



Summary: The Connecticut CREATES Project

March 2021

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

Assess risk and impact of retirement surge

Identify improvement opportunities

Develop prioritization criteria

Develop recommendations
Oct - Dec

Conduct employee survey

Filter and prioritize opportunities

Test and refine initiatives with Agencies and other stakeholders

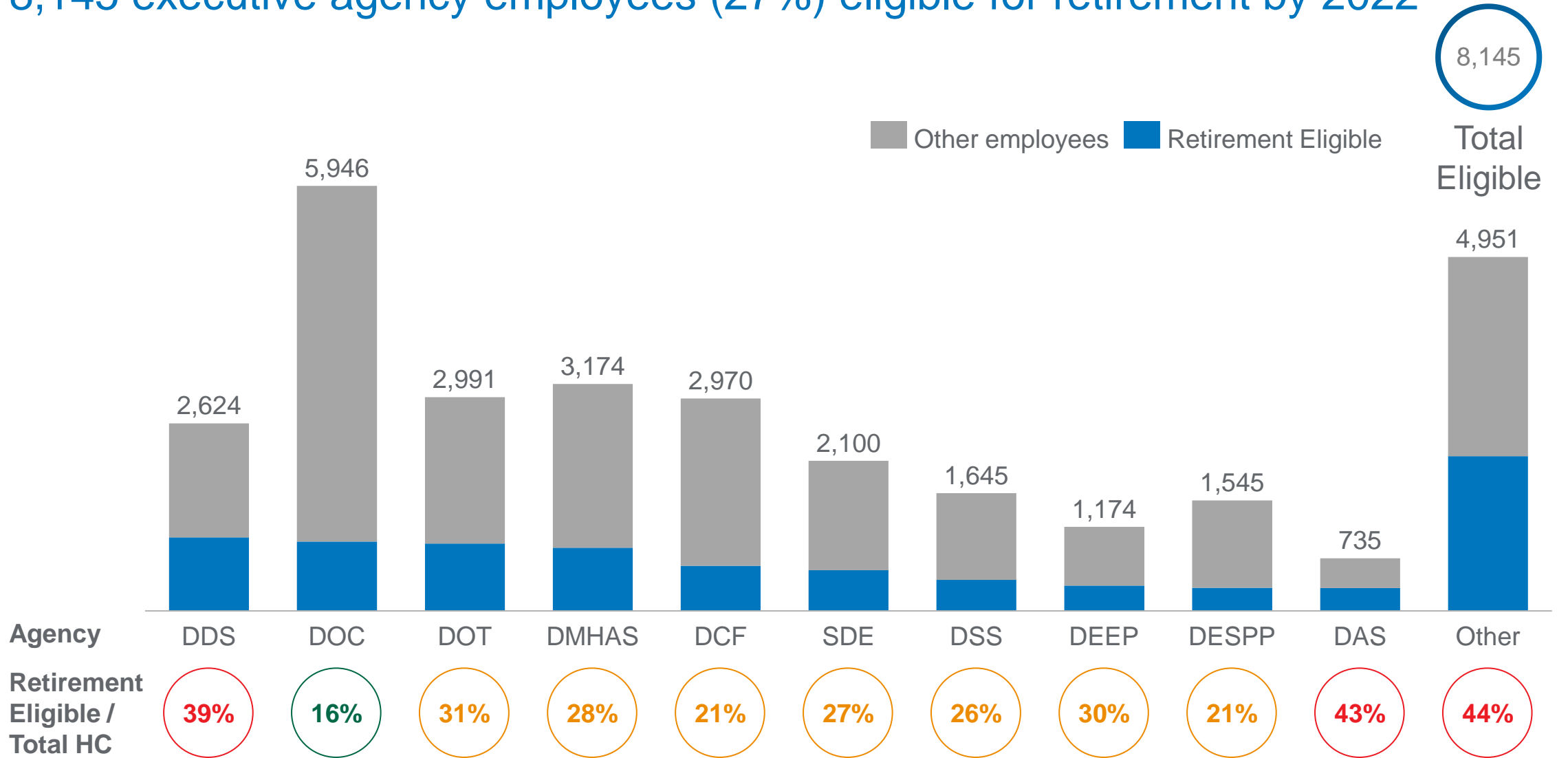
Report and roadmaps
Dec - Mar

Develop high-level implementation plans

Develop case for change and supporting communications

Write final report

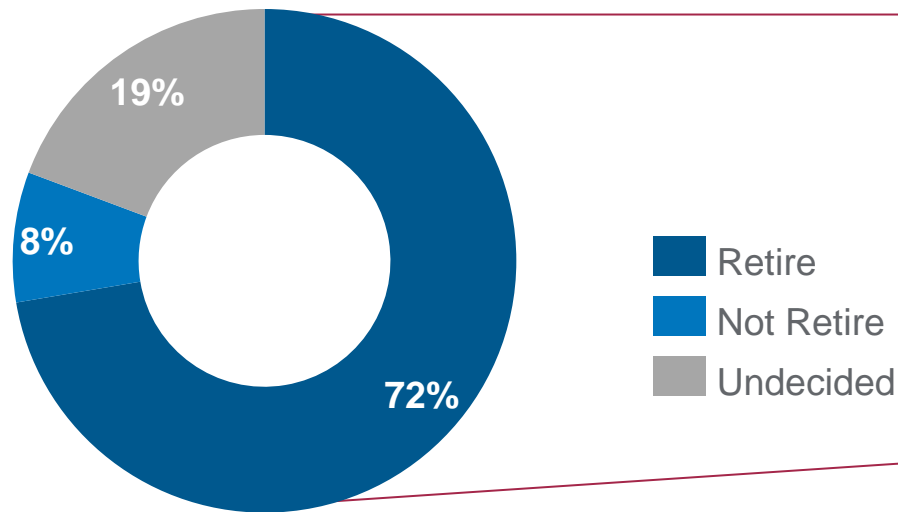
8,145 executive agency employees (27%) eligible for retirement by 2022



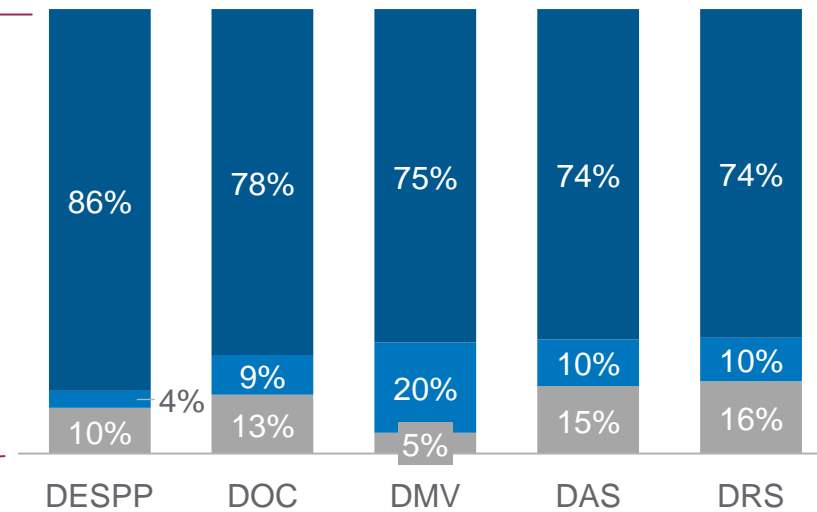
Note: Retirement eligible includes Early and Normal eligible employees for all agencies, plus Hazardous for DOC; "Executive agency employees" includes all Executive Branch Agencies, excluding Higher Education and the Constitutional Offices; total of 29,855 positions across all agencies
 Source: CT STARS 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



Five agencies have significantly higher uptake intentions²



~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

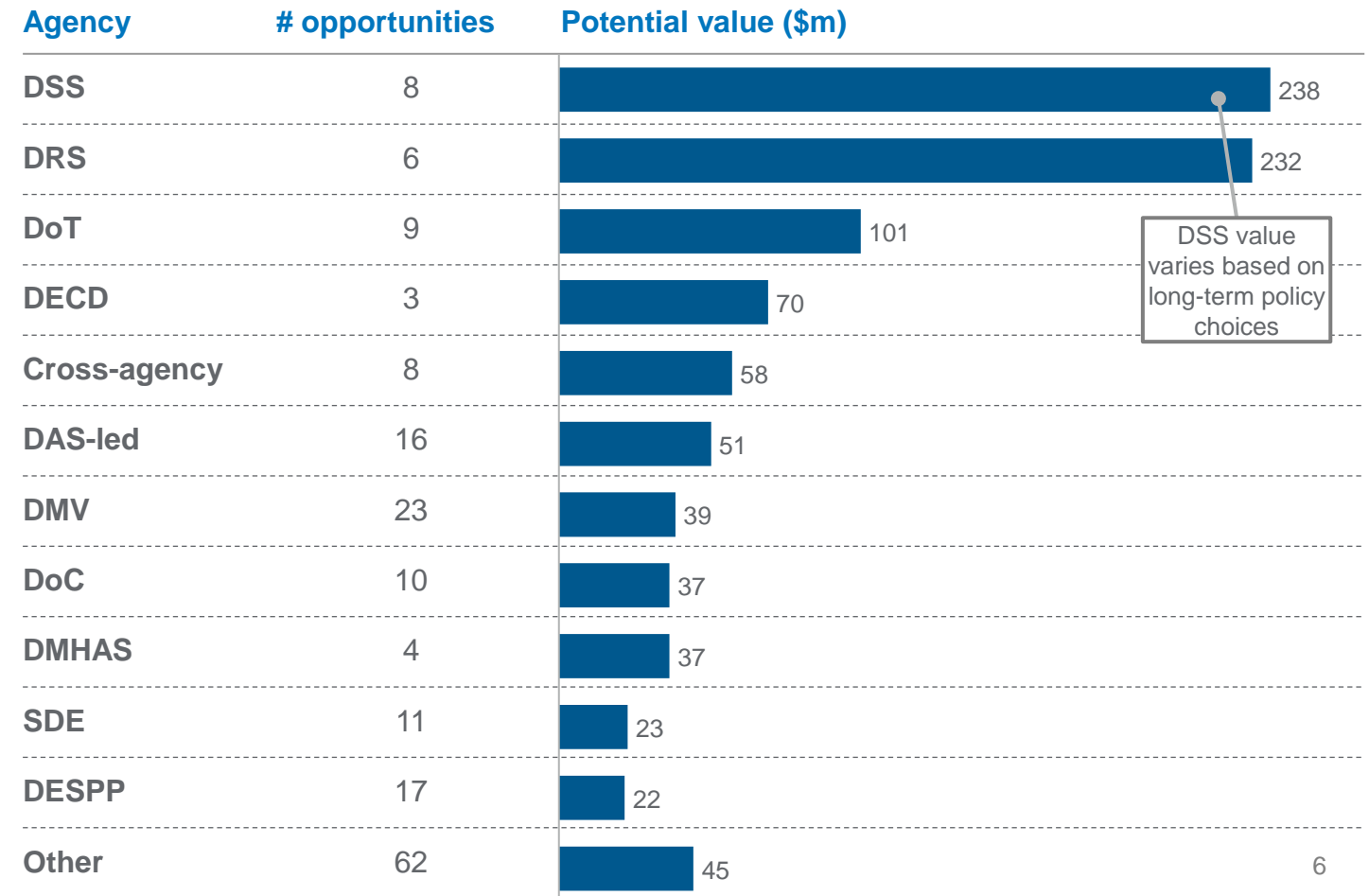
The CREATES report identified ~200 individual opportunities that mitigate disruption from retirements or improve services

~200 opportunities across 28 agencies

\$600-900m total potential value

Identified opportunities by agency (1 of 10)

Agency	Opportunity	Description	Potential value
ADS	Consolidate LP, HES and CHSP within ADS	Consolidate agency administering programs could improve policy coordination, simplify resident experiences, and reduce costs.	\$1.6m
Cross-agency	Develop common grant platform	Digitalize and streamline grant making processes across agencies via a common platform in order to reduce administrative costs, increase agency employee capacity, and simplify provider interfaces.	\$20.5m
Cross-agency	Integrate agencies with similar missions	Merge DMV, COI, DECD, DM and C&C with other agencies, primarily DSS.	\$12.2m
Cross-agency	Streamline human service program functions	Consolidate or jointly administer programs housed in separate agencies that are providing similar services and/or deliver similar content resident groups to simplify resident experience and reduce administrative costs.	\$4.10m
Cross-agency	Expand role coordination of human services ops	Create a central office overseeing all HRS agencies to coordinate key functions common to all agencies and streamline reporting.	N/A
Cross-agency	Improve manager value proposition and retention	Make becoming a manager in state workforce more attractive in order to better compete with private sector and encourage upward mobility.	N/A
Cross-agency	Manage over/underbusiness	Reduce 1.5M overtime expenses by optimizing staffing and scheduling as well as reducing available absenteeism.	\$15.25m
Cross-agency	Manage workers comp expense	Reduce workers' compensation expenses by bringing benefits in-line with peer states, mitigating fraud, increasing safety and incentivizing return-to-work programs.	\$5.4m
Cross-agency	Consolidate employment support administration	Consolidate the administration, management and oversight functions for employment supports and reducing overhead on contracted services.	\$1.6m
DAS	Digitalize performance management	HR documents, records, and workflows to be automated via People One (HR software) subscription.	-\$1m
DAS	Digitalize account/invoice notices	Reduce documentation in work via certified mail or fax due to email security concerns, resulting in only ~20% of envelopes being processed.	-\$1m
DAS	Digitalize invoice processing and Purchasing Card receipts	Invoice and P-card receipt processing currently requires heavy manual entry from associates, accountants, and expeditors.	-\$1m
DAS	Automate Probate Application processing	Probate Applications are received by mail and processed by Technicians—required to be processed within 30 days of filing date.	-\$1m
DAS	Automate Workers' Compensation calculations and audits	Remove manual processes in calculating WC payments.	-\$1m
DAS	Streamline payroll review of completeness calculations and audits	Majority of payroll process already digitalized—exception is chasing down employees who haven't submitted timesheets.	-\$1m
DAS	Automate check processing	Checks currently received via mail and entered in multiple systems, often being "touched" 4 or more times.	-\$1m



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



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

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



Recommendations

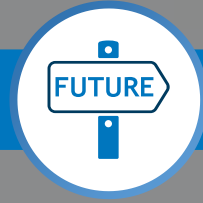
- Expand non-profit engagement for providing LMHAs
- Expand non-profits for DDS group homes
- Contract operations of veterans' convalescent care
- Bid out public transit service operations
- Review transportation structure and maintenance contracting

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