

COMMISSION FOR A NEW GEORGIA: SAVINGS OVERVIEW

FY 2008

Background

In 2003, Governor Sonny Perdue created the Commission for a New Georgia as an independent, privately-funded business-sector advisory council, working in partnership with state agencies to streamline government operations. The public-private initiative is aligned with Governor Perdue's goal to make Georgia the best-managed state in America.

The Commission brings an outside perspective and enterprise thinking to the workings of state government and recommends business-tested tools and best practices to increase efficiency and effectiveness. Commission objectives are directed at best value for the tax dollar, operational cost savings that will free up funds for higher priorities, increased accountability and transparency in managing state assets, streamlined management capabilities through enterprise-wide systems, and customer-centered services.

Initiative

Since 2003, the Commission has launched 17 short-term task forces of private-sector experts and pro bono consultants to analyze administrative processes and modernize business systems and strategies. Particular interests have included asset management (fleet, space, and property), procurement spending and sourcing, IT architecture and tech support, public finance options, and accounts receivable. The Governor's Office of Implementation was established in 2004 to lead inter-agency efforts to put the initiatives into action.

Results

Of more than 70 Commission recommendations to date, 65 have been acted upon by the Governor's Office through Executive Orders and administrative directives. Cross-functional teams of agency administrators and staff have worked with the Office of Implementation to engineer operational innovations within departments and across the state.

As of December 2006, Commission initiatives implemented in government have generated \$13 million in estimated savings. (This does not include cost avoidance and proceeds from property sales used to renovate state office buildings.) Estimated savings are verified by an Internal Validation Committee established to substantiate dollar figures, methodologies and results. Members of the committee include the Governor's Chief Financial Officer, the State Accounting Officer, the Director of the Office of Planning and Budget, the Director of Implementation, and a private sector representative.

The largest single source of savings is the Procurement Transformation Initiative, which is replacing piecemeal purchasing of

billions of dollars in goods and services with a system of strategic sourcing that leverages the government's buying power to drive down pricing. An estimated \$135 million in targeted savings is expected over the next four years. The main focus of the work is establishing new purchasing agreements in selected spending categories, phased in three waves. The initial wave of contracts, awarded in FY 2007 in five major categories, will yield approximately \$15 million in first-year savings.

Governor Perdue appointed Georgia's first State Property Officer and ordered the first statewide inventory of government-owned and -leased properties: more than 19,000 buildings and 1,000 leases. Surplus properties have been identified for sale, and leases have been consolidated and renegotiated. The first-year savings on renegotiated leases totals \$1.04 million.

Available Savings

Total savings resulting from Commission initiatives were distributed across agencies, and adjustments were made to break out the amount that represented state general funds only. Of the total \$21.9 million savings, \$6.7 million was identified in the Amended FY 2007 budget to redirect to other high priorities within agencies' budgets and \$368,000 was eliminated entirely.

As part of the budget process, each agency had the opportunity to propose plans for redirecting the savings to other priorities within their budget. As a result, agencies were allowed to retain savings within programs to fund projects that they identified as high priority. Some of these projects include: telecommunications and on-going technology needs; computer charges and software purchases; replacement of outdated computers, and increased real estate rentals.

A portion of the savings was redirected to new initiatives and innovative projects. Examples include the Methamphetamine-force project in the Georgia Bureau of Investigation, wireless broadband internet access for the Department of Juvenile Justice caseworkers, and the Clemency Online Navigation System for Pardons and Paroles.

Details of the savings and redirections are shown by agency on the following chart. Agencies that were authorized to redirect all or a portion of their savings within programs are denoted by an asterisk. These savings are not reflected in the department budget summary pages. It should be noted that agencies that do not receive state general funds redirected their savings internally. Savings attributed to the legislative and judicial branches are available but are not redirected in these recommendations.

**COMMISSION FOR A NEW GEORGIA
FY 2008 SAVINGS**

Agency	Federal and Other Funds	State General Funds	Total Savings	State Funds Eliminated	State Funds Redirected	Reason for Redirection
State Accounting Office	\$3,341	\$1,174	\$4,515		\$1,174	* Equipment purchases
Administrative Services, Department of	33,503	94,254	127,757		94,254	* Asset management expenses
Office of State Administrative Hearings	1,444	9,094	10,538		9,094	* Annual maintenance of case tracking software
Office of Treasury and Fiscal Services	3,375	310	3,685		311	* Regular operating expenses
Agriculture, Department of		59,452	59,452		59,452	Computer automation for food safety and weights and measures project
Banking and Finance, Department of		66,172	66,172	(\$31,628)	34,544	* Replace high-mileage vehicles
Community Affairs, Department of	70,397	19,315	89,712		19,315	Train staff members as examiners in the Georgia Oglethorpe Award Process
Community Health	345,470	37,977	383,447		37,977	Health Care Access Advisory Board expenses
Corrections, Department of		1,122,354	1,122,354		1,122,354	* Utility expenses throughout prison system and other expenses
Defense, Department of	8,465	5,361	13,826		5,361	* Replace outdated computers
Driver Services, Department of		327,974	327,974		327,974	* Customer service centers' telecommunications and operating expenses.
Early Care and Learning, Department of	66,938	30,673	97,611		30,673	* Ongoing technology needs
Economic Development, Department of		122,768	122,768		122,768	* Real estate rentals; expand WIFI access at visitor centers; ongoing procurement needs
Education, State Board of	289,039	843,555	1,132,594		843,555	* Offset internal IT support
Forestry Commission, State		54,175	54,175		54,175	* Equipment maintenance needs for a moderate fire season
Governor, Office of the		29,307	29,307		29,307	* Governor's Intern Program
Georgia Emergency Management Agency	14,822	6,975	21,797		6,975	* Replace outdated computers
Office of Student Achievement		684	684		684	* Contractual services
Professional Standards Commission		1,186	1,186		1,186	* Personal services shortfall
Office of Homeland Security		46	46		46	* Travel expenses
Office of Planning and Budget		119,818	119,818		119,818	* Personal services for technical support
Commission on Equal Opportunity	810	1,379	2,189		1,379	* Publications and printing
Office of Consumer Affairs		5,974	5,974		5,974	Software costs
Office of the State Inspector General		456	456		456	* Publications and printing
Office of the Child Advocate		684	684		684	* Electronic document software
Human Resources, Department	1,014,200	2,059,334	3,073,534		2,059,334	* Telecommunications, real estate rentals, and regular operating expenses
Insurance, Department of		29,765	29,765		29,765	* Travel and motor vehicle expenses
Investigation, Georgia Bureau of	33,167	123,040	156,207		123,040	Enhancement of Meth-force project

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Criminal Justice Coordinating Council	1,094	46	1,140		46	* Real estate rental charges
Juvenile Justice, Department of		533,725	533,725		533,725	* Additional wireless broadband internet access for caseworkers; accelerate IT refresh cycle
Children and Youth Coordinating Council		684	684		684	CYCC educational products duplication
Labor, Department of	708,238	24,149	732,387	(24,149)		
Law, Department of		35,934	35,934		35,934	* Operational expenses for capital felony court cases
Natural Resources, Department of	233,013	105,609	338,622	(2,774)	102,835	* Telecommunications, computer and regular operating costs
Pardons and Paroles State Board of		202,940	202,940		202,940	* Clemency online navigation system operating expenses; Real estate rentals
Public Safety, Department of	30,889	212,146	243,035		212,146	* Replace high-mileage vehicles
Office of Highway Safety	1,943	889	2,832		889	* Real estate rental charges
Peace Officers Standards and Training Council		986	986		986	* Computer charges for Microsoft Office applications
Public Safety Training Center		3,384	3,384		3,384	* Classroom and facility improvements at the Northwest Georgia Regional Police Academy
Public Service Commission		29,630	29,630		29,630	* Fill an inspector position in the facilities protection program
Regents, Board of	4,231,300	2,890,774	7,122,074		2,890,774	* Health Insurance Plan shortfall
Georgia Military College		10,266	10,266		10,266	* Ongoing institutional needs
Georgia Public Tel. Commission	5,533	6,495	12,028		6,495	* Expand television and radio broadcasts on Georgia economic development
Revenue, Department of		704,786	704,786	(230,191)	474,595	* Increased GTA utilization costs; additional compliance auditors
Secretary of State, Office of		96,963	96,963	(35,982)	60,981	Computer upgrade and enhancements
State Ethics Commission		1,003	1,003	(1,003)		Reduce telecommunications
Georgia Real Estate Commission		2,098	2,098		2,098	Contractual services
Georgia Drugs and Narcotics Agency		3,704	3,704		3,704	* Telecommunications costs
Soil and Water Conservation Commission, State	2,259	2,257	4,516		2,257	* Replace outdated computers in district offices
Technical and Adult Education, Department of	733,857	247,216	981,073		247,216	* Software licenses and voice over internet implementation
Transportation, Department	1,438,692	2,417	1,441,109		2,417	* Telecommunications expenses
Veterans Service, Department of		17,814	17,814		17,814	* Real estate and telecommunications expenses
Workers' Compensation, State Board of		40,339	40,339		40,339	* Travel expenses
TOTAL	\$9,271,789	\$10,349,510	\$19,621,299	(\$325,727)	\$10,023,783	

* Indicates that agency redirected a portion or all of their savings within programs and the dollar amount is not reflected in budget summaries.