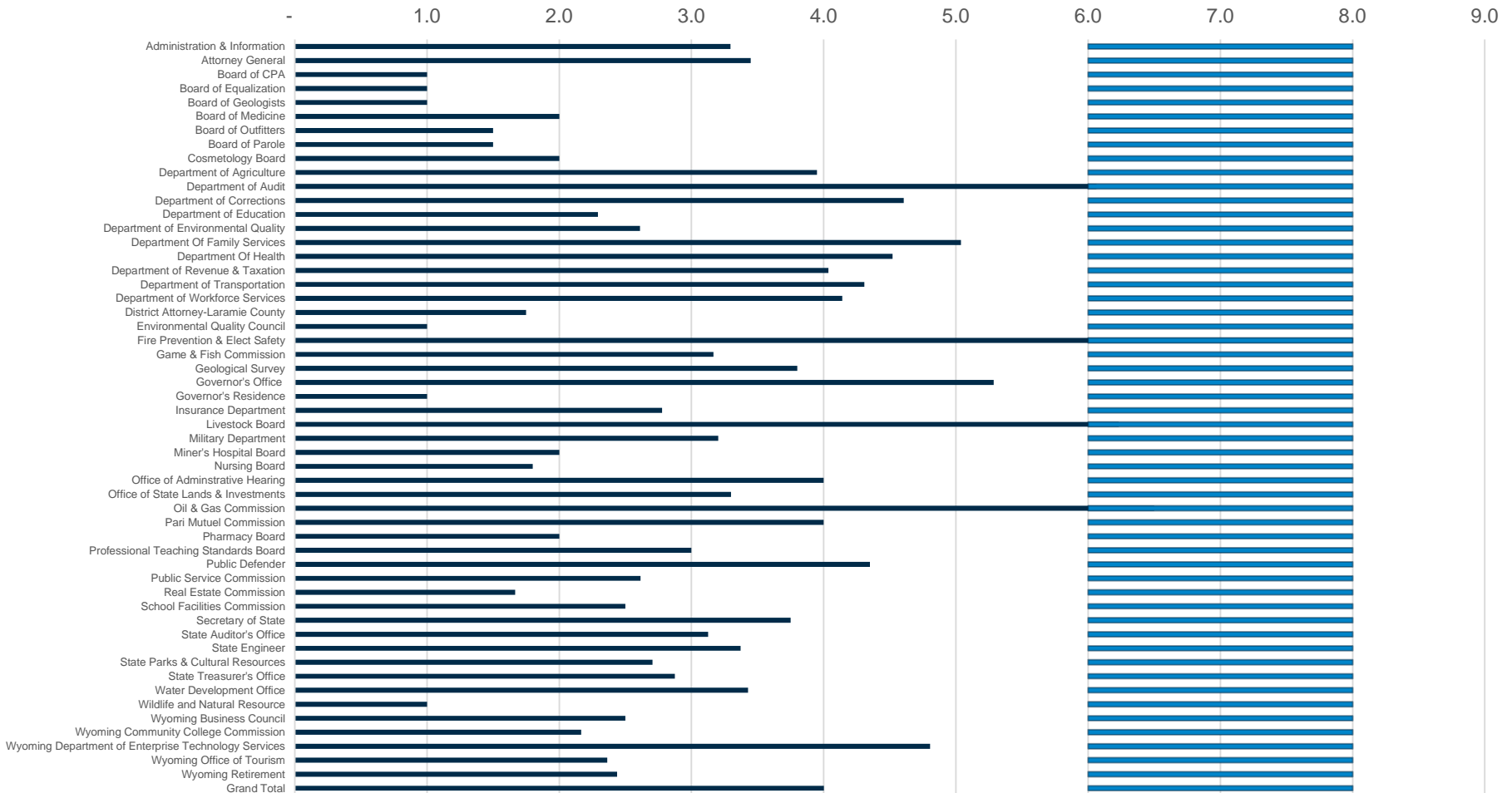
Wyoming State Budget With Key Assessment Areas^[4]

Agency Group	Home Department Name	Sum of Authorized FTE	Sum of Filled FTE
Key Assessment Areas	Administration & Information	216	201
	Department of Audit	103	98
	Department of Education	113	108
	Department Of Health	1,385	1,221
	Department of Revenue & Taxation	114	113
Key Assessment Areas Total		1,931	1,741
Agencies with over \$20MM	Attorney General	243	232
	Department of Agriculture	81	76
	Department of Corrections	1,230	1,031
	Department of Environmental Quality	263	246
	Department Of Family Services	709	680
	Department of Transportation	2,056	1,873
	Department of Workforce Services	580	532
	Governor's Office	39	37
	Insurance Department	26	25
	Military Department	256	238
	Office of State Lands & Investments	95	94
	Public Defender	92	88
	School Facilities Commission	28	25
	State Engineer	124	119
	State Parks & Cultural Resources	176	162
	State Treasurer's Office	34	22
	Wyoming Business Council	48	43
	Wyoming Community College Commission	14	13
	Wyoming Department of Enterprise Technology Services	241	221
	Wyoming Office of Tourism	36	34
Agencies with over \$20MM Total		6,371	5,791
Remaining Agencies		1,135	1,020
Grand Total		9,437	8,552

AVERAGE AGENCY SPAN OF CONTROL

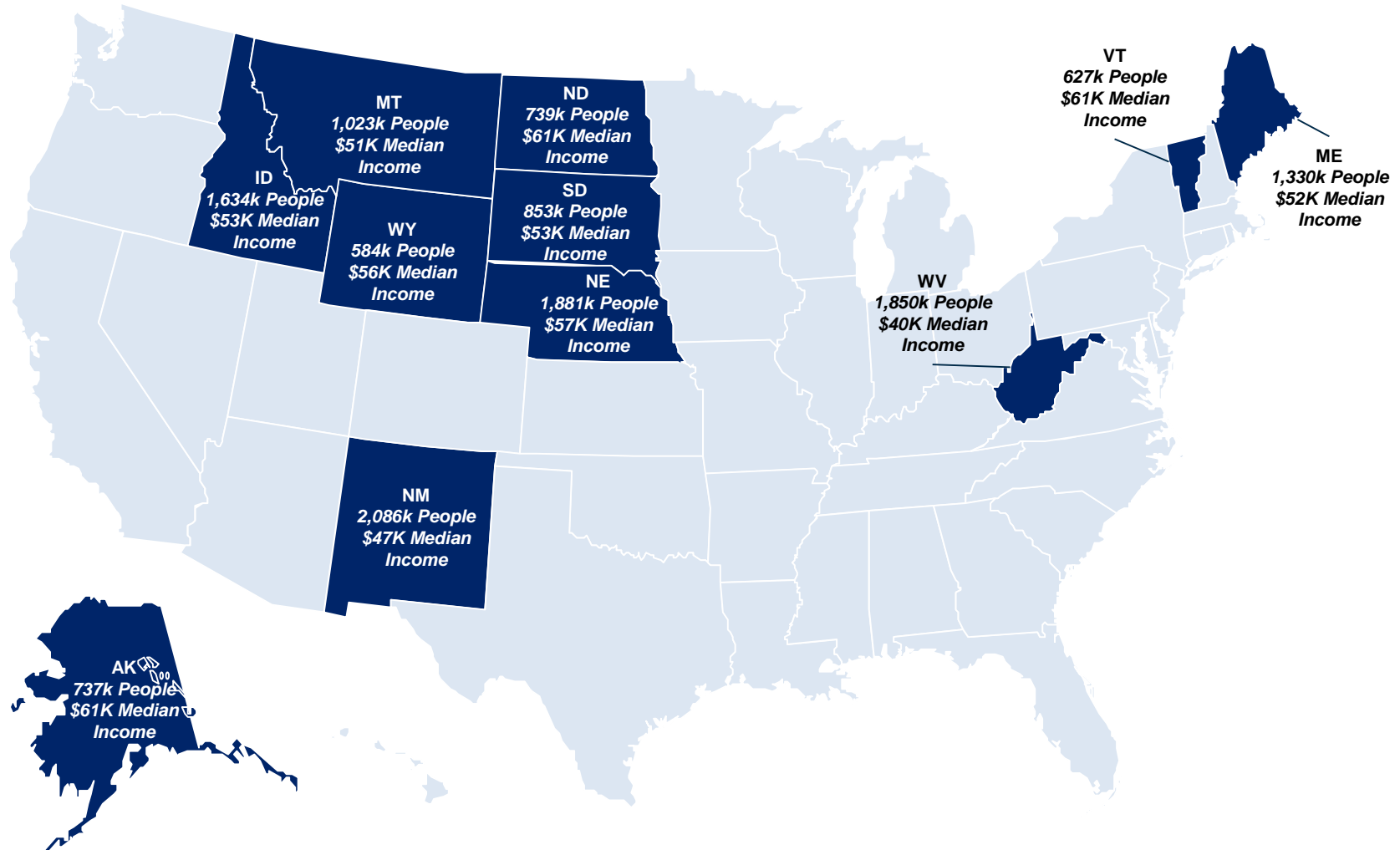
Agency Span of Control Levels average 4.0 across the State, which is below target benchmarks of 6-8 staff per supervisor^[4].

Statewide Span of Control Review



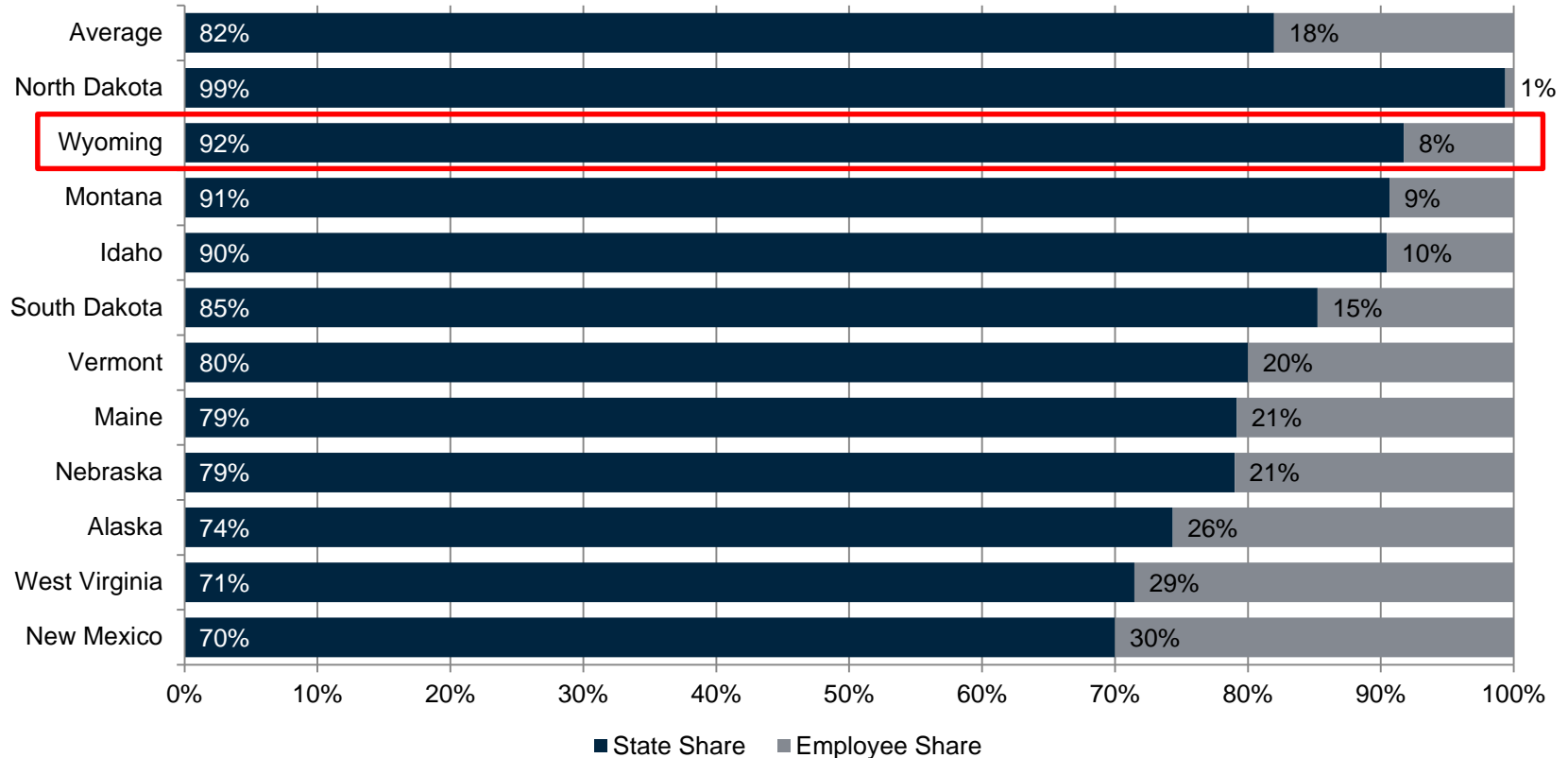
CROSS AGENCY BENCHMARKS

Ten state benchmarks were selected based on geography, population and income^[5]



Employee Health Benefit Benchmarks

Employee Health Benefit Spending Comparison^[6]

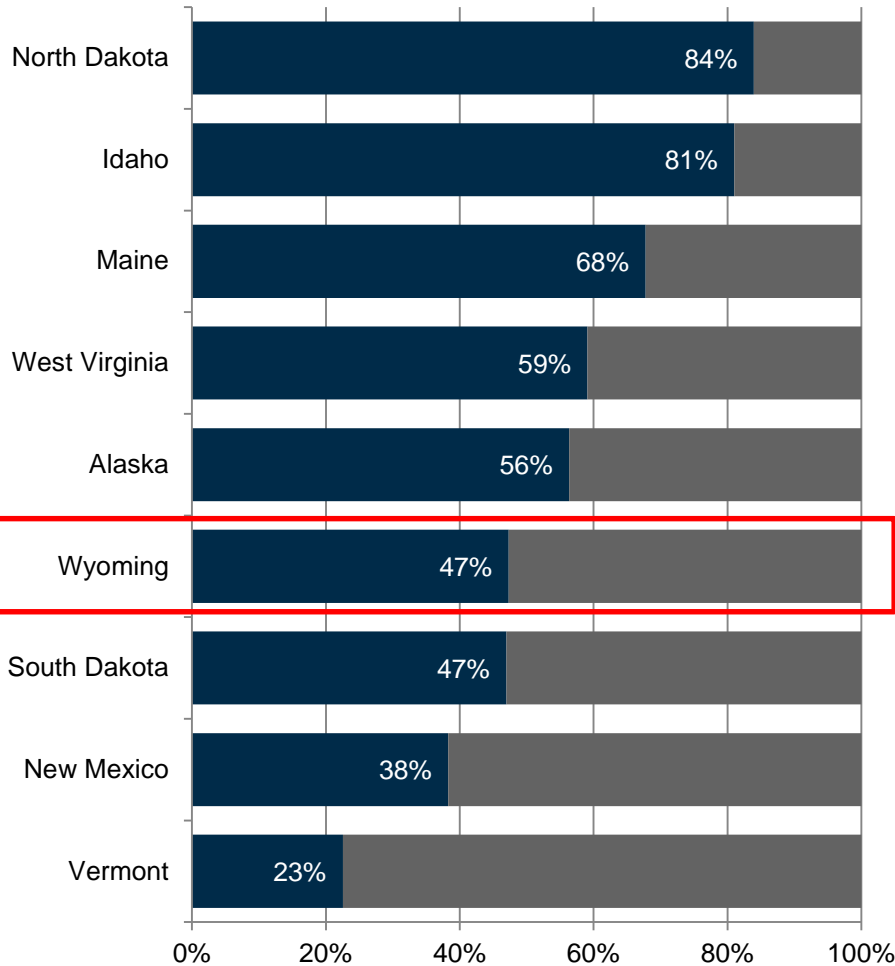


The cost of providing healthcare in Wyoming is significantly higher than the national average, reflected in marketplace premiums for the State being 44% above average. The State covers a significant portion of healthcare to help offset cost incurred by state employees.

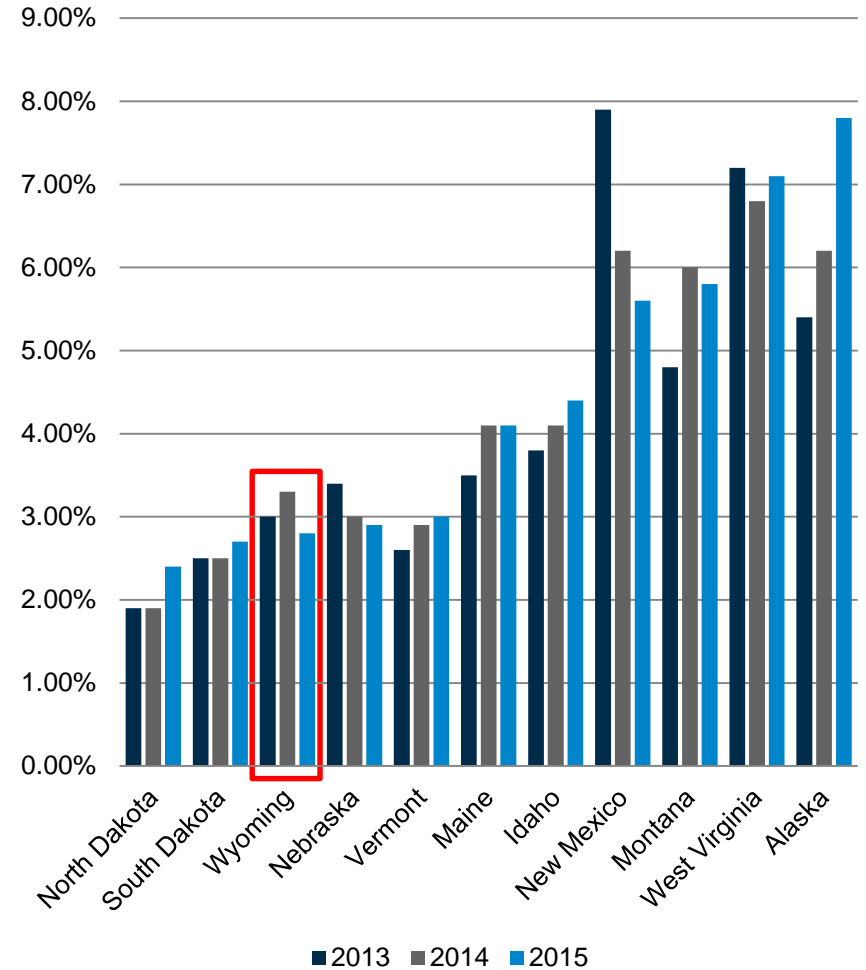
CROSS AGENCY ANALYSIS AND BENCHMARKING

Pension Spending Benchmarks for Annual Required Contribution (ARC)

Annual Pension Spending as a % of ARC^[7]



ARC as a % of Local Source Spending^[8]



CROSS AGENCY ANALYSIS AND BENCHMARKING

Summary of Observations and Recommendations

	Observations	Recommendations
Human Resources	<ul style="list-style-type: none">• Departmental Responsibilities: The Human Resources Division (HRD) provides centralized Human Resources support to a number of state agencies. The Agency HR function within the Department of Administration & Information (A&I) provides support to smaller agencies including the Governor's Office, the Governor's Residence, the Wyoming Office of Homeland Security, the Office of the State Public Defender, the Wyoming Livestock Board, the School Facilities Department, the Professional Teaching Standards Board, the Wildlife and Natural Resources Trust, and the Miner's Hospital Board.• Compensation: HRD seeks to ensure fair and equitable pay across employees by agency and job category. Compensation does not allow for non-discretionary bonuses. The State can now fix salary inequities without reclassification. Pay tables are tied to market data and are coupled with performance metrics to determine employee compensation. Employees get an additional \$40/month for longevity after they have been with the State for 5 years.• Reporting Capabilities: Given increased internal controls at the State Auditor's Office (SAO), HRD has had to change their reporting practices. Because of system interface issues, there are a number of reporting processes where HRD is required to pull data from a variety of sources and manually integrate the information to develop the desired reports.	<ul style="list-style-type: none">• HRD should work with the State Auditor to ensure that their requirements are being incorporated into the new Consultants to Governments and Industries (CGI) upgrade/implementation. As part of this, HRD should explore opportunities to better utilize the system being implemented to improve reporting on HR metrics and further drive down remaining manual processes (e.g., check issuance, purchase orders for P-card usage, etc.) through additional customization efforts.• During the ERP implementation, HRD should prioritize transitioning the manual position control processes into the upgraded CGI system to eliminate manual process.

CROSS AGENCY ANALYSIS AND BENCHMARKING

Summary of Observations and Recommendations

	Observations	Recommendations
Human Resources (continued)	<ul style="list-style-type: none"> • Agency-level Human Resources: The majority of agencies in the State have an independent HR function. Agencies initiate the payroll transactions, HRD approves all payroll transactions, and SAO executes on the payments. Agency HR departments also partner with HRD for personnel investigations. Variations across agencies have led to inconsistent application of HR policies and procedures. To avoid current system challenges, agencies are purchasing individual Human Resources Information Systems (HRIS) solutions. • Performance Management: The State conducted a classification and pay study for all state employees and created new job classification and pay tables that tied the data to market salary information. The State has also developed a new performance management system which allows them to connect employee pay to both performance and market rates. • Succession Planning: The State is starting to evaluate succession planning and talent pools as result of employee feedback on professional development in the most recent employee survey. 	<ul style="list-style-type: none"> • The State should identify opportunities to improve coordination between agency-level HR functions and HRD. This could include training on statewide HR policies and procedures, improving system interfacing, and increasing overall communications between the functions. • The State should consider implementing a fully integrated HRIS, that would allow for system interfacing across, HRD, the SAO, and the agencies. An integrated system could mitigate challenges created from individual agency purchasing of HRIS solutions. • The State should use data from the new performance management system to identify top talent and support the development of employee succession plans.
Benefit Management	<ul style="list-style-type: none"> • Family Medical Leave Act (FMLA): The handling of FMLA leave is managed by the agencies with exception based support by the A&I Human Resources function. There is no central tracking of FMLA leave and the State does not use a Third Party Administrator for leave management or to adjudicate claims. 	<ul style="list-style-type: none"> • The State should begin to track leave types for the purposes of centrally managing leave and assess whether the State could benefit from outsourcing FMLA and other leave management decisions.

CROSS AGENCY ANALYSIS AND BENCHMARKING

Summary of Observations and Recommendations

	Observations	Recommendations
Retirement and Pension	<ul style="list-style-type: none"> • Retirement System Overview: The Retirement System administers retirement benefits for public employees throughout the State through eight separate defined benefits plans and one deferred compensation plan. • Workforce Trends: It is estimated that 45% of the State’s employees are eligible to retire in the next five years. There are currently about 29,000 active retirees. • Payment Processes: The Retirement System currently pays a majority of regular benefit payments through electronic deposit. One-time benefits are paid by issuing paper checks due to the limitations in the vendor setup in the financial system. This results in manual checks being issued often to individuals in a state of transition, which often leads to misrouting and substantive rework. WRS pays out retirement benefits through an arrangement with the SAO. • Retiree Liability: The State Retirement Board decided to be more conservative, raising discount rates to calculate the long-term liability from 7.75% to 7.0%, which increased the estimated liability. The recent valuation of net Other Post Employment Benefit (OPEB) liability increased by 48% to \$120.4 million as of the 2016 CAFR. The State self-insures for current retirees. • Deposits: The Retirement System takes in about \$1.4 million per day in deposits, which sits in a treasury account until the payroll is made at the end of the month. 	<ul style="list-style-type: none"> • The State should seek to adjust business processes or change associated statutes to exempt WRS from the required use of the SAO to process benefit payments. The goal of the changes would be to identify alternative means for processing payments and/or to allow WRS to evaluate the benefits payment options provided by the current custodian—Northern Trust. While the Integrated Disbursement product is similar to the service provided by the SAO, the Benefit Payment Services product may allow for consolidation of other services currently provided by multiple vendors under a single contract. • The State should establish processes for immediate transfer deposits made to the Retirement System to their account with Northern Trust to maximize investment returns.

CROSS AGENCY ANALYSIS AND BENCHMARKING

Summary of Observations and Recommendations

	Observations	Recommendations
Retirement and Pension (continued)	<ul style="list-style-type: none"> • Employee Share : The State sets the employer contribution rate. Some school districts pay both the employer share and up to 100% of the employee retirement contribution as a part of the benefits package. • Retiree Payouts: Upon retirement, retirees get payouts for up to 960 hours of annual leave and half of their sick leave balance. Agencies must fund payouts from their budgets. • Electronic Environment: The Retirement System utilizes mostly electronic processing, but retains approximately 1.2% of the monthly distributions that go out in check format. 	<ul style="list-style-type: none"> • The state should create accrued liability accounts by agency to avoid budgetary shortfalls created when the agency has a staff member retire, triggering retirement payouts.
Employee Group Insurance	<ul style="list-style-type: none"> • Program Overview: The Employee Group Insurance, a program within HRD, provides various benefit plan administration services for the Executive Branch, the University of Wyoming, community colleges, and the Natrona County School District. • Employee Share: Due to above average premium costs, the State pays about 92% of health benefit contributions, compared with an average of 83% for peer states. • Policy: EGI requires employees to work 20 hours for coverage. School districts have the ability to opt into the plan, but a majority of districts require 30 hours for eligibility and provide stop-loss coverage, which makes the state plan more expensive for school districts. • Wellness Programming: The State had a wellness program that was defunded by the Joint Appropriations Committee in 2011 due to cost. 	<ul style="list-style-type: none"> • The State should conduct a study of comparable employee benefit programs from both public and private sectors to look for newer health care management offerings such as the implementation of a Wellness Program to support member wellbeing and engagement, increased use of Health Service Account (HSA) plans, and other administrative efficiencies. • Given the eligibility and coverage requirements of school districts, the State should create a separate health insurance plan for school districts to reduce cost, particularly for stop-loss, increase administrative efficiencies, and standardize offerings to attract and retain Wyoming teachers. Requiring all school districts to purchase insurance through the collective plan could yield significant savings in health care spend through reduction in administrative costs and by spreading the health risk across the entire K-12 staff population.

CROSS AGENCY ANALYSIS AND BENCHMARKING

Summary of Observations and Recommendations

	Observations	Recommendations
Purchasing/ Procurement	<ul style="list-style-type: none"> • Procurement Overview: The Procurement function within the A&I General Services division (GSD) develops formal competitive bids and requests for proposals to acquire goods and services for the State. The procurement team provides services to the majority of state agencies except the University of Wyoming, WYDOT, and community colleges. • Procurement Methods: The State uses three methods to procure goods and services: competitive sealed bidding, competitive negotiation, and noncompetitive negotiation. • Policy: State agencies are required to purchase copiers through the statewide contract. The State participates in NASPO-Value Point contracts when they cannot achieve better pricing on their own. • Staffing: The State has a procurement function with 6 FTEs and 1 part time role dedicated to purchasing that work with procurement staff in other departments and agencies. • Spending: The majority of procurement spend is from professional services. Of contracts awarded in FY2016, 63% of the total contract value was for the Department of Health (68 opened bids, 53 contracts). • Local Government Participation: School districts and some local governments can participate in a number of the statewide purchasing contracts. The indemnifications in the statewide contract do not bind local governments, so they establish their own contract for loss protection. 	<ul style="list-style-type: none"> • Conduct a statewide strategic sourcing exercise of a select group of high spend categories. This sourcing event will involve taking each category through a complete strategic sourcing exercise which will include the followings steps: spend analysis, category assessment, category strategy, sourcing event, negotiation and selection, contracting and supplier transition. Examples of metrics that could inform analysis include: (a) vendor concentration (# of vendors comprising 80% of spend); (b) % of vendor spending negotiated through formal RFP process; (c) average POs per vendor. • The State should standardize requirements, specifications, and time frames for commonly purchased goods in order to streamline the number of vendors used, aggregate buying power across the State and enable volume pricing discounts. Contract options may take the form of: (a) state contracts; (b) stand-alone negotiated contracts; (c) negotiated contracts done in collaboration with surrounding districts.

CROSS AGENCY ANALYSIS AND BENCHMARKING

Summary of Observations and Recommendations

	Observations	Recommendations
Purchasing/ Procurement (continued from previous page)	<ul style="list-style-type: none"> • Agency Procurement Process: RFPs are initiated by the agencies. Agencies are responsible for managing their own contracts. The Attorney General's (AG) office maintains contract templates and reviews vendor contracts before they are executed. A&I will enter into a contract on behalf of the agency. • Purchasing Card Program: The State's purchasing card (p-card) program is under the direction of the SAO, including all rebates, activities, issuance, and monitoring. An RFP was recently issued for a new p-card vendor. 	<ul style="list-style-type: none"> • Consider use of commitments of minimum buying levels to facilitate negotiations of discounts and rebates over specified buying thresholds. Add provisions that include tiering and volume discounts/rebates in all new contracts. • Establish a standardized, unified, center-led strategic sourcing and category management capability within A&I Procurement. The purpose of this function should be to: <ul style="list-style-type: none"> - Develop deep expertise in the highest spend categories that state agencies consume. - Track and report spend across the State. - Maintain a list of key local/agency requirements for each category. - Have deep market place knowledge and be responsible for offering creative, viable solutions for satisfying needs for goods and services.
Technology	<ul style="list-style-type: none"> • Enterprise Technology Services: The State moved the Information Technology function toward a Shared Services environment with the creation of the Enterprise Technology Services (ETS) Department. • Systems Integrations: While ETS is charged with managing the technology infrastructure, there are a significant number of agencies that independently purchase technology solutions. Decisions made by individual agencies regarding roll-out of agency infrastructure vary greatly in cost per device and total cost of ownership. 	<ul style="list-style-type: none"> • The greatest savings potential in technology can be realized through rollout of low cost/high quality technology options that are standardized across the agencies. Standardize recommended technology options across the agencies in order to leverage benefits of coordinated purchasing and volume discounts. This should minimize individual agency purchases of technology solutions. • The State should pay for systems and equipment that will drive efficiencies at the local levels that would ultimately reduce the amount of state funding required.

SPAN OF CONTROL ANALYSIS

Savings Methodology

On a statewide basis, Wyoming's Span of Control ratio of front line staff to supervisors is 4:1, lower than target benchmarks of 6:1 and significantly lower than best practice levels of 12:1. To estimate the savings associated with increasing span of control, the average supervisor salary was compared to the average salary of front line staff. Increasing the Span of Control can generate significant savings without a change in total staffing levels based on the average difference between supervisor salary and front line salary of approximately \$21,000.

	Current Staffing	5% Shift from Supervisors to Line Staff	10% Shift from Supervisors to Line Staff
Supervisors	2,333	2,216	2,100
Front Line Staff	7,581	7,698	7,814
Total	9,914	9,914	9,914

The goal of increasing Span of Control is not to reduce the number of state employees or to reduce current employee salaries, but rather to shift roles from supervisors to front line staff through attrition. As supervisors leave employment with the State, efforts should be made to backfill their vacancies with front line staff level positions. Increasing the number of front line staff not only generates savings associated with reduced salaries, but also streamlines the organizational structure and increases the level of service to citizens.

RETIREMENT BENEFITS PAYMENTS MECHANISMS

Savings Methodology

Retiree benefit payments are currently processed through the State Auditor's Office (SAO). The cost associated with providing this service is calculated through the statewide cost allocation formula. The Retirement System received quotes from Northern Trust for two products to offer benefits payment services to the State. [9]

- **Integrated Disbursement Product:** This product would be most similar to the service that is currently provided by the SAO, where Northern Trust will issue direct deposits or paper checks to retirees. It does not include ancillary services like tax reporting, tax payments and 1099 issuance.
- **Benefit Payment Services Product:** Services associated with this product exceed payment of benefits and include 1099R issuance and tax reporting, as well as benefits management for retirees. It also includes services that the State currently contracts for with other vendors.

Payment Mechanism	Cost Estimate
State Auditor's Office (<i>Current</i>)	\$490,000
Northern Trust Option #1 (<i>Integrated Disbursement Product</i>)	\$100,000
Northern Trust Option #2 (<i>Benefit Payment Services Product</i>)	\$406,000

The State should explore the options to transition payment of retiree benefits from the State Auditor's Office to Northern Trust. While the Integrated Disbursement Product appears to be the most cost effective alternative, the State should evaluate whether the expanded benefits provided through the Benefit Payment Services Product would provide opportunities to drive efficiencies in other areas.

STRATEGIC SOURCING EXERCISE & COLLABORATIVE PURCHASING

Savings Methodology

Each agency has separate procurement staff that partners with A&I's Procurement team mostly for compliance purposes during the procurement process. There is limited coordination of purchasing across agencies. The State maintains a copier contract that agencies must use to purchase copying machines. The majority of contracting is done on an individual agency basis.

Improving coordination of purchasing across agencies would allow the State to take advantage of volume to drive more favorable pricing. A strategic sourcing exercise would give the State more insight into how procurement efficiencies could be achieved across purchasing categories. The potential savings estimate was generated by evaluating the state contracts that were awarded in FY2016^[10] against a low and high percentage savings of 4% and 8%, respectively, developed from prior experience conducting shared services assignments in commercial and government procurement.

Agency	Amount of Contracts	Opened Bids	Awarded Contracts
Department of Health	\$79,915,454	68	54
DEQ	19,645,092	32	30
A&I	7,092,780	52	33
Military Department	3,363,986	48	36
State Parks and Cultural Resources	2,594,296	65	40
Department of Family Services	2,358,481	16	15
Oil & Gas Commission	2,140,587	8	7
Department of Corrections	1,926,308	91	54
Education	1,864,828	21	19
ETS	1,500,000	4	1
Retirement System	1,123,550	5	3
Attorney General	797,280	16	11
Treasurer	610,836	3	1
Workforce Services	433,240	20	10
Game and Fish	339,890	6	3
State Lands	337,815	12	8
Department of Agriculture	291,391	13	8
State Auditor	283,200	2	1
Professional Teaching Board	50,000	1	1
State Engineer	21,696	1	1
Secretary of State	14,082	3	1
Water Development Commission	12,294	2	2
Livestock Board	12,161	1	1
Governor	7,000	1	1
TOTAL	\$126,736,247	499	345

CROSS AGENCY SAVINGS ESTIMATES

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



OUTLINE

- I. Executive Summary
- II. Background and Purpose
- III. Cross Agency Benchmarking and Analysis
- IV. Department of Administration & Information
- V. Department of Education
- VI. Department of Health
- VII. Department of Revenue/Department of Audit
- VIII. Other \$20M Agency SAGE Reports

Overview

- The Department of Administration and Information (A&I) provides services to all branches of 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.

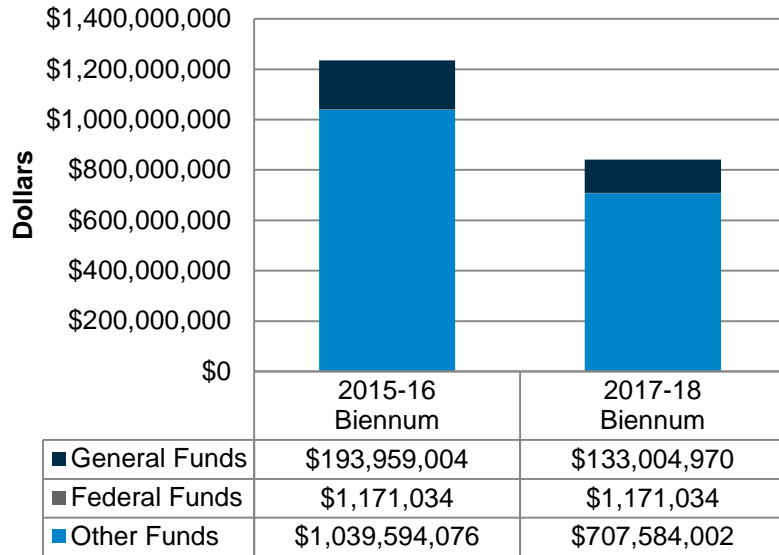
Recommendations

- 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.

DEPARTMENT OF ADMINISTRATION AND INFORMATION AGENCY PROFILE

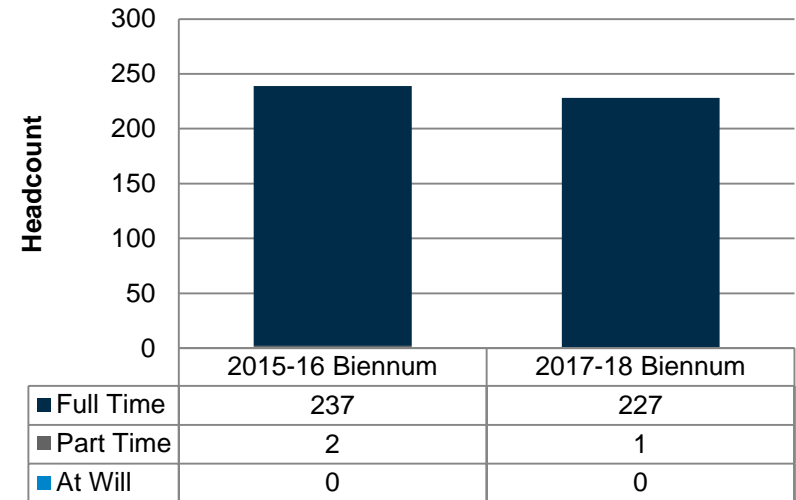
Budget Trend^[11]

Biennium Budget



Headcount Trend^[11]

Biennium Budget Headcount



Key Performance Indicators

% Budget dedicated to Employee Benefits ^[13]	87%
Number of Square Feet of Leased Space Managed	869,498
Amount of Contracts Let Across Agencies	\$126,736,247
Number of Vehicles Managed ^[2]	1,200

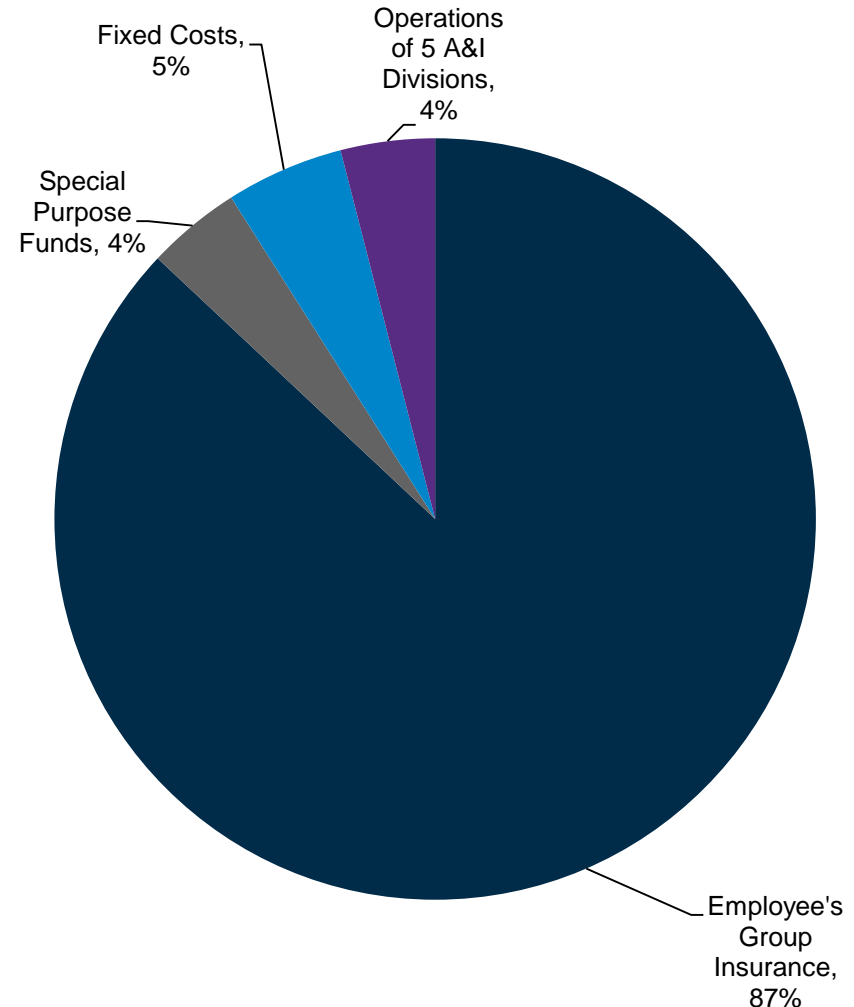
Administrative Costs

Departmental FTE ^[11]	228
FTE Per Million Residents ^{[11],[12]}	389
Department Budget ^[11]	\$ 841,760,006
Budget Per Capita ^{[11],[12]}	\$ 1,438

Department of Administration and Information (A&I) Budget

Key Findings^[13]

- The majority of funding (87%) that is allocated to the Department of Administration and Information (A&I) is to fund the Employee's Group Insurance program.
- Special Purpose Funds (e.g. vehicle depreciation, federal library funds) represent 4% of the budget.
- Fixed Costs (e.g. leases, GF appropriations to Risk Fund, etc.) represent 5% of the budget.
- Only 5% is dedicated to the operations of the five A&I divisions:
 - General Services
 - Human Resources
 - Budget
 - Economic Analysis
 - State Library



Summary of Observations and Recommendations

	Observations	Recommendations
Staffing/ Organization	<ul style="list-style-type: none"> • Organization Responsibilities: The Department of Administration and Information (A&I) responsibilities include: budget and accounting, human resources, motor pool, surplus assets, and procurement. • Organizational Structure: With some exceptions and other than the Information Technology unit, which was consolidated two years ago, the central departments including Human Resources, General Services, Finance, and Program Management provide policy oversight, but do not provide dedicated shared services for the partner agencies. • KPI Budget per Capita: The Administration and Information department maintains a budget of \$1,438 per resident in the State, which is above peer benchmarks due to the high degree of manual processes in the State. 	<ul style="list-style-type: none"> • The State should conduct a Statewide Organizational and Human Capital study to assess the value of shared services, including a line of service (LOS) category analysis. The LOS analysis systematically defines the agency programs to create a comprehensive catalog of services that align with the agency's mission, values, and goals. The review should help in identifying overlapping responsibilities across agencies, identify opportunities to reduce lines of service, supplemental lines of service that should be added, or operating model efficiencies that could be implemented across agencies. Based on the findings of the review, the State should consider implementing a shared services model for a number of functions across the State, including Human Resources, procurement, and finance.
Workforce Trends	<ul style="list-style-type: none"> • State Employee Count: There were 8,227 state employees as of July 2017, down 4.2% from the ten-year peak at 8,595 in 2010. The span of control of front line employees to state supervisors is approximately 4:1. • Turnover: State employee turnover was 14.8% in FY2016, slightly below the five year average of 15%, but well above public sector benchmarks of 9%. • Hiring Freeze: The State instituted a hiring freeze on any positions left vacant as of April 30, 2017. In anticipation of this freeze, agencies made efforts to fill all open positions, with the number of vacancies decreasing from 96 in March 2017 to 3 in April 2017. 	<ul style="list-style-type: none"> • The State should conduct a statewide staffing analysis to evaluate staffing levels and span of control to ensure organization personnel structures are in line with best practices.

Summary of Observations and Recommendations

	Observations	Recommendations
Budget	<ul style="list-style-type: none"> • Budget Division Overview: The Budget Division provides budgetary assistance to the Governor, other elected officials, executive branch agencies and the judicial and legislative branches with respect to biennial and supplemental budget preparation, submission and administration. • Budget Process: There is an intensive annual process where agencies submit their budget requests and the Budget Division works with the Governor to review the budget and make final recommendations. • Financial Monitoring: There are two main financial systems that the State uses—WOLFS and IBARS, which are aligned at the object code level. Agencies are able to access these systems for reporting and financial monitoring purposes throughout the fiscal year. • Federal Grants Budget: Budgeting and reporting for federal grants happens primarily at the individual agency level. The State owns the CGI Grants Management System, but the State does not use the system for centralized processing or tracking of federal grants information. A&I directly receives limited federal funding for the state library. • Incentives: The State created disincentives for agencies to independently find savings by following a standard spread reduction in costs after agencies came forward with proposed savings. 	<ul style="list-style-type: none"> • The State should establish a Governor’s Grants Office (GGO) to ensure that grants and other federal funds are strategically pursued, that proper tracking and reporting is being conducted, and that all programs stay in compliance with their federal mandates. The GGO should work with partner agencies to improve surveillance and pursuit of potential grants to maximize federal funding to the State. • The State should transition from the incremental budgeting process to a Performance-Based Budgeting (PBB) approach driven by the relationship between program funding and the expected results. The PBB approach should define the government programs by agency, create KPIs and workload drivers by program, estimate impacts of changes to the performance measures based on budgetary changes, and align with the strategic plans of the agencies. • The Department should work with the SAO to determine the needs for an upgraded Grants Management System to both meet the current needs of the State Agencies and create additional functionality to enable the State to accept fiscal agent responsibilities for School District grant oversight and requests.

Summary of Observations and Recommendations

	Observations	Recommendations
Economic Analysis	<ul style="list-style-type: none"> • Departmental Responsibilities: The Economic Analysis Division (EAD) is responsible for managing the State Data Center and Decennial Census databases. EAD also develops demographic and economic forecasts and projects and monitors State revenues. EAD generates the Wyoming Cost of Living Index and provides policy and economic analysis to government agencies through published reports and presentations. 	<ul style="list-style-type: none"> • The EAD should continue to maintain conservative revenue estimates, especially with regard to mineral taxes, which are particularly crucial in the current revenue environment.
Insurance and Risk Management	<ul style="list-style-type: none"> • Departmental Responsibilities: Risk Management occurs through the State Self-Insurance Program and operates within the General Services Division. The staff procure insurance and manage claims for liability, property, vehicle and aircraft insurance coverage, police liability, loss prevention, 1982 suits, and only excess loss is adjusted by insurers. • Policy: Insurance and risk management services are provided across a number of functions throughout the State, including property & casualty claims from the public, coverage of all peace officers throughout the State, and auto liability through the self-insurance fund. The State conducts actuarial studies for insurance every three years with the exception of the University of Wyoming's medical coverage and school districts, which are also covered separately. 	<ul style="list-style-type: none"> • The State should evaluate the opportunity to develop insurance programs/contracts for the school districts to collectively purchase risk management services to yield more favorable pricing.

Summary of Observations and Recommendations

	Observations	Recommendations
Facilities Operation and Trades Management	<ul style="list-style-type: none"> • Facilities Operation and Trades Management Overview: Facilities Operations provides janitorial services and grounds maintenance for the Capitol Complex and state-owned building in Cheyenne, while Trades Management provides the maintenance services, including heating and air conditioning, electrical, building access control, and plumbing. • State Office Space: The Capitol Complex is undergoing major renovation. As the project advances into 2019, General Services Division has a goal of moving as many employees out of leased space and into state-owned property as possible. • Leasing Policies: The Division Leasing Program is responsible for statewide rental of real property, including negotiating leases, maintaining property records, and providing the required accounting documentation to A&I. Lease payments for FY2017 totaled \$11.5 million for 869,498 square feet; 86% of leases are paid annually, 13% semi-annually, and the balance quarterly. • Centralized Assets: There is no required reporting for centralized assets. 	<ul style="list-style-type: none"> • The State should develop a Long-Term Facilities plan that seeks to better utilize facilities over time, reduce excess lease capacity, and sell off excess inventory. • The State should revise the statutes to move from a concurrent authorization process to one where the Long Term Facilities Utilization Plan is presented to the State Building Commission for approval and final decision. When the agency being moved does not agree with the transition, alternative plans and justifications may be presented to the agency's board for consideration and adjudication by the State Building Commission as the independent arbitrator. • The current legislation governing office space parameters leaves significant discretion to the agency and should be adjusted to increase enforceability to ensure the State is optimizing office space. • The State should evaluate options to develop a centralized reporting function for asset management throughout the State that would give better insight into utilization metrics, in addition to square footage and valuation.
State Inventory and Surplus Property	<ul style="list-style-type: none"> • Inventory and Surplus Property Overview: Surplus Property operates as a unit of Procurement to receive and redistribute usable surplus items from federal and state agencies to other state agencies, governmental entities and private nonprofit organizations. 	<ul style="list-style-type: none"> • The State should Implement standard policies and procedures around managing physical inventory to reduce the overall size of the inventory and move toward Just In Time (JIT) delivery of goods and supplies where feasible, driving efficiency into the supply organization.

Summary of Observations and Recommendations

	Observations	Recommendations
<p>Motor Pool</p>	<ul style="list-style-type: none"> • Departmental Responsibilities: Motor Pool provides vehicle services to the executive branch and 63 other agencies, maintains a mechanic shop in Cheyenne to serve local vehicles and approves contracted services for vehicles located throughout the State. The University of Wyoming, the Department of Transportation (including the State Patrol), and the Game and Fish Commission each operate their own motor pool. • Policy: There are approximately 1,200 vehicles currently under motor pool management, of which 100 are available for daily rental; all other vehicles are permanently assigned. • Centralized Contracts: The Motor Pool has been moving toward centralized contracts. The division has established a statewide contract for tires and are in the process of putting together an additional statewide contract for vehicle purchases. • GPS System: The State instituted a GPS system for the tracking of state vehicles. During the first year of operations, the Motor Pool repurposed cars or 2.75% of the total. • Vehicle Types: A&I has started requiring agencies to provide justification for usage of SUVs instead of sedans, as costs are higher for larger vehicles. 	<ul style="list-style-type: none"> • The State should continue to drive efficiencies into the motor pool program by establishing an automated (application driven) checkout system to enable increased sharing of state vehicles in collocated areas such as Cheyenne, Laramie, Riverton, and Casper, or as determined through telematics data to maximize fleet use. • The State should look to consolidate oversight and management for vehicles under the A&I motor pool division to improve cost management and provide better insights

STRATEGICALLY PURSUE FEDERAL FUNDS

Key Findings

- **The State of federal funds management:**
 - State agencies and local governments are responsible for grant management, including identifying new grant opportunities, fiscal and program management, and audit compliance
 - Audits and compliance efforts are conducted by the agencies and the Department of Audit.
- **A&M reviewed Maryland's Governor's Grants Office and Nevada's Office of Grant Procurement, Coordination and Management Budget. Both offices provide:**
 - Special Point of Contact (SPOC) for state and local governments, as well as non-profit and non-governmental agencies and foundations
 - Information resources, grants training, and technical assistance
 - Reports on federal grant expenditures and produce grant manuals

Recommendations

- **Wyoming should create a Governor's Grants Office (GGO) to enable:**
 - Strategic identification, analysis and prioritization of federal funding opportunities.
 - Risk assessment and compliance reviews of federal funds execution.
 - Review the SWCAP allocations procedures for revision and improved capture.
 - Technical assistance and tactical support to the school districts.
 - Oversight of systems implementation to facilitate better funds management.
- **The critical steps include:**
 - Issuance of an executive order creating the Governor's Grants Office.
 - Create cost allocation plan.
 - Hire federal fund director and key staff.
 - Appoint agency liaisons to the office

A&I AGENCY SAVINGS ESTIMATES

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



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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.

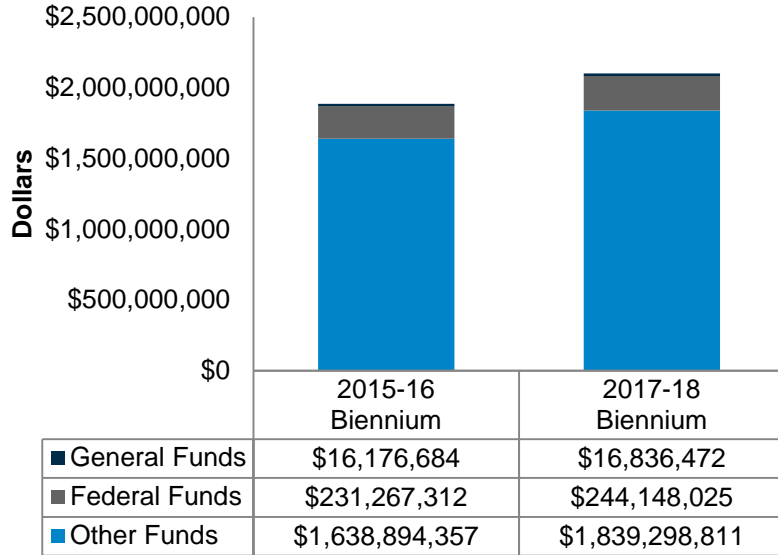
Recommendations

- 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.

DEPARTMENT OF EDUCATION AGENCY PROFILE

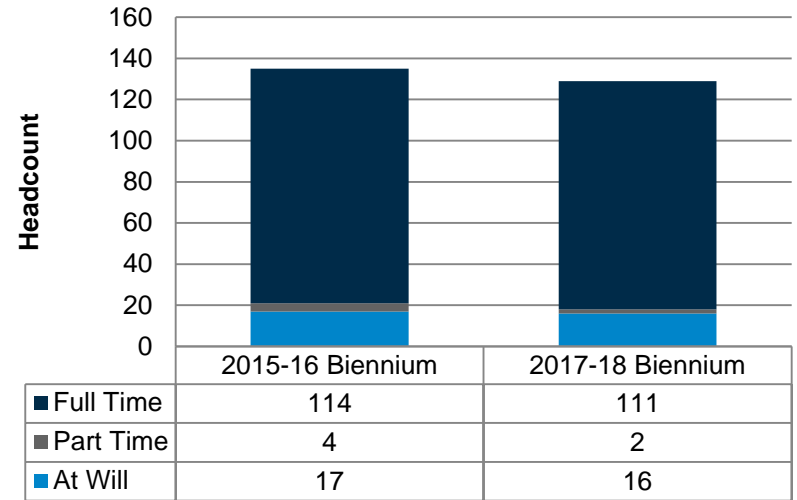
Budget Trend^[14]

Biennium Budget



Headcount Trend^[14]

Biennium Budget Headcount



Key Performance Indicators

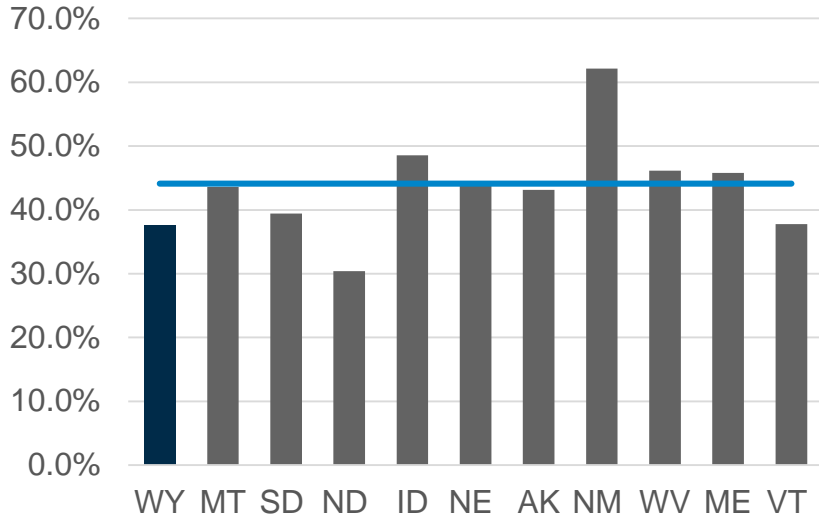
Number of Students (SY2016-2017) ^[17]	93,261
Number of School Districts	48
Average Students per District	1,943
\$ Per Student (Less Debt and Capital) ^[18]	\$18,218

Administrative Costs

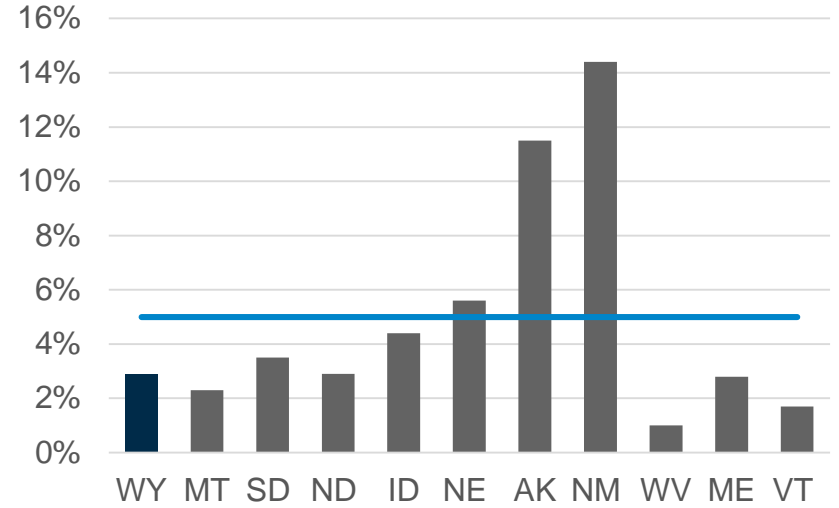
Departmental FTE ^[14]	129
FTE Per Million Residents ^{[14],[15]}	220
Department Budget ^[14]	\$ 2,100,283
Budget Per Capita ^{[14],[15]}	\$3,587.16

SCHOOL DISTRICT CHARACTERISTICS^[16]

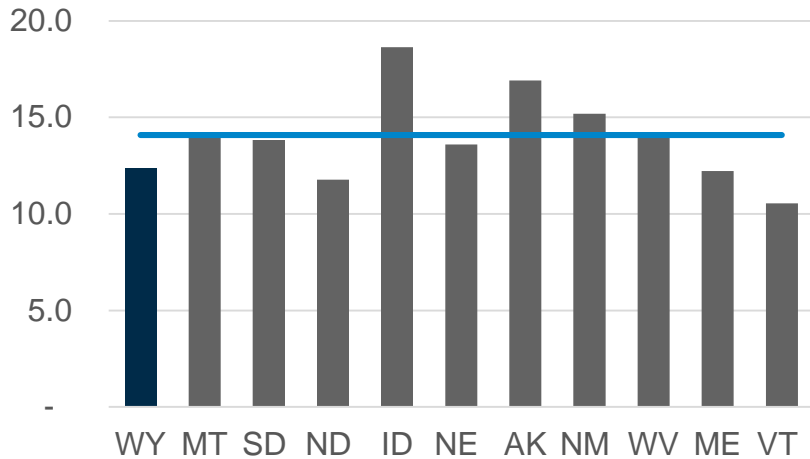
Percentage of Free and Reduced Lunch Students



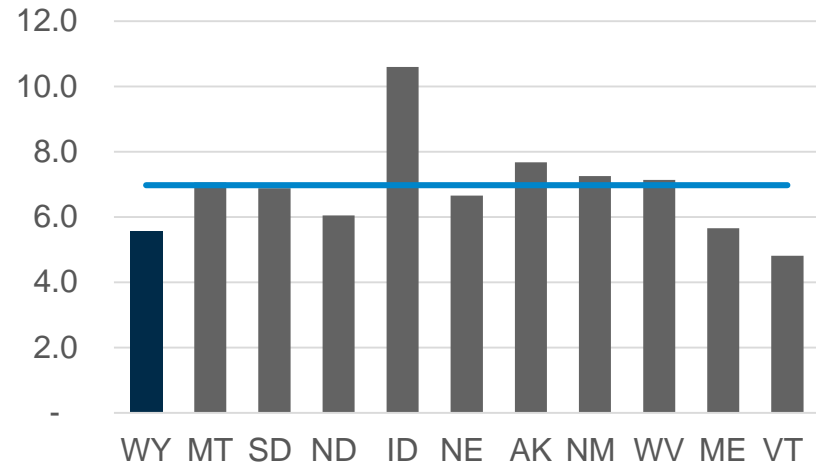
Percentage of English Language Learners (ELL)



Student to Teacher Ratio



Student to FTE Ratio

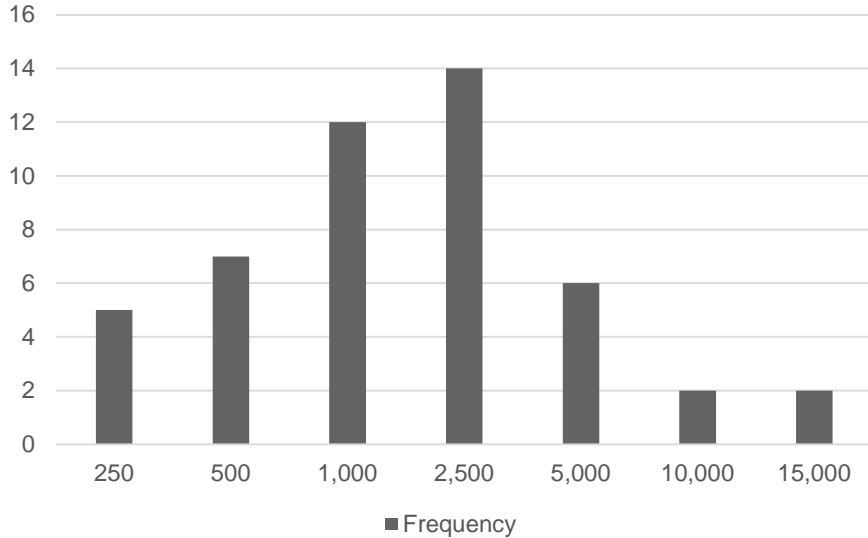


■ Wyoming ■ Benchmark2 — Average

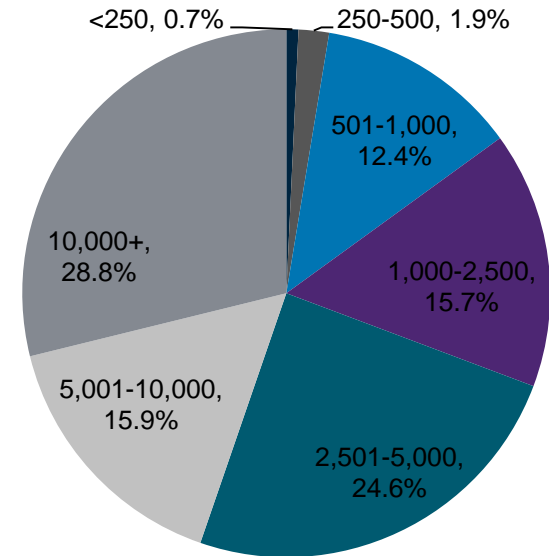
■ Wyoming ■ Benchmark2 — Average

SCHOOL DISTRICT CHARACTERISTICS^{[17],[18]}

Number of School Districts by Enrollment Band

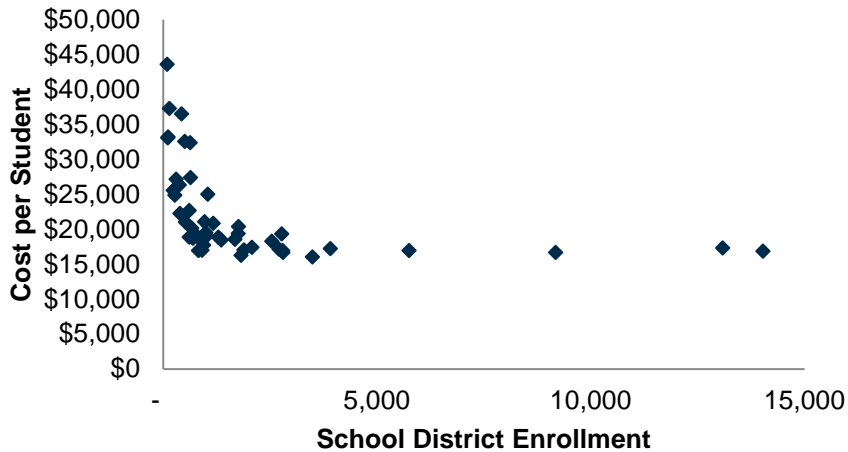


Percent of Student Population by Enrollment Band

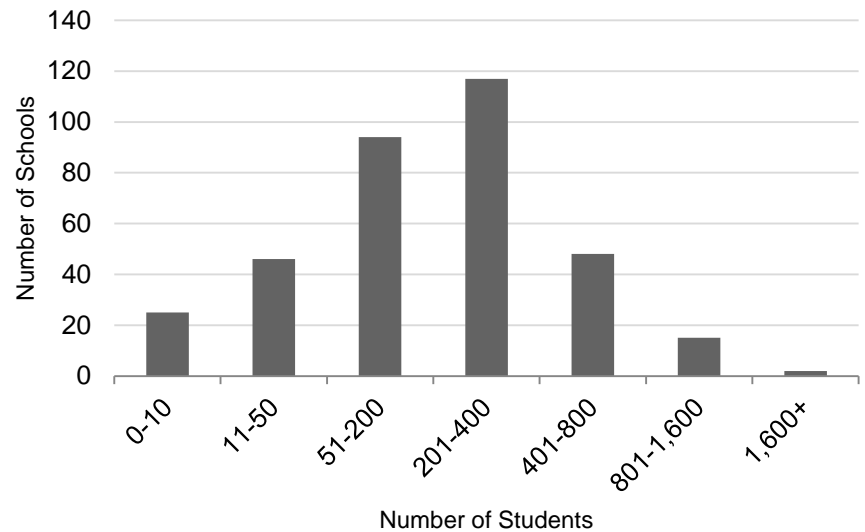


District Size vs. Per Pupil FY2016 Cost per Student

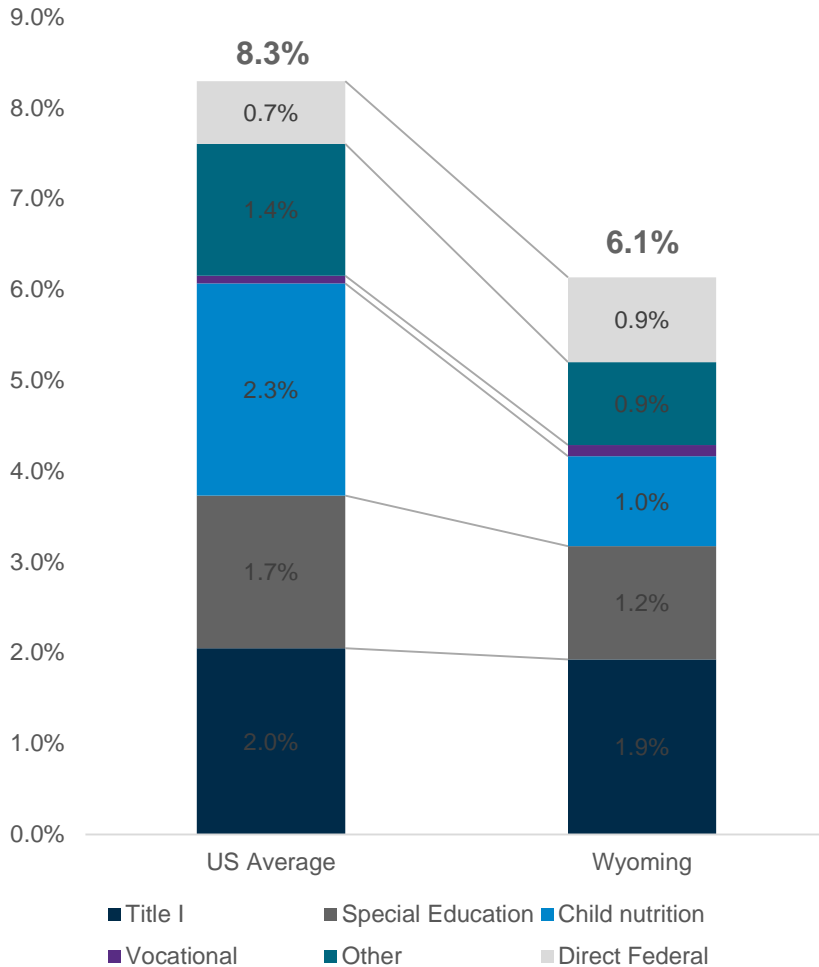
2015-16 Cost Per Student



Distribution of Schools by SY2017 Enrollment



Federal Funding Profile for Schools



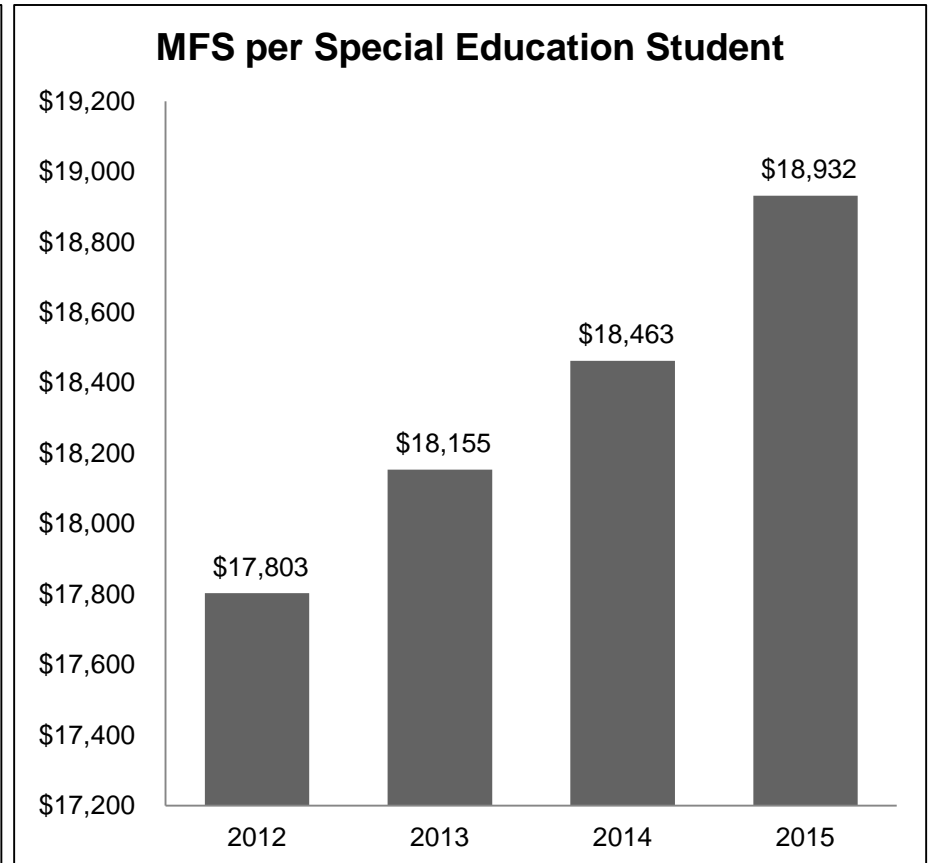
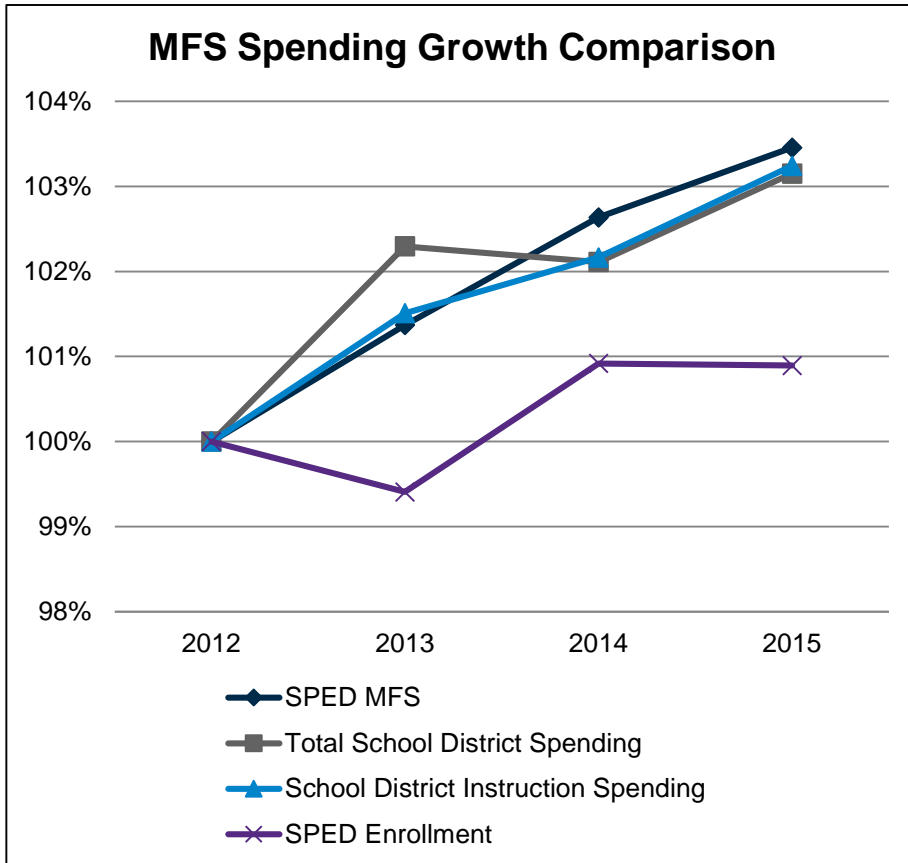
Key Findings

- The State receives 6.1% of total school district funding from federal sources versus 8.3% for the United States on average.
- The largest shortfalls occur in three areas:
 - Special Education: 1.2% versus 1.7%
 - Child Nutrition: 2.3% versus 1.0%
 - Other Non Specific: 1.2% versus 0.9%
- The total of these shortfall areas represent a 2.3% overall shortfall in federal funding for the State.
- The federal funding gap estimates in key areas are approximated by the following differences in funding based on Wyoming's Education budget:
 - Special Education: \$8.6 million
 - Child Nutrition: \$26.4 million
 - Other Non Specific: \$10.5 million

Note (1): The estimates are based on the relative funding difference between WY and national / benchmark averages.

SPECIAL EDUCATION MAINTENANCE OF FISCAL SUPPORT^[20]

The Special Education Maintenance of Fiscal Support (MFS) funding is growing at a rate that outpaces the growth in other metrics. The MFS per special education student increased over 6% between FY2012 and FY2015.



Summary of Observations and Recommendations

	Observations	Recommendations
Enrollment Trends	<ul style="list-style-type: none"> • 3-year Enrollment Trend: The enrollment has remained flat since FY2015 with enrollment falling by 42 students or 0.05% over the past 3 years. • School Size: The average school district has 1,943 students. The majority of school districts are considered small or very small, with 38 of the 48 school districts, or 80%, having less than 2,500 students, and 5 school districts having less than 250 students. • Student Demographics: The State's Special Education population of 13.9% is in line with national average. The percentage of English Language Learners (2.7%) and Low Income Students (38.6%) is lower compared to peer state averages of 4.2% and 41.6%, respectively. • Competition: The State allows for Charter schools to be established in the State with 1.1% of the total number of schools operating as charter schools. • Long-term Planning: The State uses historical enrollment trends to project funding model allocations. The School Facilities Division uses enrollment projections to estimate future capacity and facility needs. 	<ul style="list-style-type: none"> • While enrollment has been flat in recent years given the current economic challenges and the shifting demographics of the State, the State should develop a long-term enrollment forecast to anticipate and better plan for enrollment changes across school districts (i.e., the shift from rural to urban areas), ensuring long term financial stability across school districts.
School District Benchmark Comparisons	<ul style="list-style-type: none"> • Per Pupil Expenses: The State has higher per pupil expenses of \$18,218 relative to the peer average. • Student to FTE: The Student to Total FTEs ratio of 5.6 for the State is lower than peer group average of 7.0. The higher per pupil amount is the result of the State making investments in FTEs to provide student services and operate the schools. 	<ul style="list-style-type: none"> • WDE should evaluate opportunities to incentivize more efficient use of school district resources while maintaining or increasing the levels of service through the creation of regional and collaborative spending models, particularly in smaller schools. School districts could help to improve economies of scale and further drive efficiencies.

Summary of Observations and Recommendations

	Observations	Recommendations
School District Benchmark Comparisons (continued)	<ul style="list-style-type: none"> • Student to Teacher: The Student to Teacher ratio of 12.4 is lower than peer group average of 14.0 due to a strategic decision to invest in lower class sizes at the state level. 	
School District Resource Allocation	<ul style="list-style-type: none"> • Recalibration: The State is undertaking a school funding recalibration study to determine the appropriate level of guaranteed funding levels by district moving forward. The study is expected to be completed by the end of 2017. The recalibration effort will also explore “non-funding model” areas like master teachers and instructional facilitators. • Guaranteed Funding: The State provides guaranteed funding for all districts creating an allocation function that adjusts the funding levels for districts that are below the local funding level up to the calculated local funding level. • Entitlement Funding: School districts get funding directly from the counties, and the State contributes the balance based on the funding model projection for district funding levels. If county funding is in excess of what the model projects, the State recaptures the funding, which goes into the school foundation budget. • Funding Model: The existing state funding model does not incentivize school districts to spend efficiently. Examples of this include allowing schools to defer routine maintenance until the school qualifies for state funded maintenance programs or paying for federal funding gaps rather than requiring the school districts to track and submit for federal reimbursement. 	<ul style="list-style-type: none"> • The State should transition several key funding areas, including child nutrition, special education, transportation, and technology at a minimum, to a cost reimbursement basis to enable better control of policy throughout the schools. Through this policy change, the school district spending would better align with WDE spending priorities and would improve the approach to the pursuit of federal funds.

Summary of Observations and Recommendations

	Observations	Recommendations
Federal Funding	<ul style="list-style-type: none"> • Federal Funding: Wyoming receives 6.1% of funding from federal sources, which is less than the US average of 8.3% and comparable state benchmarks of 10.1%. • Title I/Elementary and Secondary Education Act (ESEA) Funding: The State receives 1.9% of its funding from Title I which is in line with the US average of 2.0%. • IDEA/Special Education Funding: The State receives 1.2% of its funding from Special Education Funds, which is well below the US Average of 1.9% from IDEA grants. Currently, the State reimburses 100% of special education costs in accordance with state statutes. These funds have grown faster than overall district spend. Complicating efforts to reduce spend, the State risks losing funds if the state levels are not maintained at the same level as prior years. • Medicaid: Wyoming is the only state that does not seek reimbursement from Medicaid for School Based Services. • Child Nutrition Funding: The State receives 1.0% of its funding from Child Nutrition Funds, which is well below the US Average of 2.3% from Child Nutrition Programs. In Wyoming, there has been a movement away from the USDA lunch program, with more districts self-funding school lunch due to challenges meeting nutrition requirements. • State Supplemental Funding: The State compensates for the lack of federal funding and limited local funds by providing a higher percentage of funding to the districts. 	<ul style="list-style-type: none"> • The State should institute a statutory change to add Medicaid services to the Medicaid State Plan and to allow for other sources of federal funding to be pursued (i.e., Child Nutrition, Housing, ROTC, Transportation, Department of Justice, and Homeland Security grants). These grants should be pursued at the state level, with the State acting as financial monitor and pass-through agent for the school districts. WDE should explore opportunities to partner with WDH for the tracking and billing of these services once the provision allowing them has been added to the State Plan. • The State should revise statute W.S. 21-13-320 and Chapters 7 and 8 of Wyoming Rules and Regulations to adjust the special education funding formula to cover 100% of special education funds “when combined with federal reimbursements.” Following the adjustment to statutes, the State should apply for the waivers required to adjust their expectations for meeting the MFS requirement based on the decline in the State’s financial resources. The funding requirements would be relaxed for a single year, and would revert to the level prior to the waiver. To support this initiative, WDE will need a transition plan at both the state and district levels. • The State should evaluate the current structure of the school nutrition program to ensure that the federal nutrition benefit is maximized while providing quality nutrition to the student population. WDE will need to support school districts in creating transition plans that outline how they should request funding, define policies for what will be required for reimbursement, and train staff to ensure compliance with state and federal policies.

Summary of Observations and Recommendations

	Observations	Recommendations
Federal Funding (continued from previous page)	<ul style="list-style-type: none"> • Universal Access: The Federal E-Rate program that provides discounts of up to 90% to help eligible schools and libraries obtain affordable telecommunications and internet, based on poverty levels as estimated by the Free and Reduced Lunch (FRL) population, is not fully utilized in the State. The State has been recognized nationally for the work to expand the telecommunications infrastructure to schools having implemented 34 of 48 school districts to date. 	<ul style="list-style-type: none"> • The State should continue to work with the school districts to promote the E-Rate program and ensure they are accurately tracking E-Rate eligible spending to maximize the federal telecommunications benefit. WDE is currently working with school districts to identify gaps in E-rate utilization to better leverage resources available through the program.
Human Resources	<ul style="list-style-type: none"> • Recruiting: Recruiting efforts for hard to fill positions such as Special Education, Math, or Science create challenges especially for the smaller rural school districts. A particularly acute example of the challenges the State faces is that there are only three child psychiatrists in the State. In August 2017, the State launched a project to provide tuition reimbursement for Special Education teachers and related service providers. 	<ul style="list-style-type: none"> • The State should consider revising and/or enhancing the existing incentive programs to recruit and retain teachers that could include: (a) increasing signing bonuses; (b) expanding housing incentives; (c) expanding tuition reimbursement; and (d) providing innovative professional development programs.
School District Employee Benefits	<ul style="list-style-type: none"> • Group Benefits Insurance: School districts are allowed to purchase off of the state contract for employee benefits, but currently only one school district does so. • Insurance Trusts: Two professional organizations offer health benefit programs for school districts: The Wyoming School Boards Association (WSBA) and the Wyoming Employee Benefit Trust (WEBT). 	<ul style="list-style-type: none"> • Given the eligibility and coverage requirements of school districts, the State should create a separate insurance plan for school districts that meet their criteria. Requiring all school districts to purchase insurance through the collective plan would yield favorable pricing and spread health risks across the entire K-12 population.

Summary of Observations and Recommendations

	Observations	Recommendations
Technology	<ul style="list-style-type: none"> • Staffing: The larger districts have technology directors but many of the smaller districts must hire consultants or have leadership perform multiple roles, which may be outside their area of expertise. • Student Information System: The school districts use a variety of tools for enrollment counts including Infinite Campus and Power School, but there is no statewide Student Information System (SIS) to enter and calculate Average Daily Membership (ADM) across all school districts. The lack of a statewide system prevents “real time” access to data to ensure that student counts are up to date throughout the year, that funding is properly allocated, and that key demographic data (FRL, SPED, etc.) are accurately tracked. The State is working through the procurement for a statewide SIS contract. • Special Education: SPED Advantage, a special education tracking tool, is used by most schools in conjunction with Infinite Campus to manage special education services. WDE is in the process of purchasing a statewide system. • Enterprise Resource Planning (ERP): The school districts use several different ERP tools for Finance and Human Resources such as Software Unlimited for finance or Business Plus, but there is no statewide procurement vehicle for schools to purchase an ERP system. • Grants Management: The State has an existing grants management system for the schools where districts can upload required data and draw down federal funds. 	<ul style="list-style-type: none"> • The greatest saving potential can be realized through rollout of low cost/high quality technology options that are standardized across a geographic region or the State as a whole. WDE should work to standardize recommended technology options across nearby districts in order to leverage benefits of coordinated purchasing and volume discounts. • The State should move to a cost reimbursement basis for technology spend and invest in a statewide ERP implementation to accelerate the process and to help enhance and automate recruiting, on-boarding, substitute teacher management and time tracking processes that are currently manual.

Summary of Observations and Recommendations

	Observations	Recommendations
Technology (continued)	<ul style="list-style-type: none"> • Learning Management: The State is working on a procurement for learning management systems for the school districts. 	
School District Procurement Practices	<ul style="list-style-type: none"> • Collaboration: School districts establish roles to conduct limited purchasing coordination, but do not have a statewide purchasing cooperative established to purchase food, insurance, or other sourcing categories. There are BOCES that were established to coordinate food service purchasing, but there is no statewide effort. • Categorization of Savings: The level of non-facilities purchased services is much lower to Wyoming than peer states due to the lack of food service outsourcing in the State. • Insurance: School districts do not procure insurance in a collaborative manner through the State Board of Education or other cooperative programs. • Bus Purchases: The State leads centralized purchasing of buses through a state run multi-award contract with selection by the school district. • Insurance: The Wyoming School Boards Association (WSBA), a professional organization, offers Property and Casualty insurance to member districts. • Facilities Spend: Wyoming spends significantly more in facilities and acquisition costs than other states, leading to opportunities to drive procurement savings in this area. 	<ul style="list-style-type: none"> • The State should work with the school districts to create a statewide cooperative purchasing organization and advisory board that facilitates school district purchasing within the State with representation from the State, districts, and potentially higher education institutions to identify and pursue specific sourcing categories. The cooperative purchasing organization and advisory board would identify categories to pursue collectively, name specific districts as lead on a particular sourcing effort, and consolidate the spend across districts. The procurements would be made available to all districts, but advisory board members would be rotated on a periodic basis with some regular sitting advisory board members from the State, regional cooperatives, and largest districts. • For the statewide and/or regional cooperative procurements, WDE should include Most Favored Nation (MFN) clauses in contracts that require the vendor to provide the District pricing that is no higher than the price it provides to any other buyer, now or during the term of the agreement.

Summary of Observations and Recommendations

	Observations	Recommendations
School Facilities Commission	<ul style="list-style-type: none"> • Organizational Structure: The School Facilities Commission was established over 10 years ago to oversee school construction requirements. In the past year, the organization has been integrated with the Construction Management Division to form the State Construction Department (SCD). • Funding Model: The school districts are responsible for routine maintenance on the school facilities, while the State is responsible for major maintenance and renovation. • Technology: SCD is moving the State to an asset management database to manage work orders and maintenance. Currently, eighteen of the school districts use SchoolDude for maintenance and forecasting planning. • Policies for Spending: State statute allows school districts to expend up to 10% on enhancements or surplus buildings (10% major maintenance). Districts are allowed to save and accumulate 10% of major maintenance for future expenditures. • Surplus Properties: School districts have 84 properties totaling 880,590 SF, that are either closed, surplus, mothballed or will be closed within the next school year. Facilities include school buildings, aquatic centers, modular (i.e., portable classrooms) and other ancillary structures. School districts must seek approval before mothballing a property. 	<ul style="list-style-type: none"> • The State should periodically work with the school districts to identify and value the surplus assets that could be sold, and to assist with the disposal of those assets in a timely manner to provide funding, reduce ongoing maintenance costs, and return the properties to the tax rolls. • The State should evaluate the potential impact of changing the statute to reduce the amount of funding that may go to enhancements rather than building maintenance to ensure that the State is employing the optimal mix of ongoing maintenance to extend the life of the existing facilities. • The State should use information from maintenance and facilities planning systems to develop an integrated long-term capital forecast to better plan for and prioritize major maintenance and renovation projects.

Summary of Observations and Recommendations

	Observations	Recommendations
School Facilities Commission (continued from previous page)	<ul style="list-style-type: none"> • Contracts: The State Construction Department leads a workgroup that includes the Wyoming Contractors Association (WCA) and the Wyoming Contract Coalition Association (WCCA), as well as architects and engineers to determine the major issues in the contracting process and how they can be resolved. They are collaborating with the AG's Office, the Department of Workforce Services, and others to work through contract changes. • Bonding: Facility enhancements, like pools and ground improvement, are funded through local bonding capabilities. 	<ul style="list-style-type: none"> • The school districts should coordinate procurement activities with regard to school facilities maintenance that leverage contracts and capabilities that have been put in place by the State for new construction and state run maintenance.
Condition of School Facilities	<ul style="list-style-type: none"> • Condition: On average, the school facilities have a rating of 0.16 on the Facilities Condition Index (FCI) scale, indicating that the overall condition of the school buildings in Wyoming is good (i.e., an FCI rating of 0=new and 1-needs replacement). • Benchmark Comparisons: The State does not maintain a record of comparable school district facility benchmarks. • Incentives: The school districts are responsible for routine maintenance through block grant funding, while the State is responsible for major maintenance through the school. This distinction creates a disincentive to properly fund routine maintenance. • Energy Efficiency: The State has engaged in preliminary discussions on ways to increase energy efficiency, including motion detectors for lighting and HVAC and the use of energy efficient lightbulbs. 	<ul style="list-style-type: none"> • The school foundation/construction function should conduct a study looking at comparable school district benchmarks to determine the optimal balance of routine maintenance versus major maintenance. The study should result in a revision to the state policies for facilities maintenance and adjustments to school reimbursement program to realign school district incentives. • Given the very high level of facility conditions scores across the school district buildings, the State should explore the optimal FCI score that would trigger a major school renovation. The optimal score should consider average FCI scores of comparable states and best practices associated with the balance between new construction and ongoing maintenance in the effort to maximize useful life of school facilities. • The State should explore best practices for energy efficient buildings and schools and implement strategies to reduce energy costs.

Summary of Observations and Recommendations

	Observations	Recommendations
Transportation	<ul style="list-style-type: none"> • Reimbursement: The school districts used to follow an incremental budgeting approach for transportation in which prior year spend became current year budget. In the latest biennium, the State transitioned to a fixed budget based on the prior three year budgets (FY15, FY16, and FY17). This budget will be capped in statute at that level. • Bus Replacement: The State instituted a bus moratorium in 2017, halting the purchase of new buses unless an emergency replacement is necessary. Previously, state policy was to replace buses every 12 years or 200,000 miles, with an average age of the fleet between 8 and 11 years. • Fleet Surplus: Fleet size was frozen in 1999 with exceptions approved by WDE. The buses are the property of the school districts and disposal or sale of those buses will revert funds to the State. • Route Management: Many school districts use routing software, which was previously reimbursed by the State in full. The buses are outfitted with Zonar Fleet Management Systems allowing school districts access to bus tracking, maintenance information, and route information if the modules were purchased. • Two school districts have purchased alternative fuel buses (propane and compressed natural gas). 	<ul style="list-style-type: none"> • The State should implement policies to extend the life of the bus fleet, drive efficiencies into the transportation operations, and restructure the incentives available to the districts through a cost reimbursement program. The policies should define the appropriate level of bus utilization, define route reimbursement parameters, incentivize more efficient use of technology, and promote the use of staggered bell times. • The State should conduct a study of the fleet operation and maintenance costs in the districts to determine the optimal bus replacement lifecycle. • The State should conduct a sourcing exercise to establish a contract vehicle to enable purchasing of alternative fuel buses as new vehicles are added to the fleet.

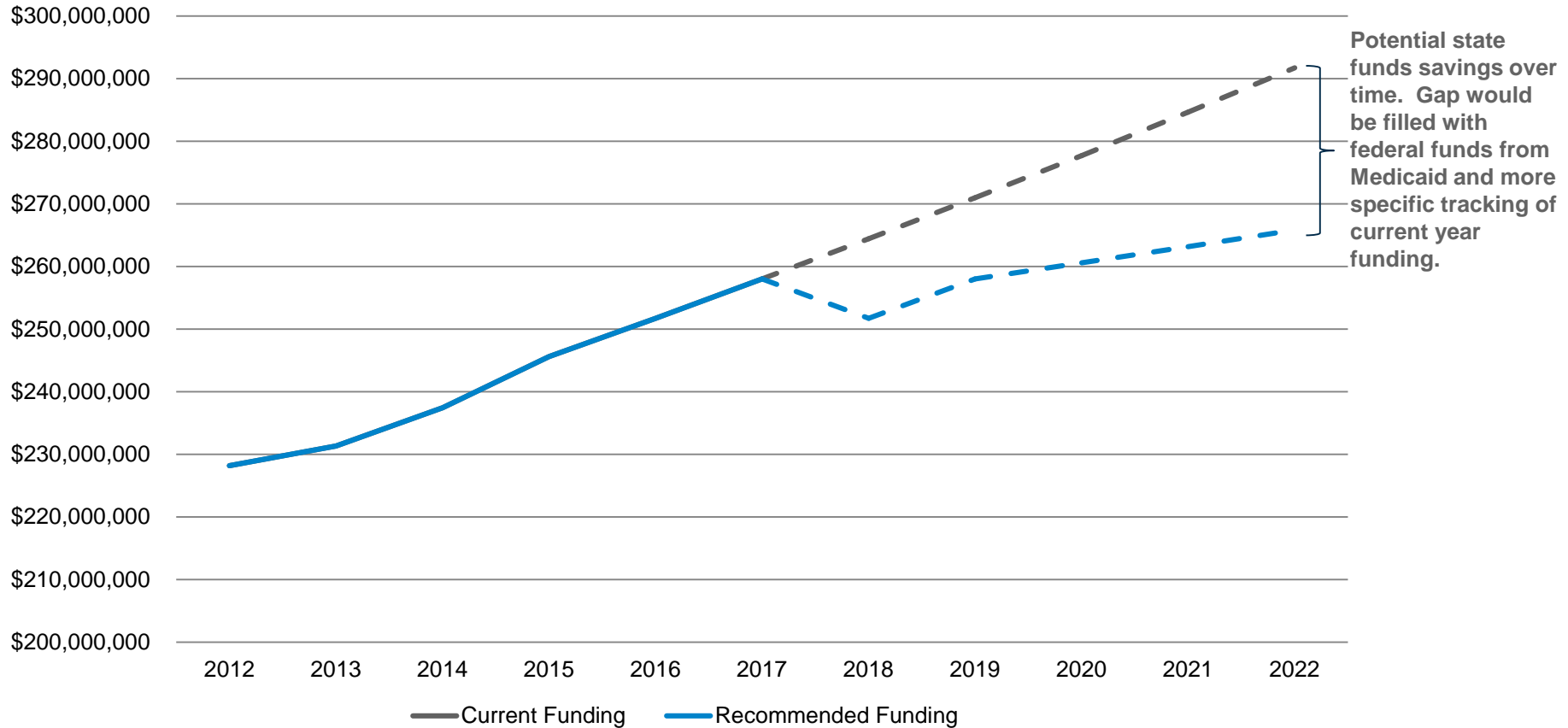
Summary of Observations and Recommendations

	Observations	Recommendations
Regional Collaboration	<ul style="list-style-type: none"> • BOCES Functions: Currently, there are 16 overall Boards of Cooperative Education Services (BOCES) formed throughout the State with various responsibilities including collaboration with community colleges, providing medical services, and coordinating delivery of programs and services. • BOCES Creation: Local boards of trustees may enter into agreements to form a board of cooperative educational services among districts under statute W.S. 21-20-104. • BOCHES: There are four Boards of Cooperative Higher Education Services (BOCHES) in the State that provide Adult Education, Career and Technical Education, and Professional Development for teachers. • Cooperative Purchasing: Some BOCES also provide support cooperative purchasing across districts for Food and Nutrition, Technology, and Vehicles. • Medical Services: There are three BOCES that provide special education services where WDE pays for court ordered placement of students. When placed through the court system, additional federal funding is available when the BOCES choose to apply, however, the additional funding options are not always known by the school district or the Multi-Disciplinary Team (MDT) supporting these youth. As a result, the education reimbursement is covering a larger share of these costs than is otherwise warranted. 	<ul style="list-style-type: none"> • The State should work with the districts to establish a series of regional shared services models providing finance, human resources, information technology, and other general services to the school districts. • The State should establish a collaborative purchasing BOCES that includes the State and all school districts to conduct statewide procurement activities to maximize the potential for volume discounts for the benefit of the school districts. • In consultation with the school districts, the parents should be made aware of the opportunity to invite WDE to participate in the Multi-Disciplinary Team (MDT) to help with awareness of federal funding alternatives and coordination across parties and with the BOCES.

IMPACT OF REDUCTION IN GROWTH OF MFS

WDE should apply for an exception and evaluate opportunities to reduce the average annual MFS growth from 2.5% to 1% going forward.

MFS Growth Reduction Projected Savings^[20]



ADDITIONAL OPPORTUNITIES FOR FEDERAL FUNDS

WDE should ensure that districts fully participate in school-based Medicaid services and federal school nutrition programs to maximize opportunities for additional federal funds.

School-Based Medicaid Services

Wyoming must add school-based Medicaid-eligible services to their Medicaid State Plan in order to be reimbursed. School-based services must be included in the Medicaid statute or the Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) screening services. In FY2016, Wyoming schools spent \$28 million providing SPED services, some of which could qualify for Medicaid reimbursement.

School-based services eligible for Medicaid

- EPSDT screening services
IDEA-related health services including:
- Health/mental health services outlined in an IEP
 - Speech, occupation, physical, and other therapies
 - Developmental assessments
 - Direct clinical/treatment services
 - Routine or mandated health screens

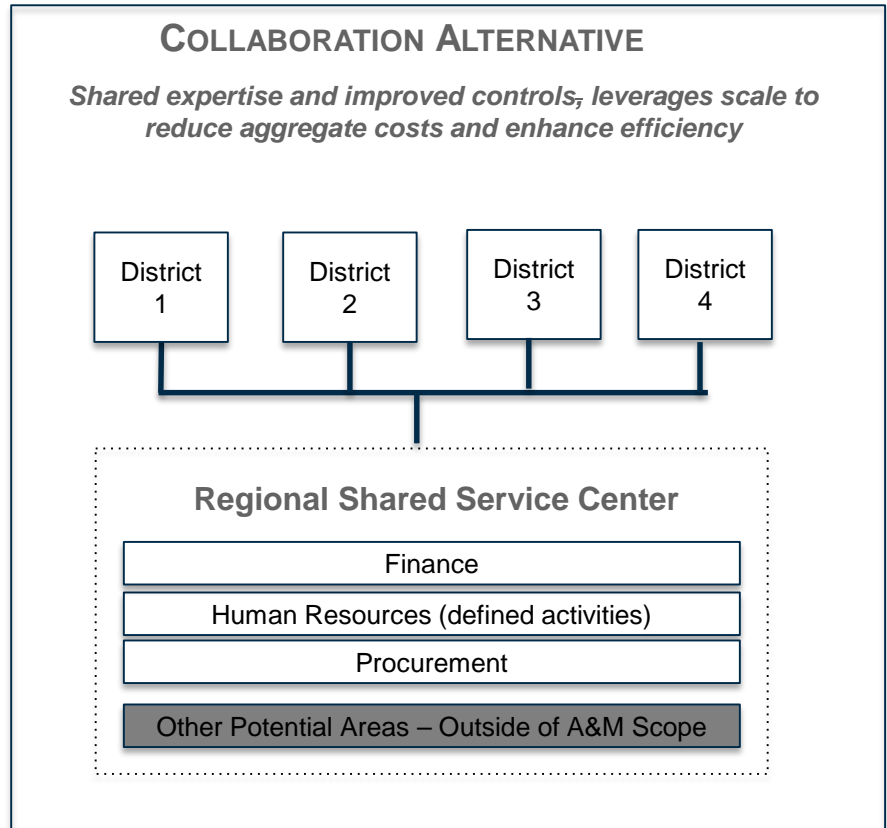
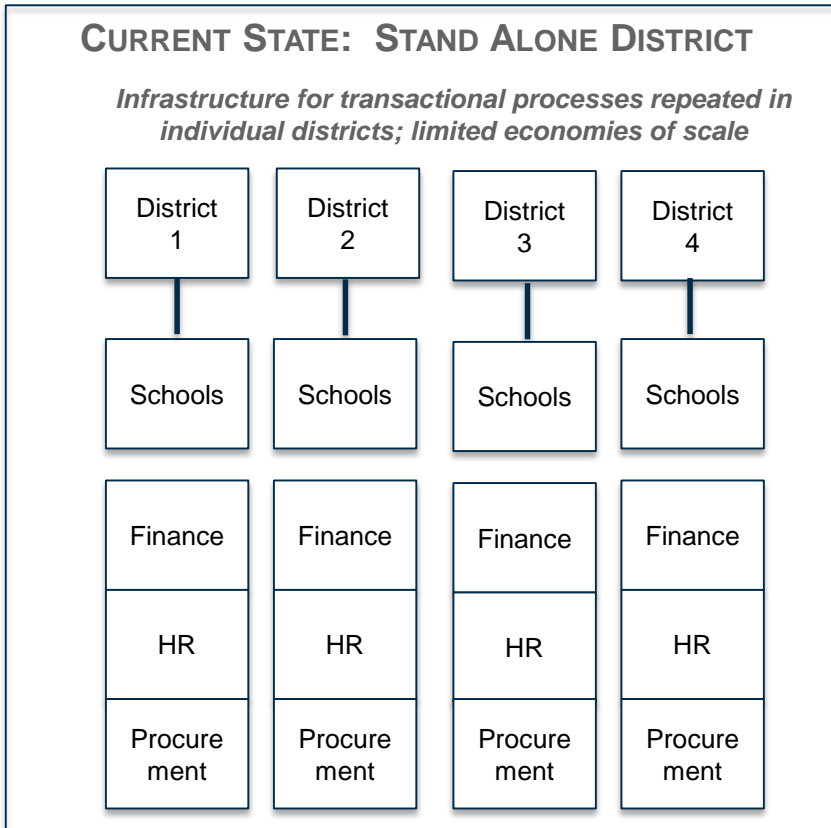
Federal School Nutrition Program^[21]

State	Participation	FY2016 Enrollment	Participation Rate
Wyoming	51,854	94,067	55.1%
Montana	81,872	144,532	56.6%
South Dakota	107,332	133,040	80.7%
North Dakota	90,355	106,586	84.8%
Idaho	156,992	290,885	54.0%
Nebraska	241,037	312,635	77.1%
Alaska	53,617	131,176	40.9%
New Mexico	216,778	340,365	63.7%
West Virginia	194,289	280,310	69.3%
Maine	100,272	182,470	55.0%
Vermont	49,159	87,311	56.3%
	Average		63.8%

Wyoming's School Nutrition Participation is below average when compared to peer states. Developing strategies to increase the participation funding to the average of its peer states would provide significant additional revenue to the State, especially in areas where districts have elected not to participate in the federal school lunch program.

COLLABORATION: SHARED SERVICE MODELS

Given the limited spending across districts, especially those that are smaller in size, and the fixed cost requirements of these functions, WDE should consider collaboration alternatives when looking for ways to optimize efficiency.



Collaboration provides a pathway to optimizing effectiveness and efficiencies across processes, capturing economies of scale, increasing standardization, and addressing common challenges faced by all districts.

PURCHASING SAVINGS ESTIMATES

PURCHASING COORDINATION AND AGGREGATION: SAVINGS APPROACH

In order to develop a range of savings that a purchasing consortium would yield, A&M estimated savings based on current district spend and applied savings ranges based on the experience that our clients have achieved by partnering with A&M on strategic sourcing.

To determine actual savings amounts by district, A&M applied the savings ranges to FY16 expenditure data, approximating the state share at 51%. The expenditure data from the State is summarized by function and major object codes.

The scope of the total procurement spend was reduced by 25% of procurement spend based on experience with prior statewide school district efficiency procurement reviews and to ensure conservative savings estimates.

Given the approach to estimate savings was a top-down approach rather than a bottom-up approach of savings by vendor, the estimates of savings achieved through purchasing coordination are high-level estimates.

	Range of Savings Based on A&M Strategic Sourcing Experience	
	Low	High
Benefits	1.5%	4.5%
Equipment	5.0%	10.0%
Facilities	4.0%	6.0%
Food	2.5%	5.0%
Fuel	1.0%	2.0%
Hardware	2.0%	7.0%
Health Care	1.5%	4.5%
Insurance	5.0%	7.5%
Professional Services	4.0%	6.0%
Software	3.0%	9.0%
Supplies	2.5%	7.5%
Telecom	2.0%	7.0%
Temporary Services	6.0%	10.0%
Transportation	5.0%	7.5%
Travel	5.0%	7.5%
Utilities	3.0%	5.0%
Vehicle Fleet	2.0%	5.0%

WDE SAVINGS ESTIMATES

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



OUTLINE

- I. Executive Summary
- II. Background and Purpose
- III. Cross Agency Benchmarking and Analysis
- IV. Department of Administration & Information
- V. Department of Education
- VI. Department of Health
- VII. Department of Revenue/Department of Audit
- VIII. Other \$20M Agency SAGE Reports

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 innovative 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.

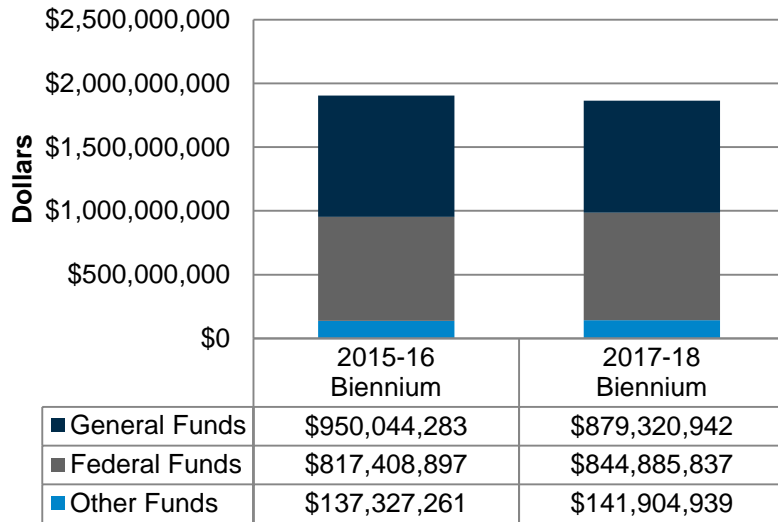
Recommendations

- 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).

DEPARTMENT OF HEALTH AGENCY PROFILE

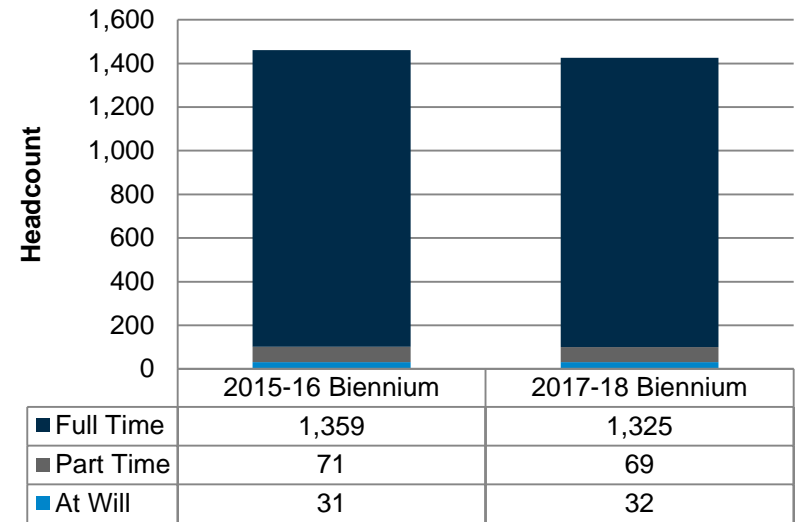
Budget Trend^[22]

Biennium Budget



Headcount Trend^[22]

Biennium Budget Headcount



Key Performance Indicators^[23]

% of State population enrolled in Medicaid (SFY2015)	15.5%
Average Monthly Enrollment (SFY2016)	66,696
Medicaid Overall Cost per Member per Month (SFY2016)	\$669
Average Cost of Senior participants	\$29,268
Average Cost of Individuals with Disabilities	\$25,242

Administrative Costs

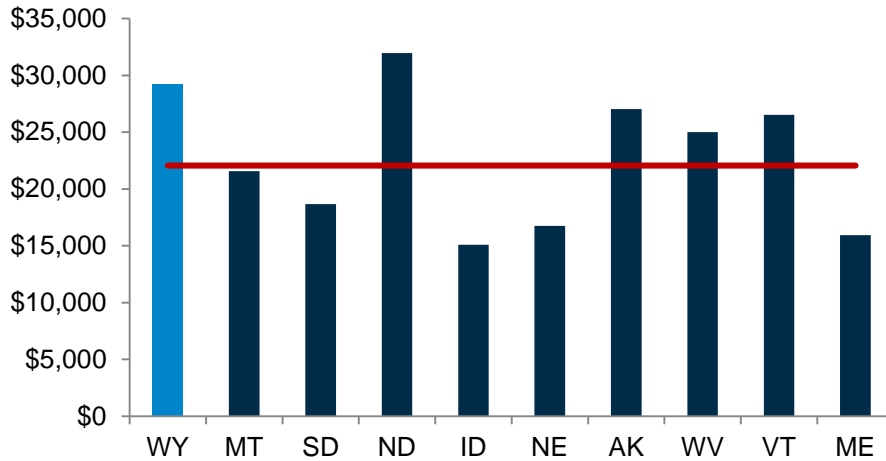
Departmental FTE ^[22]	1,460
FTE Per Million Residents ^{[22],[24]}	2,439.6
Department Budget ^[22]	\$ 1,866,111
Budget Per Capita ^{[22],[24]}	\$3,187.21

OVERALL STATE MEDICAID SPENDING PER ENROLLEE

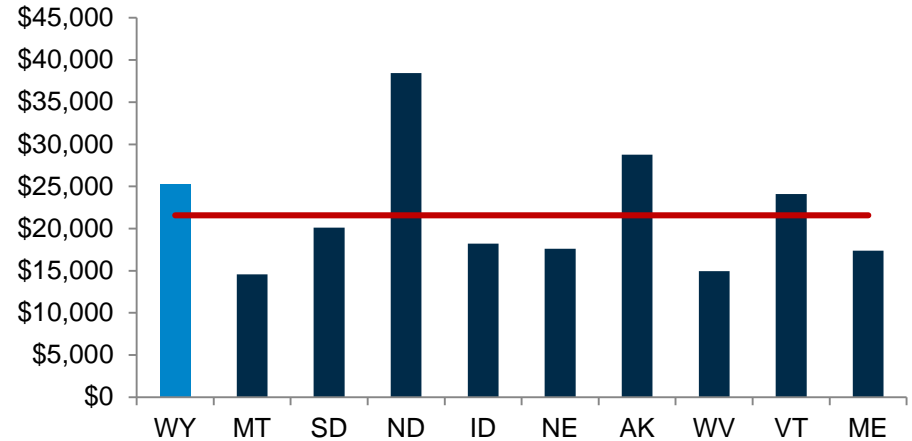
Wyoming is ranked in the top five states in spending for Seniors and the top ten states in spending for Individuals with Disabilities^[25]

	Total	Seniors	Individuals w/Disabilities	Adults	Children
North Dakota	1	3	1	4	5
Alaska	2	7	6	2	2
Vermont	7	10	12	13	3
Maine	16	36	29	37	13
Montana	20	21	47	1	15
Wyoming	24	5	10	27	38
Nebraska	27	33	28	17	41
New Mexico	32	N/A	23	42	1
South Dakota	33	28	22	32	37
West Virginia	34	15	45	44	31
Idaho	41	39	27	35	40

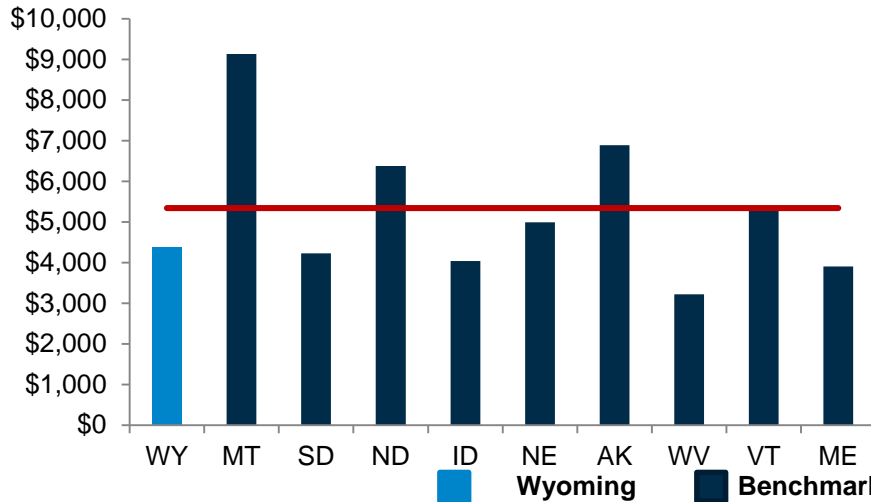
Medicaid Spending per Enrollee - Seniors



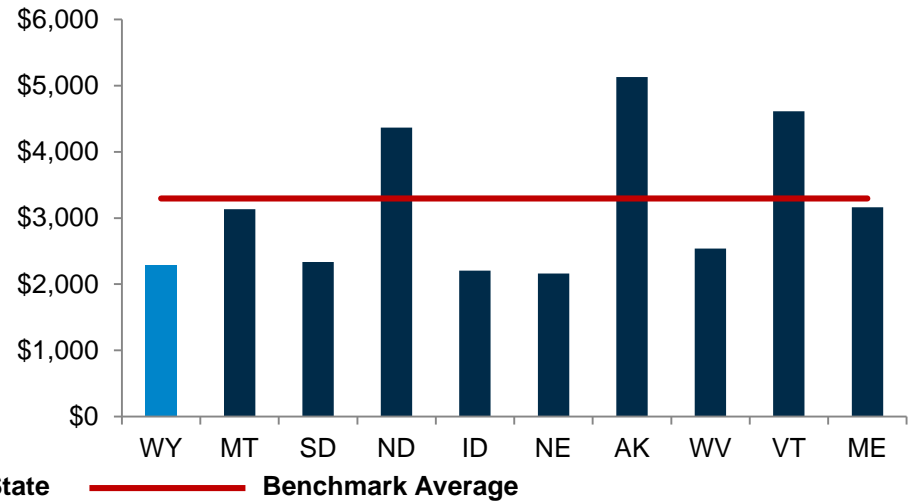
Medicaid Spending per Enrollee - Disabilities



Medicaid Spending per Enrollee - Adults



Medicaid Spending per Enrollee - Children

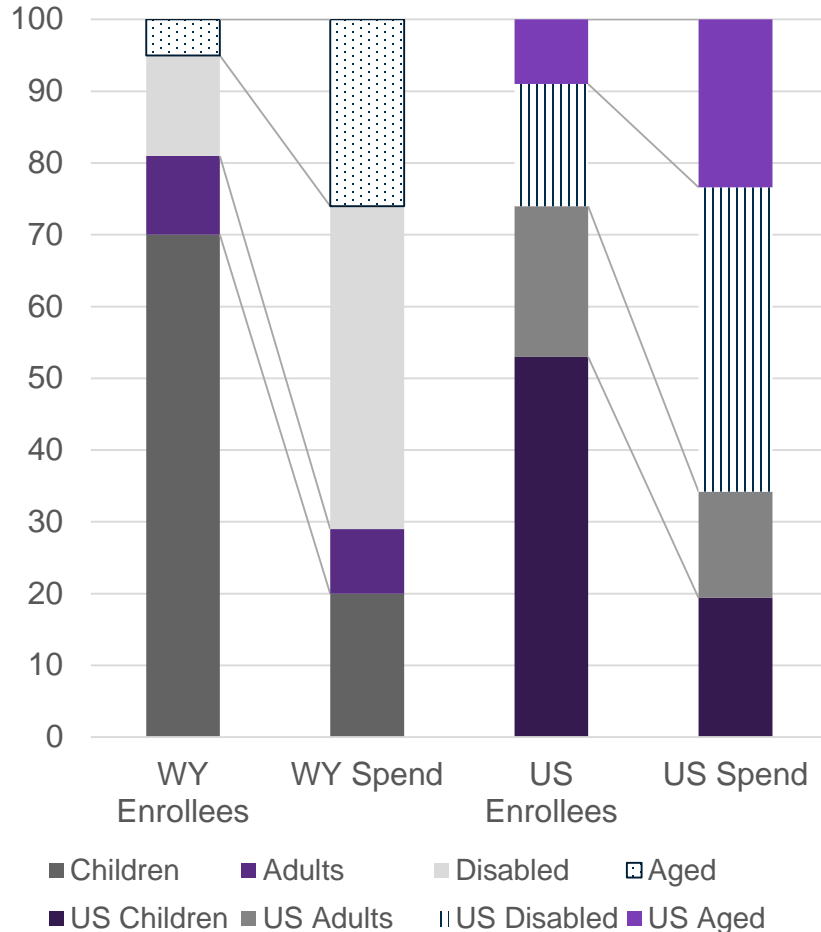


■ Wyoming
 ■ Benchmark State
 — Benchmark Average

COSTS BY MEMBER TYPE

When compared to national averages, Wyoming's high costs for Aged and Disabled are offset by the low levels of spending for Children and Adult populations.^[26]

Costs by Member Type in Wyoming and US Averages



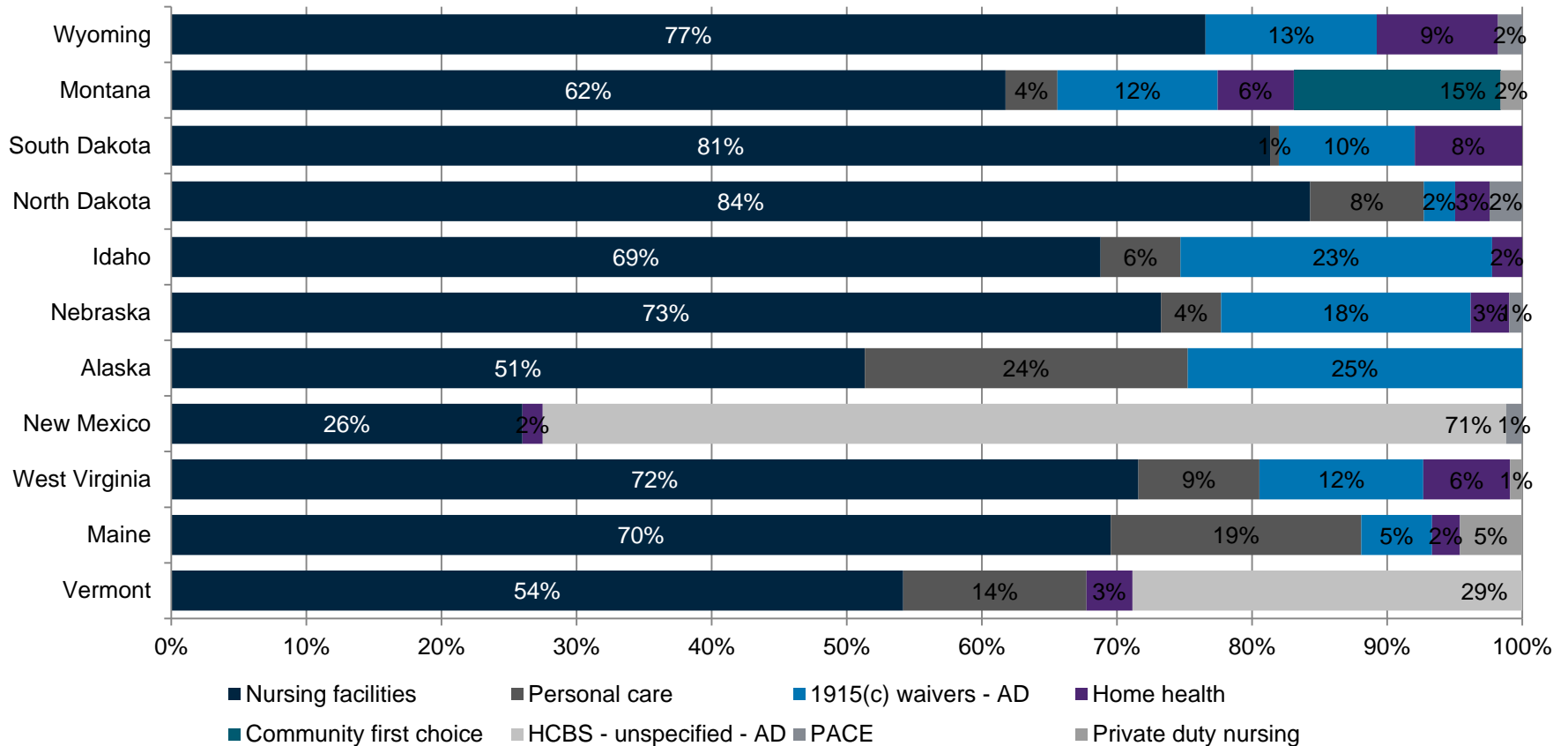
Key Findings

- **The State's Aged and Disabled Populations contribute a disproportionate share of the costs.**
 - WY A&D are 19% of Pop with 71% of spend
 - US A&D are 26% of Pop with 65% of spend
- **Wyoming's low adult population in Medicaid offsets the high spend in other areas.**
- **Wyoming's high number of low cost children in Medicaid offsets the spend in other areas:**
 - WY Children are 70% of Pop with 20% of spend
 - US Children are 53% of Pop with 19% of spend

WYOMING MEDICAID SPEND

Wyoming's percentage spend on Skilled Nursing Facilities ranks third behind North and South Dakota in comparison to peer state benchmarks. There are efficiencies that can be derived by moving more aggressively to community based settings.

Senior & Disabilities Medicaid Spending by Service Type^[27]

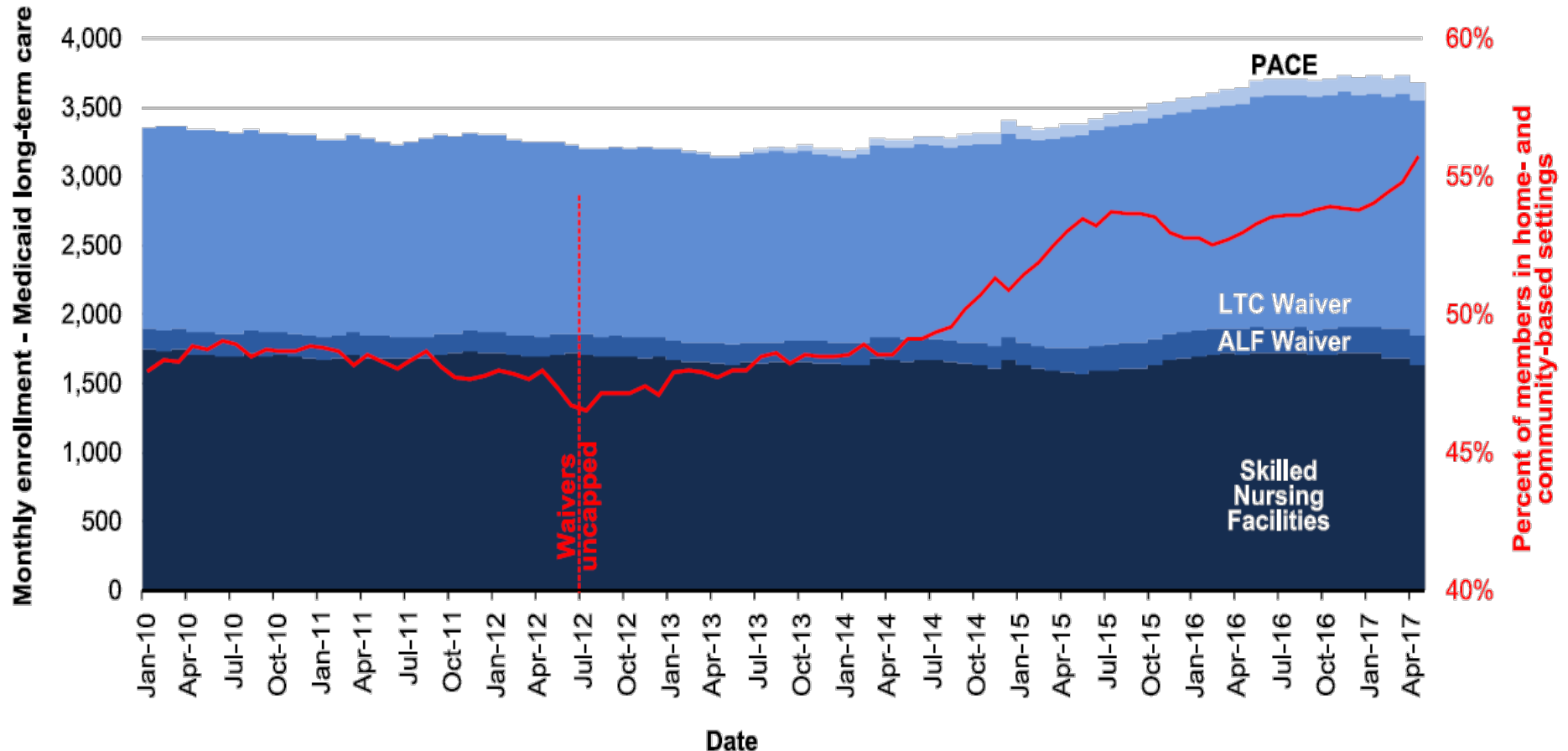


NOTE: 1915 (c) waivers are Medicaid waivers authorized by Section 1915 of the Social Security Act that allow states to provide certain services to specific populations. PACE is the Program for All-Inclusive Care for the Elderly.

GROWTH IN LONG-TERM CARE

Given the growth trends in the senior population, WDH has made efforts to enroll new participants in community based services instead of nursing homes. However, more could be done to transition participants from nursing facilities to community-based care.

Long-Term Care Settings of Medicaid Members^[28]

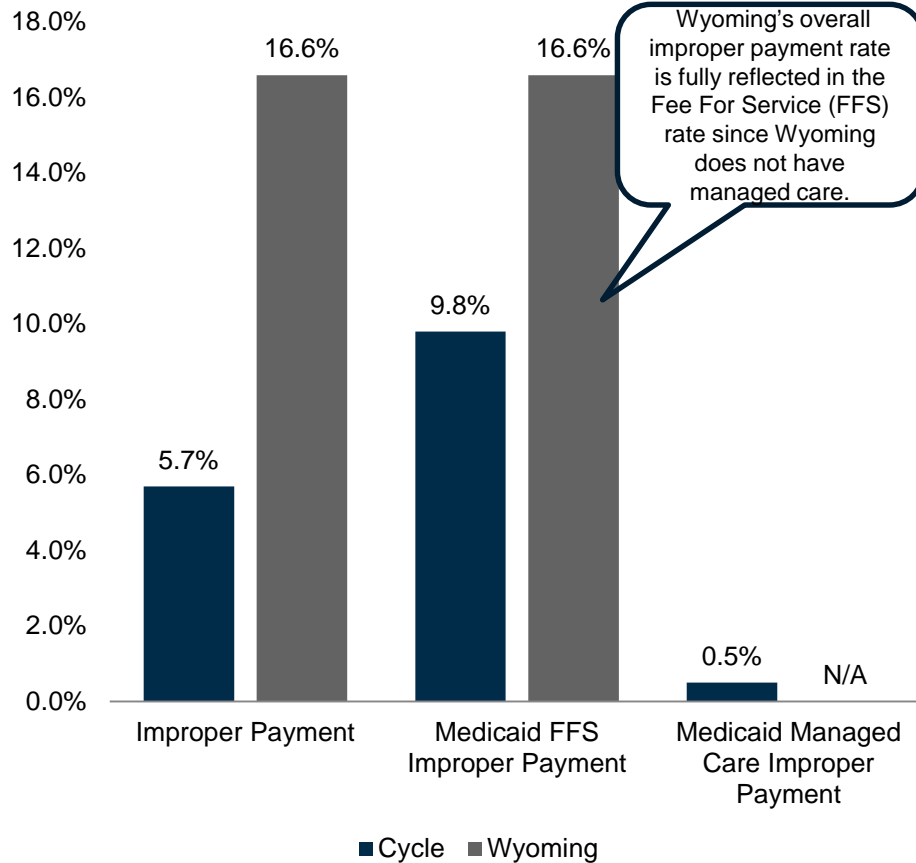


NOTE: The LTC and ALF Waivers refer to Wyoming's Long-Term Care and Assisted Living Facility Waivers, respectively.

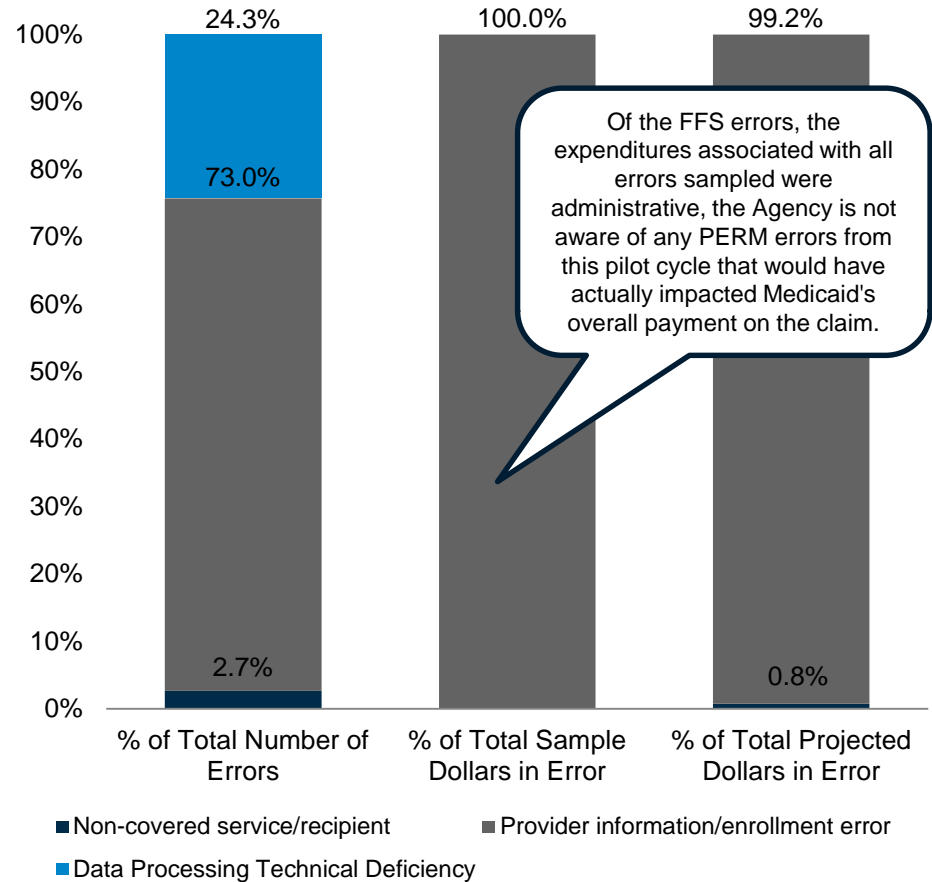
2015 PERM RATES COMPARISON^[29]

PERM* Pilot Cycles were conducted for Medical Review and Data processing errors only, and did not include a review of Medicaid eligibility decisions. Wyoming's error rate was significantly above the Cycle average, primarily due to administrative errors.

Cycle & State Combined and Component Improper Payment Rates^[8]



Medicaid FFS Data Processing Review Error Types^[8]



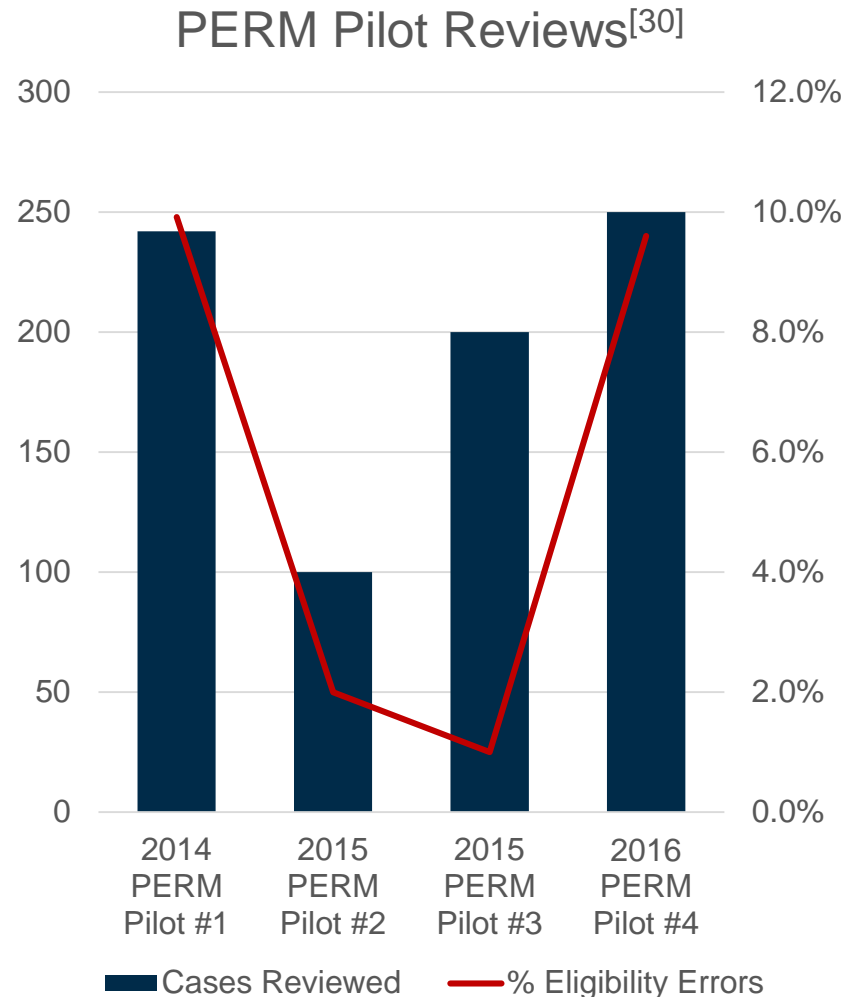
NOTE: PERM stands for Payment Error Rate Measurement and is used by CMS to measure improper payments in Medicaid.

PERM PILOT ELIGIBILITY REVIEW

WDH conducted 4 PERM pilot eligibility reviews ahead of the 2018 CMS review cycle, which revealed issues that could impact payment accuracy. Corrective actions have been taken to mitigate potential error in the future.

Key Findings

- **PERM Pilot States were required to conduct Eligibility reviews using draft PERM protocols that will be implemented in the 2018 PERM Cycle.**
 - Other Cycle 1 states include Arkansas, Connecticut, Delaware, Idaho, Illinois, Kansas, Michigan, Minnesota, Missouri, New Mexico, North Dakota, Ohio, Oklahoma, Pennsylvania, Virginia, Wisconsin
- **Internal reviews focused on testing review protocols; findings should be considered anecdotal – not based on statistically valid sample. No national comparisons or benchmarking.**
- **The findings from these reviews indicated recurring issues:**
 - Missing/inadequate income verification
 - Late re-determinations/delayed case closures
 - Missing/incorrect notice to beneficiary
 - Inadequate IT and Customer Service Center Vendor response to recurring issues
 - Note: The data reviewed for the PERM pilots was reflective of particular groups of the population and was not a statistically significant data set.



Summary of Observations and Recommendations

	Observations	Recommendations
Agency Overview	<ul style="list-style-type: none"> • Operational Divisions: WDH has four operation divisions – public health, mental health & substance abuse (behavioral health), health care financing (Medicaid), and aging. • Department Budget: The department’s budget was reduced by \$93 million in General Funds ahead of the current biennium resulting in a budget of \$1.87 billion for the FY2017-2018 biennium. The department’s expenditures per capita are budgeted at \$3,187 for the FY2017-2018 biennium, split \$1,502 in GF, \$1,443 FF, and \$242 in OF. • State Facilities: There are three Aging Division Community Facilities run by the State for the senior population. The WDH Behavioral Health Division operates the Wyoming State Hospital (WSH) and Wyoming Life Resource Center (WLRC). The State Hospital provides psychiatric and criminal justice-related treatment, and houses the State’s Intermediate Care Facility (ICF). The WLRC operates three programs for the Intellectual and Developmentally Disabled (I/DD), Acquired Brain Injury (ABI), and the Horizons Health Care Center. The WDH Aging Division operates Wyoming Retirement Center, Veterans Home, and Pioneer Home. • Department of Family Services: Between 2013 and 2015, operational control for eligibility determinations was transferred from DFS to WDH. The process underwent significant changes from a distributed manual process to a centralized, automated, and rules driven process. This resulted in the ability to meet the increased demand from mandatory ACA expansion. In 2017, Director of the Department of Health was placed as the interim head of the Department of Family Services. 	<ul style="list-style-type: none"> • The State should examine the existing organizational structure to determine if a merger of the WDH and DFS agencies is warranted, particularly in light of the significant overlap in responsibilities including eligibility determinations, fraud detection, and the type of citizens served. The study should assess whether there are opportunities for shared services, to better utilize technology, or for skill building across agencies.

Summary of Observations and Recommendations

	Observations	Recommendations
Medicaid Enrollment Trends	<ul style="list-style-type: none"> • 5-year Medicaid Enrollment Trend: The enrollment increased by 2.7% during meet minimum income levels (between SFY 2014 and 2015), and has since decreased by 2,287 or 2.5% (between SFY 2015 and 2016) as the state automated the enrollment process and conducted eligibility cleanup.^[23] • Other Demographic: Wyoming’s population is characterized by a high number of children in the system with a low overall per member cost. • Long-term Planning: The State prepares long term enrollment projections to help inform long-term planning. 	
Federal Funds	<ul style="list-style-type: none"> • Federal Funds: There are a number of federal funding programs where Wyoming is below comparable state benchmarks including: Children’s Health Insurance Program (CHIP), Foster Care Title IV-E, Child Care and Development Block Grant, Adoption Assistance, and Head Start. • School Based Medicaid Funding: Currently, the State of Wyoming is the only state in the country that does not make requests for School Based Services (SBS) or the associated Medicaid Administrative Claiming (MAC) funding resulting in the loss of between \$3 – \$6 million in funding annually.^[31] SBS have been discussed in recent legislative sessions and legislation was drafted, but implementation was not authorized, nor were funds appropriated for the change. 	<ul style="list-style-type: none"> • WDH should establish procedures to strategically pursue federal funds that align with the goals and objectives of the agency and state. The agency should work with the legislature to create a reserve fund that can be accessed to offset maintenance of effort requirements should the federal funding be reduced in the future. The reserve fund would provide necessary buffer to adverse future federal funding environments. • WDH should work with the WDE to adjust the Medicaid State Plan to incorporate SBS and MAC funding requests for the schools. Additionally, both agencies should partner with the legislature as needed to get the authorization and funding required for implementation.

Summary of Observations and Recommendations

	Observations	Recommendations
Medicaid: State Plan Services	<ul style="list-style-type: none"> • Medicaid Expansion: Wyoming did not participate in Medicaid expansion, however, income eligibility levels were adjusted as required by the ACA. • Telehealth: The State is currently managing telemedicine through WDH's Public Health Division and has supported initial efforts with funding and resources. Zoom licenses to conduct virtual sessions will be provided to every provider. The department has identified rural and frontier areas as main areas for potential telehealth growth. A new, expanded telehealth policy went into effect October 1, 2017, however, funding for telehealth was coming from tobacco settlement monies, which were cut in the latest budget. • Managed Care: The department engaged Health Management Associates to study options for better Medicaid care coordination. The study concluded that WDH should pursue for its Medicaid enrollees: <ol style="list-style-type: none"> 1. A targeted enhanced care program built on the Patient Centered Medical Home (PCMH) infrastructure that is being developed in Wyoming. 2. A Super-utilizer Program (SUP) that provides intensive care management (e.g. face-to-face visits to ensure medications are taken, etc.) to a small subset of the targeted PCMH clients. • Super-utilizer Program: WDH established a multi-year program to evaluate the ability of an external managed care company to better manage this high intensity population. The program is in its second year and the State has taken corrective actions to improve performance by the vendor. 	<ul style="list-style-type: none"> • Given the low population density of the state, Wyoming needs to become the practice leader in telehealth for evaluation and management services, psychiatric visits, and remote patient monitoring. The state should follow the lead of the Veterans Administration (VA) in expanding use of telehealth as a low-cost, easy-to-access means of providing high quality care. Examples of areas for exploration include: mental health services, primary care, rehabilitation, speech and audio services, eye care, dermatology services, specialty care, and care for chronic conditions such as diabetes, hypertension, and depression. • WDH should continue to explore care coordination for super-utilizer population and refine the program structure based on findings of the current study after evaluating the key successes and challenges of the study. The State has taken steps to course correct the program by gaining access to the systems and creating corrective measures with the contractor, which should improve performance against the contract. The state should continue to explore the following process improvement mechanisms: <ul style="list-style-type: none"> • Review the program to determine if the structure is impairing realization of savings • Ensuring contractor clarity of program objectives • Reviewing data to closely monitor performance • Holding contractor accountable for performance • Tying contractor payment to outcome-related metrics • Developing internal procedures and restructuring contractor interactions to help drive performance

Summary of Observations and Recommendations

	Observations	Recommendations
Medicaid: State Plan Services (continued)	<ul style="list-style-type: none"> • Emergency Department (ED) Visits: In 2016, the total number of emergency department visits were 51,787—down 10% from FY2015—representing 27,080 participants and \$11.4 million in expenditures.^[10] Overall, ED usage in Wyoming is below the national average. • Copays: The State charges nominal copays for emergency department visits. Expanding copays for unnecessary Medicaid ED visits may prove more problematic than beneficial, particularly in light of the recent decline in visits and associated expenditures. The main challenge with instituting copays is the determination around what qualifies as an “unnecessary” ED visit. Collecting the copay also creates an additional administrative burden for the facility. • Readmission: The state has one of the lowest readmission rates in the country at slightly over 6%. 	<ul style="list-style-type: none"> • Overall, ED usage in Wyoming is below the national average. Instituting copays for unnecessary Medicaid ED visits may prove more problematic than beneficial, particularly in light of the recent decline in visits and associated expenditures. In at least one state, an attempt to institute ED copays has been blocked by lawsuits filed on behalf of hospitals. Initial research points toward a recommendation not to institute copays, but further research would be warranted to rule it out (see Appendix for more detail).
Medicaid: Oversight & Quality Management	<ul style="list-style-type: none"> • Quality Improvement Organization (QIO) Vendor: The State contracts with Optum for quality improvement services, including post-pay reviews, mortality reviews, and prior-authorization reviews for Psychiatric Residential Treatment Facilities (PRTF). WDH also tracks activities in Kronos for all staff that can claim time at higher federal match rates (WINGS, WES, MMIS, Eligibility Functions). • Internal Oversight: For certain classes of professionals (such as physicians, nurses and behavioral health professionals), WDH currently tracks time in Kronos to ensure enhanced match (75% FFP) for utilization review and quality assurance and improvement activities. 	

Summary of Observations and Recommendations

	Observations	Recommendations
Medicaid: Long Term Services and Supports	<ul style="list-style-type: none"> Facility Based Care versus Home & Community Based Care: As of SFY2016, average monthly enrollment in nursing facilities was 1,688, an increase of 3.0% of SFY2015, while Long-term Care and Assisted Living Facility Waiver enrollment increased 9.5% in SFY2016 to 1,804. Per Member Per Month Costs: The per member per month (PMPM) expense for the Long-term Care and Assisted Living Facility Waiver programs for SFY2016 was \$4,355 and \$1,715, respectively. The Intellectual and Developmental Disabilities (I/DD) and Acquired Brain Injury (ABI) Waivers had an average enrollment of 2,389 in SFY2016, an increase of 5.0% from SFY2015, and an average PMPM of \$4,487.^[7] Rate Rebasing: Developmental Disabilities provider service rates were rebased two years ago. WDH is in the process of completing a second, expedited rebasing analysis by January 2018. If approved by the State Legislature, this would be implemented in July 2018. Electronic Visit Verification: The State does not use EVV for home and community based services. The 21st Century Cures Act mandates that states implement an EVV system to manage personal care services by January 2019 and all home health care by 2023. Failure to comply could result in loss of up to 1% of federal medical assistance.^[32] The State is in the process of procuring EVV functionality that will integrate with the new MMIS (also currently in procurement). 	<ul style="list-style-type: none"> WDH should accelerate the implementation of Electronic Visit Verification (EVV)—an electronic time sheet used to accurately record the length of home health visits and to reduce Medicaid fraud. EVV has resulted in savings ranging from 5% to 25% of home health expenditures in TX, IL, FL and other states. The state currently spends about \$175 million in home health services (including state and federal funds).

Summary of Observations and Recommendations

	Observations	Recommendations
Medicaid: LTSS (continued)	<ul style="list-style-type: none"> • Provider Tax: The State does not charge a provider tax for the state run Intermediate Care Facility (ICF) at the Wyoming Life Resource Center (WLRC). 	
Coordination of Care	<ul style="list-style-type: none"> • Pilot: The Department is in the second year of a two year pilot project to determine if care coordination support will help reduce the cost of super-utilizers. After implementation of some corrective action plans, the pilot is entering its second phase in the hopes of delivering meaningful insight for the State as it determines if managed care is right for Wyoming. • Service Delivery: The responsibility for service delivery varies by program with many aspects of service delivery divided across agencies for some programs. As an example, in the court-ordered placement programs, DFS provides Room and Board, Health provides medical services, and WDE provides educational services. 	<ul style="list-style-type: none"> • As the WDH completes its super-utilizer study, the enhanced federal match for health home options should be pursued for regions that have the appropriate infrastructure. For regions that do not, focus should be put on making them ready to maximize the health home benefit. • WDH should evaluate opportunities to better align with agencies who they partner with to provide care.
Technology	<ul style="list-style-type: none"> • Medicaid Management Information Systems (MMIS): The state is halfway through the transition from a traditional system to an MMIS using a modular implementation concept. The State will fully stand up the new system by 2020. The system will consist of seven modules including but not limited to: Data Warehousing, Pharmacy Benefit Management System (PBMS), Common Eligibility, and the Health Information Exchange (HIE). The Wyoming Eligibility System (WES) is a rules based eligibility system that was implemented in 2014. WDH is pursuing opportunities to leverage the system for Electronic Document Management System (EDMS) functions for DFS and Child Welfare. 	<ul style="list-style-type: none"> • WDH should transition the DFS onto the common eligibility system given the shared enrollees.

Summary of Observations and Recommendations

	Observations	Recommendations
Medicaid: Long Term Services and Supports (continued)	<ul style="list-style-type: none"> • Service Authorization and Utilization Review: The State contracts with external vendors for utilization management services rather than managing the process internally. • Worker Shortages: The State experiences worker shortages in a number of professions, including nursing, with the largest portion of shortages occurring in the Community Choice Waiver program. 	
Medicaid: Waivers	<ul style="list-style-type: none"> • Home and Community Based Services (HCBS): WDH has shifted focus to try to enroll as many new participants as possible in HBCS as opposed to facility-based care. The Developmental Disabilities Waiver was redesigned, where everyone in the waiver was grandfathered into the Comprehensive Waiver, and new participants are initially enrolled in the Supports Waiver, where spending is capped at \$17,000. Should a new participant require more support, they undergo a review process to see if transferring to the Comprehensive Waiver is justified, where the average cost per participant was \$45,910 in FY2016. • Wait List: There is an 18-month waiting list for the Developmental Disabilities Waiver. There is no waitlist for the Aging and Disabilities Waivers (uncapped in 2013). • Service Authorization: The current service authorization is tied to a standardized assessment of need, though guidance on granting services could be clearer. • Annual LOC Redetermination: The State requires participants to complete the LT101 tool assessment annually for Level Of Care (LOC) redetermination. 	<ul style="list-style-type: none"> • WDH should focus on shifting people currently in nursing homes to community based services with a focus on the population between the ages of 22 and 65. To help accelerate this process, the state should develop a transition plan that includes the following: <ul style="list-style-type: none"> • Targets for rebalancing the population (those between the ages of 22 and 65 transitioned at a rate of 2%, which is twice the rate for those over 65). • Use of the Section Q of the Minimum Data Set (Nursing Facility Resident Assessment Instrument) to identify and prioritize nursing residents for transition to the community. (Research indicates that the Q+Index, applied to MDS 3.0 assessments can identify a population closely resembling persons who have transitioned in the past.) • Tracking and monitoring of outcomes for participants who have transitioned to community-based care.

Summary of Observations and Recommendations

	Observations	Recommendations
Medicaid: Indian Health Services (IHS)	<ul style="list-style-type: none"> • Indian Health Services Facility: The State has one IHS hospital in the Wind River Reservation. • Shared Savings: The State has created an innovative shared savings approach in which IHS and tribal health programs share in the enhanced match to encourage their participation and cooperation. • Uncompensated Care Waiver: The state has been waiting for two years for approval of an uncompensated care waiver for IHS. Should CMS approve this waiver, it could yield additional savings for the state. • LTSS funding for IHS: Wyoming was the first state to develop and implement an Office of Management and Budget (OMB) encounter-rate based methodology. In 2016 numerous rate and coverage changes were approved to increase Medicaid funding. Both tribes are certified and enrolled as LTC waiver providers, and Medicaid contracted with the Northern Arapaho tribal health program for an out-stationed Tribal Medicaid eligibility worker. • Tribal Leadership: In 2015, WDH worked collaboratively with the Tribal health representatives to establish the Tribal Leadership Advisory Council to work with all WDH divisions, both Tribes, and IHS to prioritize policy and coverage needs, support design and implementation of policy changes, and serve as conduit for Tribal Consultation. WDH has recently contracted with the Tribes for an out stationed eligibility worker as part of a pilot project. 	<ul style="list-style-type: none"> • The State has made considerable headway on maximizing IHS funding for physical health. If the out stationed eligibility worker pilot is successful, WDH should enter into additional contracts for co-located Tribal Eligibility workers. The state should also work to accelerate the negotiations with the tribal leadership to maximize enhanced match opportunities for LTSS as well. The State should also establish a transition plan with outcome based objectives. Accelerated implementation offers significant return on investment for the cost of vendor services. • The State should evaluate anticipated timelines for implementation of systems that must be in place to claim 100% Federal Financial Participation (FFP) for IHS/Tribal referral to non-IHS/Tribal providers, in consideration of procuring a vendor to accelerate the process and ensure enhanced claim of eligible services. The FFP represents the federal government's share of expenditures in a Medicaid program. • The State should explore opportunities within home and community based services to serve Native Americans via existing and new waivers. Drawing 100% FFP on these services provides a cost effective means to providing services with potential to improve health outcomes.

Summary of Observations and Recommendations

	Observations	Recommendations
Medicaid: Indian Health Services (IHS) (continued)	<ul style="list-style-type: none"> • IHS Best Practices: 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 IHS. This is a model that other states have recognized as a best practice and are working to replicate. • Tribal Negotiations: The State is waiting on care coordination with the tribes. There has been leadership turnover within the tribes, which has delayed the negotiations and realization of significant savings in the transition to allow for the draw of 100% match. 	
Behavioral Health	<ul style="list-style-type: none"> • Federal Funds: As a result of the opioid crisis and other federal priorities, there are federal grants available to assist with behavioral health issues. The State is pursuing the Prescription Drug/Opioid (PDO) overdose grant from the Substance Abuse and Mental Health Services Administration (SAMHSA) to assist with implementing preventative measures. The State has been hesitant to pursue the enhanced match for the Community First grant due to the uncertainty with regard to the long term viability of the grant and the associated Maintenance of Effort (MOE). • State Hospital: The State hospital is an involuntary facility driven by Title 25 involuntary commitment program and has high levels of recidivism at 20%-27%. The State is in the process of executing an MOU with private hospitals to collaborate with gate keepers regarding crisis stabilization and coordination of care. 	<ul style="list-style-type: none"> • The State should analyze the potential federal funds available for Behavioral Health to determine if the funds align with the goals and objectives of the department. For example, funds are available with a two year 90% match to develop health home options for behavioral health. The State is currently assessing opportunities to maximize the use of health home funds as a part of the Super-Utilizer study. • The State should explore options to provide Behavioral Health services to uninsured and Medicaid-ineligible citizens to keep them stable in the community and avoid more costly institutional care services in the future.

Summary of Observations and Recommendations

	Observations	Recommendations
Payment Error Rate Measurement (PERM)	<ul style="list-style-type: none"> • CMS PERM Review: With the start of the new federal fiscal year, a new 3-year cycle of PERM is just kicking off – 17 states are done each year of the cycle. Wyoming is in the first group of 17 states. The PERM review has started, but the first data draw will not take place until October 2017. In contrast to the previous PERM cycle when eligibility reviews were suspended, the upcoming cycle will complete these reviews. • Eligibility Determinations: Prior to 2014, DFS was responsible for handling eligibility determinations, which were conducted manually at regional field offices. Upon transfer of the eligibility function to WDH, the process was centralized and automated using a rules based system. • PERM Pilots: WDH has results from four rounds of PERM pilot reviews to assess system functionality and certain types of cases. The Eligibility unit used the results of the pilot reviews to determine any needs the agency received with regard to system and policy changes, as well as any additional training required. • Internal Review System: WDH's internal eligibility error review processes have tested 100-175 cases per month since 2014 including 800+ PERM reviews. These eligibility errors are documented in worksheets to provide an audit of the errors, but the error rates, error codes, cost of the error, and other data that will be tracked for the 2018 PERM review were not tracked in a database prior to FY2018. 	<ul style="list-style-type: none"> • WDH began tracking the additional data in FY2017 and recently began using a database in the Federal FY2018. As PERM tracking and error resolution evolves, WDH should develop standard definitions and error codes that: <ul style="list-style-type: none"> -Are consistent with CMS's guidance and error checking. -Define and follow a methodology to ensure that sample sizes selected for review are statistically significant and representative. -Follow the standard for estimating the dollar impact of the error. -Begin to document the error codes in a database for improved decision making on a more timely basis. • The State should begin to integrate the error rate tracking with the performance dashboarding capability to transition the continuous monitoring of vendor performance and establishment of Corrective Action Plans (CAPs) to a more real time basis so that recurring, systemic issues are resolved quickly and to reduce overall error rates.

TRANSITION TO HOME AND COMMUNITY BASED CARE

WDH should target residents under the age of 65 for potential transition to Home and Community Based Care.

Key Findings

- **Money Follows the Person (MFP) demonstrations indicate that residents under the age of 65 appear to transition to the community at a higher rate than older residents:**
 - In 2014, 19% of residents in a Nursing Facility for more than 90 days were between the ages of 22 to 65 years old.
 - The percentage of pre-retirees has seen an upward trend increasing from 17% in 2006 to 18% in 2010 and 19% in 2014.
 - Of residents between the ages of 22 to 65 in a Nursing Facility for more than 90 days, 2% transitioned to the community or twice the rate of transitions for adults over 65.
- **MFP also found that participants that transition to Home Based Care reported a higher quality of life.^[13]**
- **States rely on Section Q of the Minimum Data Set (Nursing Facility Resident Assessment Instrument) to identify and prioritize nursing residents for transition to the community.**

MFP 2015 Annual Evaluation Report estimates per beneficiary total Medicaid and Medicare expenditure savings, post transition.^[33]

	Older Adults	Younger Adults with Physical Disabilities	Individuals with I/DD
Monthly	\$1,840	\$1,783	\$4,013
Annually	\$22,080	\$21,396	\$48,156

TELEHEALTH PRACTICES

WDH should take steps to become a practice leader in telehealth for evaluation and management services, psychiatric visits, and remote patient monitoring.

The GAO report on telehealth monitoring found that low proportions of beneficiaries receive care through telehealth in Medicare, Medicaid, VA and DOD. Less than 1% of patients receive care in Medicare and DOD, while 12% in the VA receive telehealth care.^[34]

0.2% of Medicare Claims

Percent of Medicare Part B fee for-service beneficiaries that accessed services using telehealth^[14]

12% of VA Claims

Percent of Veterans Receiving telehealth Services^[14]

Primary Uses

Evaluation & Management Services 66%

Psychiatric Visits 19%

Key Metrics

Veterans Living in Rural Areas 45%

Using Remote Patient Monitoring 3%

Note: Every VA facility is in the same "healthcare network" under the same ownership using a single technology platform, facilitating top down policy and operational changes.

WDH SAVINGS ESTIMATES

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



OUTLINE

- I. Executive Summary
- II. Background and Purpose
- III. Cross Agency Benchmarking and Analysis
- IV. Department of Administration & Information
- V. Department of Education
- VI. Department of Health
- VII. Department of Revenue/Department of Audit
- VIII. Other \$20M Agency SAGE Reports

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.

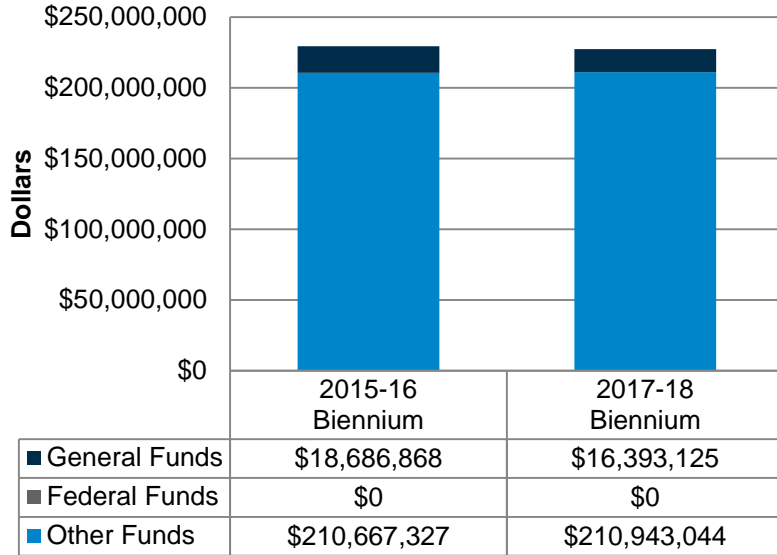
Recommendations

- 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.

DEPARTMENT OF REVENUE AGENCY PROFILE

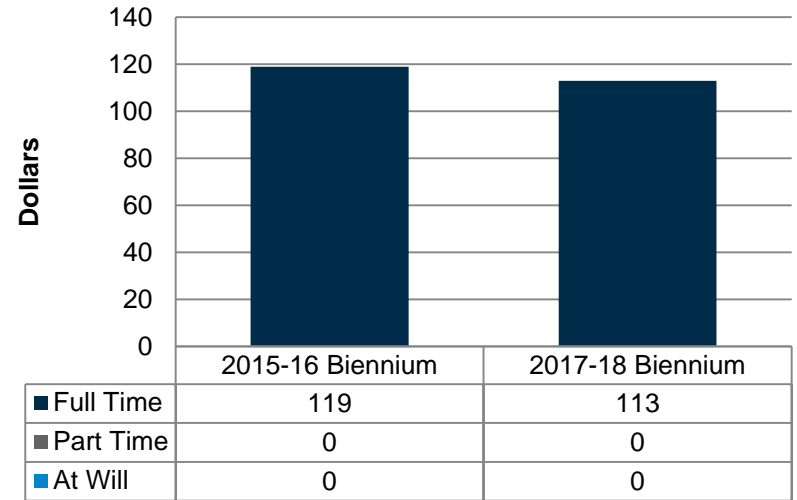
Budget Trend^[35]

Biennium Budget



Headcount Trend^[35]

Biennium Budget Headcount



Key Performance Indicators

Local & State Assessed Value Per Capita **\$35,752**

Liquor Division Contract Staff **6**

Administrative Costs

Departmental FTE^[35] **113**

FTE Per Million Residents^{[35],[36]} **193.0**

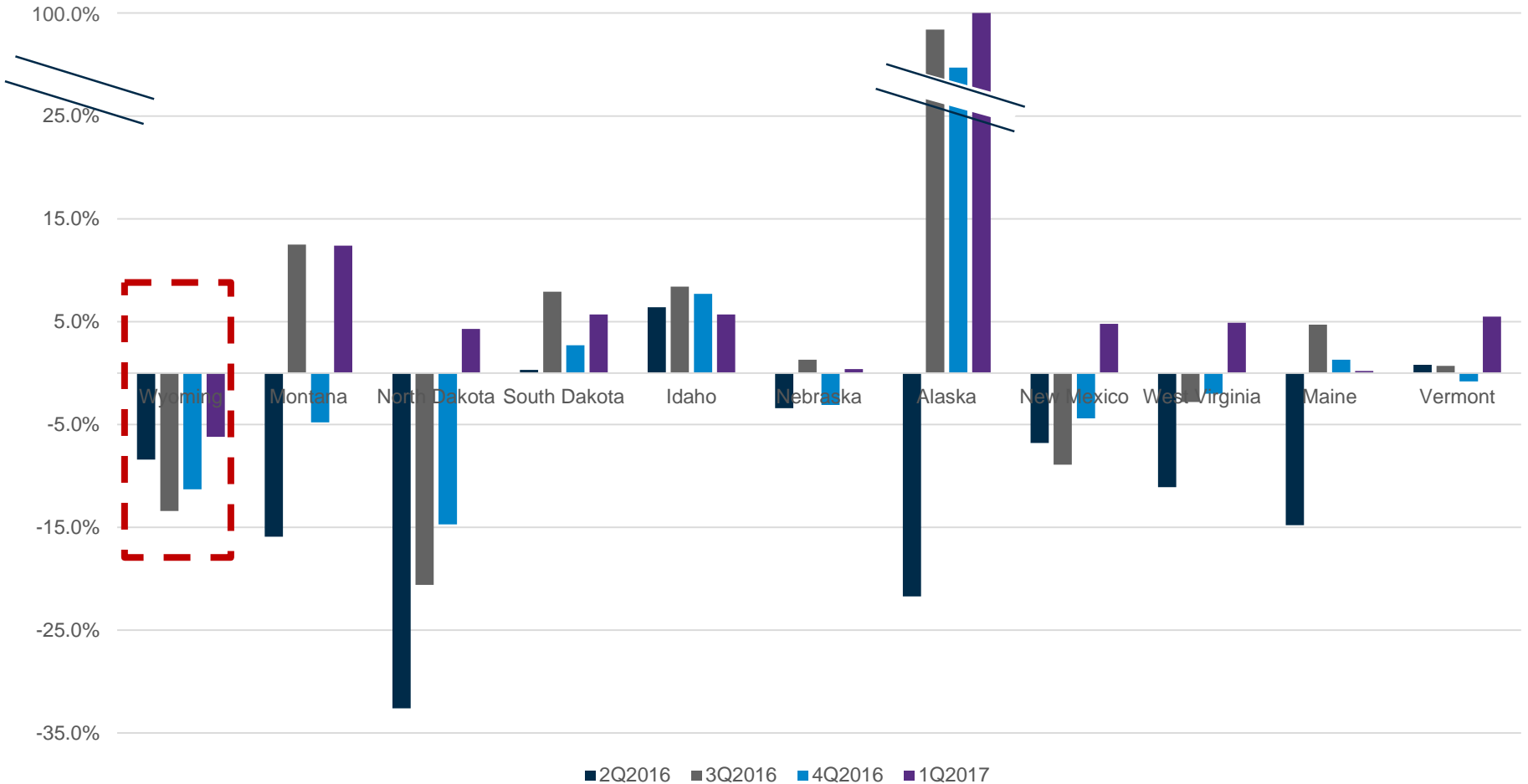
Department Budget^[35] **\$ 227,336,169**

Budget Per Capita^{[35],[36]} **\$388.28**

STATE TAX REVENUE GROWTH 2Q2016 TO 1Q2017^[38]

State governments with oil heavy economies such as North Dakota and Wyoming have been hardest hit in the latest downturn.

Tax Growth by Quarter 2Q 2016 through 1Q 2017



TAX COLLECTION SOURCES^[39]

Wyoming does not collect personal or corporate income tax, requiring a more significant portion of revenues to come from sales and other taxes.

Tax collections by source as a percentage of total tax collections, 2013						
State	Property tax	Sales tax	Select sales (excise) taxes	Personal income tax	Corporate income tax	Other taxes
Wyoming	15.20%	32.10%	5.70%	0%	0%	47%
Montana	9.90%	0.00%	21.10%	39.50%	6.50%	22.90%
North Dakota	0.10%	23.90%	9.30%	12.10%	4.30%	50.30%
South Dakota	0.00%	55.70%	24.40%	0.00%	2.40%	17.50%
Idaho	0.00%	37.00%	12.50%	36.10%	5.60%	8.70%
Nebraska	0.00%	35.40%	11.20%	44.50%	5.80%	3.00%
Alaska	1.90%	0.00%	4.90%	0.00%	12.30%	80.90%
New Mexico	1.40%	37.80%	13.10%	23.90%	5.10%	18.60%
West Virginia	0.10%	23.30%	24.60%	33.40%	4.50%	14.00%
Maine	1.00%	27.60%	18.20%	39.40%	4.40%	9.30%
Vermont	33.80%	12.10%	22.10%	23.00%	3.70%	5.40%
Average	4.82%	25.28%	16.14%	25.19%	5.46%	23.06%

COMBINED SALES TAX RATES^[40]

Wyoming sales tax rates are in line with other benchmark states.

Combined sales tax rates, 2015				
State	State sales tax	Average local sales tax (a)	Combined	Ranking
Wyoming	4.00%	1.47%	5.47%	43
Montana	None	None	None	47
North Dakota	5.00%	1.56%	6.56%	30
South Dakota	4.00%	1.83%	5.83%	40
Idaho	6.00%	0.01%	6.01%	36
Nebraska	5.50%	1.30%	6.80%	26
Alaska	None	1.76%	1.76%	46
New Mexico	5.13%	2.22%	7.35%	16
West Virginia	6.00%	0.07%	6.07%	35
Maine	5.50%	None	5.50%	42
Vermont	6.00%	0.14%	6.14%	34
Average	5.39%	1.11%	5.78%	

PROPERTY TAX ASSESSMENT

Wyoming's local property tax assessors are challenged to cover the large and mountainous terrain to conduct property tax assessments in a timely manner.



Summary of Observations and Recommendations

	Observations	Recommendations
Department of Revenue Overview	<ul style="list-style-type: none"> • Department of Revenue Divisions: WDR has four operating divisions – excise taxes, property taxes, mineral taxes, and the liquor division. • WDR Budget: The department’s budget is \$227.3 million for the FY2017-2018 biennium. The department’s expenditures per capita are budgeted at \$388 for the FY2017-2018 biennium, split \$28 in GF, \$0 FF, and \$360 in OF. • Litigation Backlog: WDR’s tax litigation backlog is approximately \$690,000. The department does not use outside counsel to pursue litigation, electing to use the Attorney General’s Office for all matters. 	<ul style="list-style-type: none"> • The department has a backlog of 51 cases for collection. The department should work with the Attorney General’s Office to determine if outsourcing of high priority cases would accelerate and/or improve collection amounts. • The department should consider adding performance metrics to better measure job performance.
Department of Audit Overview	<ul style="list-style-type: none"> • Department of Audit Divisions: DOA has three operating divisions – Revenue, Accounting, and Financial. These divisions are responsible for verification of excise and mineral taxes, the State’s Single Audit, and bank supervision, respectively. • DOA Budget: The department’s budget is \$23.4 million for the FY2017-2018 biennium. The department’s expenditures per capita are budgeted at \$37 for the FY2017-2018 biennium, split \$21 in GF, \$8 FF, and \$8 in OF. 	<ul style="list-style-type: none"> • The department should consider adding performance metrics to better measure job performance.
Separation of Duties	<ul style="list-style-type: none"> • Departments of Revenue – Audit Relationship: Based on the findings of the Ferrari Study, the State decided to separate the Department of Audit from the State Auditor’s Office to avoid potential conflicts of interest. The Audit function was also removed from the Department Revenue. The two agencies now collaborate through a Memorandum Of Understanding (MOU). 	<ul style="list-style-type: none"> • The departments should establish a cross-functional Discovery Team to conduct audit targeting, to invest in technologies that enable advanced analytics, and periodically revise audit and collection procedures according to the Discovery Team’s recommendations (See the following page for more detail).

Summary of Observations and Recommendations

	Observations	Recommendations
Cross Agency Collaboration	<ul style="list-style-type: none"> • Discovery Process: WDR uploads tax data for review by the Department of Audit, who handles the majority of data mining required. The process for identifying outliers is more exception based. • Auditing Power: WDR is responsible for assessing taxes, but can't dictate who is actually audited, but if something irregular is identified in the assessment and collections process, they will notify Audit. • Taxability: The department of Audit will contact WDR if a question about taxability arises during an audit. • Audit Process: After an audit is finalized with the Department of Audit, it is electronically downloaded to WDR's system. The WDR transferred from a manual transfer process to an electronic system in 2011, with a common user interface across divisions. The WDR system also interfaces with the Department of Audit's system. The system change reduced the need for staff validation. • ETS & WDR Systems: ETS has consolidated IT under one umbrella, but there is a small contingent of staff that supports the mineral, excise, and liquor divisions. WDR anticipates there may be succession planning issues as a number of these staff members are nearing retirement. • ETS & Audit Systems: The Audit Department looked at acquiring a new monitoring system, but found estimates to be cost-prohibitive. Instead, ETS is rewriting the enterprise application system. The department has also looked at the CaseWare IDEA system for risk assessment. 	<ul style="list-style-type: none"> • The departments should establish a formal Discovery Unit that crosses agency boundaries. The Discovery Unit would be co-led by agency leadership and would receive input from audit, legal affairs, and other areas to determine the audit plan and provide for a closed-loop process. • The department should analyze the audit selection process for Sales Tax to ensure that the division is effectively identifying any potential errors, and execute additional audits based on the Discovery team's audit plan (centralize). • DOA should implement new information monitoring and discovery tools and should initiate a statistical analysis software of sales tax data for improved audit selection, auditor productivity, audit accuracy, improved tracking and to expand audit coverage.

Summary of Observations and Recommendations

	Observations	Recommendations
Audit Staffing Levels	<ul style="list-style-type: none"> • Audit Staffing: The Department of Audit has 102 auditors across functions, which represents a 12% decrease over the past five years, the most dramatic of which came in the past year. 	<ul style="list-style-type: none"> • The Department of Audit should increase the number of auditors and re-build the expertise lost on the Minerals and Excise Tax team by hiring back the 8 lost positions.
Collections and Revenue Staffing Levels	<ul style="list-style-type: none"> • WDR Staffing: The Department of Revenue currently has 112 staff, plus 6 contract employees for the liquor division. The staffing levels have declined from 139 employees 20 years ago to the levels today. The staff reductions include the loss of 7 staff and associated vacancies during the April hiring freeze and staff reduction exercise. • Collections Functional Focus: The collections staff that used to be more functional based are now more customer facing, and have been trained to handle an account from cradle to grave. The team is also trained to handle delinquencies. WDR also uses an external collections agency (a private company that attempts to collect for the agency) for past due collections. • Delinquencies: Notices are sent to taxpayers throughout the collections process. Liens are filed after 110 days. For excise taxes, the WDR Director is involved in the process to determine if the license should be revoked. 	<ul style="list-style-type: none"> • The Department of Revenue should hire an additional 10 collections staff allowing for the department to provide for both functional experts as well as generalists that can handle a broad based customer interaction and help the agency to improve customer service while retaining the Subject Matter Experts (SMEs) necessary to address the most complex situations.
Technology	<ul style="list-style-type: none"> • Excise Tax Systems: The Excise tax divisions of Audit and Revenues use systems that include ETAM and ETS2 for audit and collections processes. • Minerals Tax: The WDR Minerals Tax division uses the MTS3 system, which still requires manual processes to download information directly to a disk prior to uploading to coordinated systems. 	<ul style="list-style-type: none"> • The Departments should work with ETS to develop a long range enterprise architecture and software system plan and work to implement that plan to drive down manual processes and increase system functionality.

Summary of Observations and Recommendations

	Observations	Recommendations
<p>Property Tax Valuation Assessment</p>	<ul style="list-style-type: none"> • Assessment Process: Property taxes are assessed at the county level, typically with on-site inspections conducted every six years or at the time a building permit is issued. • Local Property Tax Offices: WDR supports the local tax offices by providing funding for their technology and system needs. The local offices often operate without an audit function. • State Equalization Board: The Property Tax Division used to be under the control of the State Equalization Board. The Board has the authority to ensure that the assessed value meets criteria for fair market value. • Property Tax Penalty: Taxpayers who fail to report property can be charged with a misdemeanor and fined up to \$500. Given the complexities of this penalty, and the burden associated with pursuing it through the Attorney General’s Office or the County Attorney’s Offices, it is seldom used. 	<ul style="list-style-type: none"> • The State should procure a visual aerial imagery technology service [41] to ensure consistent tracking of property development for more accurate valuation assessment. This would also allow county assessors to complete the valuation process through desk audits and reduce time spent in the field. • The State should revise statutes to create better mechanisms to encourage accurate reporting of personal property owned and situated in Wyoming. Possible considerations would be routine auditing of company records and providing assessors with authority to assess a penalty for erroneous or non-reporting.

Summary of Observations and Recommendations

	Observations	Recommendations
<p>Mineral Tax Valuation Assessment</p>	<ul style="list-style-type: none"> • Mineral Type Focus: The largest mineral groups are petroleum, coal, tronite, and bentonite (in that order), and the mines are on a regular audit cycle. Companies generating 96% of the value in oil and gas are audited every year. • Mineral Valuation: Minerals are valued using “arm’s length transactions.” The mineral assessment is verified by comparing volumes reported to WDR to what is reported to WY Oil and Gas and reviewing any large discrepancies. There is the potential for significant litigation. Concerns exist related to whether producers are gaming valuations. As a result, WDR is currently investigating the option to use a discounted cash flow (DCF) methodology to value mineral property for ad valorem taxes. • Minerals Tax Staffing: There is a high need for experts in the field to review complex transactions, gas swapping, establishment of new companies and contracts, and to review producer processed gas where the delays between assessment and collection, combined with the complexity associated with the business, can drive significant workload and have the potential for loss of revenues. • Education: The Mineral Tax Division meets with new operations to help them understand how to report the tax. 	<ul style="list-style-type: none"> • The department should hire additional collections staff for the minerals division to ensure proper staffing and implement training programs to maximize collections of mineral taxes. • The department should conduct a five year lookback/sampling approach of the Minerals Tax DCF valuation processes to determine the impacts to revenues (both from upside and downside valuation swings) and propose changes to the valuation processes to help reduce swings and provide clarity to the producers related to valuation processes. • The recommended Discovery Unit should assist with analysis and prioritization of audit and collections activities. DOA should maintain its focus on auditing major mineral taxpayers, but also ensure that they are reviewing smaller taxpayers to confirm they are paying the appropriate amount of taxes.

Summary of Observations and Recommendations

	Observations	Recommendations
Excise Tax Division	<ul style="list-style-type: none"> • Remote Transactions: The State forgoes a significant amount of excise tax revenues from online retailers selling goods to customers in Wyoming. There is new legislation requiring vendors who sell more than \$100,000 in annual revenues or 200 annual transactions to collect sales tax. WDR has filed legal action against a number of online retailers for violating the legislation. • Online Retailer Relationships: There are currently about \$23 million to \$46 million in remote sales taxes not being collected. Some vendors have started collecting taxes for their sales into the State of Wyoming, but may not include sales from Third Party Vendors through the online platforms. The State is working with the vendor(s) to develop alternative approaches to collecting these funds through the vendor platform. • Taxpayer Education: The Excise Tax Division operates an education section to help sales and use tax payers. A major goal of the program is to provide excise tax education to vendors before they begin operations. 	<ul style="list-style-type: none"> • The State should continue to explore opportunities to recover taxes paid on remote or online transactions, including contracting with Amazon to collect taxes on the State's behalf from vendors who sell on Amazon Marketplace.
Liquor Division	<ul style="list-style-type: none"> • Division Funding: The Liquor Division is funded by revenue generated from liquor sales. Over the past five years, the Liquor Division has grown by 25% and contributes positive net operating results to the department. 	

REVENUE & AUDIT AGENCY SAVINGS ESTIMATES

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



OUTLINE

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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.

OTHER \$20M AGENCY SAGE REPORTS

Summary of Observations and Recommendations

	Observations	Recommendations
Attorney General's Office	<ul style="list-style-type: none"> • Agency Work to Promote Efficiencies: To date, the agency has implemented savings measures to reduce the use of outside counsel, save on labor through the purchase of Crime Scene Scanners and training for local law enforcement, reductions in Control Terminal services and associated Reduction In Force (RIF), through infrastructure improvements at the Law Enforcement Academy, and through the implementation of a grants management system to improve execution of federal grants for Victim Services. • Non-Priority Programs: The agency is considering whether the Peace Officer Standards Training (POST) Commission could be merged with the Wyoming Law Enforcement Academy. • Statutes that Lead to Inefficiency: Charges for duplicate concealed firearms permits do not cover costs, resulting in a loss of \$5 for every permit issued. • Recommended Efficiencies: The agency recommends: <ul style="list-style-type: none"> -Allowing the attorney general to approve the use of private attorneys by all state agencies. -Approving the use of video technology for criminal testimony. -Allowing for pay flexibility and adjustments to leave compensation. -Elimination of levels of officer certification. -Creating a regional model for Domestic Violence/Sexual Assault (DVSA) programs. 	<ul style="list-style-type: none"> • The state should undertake an organizational study including a programmatic review of the Peace Officer Standards Training (POST) Commission and the Wyoming Law Enforcement Academy to determine if consolidation is warranted. • The State should undertake a study of fees for licensing and permitting across the state agencies to ensure that the fees a) are appropriate for services offered; b) cover the cost of the service; c) are mandated by statute rather than regulation creating inefficiencies. In particular, the state should review how the fee structure can be modified to allow for more flexibility in the assignment of fees, while placing the necessary guardrails on the fees relative to cost and processing requirements. • The state should require approval by the attorney general for the use of private attorneys by all state agencies. • The state should consider the use of video technology for testimony, motion hearings, and non-jury trials to reduce travel time and overtime costs. • The state should study creating a regional model for Domestic Violence/Sexual Assault (DVSA) programs rather than funding the county based model in place today to drive down administrative costs in a more distributed model and increase service levels to the victims of domestic violence.

Summary of Observations and Recommendations

	Observations	Recommendations
Department of Agriculture	<ul style="list-style-type: none"> • Agency Work to Promote Efficiencies: The agency has reduced the general fund budget by 16.2% between BFY13 and BFY17 by implementing a tiered priority system to focus protection on health and commerce, by creating a regional structure, and by streamlining inspections. • Non-Priority Programs: The department eliminated the Wildlife/Livestock Disease Research Program and the Applied Producer Research Grant Program, which were not statutorily required. • Statutes that Lead to Inefficiency: The State could relax the statutorily defined frequencies for inspections in certain areas could lead to efficiencies. • Recommended Efficiencies: Staffing levels would be increased to enable the department to efficiently carry out the statutory requirements. 	<ul style="list-style-type: none"> • The State should review the existing statutory requirements to determine the proper frequency for inspections across the areas of responsibility for the Department of Agriculture and to establish the appropriate staffing levels to meet the frequency levels established.

Summary of Observations and Recommendations

	Observations	Recommendations
Department of Corrections	<ul style="list-style-type: none"> • Agency Work to Promote Efficiencies: The department has experienced a 2% increase in budget in the past eight years (i.e., between BFY10 and BFY18). At the same time, the institutional bed space increased 39%, the operating capacity increased 41%, and the average daily inmate population increased 53%. The department listed 20 efficiency efforts used during that time to drive efficiency including but not limited to: <ul style="list-style-type: none"> ○ Reduced Hiring ○ Renegotiation of contracts ○ Redesign of the inmate law library ○ Converted classroom to online training ○ Fleet Reduction • Adverse Consequences: As a result of the budget constraints, the agency has 122 frozen or unfunded positions which causes 6.7 million in additional overtime, and the loss of funding for in-prison substance abuse has resulted in increases in recidivism of 7%. • Statutes that Lead to Inefficiency: The department has identified energy efficiency projects that cannot move forward due to the inability for the agencies to enter into third party financing. • Recommended Efficiencies: The department recommends reinstating the \$2.3 million in funding for substance abuse related treatment programs and provide for the level of resources necessary to reverse the high rates of recidivism that Wyoming is experiencing. 	<ul style="list-style-type: none"> • The State should study the current statutes related to third party financing and public private partnerships (P3) and consider best practice models from other states that not only allow for P3s implementations, but promote and even request unsolicited bids for public private partnerships that can transfer risk and drive efficiency into government. • The State should undertake a study of Prisoner Health Care with a focus on opportunities to improve billing through Medicaid, address other opportunities to leverage federal funds, and improve the current state of substance abuse in the correctional facilities and the pardon and parole setting.

OTHER \$20M AGENCY SAGE REPORTS

Summary of Observations and Recommendations

	Observations	Recommendations
Department of Enterprise Services	<ul style="list-style-type: none"> • Agency Work to Promote Efficiencies: After the creation of the Enterprise Technology Services (ETS) in 2012, the agency reduced the IT positions from 283 to 242 FTE, works with the agencies regularly to review technology services, provides a report to agencies on unused cell phones, and has implemented numerous enterprise solutions (LANDesk, Data Center, Cloud, Help Ticket System, etc.) • Statutes that Lead to Inefficiency: ETS recommends increased oversight of IT spend, which is currently not required of agencies when a shift in IT funding is requested, and section 9-2-1036(g) should be updated to reflect the new ETS structure related to the Annual Report on Unfair Competition. • Recommended Efficiencies: ETS recommends implementing a Direct Bill Program through a recapture process involving the Statewide Cost Allocation Program (SWCAP) and appropriating \$3 million in funds for network circuits. The Direct Bill Program would streamline the billing process when ETS provides services to agencies, and ultimately simplify the budgeting process. 	<ul style="list-style-type: none"> • The State should give ETS approval authority over Information Technology expenditures that exceed a certain threshold. • The State should conduct a statewide assessment on alternative billing models for state central services, enact centralized budgeting and management for services, and compel agencies to utilize centralized service functions.

Summary of Observations and Recommendations

	Observations	Recommendations
Department of Environmental Quality (DEQ)	<ul style="list-style-type: none"> • Agency Work to Promote Efficiencies: The department created a Standardization and Efficiency Management Committee (SEMC) in 2016 to drive departmental efficiencies. SEMC is a part of the Environmental Counsel of the States (ECOS) Business Process Improvement (BPI) practitioners working group and has studied digitization of the permitting systems, and is working to become “substantially paperless” by implementing: <ul style="list-style-type: none"> ○ IMPACT web based system ○ Standardizing permitting information and data ○ Digitizing Paper Files ○ Conducting Kaizen Events (short duration improvement projects) for permitting processes ○ Development of the Mining Information Database System (MIDAS) for centralized automation ○ Using SharePoint to facilitate document sharing • Non-Priority Programs: Nothing was identified. • Statutes that Lead to Inefficiency: No recommendations were provided, however, the department is evaluating statutory opportunities related to public notices, multi-media coordination, permitting processes, and jurisdictional overlap. • Recommended Efficiencies: The department made recommendations regarding the implementation of a fully integrated IT system, cooperation/coordination with federal counterparts, flexible spending authority, market salaries to improve retention, and timely permitting. 	<ul style="list-style-type: none"> • The State should conduct a review of the DEQ agency to include programs, jurisdictional overlap, state of technology, and to review the permitting process for both process efficiencies and impact on economic development.

Summary of Observations and Recommendations

	Observations	Recommendations
Department of Transportation	<ul style="list-style-type: none"> • Agency Work to Promote Efficiencies: The agency submitted a report of efficiencies and reduced expenditures that detailed 110 completed or ongoing actions that the department has taken in aeronautics, financial operations, roads and bridges, support services, technology, and with the Wyoming Highway Patrol. • Non-Priority Programs: The department identified two significant programs for consideration to reduce spending: <ul style="list-style-type: none"> ○ Conversion of low volume traffic roads to local government authority or to reduce the surface to gravel ○ Transfer or cost sharing of the Mountain Automated Weather Observation System (AWOS) to the National Weather Service (NWS) • Statutes that Lead to Inefficiency: The department recommends modifying language to remove the requirement for WYDOT to approve all bridge designs on public roadways, to change statutes to allow for electronic notifications for license renewals for eligible constituents, and to exempt WYDOT from seeking approval of project plans from the Department of Fire and Electrical Safety. • Recommended Efficiencies: The department made recommendations to improve commercial air service, enable compensation flexibility for the agency, and indexing of highway user fees to ensure full cost recovery for programs. 	<ul style="list-style-type: none"> • The State should conduct an agency study of WYDOT to establish potential recommendations to include improving commercial air service, fee based studies including highway user fees and permitting fees, a review of insourcing versus outsourcing of engineering staff, span of control recommendations, and a study roadway conversions for low volume traffic to either limited asphalt overlay, transfer to local control, or conversion to gravel. • The State should conduct a study of the AWOS system to determine usage, assess impacts if the AWOS system did not exist, and pursue opportunities for cost sharing and/or cost transfer of the AWOS system to the NWS or the Federal Aviation Administration (FAA). • The State should revise statutes to enable modernization in the communications and processes for license renewals and other motor vehicle actions.

OTHER \$20M AGENCY SAGE REPORTS

Summary of Observations and Recommendations

	Observations	Recommendations
<p>Wyoming Office of State Lands and Investments</p>	<ul style="list-style-type: none"> <p>Agency Work to Promote Efficiencies: As of May 31, 2017, the Office of State Lands and Investments (OSLI) forecasted that they would generate \$253.8 million in revenue for the State, including a \$46 million one-time land sale payment for a parcel in Grand Teton Park. In 2015, the Office of State Lands began building a new system, the State Lands Asset Management System (SLAMS), that would allow almost all of their programs to operate on an integrated system. The full system is expected to be functional by the end of 2017. OSLI has partnered with EnergyNet to conduct auctions for oil and gas online instead of in-person. There is no cost to the State for this service, which is paid for by a 2% “buyer premium” charged to successful bidders. Utilizing online auctions reduces the cost associated with in-person events and opens the auction to a wider audience of potential buyers. The March 2017 auction generated \$29,793,060 in bonus money.</p> <p>Statutes that Lead to Inefficiency: There are a number of statutory grants and loans programs that OSLI administers that have limited utilization, including the Joint Powers Act Loan Program, the Aeronautics Loan Program, the Hydro-Power Loan Program, and the Courthouse Security Loan Program.</p> <p>Recommended Efficiencies: The agency indicates that the main opportunities for efficiency lie in automating and upgrading current databases and systems, as well as having statewide databases that communicate across agencies they often interact with including the Oil and Gas Commission and DEQ, and Game and Fish.</p> 	<ul style="list-style-type: none"> <p>The Office of State Lands should continue to drive organizational efficiency through utilizing the full capacity of SLAMS, ensuring all employees are trained and processes are aligned to be able to maximize the system's benefits.</p> <p>The State should continue to pursue online oil and gas auctions and consider transitioning any remaining in-person auctions to this forum.</p> <p>The State should evaluate the statutory requirement for OSLI to administer grants and loan programs that have limited usage, to determine if the benefits warrant the level of effort associated with maintaining the programs.</p> <p>The State should evaluate opportunities to gain efficiency through better system interfacing between agencies OSLI partners with often.</p>

Summary of Observations and Recommendations

	Observations	Recommendations
State Engineer's Office	<ul style="list-style-type: none"> Agency Work to Promote Efficiencies: The State Engineer's Office (SEO) has tried to gain efficiency through adjustments to the organizational structure, including combining the Deputy and Assistant State Engineer roles and removing a layer of management from the Surface Water Division. The SEO has implemented a cross-training program to increase workforce flexibility in responding to demands on the agency. The SEO continues implementation of the e-permit database system, which drives efficiency by making data available to all employees, in Cheyenne and in the field, as well as to water users. Statutes that Lead to Inefficiency: Current statutes require an update to the tabulation of adjudicated water rights every two years. Given that all data in the e-permit database have yet to be validated, this timeline is onerous for current staffing levels. Once the data has been verified, the tabulation will occur automatically after each Board of Control meeting. Statutes requiring notification processes by certified mail and newspaper advertisement are expensive and ineffective. Recommended Efficiencies: The SEO is currently managing both a paper and an electronic permitting system. Once all data has been uploaded and verified in the system, they should gain additional efficiencies by ending paper processes. The Agency also recommends using current GIS land ownership data to verify ownership for permitting purposes and restoring the level of water commissioner staffing. 	<ul style="list-style-type: none"> SEO should work to ensure that all relevant data has been fully vetted and integrated into the e-permit database. Additionally, SEO should ensure that quality control measures are in place to maintain system integrity. The State should evaluate whether using current GIS would be sufficient to verify land ownership when making changes to permits.

OTHER \$20M AGENCY SAGE REPORTS

Summary of Observations and Recommendations

	Observations	Recommendations
State Parks and Cultural Resources	<ul style="list-style-type: none"> Agency Work to Promote Efficiencies: State Parks and Cultural Resources (SPCR) implemented a budget efficiency program and has built it into the agency's strategic plan and employee's performance goals. The agency performed a staffing review and has eliminated 21 full and part time staff since 2008. SPCR has performed facilities upgrades to reduce utility costs and consolidated office space to reduce facility costs. Technology has helped to reduce the costs associated with travel and printing. SPCR has begun to evaluate and implement measures to increase State revenues, including adding flexibility to the Park's fee structure to allow for increases in fees, soliciting businesses interested in short term concessions in the park system, and developing RV dump stations. SPCR restructured use of their fleet to reduce the number of permanently assigned vehicles from 98 to 87 since 2009. Statutes that Lead to Inefficiency: The purchase and construction statutory thresholds makes buying smaller projects (less than \$25 thousand) more expensive than they should be. The confines of statutes around fee program funds also reduce efficiency. Recommended Efficiencies: SPCR recommends alternative work locations for employees that do not work with the public and evaluating the opportunity to move entire programs to a 4-day week alternative work schedule. The agency would like to fully explore federal grant opportunities. SPCR also recommends removing unnecessary landlines and fax machines, and providing a stipend to employees willing to use their personal phones. 	<ul style="list-style-type: none"> The State should evaluate opportunities to further consolidate SPCR office space through the adoption of alternative work locations and schedules. The State should explore federal grant programs for which SPCR may qualify but is not currently getting additional funding. The State should evaluate SPCR's recommendation to consolidate communication functions and offer stipends to employees for using their personal devices.

OTHER \$20M AGENCY SAGE REPORTS

Summary of Observations and Recommendations

	Observations	Recommendations
University of Wyoming	<ul style="list-style-type: none"> • Agency Work to Promote Efficiencies: The agency detailed several million dollars in efficiencies implemented or in process including the WyoCloud implementation, operational consolidation, benefit changes, position eliminations, procurement/strategic sourcing, and academic affairs efficiencies. • Non-Priority Programs: The university did not recommend changes or discontinuation in non-priority programs. • Statutes that Lead to Inefficiency: The university felt that there was sufficient operating flexibility in statute to allow for efficiency measures to be implemented. • Recommended Efficiencies: The university recommended exploring an upgrade to the enterprise management systems to better integrate with the State. 	<ul style="list-style-type: none"> • The State and university should explore opportunities to improve systems integration and drive down administrative costs.
Wyoming Community College Commission	<ul style="list-style-type: none"> • Agency Work to Promote Efficiencies: The seven community colleges have each implemented cost reductions, and the agency itself reduced staffing by 12.5%. It is important to note that less than 1.5% of the funding is retained by the agency for operations, the rest of the funding is dedicated to the 7 community colleges. • Non-Priority Programs: Nothing was identified. • Statutes that Lead to Inefficiency: Nothing was identified. • Recommended Efficiencies: Nothing was identified. 	<ul style="list-style-type: none"> • The State should conduct a review of the Wyoming Community College Commission and the associated 7 community colleges for potential efficiencies in staffing, benefits consolidation, technology programs, and the receipt and use of federal funds.

Summary of Observations and Recommendations

	Observations	Recommendations
Workforce Services Debt Collection	<ul style="list-style-type: none"> • Workforce Services Outstanding Debts: The State’s Workforce Services Department is responsible administering the workers’ compensation and unemployment insurance programs, including collection of outstanding debt associated with the programs. • Debt Collection Mechanisms: The Workforce Services Department has a number of mechanisms to collect outstanding debts, including internal collection staff, county attorneys for local debts, the Attorney General’s office, an external collection agency, and a treasury offset program (TOP) for specific to unemployment insurance. • Workers’ Compensation Insurance: The State is maintaining workers’ compensation debt of \$37 million, much of which is interest and fees that is believed to be uncollectable. • Unemployment Insurance: There is currently about \$8 million in uncollected business tax for unemployment insurance (UI) and \$17 million in insurance overpayment debt. According to state statute, UI debts can be written off after 8 years. There is currently a \$58 million technology project funded by the Federal Government to modernize the UI system. 	<ul style="list-style-type: none"> • The State should write-off workers’ compensation debt before a certain date and institute an amnesty/reduced payment plan for debtors to collect as much of the debt as possible. • The State should evaluate opportunities to expand the focus of the unemployment insurance technology upgrade to include tangential programs. There may be an opportunity to recover federal funding for systems that feed or integrate with the UI Systems, such as the general ledger system or human resource system, through revised cost allocation procedures. This would help with system integration efforts and maximize the impact of the federal resources associated with the upgrade.

OTHER \$20M AGENCY SAVINGS ESTIMATES

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 A: DATA SOURCES



APPENDIX A: DATA SOURCES

Cross Agency Benchmarking and Analysis

[1] Wyoming Department of Administration and Information, LSRA Balance History, 2017

[2] Wyoming Department of Administration and Information, Final Fiscal Profile for 2017-18 – January 2017 CREG Revenue Forecast, 2017

[3] Consensus Revenue Estimating Group, Wyoming State Government Revenue Forecast, January 2017

[4] Wyoming Department of Administration and Information, Headcount Summary, July 2017

[5] Census Population Estimates

[6] Pew Charitable Trusts, State Employee Health Care Spending, August 2014 (Data reflects 2013 expenditures)

- Employee Health Benefit Spending Comparison

[7] Pew Charitable Trusts, State Retiree Health Care Spending, May 2016

- Annual pension spending as a percentage of ARC

[8] Public Plans Data, State Pension Data, <http://publicplansdata.org/quick-facts/by-state/>, 2017

- ARC as a percentage of local source spending

[9] Wyoming Retirement System, Northern Trust versus State Auditor's Office Disbursement Costs, July 2017

- Retirement benefits payments mechanisms

[10] State of Wyoming Legislature, State Procurement & Leasing of Non-Governmental Facilities for State Agencies Scoping Paper, December 2016

- Procurement spending for strategic sourcing exercise and collaborative purchasing

APPENDIX A: DATA SOURCES

Department of Administration and Information

[11] FY2015-2016 and FY2017-2018 Biennium Budget & Headcount

- FY2015-2016 appropriations as of 2016 Budget Session
- FY2017-2018 reflects revised appropriations prepared for the January 2017 Legislature

[12] Census Population Estimates

[13] Department of Administration and Information Budget, 2017

Department of Education

[14] FY2015-2016 and FY2017-2018 Biennium Budget & Headcount

- FY2015-2016 appropriations as of 2016 Budget Session
- FY2017-2018 reflects revised appropriations prepared for the January 2017 Legislature

[15] Census Population Estimates

[16] National Center for Education Statistics, The Condition of Education, <https://nces.ed.gov/programs/coe/>, 2017

- Percentage of free and reduced lunch students
- Percentage of English Language Learners
- Student to Teacher Ratio
- Student to FTE Ratio

[17] Wyoming Department of Education, Three-Year District Enrollment, 2017

- Number of school districts by enrollment band
- Percent of student population by enrollment band
- District size vs. per pupil spending
- Distribution of schools by SY2017 enrollment

APPENDIX A: DATA SOURCES

Department of Education (continued)

[19] Catalog of Federal Domestic Assistance, <https://www.cfda.gov/>, 2017

- Federal Funding Profile for Schools

[20] Wyoming Department of Education, IDEA State Level of Maintenance of Fiscal Support Calculation, 2017

- MFS growth spending comparison
- MFS per special education student
- MFS growth reduction projected savings

[21] United States Department of Agriculture – Food and Nutrition Service, Child Nutrition Tables: State Level Tables, 2017

Department of Health

[22] FY2015-2016 and FY2017-2018 Biennium Budget & Headcount

- FY2015-2016 appropriations as of 2016 Budget Session
- FY2017-2018 reflects revised appropriations prepared for the January 2017 Legislature

[23] Wyoming Department of Health, Wyoming Medicaid Annual Report, FY2016

[24] Census Population Estimates

[25] Kaiser Family Foundation, Data Note: Variation in Per Enrollee Medicaid Spending, June 2017 (Data reflects FY2014 expenditures)

- Overall State Medicaid spending per enrollee
- Medicaid spending benchmarking

[26] Wyoming Department of Health, Government and Efficiency Commission: Wyoming Medicaid, 2017

- Cost by member type in Wyoming and US averages

APPENDIX A: DATA SOURCES

Department of Health

[27] Truven Health Analytics, Medicaid Expenditures for Long-Term Services & Supports in FY2015, June 2017

- Senior & Disabilities Medicaid Spending by Service Type

[28] Wyoming Department of Health, Historical Growth in the Wyoming Department of Health Budget, 2017

- Long-Term Care Settings of Medicaid Members
- I/DD and ABI Waiver Growth
- Long-term Care and Assisted Living Facility Waiver Growth
- Nursing Facility Growth

[29] FY2015 Wyoming Medicaid PERM Cycle 1 Summary Report

- PERM 17-State Cycle 1 Medicaid Finds
- Wyoming Medicaid Findings
- Medicaid FFS Data Processing Review Error Type by Overpayments, Underpayment, and Percentage of Data Processing Errors

[30] Wyoming Department of Health, Summary of PERM Pilot Results, 2017

- Perm Pilot Eligibility Review

[31] PCG Incorporated, Memorandum: “Wyoming School-Based Services Reimbursement Opportunity Executive Summary.”

- Quantification of School Based Medicaid-eligible services provided in schools

[32] Electronic Visit Verification

- Proposed House Bill Would Mandate Electronic Visit Verification System for Personal Care Services under Medicaid (http://www.nahc.org/NAHCRreport/nr150915_1/)

APPENDIX A: DATA SOURCES

Department of Health (continued)

[33] Money Follows the Person (MFP) Findings for Transitions to Home and Community Based Care

- Pathways to Independence: Transitioning Adults Under Age 65 from Nursing Homes to Community Living (<https://www.mathematica-mpr.com/our-publications-and-findings/publications/pathways-to-independence-transitioning-adults-under-age-65-from-nursing-homes-to-community-living>)
- Money Follows the Person 2015 Annual Evaluation Report (<https://www.mathematica-mpr.com/our-publications-and-findings/publications/money-follows-the-person-2015-annual-evaluation-report>)
- MFP 2015 Annual Evaluation Report. May 11, 2017. p. xviii.
- Beyond section Q: prioritizing nursing home residents for transition to the community (<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3522008/>)
- Transitions and Long-Term Care: The Minimum Data Set 3.0 Section Q and Money Follows the Person (https://www.acl.gov/sites/default/files/programs/2017-03/AoA_ACA_Slides_013012.pdf)

[34] GAO: Telehealth and Remote Patient Monitoring Use in Medicare and Selected Federal Programs. April 2017

Department of Revenue / Department of Audit

[35] FY2015-2016 and FY2017-2018 Biennium Budget & Headcount

- FY2015-2016 appropriations as of 2016 Budget Session
- FY2017-2018 reflects revised appropriations prepared for the January 2017 Legislature

[36] Census Population Estimates

[37] Wyoming Department of Revenue, Annual Report 2016

- Local and State Assessed Valuation

[38] US Census Bureau, Quarterly Summary of State and Local Tax Revenue, 2017

- Tax growth by Quarter 2Q 2016 through 1Q 2017

[39] US Census Bureau, State Government Tax Collections, 2013

- Tax collections by source as a percentage of total tax collections

APPENDIX A: DATA SOURCES

Department of Revenue/Department of Audit (continued)

[40] Tax Foundation, State and Local Sales Tax Rates in 2015, 2015

- Combined sales tax rates

[41] Wyoming Department of Revenue, Oblique and Orthogonal Aerial Imagery Acquisition, August 2015

- Business case for aerial imagery for property tax valuation

APPENDIX B: ACRONYMS



APPENDIX B: ACRONYM LIST

Acronym	Meaning	Acronym	Meaning
A&D	Aged & Disabled	EAD	Economic Analysis Division (A&I)
A&I	Department of Administration & Information	ECOS	Environmental Counsel of the States
ABI	Acquired Brain Injury	ED	Emergency Department
ACA	Affordable Care Act	EID	Employed Individuals with Disabilities
ADM	Average Daily Membership	ELL	English Language Learners
AG	Attorney General	EPSDT	Early & Periodic Screening, Diagnostic, and Treatment
AIM	Asset Information Management (AssetWorks)	ERP	Enterprise Resource Planning
ARC	Annual Required Contribution	ESEA	Elementary and Secondary Education Act
AWOS	Automated Weather Observation System	ETS	Enterprise Technology Services
BOCES	Board of Cooperative Education Services	EVV	Electronic Visit Verification
BOCHES	Board of Cooperative Higher Education Services	FAA	Federal Aviation Administration
BPI	Business Process Improvement	FF	Federal Funds
BRA	Budget Reserve Account	FFP	Federal Financial Participation
CAFR	Comprehensive Annual Financial Report	FFS	Fee for Service
CGI	Consultants to Governments and Industries	FMLA	Family Medical Leave Act
CHIP	Children's Health Insurance Program	FRL	Free & Reduced Lunch
CMS	Centers for Medicare and Medicaid Services	FTE	Full Time Equivalent
COTS	Commercial Off-the-Shelf	GF	General Funds
CREG	Consensus Revenue Estimating Group	GGO	Governor's Grants Office
DCF	Discounted Cash Flow	GIS	Geographic Information System
DEQ	Department of Environmental Quality	HCBS	Home and Community Based Services
DFS	Department of Family Services	HIE	Health Information Exchange
DOA	Department of Audit	HRD	Human Resources Division (A&I)
DUPRE	Director's Unit of Policy, Research & Evaluation (WDH)	HRIS	Human Resources Information System
DVSA	Domestic Violence/Sexual Assault	HSA	Health Savings Account

APPENDIX B: ACRONYM LIST

Acronym	Meaning	Acronym	Meaning
HVAC	Heating, ventilation, and air conditioning	MSP	Medicaid Secondary Payer
I/DD	Intellectual and Developmentally Disabled	NASPO	National Association of State Procurement Officers
IBARS	Internet Budget and Reporting System	NWS	National Weather Service
IDEA	Individuals with Disabilities Education Act	OF	Other Funds
IEP	Individual Education Plan	OMB	Office of Management and Budget
IHS	Indian Health Services	OPEB	Other Post-Employment Benefits
IT	Information Technology	OSLI	Office of State Lands and Investments
KPIs	Key Performance Indicators	P3	Public Private Partnership
LOC	Level of Care	PACE	Program for All-inclusive Care fo the Elderly
LOS	Line of Service	PBB	Performance Based Budgeting
LSO	Legislative Services Office	PBMS	Pharmacy Benefit Management System
LSRA	Legislative Stabilization Reserve Account	PCMH	Patient Centered Medical Home
LTC	Long-Term Care	PDO	Prescription Drug / Opioid
LTSS	Long-Term Services and Supports	PERM	Payment Error Rate Measurement
MAC	Medical Administrative Claiming	PMPM	Per Member Per Month
MAGI	Modified Adjusted Gross Income	POC	Point of Contact
MDS	Minimum Data Set	POST	Peace Officers Standards Training
MDT	Mult-Disciplinary Team	PRTF	Psychiatric Residential Treatment Facility
MEQC	Medicaid Eligibility Quality Control	QIO	Quality Improvement Organization
MFN	Most Favored Nation	RFP	Request for Proposals
MFP	Money Follows the Person	RIF	Reduction in Force
MFS	Maintenance of Fiscal Support	ROTC	Reserve Officers' Training Corps
MMIS	Medicaid Management Information System	SAGE	Spending And Government Efficiency
MOE	Maintenance of Effort	SAMHSA	Substance Abuse and Mental Health Services Administration
MOU	Memorandum of Understanding	SAO	State Auditor's Office

APPENDIX B: ACRONYM LIST

Acronym	Meaning	Acronym	Meaning
SAS	Statistical Analysis Software	TOP	Treasury Offset Program
SBS	School Based Services	UI	Unemployment Insurance
SCD	State Construction Department	VA	Veterans Administration
SEFA	Schedule of Expenditures of Federal Awards	WCA	Wyoming Contractors Association
SEMC	Standardization and Efficiency Management Committee	WCCA	Wyoming Contract Coalition Association
SEO	State Engineer's Office	WDE	Wyoming Department of Education
SIS	Student Information System	WDH	Wyoming Department of Health
SLAMS	State Lands Asset Management System	WDR	Wyoming Department of Revenue
SME	Subject Matter Expert	WEBT	Wyoming Employee Benefit Trust
SPCR	State Parks and Cultural Resources	WLRC	Wyoming Life Resource Center
SPED	Special Education	WOLFS	Wyoming Online Financial Statement
SPOC	Span of Control	WSBA	Wyoming School Boards Association
SUP	Super-Utilizer Program	WYDOT	Wyoming Department of Transportation
SWCAP	Statewide Cost Allocation Plan		

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APPENDIX C



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

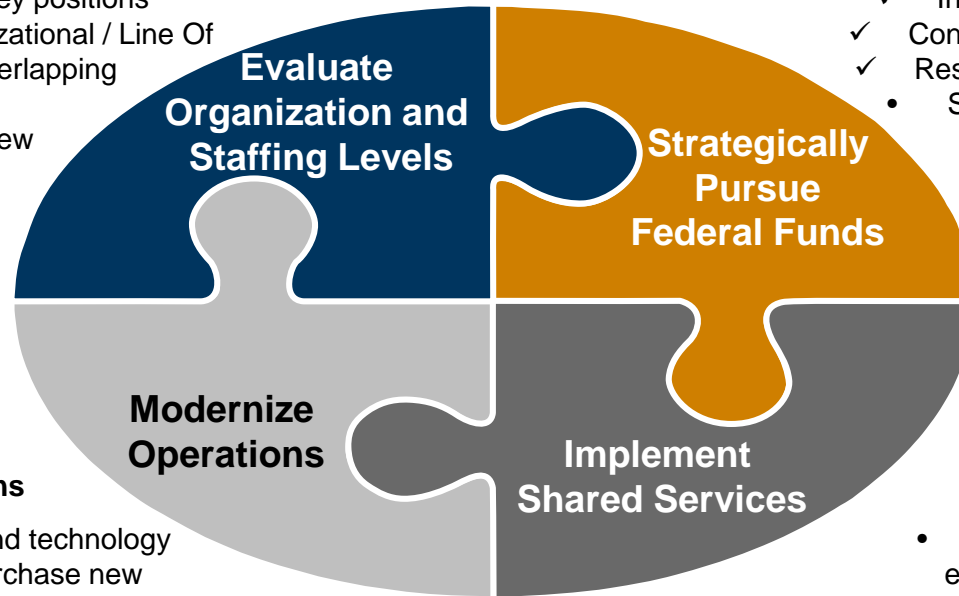
State of Wyoming Efficiency Study
Recommendations

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

1. The PMO function would ensure coordination and timing throughout the Phase 2 effort.
2. Areas that were identified for potential efficiency initiatives are included for further study and development of a transition plan.
3. 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.
4. There are a agencies that were out-of-scope for Phase 1 that should be reviewed in Phase 2 including;
 1. Department of Transportation
 2. Department of Corrections
 3. University of Wyoming
 4. Wyoming Community Colleges
 5. Department of Health – Behavior Health
 6. Office of State Lands and Investments
 7. 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.

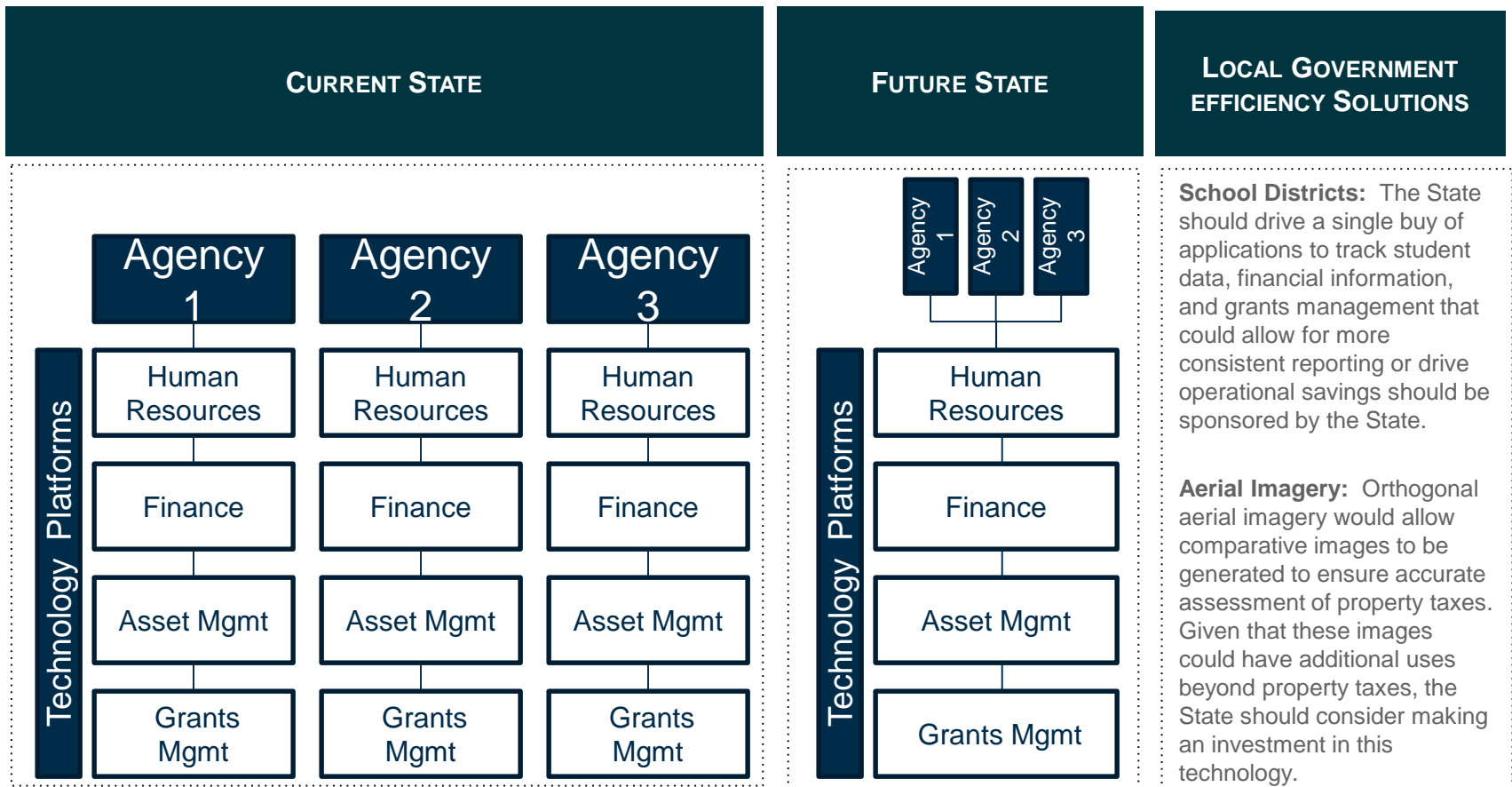
SHARED SERVICES OPPORTUNITIES			COLLABORATION
FINANCE	HUMAN RESOURCES	INFORMATION TECHNOLOGY	PROCUREMENT
<p>Accounts Payable and Payroll: Shared Processing; Standardized and automated workflow on approvals.</p> <p>Potential to add in:</p> <ul style="list-style-type: none"> Accounting Entries Financial 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

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

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APPENDIX D

Government Efficiency Study Summary of Recommendations

Agency	Recommendation	Action Level	Est. One-Time Investment (Numbers in 000's)		Est. Net Annual Savings (Numbers in 000's)		Est. Net Biennium Savings (Numbers in 000's)		A&M	Estimated time to Full Implementation	Est. Savings* 12/31/2018	Est. Savings 6/30/2019	Est. Savings 12/31/2019	Notes	Potential Steps by Legislature or Committees (LSO populated)
			Low	High	Low	High	Low	High							
		n/a													
WDH	Telemedicine Expansion	Immediate	0	0	59,979	199,931	119,958	399,861	Pg 11, 82, 92	6 months	0	64,977	129,955	These savings are real, but are considered non-cash savings that result from lowered cost of telemedicine services. Transition to telemedicine is able to be ramped up now that enabling technology is being used. Small incremental savings opportunities should be possible by 6/30/19.	JAC comment to WDH during budget hearings
WDH	Indian Health Services	Immediate with Budget	500,000	1,000,000	5,360,056	12,280,056	10,720,112	24,560,112	Pg 11, 87, 92	12-24 months	0	1,102,507	5,512,535	Conducting the negotiations, establish contracts with both the tribes and providers, and revising the processes are expected to take 1-2 years to complete and begin to realize savings. Assumed that 25% of annual savings could be achieved	Need appropriation and JAC discussion with WDH
WDH	Home and Community Based Services Expansion	Immediate with Budget	500,000	1,000,000	2,347,900	4,695,799	4,695,799	9,391,598	Pg 11, 86, 92	12-24 months	0	440,231	2,201,156	Transition to HCBS is a long process. After 12 months of dedicated work, it is expected that 25% of the annualized savings could be achieved by 6/30/19. The full run rate of savings is assumed to occur by the second half of FY19.	Need appropriation and JAC discussion with WDH
WDH	Electronic Visit Verification	Immediate with Budget	876,882	1,753,765	2,192,206	4,384,412	4,384,412	8,768,824	Pg 11, 84, 92	12-18 months	0	1,644,155	3,268,309	These savings are real, but are considered non-cash savings that result from improved monitoring and tracking and reduced bills from onsite providers that may not have been as accurately recording time.	Need appropriation and JAC discussion with WDH
WDE	Special Education	Legislative	0	0	0	0	0	0	Pg 56-57, 69	6-12 months	0	0	0		Legislation needed; Select Committee on School Finance Recalibration review similar issue
WDE	School Nutrition	Immediate with Budget	500,000	750,000	4,573,703	9,345,334	9,147,406	18,690,669	Pg 56-57, 69	12-18 months	0	1,739,880	5,219,639	Assumed to take a full 12-24 months to implement changes to the school nutrition program, with immediate impact from the federal funds reimbursements upon accepted changes by the Federal Government. Share in Savings with School Districts	Need appropriation and JAC discussion
WDE	School Based Medicaid Services	Legislative	350,000	500,000	3,000,000	6,000,000	6,000,000	12,000,000	Pg 56-57, 65-66, 69	6-12 months	0	2,250,000	4,500,000	Share in Savings with School Districts	Legislation needed
WDE	Consolidated Benefit Plan	Legislative	300,000	500,000	5,648,491	11,296,981	11,296,981	22,593,963	Pg 30, 58, 69	12 months	0	4,236,368	8,472,736	Share in Savings with School Districts. Benefit plans are assumed to run on a calendar year basis (i.e., 1/1 to 12/31)	Legislation needed; Joint Education Interim Committee considered similar issues
WDE	Cooperative Purchasing Plans	Legislative	250,000	500,000	5,940,999	10,904,140	11,881,999	21,808,279	Pg 43, 58, 60, 64, 68, 69	12-18 months	0	2,105,642	4,211,285	Transition to cooperative purchasing model is expected to take full year with staff transitions occurring after regional standup. No savings are assumed by 6/30/19. Savings in 2019 follow the strategic sourcing approach to savings estimates. Overall savings may require a share in Savings with School Districts	Legislation needed to mandate action
WDE	Regional Shared Services Model	Legislative	1,000,000	1,500,000	2,133,513	4,267,025	4,267,025	8,534,050	Pg 64, 67, 69	12-24 months	0	0	1,600,134	Transition to regional services model is expected to take full year with staff transitions occurring after regional standup. No savings are assumed by 6/30/19. Overall savings may require a share in Savings with School Districts	Legislation needed
A&I	Establish a Governor's Grants Office	Legislative or Executive	375,000	750,000	750,000	1,500,000	1,500,000	3,000,000	Pg 13, 42, 46, 47	6-12 months	0	562,500	1,125,000	Standup of the office is assumed to run 6-12 months with staff hired and ongoing thereafter (~3-5 staff for ongoing management)	Need appropriation, JAC discussion with A&I, footnote
A&I	Surplus Asset Sales	Executive	250,000	350,000	3,800,000	5,700,000	3,800,000	5,700,000	Pg 47	3-6 months	0	2,375,000	2,375,000	Additional surplus asset sales are assumed to occur in calendar year 2019 with 50% of the savings occurring in each half of the year.	Need appropriation, JAC discussion with A&I, footnote
A&I	Space Utilization Study	Legislative	0	0	0	0	0	0	Pg 44, 47	12-24 months	0	0	0		JAC comment to A&I during budget hearing with possible legislation
A&I	Expand Motor Pool Shared Services	Immediate	0	0	25,000	50,000	50,000	100,000	Pg 45	6-12 months	0	18,750	37,500	Share in Savings with Agencies	JAC comment to A&I during budget hearing
A&I	Establish a Performance Based Budgeting Approach	Immediate	0	0	0	0	0	0	Pg 42, 47	12-24 months	0	0	0		JAC comment to A&I and Section 300
WDR/Audit	Hire back 8 Audit Staff	Executive	\$ -	\$ -	\$ 2,400,000	\$ 4,800,000	\$ 4,800,000	\$ 9,600,000	Pg 102, 106	3-6 months	0	900,000	2,700,000	Staff hiring could occur within 6-12 months with benefits partially realized by 6/30/19 and full year benefits realized in calendar year 2019	Need appropriation and JAC discussion DOR and Audit
WDR/Audit	Hire back 10 Collections Staff	Executive	0	0	3,500,000	7,000,000	7,000,000	14,000,000	Pg 102, 106	3-6 months	0	1,312,500	3,937,500	Staff hiring could occur within 6-12 months with benefits partially realized by 6/30/19 and full year benefits realized in calendar year 2019	Need appropriation and JAC discussion DOR and Audit
WDR/Audit	Establish Discovery Unit	Legislative or Executive	2,000,000	2,500,000	3,750,000	7,500,000	7,500,000	15,000,000	Pg 13, 100-104, 106	12-24 months	0	1,406,250	2,812,500	Establishment of the Discovery Unit and investment in the necessary technology will take a year to get up and running and a year to refine the process.	Need appropriation and JAC discussion DOR and Audit; possible legislation to establish unit
WDR/Audit	Local Property Tax	Immediate with Budget	1,992,000	1,992,000	426,152	1,071,339	852,305	2,142,679	Pg 103, 106	12-18 months	0	374,373	748,746	Technology standup and survey is expected to take 6-12 months to establish and another 12 months for the local property assessors to begin to realize benefits and increased revenues.	Need appropriation and JAC discussion DOR and Audit
Cross-Agency	Statewide Strategic Sourcing Exercise	Immediate with Budget	1,000,000	1,250,000	2,500,000	5,000,000	5,000,000	10,000,000	Pg 31-32	12-24 months	0	937,500	2,812,500	Assumes the sourcing efforts cover 25% of the available dollars during the first year with savings starting after month 12 with half a year of savings for the 25% recognized by 6/30/19. The sourcing exercises would be conducted for the remaining opportunities through 2019 calendar year with 50% achieved by 6/30/19 and 100% by 12/31/19 (i.e., 24 months). Savings are assumed to commence after the sourcing exercise is complete. In calendar year 2019, this equates to 25% of the sourcing opportunities realized for the full year and an additional 25% of the savings realized for 1/2 of the year.	Need appropriation and JAC discussion A&I
Cross-Agency	Electronic Payment of Pension Benefits	Legislative	0	0	110,000	210,000	220,000	420,000	Pg 29	12 months	0	80,000	160,000		Legislation needed
Cross-Agency	Direct Deposit of Employee Contributions	Legislative	0	0	430,500	861,000	861,000	1,722,000	Pg 29	12 months	0	322,875	645,750		Legislation needed
Cross-Agency	Implement Span of Control Changes	Executive	350,000	750,000	2,452,198	4,904,395	4,904,395	9,808,791	Pg 33	12-24 months	0	919,574	2,758,722	Organizational redesign study would take 6-12 months to complete. Staffing level changes resulting from the study are assumed to occur over 18 months as staff turnover allows for a change in structure to occur naturally. Assumed to realize to 25% of savings by 6/30/19 and 75% by 12/31/19	Need appropriation and JAC discussion with Governor
Cross-Agency	Employee Benefits Revisions	Legislative	500,000	750,000	5,000,000	10,000,000	10,000,000	20,000,000	Pg 30	12 months	0	3,750,000	7,500,000	Benefit plans are assumed to run on a calendar year basis (i.e., 1/1 to 12/31)	JAC Legislation, Section 300, or both
Other \$20M	Corrections Substance Abuse Program	Immediate with Budget	\$ 2,272,015	\$ 2,272,015	\$ 2,367,609	\$ 7,684,245	\$ 4,735,218	\$ 15,368,490	Pg 111, 120	12-18 months	0	0	2,512,964	The substance abuse savings occur through reduced recidivism. As a result, the investment would likely take at least 1 year after implementation to begin to realize results. Therefore, savings estimated at \$0 as of 6/30/19 and 50% of the annual levels as of 12/31/2019	Need appropriation and JAC discussion with DOC
Other \$20M	Department of Transportation	Executive	0	0	142,840	202,840	285,680	405,680	Pg 114, 120	6-12 months	0	86,420	172,840		JAC discussion with WyDOT
Other \$20M	Enable Workers Compensation Debt Writeoff	Executive	0	0	1,000,000	1,500,000	1,000,000	1,500,000	Pg 119, 120	6 months	0	625,000	625,000	Additional debt writeoff activities and additional collections assumed to occur in calendar year 2019 with 50% of the savings occurring in each half of the year.	JAC discussion with WFS
Executive Summary	Establish a PMO	Executive							Pg 13	12-24 months				Testified costs for managing the Project Management Office were estimated to cost \$150k per month during the life of the PMO.	JAC discussion with Governor's Office

Government Efficiency Study Summary of Recommendations

Agency	Recommendation	Action Level	Est. One-Time Investment (Numbers in 000's)		Est. Net Annual Savings (Numbers in 000's)		Est. Net Biennium Savings (Numbers in 000's)		A&M	Estimated time to Full Implementation	Est. Savings* 12/31/2018	Est. Savings 6/30/2019	Est. Savings 12/31/2019	Notes	Potential Steps by Legislature or Committees (LSO populated)
			Low	High	Low	High	Low	High							
		n/a													
Executive Summary	Conduct an Organizational Study	Executive							Pg 13, 41, 80	6 months				This work includes a line of service review, span of control review, and an organizational redesign effort.	JAC discussion with Governor's Office and A&I
Executive Summary	Technology Integration Study	Executive							Pg 13, 28, 42, 85, 112	6 months				Numerous technology efforts include the HRIS, Grants Management System, etc.	JAC discussion with ETS
Executive Summary	Other Agency Reviews	Executive							Pg 13	3-6 months				Conducting reviews of the other \$20M agencies such as Corrections, Transportation, Office of State Lands and Investments, Enterprise Services, University of Wyoming, etc.	Potential need for appropriation and JAC discussion with Governor's Office
Executive Summary	Annual Ideas Festival	Legislative							Pg 11	6 months				Although no separate investment or savings estimates were identified, comparable state benchmarks show an approximate \$200k net annual benefit for the \$50K in estimates up front investment.	Potential need for appropriation and JAC discussion with Governor's Office
			13,015,897	18,117,780	59,911,145	121,357,498	115,022,291	235,514,996			0	27,254,502	66,059,771		
		Legislative	2,400,000	3,750,000	22,263,503	43,539,146	44,527,005	87,078,292							

* Estimated Savings Assumes a January 1st 2018 Implementation Start