A&M

# STATE OF KANSAS EFFICIENCY REVIEW

## INTERIM REPORT – SUMMARY RECOMMENDATIONS

JANUARY 12, 2016

NORTH AMERICA EUROPE MIDDLE EAST LATIN AMERICA ASIA

| | Total Savings and Revenue Estimate [$000s] | | | | | | |
|---|---|---|---|---|---|---|---|
| A&M Work Stream | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | Total |
| Cross Agency | | | | | | | |
| Insurance | 1 | 33,883 | 35,723 | 35,723 | 35,723 | 35,723 | **176,775** |
| Procurement | 750 | 17,858 | 27,308 | 31,433 | 32,183 | 32,183 | **141,714** |
| Technology | - | 8,713 | 8,713 | 8,713 | 8,713 | 8,713 | **43,565** |
| Governor's Grants Office | - | 4,086 | 5,032 | 5,082 | 5,131 | 5,181 | **24,513** |
| Governor's Crime Prevention Office | - | - | - | - | - | - | **-** |
| Human Resources | - | 19,865 | 39,865 | 40,801 | 41,810 | 45,198 | **187,539** |
| Cross Agency | 751 | 84,405 | 116,641 | 121,751 | 123,560 | 126,997 | 574,106 |
| Administration | 1,333 | 10,550 | 6,649 | 2,970 | 3,054 | 4,826 | **29,382** |
| Children and Family Services | - | 856 | 4,313 | 4,280 | 4,241 | 4,211 | **17,901** |
| Commerce | - | 15,939 | 17,939 | 12,939 | 12,939 | 12,939 | **72,697** |
| Corrections | 38 | 6,155 | 8,776 | 8,496 | 8,350 | 8,171 | **39,985** |
| Education | 75 | 88,724 | 131,174 | 131,674 | 132,174 | 125,674 | **609,495** |
| Medicaid - KDHE & KDADS | - | 8,525 | 43,965 | 45,024 | 46,242 | 46,707 | **190,462** |
| Revenue | 17,800 | 67,600 | 70,000 | 72,700 | 75,400 | 78,300 | **381,800** |
| Transportation | - | 12,850 | 16,500 | 17,500 | 17,500 | 17,500 | **81,850** |
| General Government | - | 6,147 | 9,554 | 9,554 | 9,554 | 9,554 | **44,363** |
| Budget Process | - | - | - | - | - | - | **-** |
| TOTAL Savings and Revenue Estimates | 19,996 | 301,751 | 425,510 | 426,888 | 433,015 | 434,880 | 2,042,041 |
| TOTAL Number of Recommendations | 105 | | | | | | |

| A&M Work Stream | Unique Identifier | Recommendation Name | Recommendation Description | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Total Savings and Revenue Estimate [$000s] | | | | | | |
| Cross Agency | | | | | | | | | | |
| General Govt - Insurance | INS.01 | Establish a DOA Office of Risk Management (ORM) | Overall projected cost savings are generated by improved operating efficiency, alignment of risk with controls; strategic risk transfer; and enhanced claims control and risk management brought by the new ORM's industry expertise and oversight, including WC SSIF return-to-work programs and best practices to drive down WC claim occurrences and claim costs.<br>- Capital Outlay investment for ORM implementation and facility operational overhead costs.<br>- ORM new Salaries and Wages plus benefits and staffing overhead expense. | (70) | (417) | (417) | (417) | (417) | (417) | **(2,156)** |
| | INS.02 | KDOL Assessment Rate Change | Increase revenue by adjusting the Administrative Fund assessment charged to state Workers' Compensation carriers to 1% based on written premium from the current 2.79% based on prior year paid losses. | - | 30,900 | 30,900 | 30,900 | 30,900 | 30,900 | **154,500** |
| | INS.03 | Statewide Insurance Procurement Re-Bid | Leverage a competitive insurance procurement process and strategic sourcing of policies. The cost savings is projected at 10% of current P&C policy premiums totaling $2.84M. | 71 | 284 | 284 | 284 | 284 | 284 | **1,491** |
| | INS.04 | Replace WC State Self Insurance Fund (SSIF) Claims Management with an Experienced Third Party Administrator Overseen by ORM | Reduce WC SSIF claims costs by replacing current WC SSIF claims staff with an experienced TPA overseen by the recommended new ORM, for management of new go-forward claims and closeout of open runoff claims at FY 16 end.<br>- Capital Outlay investment for moving WC claims function to new TPA on a go-forward basis as of FY 17.<br>- Projected cost savings generated by reduced WC claims costs and claims volume, and enhanced risk management, brought by outsourced TPA with ORM oversight.<br>- Projected cost savings to replace existing $136K/year Systema claims software and $1.7M/year CompAlliance TPA limited-services contracts with new full-service TPA as of FY17.<br>- Projected cost savings for discontinued facility operations and overhead expense (other than staffing overhead) associated with WC SSIF claims staff elimination at FY 16 end.<br>- Projected Salaries and Wages cost savings by elimination of 16 FTE KDHE WC SSIF claims personnel salaries and staffing overhead at FY 16 end. | - | 3,116 | 4,956 | 4,956 | 4,956 | 4,956 | **22,940** |
| **Insurance Total** | | | | 1 | 33,883 | 35,723 | 35,723 | 35,723 | 35,723 | 176,775 |
| **Procurement** | DOA.01 | Strategically source top categories | Short Term - Conduct a statewide strategic sourcing exercise of a select group of high spend categories. This sourcing event will involve taking each category through a complete strategic sourcing exercise which will include the followings steps: spend analysis, category assessment, category strategy, souring event, negotiation and selection, contracting and supplier transition. A&M can lead the execution with assistance from DOA category managers to ensure that the approach can be repeated by DOA staff in future events. | - | 10,875 | 15,000 | 15,000 | 15,000 | 15,000 | **70,875** |
| | DOA.02 | Implement a category management structure | Medium Term - Establish a standardized, unified, center-led strategic sourcing and catagory management capability within DOA. The purpose of this function should be to develop deep expertise in the highest spend categories that state agencies consume, track and report spend across the state, maintain a list of key local/agency requirements for each category, have deep market place knowledge and be responsible for offering creative, viable solutions for satisfying needs for goods and services. | - | - | 4,125 | 8,250 | 8,250 | 8,250 | **28,875** |
| | DOA.03 | Pay invoices on day 30 | Short Term - Free up working capital: The standard payment terms on the State of Kansas contracts are Net 30 day terms. Agencies pay the invoices as soon as they are approved. This has resulted in most invoices being paid in 10 days on average. Because of this, the state is having to cover the 20 day float with working capital that could be eliminated or redeployed for other purposes. The SMART system has the functionality to hold and automatically release payments closer to day 30.<br>Note: The state would have to update the invoicing procedures to ensure that the agencies consistently enter the 'invoice receipt date' into SMART (provided that the contract calls for the 'invoice receipt date' and not the 'invoice date'). | 750 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | **15,750** |

| A&M Work Stream | Unique Identifier | Recommendation Name | Recommendation Description | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Total Savings and Revenue Estimate [$000s] | | | | | | |
| | DOA.04 | Negotiate early pay discounts | Medium/Long Term - Most supplier contracts do not currently have provisions for early pay discount terms (i.e. 2/10 net 30). By shifting vendor payments to be closer to day 30, some vendors will be more open to offering discounts when their invoices are paid early. This would speed up payment and save money for the state. | - | 750 | 750 | 750 | 1,500 | 1,500 | 5,250 |
| | DOA.05 | Automate the Procure to Pay process | Medium/Long Term - Define, enable and implement an automated procure to pay process across all agencies. This will bring consistency, transparency and improved efficiency to the requisitioning, purchase order generation and issuance, goods receipt and matching, and invoice receipt, approval and payment workflows. | - | (1,200) | - | - | - | - | (1,200) |
| | DOA.06 | Statewide contracts repository | Short Term: Create a central repository for all state contracts (agencies and universities). The repository should make it possible for any state employee to easily search for all exisiting contracts that cover a specific product or service. The repository should also provide enough insight to know when contracts will expire. KU and KUMC has a very powerful contract repository that is well configured and is easy to search. The state should consider leveraging the SMART Contracting module to store all state contracts and interface with Sciquest (KU/KUMC) to ensure there is statewide visibility to all contracts. | - | - | - | - | - | - | - |
| | DOA.07 | Centralize the management Wireless Services | Short Term: Implement a centrally managed wireless account management structure that will do the following: eliminate the need for agency personnel to oversee the reviewing and processing of the invoice, enable better overall management of the data plans and equipment, and enable the state to better leverage the volume to get lower pricing from the wireless providers. The state could consider contracting with a Telecom Expense Management (TEM) company to manage all wireless accounts statewide. | - | 160 | 160 | 160 | 160 | 160 | 799 |
| | DOA.08 | Implement networked printers at universities | Medium Term: Conduct a statewide assessment to identify which universities and agencies should move to network based printers/copiers to reduce procurement and maintenance costs. | - | 673 | 673 | 673 | 673 | 673 | 3,365 |
| | DOA.09 | Optimize facility operations to reduce energy usage | Short Term: Reconfigure facility heating and cooling systems to operate in an energy efficient manner by reprogramming settings to match occupancy level as well as environmental conditions. | - | 3,600 | 3,600 | 3,600 | 3,600 | 3,600 | 18,000 |
| **Procurement Total** | | | | 750 | 17,858 | 27,308 | 31,433 | 32,183 | 32,183 | 141,714 |
| **Technology** | TEC.01 | Consolidate Data Center | Outsource all existing State-owned Data Centers (Mainframe, Server and Storage) to an external IT Service Provider utilizing consumption based pricing and industry standard service levels. This would replace the existing EBTM project and provide all State Agencies (inclluding Universities) with access to secure compute utility on commercial terms. This has the potential to lower operating costs; lower the CapEx budget associated with replacing an aging server environment; increase availability; and provide a means to recoup some of the EBTM hardware investment. | - | 1,820 | 1,820 | 1,820 | 1,820 | 1,820 | 9,100 |
| | TEC.02 | Consolidate Network Services | Convert from localprinters and fax machines to a solution of Networked Mult-Function devices across as many State Agencies as possible. | - | 1,625 | 1,625 | 1,625 | 1,625 | 1,625 | 8,125 |
| | TEC.03 | Consolidate Service Desk and EUC | Consolidate Service Desk operations (Level 1 support) across as many State Agencies as possible. This will lower costs, reduce duplication of effort and can lead to improved service (i.e., coverage hours; Answer Rate; First Call Resolution). | - | 2,400 | 2,400 | 2,400 | 2,400 | 2,400 | 12,000 |
| | TEC.04 | Consolidate ADM | A&M recommends consolidating ADM and database administration across all of EBIT. | - | 1,900 | 1,900 | 1,900 | 1,900 | 1,900 | 9,500 |
| | TEC.05 | Consolidate Project Management, Security, Management and Other | A&M recommends consolidating these activities across all of EBIT to the extent possible. | - | 968 | 968 | 968 | 968 | 968 | 4,840 |
| **Technology Total** | | | | - | 8,713 | 8,713 | 8,713 | 8,713 | 8,713 | 43,565 |
| **Governor's Grants Office** | GGO.01 | Create a new Governor's Grant Office focused on Statewide Federal Funding | Create a Federal Funds Office to enable a coordinated, prioritized, and compliance-driven approach to maximizing the amount and effective use of federal funds and provide compliance oversight to state and local agencies. | - | 4,086 | 5,032 | 5,082 | 5,131 | 5,181 | 24,513 |
| **Governor's Grants Office Total** | | | | - | 4,086 | 5,032 | 5,082 | 5,131 | 5,181 | 24,513 |

| A&M Work Stream | Unique Identifier | Recommendation Name | Recommendation Description | Total Savings and Revenue Estimate [$000s] FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| Governor's Crime Prevention Office | GGO.02 | Retitle the Governor's Grants Office into a Governor's Crime Prevention Office | Realign Governor's Grants Office to enable efficient management of federal and state funds | - | - | - | - | - | - | - |
| Governor's Crime Prevention Office Total | | | | - | - | - | - | - | - | - |
| Human Resources | SEHP.01 | Plan Changes | Total Replacement - Only offer High Deductible Health Plans (Plan C) and remove the Plan A option. Tie employer Health Savings Account and Health Reimbursement Account contribution to wellness participation | - | 13,750 | 27,500 | 27,500 | 27,500 | 27,500 | 123,750 |
| | SEHP.02 | Retiree Liability | Implement OneExchange platform for retirees to remove all retirees from self-funded SEHP onto fully insured plans removing risk and lowering GASB liabilities | - | 5,750 | 12,000 | 12,936 | 13,945 | 15,033 | 59,664 |
| | SEHP.04 | SEHP Organization | Move SEHP from under KDHE to DOA for improved direct reporting, require universities to consolidate payroll systems to participate on SEHP or require payment terms similar to non-state employers | - | 165 | 165 | 165 | 165 | 165 | 825 |
| | KPERS.01 | KPERS Contributions | Make Required Contributions to KPERS as Specified under Current Law | - | - | - | - | - | - | - |
| | KPERS.02 | Maximize Investment Income | Encourage KPERS to Carry out its Strategic Plan with Emphasis on Maximizing Investment Income Consistent with Fiduciary Responsibility | - | - | - | - | - | - | - |
| | KPERS.03 | Compensation Changes | Consider Modest Changes In Compensation Which Can Be Considered In Pension Calculations. | - | - | - | - | - | 2,300 | 2,300 |
| | HC.01 | Outsource leave Administration | The state should review current policies and processes for leave administration, FMLA and workers compensation/disability approval and administration to reduce unnecessary employee absences and increase cost savings to the state. | - | - | - | - | - | - | - |
| | HC.02 | Non-Discretionary Perforamnce Bonus System | Allow for and Design Non-Discretionary Perforamnce Bonus System | - | - | - | - | - | - | - |
| | HC.03 | Host an annual ideas festival | Establish and host an annual ideas festival for submission of efficiency savings ideas | - | 200 | 200 | 200 | 200 | 200 | 1,000 |
| General Govt - Human Resources | | | | - | 19,865 | 39,865 | 40,801 | 41,810 | 45,198 | 187,539 |
| Cross Agency | | | | 751 | 84,405 | 116,641 | 121,751 | 123,560 | 126,997 | 574,106 |
| Administration | FLEET.01 | Fleet Reduction and Centralization | Simultaneous fleet reduction and FY17 adoption of recommended outsourced fleet management. | 1,333 | 2,825 | 995 | 995 | 995 | 995 | 8,138 |
| | MEMO.01 | Centralized budgeting and management | Enact centralized budgeting and management for services | - | - | - | - | - | - | - |
| | MEMO.02 | Statewide assessment on alternative memo billing | Conduct a statewide assessment on alternative billing model for state central services | - | - | - | - | - | - | - |
| | MEMO.03 | Centralized service functions | Compel agencies to utilize centralized service functions | - | - | - | - | - | - | - |
| | PRINT.01 | Electronic Communication and Documentation | Migrate to electronic means for internal communication (instead of paper mailing within various government agencies) and documentation | - | - | - | - | - | - | - |
| | PRINT.02 | Printer Consolidation | Create consolidated print stations to be shared by agencies with relatively low printing volume | - | - | - | - | - | - | - |
| | REAL.01 | Leasing Operations Consolidation - Leasing Savings | Leasing decisions for all State agencies should be centralized within DOA under the existing State Leasing Coordinator in order to achieve savings on rolling leases. | - | 116 | 226 | 218 | 278 | 313 | 1,151 |
| | REAL.02 | Leasing Operations Consolidation - Personnel Savings | Leasing decisions for all State agencies should be centralized within DOA under the existing State Leasing Coordinator in order to achieve savings on personnel costs. | - | 1,164 | 1,187 | 1,211 | 1,235 | 1,260 | 6,057 |
| | REAL.03 | Disposition of State Owned, Surplus Properties | Hire an external real estate PMO to identify, value, market, and sell suruplus State owned building and land. | - | 3,695 | 3,695 | - | - | 1,712 | 9,102 |
| | REAL.04 | RFP for Ground Lease for Lot #4 | Enter into a long-term ground lease agreement for Lot #4, a State-owned piece of property adjacent to the State Judicial Complex in Topeka. | - | 2,500 | - | - | - | - | 2,500 |
| | REAL.05 | Managed Print Service for the Capitol Complex | Hire a third party printing management company to assume management for all printing within the State Capitol Complex. | - | 250 | 250 | 250 | 250 | 250 | 1,250 |
| | REAL.06 | Telecommunications Partnership | Enter into an agreement with a cell tower leasing company and allow for the potential lease of small State owned land parcels or rooftops. | - | - | 296 | 296 | 296 | 296 | 1,184 |
| Administration Total | | | | 1,333 | 10,550 | 6,649 | 2,970 | 3,054 | 4,826 | 29,382 |

| A&M Work Stream | Unique Identifier | Recommendation Name | Recommendation Description | Total Savings and Revenue Estimate [$000s] FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| Children and Family Services | KDCF.01 | Child Support Debt Collection | Optimize KDCF collections for child support due to State (note: these efforts will also increase collections due to custodial parents, thereby stabilizing families and reducing demand for foster care and other services) | - | 735 | 692 | 659 | 620 | 590 | **3,297** |
| | KDCF.02 | KDCF Regional Facility Consolidation | Savings due to the consolidation of some of the state's 34 Regional Service Centers | - | 121 | 121 | 121 | 121 | 121 | **605** |
| | KDCF.03 | Children's Initiative Fund Optimization | Savings from applying new federal funding to redesigned or replacement Children's Initiative Fund programs. | - | - | 3,500 | 3,500 | 3,500 | 3,500 | **14,000** |
| **Children and Family Services Total** | | | | - | 856 | 4,313 | 4,280 | 4,241 | 4,211 | **17,901** |
| Commerce | COM.01 | Enhance Commerce's Business to Business Strategies | Enhance Commerce's Business to Business Strategies with increased financial modeling, research analysis, project auditing, and marketing/sales service support efforts | - | 5,870 | 5,870 | 5,870 | 5,870 | 5,870 | **29,350** |
| | COM.02 | Implement a Community Finance Fees and Cost Recovery | Implement a Community Finance Administrative Fee, Tax Incentive Application Fee, and Administrative Cost Recovery on Grants (EDIF) | - | 3,018 | 3,018 | 3,018 | 3,018 | 3,018 | **15,090** |
| | COM.03 | Revise Primary Tax Incentive Programs | Revise Primary Tax Incentive Programs | - | 5,000 | 5,000 | - | - | - | **10,000** |
| | COM.04 | Eliminate Community Service Tax Credit Program | Eliminate Community Service Tax Credit Program | - | 2,000 | 4,000 | 4,000 | 4,000 | 4,000 | **18,000** |
| | COM.05 | Ensure no program subsidy for Athletic Commission fee for service operation | Ensure no program subsidy for Athletic Commission fee for service operation (Athletic Fee Fund) | - | 26 | 26 | 26 | 26 | 26 | **130** |
| | COM.06 | Centralize Commerce's HR and IT Operations within the Department of Administration | Centralize Commerce's Human Resources and Information Technology Infrastructure Operations within the Department of Administration (EDIF) | - | 25 | 25 | 25 | 25 | 25 | **127** |
| **Commerce Total** | | | | - | 15,939 | 17,939 | 12,939 | 12,939 | 12,939 | **72,697** |
| Corrections | DOC.01 | Prison-based Program and Credit Expansion | • Increase the amount of credit inmates can earn from 90 to 120 days . Credits are awarded for successful participation in prison-based programs that reduce their risk of recidivism and improve the likelihood of their reentry into society as crime and drug-free citizens that enjoy stable employment.<br>• Strategically increase overall access to prison-based programming.<br>• Implement a pilot program that allows inmates or their families to purchase electronic tablets to access cost effective educational programming and reentry resources that contribute to their program credit accretion. These programs also improve prison safety and culture. | - | 1,189 | 3,247 | 2,925 | 2,783 | 2,583 | **12,727** |
| | DOC.02 | Expand Correctional Industries | • Increase KCI's customer base to include non-state agencies and increase production at underutilized production facilities.<br>• Enforce mandate for Kansas State Agencies to purchase from KCI.<br>• Improve KCI marketing and business development strategy. | - | 1,512 | 1,512 | 1,512 | 1,512 | 1,512 | **7,562** |
| | DOC.03 | Work Release Expansion | Repurpose or close and divest minimum security housing units, such as the 120 bed Stockton Minimum Security Prison. This can be achieved through the expansion of low cost Work Release slots statewide, including: the 50-75 beds to the Wichita Work Release Center; full utilization of the 15 slots at Johnson County Jail; and the use of others offered in limited capacity throughout the state. | - | 1,037 | 1,137 | 1,137 | 1,137 | 1,137 | **5,585** |
| | DOC.04 | Community Corrections Transformation | • Develop a performance-based contracting agreement by putting the three lowest performing Community Corrections Agencies on Corrective Action Status with Revocation Review for a period of two years.<br>• Create partnership incentivizing grants to encourage more counties and Judicial Districts to band together as unified Community Corrections Agencies and reduce administrative costs in the long-term.<br>• Redirect unspent funding to more localized prison "stop gap" graduated sanctions, particularly community-based interventions, in the neediest regions.<br>• Review administrative costs of counties with less than 100 in their caseloads for opportunities to consolidate shared services | - | 1,469 | 1,937 | 1,960 | 1,972 | 1,972 | **9,310** |

| A&M Work Stream | Unique Identifier | Recommendation Name | Recommendation Description | Total Savings and Revenue Estimate [$000s] FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | DOC.05 | Expand Access to Substance Abuse Treatment Program | 1) Allow KDOC to selectively allow probation condition violators who have had their probation revoked for substance-abuse related issues to access a four-month drug treatment program in prison. Upon successful completion, they can return to Community Corrections supervision;<br>2) Allow KDOC to selectively allow for nonviolent offenders who previously failed/refused (or were discharged) from treatment to participate in the four-month prison-based drug treatment program and earn a reduced sentence upon completion;<br>3) Allow KDOC to selectively allow for offenders convicted on Small Sales Drug Level-4 felonies to participate in the SB123 18-month drug treatment diversion program that serves as an alternative to incarceration; and<br>4) Build small unit demonstrations of best practice therapeutic communities and/or program treatment units in prisons of each security level to ensure additional allocations of substance abuse resources are centralized, leveraged and targeted in a manner that also promotes culture change. | - | 759 | 759 | 783 | 771 | 795 | 3,866 |
| | DOC.06 | Strategic Overtime Reduction | • The Department of Corrections faces a staffing environment defined by constrained resources and high turnover. Competition for labor stems from other correctional systems, both federal and private, as well as public safety and private industries.<br>• The Kansas Department of Corrections currently lacks the ability to make the commensurate investment in wages necessary to match market rates. A notable side effect of this reality is an over-reliance on overtime as a staffing solution.<br>• However, overtime labor is often the most expensive option to meet staffing needs. Fortunately, there is precedent within the Kansas corrections environment – in addition to industry best practice literature – that inspires optimism for a state-wide implementation of operational efficiencies meant to minimize overtime (and thus reduce a major cost driver for the Department and correctional facilities). | 38 | 93 | 85 | 77 | 70 | 64 | 426 |
| | DOC.07 | Centralize Good Time Forfieture and Revocation Process | KDOC adult prisons should centralize the good time forfeiture/restoration monitoring process and consolidate the Records Office staff (whose primary function involves creation of 120-day good time reports). | - | 49 | 49 | 49 | 49 | 49 | 245 |
| | DOC.08 | Reduce Utilities Cost through Alternative Energy Pilot at EDCF | A renewable energy power purchase agreement pilot program could help reduce costs to the state over a long period of time (12-20 years), ensure operational security and prove a replicable pilot to be implemented at other correctional facilities or state-owned buildings. Prisons facilities are ideal candidates for supplemental renewable energy due to their consistent and predictable electricity needs. | - | 47 | 50 | 53 | 56 | 59 | 265 |
| | DOC.09 | Expand On-Site Medical Services and Telehealth agreements | Strive to reduce off-site medical transports by 10-15%. This will be achieved by strategically sourcing and consolidating affordable medical equipment prison medical unites. Additionally, cooperation with the Kansas State Department of Administration will be required to clear hurdles for medical professionals seeking licensure to provide telemedicine services throughout KDOC facilities. | - | - | - | - | - | - | - |
| | DOC.10 | Leverage Medicaid & Private Health Insurance for Parole & Community Corrections | Ensure that the state incentivizes Parole and Community Corrections contractors to become qualified to bill Medicaid and private health insurance, when possible, to maximize savings potential for health and behavioral health care. Examine the feasibility of shifting older, frailer inmate populations that are either Medicare or Medicaid eligible into a specialized, more secure nursing home setting on a form of any medical parole status. | - | - | - | - | - | - | - |
| | DOC.11 | Consolidate Shared Services | Review and rationalize shared service functions at each prison facility. Shared service functions can include, but are not limited to, Accounting (AP/AR), HR, and IT. If shared service FTE utilization is found to be greater than demand, or is a function which can be consolidated under the Central office, then reduce or reallocate FTEs as needed. Security staffing was found to be adequate at each location examined and a reduction or reallocation of security related staff is not in scope for this recommended assessment. | - | - | - | - | - | - | - |

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|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Total Savings and Revenue Estimate [$000s] | | | | | | |
| | DOC.12 | Implement a Key Performance Indicator (KPI) Framework | • Create a unified and scalable KPI Framework with the people, process and tools to empower KDOC with transparency and fact based decision making ability<br>• Define additional KPIs for performance based (quantitative) evaluation of program funding vs recidivism, vendor performance, staff performance, shared service performance, juvenile population, community corrections and others<br>• Expand the set of programs included in the KDOC Results First cost benefit model. This includes defining KPIs used to track the cost-benefit of key KDOC programs, in addition to collecting and analyzing results, identifying trends and synthesizing findings | - | - | - | - | - | - | - |
| Corrections Total | | | | 38 | 6,155 | 8,776 | 8,496 | 8,350 | 8,171 | 39,985 |
| Education | ED.01 | Excess Cash Carryover Balances | Excess cash reserves could be used to offset future education funding, provided that the USDs have assurance of stability and reliability of funding. We recommend absorbing this "one-shot" over a five year period. | - | 40,000 | 40,000 | 40,000 | 40,000 | 33,000 | 193,000 |
| | ED.02 | New Grant and Foundation Opportunities | We have identified nine potential Federal grant programs that yield new monies for charter schools, early childhood education, teacher improvement training, and technology. Difficult to estimate the potential size of new awards pending receipt of new Federal guidelines. Additional monies may be available from four Kansas-based private foundations that are geared towards education. A centralized grant writing function may be an effective approach to capture these monies as well as centralize compliance monitoring. | - | 299 | 299 | 299 | 299 | 299 | 1,495 |
| | ED.03 | Reorganization of KSDE IT functions | There are opportunities to eliminate overlapping positions and re-align KSDE services with articulated vision and strategy set by the Commissioner. IT is a particularly important area of inquiry and may lend itself to reducing the current 59 FTEs that service this function at KSDE. | - | 500 | 500 | 500 | 500 | 500 | 2,500 |
| | ED.04 | K-12 Benefit Program Consolidation | Consolidate K-12 benefit plans under one benefit plan similar to SEHP, utilizing SEHP network, staff, processes and procedures. This would reduce the overall plan administration expense for the SEHP through adding additional membership to current contracts and spreading cost of administration across larger population | - | 40,000 | 80,000 | 80,000 | 80,000 | 80,000 | 360,000 |
| | ED.05 | Collaboratively Source Select Categories on a Statewide Basis | The school districts should join with the Department of Administration and strategically source specific spend categories to drive greater cost savings for the school districts | - | 7,200 | 9,000 | 9,000 | 9,000 | 9,000 | 43,200 |
| | ED.06 | K-12 USDs Insurance Pool Participation | Expand participation of USDs in group-purchased "Pool" insurance programs designed for school districts. The premium cost savings for Pool participation is estimated at 20% of an average $100,000 P&C premium each for 140 of the 286 total USDs; and 10% of an average $500,000 P&C premium each for 6 of 10 largest USDs, on a phased roll-in basis from FY16 to FY21. Ten USDs current participate in an Insurance Pool program. | 75 | 725 | 1,375 | 1,875 | 2,375 | 2,875 | 9,300 |
| Education Total | | | | 75 | 88,724 | 131,174 | 131,674 | 132,174 | 125,674 | 609,495 |
| Medicaid - KDHE & KDADS | MED.01 | Reduction of PERM Rate | The agencies should institute broad operational improvements to lower the state's medicaid eligibility error rate | - | - | 34,084 | 34,084 | 34,084 | 34,084 | 136,336 |
| | MED.02 | Increase Oversight of MCO Program Integrity Units | Improved oversight and training of the MCO program integrity (PI) units will increase fraud, waste and abuse recoveries | - | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 20,000 |
| | MED.03 | Expansion of Federal Grants | The state should pursue additional Medicaid and healthcare Federal grant funding that it could be eligible for | - | 1,462 | 1,462 | 1,181 | 1,091 | 1,091 | 6,287 |
| | MED.04 | Reduction of CDDO facilities | KDADS should move to consolidate operations of certain regions thereby reducing its field footprint and reduce operational costs | - | 1,011 | 1,011 | 1,011 | 1,011 | 1,011 | 5,055 |
| | MED.05 | Implement Healthy Birth Outcome Initiatives | Implement healthy birth outcome initiatives to improve women and child health care outcomes and manage costs | - | 2,052 | 3,408 | 4,748 | 6,056 | 6,521 | 22,784 |
| | MED.06 | Centralize all Medicaid Support Functions within KDHE | Have all Medicaid support services under one unit to improve operating efficiency and potentially reduce adminstrative costs | - | - | - | - | - | - | - |
| Medicaid - KDHE & KDADS Total | | | | - | 8,525 | 43,965 | 45,024 | 46,242 | 46,707 | 190,462 |
| Revenue | KDOR.01 | Audit: Fill 14 auditor vacancies | Re-hire retired auditors in order to fill current audit department vacancies. The average auditor currently produces about $934k in collections annually. | - | 9,600 | 9,800 | 9,800 | 9,900 | 10,000 | 49,100 |

| A&M Work Stream | Unique Identifier | Recommendation Name | Recommendation Description | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Total Savings and Revenue Estimate [$000s] | | | | | | |
| | KDOR.02 | Collections: Hire 54 officers | Hire collection agents to fill current vacancies. The average collection agent currently produces about $1M in collections annually. | 7,800 | 48,000 | 50,200 | 52,900 | 55,500 | 58,300 | 272,700 |
| | KDOR.03 | Discovery | Coordinate new audits with Collections, General Counsel and Policy to have a more effective centralized audit plan that would be defensible through appeals and litigation. | - | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 50,000 |
| | KDOR.04 | Appeals | Reduce the current backlog of appeal cases to quickly generate additional revenue. There are 292 cases with about $95M in dispute. | 10,000 | - | - | - | - | - | 10,000 |
| **Revenue Total** | | | | 17,800 | 67,600 | 70,000 | 72,700 | 75,400 | 78,300 | 381,800 |
| **Transportation** | DOT.01 | KTA Partnership | Maximize KTA and KDOT Partnership | - | 2,500 | 5,000 | 5,000 | 5,000 | 5,000 | 22,500 |
| | DOT.02 | Office Consolidation | Eliminate area offices, moving administration to Districts and operations to sub area offices | - | 3,200 | 6,400 | 6,400 | 6,400 | 6,400 | 28,800 |
| | DOT.03 | Engineering Contractors | Replace use of some external contractors for design engineering with in house staff | - | 500 | 1,000 | 2,000 | 2,000 | 2,000 | 7,500 |
| | DOT.06 | Equipment | Lease or sell underutilized non-passenger equipment | - | 3,000 | - | - | - | - | 3,000 |
| | DOT.07 | Permit Fees | Institute right of way, access permits, driveway permit fees | - | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 7,500 |
| | DOT.08 | Sponsorship | Institute or increase sponsorship for rest stops, traveler assist hotline, roadside logo sign program, and motorist assist program | - | 1,700 | 1,700 | 1,700 | 1,700 | 1,700 | 8,500 |
| | DOT.09 | HR | Centralize DOT HR staff at HQ with DOA | - | 450 | 900 | 900 | 900 | 900 | 4,050 |
| | DOT.13 | State Radio | Lease state radio system | - | - | - | - | - | - | - |
| **Transportation Total** | | | | - | 12,850 | 16,500 | 17,500 | 17,500 | 17,500 | 81,850 |
| **General Government** | B&C.01 | Organize B &C's under industry structures | Establish separate general industry, public health and financial industry umbrella structures to leverage shared resources, labor capabilities and mission alignment | - | - | - | - | - | - | - |
| | NG.01 | Facilities | The state should conduct a thorough review of State owned properties and facilities utilized by the Kansas National Guard to look for opportunities to implement additional surplus asset sales, and consolidate and reduce their footprint. | - | - | - | - | - | - | - |
| | NG.02 | Contracting | The Office of the Adjutant General should actively participate in the state's strategic sourcing exercise recommended by A&M. In addition to the statewide effort to implement strategic sourcing, the Office of the Adjutant General should pursue if additional savings are available through review of federal contracting:<br>- Examine the use of federal (DoD) contracts to save money with lower unit costs and contract use fees<br>- Determine if supply/service contract consolidation would reduce costs<br>- Maximize federal in-kind support | - | - | - | - | - | - | - |
| | NG.03 | General Administrative | The Office of the Adjutant General should continue to look for cost savings<br>- Seek federal fund increases that do not require matching state funds<br>- Review the 7115 Real Property Inventory Detail List records to ensure they reflect current mission and required workers<br>- Find less expensive equipment repair services<br>- Conduct regular audits of National Guard facilities funding<br>- Team with educational institutions to share distance-learning resources<br>- Team with local educational institutions to manage and conduct the StarBase program | - | - | - | - | - | - | - |
| | LOT.01 | Implement ITVM | Allow the Lottery to use Instant Ticket Vending Machines in Kansas | - | 6,147 | 9,554 | 9,554 | 9,554 | 9,554 | 44,363 |
| **General Government Total** | | | | - | 6,147 | 9,554 | 9,554 | 9,554 | 9,554 | 44,363 |
| **Budget Process** | BP.01 | Establish a Risk-Based Reserve Fund Policy | To ensure Kansas can withstand the next economic downturn it should establish a Risk-Based Reserve Fund Policy | - | - | - | - | - | - | - |
| | BP.02 | Develop a Structurally Balanced Budget Policy | Encourage a budget that contributes to long-term financial health. | - | - | - | - | - | - | - |
| | BP.03 | Improve Accuracy and Adaptiveness of Revenue Forecasts | Provide better revenue information and cost/economic drivers for budget decision-makers | - | - | - | - | - | - | - |
| | BP.04 | Deploy a Long Term Financial Plan | Develop a long term financial plan that addresses the multi-year fiscal impact of operating and capital improvement spending requirements | - | - | - | - | - | - | - |
| | BP.05 | Develop User Fee Policy | Ensure those who use public services pay the appropriate costs to use services | - | - | - | - | - | - | - |
| | BP.06 | Develop Debt Management Policies | Adopt policies to govern the use of debt and the amount of debt Kansas will incur | - | - | - | - | - | - | - |

| A&M Work Stream | Unique Identifier | Recommendation Name | Recommendation Description | Total Savings and Revenue Estimate [$000s] FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | BP.07 | Adopt Policy for Addressing Pension Liabilities | Pension policies define the state's intent to fully fund its pension obligations and follow other practices necessary to maintaining a health position in its pension funds. | - | - | - | - | - | - | - |
| | BP.08 | Maintain a Policy for Funding of Other Postemployment Benefits (OPEB) Obligations | The State of Kansas currently succeeds with keeping OPEB risk low, and should adopt policies to build on this success | - | - | - | - | - | - | - |
| | BP.09 | Conduct a Program / Service Inventory Assessment | Help decision-makers understand the services the budget funds detail by conducting a comprehensive program and service inventory | - | - | - | - | - | - | - |
| | BP.10 | Develop Goals to Guide Budget Decision-Making | Goals provide a basis for making resource allocation decisions during the budget process | - | - | - | - | - | - | - |
| | BP.11 | Include Evidence of Program Effectiveness in Budget Decisions | Kansas receives the highest return for its dollars when program effectiveness is embedded in budget decisions | - | - | - | - | - | - | - |
| | BP.12 | Implement Performance Budgeting | Create a statewide approach to introducing into the budget process consideration of the results a given program or service will achieve with the money it receives | - | - | - | - | - | - | - |
| | BP.13 | Provide Online Access to Budget Documents and Supplemental Data | Help decision-makers understand the services the budget funds in detail | - | - | - | - | - | - | - |
| | BP.14 | Optimize transparency and accessibility of the budget document | Use the best techniques from the GFOA Distinguished Budget Presentation Award program to improve transparency | - | - | - | - | - | - | - |
| **Budget Process Total** | | | | - | - | - | - | - | - | - |
| | | | **TOTAL Savings and Revenue Estimates** | 19,996 | 301,751 | 425,510 | 426,888 | 433,015 | 434,880 | 2,042,041 |
| | | | **TOTAL Number of Recommendations** | 105 | | | | | | - |

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