

Government Efficiency Activities Continue

By Rebecca Patrick

A looming \$1 billion state budget deficit coupled with increased economic stress at the county and local government levels delivered quite an unwelcome 1-2 punch this past year. One silver lining, however, did emerge: a growing desire for a reality check on the efficiency of delivering government services.

Two such by-products are the state's Government Efficiency Commission and, on the local front, attention that's being given to the Indiana Chamber of Commerce's recently released *Indiana Project for Efficient Local Government* report.

State commission effort

The Indiana Government Efficiency Commission, patterned after the 1980s federal Grace Commission formed by President Reagan, was created in the 2003 biennial state budget bill and looks at four specific areas: K-12 education, higher education, Medicaid/other social services and general government of the state.

The 22-member panel, comprised of business and civic leaders from throughout the state and appointed by Speaker of the House Patrick Bauer and Senate President Pro Tempore Robert Garton, was announced in August 2003. Co-chairpersons are John Hillenbrand, former leader of Hillenbrand Industries in Batesville and James Baker, the former CEO and vice chairman of the board at Arvin in Columbus.

The commission is now at the midway point of its charge to review the functions and activities of all state-funded agencies, departments and programs. The full group met in October to plot its course. At that time, the panel was divided into four subcommittees based on the areas identified in the statute, says Kevin Brinegar, president of the Indiana Chamber of Commerce and chair of the Medicaid and Social Services Government Efficiency Subcommittee.

"The approach taken was that each of the subcommittees would go do its work independently, and then we will regroup at the end of the process," Brinegar explains. That deadline is December 2004, at which time cost-saving improvements will be identified and recommended for a report to be provided for 2005 legislative consideration.

For the beleaguered Medicaid sector, Brinegar has taken a steady, thorough approach. This group has met three times, with the initial meeting centered on "getting everyone up to a base level of knowledge," Brinegar states. Since then, the group has reviewed extensively what different states are doing to curb Medicaid costs, as well as commission-specific study recommendations.

"The big dollars in Medicaid are spent in services, eligibility and reimbursement to providers,"

Brinegar offers. "We are looking at what the state is doing that's above and beyond to see what wiggle room is there.

"It's a challenge because this is a politically-charged topic, one for which it will be difficult to accomplish significant progress overnight," Brinegar acknowledges.

At the conclusion of the Medicaid subcommittee meetings, the group's goal is to have a "pick your poison" list to present to legislators, Brinegar says. "We want to be able to say if you do this, here's the catch. It will be a comprehensive smorgasbord from which to pick from. We're at the stage where that's the approach that must be taken. Financially, we have milked the low-hanging fruit for all it's worth," he declares.

Chamber President Kevin Brinegar (center) and subcommittee members have received input from a variety of sources.





In the General Government Subcommittee, Vince Griffin, Indiana Chamber vice president of energy and environmental policy, has been involved in two branches of work: the Indiana Department of Environmental Management (IDEM) Task Force and the Department of Natural Resources (DNR) Task Force.

“With the IDEM effort, it was decided to do a satisfaction survey of its customers, which will serve as a guide for the final recommendations,” Griffin describes. “Of note, IDEM’s folks also anonymously responded to the survey. The goal is to link the perceptions of IDEM with the realities of their customers.”

A more one-on-one process is being initiated by the DNR task force. “Key DNR employees have been interviewed to identify where efficiencies and inefficiencies both exist,” Griffin says. “We’ve gone straight to the source to learn what they think would make their jobs more efficient.”

Be it general government, Medicaid or education, this overall effort to examine state government efficiency is a crucial one, Brinegar affirms.

“Our state is at the point financially where we can no longer tolerate inefficiencies that siphon resources. From the business community perspective, this is imperative because time wasted is money lost, and the fewer redundant hoops that are present to jump through at the state level, the better for all concerned.”

Local report stirs debate

Continuing to stir statewide interest and emotion is the Indiana Chamber’s *Indiana Project for Efficient Local Government* report. Released at the end of February, it delivered a set of recommendations to improve the effectiveness of local government – with benefits including better responsiveness and substantial financial savings.

A follow up to the 1999 COMPETE (Coalition on Monitoring Public Efficiency and Tax Expenditures) study, the report naturally caught the attention of many local officials – most notably those in township and county governments – some of whom have gone on the offensive challenging the study’s reorganization recommendations. Yet many more groups, from key legislators to businesspeople to the media, have championed the report’s message.

In fact, the media coverage has been overwhelmingly positive as more than 15 major newspapers and publications throughout the state have done staff editorials calling for an examination of Indiana’s local government structure or at least a debate on the subject.

That sentiment is exactly what the Chamber is promoting, offers Stan Pinegar, its director of tax and public finance.

“We’re not saying and never have that the report has all the answers. We believe, however, that the report shows that there is more than enough reason to question why local government can’t be run much more efficiently.

“This study is meant to serve as the basis for discussion at the state and local levels on how government can be more efficiently organized,” Pinegar affirms. “Ultimately, we strongly believe the actual decisions need to be made on a local level; there is not a one-size-fits-all approach for Indiana.”

A semblance to a hoped-for public forum took place in late April at the Indiana Chamber’s spring board meeting, in which leaders from the Association of Indiana Counties and Indiana Township Association, Sen. David Long of Fort Wayne and a representative of the business community joined Pinegar in a panel debate and discussion session.

“With all sides present, this was a positive step in addressing any disagreements and misconceptions head on. We believe once there is a statewide public debate utilizing all the facts as provided in the report, the public will see the benefits of local government efficiency and lead the charge for change,” Pinegar maintains.

In the coming months and beyond, the Chamber will be stepping up its efforts to have this message top of mind with the public and government leaders, including bringing it to the attention of the gubernatorial candidates and the 2005 General Assembly.

“We ask you to read the report and decide for yourself if your taxpayer dollars could be better spent. If you feel they can, please notify your local and state officials,” Pinegar encourages.

Currently, the Chamber is conducting speaking engagements throughout the state touting the benefits of improved local government efficiency. Interested organizations can visit www.indianachamber.com/sr.asp and fill out a speaker request form, or call Rebecca Patrick at (317) 264-6897 to schedule a presentation.

INFORMATION LINK

Resource: Kevin Brinegar at (317) 264-3110 or
e-mail: kbrinegar@indianachamber.com

Vince Griffin at (317) 264-6881 or
e-mail: vgriffin@indianachamber.com

Stan Pinegar at (317) 264-6887 or
e-mail: spinegar@indianachamber.com

The Indiana Project for Efficient Local Government is available at www.indianachamber.com