

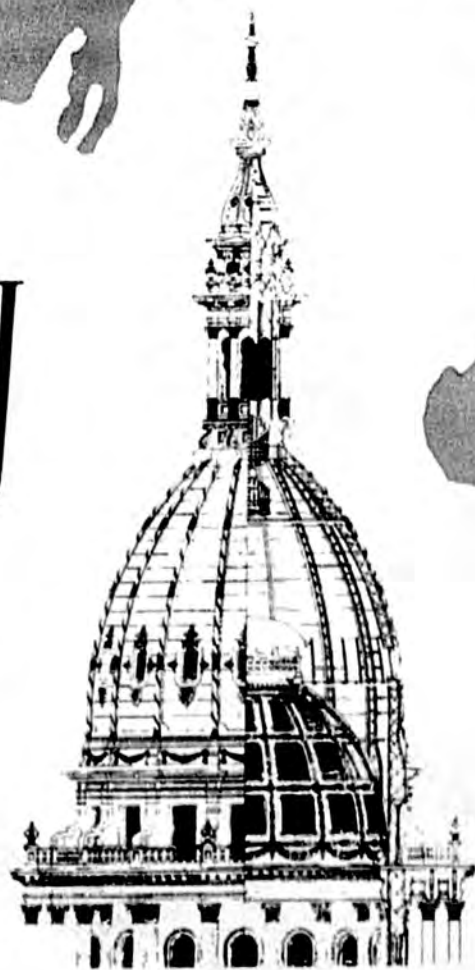
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The Secchia Commission Report

Presented to Michigan Governor John Engler
December 20, 1994

"Toward a
User-Friendly
Government"



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The Secchia Commission Report

PRESENTED TO GOVERNOR JOHN ENGLER, DECEMBER 20, 1994

"Toward a User-Friendly Government"

"FIRST YOU NEED TO REVAMP THE RELATIONSHIP BETWEEN THE ORGANIZATION AND CUSTOMER. YOU HAVE TO ASK CUSTOMERS WHAT THEY WANT. THEN, RESTRUCTURE YOUR ORGANIZATION TO DELIVER IT"

— DAVID OSBORNE
CO-AUTHOR OF "RE-INVENTING GOVERNMENT"

.....

THE SECCHIA COMMISSION

Ambassador Peter F. Secchia, Chairman
Richard T. Cole, Vice Chairman
Donna Arduin, Executive Director

Dear Governor Engler,

We are transmitting a report to you today that meets the requirements of your Executive Order 1994-5, creating the Secchia Commission. We believe the recommendations in this report could go a long way toward a more user-friendly government in Michigan, and toward improving the relationship between state government and its residents.

In this report you will find recommendations to:

- Train all state workers in a new "Service Academy"*
- Reform state civil service*
- Create a state wetlands bank*
- Make it easier to reindustrialize urban areas*
- Apply modern technology to our state "service" environment, and harness those technologies that depersonalize the process*
- Encourage regionalization of some local government services...*
- and more than 100 other recommendations affecting all aspects of state service.*

We have sincerely enjoyed our involvement on this advisory commission and hope that we have met your expectations. In our initial conversations, it was clear that you are deeply committed to making the government work better for the people of our state. You also made it clear that you believe the people of Michigan deserve to be treated as "valued customers," and that vital public services need to be delivered in a user-friendly manner.

We share a concern that the people's respect for the institutions of American government — at a national, state and local level — seem to be at an all-time low. More than one national poll has verified this. So, we must admit that we expected the worst as we scheduled sessions across the state where members of your commission and task forces could be assembled to listen to the public. We were, after all, giving the general public an opportunity to voice any concern they might have about the operation of state government at a time when waves of public cynicism could logically have been expected.

What we found surprised us. We discovered that the impressions of state government service were not as negative as we expected. We think it is safe to conclude from our experiences that the processes through which the public interacts with their government work much better than many perceive. Most of the complaints we heard about the delivery of state government services seemed, for the most part, logical and rational, and they were presented to us in a most cordial and constructive manner.

From our initial meeting with you in early 1994, we emphasized that we were not on a mission to reconstruct state government. We made it clear that we did not perceive the "Secchia Commission" to be a veiled constitutional convention, nor did we see our role as a policy-making substitute for the Legislature. We were an executive branch advisory commis-

sion with borrowed staff, on a limited budget, charged with the clear challenge of developing recommendations to make state government more "user-friendly."

We reviewed previous reports such as the Michigan Efficiency Task Force, and the more recent National Performance Review conducted by Vice President Al Gore. We concluded from these studies and from other consultations that our energies would be best spent improving upon the processes for delivering current government services rather than attempting to reorganize and re-engineer.

With your help, we selected members of commission task forces to assist your appointed commission members. Our task force members represented a broad cross section of Michigan: Republicans and Democrats; farmers, attorneys, homemakers, business executives, labor leaders, students, lawmakers and officials from state, county and municipal government — and more. They hailed from all parts of the state, from Detroit to Benton Harbor, from Lansing to the Upper Peninsula.

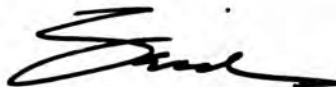
During our first phase (February through August), these task forces held 68 listening sessions from Ironwood to Wyandotte. Our seven task forces listened to more than 1,000 participating residents representing all segments of the population and recorded their comments.

In the second phase (September through December), we had more than 30 working sessions, during which we analyzed and recommended the actions listed within this report. We later discussed these issues with many employees of state government.

One of our goals was to reverse the trend of diminishing respect toward government and to create a climate of friendly customer service. Throughout all of our sessions, we made a serious attempt to avoid political polarization. We dedicated our time to developing a working relationship between the residents of the state and their government. Our goal was to do this without increased regulation and without adding new budget-busting recommendations. Neither did we develop proposals aimed at cutting government workers or increasing privatization. The bipartisan composition of the commission allowed us to debate the issues without ideological positioning and political posturing.

We attempt, in our report, to deliver what we consider to be a major step in taking the state into the 21st Century. Now, all we ask is that those to whom we have made recommendations consider supporting you in the implementation of those ideas you may find worthy.

Sincerely,



Ambassador Peter F. Secchia
Chairman



Richard T. Cole
Vice Chairman

Peter Secchia is chairman of the board of Universal Forest Products Inc., of Grand Rapids. He served as Ambassador to the Republic of Italy under President George Bush.

Richard T. Cole is vice president for corporate communications for Blue Cross and Blue Shield of Michigan in Detroit. He was chief of staff to Gov. James J. Blanchard.

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AN APPENDIX FOR THIS REPORT, CONTAINING MINUTES AND
COMMISSION TASK FORCE REPORTS, IS AVAILABLE FROM THE
DEPARTMENT OF MANAGEMENT AND BUDGET

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THE ORDER OF THESE RECOMMENDATIONS DOES NOT NECESSARILY REFLECT THE PRIORITIES OF THE COMMISSION.

Strategic Planning for the 21st Century

STATE GOVERNMENT IS STRUCTURALLY AND INHERENTLY SET UP TO PROMOTE SHORT-TERM PLANNING. THIS IS A NATURAL RESULT OF A SYSTEM DRIVEN BY LEGISLATORS AND GOVERNORS WHO ARE ELECTED FOR TWO AND FOUR YEAR TERMS, LEGISLATIVE SESSIONS THAT LAST TWO YEARS, AND BUDGETS THAT APPROPRIATE SPENDING ONE YEAR AT A TIME. AS A RESULT, THE STATE ENGAGES IN SHORT TERM, OFTEN REACTIVE ACTIONS, RATHER THAN TAKING ON THE LONG TERM STRATEGIC PLANNING NECESSARY FOR AFFECTING ISSUES SUCH AS ECONOMIC DEVELOPMENT, CORRECTIONS, HUMAN SERVICE POLICIES, AND IMPROVED COOPERATION WITH LOCAL GOVERNMENTS COORDINATING THEIR PROGRAMS WITH THOSE OF THE STATE.

RECOMMENDATIONS

Consider strategic planning State government officials should consider the strategic planning process employed by many successful business organizations. While long-term planning should not conflict with the electorate's ability to change direction, appropriate incentives must be developed to enable the state's long-term needs and future opportunities to be identified, and processes developed to decide how to invest limited resources over long periods to achieve its objectives.

Develop mission statement Government officials should start by developing broad mission statements that provide a backbone upon which to build programs and new legislation. Mission statements should identify customers and services to be provided to those customers. Officials should use all resources possible to make decisions, utilize teamwork, keep focused and take all aspects possible into consideration when making plans for the future. An example of a broad mission statement for a governmental department is "Our organization will make all efforts to promote job growth and increase the standard of living for the residents of our state."

"Michigan's future demands the vision and the discipline that a strategic plan can bring to state government."

PETER F. SECCHIA, CHAIRMAN
THE SECCHIA COMMISSION

BACKGROUND Many of the practices of Michigan government are handed down from the 1800s. That was a time when governments were small, their ability to influence day-to-day lives relatively limited, and where tomorrow's needs were likely to be much like those of today.

But as Michigan enters the 21st Century, it is clear that government touches our lives daily, from the roads we travel, to the education we receive, to the computer channels over which we communicate. This increased role of government and the faster pace of change makes it important for a governor and state government to consider the impact of actions well into the future.

With our urging, Governor John Engler has recently begun to

hold strategic planning sessions with a professional facilitator and key state officials to discuss current positioning of the state and to develop a strategic plan for Michigan as it enters the 21st century.

■ **Develop directed vision statement** After accomplishing the comprehensive mission statement, the next step is to make a more directed vision statement, which should identify how the mission will be accomplished. For example, a vision statement might include the requirement for well-trained employees, listening and adapting to customer requirements, using available technology and keeping tuned to current events and developments for an organization to accomplish a specific goal.

■ **Develop strategies to fulfill vision** After preparing a mission statement and a strategic vision, strategies should be created to take the organization to its objective. In effect, the strategies are the work plan whereby management defines those tasks and activities necessary to meet the mission and vision. Responsibilities must be defined by department or division and standards established for meeting customer requirements and expectations. Strategies are used to manage employees and accomplish goals. An example of a strategy to maintain state competitiveness in the international marketplace may include having education programs in Michigan's flagship universities mirror private sector business trends.

■ **Adaptation and re-evaluation of the plan** To transcend the inherent short-term nature of government, incentives that promote long-term goals and planning are required. Statements, plans and goals must be dynamic and continuously re-evaluated to be meaningful. The Governor and Legislature must support department management in fulfilling their strategies, visions and mission.

One example of the need for a strategic planning process can be seen in Michigan's universities. It is critical for our state universities to remain focused, mirroring the trend in the private sector. In Michigan, however, we see a pattern of proliferation of degree programs, and "mission creep," where various schools are offering expensive competing and overlapping specialized degree programs. Today there is no effective mechanism in Michigan to oversee this development, and determine whether it is healthy or wasteful.

The preservation of Michigan's flagship universities is of particular importance to the state's future. Their proven track record of facilitating economic competitiveness and problem solving for Michigan communities and businesses is critical in the information-based age of today and the future. It is important for Michigan to export knowledge and the value-added products knowledge can produce — and to avoid becoming a net importer of knowledge. To focus investments and avoid long-term devaluation of graduate degrees, Michigan should adopt a long-term strategy for the state to differentiate our flagship universities.

This is one example of how a strategic planning program can ensure Michigan and its residents a prominent place in the future.

A Customer Service Academy

SOME STATE GOVERNMENT EMPLOYEES DO NOT TREAT RESIDENTS AS CUSTOMERS. FEEDBACK AT TASK FORCE LISTENING SESSIONS SHOWED THERE IS A PERCEPTION THAT TOO MANY STATE AGENCIES HAVE LEARNED TO OVERLOOK THEIR CUSTOMERS.

RECOMMENDATIONS

■ **Customer Service Academy** Michigan should use available training funds to implement a Customer Service Academy to provide orientation and training for all state employees. The training should instill in all employees the customer values the state wants its employees to express.

■ **Promotions** The Customer Service Academy should offer appropriate programs to provide for advanced training for employees and for potential managers. Promotions for employees should be conditional on their having completed relevant continuing education programs and having demonstrated competence fill advanced positions through appropriate testing (not necessarily written exams).

■ **Comprehensive Training** The Customer Service Academy programs should be comprehensive in nature, with appropriate courses requiring periodic testing.

■ **Tailored Programs** The Departments have specific needs. Other than generic customer focused training, personnel management, communication and accounting, courses must be designed in cooperation with the departments to be appropriate for their specific needs.

■ **Statewide Offerings** Courses should be offered in areas of the state other than in Lansing. Courses could be offered through video conferences for remote areas of the state.

■ **Advanced Private Sector Training** When possible, "faculty" and some students of the academy should have the opportunity to participate in advanced training programs offered by private corporations.

"With two children in the military, one can't help but notice how much tougher it is to get promoted there (than in state government). The advanced noncommissioned officer school my daughter went through is apparently much tougher than anything required by Civil Service before promotion to a position of equivalent responsibility."

DONALD CASTERLINE,
EAST LANSING

BACKGROUND Long lines, unanswered voice mail, poor information, and indifferent workers – these are all too common encounters when

customers come in contact with their government. To many, the quality of government service is not the standard they expect or deserve. In reality, most of government's customers cannot take their business elsewhere. For

example, DNR permits come only from the DNR. State government must mirror what many of Michigan's best businesses have done: Renew their focus on customers. Some examples of those doing an excellent job were offered, such as State Police and Jobs Commission. Other agencies, such as the DNR, are trying to improve through new customer service initiatives.

Civil Service System Reform

BACKGROUND The Civil Service system predates collective bargaining, which has been in place since 1976.

The collective bargaining process and the Civil Service system provide duplicative protections for state employees and result in frequent and persistent disputes between the two interests, thus hampering efficiency in delivery of services to citizens. In 1979, Governor Milliken's Citizens Advisory Task Force on Civil Service Reform made numerous recommendations, including proposed language for a Constitutional Amendment establishing a Department of Personnel Management with the director and the department accountable directly to the Governor.

The Civil Service Commission and the Department of Civil Service have instituted customer service principles and have tried to respond to criticisms, but their changes have not created a system truly responsive to the needs of customers.

"The Civil Service system needs a major overhaul, and the problems begin with the examination process."

KATHY BLAKE, DIRECTOR, OFFICE OF SALES SERVICES,
MICHIGAN JOBS COMMISSION

THE CURRENT CIVIL SERVICE SYSTEM IS OUTDATED AND DYSFUNCTIONAL, STIFLING EFFICIENCY AND EFFECTIVENESS IN PERSONNEL RECRUITMENT, DEPLOYMENT, EMPOWERMENT AND PROMOTION, ACCORDING TO COMMENTS RECEIVED FROM STATE LINE WORKERS AND MANAGERS, AND MANY USERS OF STATE SERVICES. MUCH OF THE TRAINING PROVIDED THROUGH THE DEPARTMENT OF CIVIL SERVICE IS NOT RELEVANT TO CURRENT JOB NEEDS AND IS UNRELATED TO ESSENTIAL CUSTOMER SERVICE REQUIREMENTS.

RECOMMENDATIONS

- **Restructure the state job classification system** Radically reduce the number of job classifications to effect a flattening of agency organizations. Classify employees based on job responsibilities, not on the number of people supervised.
- **Ease employee movement** Redesign the system to facilitate employee movement, including promotions and transfers, and abolish the bumping system.
- **Private sector-based salary schedules** Following implementation of a new classification system, the Office of the State Employer should develop a revised compensation system for non-represented employees, using market surveys to set salary levels.
- **Performance-driven pay** A performance-driven system of pay and promotion should be adopted.
- **Increase recruitment efforts** The state should allocate significantly increased resources toward more effective personnel recruitment efforts, emphasizing utilization of new technologies and continued concern for workforce diversity.
- **New management selection methods** Alternatives to examinations should be expanded to all managerial positions.
- **Move benefits administration** Transfer benefits administration function to an executive agency.
- **Coordinate employee training through an executive agency** Base training on departmental management priorities.

Encourage Volunteerism

MANY VOLUNTEERS ARE FRUSTRATED IN THEIR EFFORTS TO CONTRIBUTE THEIR TIME AND SKILLS IN SERVICE TO THE STATE. COMPLICATED FORMS, TIME-CONSUMING PAPER WORK, INADEQUATE SUPPORT, AND UNACCEPTING STAFF HAVE BEEN CITED AS BARRIERS THAT DISCOURAGE MANY PEOPLE, PARTICULARLY OLDER ADULTS, FROM VOLUNTEERING THEIR TIME TO STATE DEPARTMENTS AND AGENCIES.

RECOMMENDATIONS

➤ **Senior Emeritus Volunteers** The state should set up a Senior Emeritus Volunteers program that encourages and makes it possible for retired state employees to continue to contribute their years of experience and vast knowledge.

➤ **Simplify forms** Volunteer application forms and reports within state agencies should be simplified and made "user-friendly." If a volunteer assignment requires more extensive or specialized information from a prospective volunteer, that data should be collected on an individual basis, rather than requiring compliance from all volunteers. Assistance should be provided to those prospective volunteers who may need help in completing required forms.

➤ **Coordinated recruiting** To avoid duplication and reduce staff responsibilities, state agencies should be encouraged to coordinate with colleges, universities and other local volunteer agencies to recruit, train and supervise volunteers. Special efforts should be made to recruit persons with handicaps, older adults and members of multi-ethnic/cultural groups.

➤ **Deal with labor issues** State agencies and labor groups should be encouraged to negotiate written agreements establishing guidelines for use of volunteers in ways that do not supplant or replace state employees.

➤ **Craft meaningful programs** State agencies should be encouraged to develop a variety of meaningful volunteer assignments to supplement the responsibilities of state employees, attract a diverse group of committed volunteers and enhance services to the state residents. Adequate resources should support effective use of volunteers and cover approved out-of-pocket expenses.

➤ **Senior volunteers** Designated senior volunteer agencies should be available to address the special needs and interests of older adults who want to serve as volunteers in the community. The Office of Services to the Aging should develop a statewide plan to promote older volunteers.

➤ **Back community solutions** The state should continue to support community problem solving through the non-partisan Michigan Community Service Commission.

BACKGROUND For a variety of reasons, state agencies seem reluctant to effectively utilize volunteers to help stretch scarce resources, enhance services, build bridges between clients and strengthen the organization's image in the community.

Failure to provide motivation for volunteers or to provide satisfying volunteer experiences can erode the program. Staff attitudes and acceptance greatly affect the agency's ability to attract and keep committed, skilled volunteers. Discontented volunteers may share their dissatisfaction with others, reducing the number of potential future volunteers and creating negative feelings about the agency.

Volunteer programs do not operate without financial resources. It takes time and

money to recruit, train, supervise and recognize the volunteers. While many older volunteers can freely contribute their

time, their limited incomes often prohibit them from volunteering because of the travel and other miscellaneous expenses involved.

"Using volunteer programs to supplement the responsibilities of state employees can only help benefit the residents of Michigan."

MARY ETTINGER, VICE PRESIDENT,
UAW LOCAL 6000

Seek Customer Input

CUSTOMER INPUT IS NOT CURRENTLY A PRIORITY IN THE DESIGN OR REVISION OF STATE PROGRAMS. MANY WHO SPOKE AT LISTENING SESSIONS ASKED US "WHY?"

RECOMMENDATIONS

- **Require input of affected parties when developing state mandates** Without input, affected groups are frustrated and it is questionable whether programs are relevant to local needs. To know what customers need, public agencies must talk to customers by a variety of means, including e-mail and videoconferencing.
- **Continuous customer service improvement** Require state departments to develop programs with the goal of continually improving government customer service.
- **Institute methods for following up on customer satisfaction** The Commis-

sion listening sessions around the state were often commended as a unique but much-needed activity. Some form of communication with state customers to determine their ongoing needs and how to address them should be instituted. Regular focus groups and user-friendly surveys can determine satisfaction, problem areas, bottlenecks, etc.

"Past practice has been that the DNR develops new regulations regarding land application of biosolids behind closed doors."

AL ERNST, BENTON HARBOR-ST. JOSEPH
WASTEWATER TREATMENT PLANT

BACKGROUND Time equals money. The slow pace of government service and the excessive paperwork involved is a constant complaint. Timeliness of service is not seen as a priority on the part of many state government employees. The delays encountered when customers ask for state government services are not an obstacle, but a symptom of a problem. Organizational structures that concentrate authority and decision-making are seen as inflexible and inherently slow to respond to customers. Field staff are often unable to answer questions, issue opinions, or make decisions on-site.

It Takes Too Long to Get Things Done

SPEAKERS AT COMMISSION LISTENING SESSIONS SAID THAT AS OFTEN AS NOT, THERE ARE NO DEADLINES FOR STATE ACTION ON APPLICATIONS AND ISSUING OF REQUIRED PERMITS. DECISIONS MAY TAKE MONTHS OR YEARS FOR BUSINESSES THAT NEED TO DEAL IN TERMS OF DAYS AND WEEKS.

RECOMMENDATIONS

- **Develop definite timetable "drop dead dates" for action** Such timetables would mean that no action on the part of the government agency within the time allowed is as good as a "yes".
- **Be paperless to the customer by the year 2000** Utilizing available technology (e.g., magnetic strip identification; filling out forms on-line, directly on computer; electronic document transfer), sets a goal of eliminating all paperwork to the customers.
- **Customer tracking flowchart** Develop a flowchart of the decision process by program, with timeframes identified (customer tracking), and seek out ways to continually speed the process. A customer of state government should understand the process his service takes, and how long to expect for an answer or result.
- **Involve the private sector** Consider using bonded consultants to file and approve permits to expedite service to state customers. Examine all processes for the feasibility of privatization.
- **Time off for good behavior** Lengthen license/permit/inspection cycle for good behavior or compliance. Licenses, permits and inspections could be extended/performed for a longer period of time (e.g., three years) for those individuals or businesses with good records of compliance. This would free up staff time to concentrate on the "bad actors".
- **Empower front-line/initial contact staff with decision-making power** Customers are frustrated when field staff have to channel all issues for decision back up the managerial chain. Local staff should have authority and discretion, based on area circumstances.

"After waiting 15 years and spending \$65,000 on consultants, we still do not have a valid wastewater discharge permit."

ALTON WENZEL,
COLOMA FROZEN FOODS

BACKGROUND Too many times, customers are not asked what they want, what problems they have, or how agencies can improve their services. Many times, the customer has the answer.

Two-way communication with state government is perceived as non-existent. Somewhat symbolic of the problem was the speaker who placed dozens of calls to a state government voice mail system and received no response. The feeling many citizens have is that no one is listening at the other end, or even cares.

State government customers feel they have no voice in the process, no recourse, can't get answers and often have to go to their state legislators to mediate problems. This is indicative of a failure within the system.

Implement Customer Service Plans

SEVERAL STATE DEPARTMENTS HAVE TAKEN ON THE TASK OF IMPLEMENTING CUSTOMER SERVICE PRINCIPLES, BUT NONE HAVE BEEN GUIDED BY A CENTRAL STATE VISION THAT DEFINES THE PRINCIPLES, OVERALL OBJECTIVES AND MAJOR COMPONENTS OF ANY STATE GOVERNMENT QUALITY INITIATIVE. STATE DEPARTMENTS HAVE THE OPPORTUNITY TO DEVELOP A WAY OF SYSTEMATICALLY WORKING TOWARD PROVIDING CUSTOMERS WITH THE BEST POSSIBLE SERVICES.

RECOMMENDATIONS

➤ **Statewide initiative for customer service** The governor should request that all state departments develop plans to implement quality initiatives. The design of the initiatives and the time frame for implementation should be developed by each department director.

The governor should develop and disseminate a "vision" for quality in state government. Department directors, organized labor and department quality coordinators should participate in drafting that vision.

➤ **Benchmark principles and practices** State government should benchmark its quality principles and practices against other organizations, including private sector companies as well as other states viewed as leaders in quality.

➤ **Interdepartmental efforts** Interdepartmental efforts to identify and eliminate conflicting policies should be initiated using relevant continuous customer service principles and using interdepartmental teams comprised of staff from all levels. Communication channels that allow front line workers to share their observations and recommendations should be created.

➤ **Share resources** Departments should help each other develop and

implement quality practices. Efforts are already under way on the part of the Michigan Quality Forum (a quality users' group within state government) to develop a training curriculum that any department may use. Experts in some

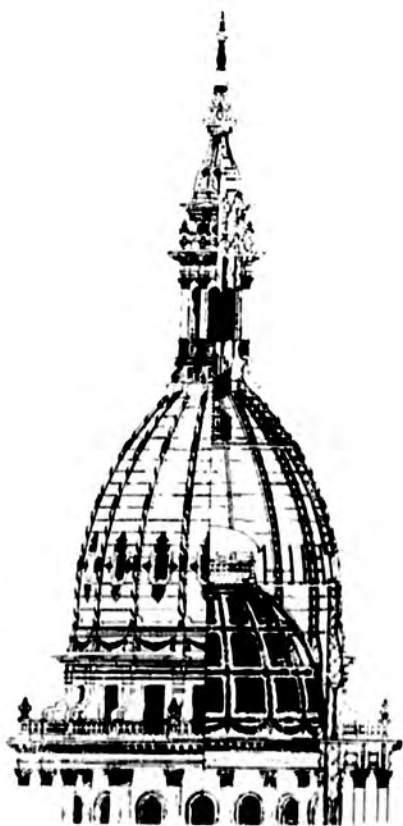
BACKGROUND Awareness is growing on behalf of state workers and managers of the importance of improving service delivery on a generalized basis. Some departments have taken the first steps toward a quality management system, developing work teams to identify problems and suggesting solutions. At the state level, some department and interdepartmental human service teams are working cooperatively to coordinate policy and procedures. Long term commitment of resources by management and employees is essential to successful implementation of quality initiatives in an organization.

"It is my belief that we need not revamp state employees, but revamp the atmosphere in which state employees operate. Involving, rewarding and listening to state employees will improve the operational efficiency and attitude within state government."

STEVE JENKINS, ADMINISTRATIVE OFFICER,
MACOMB REGIONAL CORRECTIONAL FACILITY

departments are serving as consultants to other departments. These efforts should be encouraged and expanded.

▼ **Set goals** The governor should set a goal of having every unit of state government skilled in using customer service principles and techniques in four years. Each department should be required to present a plan to the governor by July 1, 1995, outlining how this goal can be achieved and an estimate of the cost in personnel time and financial support. An outside agency should be contracted to evaluate each departments' progress.



BACKGROUND Presenters at listening sessions around the state were frustrated by state offices that are only open while the customer is at work and automated answering devices that seem to screen calls and allow employees to delay return calls (or to ignore messages altogether). People told of being asked to drive 70 miles to hand deliver an application form because a state program would not accept it by fax — only to find the office closed when they arrived. Human service caseworkers accept phone calls only during certain hours of the day. The system individuals can use to check on current Michigan income tax refunds can only be accessed once a week for a particular Social Security number.

"There is a misconception that bringing meetings or services to Traverse City covers 'northern Michigan'."

MEL MATCHETT, MSU EXTENSION OFFICE
ELK RAPIDS

Improving Customer Access

CUSTOMERS HAVE TROUBLE ACCESSING STATE GOVERNMENT.

RECOMMENDATIONS

- **Offer flexible office hours** Explore the possibility of offices providing direct public service having extended office hours, outside the normal 8 a.m. to 5 p.m.
- **Offer one-stop shopping** Allow offices that currently provide direct service (e.g., issuing drivers' licenses) to issue licenses and permits required by other departments so that customers do not have to visit several offices for service.
- **Use phone, fax and computers to facilitate transactions** The state should make use of advanced technology to allow its customers to communicate via mechanisms other than paper or in person. If documents such as permit applications could be accepted via fax machine, customers could save time, travel and expense.
- **Consider alternate site delivery of services** State government should make its services accessible and as conveniently located as possible for its customers by using schools, libraries, banks, malls, township offices, chambers of commerce, kiosks and other locations to provide services.
- **Get information to the public** Design a user-friendly computer program to describe state services. Such a system would benefit state employees as well as the public. To supplement the computer program, fliers, manuals and brochures on state services should be available at local and community centers, including schools, churches and libraries.
- **Publicity for programs** The state should investigate requiring that state contracts for direct human services include publicity and training for local and community groups regarding new services and how to reach them.
- **Enhanced videoconferencing** Speakers around the state indicated that increased use of videoconferencing would allow more interaction with state employees and programs. This would have the potential of saving the state and customer travel dollars. Community colleges and Michigan State University Extension offices around the state are ideally equipped to take advantage of this technology. The Open Meetings Act will need review and amendment to accommodate this recommendation.

■ **State employees should be more helpful** Workers should help customers fill out forms when appropriate. Time could be saved and public relations improved if assistance were provided at initial contact, rather than rejecting an incomplete application after the customer spends considerable time trying to guess what the state wants.

■ **Customers should not be put into a phone mail system at initial contact** Automated message systems should serve to enhance customer service delivery, not delay or prevent it. Nearly every task force heard complaints about voice mail. Develop voice mail policy to emphasize customer service, not call screening.

■ **Provide means of employee identification (name tags, phone greeting and business cards)** Accountability of employees is enhanced if customers have a means of knowing exactly who they talked to and how they can reach that individual again easily.

■ **Appointments for customers** Departments should establish a specific time, or set appointments, when customers, especially seniors, can go to a state office and know they will be served as soon as possible.



BACKGROUND The "information ethic" has created an insatiable desire for additional program evaluation and audit information.

Public Act 133 of 1982 originally included a "Paperwork Reduction" initiative establishing a statewide framework for form development and approval. After amendments to the legislation in 1984 and 1988, coupled with staff cuts and reorganization, only a fragmented structure with limited monitoring capacity is currently in place.

The confidentiality laws, regulations and policies of state offices requires extraordinary duplication of effort by customers, who must repeatedly fill out forms with information already in state files and computers, or who in some cases are fingerprinted multiple times for the identical license. Confidentiality regulations also increase the potential for waste, abuse, and fraud as individuals may apply for and receive duplicate services from departments which cannot review services currently provided by other state entities.

"After 15 years of state employment, I have absolutely no idea why we continually create forms that are next to impossible to fill out correctly."

JUDY PARTLO

SAGINAW COUNTY DEPARTMENT OF SOCIAL SERVICES

Fix the Forms

STATE FORMS ARE OFTEN LENGTHY, CONFUSING AND DO NOT PROVIDE INFORMATION USEFUL ENOUGH TO JUSTIFY THE EXPENSE OF FILLING THEM OUT. SOME AT LISTENING SESSIONS SUGGESTED THAT CONFIDENTIALITY REQUIREMENTS, WHILE CRITICAL, ARE WRITTEN TOO STRINGENTLY, PREVENTING OFFICES IN ONE AGENCY FROM SHARING INFORMATION AND ALLOWING THE OPPORTUNITY FOR FRAUD.

RECOMMENDATIONS

- **Adopt a new Michigan "Paperwork Reduction Act"** This act would govern the legislature, executive departments and autonomous agencies. Paperwork reduction goals should be established for each department by the governor.
- **Require DMB approval of all new reporting forms** DMB should have the authority to eliminate reporting that is not required by law. Only essential information should be included as a part of mandatory requirements.
- **Reduce the number of different forms** Streamline state reporting forms to eliminate federal and state report duplication.
- **Encourage user-friendly computer reporting formats** Many local governments and businesses now have the ability to output forms on computers at their offices. The state should encourage this by designating a specific agency or committee to take the lead.
- **Solicit input from users** Agencies should ask governments, businesses and residents for their input before creating new forms, and periodically survey users as to the value of existing forms. A state competitiveness council, housed in an executive agency, could serve as a screening agency for new reporting requirements and the evaluation of existing ones.
- **Ease confidentiality requirements where possible and in the customers' interest** Legislation authorizing and encouraging interdepartmental sharing of information to meet client needs and increase governmental efficiency should be introduced. Procedures and policies which restrict the provision of comprehensive

services should also be rewritten to allow staff to reach across department boundaries to provide services to Michigan residents. Personal client information would be limited to state and contract services providers and not be available through the Freedom of Information Act. Agency personnel should also be trained in methods of explaining why information sharing is helpful to clients.

■ **Statewide review of forms**

All state forms now in existence should be reviewed for the type of information requested, clarity, size of type and language. A specific agency or committee should take the lead to accomplish this review. A single form, common to related departments, including a single waiver of confidentiality that allows relevant information sharing between appropriate staff, should be the ultimate goal of this review.

■ **Continuous improvement** As the state continues to improve and expand existing information technology, agencies and departments should focus on compatible systems that facilitate information exchange. They should also be trained in methods of explaining why information sharing is helpful to clients.

"My employees spend 60 percent of their time filling out paperwork that is required by the state, rather than providing services to clients."

DR. CHRISTINA THOMPSON, CEO,
JACKSON/HILLSDALE COMMUNITY MENTAL HEALTH BOARD



Finding the Answer

CUSTOMERS DON'T KNOW WHERE TO GO TO GET INFORMATION, OR HOW TO GET HELP. SPEAKERS FROM BUSINESS, GOVERNMENT AND ALL WALKS OF LIFE TOLD THE COMMISSION THAT GETTING A QUESTION ANSWERED QUICKLY CAN HELP PREVENT PROBLEMS DOWN THE ROAD. THE STATE'S VAST INFORMATION RESOURCES ARE NOT EASILY AVAILABLE TO ITS CUSTOMERS.

RECOMMENDATIONS

ly gets calls from people
at state office to call. Our
the information neces-
people."

ON, IRON MOUNTAIN
R OF COMMERCE

➤ **"Guardian angel" program** Customers should be provided with a 1-800 number to reach an office staffed by highly trained individuals who would monitor the progress of the inquiry to completion.

➤ **Designate an ombudsman within each agency**

Each state agency should have a specific place for customers to call when they cannot locate information or are at a stalemate with programs or staff in that agency.

➤ **Develop a user-friendly program directory** This directory could be organized by function, problem issue, etc., and include fax and electronic mail numbers. Such a directory should be available electronically and in dated hard copy. Database access must allow continual updating of information to provide better service to state customers.

➤ **Establish a 1-800 help line** This centralized source of information should be staffed with highly trained individuals who have an in-depth knowledge of state government.

➤ **Develop "how-to" information** Easily understood, step-by-step brochures explaining how to obtain various licenses, permits, etc., would make the process easier for state customers. The expected time frames and cost, if appropriate, for each step could also be included. This information should be available electronically as well.

➤ **Map of state offices in Lansing** The state should develop an easy-to-read and understand one-page map of offices in Lansing. It is just too easy to get lost moving from one office to another.

Streamlining the Rules Process

EMPLOYERS COMPLAIN THAT WITHOUT UNDERSTANDABLE, ACCURATE AND CURRENT RULES, COMPLIANCE WITH STATE GOVERNMENT PROCESSES IS DIFFICULT FOR STATE EMPLOYEES AND FOR BUSINESSES SEEKING A PREDICTABLE BUSINESS CLIMATE.

RECOMMENDATIONS

- **Rules drafting staff** Consider establishing an Executive Branch staff within the Department of Management and Budget to consult with and support other state agencies in their rules drafting process.
- **Set a deadline** Consider requiring agencies to promulgate rules implementing new laws within 180 days of passage. Assess a penalty for failure to comply.
- **Annual review of rules** Consider requiring state agencies to conduct an annual review of existing rules to amend invalid rules and to eliminate obsolete rules. Assess a penalty for failure to comply.
- **Remove Legislative Service Bureau** Consider eliminating the Legislative Service Bureau from the rulemaking process.
- **Set a deadline** The state could put a set time limit on the Attorney General's Office to decide on the legality of proposed rules.
- **Reconsider the role of the Joint Committee on Administrative Rules** Consider eliminating the Joint Committee on Administrative Rules' role completely, or place a time limit on JCAR action. Any rule not acted on within the time limit, unless barred by a Joint Resolution of the Legislature, would take effect.
- **Administrative Law Judges Office** Consider establishing a central office of Administrative Law Judges. (Currently, each agency has its own judges, often sharing offices with agency staff and reporting to the agency.) Such an office would introduce efficiencies and eliminate the appearance of conflict of interest.

"Businesses make changes in operating procedures as old ones become ineffective and obsolete, and government should do the same."

RAYMOND LOZANO,
MANAGER, COMMUNITY RELATIONS,
MICHIGAN CONSOLIDATED GAS COMPANY

BACKGROUND The Administrative Procedures Act (APA) regulates the process state agencies must follow when promulgating or modifying rules. To produce a rule implementing a law, an agency must first draft the rule. It is then "encouraged" to submit the rule to the Legislative Services Bureau (LSB) for an informal approval. The agency then conducts a public hearing, submits the rule to the LSB for formal approval of form, submits the rule to the Attorney General for legal approval, and then submits the rule to the Legislature's Joint

Committee on Administrative Rules (JCAR) for final approval. The JCAR has two years to rule. The process is inefficient, ineffective and unresponsive to

customer needs. Some suggest the Attorney General's approach to rules exceeds the office's statutory role. Legislative involvement in the rulemaking procedure has been questioned. There is no mechanism to ensure rules reflect current law or court rulings.

Improve Inter- and Intra-Department Communications

BACKGROUND All too often, agencies find it difficult to meet the needs of customers because organizational boundaries stand in the way. The state should remove those boundaries. The state should organize work according to customers' needs and desired outcomes, not bureaucratic turf. Services that fall under the jurisdiction of two different state agencies, or even two different offices of the same agency, often result in excessive delays of service. There appear to be boundaries between and within agencies that prevent them from working cooperatively in spite of the obvious benefits to their common customers.

Agencies were cited as unable to even share information that would reduce paperwork for customers and local governments.

MANY STATE GOVERNMENT CUSTOMERS SAID THEY FELT THAT STATE DEPARTMENTS AND AGENCIES DON'T COMMUNICATE OR COOPERATE WITH EACH OTHER.

RECOMMENDATIONS

✔ **Conflict resolution team** Use customer service initiatives to form problem-solving teams with the authority to resolve inter- and intra-agency conflicts. Inter-departmental "SWAT" teams, comprised of appropriate staff from all involved agencies, could examine issues from various perspectives and expedite resolution.

✔ **Designate authority** For issues that overlap, designate a lead agency with responsibility and accountability, and encourage department directors to intervene earlier when needed. Such a designation would alleviate stalemate or gridlock in issues over which agencies disagree.

✔ **File networking** End electronic duplication of client/customer files while protecting privacy. State agencies should be allowed to legally network with limited access on behalf of mutual customers. Currently, a customer of state

government may have a file in several agencies, depending on the programs that customer uses. A centralized electronic file system that could be accessed by any agency would eliminate duplication and provide information on other services the customer is receiving, or which services may be available.

✔ **E-mail** Promote use of electronic (e-mail) networks between agencies. Currently, most state agencies have an internal e-mail network. The networks should be expanded to allow communication between agencies (and eventually with their external customers).

"If local units need to coordinate a multi-departmental operation within state government, they almost always incorporate the help of their state legislator to keep things straight, keep people talking and get results."

SPENCER NEBEL, CITY MANAGER,
CITY OF SAULT STE. MARIE

Using Technology Effectively

STATE GOVERNMENT HAS NOT KEPT PACE WITH THE PRIVATE SECTOR IN THE EFFECTIVE USE OF INFORMATION AND COMMUNICATIONS TECHNOLOGY TO MEET THE NEEDS OF ITS CUSTOMERS. IN MOST CASES, LISTENING SESSION SPEAKERS DISCUSSED A LACK OF TECHNOLOGICAL ADVANCES. IN ONE CASE, THE STATE SEEMS TO BE IMPLEMENTING A TECHNOLOGY QUICKLY, BUT NOT EFFECTIVELY: PHONE MAIL. THE FRUSTRATIONS OF STATE CUSTOMERS, BE THEY TAXPAYERS, MAYORS OR BUSINESS LEADERS, WITH MANY CURRENT PHONE MAIL SYSTEMS CANNOT BE EXAGGERATED.

RECOMMENDATIONS ▼

▼ **Better Use of Voice Mail** Voice mail is modern technology at its best — and worst. Customers should not encounter a voice mail system on their first contact with a state office. Voice mail systems should be reviewed annually, evaluating their ease of access, comfort level and efficiency for customers and contributions to the efficiency and productivity of state personnel. Focus groups of customers, including local government officials, residents and business officials should be used to help critique and improve the telephone answering procedures.

Indeed, all systems should be reviewed similarly to determine their value to customers and the willingness of customers to utilize them.

▼ **Review customer-focused technology in use in the private sector and in other states** When necessary, utilize outside expertise to design creative solutions to customer problems.

▼ **Establish inter-agency teams for one-stop shopping** Computer and telecommunications networks to facilitate one-stop shopping for customers should be deployed, using teams from various state offices to set up those networks using devices such as kiosk and electronic data interchange. Solutions should be customer-based, not agency-based. Implement processes for interagency communication and, when in the public interest, information sharing.

▼ **Focus internal systems so they are "customer friendly"** Design systems to promote flexibility and efficiency of service and to eliminate redundant and unnecessary procedures. Use technology to speed up transactions, minimize confusion, and eliminate needless paper documentation.

BACKGROUND One of the major items brought up repeatedly at Commission listening sessions was the lack of technological efficiency in state government. The state seems behind in accepting modern uses of faxes, telecommunication, computerization and video conferences.

The way some departments set up phone mail systems, catching initial callers and putting them into computer-oriented systems that many customers find baffling or irritating, suggests that systems often focus on agency needs, rather than on customer needs.

One reason for failure to effectively deploy technological innovations is traditional management of technology resources. Some departments lack the resources to invest in new technology, or lack the vision about how to use technology to meet customer needs more effectively. Still others expend resources supporting old approaches that consume the resources and talent needed to develop new approaches.

In 1992, Gov. John Engler initiated a major reorganization of technology management and purchasing policy, a system that should accommodate recommended solutions.

"There are some counties that have a few computers and they are setup in the back room – not convenient for use by the workers or even close to the phone."

LINDA AYRIS, ASSISTANT PAYMENT WORKER,
MONTCALM COUNTY DEPARTMENT OF SOCIAL SERVICES

- **Consolidate "back office" data processing and networking** With many departments carrying on similar functions, the state should be able to achieve savings by combining similar functions.
- **Replace checks with electronic benefits transfer** The state should move as quickly as possible to implement electronic benefits transfer (as planned) and other systems to eliminate the need to print thousands of checks, Medicaid cards, and monthly reports while combating fraud.
- **Videoconferencing** Testimony for hearings in various state proceedings can be handled through satellite downlinks from remote sites convenient to complainants.
- **1-800-directory** The state should create a 1-800 number hotline to speed access to directory assistance. The hotline should be available on at least one commonly used computer network service to any person with a computer modem. Callers person seeking direction should be able to access the directory from several different starting points: with the name of the service, the agency or department, type of problem. Services not delivered by the State of Michigan, but typically available in most communities, could be included in the system so that people could be referred other agencies outside the state system. A computer printout should indicate what the caller should do next, or where to find help.
- **Credit cards** The state should allow customers to use credit cards when renewing licenses.
- **Bring information to the people** The state should experiment with mechanisms to promote freer public access to state government, through the use of kiosks and on-line services. In sparsely populated areas, local governmental buildings or county courthouses are usually easily accessible locations for such mechanisms.
- **Consider increased acceptance of faxes** Many state offices, because of law, regulation or practice, do not accept faxes as legitimate replacements for letters or filling out forms in person. When possible, faxed documents should be accepted as legitimate.

Tell the Michigan Business Story

IN LISTENING SESSIONS IT BECAME APPARENT THAT, ALTHOUGH MICHIGAN'S REGULATORY AND TAX CLIMATE HAS IMPROVED SIGNIFICANTLY IN RECENT YEARS, MANY BUSINESSES ARE NOT AWARE OF THE CHANGES AND ADVANCES.

RECOMMENDATIONS ▀

▀ **Tell the story** A comprehensive outreach program should be developed by the Michigan Jobs Commission to communicate state regulatory customer service improvements and the availability of special services to assist the business community.

▀ **Accelerate customer service improvement initiatives in business-related areas** The customer service improvement initiative launched by the Michigan Jobs Commission should be accelerated.

▀ **Coordinate business customer service plans** The Michigan Jobs Commission should coordinate the development of all agency customer service plans, to ensure they are aligned with overall business climate priorities and that a consistent standard of service is provided throughout the state.

▀ **Make the Jobs Commission permanent** The state should convert the Michigan Jobs Commission from a two-year agency into a permanent department or the executive branch of state government.

"State departments must begin to realize that businesses are a vital part of the economy and how the state helps businesses to succeed will impact state employees' jobs."

CHRISTIAN KINDSVATTER
GOVERNMENTAL POLICY CONSULTANTS

BACKGROUND The Michigan Jobs Commission, Department of Natural Resources and other offices have taken important steps to improve services to customers. The Jobs Commission is meeting regularly with employers around the state, asking for their ideas on how to make Michigan's jobs climate better in general, and how to deal with specific problems facing individual businesses.

Despite that, a recent survey of state businesses found only 10 percent rated the state's overall regulatory climate as positive. That indicates further

action is needed, and that there is a need to report to businesses what has been done.

Unemployment Insurance Reform

RESIDENTS BELIEVE MICHIGAN'S CURRENT UNEMPLOYMENT INSURANCE (UI) SYSTEM SERVES NEITHER THE EMPLOYER NOR THE EMPLOYEE WELL. WE HAVE HEARD THAT IT IS COSTLY IN COMPARISON WITH OTHER STATES AND IT PROVIDES NO INCENTIVE TO EMPLOYEES TO MAKE THEMSELVES MORE EMPLOYABLE. THE MESC WAS FREQUENTLY CRITICIZED AT COMMISSION MEETINGS FOR INCONSISTENT APPLICATION OF RULES, AN ANTI-EMPLOYER ATTITUDE, A FAILURE TO PROTECT AGAINST FRAUD AND ABUSE AND A LACK OF INTEREST IN PROVIDING RE-EMPLOYMENT TRAINING AND ASSISTANCE.

RECOMMENDATIONS

- **Training incentives** Offer incentives to the unemployed to seek training.
- **Encourage part-time work** Offer incentives to those returning to part-time employment.
- **Benefits for new business owners** Allow for the collection of some benefits by those previously unemployed who are attempting to start new businesses.
- **No retroactive taxes** End retroactive balance-due charges to employers when temporary tax rates set by MESC are adjusted

upward later in the year. If MESC does not adjust a tax rate within 30 days, the employer should be charged the initial rate for the year.

- **Drug use** Clarify misconduct definition in the UI Act. Currently, it is not clear whether employees released for drug use are engaged in job-related misconduct.
- **Quality participation** Require MESC participation in quality improvement processes, so MESC staff can better understand and respond to the needs of employers and employees.

BACKGROUND The UI system in Michigan was designed in an era in which unemployment resulted primarily from cyclical fluctuations in the economy.

These fluctuations generally resulted in short-term unemployment compensation needs, that is, until an employee could return to the old job.

While some unemployment continues to be due to the economic cycle, much of the unemployment problem today relates to fundamental changes in the nature of the economy and to changes in the types of jobs available. Jobs often disappear permanently, requiring the unemployed to be retrained in order to secure new jobs.

"In some of the cities where we do business, the MESC maintains an adversarial relationship with temporary agencies. In my opinion, the MESC originally was the guardian of the unemployment fund, but now it counsels people on how to collect unemployment benefits."

DAN HORNE, VICE PRESIDENT OF CORPORATE OPERATIONS,
MANPOWER TEMPORARY SERVICES

Improving Delivery of Inspections

BUSINESS CUSTOMERS DESCRIBED NIGHTMARISH EXPERIENCES WITH STATE INSPECTORS WHO, ACCORDING TO THOSE CUSTOMERS, SEEMED MORE INTERESTED IN FILLING UP COMPLIANCE CHECKLISTS WITH DEFICIENCY FINDINGS THAN ASSISTING BUSINESS OWNERS, AS SERVICE PROVIDERS TO THE PUBLIC, WITH SOLVING CRITICAL PROBLEMS AND MAINTAINING OVERALL COMPLIANCE.

RECOMMENDATIONS

➤ **Increase professionalism** Inspectors should be trained to be sensitive to and possess some understanding of the business environment being inspected. Costs can be associated with applying rules and regulations, since this is rarely a consideration in the development of many laws. Alternatives to narrow and literal interpretation of the rules should be allowable. In effect, inspectors should be empowered to "think" and make decisions based on the overall objectives of compliance and the circumstances at hand. A system should be put in place to remove inspectors who harass customer/licensees.

➤ **Develop risk assessment techniques** In executing inspections, the important has to be distinguished from the unimportant. Inspectors should focus on critical areas for compliance. This gives recognition to limited financial and human resources on the part of the state government while ensuring public safety and quality of service. This assessment would include evaluating the "control environment," which includes the experience and knowledge of key personnel, past performance and any unique characteristics of the customer or its environment.

➤ **Provide reasonableness** The inspection process has to be reasonable and fair. Inspectors should not hold customers/licensees accountable for laws or rules that have not been published or which require a time period outside of the inspection date for reasonable compliance.

➤ **Improve efficiency** The objective of an audit should be to improve conditions as opposed to merely report problems. With the exception of life threatening conditions, agencies should discuss findings with licensees before issuing written

"We received the citation only after the officer called his supervisor in Lansing and was coached to issue the citation. ... We have spent much time and money trying to meet the abatement requirements of this citation only to find it was bogus."

ROBERT BEGG, DIRECTOR OF SAFETY COMPLIANCE,
HI-LEX, BATTLE CREEK

BACKGROUND Government is viewed essentially as a regulator and not as a service provider. The government establishes law. Government administrators establish rules or policies and procedures to implement those laws. Every department in state government has rules that residents are required to follow. Businesses, in particular, are inundated with a plethora of rules and regulations they must follow. Through surprise

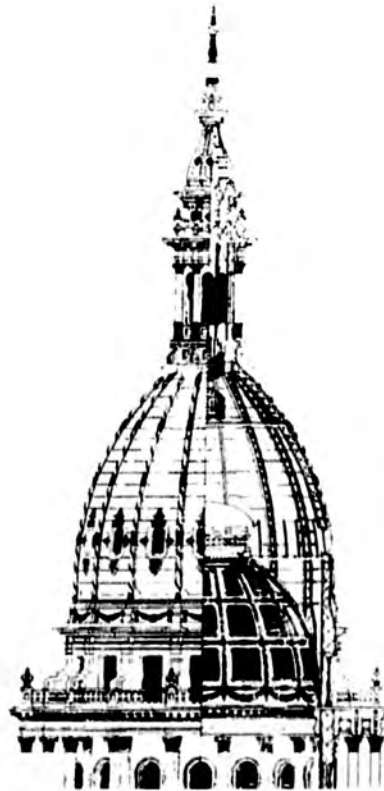
and scheduled appearances, "regulators" (licensing inspectors) visit businesses to ensure compliance with rules and regulations. Some departments of state government, more than others, have been viewed as over-regulators and as insensitive to busi-

nesses, in particular, in executing their regulatory responsibilities.

reports. No outside organization should be sent copies before report findings are discussed with the subject of the report. Furthermore, "deficiency findings" that could be immediately or quickly resolved should not be formalized by appearing in reports.

■ **Performance/Reward** Inspectors should be rewarded for helping customers maintain substantive compliance with laws and regulations. State resources should be primarily focused on serious offenders.

■ **Problem Resolution** Customers/licensees should have quick access to an independent, objective decision-maker in disputes with inspectors where business costs or inconvenience will result from a finding.



Rebuilding the Construction Code

RESIDENTS AT COMMISSION LISTENING SESSIONS COMPLAINED THAT LOCAL GOVERNMENTS ARE UNDULY BURDENED BY THE STATE CONSTRUCTION CODE, WHICH DISCOURAGES NEW CONSTRUCTION.

RECOMMENDATIONS

▣ **Decentralize permit-granting authority** The Construction Code could allow local governments the opportunities to use employees or private contractors to grant permits for new buildings. Local governments are ultimately responsible for construction code enforcement, so it makes sense to let them handle the entire process using either employees or private contractors.

▣ **Training technology** The Bureau of Construction needs to make better use of technology to speed up the training process for local building inspectors. The Bureau should look at using teleconferencing through community colleges or intermediate school districts to eliminate the travel of some inspectors from out-state Michigan. The Bureau should also explore the option of circulating videocassettes to local inspectors. Private education and certification options should also be available.

"The irritation with the current construction code enforcement procedures seems to be both universal and unanimous. In virtually every listening session we had, some local official stepped up with complaints about code enforcement or training."

RICHARD T. COLE, VICE-CHAIRMAN,
SECCHIA COMMISSION

BACKGROUND The construction industry is rapidly growing, meaning building permit requests are increasing. The Bureau of Construction requires that local government building inspectors participate in classes and update their certification on a three-year cycle. Most of these training sessions take place in Lansing or the Detroit area. These travel requirements are expensive and time consuming for small local units located outside southeastern or mid-Michigan. Furthermore, the

required state courses often include outdated material.

If the local unit does not want to employ an inspector, the state will approve and inspect buildings for them. With the large amount of new permits being

filed, the state gets backlogged and the building process slows. The Code does not encourage local units to provide the most efficient service, which may involve private firms or other education and certification requirements.

Flexible, Measurable Job Training

BACKGROUND Congress has responded to different interest groups by creating a separate program for each group. The result is a confusing hodge-podge of programs, resulting in confusion. The Michigan Jobs Commission was established to create a unified, integrated coordination and management system that may be accessed by the individual or employer through various local area entry points — a “no wrong door” approach. The Jobs Commission is integrating employment training and economic development programs at the state level to provide coordinated policy direction to local areas. Services are accessed by the customer at the local level. This initiative builds an employment and training delivery system to meet the specific needs of each customer rather than maintaining a confusing variety of disjointed programs.

“We should establish mechanisms for continuous feedback about the effects of program and policy decisions on older job seekers and build on existing strengths by supporting and encouraging replication of collaborative, customer-driven programming efforts”.

TERRY A. BARCLAY, PRESIDENT,
OPERATION ABLE

MICHIGAN NEEDS A FLEXIBLE, WELL-FINANCED JOB TRAINING PROGRAM WITH MEASURABLE RESULTS TO ENSURE THAT OUR CITIZENS ARE TRAINED AND RETRAINED FOR THE TECHNICALLY CHALLENGING JOBS OF THE FUTURE. TODAY, FEDERAL EMPLOYMENT TRAINING LAWS CREATE A VARIETY OF CONFUSING PROGRAMS AND DISJOINTED DELIVERY SYSTEMS THAT DO NOT NECESSARILY MEET THE NEEDS OF WORKERS OR EMPLOYERS, AND ARE DIFFICULT TO EVALUATE.

RECOMMENDATIONS

➤ **Obtain flexibility in federal jobs programs** The Governor, Michigan Jobs Commission and the Michigan Congressional delegation should work to change federal legislation and regulations to give more flexibility in federal employment programs to allow for greater innovation and coordination.

➤ **Develop a standard for success** The Jobs Commission should develop a single standard for measuring successful outcomes of all the employment training programs. This will allow for consistent evaluation of the variety of training programs.

➤ **Outcome-based funding** The Jobs Commission should, as much as regulations permit, move toward a funding formula that pays for agreed on results for persons trained. This will challenge those responsible for training to focus on clearly identified results.

➤ **Vouchers for training** The Jobs Commission should try pilot programs using vouchers for qualified trainees to create more innovation, competition and entrepreneurship in the jobs training network. One program would pay employers for training qualified clients, with payment based on outcomes specified in individual contracts for each trainee. The results should be compared with traditional training outcomes.

➤ **Client surveys** The Michigan Jobs Commission should establish a customer satisfaction survey of residents receiving employment and training services to determine the residents' reaction to and assessment of the services. The information should be used by the Michigan Jobs Commission to improve program quality.

Improving the Single Business Tax

MICHIGAN'S SINGLE BUSINESS TAX IS POORLY UNDERSTOOD BY MANY MICHIGAN BUSINESSES WHO VIEW IT AS OVERLY COMPLEX, UNFAIR AND A DISINCENTIVE TO JOB CREATION.

RECOMMENDATIONS

- **Review the Single Business Tax in relationship to Michigan's overall business climate** Ensure that provisions are consistent with identified business attraction and retention goals.
- **Defer tax in unprofitable years** The Legislature and Governor should consider allowing small- and medium-sized businesses to defer tax liability, with interest, in unprofitable years or consider an alternative maximum tax level in those years.
- **Educational campaign** Launch an educational initiative to help business better understand and utilize aspects of the SBT which work to their benefit.
- **Create incentive for new hiring** Allow a credit for compensation add-backs, such as health care costs.
- **Simplify SBT** Work toward simplifying SBT calculations for businesses that do not use the "standard" SBT calculation.
- **One form** Go to a single tax payment form for all state business taxes.

"The single business tax is a disincentive to hire new people."

BAY AREA CHAMBER OF COMMERCE

BACKGROUND The SBT, a value-added tax, was enacted in 1976 to simplify Michigan's tax system by replacing seven separate taxes then assessed on business. The three major taxes replaced by the SBT were the corporate income tax, the local property tax on inventory, and the corporate franchise tax. No other state has attempted to implement a similar single tax structure for business. The tax is generally applied to those businesses with gross receipts over \$250,000.

Several factors, including gross receipts, profits, and wage base are used in determining the tax liability. Because of its perceived complexity, many employers view the SBT as unfair. It has been widely criticized because it may result in a tax liability even in loss years and because it is perceived as a disincentive for locating businesses in Michigan.

Bringing Consistency to Tax Law

BACKGROUND The Treasury Department has limited resources devoted to technical interpretation and support, and far more resources devoted to technical functions. The result is a lack of interpretive guidance in the form of rules, bulletins, and policy statements, and an increase in the possibility of ad hoc and inconsistent interpretations of tax laws. Despite a statutory mandate in place since the SBT was enacted in 1975, SBT rules have never been promulgated. Department officials acknowledge many provisions of the current sales and use tax rules are incorrect, contradicting either case law or subsequent legislation. It appears varying interpretations and enforcement of the law occur because the technical tax divisions are independent from the audit division and the hearings and tax research division.

"Michigan Department of Treasury audits are sometimes inconsistent. What they tell one company is entirely different from what they tell another."

BARRY CARGILL

VICE PRESIDENT OF GOVERNMENT RELATIONS,
SMALL BUSINESS ASSOCIATION OF MICHIGAN

COMMENTS RECEIVED DURING LISTENING SESSIONS BY THE COMMISSION SUGGEST THAT THE MICHIGAN DEPARTMENT OF TREASURY SHOULD MODIFY ITS TECHNIQUE WHEN INTERACTING WITH TAXPAYERS, TO REFLECT A MORE CUSTOMER-ORIENTED APPROACH. THERE SEEMS TO BE A PERCEPTION THAT THE TREATMENT OF TAXPAYERS AND THEIR CASES ARE SOMETIMES UNEVEN AND UNFAIR. IF THESE PERCEPTIONS ARE TRUE, THE DEPARTMENT MAY NEED TO ORGANIZE DIFFERENTLY TO ENSURE FAIR, CONSISTENT AND BALANCED ENFORCEMENT AND INTERPRETATION OF THE TAX LAWS.

RECOMMENDATIONS

✔ **Customer service initiatives** Establish a customer satisfaction commitment throughout the Department, to be implemented through customer service training and increased problem resolution capabilities.

✔ **Improve technical division** Increase technical division capabilities to ensure clear, consistent and timely interpretations of the law.

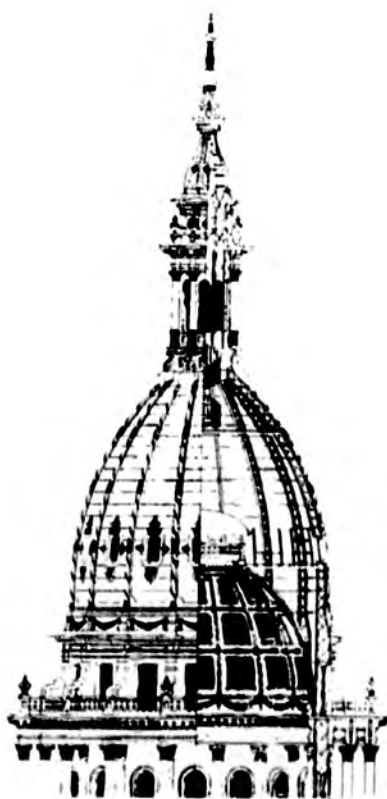
✔ **Publish the rules** Require tax divisions to promulgate rules for all major taxes, keep existing rules updated to reflect case law and legislative change, and issue timely bulletins or policy statements on all matters not addressed by rules.

✔ **Consistent policy** Require the Revenue Division to avoid increasing taxes administratively beyond what is set by the Legislature and approved by the Governor. Applying a jurisdictional standard for the Single Business Tax would require out-of-state companies doing business in Michigan to pay their fair share while reducing the SBT burden on Michigan-based businesses.

✔ **Coordinate divisions** Improve coordination between the audit division and the technical tax division to ensure consistency and quality in the audit process. This could include a rotation through the tax division staff for new field auditors.

■ **Self-audit** Establish a procedure to reduce audit costs and increase compliance through a "self audit" which a taxpayer may choose before or after selection for a traditional audit, with a reduction in penalties and interest to encourage participation. In Ohio, a similar program substantially increased taxpayer audits.

■ **Legal adjustments** Other possible changes include adding legal staff to the technical divisions to aid in legal interpretation, awarding costs to taxpayers when the Department fails to follow court decisions that overturn its interpretations of the tax laws, and establishing a standing relationship between the Department and the State Bar of Michigan and the Michigan Association of CPAs.



BACKGROUND Several departments of state government can enter into contractual relationships for provision of direct human services. These services include foster care, institutional care, substance abuse treatment and a variety of other protective and treatment services for people with disabilities.

With greater academic and clinical research into various means of providing direct human services, more private organizations believe they have programs that can serve the needs of Michigan citizens. But with limited resources for providing service and managing contractual relationships, it is often difficult for state agencies to consider new approaches when significant monitoring of those approaches may be required to guarantee clients are receiving top quality services.

Encouraging Innovation in Human Services

HUMAN SERVICES PROVIDERS OUTSIDE OF STATE GOVERNMENT CONTEND THAT THE STATE IS NOT RECEPTIVE TO NEW AND INNOVATIVE APPROACHES TO DIRECT HUMAN SERVICES. WHILE INNOVATIVE HUMAN SERVICE MODELS HAVE BEEN IMPLEMENTED, SOME PROVIDERS SAID DURING LISTENING SESSIONS THAT EFFORTS TO ENTER INTO CONTRACTUAL RELATIONSHIPS WITH THE STATE HAVE BEEN UNSUCCESSFUL, PRESUMABLY IN SOME CASES BECAUSE THE APPROACH BEING PROPOSED HAS NOT BEEN TRADITIONALLY ACCEPTABLE TO THE STATE.

RECOMMENDATIONS

- ▀ **Develop test methods** Each state agency that contracts for direct human services or other subjective services should develop a test methodology, including a post-audit of performance, to determine the viability of innovative new approaches proposed by human services organizations, including government agencies.
- ▀ **Evaluation through peer review** The state could employ a "peer review" advisory process to assess the effectiveness of new concepts. This peer review would ideally be conducted by objective outside sources such as universities, other departments, or other individuals who are not in competition with providers of new services.

"The DSS has moved from a monitoring role to a control mode. At present, there is no process independent of DSS to ensure that the Department of Social Services does not act unilaterally in any matter related to program design and the competitive bidding process."

ARLIN NESS, PRESIDENT,
STARR COMMONWEALTH, ALBION

Helping Vulnerable Residents

MICHIGAN RESIDENTS, INCLUDING MANY SENIORS, ARE VICTIMS OF FRAUD AND SCAMS, COSTING MILLIONS OF DOLLARS. THE STATE'S GUARDIANSHIP PROGRAM REQUIRES SPECIAL ATTENTION, SINCE IT PROTECTS MANY OF MICHIGAN'S MOST VULNERABLE CITIZENS. THE COMMISSION RECOGNIZES THAT REGULATIONS ARE NOT THE SOLUTION TO THESE PROBLEMS.

RECOMMENDATIONS

➤ **Guardianships** The state should study the issue of guardianships to determine if laws and the system to protect seniors and children need reform.

➤ **Develop county-based consumer protection programs**

The Office of Services to the Aging should work with the Michigan Department of Commerce, Insurance Bureau and the Michigan Attorney General's Office to demonstrate and evaluate a county-based consumer protection information and education network for seniors. The project would encourage seniors to call an 800 number if they have questions about consumer fraud, allowing state officials using computers to provide information and quickly identify abuse and provide timely feedback on potential consumer fraud.

➤ **Seminars on insurance and investments** The state and private sector should work together to develop a summary of the laws and regulations about informational seminars on insurance and investments. These could be included in mailings to seniors by any state agency. The state and private sector can work together to root out fraud and promote proper practices.

➤ **Anti-fraud volunteers** Another pilot project could be developed by the Office of Services to the Aging, the Insurance Bureau and other appropriate agencies or groups such as local insurance agents to train volunteers and educate seniors about existing laws and monitor activities such as telemarketing, sweepstakes promotions where the purchase of a product is induced on the false promise of a prize.

➤ **Anti-fraud regulations** Banks should be required to have customers sign large, bold print forms certifying they understand that mutual funds and other investments offered by banks are not guaranteed by the Federal Deposit Insurance Corporation. State regulatory bodies should diligently attempt to inform the public about acceptable practices and where to make complaints.

"Many brokerage firms hold seminars, and generally they are ethical, but there are abuses. Very often the people attending are directed to the 'investment of the day.' In an informational seminar, the goal should be to educate seniors."

STEVE PARKER, GRAND RAPIDS

BACKGROUND Seniors are targeted for consumer scams because they are seen as vulnerable and as having money to spend. Often, no prosecution results from a complaint. Older consumers may not be aware of consumer laws, and they may be deterred from reporting violations out of embarrassment or fear of being perceived as incapable.

The state's guardian program is also a potential source of abuse. The state's Probate Code allows for appointment of guardians, defining services and

establishing fees. Not only are poor, vulnerable seniors lacking guardianships, but thousands of Michigan children live in guardianship status with minimal Probate Court oversight above an annual mail-in report, which is seldom verified. Many guardians serve 250 or more clients. Some estates are allegedly pillaged by their guardians; others are consumed by fees. The probate courts often have neither the administrators or the systems capacity to manage, recruit, supervise and control appointed persons.

BACKGROUND Often, admission to a state psychiatric facility is sought when local community options are unavailable or exhausted. Placement in state psychiatric facilities addresses the "danger to others" issue, but treatment programs are inappropriate for individuals with brain injuries. Access to rehabilitation services for persons with closed head injuries is affected by the age at which a person is injured, private health insurance coverage, and Medicaid requirements and limitations.

For both of these groups, a system for dealing with difficult behaviors is needed. Enhancement of family supports such as information, education and intermittent relief services are needed.

Reimbursements available through Medicaid or other insurance coverage and the current array of long term care services, including residential options and other support services, are inadequate for many patients. Most families care for individuals with dementia at home for as long as possible but families often wear out themselves and their resources in the process.

"When a crisis occurs or care-givers are unable to continue, family members turn to the mental health system or nursing facilities. Persons with Alzheimer's disease and other dementias and closed head injuries have special care needs requiring services from a variety of agencies and health care disciplines."

WILLIAM ALLEN, CHIEF DEPUTY DIRECTOR,
MICHIGAN DEPARTMENT OF MENTAL HEALTH

Serving Special Needs Patients

PERSONS WITH ALZHEIMER'S DISEASE AND OTHER DEMENTIAS AND PERSONS WITH CLOSED HEAD INJURIES HAVE SPECIAL CARE NEEDS REQUIRING SERVICES FROM A VARIETY OF AGENCIES AND HEALTH CARE DISCIPLINES ACCORDING TO RESIDENTS' STATEMENTS AT COMMISSION LISTENING SESSIONS.

RECOMMENDATIONS

▀ **Troubleshooting** The Human Services Directors group should identify special populations and evaluate services and strategies to address these populations' problems, such as lack of services, lack of information about services and acknowledgment of who should provide services, and funding availability.

▀ **Ensure access** Each department should evaluate its existing service system to determine access and service availability for people with dementia and closed head injuries. Reasons for access problems should be examined to determine

whether rules and regulations have a negative impact on access to services.

▀ **Involve others** The Department of Mental Health should continue its dementia care-giver education program and assure local aging, public health, social service and consumer groups are actively involved.

▀ **Identify special needs** The Department of Public Health should use outcomes of the nursing home survey/certification process to identify training needs of direct-care staff and assure direct-care staff training by the nursing homes. The department should identify special care units for persons with dementia or

closed head injuries, describe their program of care, and determine whether special licensing or certification is required.

▀ **Medicaid eligibility** The Department of Social Services should examine current Medicaid eligibility for rehabilitative services for persons with closed head injuries.

Reducing Physical Barriers

MANY PHYSICAL SITES OF STATE GOVERNMENT SERVICES ARE NOT EASILY ACCESSIBLE TO ALL CUSTOMERS, REGARDLESS OF THEIR PHYSICAL CONDITION OR AGE.

RECOMMENDATIONS

Enforce accessibility laws and regulations

One state agency should be accountable for ensuring all existing laws and regulations regarding accessibility are enforced. If a facility is out of compliance, a plan should be filed with the Department of Management and Budget to indicate how the lessee will achieve compliance within 12 months.

Consolidate offices Executive Order 1980-1, encouraging the physical consolidation of state offices, should continue to be supported and coordination with local agencies encouraged.

Review before occupying DMB should continue to ensure all new buildings (and/or leases) that house state agencies for which DMB has responsibility are in compliance with state and federal accessibility standards.

Periodic reviews The Department of Management and Budget should annually review current leases to ensure compliance with the state's requirements, particularly in regard to convenient and accessible handicap parking, handicapper accessible entrances and corridors and to ensure that mechanical assistance, where required, is provided at entrances.

Move to easily accessible sites A continuing effort should be made to encourage all state agencies to share space with other agencies that serve the same constituents in easily accessible locations, such as shopping centers.

State veto power for enforcement State agencies that allow the inclusion of facility costs in grants to local organizations should have veto power over payments for facility space that does not comply with state and federal accessibility standards.

"Imperative in fashioning delivery services for public agencies is the requirement that our policy approach and style be driven by the recognition that our client is a customer, and deserves to be treated in a welcoming manner."

GERALD FAVERMAN, PH.D.
THE FAVERMAN GROUP

BACKGROUND State and federal legislation requires that all public facilities be accessible to individuals with handicaps. Comments received during listening sessions indicate that is not happening. Among the complaints received:

Lack of parking close to the facility to be visited (the concern included both marked spaces for persons with handicaps, as well as general parking); difficulty accessing facilities because of heavy entrance doors; lack of

light, making it difficult to see in entrance corridors; a lack of appropriate signs; elevators, passageways and bathrooms available to the public inappropriately sized for wheelchair users; mechanisms for automatic opening of doors out of order for a long period of time, and inappropriate writing surfaces.

Some speakers also suggested that state workers and departments could be more aware of the needs of seniors and the handicapped, making it easier for those persons to obtain the services they seek.

Equitable Statewide Services

STATE SERVICES ARE NOT AVAILABLE IN ALL PARTS OF THE STATE CREATING DISPARITY BETWEEN GEOGRAPHIC AREAS OF MICHIGAN.

RECOMMENDATIONS

BACKGROUND There are many reasons why individuals who live in one place have access to services that individuals living in another part of the state don't have. For instance, pilot projects are developed to serve the purpose of "trial runs" to determine the viability of the service and method of delivery; or the Legislature sometimes prioritizes funding for one geographic area rather than another; or federal and state laws sometimes mandate targeted or priority funding for certain populations. At times, providing a service in a sparsely populated area may be cost prohibitive or a particular service may be provided at option of the local officials.

"For the cost of only \$500, I was given all the training and equipment necessary to allow me to stay at home instead of going to a nursing home, and I am very grateful for that. But it bothers me that there are blind seniors on the other side of the state who could benefit from the program but cannot, due to the lack of funding for the west side of the state."

RUTH KRAZAK, BAY CITY

➤ **Develop assessment plan** The governor should develop a process requiring each department to assess statewide availability of its services. This should be a process whereby communities assess the need for, access to and priority of these services. Localities should have an opportunity to modify their needs. The goal: Equitable access to needed services across the state.

➤ **Replicate success** When pilot projects are successful, each department should develop a process to disseminate a description of the methods and results for possible replication.

➤ **Develop guidelines** Where access to service is "needs" based, the department, in conjunction with public and private practitioners, should develop guidelines and protocols for access to services. These guidelines and protocols should be developed to promote a balance between consistency of criteria across the state and maintenance of flexibility for localities to make best use of local resources.

Expand Human Services Options

SOME SPEAKERS AT LISTENING SESSIONS BELIEVE THERE IS AN INHERENT CONFLICT OF INTEREST IN THE ROLE PLAYED BY SOME STATE HUMAN SERVICES AGENCIES.

RECOMMENDATIONS

✓ **Consolidate licensing** Consider the transfer of the licensing function of human services agencies to the department where most of the licensing functions are currently housed.

✓ **Avoid conflict of interest**

When a conflict exists between an agency as a buyer and an agency as a supplier of human services, create an objective methodology to enable an agency to determine the best approach without the instinctive bias toward the agency.

✓ **Perception awareness** Instill better communication skills among agency personnel so they are more sensitive to this perception of conflict.

✓ **Appeal process** Develop a process to enable suppliers who believe they are victims of such a conflict or of retribution by state personnel to communicate with higher ranking officials.

"The public system appears to be more expensive. It is clearly less regulated and more impervious to being accountable to the general public. It is also exempt from accounting standards for business, less open to the pressures of the marketplace and closed to public scrutiny unless criticized by media exposure or court orders. Yet it is the private system that is constantly criticized by public managers as too expensive and ineffective."

CARL J. LATONA, PRESIDENT AND CEO,
HIGHFIELDS, INC.

BACKGROUND The Department of Social Services:

- Is a direct provider of foster care,
- contracts for foster care from the private sector and
- regulates foster care providers through the licensing process.

When an agency performs all three roles (provider, buyer and regulator), it has the potential to create the perception among suppliers that everything is stacked against them and they are being micro-managed by state government. This impacts the competing private sector customer. While some human services agencies have relatively little direct service (Public Health), others are in a position to judge private sector providers against the service provided directly by the agency. There has historically been some question about the objectivity of the decision makers. This concern is exacerbated when the same agency also licenses private sector competition.

Adult Caregiver Relief

THE COMMISSION HEARD THAT ADULT DAY CARE AND RESPITE CARE RESOURCES ARE IN SHORT SUPPLY, DIFFICULT TO FIND, HARD TO JUDGE IN TERMS OF QUALITY AND GENERALLY UNSUPERVISED BY ANY OFFICIAL BODY. THESE SERVICES ARE PARTICULARLY IMPORTANT FOR FAMILIES AFFECTED BY CONDITIONS SUCH AS ALZHEIMER'S DISEASE AND OTHER DEMENTIAS.

RECOMMENDATIONS

■ **Tax credit** The Legislature and Governor could develop a Michigan income tax credit for the cost of day care, adult day care and respite care for working persons with family members as dependents.

■ **Adult day care** The Department of Social Services should include adult day care as a permissible service under existing DSS Adult Home Help programs or Medicaid waivers.

■ **Referral directory** A directory of available services should be available within DSS Adult Foster Care for referral purposes.

■ **Adult day care standards** The Human Services Directors' Long Term Care Work Group should recommend appropriate standards, licensure or certification for adult day care. An example of such standards exists in *Michigan Adult Day Care, What You Need to Know*, a publication of the Michigan Association of Adult Day Care Centers.

■ **Encourage use of private sector facilities**

Churches and social organizations should be encouraged to use their facilities and resources in organized ways as they have in child day care to increase the availability of safe, comfortable day protection for their members and neighbors.

BACKGROUND Many people with infirmities of age, physical disabilities, Alzheimer's or other dementias can be maintained comfortably at home if caregivers receive relief through day care or respite care. The dramatically rising ratio of elderly to other populations has made the need for caregiving relief even more important: Not only will there be fewer children to provide care, but the usual caregivers — family members — will need to

work to maintain their own financial resources. Day care and respite care are funded through the Home and Community-Based Waiver, although they are not now provided statewide. While the state should not overburden these services with regulation, reasonable, minimal standards of care are appropriate.

"Family caregivers provide 85% of long term care services to the elderly. Research shows that the mental health of caregivers is affected for six months after the release of a loved one from a hospital."

CHARLES GIVENS,

MSU DEPT. OF FAMILY PRACTICE

Encourage Competition Among Human Services Providers

THE DEPARTMENT OF SOCIAL SERVICES REGULATES HUMAN SERVICES PROVIDERS, PURCHASES THEIR SERVICES, AND COMPETES WITH THEM BY PROVIDING SIMILAR SERVICES. COMMENTS PROVIDED DURING COMMISSION LISTENING SESSIONS SUGGEST THAT THIS RELATIONSHIP PRESENTS A HOST OF CONFLICTS.

RECOMMENDATIONS

➤ **Focus the Department's role** The state could move away from providing services and instead use its resources to focus on finding the best private sector providers and regulating them stringently. In some cases, the DSS may need to take action to ensure maximum competition by identifying and eliminating existing barriers to maximum competition. This may entail a complete review of the existing statutes and rules, particularly those in the annual appropriations bill for the DSS, and changes in departmental regulations that today discourage competition.

Once competition is maximized, the Department can focus on regulating those it contracts with in a fair manner that protects its customers, the needy of Michigan.

➤ **Change rate structure** The Department should examine the rate structure for human services, and consider whether it should move away from cost-plus contracting and toward a rate that reflects the intensity of care given to the client by a contractor.

*"The department shall negotiate rates for all existing child welfare and juvenile justice contracts where essentially the same service is being continued in the same geographic area, and **only** competitively bid contracts for entirely new services and programs."*

PUBLIC ACT 291 OF 1994, SECTION 512,
DEPARTMENT OF SOCIAL SERVICES APPROPRIATION ACT
(EMPHASIS ADDED)

BACKGROUND Michigan leads the nation in the percent of foster care services contracted out. The policies of the Department of Social Services support competition among providers. But the state remains the agency of last resort and accepts responsibility for placement of individuals refused by other agencies and in other cases.

Contracting out has worked reasonably well, with lower overall costs and a lower client-to-worker

caseload in most instances. However, there is substantial room for improvement in regulation of contractors. Shifting resources from providing services into regulation of services could give customers — many of them children — better services at lower costs.

BACKGROUND The Department of Natural Resources was clearly the source of greatest dissatisfaction among those offering public comment to the Secchia Commission Task Forces. Among the sources of dissatisfaction were delays in permit processing, hostile and uncooperative attitudes, and inflexibility and inconsistency in enforcement efforts.

Many of these criticisms have been expressed in the past. The DNR has responded with two notable reforms: Establishment of a Continuous Quality Improvement initiative (CQI) headed by the Office of the Quality Advisor, and the creation of a new Environmental Assistance Division. The CQI initiative establishes Total Quality Management as the management style and philosophy for the DNR and addresses its implementation. The Environmental Assistance Division addresses the specific needs of the public for information and assistance on environmental matters.

While current reform is directed at fixing problems at the DNR, these efforts do not appear to be coordinated around a clear plan for overall organizational reform.

Focusing DNR Reforms

*T*HE DEPARTMENT OF NATURAL RESOURCES NEEDS TO COORDINATE ITS CURRENT ORGANIZATIONAL REFORM EFFORTS AROUND A SPECIFIC MANDATE FOR CHANGE AND EMPOWER ITS EMPLOYEES TO ACCOMPLISH THAT CHANGE.

RECOMMENDATIONS

■ **Coordinated plan of reorganization** The DNR needs to develop a concise plan for changing the organization before any reform initiative can proceed. After identifying the problems within the organization and establishing a plan for changes to correct those problems, the efforts of the Office of the Quality Advisor and the Environmental Assistance Division should be coordinated to ensure that they are being directed consistently toward the organization's goals. They should then both be granted specific powers to effect change within the DNR. An example would be to require the Environmental Assistance Division to take "ownership" of any permit delay brought to its attention, and to grant it specific powers to expedite the permit processing.

"There is really a lack of consistency when dealing with DNR employees; you go up the ladder to the higher levels and you hear all the right things, but at the lower levels the ideas have not caught on yet."

(SPEAKER REQUESTED ANONYMITY)

CORPORATE ENVIRONMENTAL MANAGER, SAGINAW

Increasing Use of Urban Land

OUR ENVIRONMENTAL LAWS, DESIGNED TO CLEAN UP DIRTY SITES AND PRESERVE CLEAN ONES, ARE HAVING THE OPPOSITE EFFECT. MANY INDUSTRIAL SITES IN OUR CITIES ARE LEFT VACANT BECAUSE CORPORATIONS FEAR THE ENORMOUS POTENTIAL ENVIRONMENTAL LIABILITY AND THE HUGE CLEAN-UP COSTS ASSOCIATED WITH REDEVELOPING THOSE SITES. INSTEAD OF USING THESE URBAN "BROWNFIELDS," CORPORATIONS FAR TOO OFTEN BUILD ON "GREENFIELDS" IN SUBURBAN AREAS.

RECOMMENDATIONS

✓ **Reasonable standards** Apply a reasonable environmental standard for previously used sites. It is unreasonable to mandate that an industrial site for the past century could, or should, have the same soil and water characteristics as farmlands or forests.

✓ **Deed restrictions** Allow "brownfield" property to be transferred to new owners, with deed restrictions to prevent known health risks. For example, there could be deed restrictions to prevent drilling of shallow drinking water wells into potentially contaminated aquifers. These deed restrictions will minimize known risks and allow prudent and beneficial use of most previously used sites.

✓ **Fairness for new owners** Allow environmental immunity for new purchasers, so that only "polluters pay."

✓ **Quicker certification** Speed up the clean-up certification process.

"The brownfield areas of the cities simply cannot compete with the greenfields of the suburbs for new investment. Places like Detroit have one strike against them because developers and manufacturers avoid the risk of a potentially polluted site and the cost of a building demolition. As a result, society has to pay the cost of adding new infrastructure such as roads, gas lines, sewer lines, gas mains and electrical power while areas that already have these expensive assets are becoming blocks of abandoned buildings. This clearly is not logical."

BILL WILD, DIRECTOR,

BUSINESS DEVELOPMENT DIVISION WAYNE COUNTY

BACKGROUND Public Act No. 307 of 1982, as amended, governs the clean-up of contaminated sites in Michigan. Currently, any party in the ownership chain of a parcel — including intervening

owners and lenders — can be forced to pay costs of environmental clean-up. The costs and delays involved can be enormous. While the law was intended to make "polluters pay," in fact taxpayers, jobless workers, business persons and investors are all paying dearly for the delays and inefficiencies involved.

Balancing Wetland Regulation

LAWS AND REGULATIONS DESIGNED TO PROTECT WETLANDS HAVE UNDULY RESTRICTED ECONOMIC DEVELOPMENT, AND COMPROMISED PRIVATE PROPERTY RIGHTS, ACCORDING TO RESIDENTS AND LOCAL GOVERNMENT OFFICIALS AT LISTENING SESSIONS. PROPERTY OWNERS CANNOT EASILY ACHIEVE DUAL GOALS OF WETLANDS PROTECTION AND IMPROVING LOCAL ECONOMIES. WHILE CERTAIN WETLAND AREAS ARE VITAL FOR ECONOMIC DEVELOPMENT, OTHERS ARE NOT. CURRENT MICHIGAN LAW DOES NOT EASILY ALLOW A DEVELOPER TO "TRADE" LAND VITAL FOR ECONOMIC DEVELOPMENT FOR OTHER LANDS EQUALLY VALUABLE FOR WETLANDS USAGE. WETLANDS IN THE STATE HAVE NOT BEEN INVENTORIED, MAKING IT DIFFICULT TO MONITOR PRESERVATION OF THE WETLANDS OR ACHIEVE THE GOALS OF THE LAW.

RECOMMENDATIONS

▀ **A wetlands bank** The state could consider adopting a new policy that may encourage an increase in the total amount of wetlands by allowing some parcels to be developed as long as there isn't a net loss of wetlands. The Goemaere-Anderson Act could be amended to allow developers to "bank" wetlands to be "drawn" on as future development uses other wetlands. Local government should be consulted on such trades. Legislation could be enacted to allow private landowners to sell land or development rights to land to a "bank," in return for

credits that can be traded for development rights within watersheds. The purchasers of the land and development rights could be:

- Private non-profit organizations dedicated to the preservation of natural spaces, such as the Nature Conservancy.
- A state or local government-owned "bank," such as the state Natural Resources Trust Fund.
- A "credit union" owned by a group of private or public members, each of whom has "deposited" land or development rights into a "shares" account.
- A for-profit wetland bank.

▀ **Swifter compensation** The Goemaere-Anderson Act could also be amended to provide for swifter, more certain compensation for owners of land deemed too vital to develop. Our state's land acquisition programs, like the Natural Resources Trust Fund, should include such purchases as one of their goals.

BACKGROUND Wetlands provide flood control, aquatic and wildlife habitat, protection for groundwater, and erosion control.

Public Act No. 203 of 1979, commonly known as the "Goemaere-Anderson Wetland Protection Act," is the major state law protecting wetlands. The intent of the law is to prevent any net loss of wetlands. The U.S. Environmental Protection Agency (EPA) has delegated to Michigan's DNR "404 authority" allowing the DNR to issue permits fulfilling both state and federal law. Many land-owners and local governments complain that wetlands legislation "takes" their property without compensation, and prevents needed development projects.

"Private property owners have been asked to compensate in an inordinate way for all the previous sins our society wrought on this environmental resource. Wetland banking offers the opportunity to address all these issues in a more coherent and fair manner."

JAMES MURRAY, DIRECTOR,
WAYNE COUNTY PUBLIC WORKS DIVISION

Getting Information to Local Governments

LOCAL PUBLIC OFFICIALS SOMETIMES FEEL THAT THEY GET THE BUM'S RUSH WHEN THEY SEEK INFORMATION OR ADVICE FROM STATE AGENCIES. MANY TIMES THE PROBLEM IS IDENTIFYING THE DECISION MAKER IN A DEPARTMENT. OTHER TIMES, IT IS A CONFRONTATION WITH VOICE MAIL, UNRESPONSIVE PERSONNEL OR WRONG INFORMATION. TOO OFTEN, LEGISLATORS BECOME COMPLAINT DEPARTMENTS AND OMBUDSMEN FOR THE LOCAL OFFICIALS WHO ARE SEEKING HELP.

RECOMMENDATIONS

■ **State/local coordinator** The Governor should designate an assistant, in his office and in each state department, to coordinate relations between local governmental units and the state departments. The assistants would be responsible for (a) acting as a liaison to local government associations, (b) responding to policy initiatives, questions and concerns voiced by local officials, (c) coordinating intergovernmental issues across state department lines, and (d) analyzing budget recommendations, pending legislation, and agency-initiated legislation for their impact on local units of government.

■ **Agency directory** The state should compile a telephone directory cross-referencing policy and regulatory topics with the appropriate state agency for on-line, electronic distribution.

■ **Customer service initiatives** The Department of Civil Service should work with state departments and representatives of the organized workforce to promote greater responsiveness by state personnel to their customers. Supervisory evaluations should include measurable standards of responsiveness (including both turnaround time and satisfaction of the request) to their customers. Leadership training and other educational programs should include training in local government operation, policy making and structures.

■ **Require local impact statements** The Legislature and the Executive Office could request departments to submit local impact statements when considering new legislation, rules and regulations.

BACKGROUND A recurring complaint at listening sessions was the difficulty in obtaining timely and accurate information from state agencies, particularly the Department of Natural Resources. Specific criticisms included the inability to talk to a "real person"; agencies within a single department failing to communicate with each other; confusing information provided about which state policies are laws, which are rules, and which are simply agency operating procedures; and state employees failing to make timely and relevant responses to inquiries.

During the 1970s many state departments had senior level officials with designated responsibility to serve as a local government ombudsmen, advocates and liaisons. Local

"It took me six calls to reach one person who could help me ... and I'm a state legislator."

BILL BOBIER

STATE REPRESENTATIVE

officials report that these contact points have been lost. Increasingly, local officials have relied upon their legislators to get answers to questions. Representatives of local governmental organizations have not had a clearly identified official in the executive branch to serve as an advocate and liaison.

BACKGROUND Local governments have been empowered to handle various actions through enabling acts and constitutional "home rule" powers. These have arisen over the years, usually with new laws conferring additional abilities in a building-block fashion. The acts actually become disabling, because they have left local governments constrained from powers for which they have been authorized. Meanwhile, customers of government services don't care whether the federal, state or local government is providing the service — and they are confused by the dizzying array of bureaucracies they face as they look for a service.

The enabling acts and regulatory structure of the state can be reformed to allow local government units to act on a voluntary cooperative basis to reflect the needs of our society and economy as it moves into the next century. The key is incentives for and encouragement of new cooperative ventures, not mandated structures.

"The boundaries of existing multi-county regions or districts used by the principal departments, agencies and instrumentalities of state government often overlap and conflict. This leads to confusion among local public officials and citizens as well as the dilution of effective coordination and participation in public programs."

GOVERNOR GEORGE ROMNEY,
EXECUTIVE DIRECTIVE, FEBRUARY 12, 1968

Improving State and Local Government Coordination

LOCAL GOVERNMENTS ARE OFTEN PREVENTED FROM BEING INNOVATIVE OR EFFICIENT BY FEDERAL AND STATE "ENABLING ACTS" OR REGULATIONS. STATE REGULATORY AGENCIES ARE ORIENTED TOWARD CONSTRAINING ACTIVITIES RATHER THAN ENCOURAGING AND PROMOTING EFFICIENCY. AS A RESULT, CUSTOMERS OF GOVERNMENT ARE OFTEN CONFUSED ABOUT WHICH FEDERAL, STATE AND LOCAL PROGRAMS ARE AVAILABLE, HOW TO QUALIFY FOR EACH PROGRAM, AND HOW THEY ARE ADMINISTERED.

RECOMMENDATIONS

Give local governments more authority

The state should begin an overall revision of the local government enabling acts, to allow local units of government to handle a broader array of functions now provided by the state. Increased coordination among government agencies providing the same types of services can help customers receive better service while maintaining reasonably uniform application of service standards. For instance, inspections and other functions of the Liquor Control Commission could be handled at the local level, with the state agency overseeing

equal administration of regulations.

Encourage regional alliances The state should encourage units of government to voluntarily form regional alliances for various functions, including purchasing (see Appendix, Local Government Task Force, Policies Governing Participation in the Extended Purchasing Program). The state could offer financial incentives to those who do.

Local government as information sources Local governments should have increased ability to disseminate information about state and federal programs.

Serving Through Collaboration

INDIVIDUALS IN SEARCH OF SERVICES ARE UNABLE TO OBTAIN COMPREHENSIVE SERVICES FROM STATE AND LOCAL AGENCIES. IT SEEMED TO STATE EMPLOYEES AS WELL AS INDIVIDUALS SEEKING ASSISTANCE THAT STATE DEPARTMENTS AND THEIR LOCAL EQUIVALENTS DO NOT ALWAYS COMMUNICATE, SHARE INFORMATION AND RESOURCES, OR COORDINATE THE DELIVERY OF SERVICES.

RECOMMENDATIONS

➤ **State and local agencies must work together** Collaborative efforts at the state and local level are key to providing services to individuals in an efficient manner. Departments and agencies must communicate with each other in order to share resources. Functional alignment of services should be done at the state level and local levels; the local level is important as this is most often the point of delivery of services.

➤ **Systematic program reviews** Agencies and departments should undergo regular reviews to determine where services can be combined. Local initiatives that have already led to service integration should be used as models for the state. Current state initiatives and programs which demonstrate such integration include the Jobs Commission, Families First, Communities First, Michigan Interagency Family Preservation Initiative, Early On, and Strong Families/Safe Children. The review should include identifying duplicative programs, paperwork and auditing practices. Where like programs and functions exist in multiple agencies, a single department should be given oversight of the function.

➤ **Incentives for cooperation** The state should provide incentives for successful collaborative delivery of services at the state and local level. Incentives could include expanded state level waivers, discretionary funds, capital investment, employee training, office improvements, technology updates, and other identified

"When department staffs work together, they get to know the different programs (in various departments). It's easier to get services and assistance, and it happens more quickly."

(SPEAKER REQUESTED ANONYMITY)
COMMUNITIES FIRST PARTICIPANT
MUSKEGON COUNTY

BACKGROUND A top issue brought before the Commission during listening sessions was the apparent fragmentation of state human services. One focus of these discussions was lack of cooperative action between the state human service agencies and departments, but the same concerns were also expressed by consumers of many state services. Workers and service recipients alike commented that services are not delivered in a comprehensive manner.

Typical problems businesses, local governments, families and individuals run into when trying to access services include knowing where to start, conflicting information from different staff or departments, and programs scheduled at inconvenient times for those who work or attend school.

Some believed this difficulty was a function of over-worked state employees who do not have time to learn about programs outside of their own issue area; others believe that the inherent lack of communication and cooperation between state and local human services departments creates barriers to delivering comprehensive services.

benefits. Standards, goals and outcomes that define successful collaboration must be set at the state level, and locals must be accountable for these goals.

▣ **Executive office support** Cooperation at the state level begins with the executive office. Support and direction from the Governor are vital to current and future collaborative efforts. Strong direction and support must come from the Governor's Office if efforts are to succeed at the state and local levels. The current governor and future governors must recognize the importance of cooperation among department directors and staff for effective service delivery. Governors should select department directors in part based on their ability and willingness to work together in policy development and in day-to-day operation of their departments.

▣ **Let departments innovate** The executive and legislative branches of state government should support department-led initiatives to make lasting changes in their policies and rules which allow and encourage innovative efforts at the state and local staff levels, as well as the state and local delivery levels.

▣ **Examine Civil Service impediments** Civil Service rules should also be reviewed for policies which impede cooperation between, and within, departments. The goals of government are meant to provide services efficiently and the outcomes of the delivery system must be measured against those goals. The interest of state workers and these goals are not incompatible.



Departments, protective of their budgets, may be unwilling to share or redistribute resources or program administration, even if it means better service for recipients.

Revamping State Purchasing

MICHIGAN'S SYSTEM OF PURCHASING SUPPLIES, FROM COMPUTERS TO PENCILS, IS SLOW, CUMBERSOME, AND, IN SOME CASES, FAILS TO BALANCE PRICE AND VALUE CONSIDERATIONS. STATE BUYERS, VENDORS TO THE STATE, AND PEOPLE WHO MUST USE THE PURCHASING PROCESS SAY STATE LAWS AND POLICIES CAN, AT TIMES, PREVENT WORKERS FROM RECEIVING THE BEST POSSIBLE TOOLS AT THE BEST POSSIBLE PRICES.

RECOMMENDATIONS ▼

▼ **Ask vendors for solutions** Rather than including detailed specifications in bid requests, the state should describe the problem and let prospective vendors propose solutions. This would allow vendors to develop more creative solutions, and allow state agencies to prepare bid documents more quickly and solve problems faster.

▼ **Balance value and price** When appropriate, the state should acquire products and services through bids based on best value rather than low price. While low price may give the illusion of being the "best deal" for taxpayers, low price often leads to cost-overruns, poor quality, or misses the opportunity to acquire a better solution than the low bidder has offered.

If the best bid is not the cheapest, individuals making the purchasing decision for government should be able to justify why a particular bid is better. This justification should describe why the selected product or service is a better value for the state's taxpayers. This justification will meet the needs of public accountability.

▼ **Carefully nurture vendor-buyer relationships** Vendors need more access to information about state business processes, guidance on how to do business with the state, and the ability to comment on difficulties in the process without fear of retribution. Buyers should build their knowledge of available products and services and of their suppliers, while maintaining a professional relationship to ensure the integrity of the bid process.

"We would prefer specifications that are built primarily around functional requirements rather than primarily around specific technical requirements. This methodology would allow vendors to suggest solutions that the state may not be familiar with."

GREG STOREY

APPLE COMPUTER, INC.

BACKGROUND The state's purchasing process has evolved over years, influenced by a variety of issues. In the late 1800s, some government officials were known to be awarding friends and relatives contracts without bidding. Accountability to the public was minimal. The answer was development of a strict sealed bid process, with price as the guiding interest. A strict arm's-length relationship between vendors and purchasers was demanded. Complete openness in the process, codified by the Freedom of Information Act (which did recognize some

purchasing exceptions) has grown to provide checks and balances against corruption.

That system still works when the state is

buying standardized items or services: pencils or prison uniforms or janitorial services. But when buying increasingly customized and high-tech products and services, from phone systems to computer programming, state buyers need more flexibility to ensure the state gets the best price on the best product for the job at hand.

Suppliers and senior management of state government should meet periodically to enable exchanges about the direction of state government and the products and solutions the private sector can offer to meet future needs.

■ **Survey users about purchases** To assist all parties, greater attention should be given to customer surveys, allowing agencies to comment on the purchasing process and end product. Similarly, the state should develop a supplier rating process that documents a "track record" with each vendor.

■ **Maintain purchasing integrity until bid is awarded** At present, the state's Freedom of Information Act calls for release of information in bids once they are opened by the state. As the state's purchasing processes have changed to include value-oriented criteria and greater use of negotiating, the "bid opening" has become less important. For instance, the price quoted in a bid may be negotiated downward by the state as it balances needs, price and available revenues. The state has an obligation to make all information about a purchase available once it is made. But during the evaluation and negotiation stages, it is important for the state and the vendor that proprietary and other information often included in bids be kept secret. The state Freedom of Information Act should be revised to reflect this practice.

■ **Encourage more bids** The state should make it easier for more companies to bid on supplies or services. Vendors should only need to contact one office to determine what products they can offer all state departments.

■ **Cut the red tape for state workers** It should be easier for state workers to obtain the supplies and items they need to do their job.

1. Centralized contracts with companies who have statewide reach will allow quicker access to products acquired less expensively through the buying power of the state of Michigan.

2. There should be a reduction of the number of layers from which user agencies must seek approval before making purchases.

3. Using the Michigan Administration Information Network, much of the paper required in the purchasing process and the time required to move that paper from one approval point to another will be eliminated.

4. Regional offices with signature authority could acquire products and services such as office supplies and perishable commodities that can be delivered quickly from local vendors for all agencies in the region.

"Just-In-Time" Logistics

THE COMMISSION HEARD AT LISTENING SESSIONS THAT "JUST-IN-TIME" DELIVERY OF SUPPLIES IS WIDELY BELIEVED TO BE MORE EFFICIENT, MORE RESPONSIVE TO CUSTOMER NEEDS AND LESS EXPENSIVE THAN USING CENTRAL WAREHOUSES.

RECOMMENDATIONS

➤ **Consider moving to a "Just-In-Time" system** The state should conduct a cost-benefit analysis on its inventory management procedures to determine whether it should retain some, none, or all, of the current warehousing operations or switch to JIT.

➤ **"Just-In-Time" office supplies** Statements at the task force listening sessions indicate that many corporations have adapted JIT with respect to office supplies. For the state, this would mean entering into contracts with office supply stores on a regional basis to provide next-day delivery on demand to all state locations. The contractor would provide the product, transportation, inventory management, and invoices that would meet all of the needs of the state.

"We believe more delivery points would provide a more efficient system. We believe we can deliver the product to the end-user's building more effectively than state employees can."

LAWRENCE CHEANEY,
SILVER'S OFFICE PRODUCTS

BACKGROUND Under a business model that predates the invention of the assembly line, manufacturers used to acquire large quantities of parts and supplies, store them on site, and use them as needed. This required a large amount of storage space, an up-front capital investment in inventory, and complex inventory management systems.

The advent of advanced manufacturing engineering software and demands for the use of corporate cash led to the opportunity for corporations

to reduce inventory, but still buy in large quantities, and significantly reduce the cost of manufacturing as a result. Corporations like Chrysler,

Wal-Mart and many others have scrapped large warehouses and now rely entirely on JIT in their businesses.

Equipment Setup by Vendors

BACKGROUND The state often buys a product in large quantities and has it delivered to state warehouses or facilities. On receipt or on demand, state employees will complete the delivery process by taking the product to the requesting agency and assembling it. For example, modular office furniture and desk top computers are usually delivered to the state by the manufacturer or distributor, but the state does not allow the vendor to perform installation and set-up.

It wasn't clear to listening session participants, nor to the Commission, whether this practice was the result of a detailed analysis or other less scientific reasons.

Unless maintenance was also included in the contracts, state workers would still need training to maintain the product, move the product when necessary and make repairs.

Evidence from the private sector suggests there are many occasions in which installation and setup is performed by the supplier, not the customer.

IN COMMENTS AT LISTENING SESSIONS, SOME LARGE SUPPLIERS QUESTIONED WHY THE STATE OCCASIONALLY PURCHASES PRODUCTS, BUT INSISTS ON ASSEMBLY OR SETUP BEING DONE BY STATE PERSONNEL.

RECOMMENDATIONS ▸

▸ **Cost-benefit analysis** The state could conduct a cost-benefit analysis on all products purchased by the state and installed or set up by state personnel. This analysis should compare the differential in the actual cost between the product as installed by the supplier versus the cost of the product, including personnel costs and indirect expenses, if installed by state personnel. The impact of each method on warranties should also be considered.

"Past RFQs for furniture often assume that the product will be installed by the state, where in many cases it would be easier and less expensive to have the product installed by the dealer."

JEFFREY H. BLOCK,
STEELCASE INC.

Maximizing Program Flexibility

FEDERAL AND STATE LAWS AND REGULATIONS OFTEN MAKE IT DIFFICULT FOR STATE DEPARTMENTS AND LOCAL AGENCIES TO COORDINATE OPERATIONS IN AN EFFECTIVE MANNER, SHARE RESOURCES, AND ALLOW LOCAL NEEDS TO DICTATE POLICY AND SERVICE DELIVERY. MUCH OF THE MONEY THAT DOES GO TO STATE AND LOCAL GOVERNMENTS IS EARMARKED, PREVENTING LOCAL AGENCIES FROM SPENDING IT ON PROGRAMS AND SERVICES MOST SUITED TO LOCAL RESIDENTS AND THEIR NEEDS.

RECOMMENDATIONS

➤ **Provide maximum flexibility in federal programs** The Governor, state legislators, the state Congressional delegation, and state department directors should work together to identify the federal regulations that impede collaboration and flexibility, then lobby for needed statutory changes. Local agencies, commissions, community organizations and elected officials should also be polled to identify restrictive regulations.

➤ **Provide maximum flexibility in state programs** The Governor, state legislators and state departments should strive to identify the outcome goals local service delivery agencies should strive for as they formulate delivery models under granted waivers. Outcomes and goals should be consistent throughout the state. Local delivery agencies are best qualified to determine how to achieve outcomes and goals. Those agencies should be polled to identify restrictive regulations and spending requirements.

➤ **More block grants to states; streamline waiver process** The state should lobby the federal government to provide state and local governments with block grants whenever possible, to provide maximum program flexibility. Where categorical grants are necessary, the federal government should simplify and streamline processes for waiver requests. Michigan officials should also seek information from other states regarding their success in obtaining waivers.

"Currently, state medical program clients need authorization for State Medical Assistance each time they need a prescription filled or to visit a doctor. Greater flexibility in the state medical program would allow these clients to eliminate frequent trips to the local DSS office for authorization."

BOOKER DENNIS, DIRECTOR,
OAKLAND COUNTY DSS

BACKGROUND Regulations governing service dollars are enacted to provide special populations with needed services, to ensure uniform access to services, and to correct a real or perceived inadequacy in the system. Categorical funding of programs is one way to achieve these goals. However well-intentional these regulations may be, they can be a burden on local service delivery agencies who must spend more time dealing with regulations and paper work than in providing services. Local governments and agencies also find that they must make people fit the available program requirements rather than tailor

programs to fit individual needs and goals. In recent years, the Michigan human service departments have been very effective in obtaining federal

waivers which increase local flexibility in providing services and encouraging independence.

II Further Study Recommended

*A*S TASK FORCES OF THE COMMISSION HELD SESSIONS ACROSS THE STATE AND THEN GATHERED TO DISCUSS THE RESULTS, MEMBERS FOUND THEMSELVES WITH A WEALTH OF EXTRAORDINARY IDEAS. GIVEN THE SHORT LIFESPAN ALLOTTED THE COMMISSION, WE WERE UNABLE TO FULLY EXPLORE EVERY SUGGESTION. BUT SOME CLEARLY MERIT FURTHER STUDY, AND WE COMMEND THEM TO THE GOVERNOR, LEGISLATURE OR OTHER INTERESTED CITIZENS FOR ADDITIONAL CONSIDERATION.

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➤ **IMPLEMENTATION OF THE SECCHIA COMMISSION REPORT** The Commission and its task forces ran into a great deal of public cynicism. Many expressed doubt that action would occur based on their input. Past studies and task force reports have sat on the shelf without follow-up or results. Broken promises and gridlock have fostered a high degree of mistrust and lack of confidence in state government's ability to make changes and improve its services.

An action plan and timetable for implementation of Secchia Commission recommendations need to be established. A progress or implementation status report should be communicated to the public to demonstrate that public input can make a difference.

➤ **COORDINATED LAND USE PLANNING** Development in rural Michigan is fragmented, with some areas actively seeking growth and other areas complaining of "too much, too fast." One presenter told of a natural gas development that seemed to go unchecked by the DNR in northern lower Michigan. The development proceeded so fast that considerable environmental damage was done before outside groups forced the agency to intercede. Another noted that environmental impact studies are made before a highway project is undertaken, but no economic impact studies are made. Where a road goes can make or break a rural community.

Inadequacies of the Farmland and Open Space Preservation Act (P.A. 116) were cited. It was suggested that the state lacks an integrated land use planning system that balances social, economic and environmental concerns, while still allowing for development. Such a system would, again, require a team effort crossing agency boundaries, yet not be cumbersome so as to grind development to a halt.

➤ **KEEPING UP WITH INFRASTRUCTURE NEEDS** Rapidly growing and affluent communities fail to qualify for state funding. Community leaders expressed frustration that they are falling behind in the race to keep up with infrastructure needs. State funding consideration is not based on infrastructure demand as much as upon income level. There appears to be no relation between the amount of taxes paid by a community and the amount of funding the community receives from the state.

Communities that historically have taken it upon themselves to do infrastructure improvement projects feel they are being punished. They are excluded from consideration for certain grants because they do not qualify as "low income" areas. They have historically been high-level taxpayers. Still others noted that grant criteria may be statistically biased against rural communities. One presenter told of a small school district that did not offer a school lunch program that was listed by the state as having no poverty level. It seems the state uses the number of free lunch students as a measure of a district's poverty level. Since this district reported no free lunches, it was listed as having no poverty!

Grants are also frequently offered by categories which may preclude consideration of many rural areas (e.g., minority/at risk). Another drawback is that rural communities feel they do not have the resources (e.g., professional grant writers) to compete with urban areas for grant funding.

➤ **UNEMPLOYMENT ELIGIBILITY DEFINITIONS** Many presenters, such as farmers who hire seasonal workers and seasonal food processors, described a situation wherein employees are hired to work knowing that employment will only be for the short-term harvest/processing season. Due to Michigan's unemployment eligibility regulations, these workers are eligible to receive unemployment payments after they have left employment and left the state. Not only is this an additional financial burden for Michigan employers, but those dollars are not spent in Michigan.

➤ **PREVAILING WAGE REQUIREMENTS** Hiring contractors at prevailing wage for state projects adds to building costs, and limits competitive bidding. The state should study phasing it out, particularly since a recent federal court decision held that Michigan's Prevailing Wage Act is preempted by the federal ERISA law, and that "the Michigan Prevailing Wage Act is invalid and unenforceable in its entirety."

➤ **MEDICAL MALPRACTICE COSTS** Rural Michigan is combating a shortage of doctors through special programs to encourage general practitioners to locate in more sparsely populated regions of the state. However, in Menominee, where 42 doctors reside, 40 of them cross the border to Wisconsin to practice due to their concerns about medical malpractice insurance costs in Michigan. The Menominee Hospital has had to close.

➤ **INTANGIBLES TAX** Michigan's intangibles tax should be reviewed for needed amendments, as it currently creates double-taxation for certain individuals.

➤ **TWO-YEAR BUDGET** Adopting a two-year budget for the state would promote long-term planning and avoid the annual legislative wrangling over agency budgets.

➤ **WORKERS' COMP REFORMS** Despite a number of reforms in the last decade, there remains a widespread perception that workers' compensation costs in Michigan are too high, and a detriment to our state's business climate. A thorough examination of this issue could either lead to suggestions that would lower costs, or provide a forum for showing exactly where Michigan stands compared to the rest of the nation on this important cost of creating jobs in our state.

➤ **CAPTURING SAVINGS** State agencies should be allowed to roll over funds left at the end of the fiscal year. While these funds would not be added to the following year's base, they would allow additional program performance.

III Suggestions from Residents

*F*ROM IRONWOOD TO WYANDOTTE AND MANY CITIES IN BETWEEN, MICHIGAN RESIDENTS TOOK THE TIME TO ATTEND LISTENING SESSIONS OF THE SECCHIA COMMISSION TASK FORCES, OFFERING THEIR IDEAS ON HOW TO IMPROVE DELIVERY OF GOVERNMENT SERVICES. THE COMMISSION HAS SELECTED SOME OF THE MOST INTERESTING OF THOSE SUGGESTIONS, AND PROVIDES THEM WITHOUT COMMENT ON THEIR MERIT. ADDITIONAL SUGGESTIONS ARE IN THE APPENDIX TO THIS REPORT.

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- **"FIX IT TICKETS"** Issue when a violation is found, then give the corporation or community 48 hours to fix the problem before penalties are assessed.
- **ONE-STOP SHOPPING** There should be "one-stop shopping" mechanisms for companies or individuals to obtain state permits and licenses instead of applicants having to go from department to department.
- **EMPOWER EMPLOYEES** State employees should be given the authority to make decisions and offer tangible assistance, and be held accountable when they fail to do so.
- **REGIONALISM** Encourage regional cooperation among local governments.
- **INVOLVE PRIVATE SECTOR** Permit businesses to innovate in determining alternate methods of achieving an established level of environmental protection, so the private sector can participate in finding ways to achieve lower pollution levels at lower costs.
- **APPOINT UNIVERSITY GOVERNORS, TRUSTEES AND REGENTS** Encourage a constitutional change in the election of university governors, trustees and regents making them gubernatorial appointments.
- **IN-HOUSE "HELP-LINE"** A "Help-Line" for state employees should be set up to help expedite the routing of telephone calls from the public, hopefully preventing a caller from being shuffled around state government through multiple transfers.
- **CUSTOMER-SERVICE INCENTIVES** There should be an incentive system put in place that rewards government employees who service the customer best.

- **ONE FORM** A single form, perhaps filed electronically, should be developed to serve for all human service applications.
- **CUSTOMER-SERVICE FOCUS** There should be more policy decisions based on customer service instead of fraud prevention.
- **CONSIDER THE COST OF NEW LAWS** The cost of implementing laws should be a standard part of evaluative data prior to voting on new legislation.
- **DRUG TESTING** Positive testing for drugs should be considered "bad conduct on the job" and thus uncompensated by MESC.
- **OFFICE SUPPLIES** Decentralize the purchasing process for office supplies. Once all the forms have been filled out and the proper procedures have been followed, a pencil can end up costing \$10, when one can buy that same pencil around the corner for 10¢.
- **CUSTOMER-SERVICE STANDARDS** Establish an expected standard of treatment for customers of all state employees. Train all employees to the standard and monitor them. Build standards into all new employee orientation programs and monitor them – McDonald's does.
- **REWARD EXCELLENCE** State workers should receive additional compensation, bonuses, additional leave time, or some other recognition for excellence in job performance or the development of innovations.
- **FRIENDLIER TAX FORMS** A working group of Treasury Department employees should be established to make state tax forms easier to fill out and more "user-friendly." Those used by other states should be reviewed for fresh ideas.
- **MICHIGAN DRIVERS LICENSE** Proof of insurance should not be required to obtain auto licenses; they are too easy to counterfeit and can be revoked the following day without the Secretary of State being notified.
- **SELL HUNTING LICENSES THROUGH THE SECRETARY OF STATE** The department already has most hunters' names entered into its computer systems.
- **EMPLOYERS SHOULD NOT BE REQUIRED TO ACT AS COLLECTION AGENCIES** If they must divert an employee's wages to another source (Friend of the Court, unpaid taxes, etc.), then the state should reimburse them for the costs of doing so.
- **LIBRARY ACCESS** The Library of Michigan houses the Congressional Quarterly but not its indices. The Law Library houses the indices, but not the Congressional Record. The publication and its indices should be kept in the same place.

- **PRIVATIZE WAREHOUSING** Privatize a large warehouse distribution center that would provide surplus goods to state offices, colleges and universities, prisons, schools and mental and public health institutions.
- **MORE TESTS** Civil Service needs to offer the "College Trainee" examination much more often.
- **EXPAND HORIZONS** Expose state career bureaucrats to private business and industry practices.
- **INFORMATION REVIEW** Review all "800" numbers, dues and subscriptions of state agencies.
- **IMPROVED COMMUNICATIONS** There needs to be an efficient way to communicate the availability of new and existing programs to caseworkers and prospective customers.
- **ONLY FINGERPRINT ONCE** Business operators with state licenses should not have to be fingerprinted more than once.

IV The People Speak

THE SECCHIA COMMISSION'S AGENDA WAS SET BY THE RESIDENTS OF MICHIGAN. THEY BROUGHT US THE PROBLEMS THEY SAW IN THE DELIVERY OF GOVERNMENT SERVICES. COMMISSION MEMBERS SAW THE PEOPLE OF MICHIGAN IN ACTION, CONCERNED ABOUT THEIR GOVERNMENT, AND WILLING TO SHARE THEIR IDEAS ON THE BEST AND THE WORST OF GOVERNMENT DELIVERY OF SERVICES. IT'S WORTH LISTENING. THESE COMMENTS COME FROM LISTENING SESSIONS AROUND THE STATE, AND HAVE NOT BEEN EVALUATED BY THE COMMISSION OR ITS STAFF. ADDITIONAL COMMENTS ARE INCLUDED IN THE APPENDIX TO THIS REPORT.

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➤ **STATE PARK STAFF EXCEEDS EXPECTATIONS** All of the park personnel were so friendly and attractive. We especially liked (name withheld) at the sign-in desk. (She) should give lessons to all workers on how to deal with the public. She was a treasure. During a 1:00 a.m. rain squall, your rangers woke me up and helped me secure my motor home's awning. You can be very proud of your Port Crescent staff.

➤ **STATE EMPLOYEES' INCENTIVES** Many state employees want to do a good job, but they're not allowed to. There is no reward or penalty system in place. State workers are doubly protected and should have to choose between the union or Civil Service.

➤ **STATE POLICE SET A GOOD EXAMPLE** State Police are very courteous and polite. They set a good example. They work well with local units.

➤ **LOCAL ASSISTANCE** Michigan Department of Transportation local liaison people are a big help.

➤ **STATE WORKERS HELP TOO** It was more than pleasurable to conduct business with persons such as (name withheld) and her co-workers (at a Michigan state park). She need not have done one solitary thing to assist me relative to the ORV sticker. As one often hears, "It's not my department." But not this time, not from this person and not from this office.

➤ **"PROGRESSIVE" DEPT. OF AGRICULTURE** The inspectors from the Department of Agriculture were wonderful to work with. They are very "progressive." They will sit down with a grocer in an attempt to work things out, instead of taking a strict regulatory stance. They genuinely want to help the grocer meet the standards instead of wanting to find as many problems as possible.

- **RAILROAD-CROSSING SAFETY IMPROVED** Michigan now has one of the best programs in the country for the installation of railroad grade crossing protection. This is a credit to many groups, but particularly the Department of Transportation for having the vision to make the needed changes. All Michigan citizens will benefit by increased rail-crossing protection because of steps taken by Michigan Department of Transportation.
- **MORE ADVISORY COMMITTEES** Business-state partnerships work well to solve problems. Advisory committees like that of Michigan Occupational Safety and Health Administration should be copied.
- **"NEW DNR" WORKS** The "new DNR" is a quantum jump more efficient and communicative than the old department ever was ... Let's not return to the boggling complexity of the old.
- **MORE ADMINISTRATORS' FORUMS** Positive comments were received regarding the Treasury's practice of holding "administrators' forums" with taxpayer groups to provide an open dialogue on issues and problems.
- **JOB COMMISSION COOPERATIVE** The Jobs Commission people have been very effective and cooperative.
- **ENCOURAGE START-UPS** The state should applaud every person who starts a new business. It does the opposite; every bureaucrat sees them as a new "victim" to be regulated.
- **COOPERATION FOR SAFETY TRAINING** The Department of Transportation, the State Police, and the Department of Commerce were commended for TRANSCAER, a multi-agency partnership with private industry that has developed a safety training program and state of the art training facility.
- **A DIAMOND DISCOVERED** A hidden jewel for delivery of a wide variety of services can be found in the Retired and Senior Volunteer Program.
- **KENT COUNTY D.S.S. EFFICIENCY** We are extremely pleased with (Kent County D.S.S.) and the way referrals are handled. The billing has become less cumbersome and the payments arrive on a timely basis.
- **MOST COMPANIES DO NOT WANT TO POLLUTE.** What they want from DNR is a clear, consistent, friendly response.
- **NO VOICE MAIL** We do not like voice mail. It is too impersonal and if you have a rotary phone it is very frustrating.
- **FOOD STAMPS "UNDIGNIFIED"** There is no dignified way for senior citizens to use their food stamps without going to the grocery store at midnight.

- **"CLEAN" PROPERTY DEFINITION** With regard to cleaning up pollution, when is the job done? There is no state definition of "clean" property and no one in the DNR will offer any enlightenment. Why must an individual area be cleaned up to pristine standards? This is hampering development in every community.
- **LISTING OF SERVICES** The Michigan Business Ombudsman's Office held a meeting to ask what services businesses wanted the state to offer. It was asked what services were already available, but no one knew. There is no central listing that describes them.
- **RECONSIDER BRANCH OFFICES** Why couldn't the multiple branches of the Secretary of State be used for other state services? (Some ask if we need the offices at all.) Others ask "why do we rent these offices when large retailers would provide free space to enjoy the traffic?"
- **MLCC LACKS SENSITIVITY** The Michigan Liquor Control Commission has a "monopoly" on liquor services, and thus feels no obligation to treat licensees as "customers." MLCC is slow to grant liquor licenses, but retaliation is feared if there are any complaints. Licensees keep their mouths shut if there are any problems.
- **PERMITS ARE TOO SLOW** It generally takes one year to get a DNR permit in Michigan, as compared to 3-4 months in most other states. This is because there is insufficient funding for the permit division, and too much employee turnover.
- **INTERNAL CONFUSION** A company already in compliance with all of the environmental standards wanted to build a 20-foot addition to its cooling tower. Company officials spoke with the local DNR representative, who informed them a permit to build was not necessary. The company began to work. A few weeks later, a DNR official came in for an inspection on an unrelated matter. She saw the addition to the stack, asked to see the permit for it, and was told that the local DNR officials informed the company one was not necessary. She said it was necessary and wrote the company a \$10,000 ticket for not having a permit. The company sent in the fine, along with a permit application for the stack. A few weeks later, the application was returned with "NO PERMIT NEEDED" written across the front. The company is now trying to get its check back.
- **DRAINAGE PROBLEMS** A store was building a new complex, but could not get a permit from the state until a new drain was put into an entry. That was done. When another state department came to inspect the building, officials said they would not grant approval until that drain was removed.

V Counterproductive Laws, Rules and Regulations

*A*S MICHIGAN HAS GROWN, ITS SYSTEMS HAVE CHANGED THROUGH THE YEARS. GOVERNORS AND LEGISLATORS HAVE COME AND GONE, GIVING DIFFERENT DEPARTMENTS DIFFERENT PRIORITIES TO MEET THE NEEDS AT HAND — AND UNINTENTIONALLY TANGLING THE MISSIONS OF VARIOUS STATE AGENCIES AND DEPARTMENTS. CONFLICTING LAWS ARE ALMOST INEVITABLE, GIVEN THE VAST NUMBER OF LAWS AND REGULATIONS THAT HAVE GROWN FROM DECADE TO DECADE. THE FOLLOWING CONFLICTING AND COUNTERPRODUCTIVE LAWS, RULES AND REGULATIONS WERE BROUGHT TO THE SECCHIA COMMISSION'S ATTENTION.



- The legislation establishing the Board of Horology (watch repair) and the Board of Myomassology (muscle massage) in the Department of Commerce's Bureau of Occupational and Professional Regulation was flawed. So there are no board members, and no board meetings. But the Attorney General says the state still must appropriate minimum funding for these boards. This has been going on for years. The legislation should be sunsetted, and the boards eliminated.
- For every liquor license an individual applies for, a separate set of fingerprints is needed – even if applying for multiple licenses.
- Everyone must show “proof of insurance” to register an automobile. Yet the insurance can be cancelled the very next day, and no one is notified.
- Michigan Migrant Legal Assistance Project pays for migrant workers' legal fees, even for frivolous lawsuits. Farmers pay their own legal costs, and even if they win, it costs them money which they cannot recover.
- Migrant workers who come to Michigan to work during the harvest, knowing that they have only a short-term job, can collect unemployment after they leave the state and return to their homes for the winter.
- Programs that receive grants are unable to establish reserve accounts and build up funds to meet anticipated future needs across fiscal years. At the conclusion of any year, dollars not spent must be returned to the state. The inability to carry forward such funds between fiscal years for certain designated purposes prevents good financial planning.

- Training for local building inspectors and firefighters often is not relevant to local needs and ordinances. Rural officials are required to have the same training as inspectors who have high rise buildings in their jurisdictions.
- Townships cannot obtain certain state grants for development projects if any local money is used as a down payment to purchase the property.
- The law governing licensure of mortgage companies by the Department of Commerce calls for "the State to act on the application," but does not specify in what time frame.
- The Freedom of Information Act (FOIA), P.A. 442 of 1976 (MCL 15.231 et seq.) provides, in general, that public agencies can charge for the cost of furnishing the requested documents including the cost of searching for, screening and copying the documents (Section 4). These costs can only be charged if the requester wants the material copied – not if the requester only wants to inspect the documents. The cost of copying the documents is frequently the smallest portion of complying with the request.
- FOIA provides only three options for state agencies when they receive a request for information – approve, deny, or approve a portion of the request and deny the rest (Section 5). If a public agency does not have the requested document, the request has to be denied. "Denials" must be approved by the agency administrator or his or her designee. There should be a more efficient and less contentious means of communicating that a requested document does not exist.
- FOIA does not adequately shield state information in certain instances. For example, the proposals of firms which submit successful bids are subject to release under FOIA. This discourages vendors from bidding on state contracts because their successful bids may include proprietary information which must be released to their competitors under FOIA.
- State law provides few incentives for agencies to be frugal with appropriated funds. If there was a greater possibility to carry forward some funds saved from the prior year into succeeding fiscal years, agencies would have a greater incentive to spend more carefully.
- The state school code requires public and non-public schools to receive evidence of the immunization status and vision of all children entering the school for the first time (MCL 380.1177). The school code only requires that schools report on the immunization status and vision of all new students. The public health code (MCL 333.9208) requires schools to submit a report to public health on the immunization status of all new kindergarten and first grade students each year and (pursuant to MCL 333.9307) report on the vision and hearing status of these students. The school and public health codes should be consistent.
- Michigan government has been maintaining 15 data centers and 21 telecommunications networks, none of which efficiently communicate with the others. Many areas of the state, including sparsely populated rural counties, have numerous dedicated state phone lines to provide access to these systems. This duplication is expensive and inefficient.

- For businesses holding multiple licenses granted by the Liquor Control Commission, rules require duplicate applications each time the status of the business changes. For example, if a business holding several licenses in different cities chooses to sell to another company, each license must be reviewed by both the local and state government.
- Many people are in need of transportation to human service agencies and training. However, in most cases, school buses cannot be used to transport students or adults to these activities after school hours or during the summer.

VI Commission Members and Staff

COMMISSION CHAIRMAN

AMBASSADOR PETER F. SECCHIA SERVES AS CHAIRMAN OF THE BOARD OF UNIVERSAL FOREST PRODUCTS, INC. AND WAS APPOINTED CHAIRMAN OF THE SECCHIA COMMISSION BY EXECUTIVE ORDER OF GOVERNOR JOHN ENGLER. HE HAS ALSO SERVED HIS COUNTRY AS U.S. AMBASSADOR TO THE REPUBLIC OF ITALY FOR WHICH HE WAS AWARDED ITALY'S HIGHEST AWARD FOR INTERNATIONAL AFFAIRS: THE CAVALIER DI GRAN CROCE (THE KNIGHT OF THE GREAT CROSS). AMBASSADOR SECCHIA HAS ALSO CONTRIBUTED TO NUMEROUS YOUTH PROGRAMS, WAS MICHIGAN'S NATIONAL COMMITTEEMAN TO THE REPUBLICAN NATIONAL COMMITTEE, SERVES ON THE EXECUTIVE COMMITTEE OF THE GERALD R. FORD FOUNDATION OVERSEEING THE FORD PRESIDENTIAL MUSEUM AND LIBRARY AND IS ALSO ON THE BOARD OF TRUSTEES OF THE BUSH PRESIDENTIAL LIBRARY FOUNDATION. HE WAS GRANTED HIS DEGREE IN ECONOMICS FROM MICHIGAN STATE UNIVERSITY IN 1963.

COMMISSION VICE-CHAIRMAN

RICHARD T. COLE OF GROSSE POINTE SERVES AS VICE PRESIDENT OF CORPORATE COMMUNICATIONS FOR BLUE CROSS AND BLUE SHIELD OF MICHIGAN. HE HAS ALSO SERVED AS CHIEF OF STAFF, PRESS SECRETARY, AND SPECIAL ADVISOR TO MICHIGAN GOVERNOR JAMES BLANCHARD, AS A LANSING BUSINESS OWNER AND AS AN ASSOCIATE PROFESSOR AT MICHIGAN STATE UNIVERSITY. MR. COLE'S ARTICLES ON PUBLIC RELATIONS, PUBLIC POLICY AND EDUCATION HAVE APPEARED IN MANY SCHOLARLY PUBLICATIONS. IN 1993, HE SERVES ON THE JACOB K. JAVITS FELLOWSHIP BOARD IN THE U.S. DEPARTMENT OF EDUCATION. HE OBTAINED HIS DOCTORATE IN ADMINISTRATION AND HIGHER EDUCATION FROM MICHIGAN STATE UNIVERSITY IN 1980.

.....

COLE TASK FORCE ON LOCAL GOVERNMENT

Chair: Richard T. Cole, Ph.D., Vice President, Corporate Communications,
Blue Cross/Blue Shield of Michigan

Vice-Chair: Tim McGuire, Executive Director, Michigan Association of
Counties

Representative Bill Bobier, Member, Michigan House of Representatives
Mayor Nyal Deems of East Grand Rapids, Partner, Varnum, Riddering,
Schmidt & Howlett, P.C.

Matthew Grafty, Budget Director, City of Flint
Alexander N. Luwall, Administrator, Juvenile Division, Wayne County
Probate Court
Craig Ruff, President, Public Sector Consultants
Flora Walker, President, Michigan American Federation of State, County, and
Municipal Employees, Council 25
Don Allen, Policy Advisor, The Executive Office
Patrick L. Anderson, Deputy Director, Michigan Dept. of Management & Budget
Glen Preston, Financial Analyst, Michigan Dept. of Management & Budget

BBROWN TASK FORCE ON MATURING MICHIGANIANS

Chair: Reverend John Brown, Pastor, First Baptist Church of Muskegon
The Rev. John H. Brown serves as pastor of First Baptist Church in
Muskegon and as chairman of the Region 14 Council on Aging board.
Rev. Brown has an extensive background in mental health issues and the
needs of the elderly.

Vice-Chair: Susan Gasparian, Senior Attorney, Ford Motor Company
Mary Ettinger, Vice President, United Auto Workers Local 6000
Gerald Faverman, Ph.D., Senior Counselor, The Faverman Group
Senator Joel Gougeon, Member, The Michigan Senate
Jeffrey Weaner, Owner, Traverse Bay Motel
Andrea C. Kotch, Account Executive, Roney & Company
Bob McKerr, Senior Research Associate, Citizens Research Council
Rebecca Holowicki, Director, Oakland County Dept. of Community &
Minority Affairs
Mary Ann Zielinski, former Mayor of Centerline
Diane Braunstein, Director, Michigan Office of Services to the Aging
Bonnie Huntley, Executive Director, Kent County Community Mental Health
Evert Vermeer, Director, Kent County Department of Social Services
Ronald Graber, Financial Analyst, Michigan Dept. of Management & Budget

CCHABOT/PEARSON TASK FORCE ON STATE VENDORS AND PARTNERS

Co-Chair: Rae Lee Chabot, shareholder, Plunkett & Cooney, P.C.
Rae Lee Chabot is a partner with the Detroit law firm of Plunkett &
Cooney P.C. She specializes in defense litigation in the areas of
employment discrimination, sexual harassment, and personal injury law
in the Michigan and Federal Court Systems. Ms. Chabot is a Michigan
Civil Service Commissioner and a director with the Oakland County Bar
Association.

Co-Chair: Ramona Henderson Pearson, Wayne County Auditor General

Ramona Henderson Pearson, CPA, is Wayne County's auditor general. She has over 20 years experience in the auditing profession including managerial responsibilities with Wayne State University and Arthur Young & Company (currently Ernst & Young). Ms. Pearson has received the Outstanding Member Award from the National Association of Black Accountants, Inc.

Vice-Chair: Joseph A. Fink, Attorney and Partner, Dickinson, Wright, Moon, VanDusen and Freeman, P.C.

Deborah Dolman, President/CEO, Dolman Technologies

Pat Ganzberger, Housewife

Mike Maxfield, Financial Consultant

William Kurtz, Owner, Kurtz Music

E. T. Sprock, Director of Operations Strategy, Chrysler Corporation

Representative Clyde LeTarte, Member, Michigan House of Representatives

Lawrence W. Reed, Ph.D., President, Mackinac Center for Public Policy

John M. Kost, Deputy Director, Michigan Dept. of Management & Budget

Deborah Devine, State Affairs Division, Department of Attorney General

Mary Lannoye, Chief, Finance and Administrative Services, Michigan Dept. of Public Health

Karen Pawlovich, Financial Analyst, Michigan Dept. of Management & Budget

*H*ARDIMAN TASK FORCE ON HUMAN SERVICES

Chair: Mayor Bill Hardiman, City of Kentwood

Bill Hardiman was elected mayor of the City of Kentwood. He has also served in managerial positions for Goodwill Industries of Greater Grand Rapids, Inc., Hope Rehabilitation Network, Inc. and Kent County Community Health. Mr. Hardiman has received the Distinguished Alumni Award from Grand Valley State University.

Vice-Chair: Reverend Eddie Edwards, Pastor, Joy of Jesus Embassy

Vicki L. Appleyard, Calhoun County Dept. of Social Services

Barbara B. Gattorn, Vice President of Community Marketing, Greater Detroit Chamber of Commerce

William R. Halling, Retired from KPMG Peat Marwick

Gladys Amanda Hernandez von Hoff, Professor of Bilingual Education, Saginaw Valley State University

Representative John Llewellyn, Member, Michigan House of Representatives

Ernestine Moore, Executive Director, Skillman Center for Children

Dennis Nickels, Director of Public Sector Services, Great Lakes, Deloitte & Touche

Dana Cole, Assistant Policy Analyst, The Executive Office

Karen Balice Gregory, Children's Special Health Care Services, Michigan Dept. of Public Health

Gregory Gessert, Financial Analyst, Michigan Dept. of Management & Budget

*N*ICHOLSON TASK FORCE ON EMPLOYERS

Chair: James B. Nicholson, President/CEO, PVS Chemicals, Inc.

James B. Nicholson is the principal and controlling stockholder as well as CEO of PVS Chemicals, Inc. in Detroit, director of Amerisure Companies and vice chair of Douglas & Lomason Company. He has also served as an officer of the First National Bank of Chicago and past chairman of the Michigan Strategic Fund. Mr. Nicholson received the Master of Science Degree in International Economics from the London School of Economics in 1968.

Vice-Chair: J. John Wortman, President/CEO, Amerisure Companies
David Burtch, Assistant Director, Technical, Office & Professional Dept.,
United Auto Workers

Wayne T. Muller, Muller Family Shoe Centers

Gregory A. Nowak, Practice Director, Price Waterhouse

Representative Joe Porreca, Member, Michigan House of Representatives

Representative Kirk Profit, Member, Michigan House of Representatives

Polly P. Reber, Director of Government Relations, Small Business Association
of Michigan

John C. Taylor, Assistant Professor, Wayne State University

Robert A. Walker, Vice President - Corporate, CN North America

Donna Arduin, Chief Deputy Director, Michigan Dept. of Management & Budget

Jacques McNeely, Financial Analyst, Michigan Dept. of Management & Budget

*P*EARSON TASK FORCE ON URBAN/SUBURBAN CITIZENS & FAMILIES

Chair: Ramona Henderson Pearson, Wayne County Auditor General

Vice-Chair: Thomas John Laymon, Executive Director, Mel Trotter Ministries

Mrs. Pat Ganzberger, Housewife

Carolyn Moore, Coordinator, MichCare, Detroit Health Department

Matthew Grady, CPA, Budget Director, City of Flint

Senator Christopher Dingell, Member, Michigan Senate

Ernestine Moore, Executive Director, Skillman Center for Children

Don Allen, Policy Advisor, The Executive Office

*T*ATTER TASK FORCE ON RURAL MICHIGAN

Chair: Jordan B. Tatter, President/CEO, Hanson Cold Storage Co.

Jordan B. Tatter serves as a member of the Michigan Natural Resources Commission and is a past member of the Agricultural Commission. He is a director of First of America Bank-Michigan and past chairman of the Federal Reserve Bank of Chicago, Detroit Branch. Mr. Tatter an extensive

agricultural background as a former orchardist and Michigan State university Horticultural Agent. He is a member and officer of numerous local, state, and national agriculture and business associations. Mr. Tatter received the Distinguished Service Award to Agriculture from Michigan State University in 1987.

Vice-Chair: Joseph Herman, Herman Farms

Carol A. Bashore, Ovid Township Supervisor

Senator Christopher Dingell, Member, Michigan Senate

Lee Cox Hoopfer, Ph.D., Program Director, Michigan State University Extension,
Children, Youth and Family Programs

Michelle Johnston, Ph.D., Executive Director, Northern Lower Michigan
Leadership, Teaching, and Learning Consortium,
Northwestern Michigan College

Daniel S. Mazzuchi, M.D. and Assistant Dean of Human Medicine,
Marquette General Hospital

Senator George McManus, Jr., Member, Michigan Senate

Ray Vlasin, Ph.D., Professor and Coordinator for Industrial Extension, Michigan
State University Extension

Dan Wyant, Legislative Liaison, Michigan Dept. of Agriculture

Nate Lake, Quality Advisor and Organization Specialist, Michigan Dept.
of Natural Resources

Lee Wilcox, Administrative Assistant, Michigan Dept. of Agriculture

Keith Hanna, Financial Analyst, Michigan Dept. of Management & Budget

*T*HE SECCHIA COMMISSION STAFF



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Department of Management and Budget

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John Field Reichardt

Task Force Coordinators

Bret Marr
Chris Becker

Secretary

Susan Rawls

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Richard T. Cole, Vice-Chairman
Donna Arduin, Executive Director
John Field Reichardt, Deputy Executive Director
David Waymire, Senior Editor

Senior Editor of the Report

David Waymire
Director of Public Affairs
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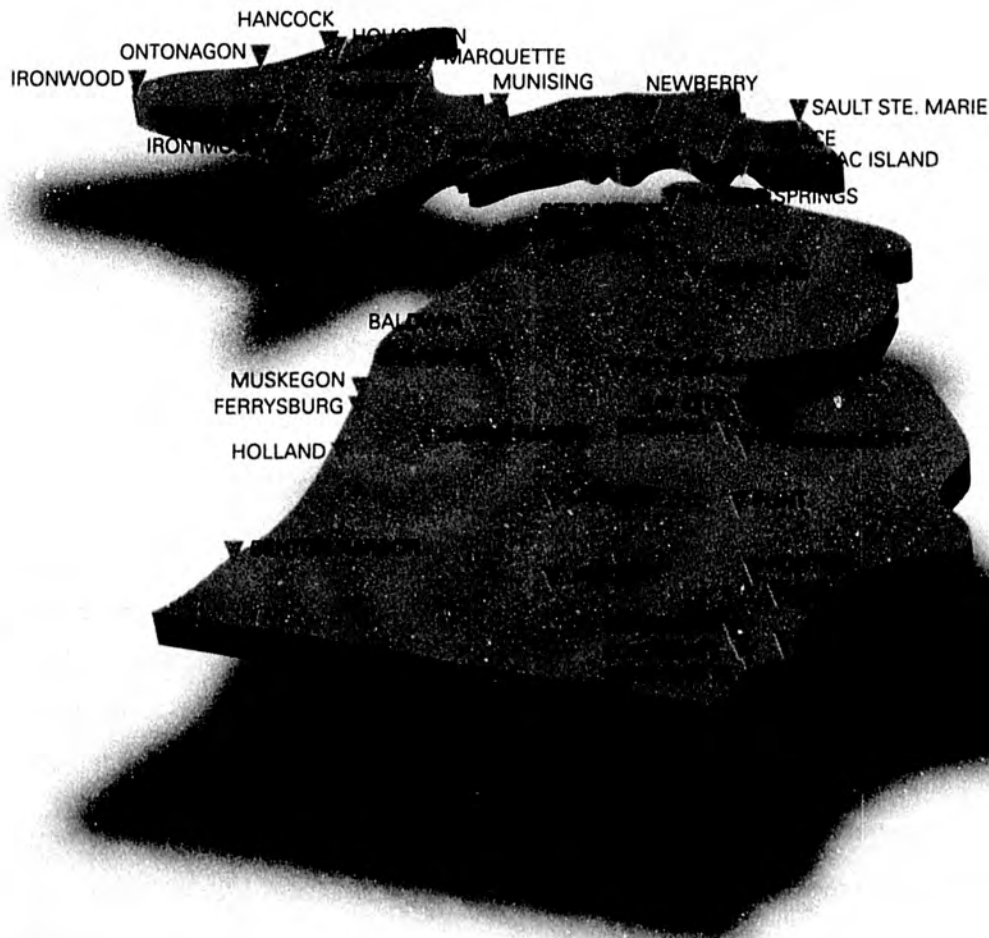
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vii Commission Meetings

*I*N ITS DRIVE TO HEAR FROM AS MANY CITIZENS AS POSSIBLE FROM ACROSS THE STATE, THE SECCHIA COMMISSION HELD 68 MEETINGS FROM DETROIT TO MARQUETTE. FOLLOWING IS A LISTING OF COMMISSION AND TASK FORCE MEETINGS HELD.



Commission Meetings

ACME • JULY 21	JACKSON • JUNE 9
AUBURN HILLS • JUNE 15	LANSING
BALDWIN • JULY 14	APRIL 19
BAY CITY • JUNE 27	MAY 17
BENTON HARBOR • MAY 23	MAY 18
BIG RAPIDS • MAY 10	MAY 26
DEARBORN • JULY 21	JUNE 8
DETROIT	AUGUST 8
MAY 18	AUGUST 29
JUNE 13	SEPTEMBER 13
JUNE 23	NOVEMBER 8
JULY 20	DECEMBER 6
AUGUST 3	MACKINAC ISLAND • AUGUST 19
AUGUST 24	MARQUETTE • JULY 25
ESCANABA JULY 26	MENOMINEE • JULY 25
FERRYSBURG • JULY 12	MT. PLEASANT • APRIL 25
FLINT • JUNE 29	MUNISING • JULY 25
FRANKENMUTH • AUGUST 22	MUSKEGON
GRAND RAPIDS	JUNE 20
MAY 17	JULY 28
JUNE 16	NEWBERRY • JULY 25
JUNE 22	ONTONAGON • JULY 25
JUNE 28	PETOSKEY • JULY 7
JULY 28	PONTIAC • APRIL 26
GRAYLING • JUNE 27	SAGINAW • JULY 25
GWINN • JULY 25	SAULT STE. MARIE • JULY 25
HANCOCK • JULY 25	SOUTHGATE
HARBOR SPRINGS • AUGUST 22	APRIL 27
HOLLAND • JULY 28	JULY 27
HOUGHTON • JULY 25	ST. IGNACE • JULY 26
IRON RIVER • JULY 25	TRAVERSE CITY • JUNE 2
IRON MOUNTAIN • JULY 25	WYANDOTTE • MAY 16
IRONWOOD • JULY 25	

IN SOME CITIES, MORE THAN ONE MEETING WAS HELD ON THE SAME DAY.

VIII The Secchia Commission Thanks ...

T HIS IS A LIST OF MICHIGAN CITIZENS WHO ATTENDED COMMISSION OR TASK FORCE MEETINGS, FAXED OR MAILED THEIR COMMENTS, OR TELEPHONED US WITH THEIR CONCERNS ABOUT GOVERNMENT AND THE DELIVERY OF STATE SERVICES. WE APOLOGIZE FOR ANY OVERSIGHTS OR MISSPELLINGS.

• • • • •

Jackie Abbott
Tina Abbott
Al Aceves
Cathy Adams
Marcus Adams
Mary Ablan
Jim Alexander
Rosalind Allis
Martin Allen Jr.
John Amberger
Gerry Amman
David Amon
Cary Anderson
Darlene Anderson
Glenn Anderson
Janet Anderson
Rep. David Anthony
Vernice Davis Anthony
Vicki Appleyard
Anthony Appleyard
Farah Arabo
John Archocosky
Donna Arduin
Mark Armbrustmacher
Michael Asiala
Dick Augenstein

Donald Austin
Hon. Richard Austin
Bill Ayre
Linda Aysis
Gyani Baile
Edward Bailey
Brent Bair
James Baker
Mary Balberde
Ben Baldis
Michele Ballinger
K. Bantle
Terry Barclay
Bruce Barnhart
Jenny Baron
James Barrett
Verne Barry
Maude Batie
Richard Beard
Rico Beard
Robert Beard
Debbie Beatty
Chris Becker
Fred Bednarek
Dorothy Bently
Ray Berg

Ron Berg
Brian Berndt
Janet Bernson
Karen Berquist
Eric Berry
Raymond Berry
Tina Betlejewski
Martha Bibbs
Linda Binion
Laurie Bink
Brent Blair
Jill Bland
William Bleiler
Robert Blett
Ronald Blight
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George Boersma
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Peggy Bostwick
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Doug Bovin
Judge Patrick Bowler
Celeste Bowman
Pamela Boyd
Penny Boynton

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Bruce Brown
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 Dr. Dave Carlson
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 Donald Casterline
 Lisa Cebulski
 Rob Cecil
 Robert Chaprka
 Claude Chatterton
 Larry Cheaney
 Bobbie Christie
 Diana Christofalos
 Marilyn Citron
 Ann Clark
 Douglas Clark
 William Cochran
 Brian Cole
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 Ernie Condell
 Robert Cooper
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 Diane Covell
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 LeAnn Droste
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 Linda Gobler
 Liela Goldman
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 Margaret Goldthorpe
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 Michael Goodkind
 Julia Goodman
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 Dennis Goodsell
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 Paul Gordon
 Joanne Gorsline
 Carol Gourlay
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 Patty Graff
 Dr. George Graff
 Keith Granger
 Henry Green
 Melinda Greene
 Karen Balice Gregory
 Bill Grevelding
 Bernice Grier
 Penny Griffin
 Ron Griffin
 Margaret Grose
 Pat Groves
 Carol Gruin
 William Gutos
 Charles Hadden

***I am grateful to the residents of Michigan
 for showing their genuine concern and
 interest in improving how our government
 functions.***

RICHARD T. COLE, VICE-CHAIR,
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 Tom Ryan
 Roger Rycenga
 Penny Saites
 Lucinthia Sallie
 Lark Samouelian
 Zoraida Sanchez
 David Sanders
 John Sanders

"A government of people requires that the residents participate. You did, and we thank you all."

AMBASSADOR PETER F. SECCHIA, CHAIRMAN,
 THE SECCHIA COMMISSION

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