

SENATE FILE NO. SF0120

Government efficiency project.

Sponsored by: Management Council

A BILL

for

1 AN ACT relating to the operation of government; creating a
2 program and account from which to pursue and fund
3 government efficiency initiatives; providing authority to
4 conduct efficiency related activities and to fund those
5 activities; authorizing the retention of efficiency related
6 savings by the governmental entity that created the savings
7 as specified; authorizing the creation of a project
8 management office; authorizing the creation of a governor's
9 grants office; continuing the Wyoming spending and
10 government efficiency commission; modifying commission
11 membership; requiring reports; authorizing positions;
12 providing appropriations; and providing for an effective
13 date.

14

15 *Be It Enacted by the Legislature of the State of Wyoming:*

16

1 **Section 1.**

2

3 (a) The purpose of this act is to continue the work
4 started by the 2017 Wyoming spending and government
5 efficiency commission, created by 2017 Senate File 156,
6 2017 Wyoming Session Laws, Chapter 183, and to accomplish
7 the purposes stated in this act. Pursuant to 2017 Wyoming
8 Session Laws, Chapter 183, the commission worked with the
9 governor's office and various executive branch agencies
10 during the 2017 interim to identify potential savings and
11 efficiency initiatives that could be implemented in Wyoming
12 state government. To aid in this effort, the law creating
13 the commission provided an appropriation to the governor's
14 office for the retention of a government efficiency
15 consultant. During the 2017 interim, the governor used the
16 appropriation to retain the services of Alvarez & Marsal
17 Public Sector Service, LLC. In August, September and
18 October of 2017, Alvarez & Marsal studied Wyoming's state
19 government and, on November 6, 2017, issued a report
20 containing preliminary recommendations for potential
21 savings and efficiency initiatives. The report is on file
22 with and available for public inspection from the Wyoming
23 legislative service office. The recommendations made by

1 Alvarez & Marsal in its November 6, 2017 report should be
2 further studied and implemented pursuant to the terms of
3 this act. Additional efforts should be made to identify new
4 savings and efficiency opportunities that exist in the
5 operation of Wyoming's state government. The purpose of
6 this act is to accomplish these goals.

7

8 **State Savings and Efficiency Initiatives Account**

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10 (b) The state savings and efficiency initiatives
11 account is hereby created. Funds in the account shall be
12 continuously appropriated to the account until reverted by
13 the legislature. Funds in the account shall only be
14 expended for the purpose of funding the projects, entities
15 and initiatives authorized by this act and only with the
16 direction and approval of the governor.

17

18 (c) Whether through a project management office or
19 otherwise, the governor may accept proposals for the
20 funding of savings and efficiency related projects that,
21 upon the governor's approval, shall be funded from the
22 state savings and efficiency initiatives account. Funding
23 from the account shall only be provided to the extent that

1 existing biennium budgets or current biennium cost savings
2 from the operation of the approved project are insufficient
3 to fund the project. The governor shall endeavor to fund
4 only projects with a high likelihood of generating revenues
5 or providing savings, efficiencies or process improvements
6 to government operations or services. Except if identified
7 as a priority by the Wyoming spending and government
8 efficiency commission, the governor shall not favor
9 projects that only provide additional support for existing
10 processes or infrastructure. The governor shall give
11 special consideration to funding the projects identified as
12 priorities by the Wyoming spending and government
13 efficiency commission in its November 30, 2017 report,
14 including the projects and initiatives specifically
15 authorized by this act and the following projects:

16

17 (i) Integrating technology across state
18 agencies;

19

20 (ii) Developing regional services centers for
21 school districts;

22

1 (iii) Implementing and expanding shared services
2 throughout the state's agencies, including human resource
3 services and financial systems;

4

5 (iv) Conducting a statewide organizational and
6 line of service review to reveal overlapping
7 responsibilities and assure that appropriate and efficient
8 organizational and managerial structures are being
9 utilized;

10

11 (v) Increasing staffing levels for key audit and
12 collections positions;

13

14 (vi) Conducting a strategic sourcing review
15 within the state's procurement system and implementing
16 strategic sourcing solutions as practical and appropriate;

17

18 (vii) Identifying and exporting to other state
19 agencies beneficial best practices and process improvements
20 already in use;

21

22 (viii) Establishing a pilot program for
23 performance based budgeting for up to three (3) agencies

1 with the aim of submitting performance based budgets to the
2 legislature as soon as the 2019 general session.

3

4 (d) The governor shall encourage applicants to
5 provide in their project proposals, or to develop during
6 the term of a funded project, a means of identifying and
7 quantifying any savings that may be realized as result of
8 the project as demonstrated by the following:

9

10 (i) Clear goals and defined purposes for the
11 project;

12

13 (ii) Specific metrics by which to measure the
14 progress and success of the project;

15

16 (iii) The project's incorporation of incentives
17 to encourage those affected by the project to implement and
18 support it;

19

20 (iv) A detailed project budget with an
21 explanation of the expenditures required for the project;

22

1 (v) A detailed budget of the savings or revenues
2 expected from the project and a detailed description of any
3 process improvements or increased efficiencies expected to
4 be realized through the project; and

5
6 (vi) An analysis of the potential for
7 implementing the project's efficiencies, cost savings or
8 process improvements in other agencies and political
9 subdivisions.

10
11 (e) Whether through a project management office or
12 otherwise, and after giving consideration to any savings
13 identification methods provided in a project proposal
14 pursuant to subsection (d) of this section, the governor
15 shall promulgate rules and then adopt consistent procedures
16 to identify and quantify any savings that are realized as
17 the result of any project funded under subsection (c) of
18 this section. If savings are expected to result from a
19 funded project, the governor shall endeavor to establish
20 the matrix by which the savings shall be identified and
21 quantified prior to generation of the savings. Where the
22 identification and measurement of savings is not reasonably
23 possible at the beginning of a project, the governor may

1 require that a means of identification and measurement be
2 developed during the course of the project.

3

4 (f) All savings that are realized by the state as the
5 result of a project funded under subsection (c) of this
6 section or that are generated by any activity undertaken as
7 a result of this act and that are identified by any means
8 shall not revert to the general fund and shall be deposited
9 into the state savings and efficiency initiatives account,
10 except that the governor may authorize any agency or
11 governmental entity responsible for generating the savings
12 to retain not more than twenty-five percent (25%) of the
13 savings as a reward for generating the savings and as an
14 inducement to promote state government savings and
15 efficiencies. Funds deposited into the state savings and
16 efficiency initiatives account shall be continuously
17 appropriated to the account until reverted by the
18 legislature and may be used by the governor to fund
19 additional savings and efficiency related projects as
20 authorized by this act.

21

22 (g) Not less than quarterly, the governor shall
23 provide to the legislature's management council, the joint

1 appropriations committee and the Wyoming spending and
2 government efficiency commission a report summarizing all
3 projects being funded pursuant to this act. The report
4 shall include a description of each project, the project's
5 purpose or goals, the amount pledged to the project, the
6 amount expended on the project, the status of the project,
7 the revenues, savings or efficiencies anticipated from the
8 project, the methods being used to recognize and measure
9 any savings realized from the project and any savings that
10 have been realized as a result of the project.

11

12 **Project Management Office**

13

14 (h) Funds in the state savings and efficiency
15 initiatives fund may be used by the governor to create and
16 fund a project management office to be located within the
17 governor's office. If created, the project management
18 office shall help formulate a comprehensive and coordinated
19 state-wide efficiency plan and pursue targeted reviews of
20 those state agencies and functions where new efficiencies
21 and savings are likely to be discovered. If created, the
22 project management office shall conduct organizational
23 reviews, including span of control reviews, of state

1 agencies where appropriate. Subject to the governor's
2 approval and further direction, if created, a project
3 management office shall study and consider implementation
4 of the savings and efficiency recommendations made by
5 Alvarez & Marsal in its November 6, 2017 report and shall
6 coordinate all savings and efficiency efforts pursued
7 pursuant to this act. The project management office shall
8 conduct its business in consultation with the Wyoming
9 spending and government efficiency commission and shall
10 consider any recommendations made by the commission.

11

12 (j) The governor may staff a project management
13 office and conduct the office's work using employees of the
14 governor's office and employees of other executive branch
15 agencies. The governor also may hire one (1) or more
16 persons to staff the office using funds from the state
17 savings and efficiency initiatives fund. In addition, the
18 governor may contract with one (1) or more firms having
19 expertise in government efficiency to provide staff for the
20 project management office. Every firm retained by the
21 governor pursuant to this subsection shall be selected
22 pursuant to a competitive process and subject to standard
23 procurement procedures. In retaining one (1) or more firms

1 under this subsection, the governor shall consider
2 requiring the firms to continue the efficiency work started
3 by Alvarez & Marsal and to identify additional savings and
4 efficiency initiatives that can be beneficially applied in
5 Wyoming.

6

7

Governor's Grants Office

8

9 (k) Funds in the state savings and efficiency
10 initiatives fund may be used by the governor to create and
11 fund a governor's grants office to be housed in the
12 governor's office. The governor may staff the office and
13 conduct the office's work using employees of the governor's
14 office and employees of other executive branch agencies.
15 The governor also may hire one (1) or more persons to staff
16 the office using funds available in the state savings and
17 efficiency initiatives fund.

18

19 (m) If created, the governor's grants office shall be
20 responsible for providing technical and tactical assistance
21 to governmental entities in identifying, prioritizing,
22 qualifying for, obtaining, tracking and maintaining
23 appropriate and available federal funding. The office

1 shall work to promote proper fiscal management, program
2 management, audit compliance, tracking and reporting in
3 order to gain or maintain eligibility for appropriate
4 federal funds. The office also may act as a special point
5 of contact for governmental entities and provide
6 information resources and grants training. The governor may
7 require the office to report on federal grant expenditures
8 and to produce grant manuals. The governor and state
9 auditor may consider if there is a need for a grants
10 management system. If a grants management system is
11 necessary, the system shall be designed to integrate with
12 the state's current uniform accounting system financial
13 grants module, if practicable, and shall meet the state's
14 needs while creating additional functionality which could
15 enable the state to accept fiscal agent responsibilities
16 for school district grant oversight.

17

18 (n) No new federal funding source shall be pursued by
19 a governor's grants office without the prior approval of
20 the governor or if new statutory authority is required, by
21 the legislature.

22

23

Annual Ideas Festival

1

2 (o) Funds in the state savings and efficiency
3 initiatives fund may be used by the governor to create and
4 fund an annual ideas festival, intended to incentivize
5 state employees to identify and implement initiatives for
6 revenue generation, savings and efficiencies in the
7 operation of state government. In creating the annual
8 ideas festival, the governor shall consider an ongoing
9 program that invites teams of state employees to submit
10 plans for projects that could create state government
11 revenues, efficiencies or savings. The governor may award
12 up to twenty-five thousand dollars (\$25,000.00) per year to
13 contestant winners, but not more than five thousand dollars
14 (\$5,000.00) per team member. The governor shall consider
15 the necessity of publicizing the rollout of an annual ideas
16 festival and hosting an awards ceremony to encourage state
17 employees to participate in future ideas festivals.

18

19 (p) Any savings realized as the result of an annual
20 ideas festival proposal shall be used to fund festival
21 rewards and future ideas festivals up to the limits
22 established in subsection (o) of this section. All

1 remaining funds shall be deposited into the state savings
2 and efficiency initiatives fund.

3

4 **Section 2.**

5

6 (a) The Wyoming spending and government efficiency
7 commission, created by 2017 Senate File 156, 2017 Wyoming
8 Session Laws, Chapter 183, is hereby continued and shall be
9 staffed by the legislative service office.

10

11 (b) The commission shall be composed of eleven (11)
12 members. Three (3) members shall be appointed by the
13 management council of the legislature of whom one (1) shall
14 be from the private sector and one (1) each from the senate
15 and house of representatives. Four (4) members shall be
16 appointed by the governor, of whom two (2) shall be from
17 the private sector and one (1) shall be a member of the
18 governor's staff. One (1) member shall be appointed by the
19 chief justice of the Wyoming supreme court. The state
20 auditor, or the auditor's designee, shall be a member of
21 the commission. The chief information officer of
22 enterprise technology services, or an appropriate designee,
23 and the director of the department of administration and

1 information, or an appropriate designee, shall also serve
2 as members of the commission. All members of the
3 commission shall be voting members except the chief
4 justice's appointee, the chief information officer or his
5 appointee and the director of the department of
6 administration and information or his designee. Except as
7 required by this subsection, no voting member of the
8 commission shall be a full-time state employee. The
9 commission shall elect a chairman from among its two (2)
10 legislative members.

11

12 (c) The members of the commission shall be appointed
13 not less than thirty (30) days after the effective date of
14 this act.

15

16 (d) Members who are not legislators shall receive per
17 diem and travel expenses in the same manner and amount
18 provided under W.S. 28-5-101.

19

20 (e) The commission shall meet at the call of the
21 chairman or the governor as necessary to complete the
22 following duties:

23

1 (i) The commission shall monitor and, where
2 appropriate, provide recommendations with regard to all
3 savings and efficiency activities initiated under this act
4 or as a result of the commission's work during the 2017
5 interim;

6

7 (ii) The commission shall work with the
8 governor, any project management office established by the
9 governor, any grants office established by the governor and
10 any efficiency consultants retained by the governor's
11 office to keep apprised of new or continuing savings and
12 efficiency opportunities that are or might be pursued by
13 the state and, where appropriate, make recommendations on
14 the opportunities;

15

16 (iii) The commission shall monitor expenditures
17 from the state savings and efficiency initiatives account
18 and shall keep apprised of any progress made on projects
19 funded from the account;

20

21 (iv) The commission shall act as a conduit
22 between the executive branch and the legislature to assure
23 a coordinated effort in accomplishing all savings and

1 efficiency initiatives pursued under this act. The
2 commission shall accept for consideration any legislative
3 changes identified by the governor's office or any other
4 entity assigned duties under this act as necessary to
5 accomplish any initiatives pursued under this act.

6

7 (f) On or before November 30, 2018 and again on or
8 before November 30, 2019, the commission shall provide a
9 report to the governor, the management council of the
10 legislature and the joint appropriations committee
11 summarizing its activities. The report may provide
12 recommendations regarding any activity undertaken under
13 this act and shall include an outline of any legislative
14 changes recommended to the commission during the course of
15 its work or which are independently identified by the
16 commission. In the report due on or before November 30,
17 2019, the commission shall recommend whether the commission
18 should be continued beyond June 30, 2020.

19

20 (g) The commission shall exist until June 30, 2020.

21

22 **Section 3.**

23

1 (a) There is appropriated ten million dollars
2 (\$10,000,000.00) from the general fund to the state
3 auditor's office to be deposited into the state savings and
4 efficiency initiatives account which is created by this
5 act. This appropriation shall only be expended and shall
6 revert as provided in section 1(b) of this act.

7
8 (b) There is appropriated eighteen thousand dollars
9 (\$18,000.00) from the general fund to the legislative
10 service office. This appropriation shall be for the period
11 beginning with the effective date of this act and ending
12 June 30, 2020. This appropriation shall only be expended
13 for the purpose of providing reimbursement for members of
14 the Wyoming spending and government efficiency commission
15 appointed by the management council. Notwithstanding any
16 other provision of law, this appropriation shall not be
17 transferred or expended for any other purpose and any
18 unexpended, unobligated funds remaining from this
19 appropriation shall revert as provided by law on June 30,
20 2020.

21
22 (c) There is appropriated four thousand dollars
23 (\$4,000.00) from the general fund to the governor's office.

1 This appropriation shall be for the period beginning with
2 the effective date of this act and ending June 30, 2020.
3 This appropriation shall only be expended for the purpose
4 of providing reimbursement for members of the Wyoming
5 spending and government efficiency commission appointed by
6 the governor. Notwithstanding any other provision of law,
7 this appropriation shall not be transferred or expended for
8 any other purpose and any unexpended, unobligated funds
9 remaining from this appropriation shall revert as provided
10 by law on June 30, 2020.

11

12 **Section 4.** This act is effective immediately upon
13 completion of all acts necessary for a bill to become law
14 as provided by Article 4, Section 8 of the Wyoming
15 Constitution.

16

17

(END)