Summary:
The Connecticut CREATES Project

March 2021
CREATES project summary

Background

• 8k+ employees eligible for retirement by June 30, 2022

• Represents an imperative and an opportunity to modernize

• PA 18-81 asked the Governor to direct OPM to hire a national subject matter expert to find $500m in operational efficiencies

Outcomes

• Engaged with 41 agencies, surveyed 2,500+ employees, analyzed operational and financial data, and benchmarked CT’s performance against other states

• Identified ~200 opportunities totaling $600-900m+ of potential value
  - Includes $20m incorporated in FY22 and $155m in FY23 budget

• Drafted detailed report that highlights opportunities while acknowledging potential challenges to implementation
Three-phase approach to improving Connecticut's efficiency

Objectives

- Ensure continuity of operations
- Manage expenses
- Improve service quality

Approach

Baseline and calibration
Sep – Oct

- Assess risk and impact of retirement surge
- Identify improvement opportunities
- Develop prioritization criteria

Develop recommendations
Oct - Dec

- Conduct employee survey
- Filter and prioritize opportunities

Report and roadmaps
Dec - Mar

- Develop high-level implementation plans
- Develop case for change and supporting communications
- Test and refine initiatives with Agencies and other stakeholders
- Write final report
8,145 executive agency employees (27%) eligible for retirement by 2022

Note: Retirement eligible includes Early and Normal eligible employees for all agencies, plus Hazardous for DOC; "Executive agency employees" includes all Executive Branch Agencies, excluding Higher Education and the Constitutional Offices; total of 29,855 positions across all agencies
Source: CT STARS database as of 1/5/2021
Survey results indicate 72% of self-identified eligible employees leaning towards retirement, led by DESPP, DOC and DMV

Retirement Decision by Self-Identified Eligible¹

- **Retire**: 72%
- **Not Retire**: 8%
- **Undecided**: 19%

Five agencies have significantly higher uptake intentions²

<table>
<thead>
<tr>
<th>Agency</th>
<th>Retire</th>
<th>Not Retire</th>
<th>Undecided</th>
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<tbody>
<tr>
<td>DESPP</td>
<td>86%</td>
<td>4%</td>
<td>10%</td>
</tr>
<tr>
<td>DOC</td>
<td>78%</td>
<td>9%</td>
<td>13%</td>
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<tr>
<td>DMV</td>
<td>75%</td>
<td>20%</td>
<td>5%</td>
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<td>DAS</td>
<td>74%</td>
<td>15%</td>
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<tr>
<td>DRS</td>
<td>74%</td>
<td>10%</td>
<td>16%</td>
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</table>

~5-6k Potential retirements based on survey responses

50% Uptake among Early Retirement eligible

75%+ Intent among State Police, Corrections, Health Non-Professionals, Service / Maintenance and Protective Services job functions

31% Intend to move out of CT upon retirement

Most common reasons cited for retirement include

- Changes to COLA
- Health benefits

Most common factors cited for being undecided include

- Having a better understanding of the retirement benefit changes
- Continued enjoyment of the job

¹ N = 2,575 (1,680 eligible for Full and 895 for Partial benefits) ² Filters for agencies with at least 30 responses

Note: In 2009, with an offer of additional years of service, 44% of those eligible for normal retirement retired
The CREATEs report identified ~200 individual opportunities that mitigate disruption from retirements or improve services.

~200 opportunities across 28 agencies

$600-900m total potential value

<table>
<thead>
<tr>
<th>Agency</th>
<th># opportunities</th>
<th>Potential value ($m)</th>
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<td>DSS</td>
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<td>DoT</td>
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<td>Cross-agency</td>
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<td>Other</td>
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Six themes from the CREATES report

- Modernize management of the State workforce
- Streamline services and pool resources
- Digitize resident services and internal processes
- Optimize sourcing
- Design services to meet resident needs
- Rationalize state assets
• High number of vacancies due to difficulty in recruiting and retention for certain positions
• Long duration hiring process
• Non-competitive compensation for managers and high-skill jobs
• Lack of flexibility in changing org structures and job classes
• High levels of overtime experienced
• Tightly defined job duties

Recommendations

• Streamline the hiring process
• Improve manager value proposition and retention
• Manage overtime/absenteeism
• Improve management of workers’ compensation expenses
• Return DOC staffing to previous levels
• Optimize CSP trooper target and civilianize administrative functions
• Optimize CTECs administration and teacher levels
Recommendations | Streamline services and pool resources

Report Observations

- Some pooled resources but many repetitive functions operating individually within each agency
- Confusing landscape for residents who interact with multiple health and human services agencies
- Sub-optimal coordination across agencies with overlapping customers or geographic focus areas
- Uneven capabilities across agencies and lack of shared best-practices

Recommendations

- Further centralize shared services
- Streamline similar human service programs and support functions
- Strengthen coordination of human service operations via a central office
- Integrate agencies with similar missions
Recommendations | Digitize resident services and internal processes

Report Observations

- Uneven digital capabilities across the State
- Many agencies operating on legacy IT systems and paper records
- Digital-laggard agencies unable to build capability individually
- Residents restricted in their ability to conduct motor vehicle transactions at home or from partner locations
- Below average audit coverage ratios within DRS

Recommendations

- Expand usage of common payment platform
- Digitize document management
- Streamline Affirmative Action reporting
- Digitize more DMV transactions
- Complete Revenue Services digitization program
- Modernize Unemployment Insurance
- Digitize DMHAS patient records
- Adopt new maintenance and inspection tools in DOT
Report Observations

- State has well-established and robust engagements in place but faces obstacles related to certain specialized services
- High number of direct care staff eligible for retirement
- Longstanding transit operating contracts with generally high costs and little transparency
- Decade-long litigation over bus certificate requirements

Recommendations

- Expand non-profit engagement for providing LMHAs
- Expand non-profits for DDS group homes
- Contract operations of veterans’ convalescent care
- Bid out public transit service operations
- Review transportation structure and maintenance contracting
Recommendations | Design services to meet resident needs

Report Observations

- Ongoing initiatives to control healthcare spend
- Potentially hundreds of millions of dollars in uncollected taxes
- Public transit services designed for old ways of working
- Depleting STF with no appetite to introduce new revenues

Recommendations

- Align rail and bus service to resident needs
- Adopt value-based health payments
- Control health spending and maximize federal funding
- Improve tax compliance
- Cut low-ROI film and tax programs
- Find new transportation revenues
Recommendations | Rationalize state assets

Report Observations

- Significant restrictions on teleworking pre-COVID
- Own and lease significant amount of real estate
- Large number of dilapidated buildings needing upgrades
- Allocate more physical space per worker than private sector
- Significant decline in prison population since 2015

Recommendations

- Increase office co-location
- Consolidate specialized assets
- Match prison footprint to current population