

# Service-Oriented Government Proposal

February 11, 2011

# Problem Statement

- Michigan has a persistent structural deficit of over \$1.6B
- We currently have 18 unique departments/agencies within the executive branch of our state government
- Each department/agency features functional support groups that are redundant with functions found in other organizations
- Most if not all government efficiency analyses to date in MI appear to focus on specific departments or narrow sets thereof rather than the organization as a whole

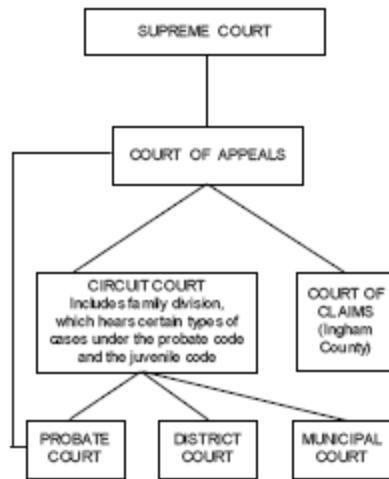
# Objectives

- Lower the cost of government by sharing common administrative functions
  - Cut \$1.6B for Structural Deficit Elimination
  - Cut \$2.4B for MBT Elimination
  - Cut \$1.2B for Personal Property Tax Elimination
- Improve customer service by streamlining communication channels
- Improve stakeholder accountability
- Increase transparency to bill impacts

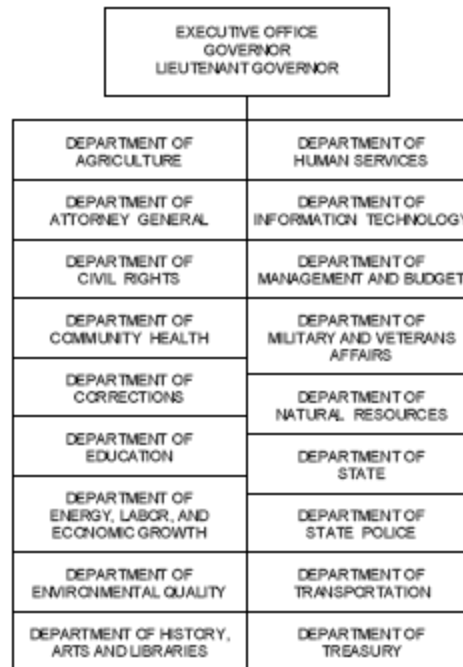
# Current Organization

## THE THREE BRANCHES OF MICHIGAN STATE GOVERNMENT

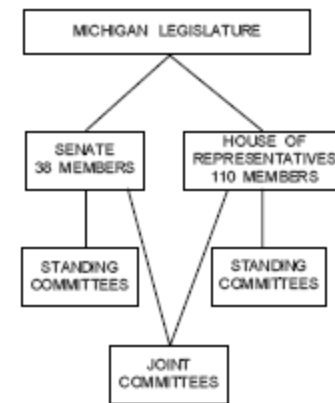
### JUDICIAL BRANCH



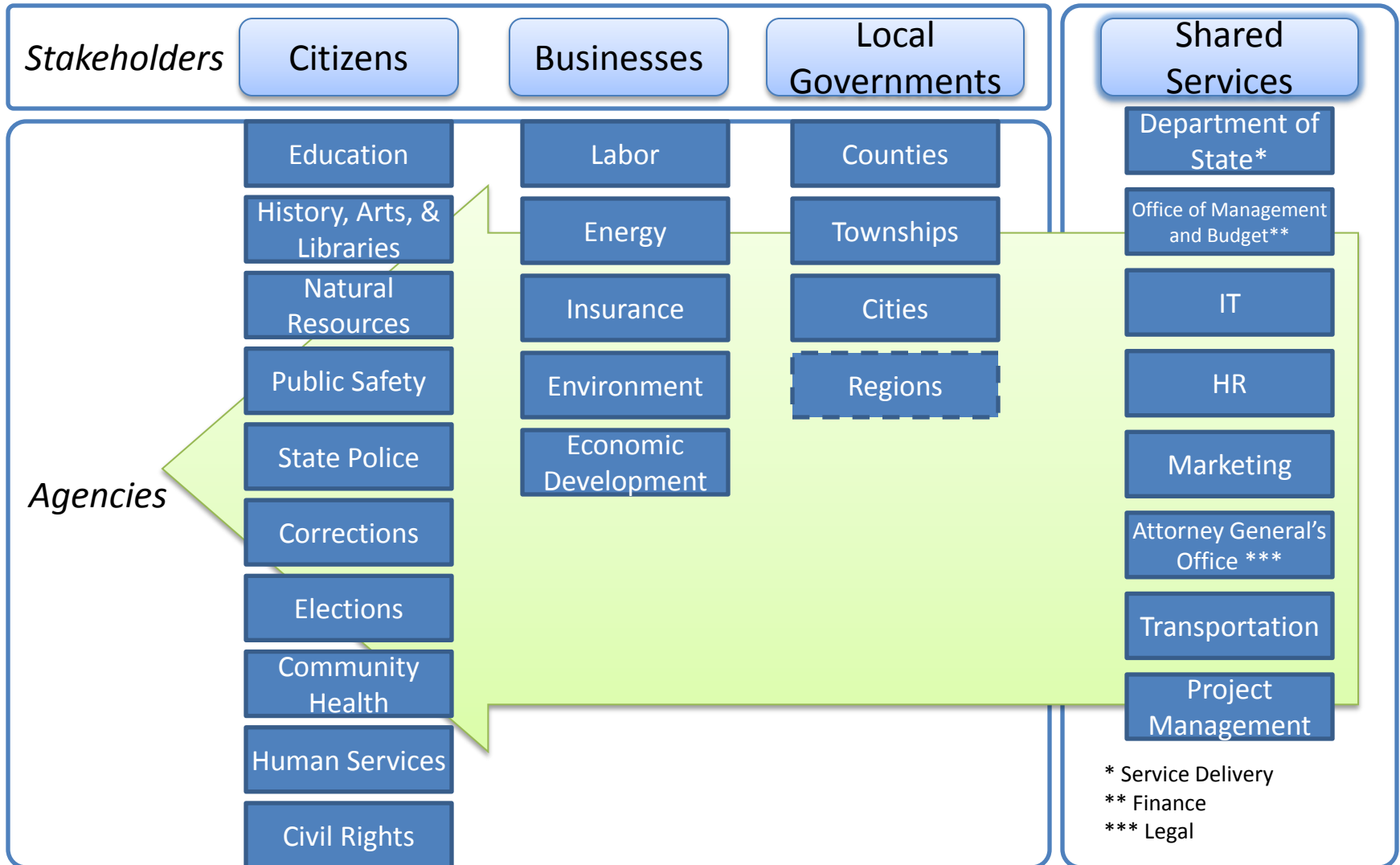
### EXECUTIVE BRANCH



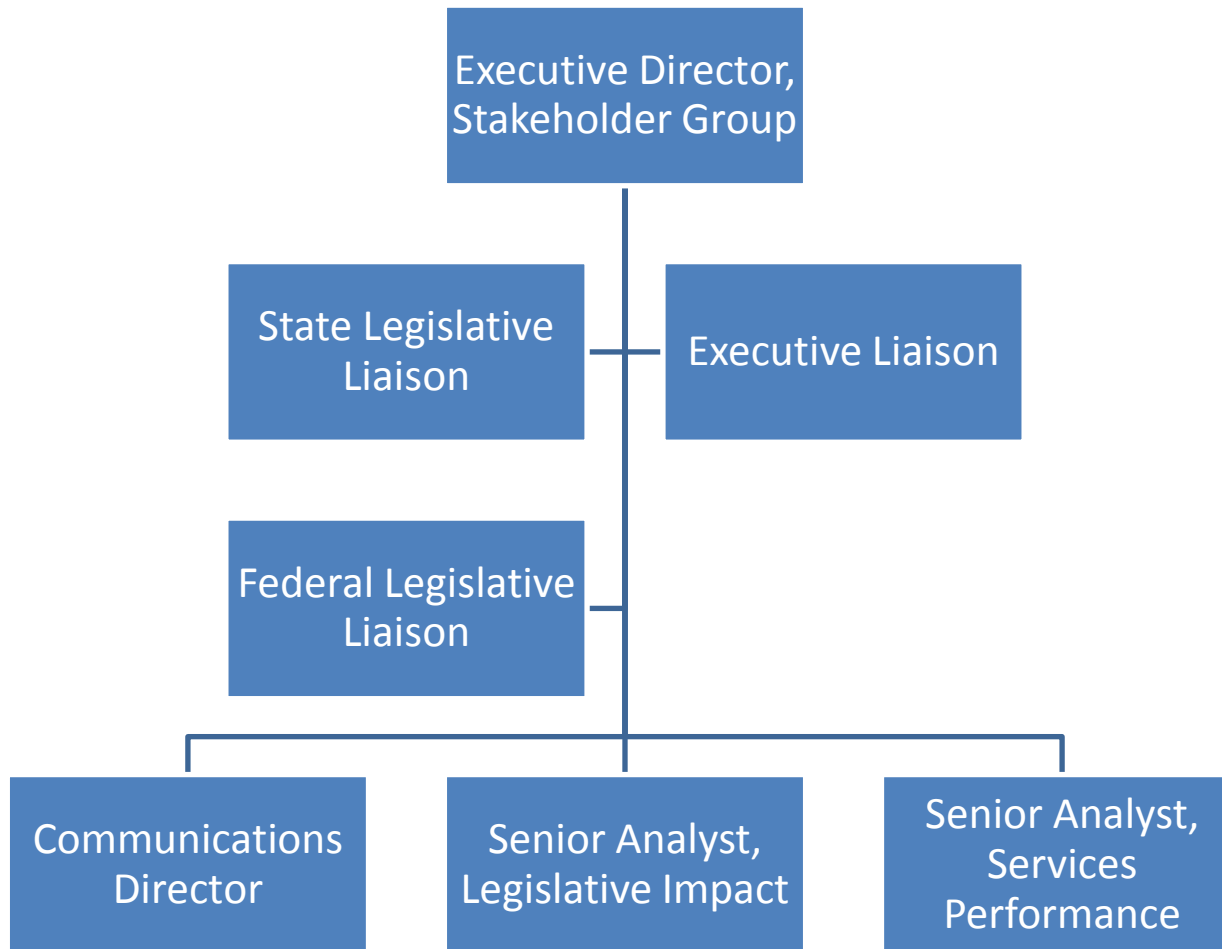
### LEGISLATIVE BRANCH



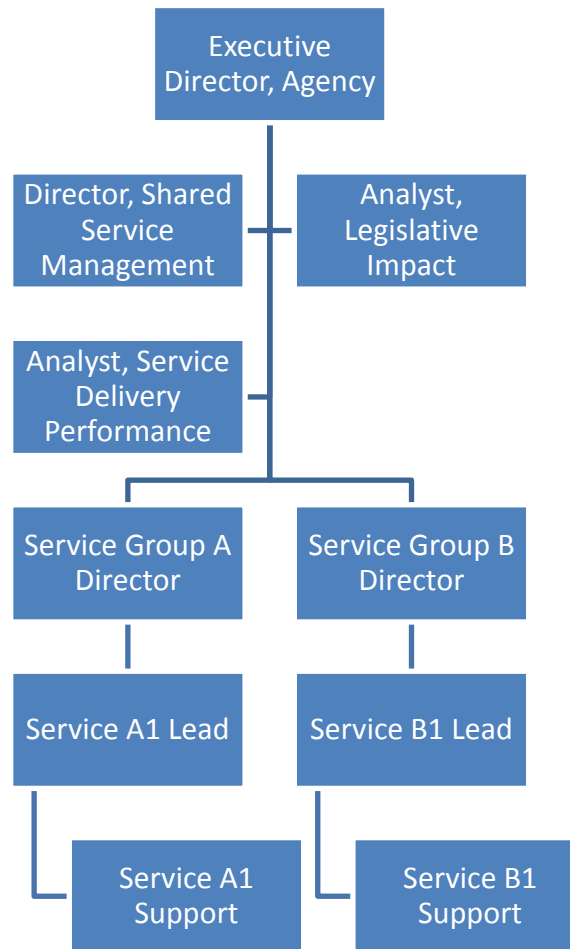
# Service-Oriented Organization



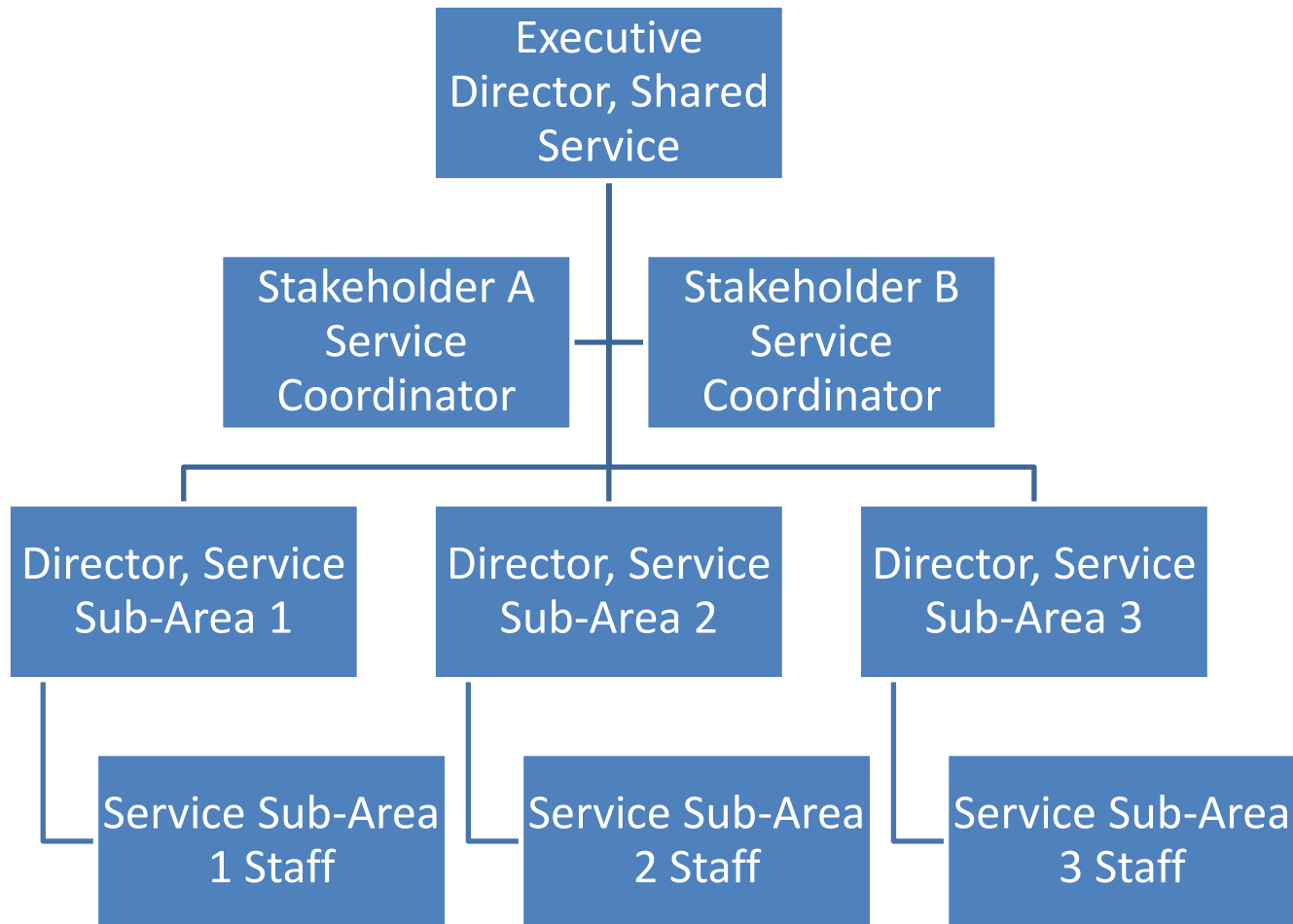
# Generic Stakeholder Organization



# Generic Agency Organization



# Generic Shared Service Organization





# Roles and Responsibilities

## Stakeholders

- Represent pertinent stakeholder group and associated agencies in discussions with
  - Legislature
  - Executive Branch
  - Judiciary
- Coordinate communications with non-government organizations pertinent to stakeholder domain of responsibility
- Keep agencies apprised of pending legislation
- Provide bill impact assessments to legislature and executive branch
- Establish and monitor performance scorecard for associated agencies

5-10 Employees Max

## Agencies

- Execute unique operations pertinent to domain of responsibility
- Leverage shared service organization resources for all work not unique to the agency
- Support stakeholder organizations
  - Assess bill impacts
  - Provide subject matter expertise for implementation of new statutes
- Improve operations to meet or exceed the performance scorecard expectations defined by the parent stakeholder organization
- Establish service level agreements with shared service organizations
- Monitor service level performance of shared service organizations supporting their operations
- Monitor project performance

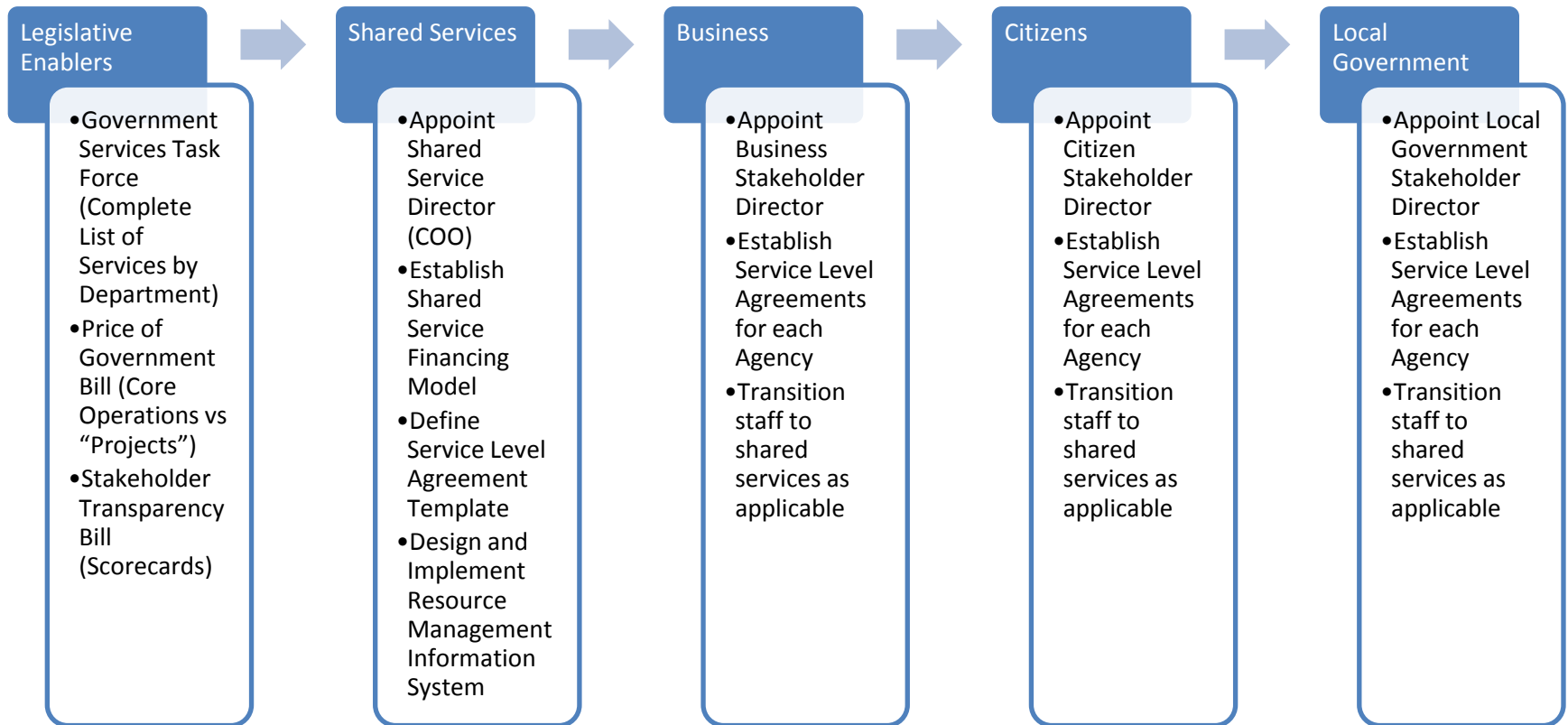
~50-100 Employees

## Shared Services

- Provide centralized administrative support for agencies to support their core operations
- Provide functional resources necessary to implement projects
  - Implementation of statutes within Shared Services, Agencies or Stakeholder Organizations
  - Implementation of projects intended to streamline operations and
- Execute support operations in accordance with service level agreements with agencies
- Ensure effective performance of project portfolio

Staffed As Required to Support Funded Services

# Transition Plan



# Stretch Opportunities

## Committee Alignment

- Align stakeholder organizations with top-tier legislative committees
- Align agencies with legislative sub-committees

## State Dashboard

- Stakeholder Scorecards
  - Citizen Scorecard
  - Business Scorecard
  - Local Government Scorecard
- Pending Impacts to Each Scorecard

## Impact Assessment Process

- All bills accompanied by stakeholder impact assessments

# Summary

- Provides opportunity to eliminate redundant functions within state government and streamline the delivery of services to our key stakeholders
- Provides basis for significant cost reductions that could enable the elimination of taxes that impede the growth of private sector jobs
- When the inevitable budget creep occurs, it will do so in the confines of four organizations rather than 18. This should provide better visibility and mitigate the risk of uncontrolled growth.