

Approved: March 18, 1999

Date

MINUTES OF THE HOUSE KANSAS 2000 SELECT COMMITTEE.

The meeting was called to order by Chairperson Kenny Wilk at 1:30 p.m. on March 9, 1999 in Room 526-S of the Capitol.

All members were present except:

Committee staff present: Alan Conroy, Legislative Research Department
 Jim Wilson, Revisor of Statutes
 Janet Mosser, Committee Secretary

Conferees appearing before the committee: Terry Glasscock, Deputy Secretary, Kansas Department on Aging

Others attending: See attached list

The revised Fiscal Note for **HB 2522** was distributed (**Attachment 1**). Chairperson Wilk noted that, due to the length of the Fiscal Note, the Division of Budget will be asked to provide a summary.

Terry Glasscock, Deputy Secretary, Kansas Department on Aging (KDOA), presented his views on why government needs to change and discussed the blueprint KDOA is using to change (**Attachment 2**). He provided a booklist on re-engineering and health care systems (**Attachment 3**).

Chairperson Wilk adjourned the meeting at 3:00 p.m.

The next meeting is scheduled for March 11, 1999.

KANSAS 2000 SELECT COMMITTEE GUEST LIST

DATE: 3-9-99

NAME	TITLE	REPRESENTING
Terry Glasscock	Dep Sec	KDOA
Don Payne	Lobbyist	SEAK
George Vega	SRS HRM	SRS
Carol Reed		SRS
Robert Hertz	Lobbyist	KGC
MARK LEHMAN		Guest Tom Sloan
CAROLEE STEPHENS	Ks DEPT ON AGING	
ERROL WILLIAMS		
PAUL WILSON		KADE
Sandra Moran	KDOA	
Shu Bauman	KDOA	
Denise Clemmich	KDOA	
Patricia Henshall		OJA



DIVISION OF THE BUDGET

Room 152-E

State Capitol Building

Topeka, Kansas 66612-1575

(785) 296-2436

FAX (785) 296-0231

Bill Graves
GovernorDuane A. Goossen
Director

March 3, 1999

REVISED

The Honorable Kenny Wilk, Chairperson
House Kansas 2000 Select Committee
Statehouse, Room 180-W
Topeka, Kansas 66612

Dear Representative Wilk:

SUBJECT: Revised Fiscal Note for HB 2522 by House Committee on Appropriations

In accordance with KSA 75-3715a, the following revised fiscal note concerning HB 2522 is respectfully submitted to your committee.

HB 2522 would make significant changes to the way classified employees are compensated. It would also make changes to certain benefits all employees receive, including classified and unclassified. The major changes are summarized below:

1. The current method of pay, based on time-on-step movement on the pay matrix, would be replaced with a performance-based pay system.
2. The new method would be implemented in two steps:
 - a. Group I: Fee-funded agencies, Regents institutions, and the Judiciary would be brought under the new method in FY 2001.
 - b. Group II: All other agencies would be included in FY 2002.
3. The existing pay matrix, with its 34 pay grades and 15 steps, would be replaced by four pay matrices, one each for the following job groups: public safety, direct-contact public service, professional-technical, and system support (all others).
4. The four pay matrices would be structured using broad-band pay grades but cannot contain steps.

Kansas 2000 Select Committee

Meeting Date 3-9-99Attachment 1

5. Agencies would be able to pay up to a 15.0 percent geographical differential for recruitment and retention purposes.
6. No employee's pay under the current system could be reduced under the new system, including longevity bonus pay.
7. Agencies would be able to convert any classified position to the unclassified service but not until the classified position is vacated unless the incumbent employee agrees. This provision would be effective at the beginning of FY 2001 for Group I and FY 2002 for Group II.
8. The Judiciary would be directed to develop a performance-based system for its employees, too.
9. Longevity bonus pay would be abolished.
10. Fee-funded agencies would be authorized to impose a surcharge on existing fees, as necessary, to finance the new performance-based system. Surcharge revenues that would ordinarily be credited to the State General Fund would be deposited in a new fund in each applicable state agency: the Performance-based Compensation Surcharge Fee Fund. Expenditures from these funds would be subject to limitations in appropriation acts.
11. Agencies would be required to include peer-group evaluations as part of the normal evaluation system.
12. Employees would be evaluated on the basis of "exceptional," "satisfactory," and "unsatisfactory." An unsatisfactory would result in counseling for the employee, and two consecutive unsatisfactory evaluations within six months would be grounds for termination. These provisions, excluding peer-group evaluations, are substantially the same as current practice.
13. Agencies would be required to monitor evaluations to ensure that the variation of employee ratings is within a statistically normal range distribution.
14. A group of employees in an agency would be randomly selected to evaluate each agency head's performance as an administrator. The results would be kept confidential. For the Executive Branch, the results would be reported to the Governor. The Department of Administration would make the random selections for Executive Branch agencies; however, the Governor's Office would make the random selection for the Department of Administration itself. The Legislative Coordinating Council would perform this function for legislative agencies and the Judicial Administrator for the Judiciary. Elected officials would be exempt from this process.
15. Agencies would be responsible for training employees in connection with implementing performance-based pay, and the Department of Administration would be responsible for ongoing training related to maintaining performance-based pay.

16. A new Director of Training position would be created in the Department of Administration in FY 2000 to implement the new system.
17. Employees who reach the maximum pay for their position would be re-trained for a higher-paying position, unless they decline the offer in writing.
18. Compensation levels for job classes or individual employees would be considered the administrative responsibility of the Governor, the Legislature, and the Supreme Court for their respective branches.
19. A Legislative Oversight Committee would be established to monitor progress in implementing the new system. It would start in FY 2000 and "sunset" on January 1, 2003.
20. The retirement reduction law would be repealed.
21. The Department of Administration would be required to provide each employee with an annual statement showing the total value of the employee's compensation package.
22. The Secretary of Administration would be required to replace the current premium-conversion cafeteria benefits plan with a credit-based cafeteria benefits plan. Employees could select from an expanded menu of options under the plan. Under this bill, an employee, for the first time, could receive in cash not more than 50.0 percent of the value of remaining available credits each year.
23. The Secretary of Administration would have the authority to require eligible participants to have health insurance coverage either through the state plan or through other policies, including a working spouse's coverage.
24. All agencies would have to be constrained by a limitation on the number of FTE positions they are authorized. Some are not under current law.
25. HB 2522 would also expand the State Employee Shared Leave Program. Employees currently can donate excess sick and vacation leave, within limits, to employees authorized to receive it. This bill instead would create a leave pool, which would still receive donated time, either to a specific individual or to the pool, but would also receive any leave up to 200,000 hours forfeited by employees who retire or separate from state service.

The Secretary of Administration would be authorized to require recipient employees to use first any accumulated sick leave and compensatory time credits as well as vacation leave over 144 hours. Currently, employees must use *all* paid leave before becoming eligible for shared leave. Finally, the bill would require the agency to act on a request for shared leave within ten days and would establish an appeal process for leave requests that are denied.

A number of the provisions in HB 2522 would have a fiscal effect. The fiscal effect would occur at various stages as the new system is phased in. The fiscal effect is summarized below.

1. The adoption of performance-based pay and replacement of the existing pay matrix with four new ones would not in themselves cause a fiscal effect. Any fiscal effect would depend on the salary levels established in the new pay matrices and the approval of funds in the appropriation process to implement a plan recommended by the Governor and/or approved by the Legislature, both of which are essentially the same as the way salary increases occur under the present system. Therefore, no exact fiscal effect can be predicted.

This rationale also applies to the surcharge authorized in the bill for increasing special revenue funds, because any increase would be undertaken exclusively at the discretion of individual agencies. Further, even if revenues were increased under this bill, special revenue funds with an expenditure limitation would presumably continue to be governed by this constraint, as authorized through the appropriation process.

2. The provision ensuring that employees would not receive any less pay under the new system would cause longevity bonus pay to be added to the base pay amount from which any future increases would be calculated. That effect, by itself, would make future salary increases more expensive, because longevity bonus pay is not currently part of the base upon which step movement and COLAs are calculated. However, there is growth in the statewide total of longevity pay from one fiscal year to the next. This growth could offset some part of the increase that would be caused by adding longevity into the salary base. This aspect of calculating pay would first appear in FY 2001 with Group I and would increase again in FY 2002 with Group II.
3. Regional differential pay up to 15.0 percent would make salary costs higher. No accurate estimate can be made of this provision, because any increases would be entirely at the discretion of the agency head and because there are no criteria included in the bill to indicate the extent to which this provision could be used. Therefore, the range of the cost increase could vary from zero if no agency used the differential to a significant cost increase if agencies chose to designate a large number of employees under this provision.
4. Limiting the number of FTE positions in all agencies would reduce managerial flexibility with regard to staffing. But there would be little, if any, fiscal effect. Agencies, such as the Regents institutions and non-judicial personnel in the courts, would not be able to create as many new positions. However, they could still make use of all available funds.
5. There would be a fiscal effect connected with the bill's provisions requiring training to implement and maintain the new system. But it is not possible to estimate training costs with any degree of accuracy. For information purposes, the cost in Georgia for contractual consultant services, software for automation, and supplies to develop the training program is \$1,558,223. In addition, the actual cost of training 15,507 master trainers, instructors, and supervisors is \$8,250,377.

Another part of the fiscal effect would relate to re-training employees for a higher-paying job when they reach the maximum salary of their pay grade. The Division of Personnel Services used actual training costs incurred by the Department of Revenue in obtaining and keeping information technology personnel as a result of high turnover rates. Each employee involved was re-trained at a cost of \$2,283. Currently, there are 2,169 employees at the maximum step. If the state re-trained all 2,169 at \$2,283 each, the cost would total \$4,951,827. Because it is not known how many would actually seek re-training, a precise estimate of the fiscal effect is not possible.

In addition, the fiscal effect of adding the new Director of Training in the Department of Administration, a Public Service Executive IV, is estimated to cost \$74,329, assuming a salary cost of \$67,018, including benefits, and \$7,311 for other operating expenditures. The position would be financed from the State General Fund starting in FY 2000.

6. The estimated cost of mailing a statement to state employees to advise them of the value of their benefit package, starting in FY 2002, is \$17,527. The estimate is based on DISC programming costs of \$6,400 to produce the statement itself and distribution costs of \$11,127.
7. Legislative Administrative Services estimates that the cost of the Compensation Oversight Committee would be \$28,650, all from the State General Fund in the Legislature's budget, starting in FY 2000.
8. The direct cost to the Department of Administration of the shared leave provisions would be \$7,200 for programming modifications to the SHARP personnel and payroll system, which would need to be completed in FY 1999 so the new program would be ready starting with FY 2000. However, this cost could be covered within existing expenditure authority.

These provisions would also expand the liability to pay for approved leave because eligibility would be increased as a result of the provision allowing employees to keep a portion of their vacation time. The maximum size of the pool is estimated by the Division of Personnel Services to be \$2,652,000, based on 200,000 hours times the average for employee pay of \$13.26 per hour. The cost for calendar year 1998 was \$1,113,540 for 319 shared leave requests. However, that total did not pay for all the shared leave approved. If payments had actually matched approved shared leave, the cost would have been \$1,404,579.

Because of the expansion of eligibility, it is likely that approved leave would be fully funded at the \$2,652,000 maximum. The estimate of cost represents a dollar value, with little direct effect on agency budgets. Nonetheless, the increased use of leave time, leave that would otherwise have been written off by the state, would ultimately result in a loss of work productivity by this dollar value.

9. Replacement of the current premium-conversion cafeteria benefits plan with a credit-based cafeteria benefits plan also would have a fiscal effect. Conservatively estimating that 1,500 employees currently waive coverage, state costs would increase by over

\$2,070,000 per year. The estimate is based on a monthly cost of \$115 and assumes that approximately 50.0 percent of state contributions are attributable to single medical and dental coverage.

In addition to those currently waiving coverage, there are many employees who elect single coverage because it is inexpensive. In this group are employees who utilize few or no benefits; therefore, they cost the state only the amount needed to administer the plans. Many of these employees could opt to take the cash or spend their cafeteria benefit amount on other benefits, both of which would increase costs to the state. If more employees took the cash in place of the benefits they now have, the number of employees left in the pool who need the benefits would decrease. The result of this "adverse selection" would be to drive up the cost of the premiums.

10. The last complete year for which information is available on the retirement reduction program is FY 1998. In that year, by not restoring one out of every four positions upon retirement, the state saved \$2.2 million, of which \$894,000 was from the State General Fund. These reductions represented the savings from deleting 148.8 FTE positions. The dollar savings have been declining since the inception of this law. If this law were repealed, some amount less than these totals would no longer be saved.
11. Estimated costs for market and salary surveys would be \$20,000 for the first year. The Division of Personnel Services would have to purchase at least three major surveys and participate in at least a half dozen more. The annual cost thereafter would be approximately \$8,000 a year.
12. The provision to ensure that a person waiving health care actually had other coverage is estimated to cost \$3,000 to \$4,000 for staff time, postage, envelopes, and computer reports.

Some of the smaller amounts could be covered within existing budget authority. However, additional expenditure authority could be required depending on the cumulative effect of small amounts or whether other costs, such as training, would be presumed to come from current resources. Any fiscal effect resulting from the passage of HB 2522 is not included in *The FY 2000 Governor's Budget Report*.

Sincerely,



Duane A. Goossen
Director of the Budget

cc: Pat Higgins, Administration
Jerry Sloan, Judiciary
Ben Barrett, Legislative Research
Sharon Schwartz, Legislative Services

WHY DOES GOVERNMENT NEED TO CHANGE?

BECAUSE SOCIETY HAS
CHANGED DRAMATICALLY
WHILE GOVERNMENTAL
SYSTEMS HAVE CHANGED
VERY LITTLE.

WE WILL EXPLORE...

- THE GENESIS OF GOVERNMENT BUREAUCRACY
- HOW SOCIETY IS CHANGING
- WHAT GOVERNMENT MUST DO
- HOW KDOA IS DOING IT.

OVER 100 YEARS AGO BUREAUCRACY WAS THE SOLUTION:

- REPLACED THE "SPOILS SYSTEM"
- PRESIDENT GARFIELD - CIVIL SERVICE ACT OF 1883
- CREATED A CLASS OF EXPERTS
- TO GOVERN AN UNEDUCATED SOCIETY
- GOVERNMENT "KNEW BETTER"
- PURPOSELY UNRESPONSIVE

ACTUALLY, GOVERNMENT HAS BEEN REMARKABLY EFFECTIVE

BUT NOT FOR MUCH LONGER

WHAT ABOUT SOCIETY? HOW HAS IT CHANGED? AND WHY?

HOW HAS SOCIETY CHANGED?

- MOONRIDERS: THE CURRENT GENERATION OF ELDERLY "RIDING A HORSE TO THE MOON"
- 1930s - CHARACTER OF MODERN AMERICA
- 1940s - WWII THE CONSCIENCE OF MODERN AMERICA
- 1950s - FAMILY PARADIGM
- 1960s - CIVIL RIGHTS REFORM; AND, PLACE 12 MEN ON THE MOON

THIS IS AN INCREDIBLY SELF-RELIANT GENERATION

BUT SOCIETY CHANGED
AND IN THE PROCESS
CREATED A DRAMATICALLY
DIFFERENT GENERATION.

THE BABY-BOOMERS

- THERE ARE MORE OF THEM
- THEY WILL LIVE MUCH LONGER
- THEY HAVE PROFOUNDLY
DIFFERENT LIFE EXPERIENCES
AND VALUES

SO WHAT TRANSFORMED SOCIETY SO QUICKLY?

- 1. GREAT DEPRESSION
 - NO MONEY
 - NO BUYING
- 2. WWII
 - WOMEN WORKING OUT OF THE HOME
 - EARNINGS WENT UNSPENT
 - UNPRECEDENTED INDUSTRIAL
BUILD-UP

AFTER WWII

- HUGE PRODUCTION CAPABILITY
- PENT-UP CONSUMER SPENDING
- LOTS OF WEDDINGS AND BABIES
- AND...
- TELEVISION

MAJOR SOCIO- ECONOMIC SHIFT

- PRIOR TO WWII
 - PRODUCTION *FOR* NEEDS
- POST WWII
 - PRODUCTION *OF* NEEDS

WHAT ABOUT SHOES?

- 70% OF ALL SHOES SOLD ARE
ATHLETIC SHOES
- LESS THAN 1/2 OF 1% OF PEOPLE
WHO WEAR THEM ARE ATHLETES

REMEMBER THE MOONRIDERS?

- CHILDREN - GREAT DEPRESSION
- YOUNG ADULT - WWII
- ADULT - FAMILY 50'S
- PRIME - CIVIL RIGHTS

THE BABY BOOMERS?

- CHILDREN - HOOLA HOOPS
- SWEET 16 - MUSTANG CONVERTIBLES
- YOUNG ADULTS - THE PILL
- BY 40 - MICROWAVES, COMPUTERS
- AT 50 - VIAGRA

MOONRIDERS:

- 2/3 WORKED WITH THEIR HANDS
1/3 WITH THEIR HEADS
- ARE SELF- RELIANT
- HAVE A SELF- SACRIFICING
WORK AND LIVING ETHIC
- POSSESS FEW EXPECTATIONS

BABY-BOOMERS:

- 2/3 WORK THEIR HEADS
1/3 WITH THEIR HANDS
- EXPECT DESIRES TO BE
ACCOMMODATED
- DEMAND RESULTS
- HAVE TURNED PRIVILEGE
INTO A RIGHT

WHAT WILL BE THE POLITICAL CONSEQUENCE OF...

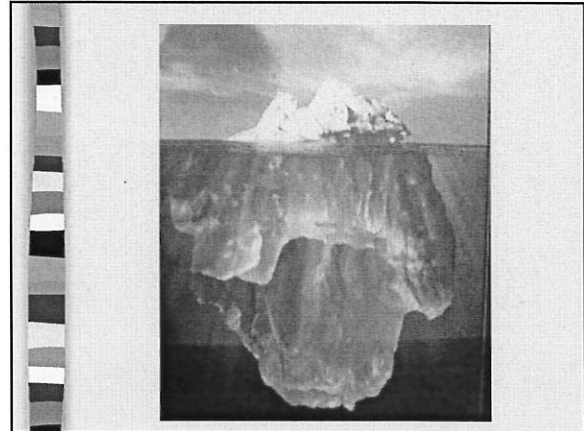
- BOOMERS MOVING FROM
PRODUCTIVE TAXPAYERS
- TO...BECOMING MAJOR USERS
OF GOVERNMENT SERVICES?
- IN JUST 30 YEARS 2/3 OF
VOTERS WILL BE AT OR NEAR
THE AGE OF RETIREMENT

GOVERNMENT WAS IN
PARALLEL

WITH MOONRIDERS

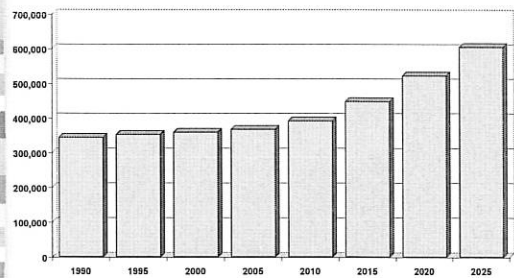
**GOVERNMENT IS ON A
COLLISION COURSE**

WITH BABY-BOOMERS

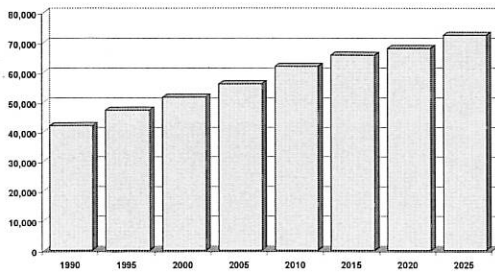


**SO, WHAT DOES THE
ICEBURG LOOK LIKE?**

Kansans Aged 65 or Older

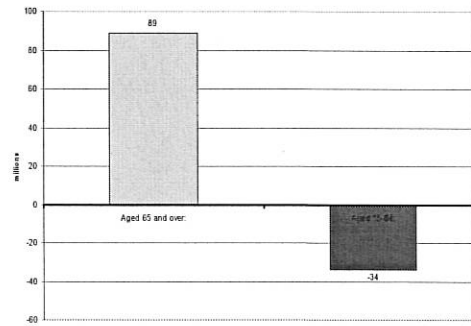


Kansans Aged 85 or Older

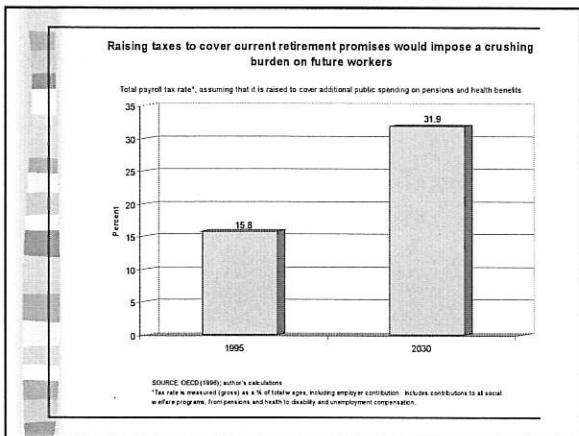
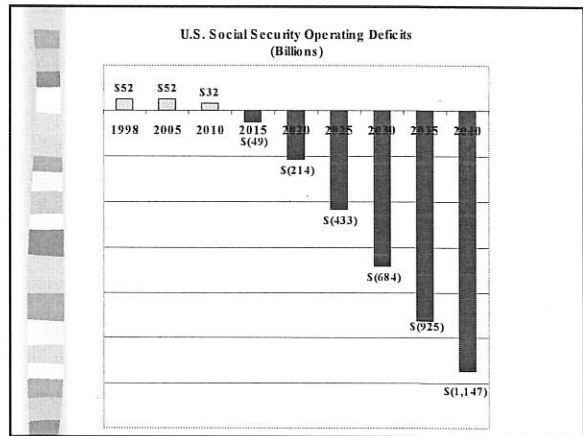
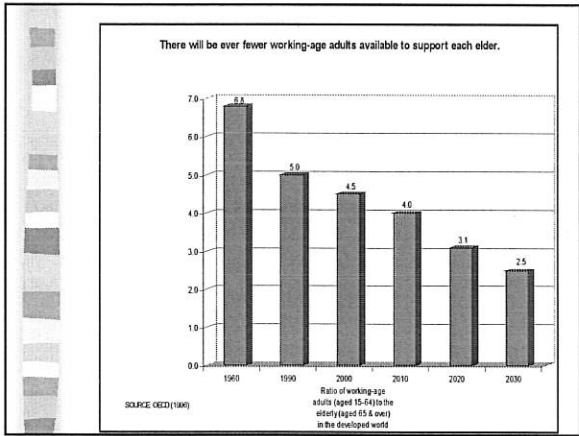
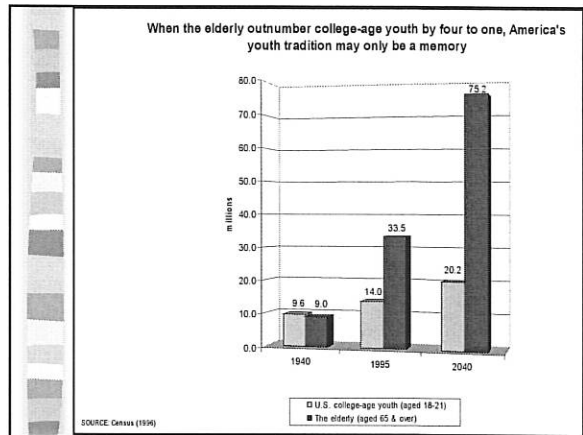
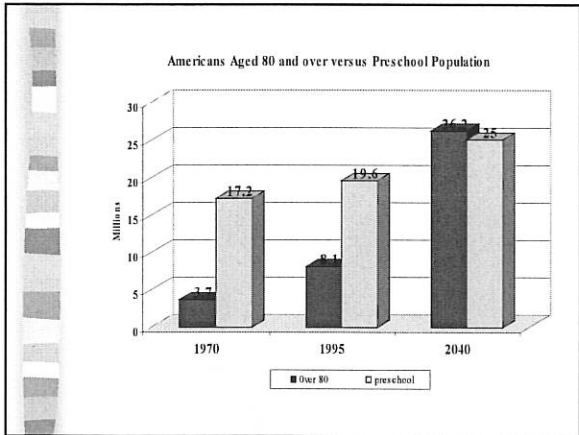


By 2030, the developed world will gain nearly 100 million elders-while the number of working-age adults shrinks:

Total change in the population of the developed world



SOURCE: OECD (1996)



**WITHIN 30 YEARS
EXPENDITURE FOR MEDICARE,
MEDICAID, SOCIAL SECURITY,
AND FEDERAL PENSIONS
WILL EXCEED ALL FEDERAL
REVENUES!**

**WHAT MUST CHANGE
TO AVOID A
COLLISION?**

**19TH CENTURY POLITICS
ENGINEERED
BUREAUCRACY:**

**IN A 19TH CENTURY
INDUSTRIAL
PARADIGM**

IN A TOP TO BOTTOM PYRAMID

- DIVISION OF LABOR BARRIERS
- SPECIALIZATION AND SEPARATION

AS A CLASS OF EXPERTS

- TO BE PURPOSEFULLY UNRESPONSIVE
- PERMEATED WITH CONTROLS, REGULATIONS, AND REPORTS
- REWARDING LONGEVITY INSTEAD OF PERFORMANCE

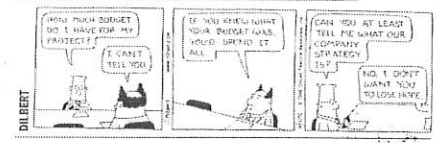
**TO GOVERN A BROAD
HOMOGENEOUS SOCIETY**

**WITH A
"ONE-SIZE FITS ALL"
PRODUCT**

**NOW BUREAUCRACY MUST
BE RE-ENGINEERED BY
TWENTY-FIRST CENTURY
POLITICS**

**IN A TWENTY-FIRST
CENTURY PROBLEM-
SOLVING PARADIGM!**

**WE MUST CHALLENGE
EVERY FUNDAMENTAL
ASSUMPTION OF OUR 19TH
CENTURY ORGANIZATIONAL
DESIGN.**



GOVERNMENT MUST...
Think

- Not about the cost to government but about the cost to society
- Not how government alone can problem solve but rather how the community can solve a problem
- Not just of its Mission but also of its Market
- Not about creating dependence but rather about creating independence

BUREAUCRACY MUST...
Think

- Not of Service but of Empowerment
- Not of a controlled centralized institution but rather of decentralized decision-making
- Not just of deregulating private enterprise but also of deregulating itself
- Not just of changing systems but also of changing organizational culture

**OKAY...HOW MUST WE
LOOK AT CHANGE?**

VISION

- FUTURE-BLINDNESS A DEADLY FLAW
- WHY DOES GOVERNMENT SUFFER FROM IT?
- REPLACE REACTIVE WITH ANTICIPATORY GOVERNMENT
- A PREVENTATIVE PARADIGM

MISSION

- SOLVE THE REAL PROBLEM
- MINISTER TO THE CAUSE NOT THE SYMPTOMS
- FOCUS ON OUTCOMES
- ILLNESS OR WELLNESS?

ISN'T THE MISSION ABOUT WELLNESS?

- 50% TO BEHAVIOR
- 20% DUE TO HEREDITY
- 20% TO ENVIRONMENT
- 10% OF WELLNESS IS DUE TO CARE GIVING
- WHERE DOES GOVERNMENT SPEND ITS MONEY?

PROGRAMS V. PRODUCTS

- CONSTITUENCIES
- TURF
- CONTROLS V. INCENTIVES
- PERPETUATE THEMSELVES - BECOME JOB SECURITY
- PROGRAMS NEVER GO OUT OF BUSINESS...BUT PRODUCTS BECOME OBSOLETE

PRODUCTS

- NEED TO BECOME PRODUCTS
- DESIGN AROUND OUTCOME MEASUREMENT
- FOCUSED ON CAUSES NOT SYMPTOMS
- CREATE BEHAVIORAL INCENTIVES FOR CUSTOMERS

SYSTEMS

- MEASURING OUTCOMES and OUTPUTS NOT INPUTS
- IF YOU CAN'T MEASURE IT, YOU CAN'T MANAGE IT.
- IF YOU CAN'T MEASURE IT, WHY SHOULD ELECTED OFFICIALS TRUST YOU?
- BENCHMARKING AND PERFORMANCE ACCOUNTABILITY
- FOCUSING ON THE RATS

WHY ISN'T KQM CATCHING FIRE?

- THE "BIG" SYSTEMS WORK IN OPPOSITION TO CHANGE
- BUDGET
 - BASED ON LAST YEAR'S INPUT
- HUMAN RESOURCES
 - STILL ONLY REWARDS LONGEVITY
- ORGANIZATIONAL CULTURE
 - THE EXERCISE OF REGULATION EXORCISES JUDGMENT

STRUCTURE

- MUST SUPPORT A NEW SYSTEM
- FACILITATE TEAMWORK
- EMPHASIZE DECENTRALIZATION
- INTEGRATE AND "INTRAGRATE"

CULTURE

- GIVE PERMISSION TO FAIL
- ENCOURAGE INNOVATION
- RECOGNIZE AND REWARD IDEAS AND PERFORMANCE NOT JUST LONGEVITY
- DON'T SUBSTITUTE RULES FOR JUDGMENT

A CHANGE IN CULTURE MEANS A CHANGE IN ATTITUDE

- ABOUT WORK
- ABOUT CUSTOMERS
- ABOUT THEMSELVES
- ABOUT EACH OTHER... TEAMWORK

WHAT IF:

- KANSAS DEPARTMENT ON AGING WAS...
 - KANSAS DEPARTMENT FOR QUALITY LIVING?
- KANSAS DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES WAS...
 - KANSAS DEPARTMENT FOR PERSONAL IMPROVEMENT?
- KANSAS DEPARTMENT OF ADMINISTRATION WAS...
 - KANSAS DEPARTMENT FOR QUALITY GOVERNMENT?

AND WHAT IF.....?

WE REALLY MEANT IT?

SO, HOW DO WE CHANGE
KDOA?

AND HOW DIFFICULT WILL IT BE?

- KDOA IS WHERE STATE GOVERNMENT WILL BE IMPACTED FIRST
- INERTIA - THE PROGRAM TRANSFER
- QUALITY STAFF
- SHARED VALUES
- LEADERSHIP

CHANGE DEFINED BY OUTCOME PRINCIPLES:

- VISIONARY
- AGILE
- FLUID
- INTEGRATED
- ANTICIPATORY
- RAPIDLY RESPONSIVE
- INNOVATIVE
- SEAMLESS
- EFFICIENT AND PRODUCTIVE
- ENCOURAGING
- REWARDING
- CONTINUALLY IMPROVING
- AND...
- CUSTOMER OBSESSED

A QUICK LOOK AT:

- THE "BLUEPRINTS"
- THE "FAST-TRACKS"

1. VISION

looking beyond the horizon

VISION BLUEPRINT:

- DEFINE THE LANDSCAPE
- CREATE A TOPOGRAPHICAL MAP
- MINIMIZING SURPRISE

VISION FAST-TRACK:

- I.M.P.A.C.T. INITIATIVE:
 - KASSEBAUM CENTER ON AGING
 - EXAMINE NATIONAL SOCIOLOGICAL AND DEMOGRAPHIC DATA
 - STATE ANALYSIS
 - WHITE PAPERS
 - SERIES OF DISCUSSION SUMMITS
 - NATIONAL COLLOQUIUM OF FINDINGS
 - ANNUAL UPDATES

IMPACT

- DEMOGRAPHIC PROFILE
- HEALTH ISSUES
- WORK AND RETIREMENT
- ECONOMICS OF AGING
- FAMILY SUPPORT NETWORKS
- HOUSING
- FORMAL SERVICES
- INFORMAL VOLUNTEER SUPPORT
- LEISURE AND RECREATION

2. MISSION

informed by vision

MISSION BLUEPRINT:

- THINK "EMPOWERMENT"
- CREATE A MISSION / MARKET/ RESOURCE MATRIX FOR EVERY PRODUCT
- REDEFINE THE SCOPE OF OUR MISSION: THINK INTERVENTION AND PREVENTION

MISSION FAST-TRACK:

- ISSUE SUMMITS
- PRIORITY ONE AND THE BUDGET PROCESS
- RETIREMENT GUIDE FOR KANSAS CHILDREN - "KANSAS FUTURE MILLIONAIRE'S CLUB"

3. PRODUCT

informed by mission

- PRODUCT BLUEPRINT:
 - CUSTOMER CIRCLES
 - PRODUCT TEAMS
 - DESIGNED FOR EMPOWERMENT
- PRODUCT FAST-TRACK:
 - CONVERTING PROGRAMS TO PRODUCTS
 - STANDARDIZATION

4. SYSTEMS

delivering products

SYSTEM BLUEPRINT:

- PARALLEL V. SEQUENTIAL MANAGEMENT
- BENCHMARKING AND OUTCOMES
 - GAINING THE TRUST OF ELECTED OFFICIALS
- PERFORMANCE ACCOUNTABILITY
- DECENTRALIZATION
- FOCUS ON EMPOWERMENT

SYSTEM FAST-TRACK:

- KAMIS
- "REMOVING MATTRESS TAGS"
- FOCUSING ON EMPOWERMENT
- IDEA TEAMS

IDEA TEAMS

- LOOK CLOSER - SEE ME
 - COMPASSIONATE LEARNING ABOUT OUR CUSTOMER
- MVP - MISSION, VALUES, PRIORITIES
 - PRIORITY ONE, BUDGET
- CULTURE CLUB
 - STAFF AS PEOPLE; SELF-IMPROVEMENT

IDEA TEAMS

- NOT JUST A JOB...A JOURNEY
 - TRAINING AND EDUCATION
- CARING AND REWARDING
 - RECOGNITION; STRESS REDUCTION; TGIM
- TALK TO ME...COMMUNICATION
 - MENTORING PROGRAM; STAFF INTERACTION AND TRAINING

5. ORGANIZATIONAL CULTURE

changing the heart of government as well as the face

CULTURAL BLUEPRINTS:

- CREATE A "TGIM" ATMOSPHERE
- LEARN FROM THE TOP 100 COMPANIES IN AMERICA
- REWARD AND RECOGNIZE
- BECOMING CUSTOMER OBSESSED
- STRESS LEARNING

CULTURAL FAST-TRACK:

- DEVELOPING A "COUNTER-CULTURE"
- IDEA ROOM
- MEETING THE PERSON INSIDE THE EMPLOYEE
- DECIDING AT THE EDGE OF THE CIRCLE

6. STRUCTURAL CHANGES

- FLATTEN THE PYRAMID?
- OR...
- ELIMINATE IT!

STRUCTURAL BLUEPRINTS:

- CIRCLE MANAGEMENT
- T.E.A.M. SYSTEM
- PRODUCT TEAMS
- WHAT ABOUT PRIVATIZATION?

STRUCTURAL FAST-TRACK

- AMPLIFIED MANAGEMENT
- GOVERNMENTAL ENTERPRISE
- CONNECTION TEAMS
- MERIT TEAMS

7. SKILL DEVELOPMENT

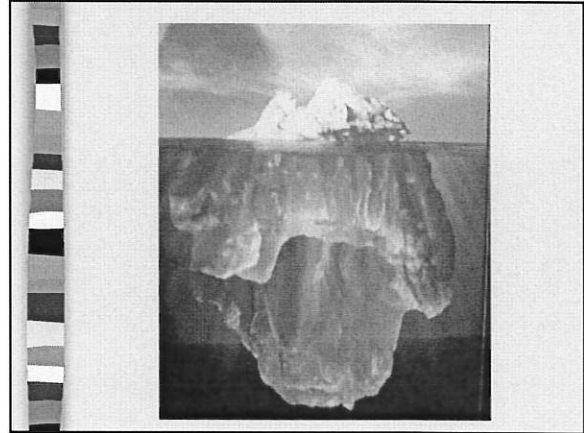
- ATTRACT
- EDUCATE
- MOTIVATE AND
- RETAIN

A LITTLE HELP ALONG THE WAY

FACILITATION OF CHANGE

WHO WILL AVOID THE ICEBURG?

- THOSE WHO...
- DEVELOP A NEW UNDERSTANDING OF THE PROBLEMS
- HAVE THE COURAGE TO CHANGE
- GENERATE NEW IDEAS AND TAKE ACTION
- EARN THE TRUST OF ELECTED OFFICIALS
- KANSAS AND KDOA



March 2, 1999

BOOKLIST
RE-ENGINEERING AND HEALTH CARE SYSTEMS
TERRY GLASSCOCK

Reengineering the Corporation, Michael Hammer, James Champy

Pioneering book on reengineering - the radical redesign of a company's processes, organization, and culture to achieve a quantum leap in performance.

Reinventing Government, David Osborne, Ted Baebler

How the entrepreneurial spirit is transforming the public sector, from schoolhouse to statehouse, city hall to the pentagon.

Successful Aging, John W. Rowe, M.D., Robert L. Kahn, Ph.D.

The MacArthur Foundation Study shows you how the lifestyle choices you make now - more than heredity - determine your health and vitality.

The Ownership Solution, Jeff Gates

Gives capitalism a human face and encourages all participants in the economy to share the responsibilities and reap the rewards of its success. Gates operates from the fundamental assumption that people are likely to become better stewards of all the systems of which they are part - social, political, fiscal, cultural, and natural - as they gain a personal stake in the economic system.

Grassroots Leaders For a New Economy, Douglas Henton, John Melville, Kimberly Walesh

Explains the unique leadership qualities that set civic entrepreneurs apart, and illustrates how these leaders can emerge from all levels of private, public, social, and civic organizations. The book shows how civic entrepreneurs forge powerfully productive linkages at the intersection of business, government, education, and community, and it demonstrates how they operate at the grassroots level to create "collaborative advantages" that make it possible for their economic communities to compete on the global stage.

Seamless Government, Russell M. Linden

A practical guide to re-engineering in the public sector.

Corporate Kinetics, Michael Fradette, Steve Michaud

Provides a blueprint for a new organization - an organism capable of adapting to fluid and uncontrollable forces in its ecosystem. Unpredictability has become a business reality. Companies need to accept that reality and learn to thrive by developing the ability to respond rapidly.

Bionomics, Economy As Ecosystem, Michael Rothschild

Bionomics is derived from the teachings of modern evolutionary biology and sees the economy as a self-organizing, "chaotic" information ecosystem. Bionomics sees organizations as intelligent social organisms and holds that organizational learning is the ultimate source of all profit and growth.

Kansas 2000 Select Committee

Meeting Date 3-9-99

Attachment 3

Strategic Planning, What Every Manager Must Know, George A. Steiner

A step-by-step guide to strategic planning which provides a concise, jargon-free handbook that avoids abstract theory and takes you straight to the "how-to" of planning. Takes you through every state of the process, from idea to execution to evaluation.

Segmenting the Mature Market, Carol M. Morgan, Doran J. Levy, Ph.D.

Highlights the fact that the large 50-plus population is not homogeneous. Takes an in-depth look at the lifestyles and buying habits of those over 50 and helps clarify the motivations of this diverse and increasingly important segment of consumers.

Managing in a Time of Great Change, Peter F. Drucker

Illuminates the business challenges confronting us today. Examines current management trends and whether they really work; the implications for business in the reinvention of government; and the shifting balance of power between management and labor.

Making Government Work, Martin A. Levin, Mary Bryna Sanger

Details the key characteristics of successful innovations and the managerial skills of effective government entrepreneurs. Uses success stories drawn from a broad range of innovative public programs and agencies to reveal how executives bring about public sector innovation, and the ways in which every public manager can improve public performance.

Corporate Renaissance, The Art of Reengineering, Kelvin F. Cross, John J. Feather, Richard L. Lynch

Participating in the creative process of reinventing the way work gets done destroys the existing order and creates a sense of loss and an uncertainty about where one belongs in the new order. This book addresses this dilemma by providing the tools and methods to successfully reengineer processes and shows how to tap the creative talents of the workforce in setting the renewal agenda for the corporation.

The Government We Deserve, C. Eugene Steuerle, Edward M. Gramlich, Hugh Heclo, Demetra Smith Nightingale

What kind of government do we need to meet America's challenges in the 21st century? Designed to help American citizens better understand the costs and benefits of current policies. Dominated by "outside the box" thinking about programs and institutional constraints. Critique of government's present and potential role in American society.

Success Secrets From Silicon Valley, Geoffrey James

Learn how top managers from companies such as Microsoft and Hewlett-Packard drive their teams to produce consistent, incredible results. Shows how the success secrets of the world's

most competitive and successful companies can be applied to any business, anywhere.

Regional Advantage, Annalee Saxenian

Highlights the fundamental organizational practices behind California's economic successes in several key sectors, a reality dangerously ignored by many of the state's political and business leaders.

Leadership Without Easy Answers, Ronald A. Heifetz

Clear, concrete prescriptions for anyone who needs to take the lead in almost any situation, under almost any organizational conditions, no matter who's in charge. His strategy of leadership applies not only to people at the top but also to those who must lead without authority. Heifetz brings theory to life, demonstrating what a practitioner can do - or avoid doing - to assume leadership in an age without easy answers.

License To Steal, Malcolm K. Sparrow

Sparrow has pieced together in coherent and insightful fashion the fraud control jigsaw puzzle and all its players. Included are not only war stories but also a strategy to contain and maybe ultimately even win the battle against health care fraud and abuse.

Public Health and Aging, Tom Hickey, Marjorie A. Speers, Thomas R. Prohaska

Discusses the current status of the fields of public health and of the aging service network and the lack of integration between public health and aging. Provides extensive support for the impact of behavioral, social, and environmental risk factors on the morbidity and mortality of older populations and how to best target community-based health promotion interventions for older populations. Reviews application of public health research to community-based health intervention programs, including an understanding of the community, a well-designed intervention strategy based on empirical research, and a program evaluation with meaningful outcomes and health indicators sensitive to the intervention. Also includes methodological and measurement issues. Discusses considerations, barriers, and limitations when implementing public health programs and goals.

The Fifth Discipline, Peter M. Senge

Blueprints for an organization where people expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning how to learn together.

The Fifth Discipline Fieldbook, Peter M. Senge

The Fieldbook is a pragmatic guide, showing how to create an organization of learners where memories are brought to life, where collaboration is the lifeblood of every endeavor, and where the tough questions are fearlessly asked.

Boomernomics, William Sterling, Stephen Waite

An in-depth look at how America's baby boomers have transformed the nation's and the world's economy and how that transformation must inevitably and radically alter its course as the boomers age. Gives strategies we can use to prosper during the "age wave" and discusses privatizing social security, applying market principles to the health care system, rethinking the concept of retirement, and using demographics to pinpoint growth industries.

Managing at the Speed of Change, Daryl R. Conner

Teaches system that focuses on how to change rather than what to change. Shows managers to negotiate transitions by teaching them 1) what distinguishes resilient people from those who suffer future shock, 2) why major change is difficult to assimilate, 3) the key elements and the flow of events involved in human transition, 4) what roles are central to change in organizational settings, 5) how and why resistance forms, 6) how people become committed to change, 7) why organizational culture is so important to a change's success and 8) why powerful teamwork is at the heart of achieving change objectives.

The Virtues of Aging, Jimmy Carter

Blending memoir, anecdote, political savvy, and practical advice, this book illuminates the rich promises of growing older.

Rocking the Ages, J. Walker Smith, Ann Clurman

Provides marketers with the strategies they need to understand and target the mature, boomer, and X generations, including specific information on where they live, what they earn, what they buy, and what motivates them to buy.

Out of the Crisis, W. Edwards Deming

Managers must increase the quality and productivity of the systems of people and machines that they manage. In this book, Deming explains what he believes managers have been doing wrong, informs them what they must do, and shows them his "way out of the crisis."

The Deming Management Method, Mary Walton

Change starts at the top with an informed, quality-conscious management. This book explains Dr. Deming's "14 Points for Managers" and his "Deadly Diseases of Management" and gives practical applications to everyday business life.

Principle-Centered Leadership, Stephen R. Covey

Covey demonstrates a long-term inside-out approach to developing people and organizations. He offers insights and guidelines that can help you apply his definition of a principle-centered core both at work and at home, leading to a new understanding of how to increase quality and productivity; also to a new appreciation of the importance of building personal and professional relationships in order to enjoy a more balanced, more rewarding, more effective life.

The Five Pillars of TQM, Bill Creech

Creech reveals what's wrong with the traditional American management style, and as its replacement, prescribes a "Five Pillar" form of TQM that can provide businesses the decisive competitive edge they will need to survive and prosper.

Managing at the Speed of Change, Daryl R. Conner

Conner's system focuses on "how" to change rather than "what" to change. Business people at all levels now face the major challenge of initiating company-wide reorganization plans, responding quickly to competition, establishing new products and markets, and adapting smoothly to fluctuations in the economy. Conner's successful methods will teach today's managers to negotiate these transitions.

Turnaround Management, Joseph Eisenberg

This book consists of twelve chapters written by executives who have successfully helped turn around major functions or activities of medium to large-sized corporations. Each chapter provides specific guidelines on how to carry out an assignment, what steps to take and what to avoid, during the first six to twelve months in a new position to ensure a favorable impact.

Smart Moves for People in Charge, Sam Deep and Lyle Sussman

Deep and Sussman provide answers to big questions for people with big responsibilities. Easy-to-use checklists explain how leaders motivate and manage groups, uncover new ideas, stay close to customers, handle budgets, and find balance in a busy life.

Leadership Without Easy Answers, Ronald A. Heifetz

We are facing an unprecedented crisis of leadership but it stems as much from our demands and expectations as from any leader's inability to meet them. This book gets at both of these problems, offering a practical approach to leadership. Heifetz presents clear, concrete prescriptions for anyone who needs to take the lead in almost any situation, under almost any organizational condition, no matter who's in charge. His strategy of leadership applies to both those at the top and to those who must lead without authority.

Managing Transitions, Making the Most of Change, William Bridges

Bridges provides a clear understanding of what change does to employees and what employees in transition can do to an organization, and he shows how to minimize the distress and disruptions caused by change.

Kansas Quality Management

Kansas Quality Management (KQM) is a management philosophy that focuses on continuous improvement, customer satisfaction, and employee involvement. It provides the basic concepts and a framework for participation and continued learning. It also serves as a reference to agencies implementing KQM.

Gray Dawn, Peter G. Peterson

Within the next thirty years, the official projections suggest that governments would have to spend an extra 9 to 16 % of GDP annually simply to fulfill their old-age benefit promises. The developed world, taken collectively, has already promised future retirees some \$35 trillion in public pension benefits for which no money has been set aside. Peterson writes not only about the problem, but also suggests reforms that would allow us to adapt to these profound changes as humanely as possibly.

The Greatest Generation, Tom Brokaw

Brokaw tells the story of a generation of America's citizen heroes and heroines who came of age during the Great Depression and the Second World War and went on to build modern America. This generation was united by a common purpose and by common values - duty, honor, economy, courage, service, love of family and country, and, above all, responsibility for oneself. Their everyday lives reveal how a generation persevered through war, were trained by it, and then went on to create the America we have today.