

Stewardship Series #4



Government Reorganization



Evergreen Freedom Foundation

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Stewardship Series

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The Evergreen Freedom Foundation (EFF) is a non-profit, educational research organization. The Foundation's mission is to advance individual liberty, free enterprise and responsible government. EFF staff conduct research and publish analysis and policy alternatives in the areas of state budgets; governance and citizenship; and health, education and welfare reform.

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Government Reorganization

“State government could operate better if its structure more closely paralleled those of private firms.”

The legislature “is restricted in its ability to pinpoint specific responsibility” for the programs and policies it authorizes.

“The organization of Washington State government adversely effects productivity.”¹

The words above were written in 1966, thirty-four years ago after the Governor’s Advisory Council spent two-and-a-half years reviewing Washington state government.

Since 1953, at least 12 major government reorganization studies have been completed resulting in more than 500 pages of proposals. Most of the recommendations have never been fully implemented, but this is not because the deficiencies leading to the commissioning of 12 reports have been eliminated.

One major roadblock to implementing various reorganization plans is the temporary nature of elected officials versus the permanency of the bureaucracy. Legislators come and go according to the wishes of the electorate leaving the bureaucracy to run the place.

In fairness to staff, however, legislators do not always make their wishes crystal clear, leaving staff uncertain as to the nature, gravity, or practicality of various reform proposals.

Our state’s two decades of financial prosperity have also served as an impediment to implementing reorganizational proposals. It is difficult for politicians to pass controversial reform measures when the economy is good.

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Most of the 12 studies reached similar conclusions regardless of which administration commissioned it. Common findings include: 1) too many independent agencies, boards and commissions exist, and the governor should have more managerial authority over them, and 2) government is too remote – separated from public accountability by too many layers of bureaucracy.

The public is often confused about how Washington state government functions and who is accountable for its operation. They would be surprised to find how little is under the direct control of the governor. For example, the governor’s office gets many inquiries on K-12 education and higher education, yet the governor has little direct control over those functions. Only 42 of the 110 agencies report to the

governor. For this reason, past governors have found it very difficult to implement management efficiency across state government agencies.

For example: Former Governor Lowry did an excellent job controlling the growth of the number of state employees and reducing travel for those agencies under his control. But other agencies such as the Superintendent of Public Instruction ignored his requests for efficiency and economy.

Little, if any, accountability exists for many vital functions of state government carried out by executive officers of independent boards or agencies (*i.e.*, Superintendent of Public Instruction, State Printer). Those individuals don't report directly to the governor and in some cases are not even subject to Senate confirmation.

Yet it seems each legislature creates new agencies, boards and commissions. Sometimes agencies, boards and commissions are created for symbolic reasons, other times because of hot issues such as education, health care, economic development and the environment. Before long these commissions have a life of their own, transcending the particular crisis for which they were established.

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Here's how it works. A *need* is discovered. Somebody with authority, perhaps a legislator or agency director, advocates on behalf of the *need*, voicing the necessity for leadership on the issue. New programs, services, and staff are funded to meet this *need*.

In the next budget cycle, employees of the new program testify about its success, but warn of *increasing needs* and related problems they have discovered. The program will require more money. The legislature, reluctant to expand the program's budget without additional oversight, creates another agency or commission to coordinate the first one. New offices are leased in regional sites and personnel are hired to staff the offices.

By the time the next budget is written, a raft of new legislators has been elected who know little, or nothing, of the program's origin or mission. The program and its various cousins become part of the establishment.

And there you have it, multiplied many times over, year after year.

MAKING GOVERNMENT REORGANIZATION WORK

Long-term, bipartisan political commitment will be part of what is necessary to implement meaningful government reorganization programs. This is very difficult to accomplish since political parties often have disparate agendas. Regardless of the differences, agreement should be *sought* on the following:

- Examine all state government operations to determine if they are the proper function of government, or if they should be accomplished by the individual (family) or private organizations? Ask the question, “Is this a core function of government?”
- If the function is determined to properly belong to government, is it best left to local government?
- If it is a state government function, how can it be accomplished economically, efficiently and effectively?

Policymakers will not all agree on the previous questions, but it is important to come as close to agreement on as many items as possible. Legislators will be surprised to find many of their “other party” colleagues in agreement on numerous components of the bigger picture.

Once the role-of-government questions have been asked and discussed, certain principles should be brought into play.

1. Service to the public should be at the core of all activities. Services must be delivered economically and efficiently. The intent should be clearly specified and limited by the law.
2. For the most part, reorganization efforts should be bipartisan, unless this is impossible to accomplish.
3. Changes must be genuine, not cosmetic. Simply changing agency names and personnel is not satisfactory.
4. Front-line employees should be treated as resources and potential partners in service delivery.
5. Results, not effort, should be measured.

The following reorganizational standards should be followed:

- Plan clear and direct lines of authority between the governor and those agencies for which the governor is responsible.
- Provide for accountability to the general public through direct gubernatorial appointment and Senate confirmation of agency executive officers.
- Structure government to enable citizens to easily maneuver through it.
- Structure agencies for flexibility and adaptability.
- Adopt reasonable spans-of-control for executives.

- Provide public access to advisory groups.
- Clearly define agency missions.
- Eliminate program or function duplications.

Because so many previous efforts have been made to reorganize government – Blue Ribbon Commissions, Cost Control Task Forces, Management Control & Cost Reduction Programs, Efficiency Commissions, etc. EFF recommends legislators and the governor set up a *process* for reorganization and specify the expected outcomes. We recommend:

- The legislature pass a constitutional amendment giving the governor expanded power to reorganize those areas directly under his/her control. This involves about 40 percent of the general fund-state budget. This first activity will provide models for later reorganization efforts.
- When step one is accomplished, the legislature should pass a constitutional amendment allowing the governor to reorganize the rest of the Executive Branch *subject to a veto by the legislature*. Under this proposal, the governor would propose reorganization plans to the legislature. That would become law unless rejected by a majority vote of either House during the session in which they were submitted. This proposal would allow the governor to concentrate on the real issues of reorganization. All levels of public education (K-12, community colleges, 4-year colleges) should be part of this effort.
- All statewide, elected officials should prepare strategic plans for their offices that are directly related to the constitutional framework, laws and intent that created them. This should be followed-up with performance measures linked to their strategic plans, along with specific designs to improve the efficiency, effectiveness, and economy of each. Any of the nine statewide elected offices determined to no longer be a core function of government should be eliminated. The legislature should also review the need for each statewide elected official remaining separately-elected as opposed to some being appointed by the governor.

The legislature will likely have a visceral reaction to what seems like giving the governor expanded powers. But we must remember the purpose of the separation of powers between the legislative and executive branches of government. The internal check and balance occurs when the legislature retains control over making laws and writing the budget and the executive (governor) is able to effectively administrate and oversee policy. The legislature is not to micro-manage administration and the governor is not to make law without the consent of the legislature.

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One possible way to overcome legislative resistance to giving the governor more power to reorganize state government would be to limit gubernatorial veto power. The same constitutional amendment allowing the governor to reorganize government could eliminate the governor’s power to veto a section of a bill, thus conforming the governor’s veto power to that which exists in the vast majority of states. This would be similar to a bipartisan bill introduced in the 1987 legislature (HJR 4208).

A look at the attached Organization Chart of Washington State Government illustrates the difficulty any governor has, and will have, managing resources efficiently and effectively. More than two-thirds of the state budget is not under the governor's span of control, yet the governor is held accountable for performance. For example, job training services are under multi-jurisdictions, and the governor has little control over the various programs. Our separately elected Superintendent of Public Instruction has some authority over job training programs. Boards of Regents and boards of directors of colleges and universities (not directly accountable to the governor) also have jurisdiction. A Workforce Training and Education Coordinating Board (accountable to a gubernatorial appointee) and other training programs are spread through various agencies. And the list goes on.

Transportation fares no better. Some programs are under direct control of the governor; some under a board appointed by the governor; others are under the authority of a separately elected official.

Following are things that should not be done when reorganizing government:

1. Do not make across-the-board budget cuts. This is a mentally and politically lazy method of budget reductions penalizing *necessary* services in equal proportion to frivolous, unnecessary programs.
2. Do not confuse *support* functions with *line* functions when evaluating the financial or organizational bottom line of programs. Line workers are chock-full of stories of unnecessary or burdensome support functions.
3. **Do not let good intentions obscure bad results. When an agency or program is failing, do not give them more money to try harder. This usually veils fundamental problems in design or mission and more money will only exacerbate the problem.**

Unquestionably, reorganization of state government is needed to improve services to the public and to reduce costs. Dozens of duplicative or overlapping programs and services are provided by state agencies. In many cases, streamlining state government would enable those receiving services to be treated as individuals with needs rather than numbers lost in a maze of government bureaucracy. In other cases, accomplishing the task means government should hand the program over to local government or the private sector.

Endnotes

1. *The Governor's Advisory Council on State Productivity* (1966).



1999-2000 Organization Chart Washington State Government

Legislative Branch

Executive Branch

Judicial Branch

Senate House of Representatives

Joint Legislative Audit and Review Committee
Legislative Transportation Committee
Legislative Ethics Board
Legislative Evaluation and Accountability Program

Office of the State Actuary
Joint Legislative Systems Committee
Redistricting Commission

Supreme Court
Court of Appeals
Superior Courts
District Courts
Municipal Courts

Supreme Court Clerk
Supreme Court Commissioner
Administrator for the Courts
Office of Public Defense

Law Library
Reporter of Decisions
Commission on Judicial Conduct

Agencies Managed by Statewide Elected Officers

Commissioner of Public Lands	Insurance Commissioner	Treasurer	Lieutenant Governor	Governor	Attorney General	Superintendent of Public Instruction	Auditor	Secretary of State
Department of Natural Resources Forest Practices Board		Public Deposit Protection Commission State Finance Committee Puget Sound Water Quality Action Team Salmon Recovery Office		Office of the Governor	Executive Ethics Board Office of the Faculty and Children's Ombudsman Governor's Office of Indian Affairs	Board of Education Academic Achievement and Accountability Commission		Productivity Board

Environment and Natural Resources General Government Transportation Health and Human Services Education Community and Economic Development

Agencies Managed by Governor-appointed Executives

Department of Ecology Department of Agriculture community commissions Interagency Committee for Outdoor Recreation Salmon Recovery Funding Board Pollution Liability Insurance Program	Office of Financial Management Department of General Administration Department of Revenue Department of Personnel Personnel Resources Board Department of Retirement Systems Employee Retirement Benefits Board Department of Information Services Lottery Commission Department of Financial Institutions Military Department Public Printer Office of Administrative Hearings Board of Accountancy	State Patrol Department of Licensing occupational regulatory boards Traffic Safety Commission	Department of Social and Health Services Department of Labor and Industries Department of Employment Security Department of Health occupational regulatory boards Department of Corrections Department of Veterans' Affairs Council for the Prevention of Child Abuse and Neglect Health Care Authority Public Employees' Benefits Board Department of Services for the Blind	School for the Blind School for the Deaf Workforce Training and Education Coordinating Board	Department of Community, Trade, and Economic Development Energy Facility Site Evaluation Council Office of Minority and Women's Business Enterprises Commission on Asian Pacific American Affairs Commission on African-American Affairs Commission on Hispanic Affairs Arts Commission
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Agencies Under Authority of a Board

Fish and Wildlife Commission Department of Fish and Wildlife Parks and Recreation Commission Environmental Hearings Office Pollution Control Hearings Board Shorelines Hearings Board Forest Practices Appeals Board Hydraulic Appeals Board Conservation Commission Columbia River Gorge Commission Growth Management Hearings Boards Eastern Washington Central Puget Sound Western Washington Board of Natural Resources	Personnel Appeals Board Liquor Control Board Public Employment Relations Commission Board of Tax Appeals Public Disclosure Commission Board for Volunteer Firefighters and Reserve Officers Gambling Commission Horse Racing Commission Utilities and Transportation Commission Investment Board Statute Law Committee Code Reviser Municipal Research Council Economic and Revenue Forecast Council Caseload Forecast Council Pension Funding Council Forensic Investigations Council Citizens' Commission on Salaries for Elected Officials State Capitol Committee	Transportation Commission Department of Transportation Board of Pilotage Commissioners Marine Employees' Commission Transportation Improvement Board Freight Mobility Strategic Investment Board County Road Administration Board	Human Rights Commission Indeterminate Sentence Review Board Board of Industrial Insurance Appeals Criminal Justice Training Commission Sentencing Guidelines Commission Health Care Facilities Authority Board of Health	Higher Education Coordinating Board Governing Boards of Four Year Institutions of Higher Education University of Washington Washington State University Central Washington University Eastern Washington University Western Washington University The Evergreen State College Board for Community and Technical Colleges Boards of Trustees Community Colleges Technical Colleges Spokane Intercollegiate Research and Technology Institute Library Commission State Library Higher Education Facilities Authority Washington State Historical Society Eastern Washington State Historical Society	Convention and Trade Center Housing Finance Commission Economic Development Finance Authority
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