



CONTINUING TO RESET STATE GOVERNMENT WITH NEW REFORMS

Governor Gregoire believes that we cannot waste a crisis, but must seize the opportunity it presents to reshape and reset state government to achieve efficiencies and savings. She has built a solid record of reform through a number of actions during the Great Recession.



While many reforms have been achieved in recent years, the Governor proposes additional actions to change how the state delivers services in the following areas to save taxpayer money and operate state government more efficiently:

Washington State Lottery

The Governor is exploring whether it makes sense to privatize lottery operations, which could generate savings and potentially new revenue that would mean more funds for the state. The Lottery will issue a request for proposal, or RFP, to determine the feasibility of shifting operations to the private sector. Under such a scenario, the state would oversee lottery operations.

Timeline: RFPs to be issued as required by legislation.

Washington State Liquor Control Board

With the passage of Initiative 1183, the Liquor Control Board will be closing all its retail operations and significantly downsizing the agency. As this diminishes the need for the Liquor Control Board, the Governor proposes to eliminate the three-person paid board and use a director who will be responsible for overseeing the remaining licensing and enforcement functions. The liquor agency will continue to contribute to the safety of our communities by ensuring the responsible licensing, and preventing the misuse of, alcohol and tobacco.

Timeline: 90 days after legislation is signed into law.

“Lean” techniques

Toyota pioneered this continuous improvement production practice to boost efficiency, decrease waste and use data to confirm results. For the past two years, in partnership with Lean subject matter experts in the private sector such as Boeing and Virginia Mason Medical Center, we have launched implementation of Lean process improvements in state government. Instituting Lean processes will build capacity to support state employees as they work to identify waste, eliminate delays, save money and deliver high-quality services.

Lean techniques have already yielded benefits to the Department of Labor and Industries, which helped keep workers' compensation rates flat for 2012. And the Economic Services Administration in the Department of Social and Health Services has saved \$300,000 by moving from paper to electronic payments to clients.

The Governor is issuing an executive order to extend this effort across all executive Cabinet agencies to drive additional efficiencies.

Timeline: In progress

The Department of Enterprise Services

Since opening its doors in October, the Department of Enterprise Services is centralizing many administrative functions that state agencies require, such as facilities and lease management, accounting, human resources, risk management, contracting and printing. By consolidating all or parts of five state agencies, the state is expected to save \$18.8 million by the end of the next fiscal year.

Legislation that created DES required that the agency work with the Office of Financial Management to issue RFPs for up to six business functions to determine whether they could be performed more cost-effectively by the private sector. That process has concluded and DES is putting to bid contracts for these services:

- » Bulk printing
- » Mail services outside of Thurston County
- » Website development

The agency has already put to bid contracts for the following services:

- » Print and imaging fulfillment services (the storage and distribution of certain printed items)
- » Surplus real property disposal services

Timeline: RFPs will be issued early next year.

Directives on cutting costs and improving efficiency

Over the past few years, the Governor has solicited ideas from state workers on how to improve government. Ten suggestions were evaluated as having real savings potential. So this fall, she issued Directive 11-18, which requires state agencies to find savings through smarter use of cellular communications, state vehicles, home assignment and personnel procedures such as assignment pay and voluntary separation incentives.

Examples of suggestions that state agencies have initiated and will be implementing include the following:

- » Eliminating the mailing of renewal notices for a driver's license and vehicle licenses, which saves \$1 million in the current biennium and \$5.3 million in future biennia as renewals can be sent electronically.
- » Extending the schedule for replacing vehicle license plates from seven years to 10, which could save \$1 million in the current biennium and \$4 million in the next biennium.
- » Requiring electronic notification and posting of contract awards, which promotes transparency.
- » Using electronic signatures on bids and authorized state contracts, which speeds up processing time for both the state and the private sector.
- » Halting the printing of wall calendars for state agencies, which will save \$30,000 annually in printing costs.

The Governor continues to evaluate employee ideas as submitted.

Timeline: In progress