Summary: The Connecticut CREATES Project

March 2021

Connecticut®

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	Develop recommendations Oct - Dec	Report and roadmaps Dec - Mar
Assess risk and impact of retirement surge	Conduct **employee survey**	Develop **high-level implementation plans**
Identify improvement opportunities	Filter and **prioritize opportunities**	Develop **case for change** and supporting communications
Develop **prioritization criteria**	**Test and refine** initiatives with Agencies and other stakeholders	Write **final report**

8,145 executive agency employees (27%) eligible for retirement by 2022

Legend: Other employees (gray), Retirement Eligible (blue)

Total Eligible: 8,145

Agency	DDS	DOC	DOT	DMHAS	DCF	SDE	DSS	DEEP	DESPP	DAS	Other
Total HC	2,624	5,946	2,991	3,174	2,970	2,100	1,645	1,174	1,545	735	4,951
Retirement Eligible / Total HC	39%	16%	31%	28%	21%	27%	26%	30%	21%	43%	44%
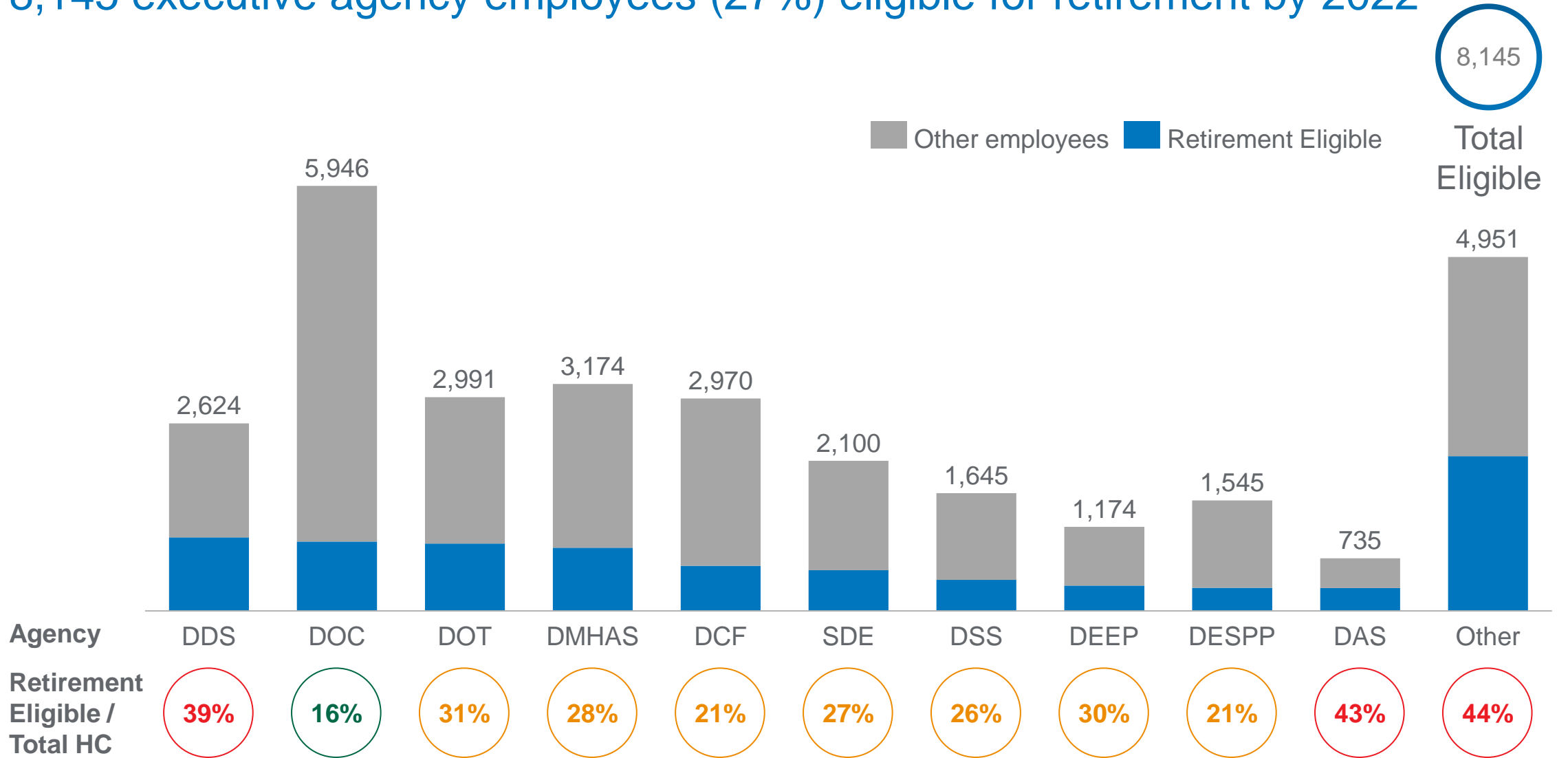
Note: Retirement eligible includes Early and Normal eligible employees for all agencies, plus Hazardous for DOC; "Executive agency employees" includes all Executive Branch Agencies, excluding Higher Education and the Constitutional Offices; total of 29,855 positions across all agencies
Source: CT STARS database as of 1/5/2021

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Survey results indicate 72% of self-identified eligible employees leaning towards retirement, led by DESPP, DOC and DMV

Retirement Decision by Self-Identified Eligible[1]

- Retire
- Not Retire
- Undecided

19%
8%
72%
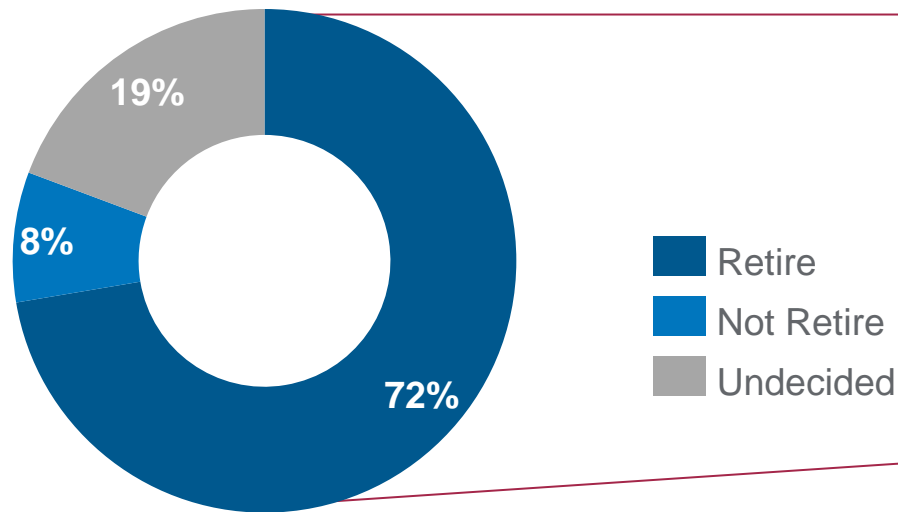
Five agencies have significantly higher uptake intentions[2]

	DESPP	DOC	DMV	DAS	DRS
Retire	86%	78%	75%	74%	74%
Not Retire	~4%	9%	20%	10%	10%
Undecided	10%	13%	5%	15%	16%
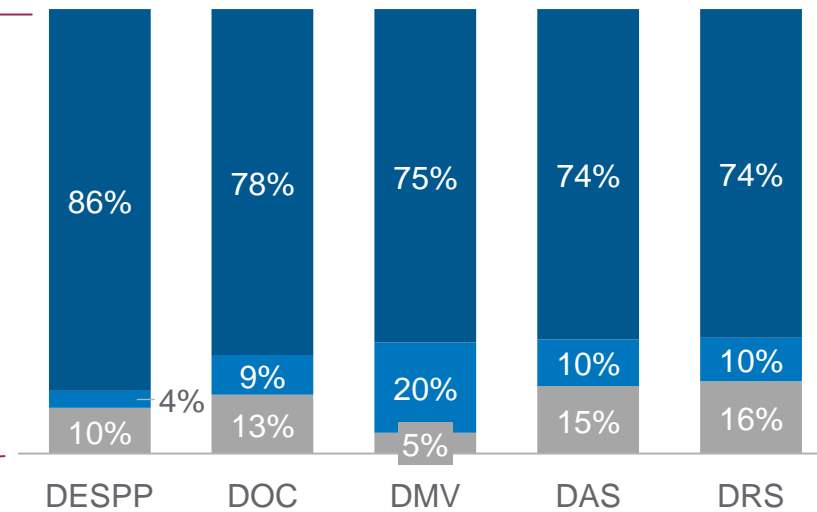
~5-6k   Potential retirements based on survey responses

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
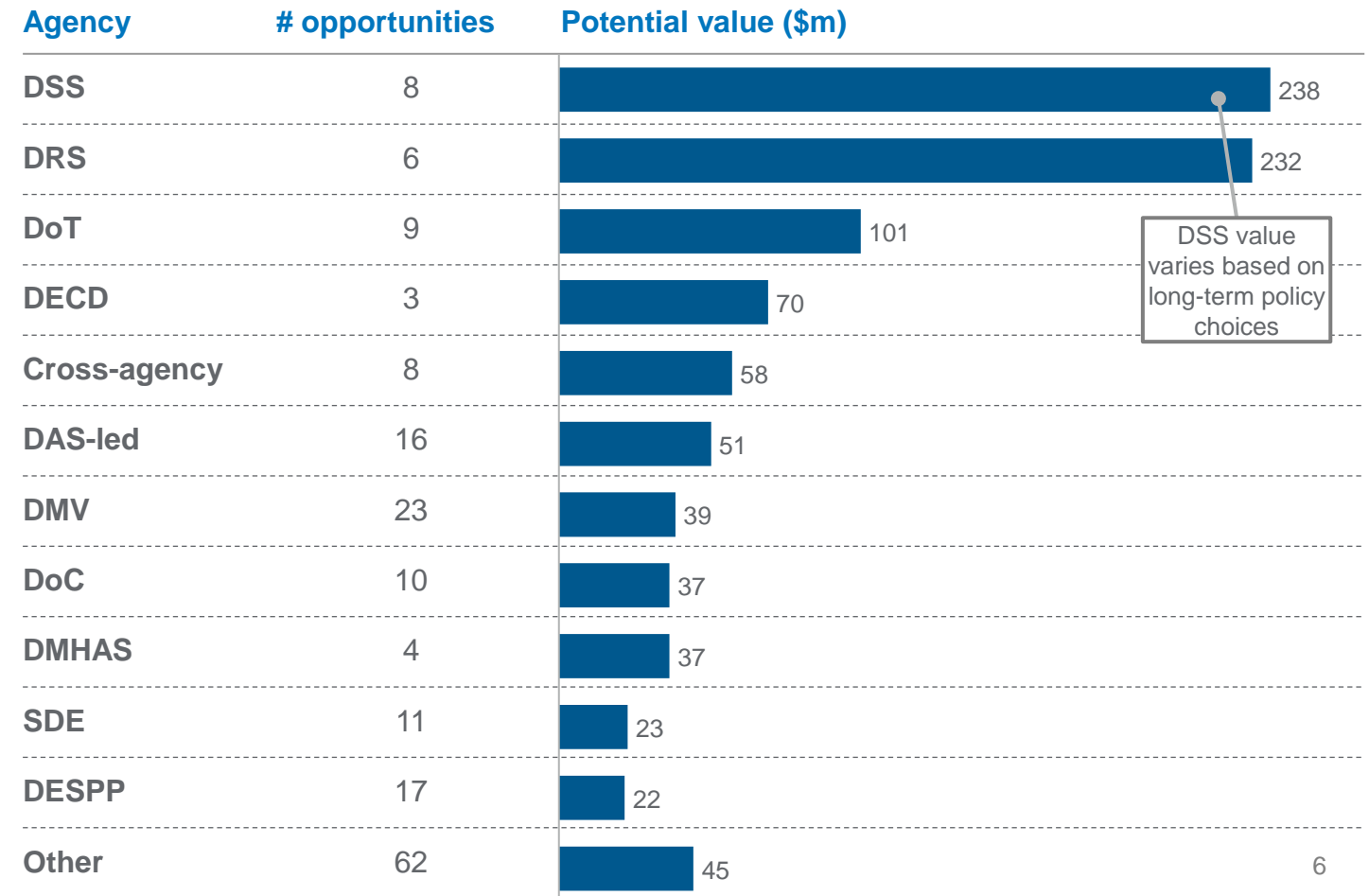
The CREATES report identified ~200 individual opportunities that mitigate disruption from retirements or improve services

~200 opportunities across 28 agencies

$600-900m total potential value

Agency	# opportunities	Potential value ($m)
DSS	8	238
DRS	6	232
DoT	9	101
DECD	3	70
Cross-agency	8	58
DAS-led	16	51
DMV	23	39
DoC	10	37
DMHAS	4	37
SDE	11	23
DESPP	17	22
Other	62	45

DSS value varies based on long-term policy choices

Six themes from the CREATES report

Modernize management of the State workforce

Optimize sourcing

Streamline services and pool resources

Design services to meet resident needs

Digitize resident services and internal processes

Rationalize state assets

Recommendations | Modernize management of the State workforce

Report Observations

- 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

FUTURE

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

FUTURE

- 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

FUTURE

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

Recommendations | Optimize sourcing

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

FUTURE

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

FUTURE
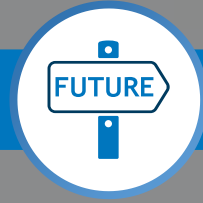
Recommendations

- 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

FUTURE

- Increase office co-location

- Consolidate specialized assets

- Match prison footprint to current population