

## **IMPROVING FLORIDA GOVERNMENT'S PERFORMANCE**

# **PARTNERS** in **PRODUCTIVITY**





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## PARTNERS in PRODUCTIVITY

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Partners in Productivity is a public and private cooperative effort established in 1987 by The Florida Council of 100, Florida TaxWatch and the State of Florida. Its purpose is to identify, implement, measure and reward major cost savings and performance enhancements in Florida state government. This initiative operates under a Governor's Executive Order, a Cabinet resolution and support of the legislative leadership.

**Productivity Measurement and Quality Improvement.** A Task Force of business and civic leaders was appointed in December 1991 to conduct a six month examination of the operations, performance targets and improvement strategies of state agencies. The following report is the culmination of that effort.

**Cost Savings Reports.** In 1988-89, a previous task force of business and civic leaders examined 24 key issue areas in education, transportation, health and rehabilitative services and corrections, which together account for almost three-fourths of the state's current \$31.8 billion budget. The task force recommended 274 cost saving ideas and management improvements worth an estimated \$727 million for implementation in state government. Initial report cards released in December 1990 documented \$99 million worth of improvements and pinpointed where additional effort is needed to complete the job. A final accounting of all cost savings and management improvements will be issued early in 1993 by Partners in Productivity.

**Employee Rewards and Recognition.** The Davis Productivity Awards program annually recognizes and rewards the "unsung heroes in the trenches" of Florida state government. It is made possible through the vision and generosity of Florida TaxWatch founding members J.E. Davis and his brother A.D. Davis, both co-founders of Winn-Dixie Stores, Inc. The awards spotlight measurable, documented and verified productivity increases, cost savings, unusual innovation and other performance which exceed established standards. Since 1989, a total of \$175,000 in cash, plaques and other recognition has been provided to more than 700 individuals and work units who collectively added \$375 million worth of value for Florida taxpayers.

*Partners in Productivity is the recipient of a 1989 Certificate of Merit for Distinguished Research from the Governmental Research Association, and a 1991 award for state government innovation from the National Center for Public Productivity.*

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IMPROVING FLORIDA GOVERNMENT'S PERFORMANCE  
A Progress Report to Florida's Governor, Cabinet, Legislature and Taxpayers

July 1992

(Copies of an Executive Summary of this report are available by contacting Partners in Productivity)

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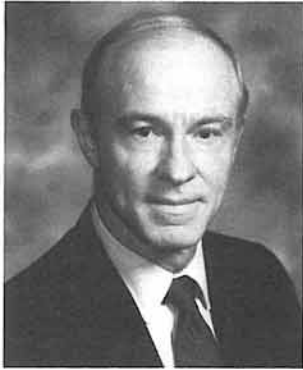
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## FROM THE CHAIRMEN



James L. Broadhead, Chairman  
Partners in Productivity



Willard D. Dover, Vice Chairman  
Partners in Productivity

This report summarizes the findings of a 46 member Partners in Productivity Task Force announced in December 1991 to conduct a six month review of state agencies' operations, performance targets, and improvement strategies.

The Task Force recognized that the establishment of an effective system for setting appropriate agency targets, measuring performance against these targets, and improving performance was an on-going task that would take several years to approach the desired level of effectiveness. Nevertheless, it was felt that a six-month effort to examine state operations, performance targets, and improvement strategies would be an appropriate first step. It is recommended that this step be followed by a continuous and institutionalized effort.

The report that follows is divided into two parts: a Summary & Conclusions and the reports of each of the Task Force's seven subcommittees.

The Summary & Conclusions sets forth the need for improved government performance, the background and implementation of the Task Force assignment, the general findings and observations of the subcommittees, the requirements for future success, and the recommendations of the Task Force.

Each of the subcommittee reports has a chairman's overview, key findings, and recommendations. The reports also contain information on the size, budget, mission and functions of each state agency, observations and comments on selected agency operations, and a listing of preliminary performance and productivity measures for each agency.

The Task Force is indebted to the state agencies for their assistance to the subcommittees. Most state agencies were very receptive and offered enthusiastic support. In many instances we found a desire in the agency heads and employees to be more productive and to improve their operations. Their support was essential to the successful completion of this report.

We are also indebted to the staffs of Florida TaxWatch, The Florida Council of 100, and Dave Davis, Executive Director of Partners in Productivity, for their support and commitment to helping improve Florida Government's Performance.

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## SUMMARY AND CONCLUSIONS

### Need for Improved Governmental Performance

Government in Florida is ineffective, inefficient, and increasingly expensive, and it suffers from a lack of citizen confidence. Over the past decade, growth in the size and spending of Florida government has outstripped growth in the state's population and economic base. During the 1980s, Florida's population grew by 31% while the state budget increased by 224%. As stated in the report of the Governor's Commission for Government by the People:

*Even after adjusting for inflation and population growth, state government spent 55 percent more in 1990 than it had in 1980. Yet as spending accelerated, our problems intensified. Florida still has the nation's highest crime rate, a below average graduation rate and one of its highest illiteracy rates. There are more functional illiterates among Florida's 13 million than among Japan's 120 million.*

In a recent survey of registered voters conducted by Mason-Dixon Opinion Research, 71% of the respondents asserted that Florida's state government is not making adequate use of state money. Further, 77% of those polled rated government services either only "fair" or "poor." Fifty percent of those polled stated that if state programs' performance and productivity were evaluated each year, they would be more likely to support higher taxes.

If the credibility of state government is to be restored, it must be demonstrated that the state has clear priorities and is held accountable for achieving these priorities in a cost-effective manner.

### Task Force Assignment

Following his election as Governor in November 1990, Lawton Chiles described his election as "a clear election mandate to make government function more efficiently and effectively" for the people. Accordingly, he made an inaugural day pledge to establish a vehicle to explore and provide the roadmap for "right sizing" state government, and shortly thereafter he announced the formation of the Governor's Commission For Government by the People. The Commission, chaired by Mayor Bill Frederick of Orlando, released a report in October, 1991, which proposed, among other things, "establishing outcome measures for all government programs and issuing reports for their performance to the people of Florida."

One month later Governor Chiles requested Partners in Productivity to conduct a review of the operations, performance targets, and improvement strategies of state agencies. The objective of this effort was the improvement of the effectiveness (doing the correct things) and efficiency (doing things in a cost effective manner) of state government by initiating the development of a comprehensive performance and productivity measurement system.

Partners responded to the Governor's request by appointing a Task Force consisting of 46 members of The Florida Council of 100 and Florida TaxWatch. The Task Force was organized into seven subcommittees to work with state agencies along functional lines. Each subcommittee met with the respective agency heads and their staffs to review their missions, goals and objectives, perceived obstacles to improved performance, and preliminary performance and productivity measures. Because of time and resource constraints, most of the subcommittees focused their efforts on one or two agencies.

### General Findings and Observations

During the course of the Task Force's work, the subcommittees made a number of findings and observations:

- Most state agencies were very receptive to assistance offered by the subcommittees. In many instances, we found a high degree of enthusiasm and desire on the part of agency heads and employees to be productive and improve their operations.
- Most state agencies operate under a maze of rules and regulations that create major roadblocks, severely restricting the ability of managers to manage and employees to effectively perform their jobs.
- Flexible productivity programs are being piloted in the Departments of Revenue and Labor and Employment Security to change rigid job classifications, pay, and bumping rights. These programs appear to have been successful.
- In many agencies, there is no clear vision, set of objectives, or focus of activities and accountability. Agency Strategic Plans are in various states of completion, effectiveness, and usefulness. Linkage between agency mission, goals, objectives, and the measurements used are tenuous and indirect. *There are too many measurements of process and not enough measures of results.*
- Embedded in the system are incentives not to perform, reduce needs, cut or contain costs. There is an inherent lack of an underlying economic value system to control state budget expenditures. State agency heads are motivated primarily to accomplish the agency's mission as prescribed by law and regulation and to spend their budgets. Cost is not a major consideration.
- There are no means or commitment to ensure that fundamental reforms remain in place when elections cause changes in the Executive and Legislative branches.
- There is insufficient buy-in to the change process. Agencies are still reluctant to give up some of their independence for the success of state government as a whole. This is a common issue within a business organization but seems especially prevalent in government.
- There is insufficient customer focus. The internal and external "customers" of each agency need to be explicitly identified, and the actions required to satisfy these customers' needs must be included in Agency Strategic Plans.

### Requirements for Future Success

The foregoing general findings and observations highlight the many barriers to success and the difficulty of implementing programs to improve the effectiveness and efficiency of government agencies. There are many concepts and commissions around our country dedicated to the improvement of government operations, but too little to show for the time and effort involved. We believe that these shortfalls relate in large part to the failure of government to adhere to certain principles of management that have been proven in a wide variety of public and private organizations. The Partners in Productivity Task Force suggests that the following principles must be applied if the essential components of an improvement program are to be achieved.

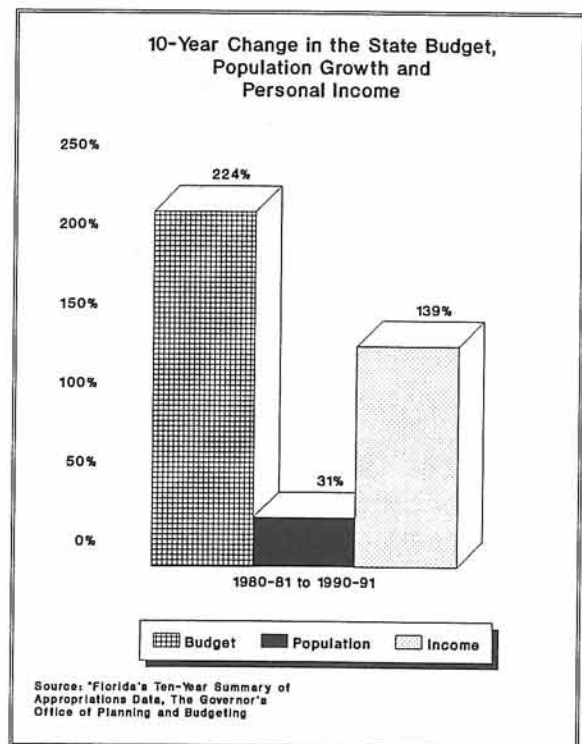
#### Leadership

Most major organizational changes begin at the top. They require not only a vision of the future organization but consistency and hard work in trying to bring about that vision. It is essential that the Governor, Cabinet, and Legislative leadership view a more effective and efficient state government as a top priority on which they are willing to focus a significant amount of attention (and some needed resources) over an extended period of time.

#### Spending Limitation

Dramatic organizational changes in the private sector are rarely made in the absence of a crisis - usually a threat to financial viability. As demonstrated by the growth in state spending during the past decade, state government has not felt itself subject to the financial constraints and competitive forces that individuals and businesses in Florida face every day. Indeed, *state agencies requested a 53% one-year increase for fiscal year 1992-93.* As a consequence of this lack of fiscal discipline, the culture in government often ignores both effectiveness (doing the correct things) and efficiency (doing things in a cost effective manner).

For long term reforms to take root, it is essential to have a spending/revenue limitation that will act as an incentive for government to prioritize and economize. Such a limitation should be tied to an index easily understood by the people (such as growth in personal income), and it should ensure the availability of an adequate "rainy day" or working capital fund. Spending/revenue limitations have been suggested several times in the past but never enacted. Spending/revenue limits are currently in place in 22 states, and it is time that such a mechanism be adopted in Florida, preferably by Constitutional amendment.



### Total Quality Management (TQM)

TQM is a process to increase customer satisfaction by enabling employees at all levels to improve the operating processes and procedures through which work is performed. Its successful implementation is not easy and requires: a clear vision of the organization's mission; a mission for each part of the organization that is consistent with the mission of the organization as a whole; objectives or targets consistent with the achievement of these missions; measurement of performance against these targets on a regular basis; constant reassessment of targets and the means of achieving them; and ongoing education and training in the basic tools and techniques of analyzing and improving processes.

Significant achievements have been realized in government and in business organizations through adoption of Total Quality Management. The Task Force strongly urges that a program of TQM be embraced by all state agencies. An excellent start has already been made by the Florida Department of Administration, which is undertaking the long-term task of employee education and training in appropriate tools and techniques - the core of the TQM process. This work needs to be broadened and adopted by all agencies.

### Career Service Reform

Although there have been some recent improvements in career service reform in the Departments of Revenue and Labor and Employment Security, much more needs to be done. Every state agency must have the flexibility to adopt more efficient structures, choose and reward the best performers and terminate agency functions and positions that are unnecessary or do not perform well.

### Recommendations

On the basis of its work for the past six months, the Partners in Productivity Task Force makes the following recommendations:

1. State spending/revenue limitations must be institutionalized by constitutional amendment or legislation, preferably the former.
2. The Governor, Cabinet, and Legislature should affirmatively and publicly adopt effective and efficient state government as a top priority. We recommend that this commitment be manifested by significant acts, including the following:
  - (a) Rewrite the State Comprehensive Plan to focus on a limited number of key goals. Consensus and buy-in to these goals should be obtained from all of the stakeholders (i.e., the public and the leadership of the legislative and executive branches of state government).
  - (b) Rewrite each Agency Functional (or Strategic) Plan to clearly state the agency's mission, to establish its goals or targets, and to establish performance/productivity measures.
  - (c) Progress in achieving the State's and agencies' goals should be measured and reported at least semi-annually.
3. The Governor's office, Cabinet, Legislature, and each agency head must support and lead the implementation of a Total Quality Management process throughout state government.

4. The state budget law (Chapter 216, Florida Statutes) should be amended to make performance and productivity measures an integral part of the state budgeting system. In addition, the economic impact of all laws and regulations should be assessed to assure that the benefits exceed the total economic costs.
5. Career service laws and regulations should be further reformed to give state agencies the flexibility to adopt more efficient structures, choose and reward the best performers, discontinue unnecessary agency functions and positions, and terminate in a humane way those who do not perform well.
6. Immediately create an ongoing state commission along the lines of the Governor's proposed Government Accountability to the People (GAP) Commission. The GAP Commission should have the responsibility to advance the agenda of the Frederick Commission and to monitor the state's progress in achieving it. Specific responsibilities should include, among other things:
  - (a) Review of the State Comprehensive Plan.
  - (b) Review of the mission of all state agencies for consistency with the State Comprehensive Plan.
  - (c) Review of agency strategic plans and performance targets.
  - (d) Measurement of the performance of agencies against their targets.
  - (e) Oversee the TQM programs for state agencies.
  - (f) Report periodically to the government and the people the government's performance in improving effectiveness and efficiency.

The Commission should have representation from the public, the Executive Branch, and the Legislature, with a majority being from the public. To do its job effectively, the Commission will need to appoint a number of subcommittees to focus on particular agencies or groups of agencies.

There is no higher priority in the State of Florida than success in improving the effectiveness and efficiency of State government. Without such success, the tax burden will continue to climb, the frustration of dedicated state employees will increase, the quality of services will continue to stagnate or deteriorate, and the cynicism and dissatisfaction of the public will intensify.

No effort to achieve substantial improvement in Florida government can be entirely successful in a short period of time. The efforts of the Task Force are only a start, and each of the above recommendations will require intensive effort and focus. Nevertheless, we believe that rapid progress can be made with the wholehearted support of the Legislative and Executive branches.

We are encouraged by the commitment of Governor Chiles to improving Florida government, the vision for radical government restructuring provided by the Frederick Commission, and the Legislature's approval of pilot programs granting state agencies greater flexibility to manage their resources. But much remains to be done. We believe the recommendations set forth above are critical to achieving much-needed improvements in Florida government.

## SUBCOMMITTEE ON GOVERNMENTAL SERVICE DELIVERY CHAIRMAN'S OVERVIEW, FINDINGS AND RECOMMENDATIONS

Chairman

**William E. Flaherty**

President and Chief Executive Officer

Blue Cross and Blue Shield of Florida, Inc.



*William E. Flaherty*

This report presents the work of the Partners In Productivity (PIP) Subcommittee addressing the submission of performance and productivity measures for the Departments of Elder Affairs (DOEA), Health and Rehabilitative Services (HRS), Labor and Employment Security (DLES), Transportation (DOT) and Veterans' Affairs (DVA).

Due to complexity, size, the status of prior work on the development of measures, and PIP resource constraints, the Subcommittee primarily focused on the Departments of Health and Rehabilitative Services, and Labor and Employment Security. The work with HRS and DLES represents a collaborative effort with Partners In Productivity and demonstrates the ability of government and industry to work in partnership in the area of strategic management. The Subcommittee, with the full cooperation of these agencies' leadership and key staff, reviewed and analyzed agency strategic plans and related documentation. Subcommittee members also participated in a series of orientation and working meetings with agencies' leadership and staff.

The measures submitted for the Department of Transportation are the result of the work completed previously by Partners in Productivity and the Florida Transportation Commission, and are included for information only. The measures for the Departments of Elder Affairs and Veteran's Affairs are those submitted by the agencies, and are also included for information.

### **Key Findings**

Based on the Subcommittee's work, it is apparent there is a need to enhance: (1) the Legislative review process to provide for an improved understanding of agency strategic plans; (2) strategic planning at the state and agency levels; (3) measures of performance and productivity. Opportunities to improve in these areas were generally acknowledged by agency leadership.

There is a need for a hierarchical approach, beginning with a broad vision, connecting down through objectives, strategies and specific action plans to individual transactions or work activities. This approach would further enhance Agencies' effectiveness with respect to planning and management. This type of approach would also establish priorities based upon a state level strategic vision without the excessive influence of Federal funding and mandates.

Inherent in governmental processes are certain barriers and conflicts which are a natural result of the separation of powers and the different backgrounds, experiences and priorities of those involved. The positive resolution of conflicts resulting from varying interpretations of strategic direction requires extensive cooperation between the Governor, Legislature, and Agencies. Mechanisms are needed that ensure a basis for common understanding and means for conflict resolution.

These enhancements would contribute to a results oriented management approach, and would minimize Legislative "micro-management" which may impede agency efficiency and effectiveness. Coordination between and within agencies would be an essential component of this overall, results oriented approach. A results oriented approach would also serve to alleviate role conflicts which agency staff may experience in situations where an agency's efforts to improve productivity could result in reductions in Legislative appropriations to the agency.

Several agency leadership groups have recognized the need to employ Total Quality Management approaches to achieve continuous performance improvement. The Subcommittee also identified the need for enhancements in the area of management processes, such as: Productivity measurement, cost/benefit analysis, and information and management reporting. While the concepts of cost/benefit analysis and return on investment are recognized, these analytical tools are not widely used at the agency level. Management reporting tends to be activity versus results, or outcome, based. There is generally an emphasis on units of work, rather than the benefit or value of the work. Historically, lack of funding for evaluation of programs, and difficulty in obtaining data processing support, has contributed to this situation.

### **Recommendations**

Greater community involvement in agency operations is helpful and increased partnership between the public and private sectors should be encouraged. The establishment of a "Government Accountability to the People Commission", comprised heavily of private sector representatives, could serve as an objective entity to ensure continuity in state strategic direction relative to the development, monitoring and reporting of performance and productivity measures. Such an entity could help buffer the changes inherent in the elective process.

The Subcommittee recommends that the Governor, Legislature, and Agencies' leadership promote and support a climate that provides for greater inter-agency coordination, and greater interaction between the Legislature and state agencies. Agencies may need support in working with the Legislature to achieve an orderly review of plans and budgets, and to promote the Legislature's use of performance and productivity measures to understand the results of agencies' work.

The Subcommittee recommends a continuation of work to refine Level I, State Measures, Level II, Agency Measures, and Level III, Operational Measures. Plans should be prepared for the development and implementation of a comprehensive set of such measures, and for moving to a Total Quality Management approach. These plans should

recognize that such efforts require a 3 to 5 year planning horizon. The measures submitted for DOT, DOEA and DVA should be evaluated further against the measures criteria developed by Partners in Productivity.

Finally, the Subcommittee proposes the following recommendations for further work with the Department of Health and Rehabilitative Services, and the Department of Labor and Employment Security.

#### 12 Month Horizon

- Continue joint work with Agency and Partners In Productivity to further develop and refine Level I, State Measures and Level II, Agency Measures.
- Assist the agency in a review and analysis of the Agency's current planning process.
- Assist the agency in design of a Strategic Planning Process.
- Provide support to Agency leadership as they implement the Strategic Planning Process.
- Upon request, review and critique plans prepared by the Agency.
- Provide orientation assistance to the Agency in its determination of the type of Total Quality Management (TQM) strategy to be employed within the Agency.

#### Five Year Horizon

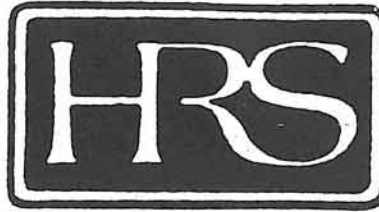
- Continue to assist the agency in the refinement of Level I and Level II Measures.
- Participate in the design of an approach for the agency to use in developing Level III, Operational Measures, and review and critique Agency developed measures upon request.
- Provide consultation to the agency in its efforts to monitor implementation of the Agency's TQM strategy.
- Based on joint Agency and PIP work during the next 12 month period, identify an area(s) where a more intensive collaborative work effort could be pursued.

#### **Note of Appreciation**

The Subcommittee wishes to thank Secretaries Frank Scruggs, DLES, and Robert Williams, HRS, and their staffs for their enthusiastic support and extensive cooperation. Their support was essential to the successful completion of this report. In addition, we experienced helpful responses from Secretary Bentley Lipscomb, DOEA, Executive Director Earl Peck, DVA, and Secretary Ben Watts, DOT.

The Subcommittee would like to give special recognition to DLES staff Kitty Convertino, Mabel Hicks and Dave Smith, and to HRS staff Greg Keller, Christine Davenport, Chip Kenyon, Deputy Secretary for Human Services and Lee Johnson, Administrator, District IV, for their special efforts and commitment. The Subcommittee is likewise indebted to the staffs of Florida TaxWatch, The Florida Council of 100, and Partners In Productivity for their excellent support.

A note of appreciation is also extended to the staff who supported the Subcommittee's work; Dave Davis, Partners In Productivity, Clay Robertson and Gene Rutherford, Blue Cross and Blue Shield of Florida, Inc., and Bryan Smith, Coopers & Lybrand.



## DEPARTMENT OF HEALTH AND REHABILITATIVE SERVICES

**Governance:** Agency head is appointed by the Governor

**1992-93 budget:** \$10 billion (\$3.7 billion General Revenue; \$6.3 billion Trust Funds)

**Number of positions:** 35,026 (excluding County Public Health Unit positions).

**Mission:** To ensure that all people are healthy to the extent that Floridians will experience normal growth and development, experience physical, mental and social well being, and do not die from preventable diseases.

**Purpose:** To deliver, or provide for the delivery of all health, social and rehabilitative services offered by state government to its citizens. This includes:

1. Integrating the delivery of health and rehabilitative services.
2. Promoting economic self-sufficiency to prevent, reduce or eliminate dependency.
3. Preventing or remedying the neglect, abuse or exploitation of children and adults who are unable to protect their own interests.
4. Aiding in the preservation, rehabilitation and reuniting of families.
5. Preventing or reducing inappropriate institutional care by providing for community-based care, home-based care or other forms of less intensive care.
6. Preventing the occurrence and spread of communicable diseases and other physical and mental diseases and disabilities to the maximum degree possible.
7. Promoting the maintenance and improvement of health and mental health.
8. Financing for health and medical care in the most reasonably expeditious, cost effective fashion.

**Five year priority issues:**

1. Health Mission: A healthy start for children, a chance to succeed in school, a wellness strategy, and access to health care.
2. Quality of Life and Safety Mission: Safe from abuse, putting kids on the right track, and excellence in residential care.
3. Self-Sufficiency Mission. Able to stay in your home, able to stay in your community, a family for every child, and good jobs build working families.
4. Accountability, Productivity and Responsiveness Mission. Consumers are our reason for being, value added employees, and taxpayers want their money's worth.

**Major functions and resources allocated to them (1991-92):**

Medicaid, Childrens Medical Services and Health Services	\$5.2 billion	2,096 positions
AFDC and Food Stamps	\$1.1 billion	6,771 positions
Aging and Adult Services	\$ .2 billion	1,766 positions
Alcohol, Drug Abuse and Mental Health	\$ .3 billion	141 positions
Delinquency Services	\$ .1 billion	3,479 positions
Institutional Services	\$ .4 billion	11,231 positions
Developmental Services	\$ .2 billion	502 positions
Support Services, including regulatory units	\$ .4 billion	6,051 positions

Note: These figures are based on the July 1, 1991 operating budget and do not reflect later cuts which were necessary due to revenue shortfalls.

**Cost/benefit analyses:**

The outcome, or effects, of HRS programs and interventions are not known in many cases. Also, specific cost information generally is not linked to specific interventions. As a result, meaningful cost/benefit analyses are not available to management to guide direction and establish priorities for the allocation of resources. Enhanced research, and information systems to support the reporting of data -- such as unit cost data -- are needed to prepare meaningful cost/benefit analyses to support managerial decision-making.

**Total Quality Management:**

Agency leadership recognizes the potential benefit of an organized Total Quality Management (TQM) approach. A long-term strategy and plan for TQM implementation would offer significant opportunity for improvements in agency performance and productivity.

**Enhancement opportunities:**

As part of a self-evaluation completed by the agency in the fall of 1990, twelve areas of enhancement opportunity were identified for action. These twelve issues continue to be the focus for departmental improvement:

1. HRS lacks credibility -- no public institution can be effective without it.
2. HRS has major problems in recruiting and retaining well-trained professional staff.
3. Basic service capacity (volume) is critically deficient in certain programs.
4. Some services provided or purchased by HRS are insufficient in quality, timeliness of intervention and appropriateness of setting. The causes of this problem are multiple, including the factors discussed in issues number 2, 3, 7, and 8 of this list.
5. Funding and staffing in some programs are inequitably distributed, thus resulting in unequal access to services.
6. Services are insufficiently integrated/coordinated for clients with multiple program needs. A majority of HRS clients primarily require the services of a single program. However, for a significant number who need the services of multiple programs, one of the fundamental missions of HRS is to provide these services on an integrated basis. Several structural barriers must be overcome if that mission is to be realized.
7. There is a need for more appropriate targeting of limited resources to assure maximum effectiveness in meeting highest priority needs.
8. Provider reimbursement levels are, in many cases, insufficient to assure an adequate level of service of appropriate quality.

9. The very large and rapidly increasing costs associated with major entitlement programs is "starving" smaller non-entitlement programs by using up limited state General Revenue.
10. Serious infrastructure deficiencies threaten the department's ability to provide the most basic support services and impede progress in the management of programs.
11. There is a critical need for an improved program analysis, research and evaluation capacity.
12. The HRS organizational structure has been in place for 15 years. Governor Chiles' commitment to a community-based delivery system which is more responsive to local needs and leadership provides an opportunity to re-evaluate and refine the current structure. These refinements should assure:
  - Increased local involvement and commitment to human service programs.
  - Increased local decision-making.
  - More local input into the development of the budget and flexibility in its execution.
  - That the district and headquarters structure is designed to assure the most efficient support for local delivery systems.

**Recent innovations:**

A separate appendix to this report describes recent innovations which HRS has taken to improve performance and productivity, and opportunities to further enhance agency effectiveness and/or efficiency which were identified in conjunction with HRS's and Partners In Productivity's collaborative efforts to develop performance and productivity measures. Copies of this appendix are available from Partners In Productivity, Post Office Box 10209, Tallahassee, Florida, 32302.

**Comments:**

1. On the basis of the Subcommittee's meetings with HRS leadership, there is good understanding and strong support for the principles of the Commission for Government by the People (Frederick Commission) as well as strong motivation to improve the effectiveness of the entire agency.
2. Good work has been done to engage large numbers of employees in a revised strategic plan, as well as identifying barriers to improvement. At the broadest level, the agency is in need of the following:
  - Continuing leadership, help and support by the Governor.
  - Support for allocating additional resources to program evaluation and data processing, and continuous follow-up and help in resolving barriers. Recent actions by the Legislature should help to address the need for evaluation resources.

**Preliminary performance and productivity measures:**

The State Level Measures, and Agency Level Measures developed jointly by the Department of Health and Rehabilitative Services and Partners In Productivity are presented on the following pages. It is recommended that specific goals be established for these measures, and that data collection and reporting mechanisms be implemented for monitoring and reporting against these measures.

The preliminary Agency Level Measures track current agency programs and activities. Additional strategic planning and program evaluation might indicate the need for new programs and activities. Subsequently, the formulation of additional measures would be required.

State Level Measures

**Accountability:** These State Level Measures are not the sole accountability of HRS, but rather are the shared accountability of the Executive Office of the Governor, the Legislature, all mission related state agencies and the private sector.

The following measures are preliminary in nature. Further evaluation and development is needed to confirm their appropriateness and reportability.

SELF-SUFFICIENCY

1. Reduce the percentage of Floridians receiving public assistance through AFDC, Medicaid, Food Stamps and Unemployment Compensation.
2. Reduce the percentage of Floridians with disabilities requiring institutionalization.
3. Increase the percentage of youth successfully completing high school/vocational training by age 19.

HEALTHY CHILDREN AND FAMILIES

1. Reduce the infant mortality rate per 1,000 live births.
2. Increase the percentage of children living in a permanent family setting.

HEALTHY LIFESTYLES

1. Reduce the age-adjusted death rate per 100,000 population.
2. Reduce the percentage of Floridians who abuse alcohol or other substances, or use tobacco.

COST EFFECTIVE PROVISION OF MEDICAL SERVICES

1. Reduce the rate of increase in the percentage of Gross State Product expended on medical services.
2. Reduce the percentage of uninsured Floridians.
3. Increase tax revenue collected from alcohol and tobacco as a percentage of societal costs due to alcohol abuse and tobacco use.

EFFICIENT AND EFFECTIVE DELIVERY OF GOVERNMENT SERVICES

1. Reduce the total cost of Florida State Government per 1,000 Floridians.

Agency Level Measures

**Accountability:** The principal, though not the sole accountability lies with the Department of Health and Rehabilitative Services.

SELF-SUFFICIENCY

Note: Annual performance targets for all agency level measures need to be added, as illustrated in the following measure.

1. Increase the percentage of persons served by HRS who obtain employment to:  
1991 \_\_\_ % 1992 \_\_\_ % 1993 \_\_\_ % 1994 \_\_\_ % 1995 \_\_\_ % 1996 \_\_\_ %
2. Increase the amount of child support collected through HRS.
3. Increase the percentage of persons with developmental or mental disabilities who live in their own homes.
4. Increase the percentage of youth ages 16 to 18 enrolled in HRS dependency/delinquency programs who receive certification through vocational training, a high school diploma or GED certificate.

#### HEALTHY CHILDREN AND FAMILIES

1. Decrease the percentage of women who receive no prenatal care or do not enter care until the third trimester.
2. Reduce the percentage of teenagers age 15-19 giving birth.
3. Reduce the positivity rate for HIV in women of childbearing age.
4. Reduce the percentage of two-year-olds without complete immunizations.
5. Reduce the incidence per 1,000 children of child abuse, neglect and exploitation.
6. Reduce the percentage of births by unwed mothers.
7. Increase the percentage of participants completing child welfare programs who do not re-enter program services within one year of leaving due to the re-occurrence of abuse and/or neglect.

#### HEALTHY LIFESTYLES

1. Reduce the rates per 100,000 population of selected reportable communicable diseases (Rubeola, HIB, TB, HIV and Syphilis).
2. Reduce the positivity rate for public health clients tested for HIV.
3. Increase the percentage of HRS program clients who successfully complete substance abuse treatment.

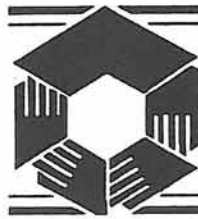
#### COST EFFECTIVE PROVISION OF MEDICAL SERVICES

1. Reduce the number of inpatient days per 1,000 AFDC Medicaid recipients.
2. Increase the percentage of Floridians at or below 150% of the poverty level who are enrolled in Medicaid.\*
3. Achieve a Medicaid cost per recipient per month (PRPM) that reflects an annual rate of increase that is less than the annual rates of increase in the national Medicaid and Medicare expenditures for those states in the top performing quartiles.\*

#### EFFICIENT AND EFFECTIVE DELIVERY OF GOVERNMENT SERVICES

1. Reduce total HRS administrative and operational costs as a percentage of total budgeted costs of the Agency.\*

\* HRS has expressed the desire to pursue further refinement of these measures in the future.



**Florida Department of Labor  
and Employment Security**

"Joining Hands for a Working Florida"

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**DEPARTMENT OF LABOR AND EMPLOYMENT SECURITY**

**Governance:** Agency head is appointed by the Governor

**1992-93 budget:** \$1.6 billion (\$22 million General Revenue; \$1.6 billion Trust Funds)

**Number of positions:** 8,737

**Mission:** To transform Florida's work force so that it becomes sufficiently skilled to produce high value goods and services at costs that allow Florida to compete successfully in the global economy; and to increase Floridians' ability to regain employment after work place injury or loss of work.

**Major functions:**

1. Administer the workers' compensation program.
2. Work to reduce unemployment.
3. Prepare youth and unskilled adults for entry into the labor force.
4. Promote occupational safety and health.
5. Provide vocational rehabilitation services to individuals seeking employment.
6. Protect migrant and seasonal farm workers and working children.
7. Ensure labor organizations' and public employees' right to bargain collectively.

**Five year priority issues:**

1. Transform Florida's work force.
2. Arrest the spiraling increase of workers' compensation costs.
3. Serve as a role model in improving productivity in state government (Departmental productivity pilot project).
4. Strengthen the capabilities and diversity of the Department's human resources.
5. Enhance efficiency and effectiveness through improved computer technology.

**Cost/benefit analyses:**

The Department of Labor and Employment Security does not formally perform cost/benefit analyses on a centralized basis. At this time, limited cost/benefit analyses are performed on a divisional basis with regard to certain programs. The centralized use of cost/benefit analyses would support the Department's efforts to determine which programs are in line with its strategic plan and division functional plans. Cost/benefit analyses would also support the establishment of the Department's priorities and the allocation of resources.

**Total Quality Management:**

Department leadership recognizes the potential benefit of an organized Total Quality Management (TQM) approach. A long-term strategy and uniform Departmental plan for TQM implementation would offer significant opportunities for improvement in Department performance and productivity.

**Recent innovations:**

A separate appendix to this report describes recent innovations which DLES has taken to improve performance and productivity, and opportunities to further enhance agency effectiveness and/or efficiency which were identified in conjunction with DLES and Partners In Productivity's collaborative efforts to identify performance and productivity measures. Copies of this appendix are available from Partners In Productivity, Post Office Box 10209, Tallahassee, Florida 32302.

**Comment:**

The agency leadership exhibited good understanding and support for the principles of the Commission for Government by the People (Frederick Commission), and has selected areas for accelerated improvements, such as Workers' Compensation.

### PRELIMINARY PERFORMANCE AND PRODUCTIVITY MEASURES

State Level Measures and Agency Level Measures that were jointly developed by the Department of Labor and Employment Security and Partners in Productivity are presented in this section. It is recommended that specific goals be established for these measures, and that data collection and reporting mechanisms be implemented for monitoring and reporting against these measures.

The preliminary Agency Level Measures track current agency programs and activities. Additional strategic planning and program evaluations might indicate the need for new programs and activities. Subsequently, the formulation of new measures would be required.

#### State Level Measures

**Accountability:** These state level measures are not the sole accountability of the Department of Labor and Employment Security, but rather are the shared accountability of the Executive Office of the Governor, the Legislature, all mission related state agencies and the private sector.

The following measures are considered preliminary in nature. Further evaluation and development is needed to confirm their appropriateness and reportability.

### INCOME PROTECTION FOR WORKERS OUT OF WORK DUE TO ON-THE-JOB INJURIES OF ILLNESSES

1. Increase the percentage of Florida's work force covered by individual or company sponsored disability plans and/or workers' compensation.

**SPEEDY RE-ENTRY OF WORKERS INTO THE WORKPLACE AFTER  
JOB DISPLACEMENT DUE TO WORK RELATED INJURIES OR ILLNESSES**

1. Reduce the average number of weeks Florida workers receive workers' compensation.

**WORK PLACE SAFETY AND HEALTH**

1. Reduce the percentage of Florida workers out of work due to work related injuries or illnesses.

**A SKILLED WORK FORCE THAT CAN ATTRACT AND SUPPORT EMPLOYERS  
WHICH PRODUCE HIGH VALUE GOODS AND SERVICES**

1. Increase the percentage of high value jobs as a proportion of total jobs in Florida.
2. Reduce Florida's unemployment rate.
3. Reduce the average number of weeks a worker is unemployed.
4. Increase the average earned income level for Florida workers.
5. Increase the percentage of Florida workers with vocational training or education beyond the secondary level.

**A BUSINESS ENVIRONMENT WHICH MAKES FLORIDA INDUSTRY COMPETITIVE  
IN REGIONAL, NATIONAL AND GLOBAL MARKETS**

1. Reduce the percentage of Gross State Product expended on workers' compensation and unemployment compensation benefits.

**EFFICIENT AND EFFECTIVE DELIVERY OF GOVERNMENT SERVICES**

1. Reduce the total cost of Florida State Government per 1,000 Floridians.

**Agency Level Measures**

**Accountability:**      **The principal, though not the sole accountability lies with the Department of Labor and Employment Security.**

**INCOME PROTECTION FOR WORKERS OUT OF WORK  
DUE TO ON-THE-JOB INJURIES OR ILLNESSES**

Note: Annual performance targets for all agency level measures need to be added, as illustrated in the following measure.

1. Increase the percentage of lost income due to injury or illness that is replaced by workers' compensation to:  
1991 \_\_\_\_% 1992 \_\_\_\_% 1993 \_\_\_\_% 1994 \_\_\_\_% 1995 \_\_\_\_% 1996 \_\_\_\_%
2. Reduce the percentage of employers required to provide workers' compensation insurance that are not in compliance.
3. Increase the percentage of workers' compensation premiums due that are paid in full.

**SPEEDY RE-ENTRY OF WORKERS INTO THE WORK PLACE AFTER  
JOB DISPLACEMENT DUE TO WORK RELATED INJURIES OR ILLNESSES**

1. Reduce the average number of weeks DLES clients spend away from work as a result of work related injuries or illnesses.
2. Return at least eighty percent of the workers to work within six months after a work related injury or illness, with at least two-thirds of average weekly wage earned before the injury or illness.

**WORK PLACE SAFETY AND HEALTH**

1. Reduce the frequency of work related injuries and illnesses per 100 Florida workers.

**A SKILLED WORK FORCE THAT CAN ATTRACT AND SUPPORT EMPLOYERS  
WHICH PRODUCE HIGH VALUE GOODS AND SERVICES**

1. Increase the proportion of Job Training Partnership Act (JTPA) participants who complete long term training and enter training related high value jobs.
2. Increase the proportion of persons affected by structural unemployment (dislocated workers) who are trained and placed in growing high value occupations.
3. Increase the average wage upon placement of JTPA participants completing training programs.
4. Increase the percentage of youth at risk of dropping out of school who successfully complete JTPA programs and are placed in employment.

**A BUSINESS ENVIRONMENT WHICH MAKES FLORIDA INDUSTRY  
COMPETITIVE IN REGIONAL, NATIONAL, AND GLOBAL MARKETS**

1. Reduce average annual workers' compensation costs per 100 Florida workers.

**EFFICIENT AND EFFECTIVE DELIVERY OF DLES SERVICES**

1. Reduce the total costs of the Department of Labor and Employment Security per 100 persons in the Florida work force.
2. Increase the percentage of clients (employers, employees, insurers) who are satisfied with services delivered by the Department.
3. Reduce the total DLES administrative and operational costs as a percentage of the total budgeted costs of the Department.



## DEPARTMENT OF TRANSPORTATION

**Governance:** Agency head is appointed by the Governor from three persons nominated by the Florida Transportation Commission. Members of the Transportation Commission are also appointed by the Governor and subject to confirmation by the Florida Senate.

**1992-93 budget:** \$3 billion (No General Revenue; \$3 billion Trust Funds)

**Number of positions:** 11,054

**Mission:** To plan, develop, operate and maintain a safe, cost effective and efficient statewide system of transportation facilities and services.

**Major functions:**

1. Build, maintain and replace roads and bridges.
2. Provide financial and technical assistance for airport development, safety and capacity enhancement.
3. Provide technical assistance and funding for public transit services.
4. Provide support for railroad facility and service improvements.
5. Provide support for seaport transportation and facility projects.
6. Improve safety on the state highway system.

**Total Quality Management:**

Employee quality improvement teams were initiated by the Department in 1985 based upon the program developed by Florida Power and Light Company. Training for front-line employees on structured problem solving and enhancement of interpersonal skills has been completed, and department management has received training in team leadership. A quality assurance program was developed in 1989 and the focus of quality assurance reviews in 1991 centered on total process improvement. Based upon this foundation, the Department is now increasing the use of cross-functional teams to bring about further improvement in quality and customer satisfaction.

Based on its work in quality improvement over the past seven years, the DOT has learned:

- Most employees want to do a quality job and should be provided with the means to do so.
- Employees should be involved in formulating -- and be challenged by -- quality improvement goals.
- If a service or product does not continually meet the needs of the user, it is not a quality product or service.
- Managers must lead. They must genuinely want to improve the level of quality of state products and services, and they must believe that the improvement methods they are using will produce results.

- Quality efforts must be part of employees' everyday routine. Long term efforts will not be successful as a separate program.
- Improving the overall level of quality requires attention to detail and hard work.

**Preliminary performance and productivity measures:**

A Working Group composed of staff from the Florida Transportation Commission, Partners in Productivity, representatives from private sector interest groups and Department of Transportation senior management spent 16 months developing measures required under a 1990 statute. This work was overseen by a Review Group composed of leaders of the Florida Transportation Commission and Partners in Productivity. The following transportation measures were adopted by the Florida Transportation Commission on December 11, 1991 and forwarded to the 1992 Legislature. The Governmental Service Delivery Subcommittee did not work with the DOT on these measures. They are included in this report for information only.

**COST EFFICIENT AND EFFECTIVE BUSINESS PRACTICES: PRODUCTION**

1. Construction Contracts
  - Number of projects let vs. planned for letting.
2. Construction Contract Letting Levels
  - Dollar volume of projects let per quarter.
3. Right-of-Way Acquisition
  - Number of projects certified vs. number of projects scheduled for certification.
4. Consultant Acquisition
  - Number of consultant contracts executed vs. total contracts planned.
5. Construction Contract Time Adjustments and Cost Adjustments
  - For all construction contracts completed during the fiscal year, the original contract time vs. number of days added due to authorized time extensions vs. days added due to delinquent performance by contractor.
  - Original contract amount vs. final amount paid on all construction projects completed during the fiscal year.

**COST EFFICIENT AND EFFECTIVE BUSINESS PRACTICES:  
FINANCE AND ADMINISTRATION**

1. Obligation of Federal Funds
  - Of federal aid funds subject to forfeiture at the end of the federal fiscal year, the percent that was committed.

2. Management of administrative and project support costs
  - Administrative costs as a percent of total program.
  - Dollar amount of administrative costs vs. dollar amount of total program.
  - Original 36 month forecast of revenues and expenditures reconciled to actual revenues and expenditures.
3. Prompt payment to contractors and vendors
  - Number and dollar value of invoices processed in compliance with 20-day rule.
4. Management of bond programs (right-of-way and turnpike)
  - Bond proceeds commitment plan vs. actual commitment of proceeds, for each bond series issued during the year, and for all outstanding bond series that have not been totally committed.
5. Management of toll facility operational costs
  - Operational costs per toll transaction.
  - Percentage of toll revenues used to collect toll.

#### ADEQUATE AND EFFICIENT PRESERVATION OF THE CURRENT STATE SYSTEM

1. Bridge Repair and Replacement
  - Reduce the backlog of bridges on the state highway system requiring repair (1,145 bridges) to the 1983 level by the end of FY 1999.
  - Reduce the backlog of bridges on the state highway system requiring replacement (278 bridges) to the 1983 level by the end of FY 1999.
  - Replace 7 major bridges over a 10-year period from 1984 to 1993.
2. Resurfacing
  - Reduce the backlog of structurally deficient state highways to the 1983 level (5,020 lane miles) by the end of 1996-97.
3. Routine Maintenance
  - Achieve a maintenance rating of 80 on the state highway system in 1994-95.

#### SAFETY OF THE CURRENT STATE SYSTEM

1. Annual, comprehensive review by the Florida Transportation Commission of the Department's safety activities and programs, including but not limited to: Determinations of the extent to which the departments is (1) meeting or exceeding current design standards for safety, (2) committing its safety program funds, and (3) pursuing needed safety initiatives and innovations.

**CAPACITY IMPROVEMENTS:  
HIGHWAYS AND ALL PUBLIC TRANSPORTATION MODES**

1. Highway capacity improvement projects let vs. highway capacity improvement projects planned.
2. Dollar amount committed to public transportation capacity improvement projects vs. dollar amount planned.

**DISADVANTAGED AND MINORITY BUSINESS PROGRAMS:  
EQUAL EMPLOYMENT OPPORTUNITY AND AFFIRMATIVE ACTION PROGRAMS**

1. Dollar volume of disadvantaged business enterprise utilization as a percentage of total federal funded contracts (10% statutory goal).



## DEPARTMENT OF VETERANS AFFAIRS

**Governance:** Agency head is appointed by the Governor and Cabinet

**1992-93 budget:** \$6.1 million (\$3.9 million General Revenue; \$2.2 million Trust Funds)

**Number of positions:** 148

**Mission:** Provide assistance, without charge, to all former, present and future members of the Armed Forces of the United States and their dependents to secure all services, benefits or privileges to which such persons are or may become entitled under any federal or state law or regulation by reason of service in the Armed Forces of the United States. Ensure that Florida veterans receive an equitable share of federal resources available for these purposes.

**Major functions:**

1. Assist veterans, their dependents and survivors with accessing entitlements.
2. Act as the state approving agency for veterans' education and training.
3. Train and certify County Veteran Service Officers.
4. Administer the Veterans Home of Florida.

**Five year priority issues:**

1. To obtain for Florida an equitable share of federal resources funneled through the U.S. Department of Veterans Affairs so that Florida veterans can enjoy equivalent access to earned benefits, services and entitlements.
2. Provide cost-effective domiciliary and nursing home care to help meet the projected needs of veterans in the State of Florida.
3. To increase Department productivity in order to provide a higher quality of service to more veterans and their dependents.

**Preliminary performance and productivity measures:**

The following measures were submitted by the Department of Veterans' Affairs (DVA). The Governmental Service Delivery Subcommittee did not work with DVA on these measures. They are included in this report for information only.

- Dollar amount of benefits and services realized by Florida veterans.
- Improvement in availability of health care for Florida veterans.

STATE OF FLORIDA



## DEPARTMENT OF ELDER AFFAIRS

**Governance:** Agency head is appointed by the Governor. The Department also has an advisory council.

**1992-93 budget:** \$123 million (\$51 million General Revenue; \$72 million Trust Funds)

**Number of positions:** 78

**Mission:** To improve the provision of social services and long-term care to the elder population of Florida.

**Major functions:**

1. Administer community programs for the elderly.
2. Advise the Governor regarding the need for and location of programs related to aging.
3. Prepare a master plan for policies and programs related to aging.

**Five year priority issues:**

1. Help older people remain in their homes and the community.
2. Improve management and program administration.
3. Promote wellness in elders.

**Preliminary performance and productivity measures:**

The following measures were submitted by the Department of Elder Affairs (DOEA). The Governmental Service Delivery Subcommittee did not work with DOEA on these measures. They are included in this report for information only.

1. Impact of the provision of community-based services on the rates of nursing home enrollment by frail older persons. (The following rates are impacted by factors that are both internal and external to DOEA).
  - Rates of nursing home admission by age categories in the population.
  - Rates of nursing home enrollment by level of care.
2. Number and type of new volunteer programs started under DOEA.
3. Documentation of number of older volunteers and number of hours volunteered over time in programs sponsored by DOEA.
4. Level of expansion of DOEA services that can be attributed to volunteer service. (DOEA does not have a mechanism in place yet by which that can be documented.)

## SUBCOMMITTEE ON LAW ENFORCEMENT CHAIRMAN'S OVERVIEW, FINDINGS AND RECOMMENDATIONS

Chairman  
**Joseph P. Lacher**  
President - Florida  
Southern Bell  
Miami



*Joseph P. Lacher*

The Subcommittee on Law Enforcement conducted on-premises meetings in Tallahassee with the Commissioner of Law Enforcement and his staff, and with the Secretary of Corrections and his staff. Because of time constraints and the subcommittee's desire to work as a full group on an agency-by-agency review, premises meetings were not conducted with the Departments of Highway Safety and Motor Vehicles and Military Affairs, or with the Parole Commission. The subcommittee, however, communicated with these agencies and received preliminary performance and productivity measures. The remainder of this report addresses the subcommittee's findings relative to the Departments of Law Enforcement and Corrections.

Before proceeding, I want to thank the members of the Law Enforcement Subcommittee for their enthusiasm and diligence in completing this assignment: Reeder Glass of Holland and Knight; Tom Hunt of Southern Bell; Bill Howden of United Technologies; Jim Maxwell of Coopers and Lybrand; Tom Pledger of Dycom Industries; and Bronson Thayer of First Florida Banks, Inc.. Likewise, we appreciate the enthusiasm and commitment to positive change exhibited by FDLE Commissioner Tim Moore and his staff, and Department of Corrections Secretary Harry Singletary and his staff.

The Florida Department of Law Enforcement is a highly motivated and dedicated organization. It is clear that this organization is focused on achieving its goals through excellence. There is a strong commitment to the Total Quality Management process and to the need for effective results-oriented measures of performance and productivity. Throughout the department we found a responsiveness and a level of commitment that was exemplary. We would like to publicly express our thanks to the men and women of the Florida Department of Law Enforcement for their dedication.

FDLE has done a detailed analysis of all its activities and linked them to specific state statutes. They have also analyzed and constructed their work operations to conform to and track with the state budget. The Department has also developed a strategic plan and tracks its resources toward achieving its goals. Performance and productivity measures are in place throughout the organization and are used effectively to motivate the workforce toward achieving the department's strategic plan. However, many of the measures appear to be more process-oriented than results-oriented. The department recognizes that measures have to be constantly monitored to assure they are motivating the proper behavior. FDLE is receptive to the idea of reviewing and strengthening or changing its measures as appropriate.

The "corporate culture" at FDLE is focused on "doing the right things right." This culture has been a high priority for both the current Commissioner Tim Moore and his predecessor, Commissioner Bob Dempsey. The organization, however, is feeling a certain amount of frustration with a great number of bureaucratic rules and regulations that impede its ability to function more effectively and efficiently. These rules and regulations have been imposed on FDLE by other agencies. "We need to deregulate state government" was quoted frequently by employees in FDLE and the Department of Corrections.

While a complete analysis of these roadblocks to success was neither within the purview of this effort nor possible within our time constraints, it is obvious that there is work to be done in this area. For example, FDLE could benefit greatly from being allowed to participate in a pilot program authorized by the 1991 Legislature and expanded by the 1992 Legislature. This experiment in decentralized personnel management gives extraordinary flexibility to the two departments (Revenue and Labor) which are participating in the pilot.

Further, a great many obstacles to more efficient use of resources appears to lie not within FDLE per se, but rather with the interface between FDLE and other departments -- and by restrictions placed upon FDLE by other agencies, legislative fiat and/or executive order.

The Department of Corrections has recognized the need for changes in its operating philosophy and has initiated the improvement process. This effort, however, is at an embryonic stage. For example, Secretary Singletary is clearly trying to encourage more open and frank communications within the Department, but it was clear that the concept -- while welcome -- has not been accepted throughout the organization.

The Department is currently in the process of writing its strategic plan and working to gain support for it throughout the organization. Next, their intent is to analyze and change their organizational structure to be consistent with the new strategic plan. At that stage, they intend to begin implementing Total Quality Management concepts to support achieving their goals.

It was also readily apparent that the employees we met with at the Department of Corrections were hard working, well intentioned individuals. They reflected varying degrees of frustration with both the bureaucracy and their inability to plan solutions while budget issues remain unresolved. The types of bureaucratic roadblocks to success appeared to be identical to those encountered at the Department of Law Enforcement.

The Department of Corrections is on the right track. Secretary Singletary recognizes the steps that need to be taken and is logically and aggressively addressing them. The outcome of these efforts, however, will take some time to determine.

### Findings and Recommendations

1. **Finding:** Both the Departments of Law Enforcement and Corrections operate under a maze of rules and regulations which create major roadblocks and severely restrict their ability to manage their operations.

**Recommendation:** Major efforts should be initiated to deregulate state government to remove these roadblocks. Significant cost savings are possible if this recommendation is implemented throughout state government.

2. **Finding:** The Department of Law Enforcement has made a substantial effort to implement Total Quality Management, but needs to work more on development of results-oriented measures.

**Recommendation:** The subcommittee should continue to provide assistance to help FDLE move from process and workload oriented measures to outcome measures.

3. **Finding:** The Department of Corrections has utilized a logical process to identify its major issues and is currently finalizing its strategic plan.

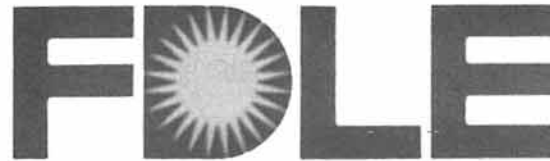
**Recommendation:** The subcommittee should continue to provide support, encouragement and assistance as they develop the required process to implement the elements of their strategic plan.

4. **Finding:** There are conflicts between the Career Service System and Total Quality Management.

**Recommendation:** Flexibility from Career Service System rules authorized for the Departments of Revenue and Labor and Employment Security should be expanded to all state agencies.

5. **Finding:** The process of change is continuous in the Department of Law Enforcement and is underway in the Department of Corrections. It takes time to get results that lead to potentially significant savings. The subcommittee sees receptive attitudes in both agencies that will result in desired changes.

**Recommendation:** The public and private partnership forged by Partners in Productivity should be continued and every effort made to assist in achieving Total Quality Management in state government.



## DEPARTMENT OF LAW ENFORCEMENT

**Governance:** Agency head is appointed by the Governor and Cabinet

**1992-93 budget:** \$99 million (\$57 million General Revenue; \$42 million Trust Funds)

**Number of positions:** 1,366

**Mission:** To continually strive to provide a secure Florida for its citizenry and visitors.

### **Fundamental values:**

1. Continually improve the Department's relationship with local law enforcement (its major customer.)
2. Streamline the organization for effectiveness and efficiency.
3. Ensure that decision-making occurs at the lowest appropriate level within the organization and that members are held accountable for their decisions.

### **Major functions:**

1. Provide investigative, technical and forensic expertise and assistance to identify and disrupt criminal activity while protecting the constitutional guarantees of individuals.
2. Provide Florida's criminal justice community with a comprehensive, state-of-the-art information system of operational and management data, and a telecommunications network linking Florida's participating criminal justice agencies.
3. Establish and enforce training and professional standards to ensure that Florida's criminal justice professionals are qualified, informed, well trained, competent and ethical.

### **Five year priority issues:**

1. Prevent, solve or control criminal activity in Florida by providing investigative, technical and forensic expertise and assistance to the law enforcement community.
2. Enhance the quality of services provided by Florida's criminal justice system through effective provision of information and inter-agency communication.
3. Provide consistent, efficient, cost-effective internal services to meet departmental and state needs.

### **Obstacles to improved management:**

1. The most significant obstacle appears to be the maze of rules and regulations dealing with how FDLE uses its resources and interfaces with other agencies of state government. The effect is to create an environment that provides too many "can't do's". Many members of FDLE expressed frustration with their lack of empowerment to run their operations because of state statutes and administrative rules based upon the exception. The following examples are illustrative:

- The agency must be responsible for over \$100 million in annual budget. However, it is not empowered to approve moving expenses for new hires or promotional hires.
  - The process for bidding on state contracts is flawed to the point that many state contract bids are routinely appealed by the losers. This is now an anticipated element of the process. For example, during the past 18 months, FDLE has been attempting to procure a new computer system for its data center. Following a lengthy bid appeal process, FDLE is now rebidding the system. This is a time consuming and expensive exercise from an administrative point of view, and FDLE still does not have the new system which is desperately needed by Florida's local law enforcement community.
  - Lack of flexibility in the personnel management policies of state government. (The pilot program authorizing decentralized personnel management in the Departments of Revenue and Labor and Employment Security is an excellent example of eliminating unproductive rules and regulations, and allowing for timely rewards to increase member productivity. It should be expanded to encompass FDLE and other state agencies).
2. A second obstacle is costly turnover in some FDLE job classifications. For example, the turnover rate in Criminal Justice Technician positions in 1991 was 58%. These positions require a college degree or the equivalent. Some employees have Masters Degrees. The beginning salary for this position is \$13,588.

**Progress in introducing cost/benefit analysis:**

FDLE clearly has begun this process. It stands out in the Department's fundamental values. Moreover, the Agency Functional Plan relates initiatives to performance standards, staffing levels and costs associated with functions. A Resource Allocation model depicts priority setting and the percentage of investigative hours to be dedicated to each major initiative. An Enterprise Model developed by members throughout the department identifies 140 distinct products delivered to 63 customers. A strong emphasis is placed upon customer recognition and satisfaction.

**Preliminary performance and productivity measures:**

1. Total number of cases worked and number of case hours worked, including but not limited to anti-violent crimes, an integrated approach to combatting organized crime, RICO and narcotics violations.
2. Total number of arrests, seizures and assets forfeited as a result of all investigations.
3. Number of investigative cases handled jointly with local law enforcement agencies or task forces.
4. Number of law enforcement officers trained as Drug Abuse Resistance Education (DARE) instructors.
5. Number of FCIC messages processed, number of criminal intelligence assists completed by FIC, and percentage of downtime for FCIC system.
6. Number of criminal history requests processed from local law enforcement agencies and from non-criminal justice agencies.
7. Number of officer employment registrations, terminations, certifications and active officer discipline cases processed.
8. Number of evidence submission analyses completed by FDLE crime laboratories.
9. Number of training center, criminal justice agency and internal compliance/performance audits completed.
10. Functions streamlined through enhanced administrative processes or initiatives.



## DEPARTMENT OF CORRECTIONS

**Governance:** Agency head is appointed by the Governor

**1992-93 budget:** \$951 million (\$911 million General Revenue; \$40 million Trust Funds)

**Number of positions:** 22,708

**Mission:** To protect the public and safeguard staff, inmates and other felony offenders committed to its custody.

**Major functions:**

1. Incarcerate the most serious offenders in secure, safe, humane, disciplined institutions.
2. Provide integrated programs for treatment, work, education and health care for offenders.
3. Help prevent crime by providing community-based supervision and surveillance during reintegration of offenders into society.

**Five year priority issues:**

1. How can the Department better ensure the safety of the public?
2. How can the Department promote its public safety leadership role in developing and maintaining a partnership with local communities and public safety agencies?
3. How can the Department create or enhance programs and services to diminish the growth of the offender population?
4. How can the Department obtain the financial resources and staffing patterns to better manage a quality correctional system at optimal efficiency?
5. How can the Department enhance productivity through the use of technology, human resources and quality management techniques?

**Obstacles to improved management:**

1. The biggest roadblocks appear to be tradition, operations funding and the need to build trust among departmental employees.
2. While the Secretary of Corrections has responsibility for nearly a \$1 billion budget, he lacks authority which is fundamental to an effectively operating organization. For example, there are as many as six different salary rates for the same job title in various department institutions and offices statewide, making it difficult to move staff from one part of the Department to another as needs arise.
3. Department managers are bound by a system of bureaucratic restraints that assigns more responsibility than authority and sometimes lacks accountability. For example, purchasing a new vehicle requires two separate approvals by the Secretary of Corrections and two separate actions by the Department of General Services. It is a protracted process characterized by delays and frustration.

**Progress in introducing cost/benefit analysis:**

1. The Department has made significant progress in using inmate labor to construct correctional facilities and provide institutional food services. It also "loans" approximately 2,000 inmates daily to local governments to perform maintenance of buildings and grounds. These initiatives have several benefits: They reduce the cost of building and maintaining facilities; they teach inmates a useable trade; and they keep inmates active.
2. A computerized menu planning system has been implemented to assist institutions in further lowering their food costs.

**Total Quality Management:**

The Department has a stated objective that "by 1994 there will be in place a comprehensive TQM program with 70% of the required training having been completed."

**Preliminary performance and productivity measures:**

1. By January 1, 1995 a survey of public officials, media representatives, civic and educational leaders and organizations, and the general public will indicate that at least 75% of the respondents are satisfied with their level of understanding and awareness of the Department's mission and accomplishments.
2. By July 1, 1995, the Department of Corrections will:
  - Obtain a 10% increase in productivity over 1991-92.
  - Demonstrate a leadership role by increasing the Judiciary's awareness of the impact of the placement of offenders outside of the statewide sentencing guidelines, resulting in an increase in appropriate placements from 88% to 95%.
  - Work to fully implement the Community Corrections Partnership Act, and a crime prevention and diversionary initiative.
  - Achieve a satisfaction level of 90% among local communities and public safety agencies with the Department's leadership efforts.
3. By June 1996, the Department of Corrections will:
  - Maintain an escape rate of no more than four per 1,000 inmates from all of its currently funded major institutions (which totaled 45 in 1991-92).
  - Reduce by 20% the per capita number of felony crimes committed within correctional facilities.
  - Reduce the average caseload in regular probation to 50 offenders per officer.
  - With the cooperation of the Legislature and the Judiciary, ensure that dangerous offenders (those convicted of murder or sex offenses) serve at least 70% of their sentences in prison.
  - Reduce from 44.3% to 39.9% the rate of recidivism (within three years of release) of offenders committed to the Department's supervision or custody.



## Department of Highway Safety and Motor Vehicles

### DEPARTMENT OF HIGHWAY SAFETY AND MOTOR VEHICLES

**Governance:** Agency head is appointed by the Governor and Cabinet

**1992-93 budget:** \$252 million (\$75 million General Revenue; \$177 million Trust Funds)

**Number of positions:** 5,087

**Mission:** To promote in a courteous, responsive and professional manner the most efficient, effective and safe driving environment through law enforcement and public education and awareness; reduce the number and severity of traffic crashes; assure that all motor vehicles are properly registered and titled; assure that all motor vehicle operators are qualified and properly licensed; and help reduce air pollution by regulating motor vehicle exhaust emissions.

**Major functions:**

1. Promote a safe environment for users of Florida roads through law enforcement, public education and awareness.
2. Maintain an effective driver license program.
3. Provide title and registration services, including consumer protection and inspections.
4. Assist agencies and organizations with records systems on drivers, vehicles and crashes.
5. Provide executive direction and management to support the headquarters and field activities of the Department.

**Preliminary performance and productivity measures:**

1. Attempt to reduce the number of alcohol-related traffic fatalities on Florida's roads.
2. Attempt to reduce the mileage death rate on Florida's roads.
3. Maintain the current level of speed compliance in 55 MPH speed zones.
4. Maintain the current level of withdrawing driving privileges of drivers who have been convicted of DUI, DUI Manslaughter and accumulation of points.
5. Maintain the number of driver license applicants processed per examiner hour in field offices.
6. Increase the number of driver license mail-in and phone-in renewals.
7. Reduce the number of consumer complaints toward dealers.
8. Reduce the number of motor vehicles failing state emissions testing.
9. Maintain at least a 70% retention rate of employees who participate in the Employee Assistance program.
10. Cost savings resulting from volunteers serving in all locations of the Department.



## PAROLE COMMISSION

**Governance:** Commissioners are appointed by the Governor and Cabinet

**1992-93 budget:** \$8.1 million (\$8.1 million General Revenue; \$37,982 Trust Funds)

**Number of positions:** 198

**Mission:** To act as an inmate release mechanism. The Commission has no statutory authority to implement other programs designed to deal with crime.

**Major functions:**

1. Determine which inmates are released on parole, conditional release and control release, and establish the terms and conditions of their release.
2. Issue warrants for any releasees charged with violating the terms and conditions of their parole, conditional release or control release.
3. Conduct parole conditional release and control release revocation hearings.
4. Provide assistance to crime victims and seek victim input in the Commission's decision making process.
5. Prepare clemency reports and recommendations.

**Preliminary performance and productivity measures:**

1. Percentage of offenders released from prison under conditional or control release who are returned to prison for a subsequent offense prior to the expiration of their original sentence.
2. Lag time between the Commission's receipt of a notice of violation and the issuance of a warrant for return to custody of persons who violate the terms and conditions of parole, conditional release or control release.
3. Percent of indigent violators of the terms of conditional or control release who receive legal assistance at their revocation hearing.
4. Level of satisfaction of a sample of victims regarding protection of their rights and opportunities to provide input into the Commission's decision making process.
5. Level of satisfaction of a sample of criminal justice agencies regarding their working relationship with the Commission.
6. Level of satisfaction of the Office of Executive Clemency with investigations and recommendations made by the Commission.



## DEPARTMENT OF MILITARY AFFAIRS

**Governance:** Agency head is appointed by the Governor. He or she must be a federally recognized officer of the Florida National Guard.

**1992-93 budget:** \$12 million (\$6.8 million General Revenue; \$5.2 million Trust Funds).

**Number of positions:** 270

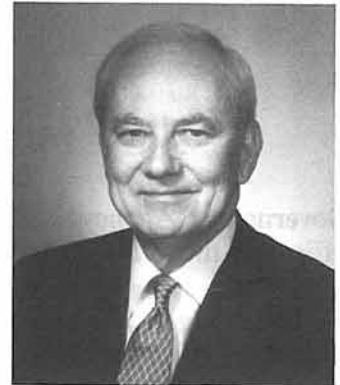
**Mission:** To provide combat ready units to deploy in support of the U.S. Military. The Department also provides trained personnel to protect the life and property of the people of Florida and to preserve peace, order and public safety .

**Preliminary performance and productivity measures:**

1. Test alert response time for mobilization and deployment of National Guard units.
2. Survey of a sample of national guard personnel regarding the necessity, effectiveness and usefulness of their training.
3. Results of a leadership/management assessment profile administered by the Department.

## SUBCOMMITTEE ON REGULATION CHAIRMAN'S OVERVIEW, FINDINGS AND RECOMMENDATIONS

Chairman  
**John T. Hartley**  
Chairman, President and CEO  
Harris Corporation  
Melbourne



*John T. Hartley*

The approach used to review the seven state agencies, commissions and boards assigned to this subcommittee was to select an experienced, qualified businessman or educator to be responsible for each agency. The procedure used was to obtain and review each agency's Functional Plan and any related performance and productivity measures already developed. Subsequently, meetings with the agency heads and their staffs were held to review and discuss their plans and measures. From the written material and personal discussions, judgements were made with regard to the usefulness and effectiveness of the measures.

The available time of both agency personnel and members of the Subcommittee, the degree of completeness and effectiveness of Agency Functional Plans, the degree of understanding and acceptance of Total Quality Management (TQM) and the attitude of agency heads and their staffs towards this Partners in Productivity effort affected the usefulness of this activity. I want to thank the members of the Subcommittee for their commitment to this project: J. Hyatt Brown, President and CEO, Brown and Brown Insurance and former Speaker of the Florida House of Representatives; Edward Duda, President and CEO of A. Duda and Sons, Inc.; Dr. Arnold Heggstad, Professor of Banking and Finance at the University of Florida; Dean Robert Lanzillotti, Director of the Eminent Scholar Chair at the University of Florida; Philip D. Lewis, President of Philip D. Lewis Real Estate and former President of the Florida Senate; Robert E. Sullivan, Senior Vice President for Administration at Harris Corporation; and Stanley Tate, Principal, Stanley Tate Enterprises. We also greatly appreciate the time and expertise of the agency heads and their staffs who worked with us to help improve performance and productivity measurements.

It should be noted that one of the seven agencies examined by the subcommittee -- the Hospital Cost Containment Board -- was absorbed by a newly created Agency for Health Care Administration and renamed the Health Care Board, effective July 1, 1992. A meeting was held with the current Board staff and a report with performance and productivity measures was prepared, but because of the reorganization and attendant uncertainty concerning the future roles and responsibilities of the Board, it is not included in the subcommittee's report.

Before making any comments or observations on the results of our meetings with the agencies, I would like to provide some perspective on implementing Total Quality Management from my experience as CEO of Harris Corporation. Implementing TQM

successfully is one of the greatest challenges any manager faces. The concepts of TQM are relatively simple and straight forward: achieving customer satisfaction; linking all systems, people and other resources in the organization to achieve the vision, mission, goals and objectives laid out in a well-constructed and universally understood Strategic Plan; and increasing productivity of work effort by improving processes through employee involvement and establishment of effective output and outcome measurements.

To execute TQM successfully, however, requires time, patience, top-down leadership, perseverance and the acceptance and participation of all managers and employees. That is the difficult part. At Harris Corporation, we have been at this process aggressively for six or seven years, and after much effort have been making great progress and significant improvements -- particularly during the last three years.

Our Subcommittee's review of state agencies points out in summary fashion the following "non-surprising" findings:

1. State government must accelerate its TQM efforts because a successful effort will help restore our citizens' trust and confidence in government, which in many instances is currently lacking.
2. Top-down leadership to understand, accept and execute a TQM program (including measurements) is not yet generally in effect. Unless top managers lead the effort vigorously, follow up and inspect the results through an effective measurement system, TQM will fail.
3. Agency Strategic Plans are in various states of completion, effectiveness and usefulness. The preparation of a well thought-out plan by an agency -- based on a team effort and with agreed upon vision, mission, goals and statements of objectives (including planning the implementation of TQM) -- should be the starting point for communicating to employees why the agency exists, who its customers are, and the measures to be used to regularly assess the degree of success achieved toward accomplishing its mission.
4. Linkage between agency missions, goals, objectives and measurements are tenuous and indirect. There are too many measurements of process, and not enough measures of results.
5. In many instances, there is a high degree of enthusiasm and desire on the part of agency heads and employees to be productive and improve their operation. The atmosphere is now very conducive to proceeding rapidly to "seize the day".
6. The Legislature obviously impacts (many times adversely) the work processes of state agencies, how they write and enforce regulations, and their management flexibility and incentives. It is clear that the Legislature must be directly involved to help the agencies implement Total Quality Management successfully.

7. There is an inherent lack of an underlying economic value system to control state budget expenditures. A private business must make a profit to survive, hence there is an economic limit on expenditures. A state agency head is motivated primarily to accomplish the agency's mission as prescribed by law and regulation. Cost is a secondary consideration. Since economy and productivity are integral to TQM, this inherent lack is an obstacle to its successful implementation in state government.

**Recommendations:**

1. The immediate institution of a state commission along the lines of the proposed Government Accountability to the People Commission (GAP) to help oversee the periodic preparation of complete, effective and succinct Agency Strategic Plans. These plans should include appropriate output and outcome measurements that can be used by the Governor, Cabinet, Legislature, state agencies and the public to measure the effectiveness of agencies achieving their missions in a cost effective manner. The Legislative Branch should be represented on this Commission in addition to members from the business community, state agencies and the Governor.
2. Action should be taken to create through constitutional amendment or other means a spending/revenue cap along the lines outlined by Florida TaxWatch and the Taxation and Budget Reform Commission in order to establish practical limits on state spending and taxing. There simply must be some economic limits imposed on any government's authority to spend and tax.
3. The Legislature, in conjunction with the Governor and state agency heads, should reexamine the procedures, policies and laws which require assessing the economic impact of new laws and regulations to assure that the benefits far exceed the total economic costs. This effort should be conducted with an overall thrust toward governmental reduction and deregulation.
4. Partners in Productivity, in concert with the Governor's Office, should encourage increased involvement by members of the Legislature more directly in the effort to promote Total Quality Management in state agencies -- including the establishment of appropriate measures of results. This appears to be a missing link.

As a final comment, I believe it is prudent to restate the obvious: that Partners in Productivity's ability to assist state agencies in Total Quality Management is extremely limited, and that our agency reviews have barely scratched the surface. As all of us who have implemented TQM programs know, at the end of the day an organization must do it themselves. Accordingly, the Governor's leadership in this area is critical -- as is that of each agency head and the Legislature. If Partners in Productivity can get that message across, we will have contributed significantly in our effort to help state government.



## DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES

**Governance:** Agency head is the elected Commissioner of Agriculture

**1992-93 budget:** \$171 million (\$83 million General Revenue; \$88 million Trust Funds)

**Number of positions:** 3,628

**Mission:** To provide or help to assure the safety and wholesomeness of food, fibre, and other marketable products; a healthy environment; consumer protection; a sound agricultural economy; and enhancement of the social and cultural well being of Florida's residents and visitors.

**Priorities:**

1. Cabinet leadership and management
2. Consumer protection; regulation and investigations
3. International agricultural marketing support
4. Protect and enhance forest land

**Comments:**

1. The Department participates in both the Florida Certified Public Management program and the Executive Leadership Management program. However, Total Quality Management was not cited by department staff as an area under investigation.
2. The Department believes that the General Revenue budget reductions of the past three years have presented serious difficulties in the effective and efficient administration of its statutory duties and responsibilities.

**Preliminary performance and productivity measures:**

1. Elapsed time required to re-inspect food firms that were found to be "sanitarily poor" during the initial inspection.
2. Elapsed time required to test new citrus varieties prior to their release to the industry.
3. Level of compliance with the Department's standards for forestry "best management practices."
4. Level of satisfaction of a sample of persons who contacted the Department about consumer protection concerns.
5. U.S. Environmental Protection Agency approval of a state management plan to protect groundwater from adverse impacts of pesticide use.

Note: The Department is currently developing new performance and productivity measures that are pertinent to its four priorities listed above.



## DEPARTMENT OF BANKING AND FINANCE

**Governance:** Agency head is the elected Comptroller of Florida

**1992-93 budget:** \$66 million (\$39 million General Revenue; \$27 million Trust Funds)

**Number of positions:** 856

**Mission:** To act as the state's fiscal watchdog and to protect Florida citizens by ensuring that privately held funds are safe.

**Major functions:**

1. Promulgate annual financial statements for both the state and its local governments.
2. Pre-audit all requests for expenditure of state funds.
3. Prepare and produce all state warrants.
4. License, examine and regulate state chartered financial institutions, retail installment sales and other credit organizations, mortgage brokers, currency transactions, abandoned property and cemeteries; register non-exempt securities and securities salespersons.
5. Maintain and enhance the State Automated Accounting Subsystem (SAMAS) used by all state agencies.
6. Develop and maintain an action plan -- including rules, policies, procedures and budget -- for implementation of the Florida Fiscal Accounting Management Information System (FFAMIS).

**Comments:**

1. During the past three years, all of the Department's major regulatory functions have undergone legislative sunset, resulting in strengthened and modernized laws relating to banks, securities, mortgage brokers and cemeteries.
2. Two divisions in the Department have undergone complete structural reorganization to promote more effective and efficient operations.
3. The Comptroller and his staff are committed to efficient management of the agency. Since many of the functions involve enforcement of legal and regulatory requirements, it is not possible to fully quantify performance. Good performance means balancing the prevention of prohibited behavior against the benefits of a free flowing financial system, both in the private sector and within government.

**Preliminary performance and productivity measures:**

**PROTECTION OF PRIVATE FUNDS**

1. **Effectiveness Measures**
  - Number of entities examined by the department compared with the number of entities required to be examined.
  - Number of securities firms examined for cause compared with the number of securities examinations.
  - Total number of licenses issued by the department compared with the number of license applications received by the department.
  - Number of individual citizens who receive abandoned property compared with the total number of abandoned property cases received during the fiscal year.
2. **Efficiency Measures**
  - Ratio of the total of all departmental examination staff to the number of examination hours.
  - Ratio of the total number of staff reviewing licensing applications to the total number of applications received.
  - Total cost of the abandoned property program divided by the number of abandoned property cases resolved.
3. **Customer Satisfaction Measures**
  - Number of licenses issued on a timely basis compared with the total number of licenses issued.
  - Total number of complaints received against all regulated entities compared with the total number for each of the last five years.
  - Number of complaints received against the abandoned property program compared with the total number of abandoned property cases received during the fiscal year.

**PROTECTION OF PUBLIC FUNDS**

1. **Effectiveness Measures**
  - Number of claims against the state paid timely compared with the number of claims paid and the number of claims received.
  - Number of financial reports completed and distributed in a timely manner compared with the total number of reports required to be prepared.
2. **Efficiency Measures:**
  - Total number of claims received compared with the number of auditing staff.
  - Total cost to produce required financial reports divided by the number of reports produced and the resulting cost per publication.
3. **Customer Satisfaction Measures:**
  - Number of complaints received regarding late payment or non-payment compared with the total number of claims received.
  - Total number of reports circulated each year.



## DEPARTMENT OF INSURANCE AND TREASURER

**Governance:** Agency head is the elected State Treasurer and Insurance Commissioner

**1992-93 budget:** \$134 million (No General Revenue; \$134 million Trust Funds)

**Number of positions:** 1,295

**Mission:** To regulate the insurance industry in order to provide a solvent, stable, affordable and reliable insurance market for consumers; maximize the return on investments in the state treasury with minimum risk; and ensure the greatest protection possible to consumers against losses from fires, explosions and the threat of arson.

### Major functions:

1. License and examine insurance companies.
2. Administer and enforce the Florida Insurance Code.
3. Investigate insurance fraud.
4. Provide for insurance protection for state buildings and automobiles.
5. Provide workers' compensation coverage for state employees.
6. Regulate the liquefied petroleum gas industry.
7. Assist Florida citizens in fire service and fire protection.
8. Invest state surplus funds.

### Summary and recommendations:

The following recommendations are made in an effort to look toward more efficient regulation and to place a greater responsibility for regulation on the private sector. All of these tentative proposals need to be researched to verify that they do not detract from the number one goal of the Department of Insurance, which is consumer protection.

1. Insurance rate regulation should be based on variance and excess profits only.
2. Insurance form filing should be informational only, and all forms should comply with state statutes.
3. Register instead of license insurance agents. Place the burden of malfeasance and misfeasance of agents directly on the licensing company, with appropriate fines for violation.
4. At appropriate intervals, the Division of Risk Management should bid out all or any part of its responsibilities for state insurance and self insurance, and use private sector bids as a measure of its efficiency.

In addition to looking at ways to save money, additional research is needed to determine what areas, if any, may require additional funds in order to accomplish the Department's number one goal of consumer protection. Specific areas in this category include fraud (increased number of insolvencies), legal services (increased number of Division of Administrative Hearings appeals) and consumer services (increased volume of consumer requests for help).

**Preliminary performance and productivity measures:**

1. Yield of internal investment pool funds as a percent of yield on 90 day Treasury Bills.
2. Yield of external investment pool funds as a percent of yield on internal investment pool.
3. Savings to Florida policyholders resulting from insurance rate reviews.
4. Number of complaints by insurance consumers handled versus the national average.
5. Elapsed time required to process insurance companies' form and rate filings.
6. Percent reduction of the incidence of abusive sales practices by agents selling insurance products.
7. Number of successful disciplinary actions brought against insurers and agents involving unscrupulous activities.
8. Elapsed time required to complete investigations and disciplinary proceedings against insurance companies and agents.
9. Number of prosecutions resulting from the Department's arson investigations.
10. Average cost of casualty insurance premiums per state employee.
11. Percent of elementary and secondary public school students enrolled in the prepaid college program.

Note: The above measures are from earlier drafts developed by Partners in Productivity and the Department.



## DEPARTMENT OF BUSINESS REGULATION

**Governance:** Agency head is appointed by the Governor. A five member Pari-Mutuel Wagering Commission is appointed by the Governor and confirmed by the Senate. A State Athletic Commission appointed by the Governor and confirmed by the Senate has exclusive jurisdiction over professional boxing matches.

**1992-93 budget:** \$88 million (No General Revenue; \$88 million Trust Funds)

**Number of positions:** 937

**Mission:** To protect the public interest through regulation of specific industries. The Department is also responsible for the collection and audit of alcoholic beverage, tobacco and pari-mutuel taxes.

### **Five year priority issues:**

1. Improve computerization throughout the agency.
2. Improve sharing of information between Divisions.
3. Improve training and orientation of new employees.

### **Obstacles to improved management:**

1. Divisions within the Department traditionally have worked in isolation from each other.
2. It is difficult to get fees raised in order to pay for computerization.

### **Preliminary performance and productivity measures:**

1. Survey of a sample of those regulated by the Department and other knowledgeable individuals concerning the Department's effectiveness in protecting the public interest through its public health, public safety and consumer protection efforts.
2. Survey of a sample of knowledgeable individuals concerning the Department's effectiveness and efficiency in collecting taxes and enforcing state tax laws.
3. Survey of a sample of employees concerning the Department's effectiveness in using computer resources to enhance productivity.
4. Survey of a sample of employees concerning the Department's effectiveness in orienting new employees and providing for appropriate training and career development for all departmental employees.

FLORIDA  
DEPARTMENT OF  
PROFESSIONAL  
REGULATION



## DEPARTMENT OF PROFESSIONAL REGULATION

**Governance:** Agency head is appointed by the Governor

**1992-93 budget:** \$62 million (No General Revenue; \$62 million Trust Funds)

**Number of positions:** 859

**Mission:** As a world-class public service agency, The Florida Department of Professional Regulation shall, with its boards and commissions, efficiently and courteously protect the health, safety and welfare of the public by ensuring that regulated professionals meet prescribed standards of education, competency and practice.

**Major functions:**

1. Application and board office functions
2. Examination services
3. Licensure and renewal
4. Complaints
5. Investigative services
6. Prosecution
7. Agency support services

**Five year priority issues:**

1. To establish standards and measures to complete all Department processes in a timely and effective manner.
2. To provide open and immediate access to accurate and relevant public information to all users.
3. To communicate the Department's roles, responsibilities and services as a consumer protection agency.
4. To give priority attention to the elimination of unlicensed activity.
5. To invest in employees and board members through training and professional development.
6. To use leading edge technology and systems in a productive and cost effective manner.

**Obstacles to improved management:**

1. Some of the Department's 46 boards may have interests that conflict with the Department's mission of protecting public health, safety and welfare.
2. The distance that the public feels from the government services it receives.

**Efficiency questions:**

1. Are all of the Department's licensure requirements necessary to protect the public?
2. How can better coordination of the Department's services with those of other state and local regulatory agencies be achieved?
3. Should licensure of the various professions be handled at the state or county level?
4. Should licenses be renewed in places like Department of Commerce offices?

**Preliminary performance and productivity measures:**

EXAMINATION OF CANDIDATES FOR LICENSURE

1. Number of applications for licensure processed.
2. Number of examinations administered to applicants.
3. Examination cost & cost per candidate matrix.

RENEWAL OF LICENSES

1. Number of licenses renewed.
2. Cost per license renewed.

INSPECTION OF LICENSED FACILITIES

1. Number of facilities inspected.
2. Cost per facility inspection.

INVESTIGATION OF LICENSEES

1. Number of complaints against licensees received.
2. Number of investigations conducted.
3. Cost per licensee investigation by each Board.

DISCIPLINARY ACTION/LITIGATION AGAINST LICENSEES

1. Number and percentage of investigations resulting in disciplinary action (including litigation).
2. Number and percentage of successful prosecutions against licensees.
3. Cost per prosecution matrix.

APPEALS

1. Number of appeals to disciplinary actions against licensees.
2. Number of appeals from other administrative actions.

CONTINUING EDUCATION OF LICENSEES

1. Number and percent of licensees monitored for continuing education.

CONTRACT SERVICES TO/FROM OTHER STATE AGENCIES

1. Number of examination and licensure contracts with other state agencies.
2. Examination and licensure cost and cost per unit matrix.

INTERNAL MANAGEMENT

1. Percent increase in employee productivity resulting from improved office automation and training (against 1991-92 baseline).
2. Documented cost savings from improved office automation and training.
3. Documented improvements resulting from 15 efficiency initiatives listed in the Department's 1991-96 Agency Functional Plan.
4. Development of "standard" and "guaranteed" processing times with tracking system.
5. Satisfaction survey of managers, supervisors and employees regarding DPR training and evaluation efforts.



## PUBLIC SERVICE COMMISSION

**Governance:** Commissioners are appointed by the Governor from a slate of at least three nominees submitted by the PSC Nominating Committee, and are confirmed by the Florida Senate.

**1992-93 budget:** \$21 million (No General Revenue; \$21 million Trust Funds)

**Number of positions:** 391

**Mission:** To regulate the rates and services of investor-owned electric, natural gas, water and waste water systems in 34 counties (county option) and telecommunication companies. The Commission also has jurisdiction over municipal electric utilities and electric cooperatives with regard to rate structure, territorial boundaries, bulk power supply operations and planning. Additionally, it exercises safety authority over all electric and natural gas systems operating in the state.

### Five year priority issues:

1. Competition in electric generation. In the area of electric utilities, the most important issues concern federal "de-regulation" legislation expected to be enacted in 1992 that will exempt wholesale generators of electric power from the Public Utility Company Holding Company Act. The anticipated result is an increase in the number of independent power producers in the State of Florida and the beginning of operations in other states by affiliates of Florida-based utilities.
2. Transmission access problems. Expected new federal legislation may provide the Federal Energy Commission (FERC) with additional authority to require electric utilities to provide transmission services. Some of the "fallout issues" of this anticipated legislation concern reliability, protection of native-load customers, and retail wheeling.
3. Clean Air Act amendments of 1990. The Commission will be addressing both the continuing and newly-generated issues, as well as the impact on utilities in attaining compliance with the Clean Air Act. More specifically, the Clean Air Act Amendments of 1990, limiting emissions of sulphur and other toxic chemicals, will force utilities to select from a menu of higher-cost alternatives: e.g., switch in type of fuels used for generation, installation of scrubbers, and the prospect that in certain instances some plants may have to be shut down.
4. Competition in telecommunications. The increasingly competitive nature of the telecommunications industry generates issues requiring continuing Commission attention. Of particular interest is the fact that competition is driving the modernization of the system from traditional copper to fiber optic cable and to more advanced digital switches. Also, the type of services traditionally provided by local exchange companies (LECs) is likely to change in certain respects. For example, (a) "unbundling" of access services would allow

interchange carriers to provide some services which LECs currently provide, (b) interface with the cable industry (i.e., LECs may be allowed to enter the cable market); and (c) LECs may be required to use separate subsidiaries to provide some services, such as public pay phones.

5. Adequacy and quality of water supply. In certain areas of the state, the Commission must deal with such issues as salt water intrusion, compliance with Environmental Protection Agency standards regarding quantity and quality, and potential conflicts between agricultural demand for water and general public requirements.

**Comments:**

1. The Public Service Commission has demonstrated unusual effort in developing technical performance improvement measures; it has enacted programs that are unique or among the first in the nation; it has attained prominence in its ranking among other members of the National Association of Regulatory Utility Commissions (NARUC); and it has taken a prominent leadership role in regard to national regulatory policy issues. All of these actions have directly or indirectly benefitted Florida ratepayers.
2. The Commission formerly experienced difficulty in procurement activities, especially modernization of its computer facilities, but these problems have been largely corrected as a result of its being taken out from under the jurisdiction of the Information Resource Commission (IRC) and state purchasing policy, and permitted to buy such equipment directly. This illustrates the importance of providing state agency managers with the authority and ability to manage their activities in a business-like manner without excessive bureaucratic rules which result in unnecessary inefficiencies.
3. In this connection, there is some anticipation that reform of the state's civil service system will provide adequate flexibility and authority to have meaningful human resource management at the agency level. As the economy improves, the PSC anticipates some increase in turnover of professional and administrative staff, which will test the limits of managerial authority and budgetary adequacy.

**Preliminary performance and productivity measures:**

1. Number of citizens served by regulated utility systems.
2. Cost per citizen served by regulated utility systems.
3. Number of utilities regulated.
4. Number of utilities regulated per staff year.
5. Cost per utility regulated.
6. Full compliance with statutory mandates in Chapters 350, 364, 366, 367, 368 and 427, Florida Statutes.

## SUBCOMMITTEE ON ENVIRONMENT AND DEVELOPMENT CHAIRMAN'S OVERVIEW, FINDINGS AND RECOMMENDATIONS

Chairman  
**Charles E. Rice**  
Chairman and CEO  
Barnett Banks, Inc.  
Jacksonville



*Charles E. Rice*

The subcommittee on Environment and Development decided to work as a group and to focus its efforts on the Department of Environmental Regulation (DER) rather than divide its resources and time among the four assigned agencies. The Departments of Natural Resources and Community Affairs, and The Game and Fresh Water Fish Commission provided examples of their measurement tools which are included in the subcommittee's report.

The subcommittee met with DER Secretary Carol Browner, who cooperated by providing numerous planning and monitoring documents along with many of her observations. Subcommittee members and staff later held on-premises meetings with DER staff to discuss both the documents provided and Department processes. At Secretary Browner's suggestion, specific focus was placed on the DER's planning process and the dredge and fill permitting process.

I want to thank the following subcommittee members for the time and effort they devoted to this project: Bob Allen, President and CEO of Consolidated Tomoka Land Company; Tim Guzzle, President and CEO of TECO Energy, Inc.; Jack Wilson, President of the Wilson Company; and Steve Settles of Barnett Banks, Inc.; We also appreciate the cooperation and expertise of Secretary Carol Browner and Dr. Gil Bergquist, Director of Planning and Research.

The DER operates within a very complex environment with numerous competing and often adversarial influences. Balancing environmental preservation and restoration with economic development is a difficult challenge. Environmental issues are often clouded by emotional reactions from both the business community and environmental protection groups. This task is complicated by the state's finite resources. However, Department personnel are clearly committed to preservation of the state's environment.

Whether an organization is private or governmental, many of the keys to successful management remain the same. It must adopt a clear mission and measurable goals. Activities must then be prioritized and pursued to achieve these goals. Keys to success lie in clear and consistent communication of the organization's objectives, measurement of accomplishments and rewards for successful performance.

The DER has made strides towards adopting these concepts. Its planning process and a prioritized budget are indications of its commitment to Total Quality Management. However, many obstacles remain. Our findings and recommendations are as follows.

**FINDINGS:**

1. Leadership must begin with clear goals and objectives. DER's efforts to track environmental quality measures are a necessary element in a complete planning process. However, current goals are aimed at improvement in all quality measures. Until quality targets are stated and agreed upon by DER and the Legislature, the planning process will be incomplete and unclear because the agency's mission will never be accomplished, as any level of quality can always be further improved. In addition, quality targets should be assessed in light of economic impact and cost, not just environmental quality.
2. DER's current goals do not match up well with its management structure. This creates challenges in effectively assigning responsibilities and measuring outcomes. DER has recognized this issue and is attempting to address it.
3. DER's assigned tasks require highly qualified scientists to understand and fairly address complex regulatory and permitting issues. The agency is clearly frustrated by the difficulty of attracting and retaining necessary skilled scientists. Flexibility in rewarding talented and motivated employees is needed.

**RECOMMENDATIONS:**

1. A State Commission similar to the proposed Government Accountability to the People Commission (GAP) should be instituted to help direct agency activities through preparation of complete, effective and concise Agency Strategic Plans which include measurements that can be used by the agency and Florida constituents to measure agency accomplishments and cost effectiveness. The commission should include members of the Legislative and Executive Branches, state agencies, environmental groups and the business community.
2. The Legislature, in conjunction with the Governor and state agency heads, should re-examine the procedures, policies and laws which require assessing the economic impact of new laws and regulations to assure that the benefits far exceed the total economic costs.
3. DER and other environmental agencies should work together to remove redundant regulations and activities among agencies. This streamlining should improve environmental regulation and reduce costs for both the public and private sectors.
4. A thorough review of the benefits of automation should be conducted for DER and other environmental agencies. If efficiency gains are as anticipated by DER, funding should be provided.
5. The cap on permitting fees for wetlands should be re-assessed. DER currently recovers approximately 30% of its permitting costs through user fees. Although cost to process is partly controlled by DER policy, the cap represents a subsidy for large projects. An explicit, equitable and publicized fee structure should be adopted in its place.



## DEPARTMENT OF ENVIRONMENTAL REGULATION

**Governance:** Agency head is appointed by the Governor. Department rules that involve setting standards are reviewed and approved by the Environmental Regulation Commission, a seven member body appointed by the Governor.

**1992-93 budget:** \$626 million (\$29 million General Revenue; \$597 million Trust Funds)

**Number of positions:** 1,453

**Mission:** To protect, conserve and restore the air, water and natural resources of the state.

**Major functions:**

1. Develop plans to provide for air and water quality control and pollution abatement.
2. Provide education and technical assistance to prevent future environmental damage.
3. Administer programs to control or prohibit pollution of the air and water, and to clean up and restore polluted land and water resources.

**DER planning process:**

The DER's planning process is comprehensive and participative, involving approximately 70 senior managers and focusing primarily on development and monitoring of environmental quality measures. The Strategic Assessment of Florida's Environment (SAFE) provides hundreds of environmental quality indicators and is meant to serve as a basis for the Department's other planning and management activities. The program is reflective of both hard work and professional dedication by DER staff. DER is proud of the strides it has made towards completing its planning process. Following are the subcommittee's findings and recommendations related to planning.

Finding:

The SAFE program identifies many environmental quality measures. However, it does not include quality goals nor does it reflect costs incurred by either the State or the private sector in making improvements. Without determining ultimate goals and costs, this process provides no constraint on the cost of pursuing environmental improvement.

Recommendation:

To properly serve the public interest, a balance must be struck between costs and the current open-ended pursuit of improvement. The subcommittee should provide assistance to DER in developing an approach to this complex task.

Finding:

The SAFE program's quality measures do not match DER's management structure.

Recommendation:

To attain accountability for results, objectives must be related to the management structure. DER is currently pursuing a process of assigning SAFE accountability to functions.

Finding:

SAFE measures provide a base on which productivity measurement can be developed, but DER's planning process has not yet evolved to this point.

Recommendation:

Effective productivity measurement should follow the adoption of specific goals and management accountability. DER should make this a high priority and the subcommittee should assist in completing this step in the planning process.

**Dredge and fill process:**

The subcommittee's review resulted in the following finding and recommendation.

Finding:

Currently, to work in wetlands, permits must be obtained from the Department of Environmental Regulation, the U.S. Army Corps of Engineers, the appropriate water management district, and in some cases, county agencies and port authorities. Often, each of these has its own application, its own requirements for mitigation, and its own method of determining the extent of the wetlands. This duplication results in unnecessary costs and confusion for both government agencies and the private sector.

DER is attempting to reduce the duplication and confusion by assuming the Corps of Engineers' permitting authority and by delegating to the Water Management Districts permits for dredge and fill activities that do not require any other DER permits.

Recommendation:

DER is encouraged to actively pursue changes in this process. A coordinated definition of wetlands should also be adopted. Legislation will be required to implement this change.

**Preliminary performance and productivity measures:**

1. Percentage of background wells in the Department's groundwater quality monitoring network demonstrating a degradation in water quality.
2. Percentage of VISA wells in the Department's groundwater quality monitoring network demonstrating a degradation in water quality.
3. Total pounds of toxic chemicals released annually to the state's land and the water.
4. Miles of water bodies meeting or exceeding standards for their designated use.
5. Per capita public water supply withdrawal.
6. Total freshwater withdrawal by use.
7. Sulfur dioxide emissions from permitted facilities measured in tons per year.
8. Major stationary sources and mobile source emissions combined for nitrogen dioxide, measured in tons per year.
9. Major stationary sources and mobile source emissions combined for VOCs, measured in tons per year.
10. Percent reduction in the solid waste stream due to recycling.
11. Tons per capita of solid waste generated.
12. Tons of hazardous waste generated in specific waste types as defined by the Resource Conservation and Recovery Act.



## DEPARTMENT OF NATURAL RESOURCES

**Governance:** Agency head is appointed by the Governor and Cabinet

**1992-93 budget:** \$481 million (\$44 million General Revenue; \$437 million Trust Funds)

**Number of positions:** 2,549

**Mission:** To manage, protect and enhance Florida's natural resources for the best interest of the resource and the public.

**Major functions:**

1. Manage all public lands.
2. Acquire and manage land for use as recreational areas.
3. Direct the control of noxious aquatic plants.
4. Manage the state's marine resources -- including endangered species.
5. Regulate coastal development and boating safety.

**Preliminary performance and productivity measures:**

1. Number of acres purchased for protection, preservation and/or recreation during the latest fiscal year.
2. Number of acres of newly acquired properties brought on-line.
3. Number of acres of waterways, submerged lands and uplands enhanced through removal of noxious vegetation, introduction of preferred vegetation or other on-site habitat management activities.
4. Number of acres of state-owned lands actively managed through on-site implementation of management plans for parks, recreation areas, reserves, preserves and submerged lands.
5. Number of fishery research and analysis projects completed which contributed to adoption of, or revision to, fishery management regulations.
6. Percent of coastal beach miles enhanced through re-establishment of the Coastal Construction Control Line.
7. Number of miles of eroded beach renourished.



## DEPARTMENT OF COMMUNITY AFFAIRS

**Governance:** Agency head is appointed by the Governor

**1992-93 budget:** \$212 million (\$12 million General Revenue; \$200 million Trust Funds)

**Number of positions:** 440

**Mission:** To work in partnership with community and governmental organizations to enhance the quality of life in Florida's communities. By empowering and assisting communities and providing leadership and oversight, facilitate the development and implementation of public policies that:

1. Guide growth and capital investments to protect the natural environment and create dynamic, sustainable communities.
2. Meet the housing and economic needs of citizens and communities.
3. Ensure that the state is prepared to respond to and recover from emergencies.
4. Promote energy conservation and efficiency.

**Preliminary performance and productivity measures:**

### State Level Measures

1. Percent increase in the number of housing units affordable for rent or purchase by low and moderate income Floridians.
2. Evacuation clearance times for areas impacted by storm surge from hurricanes.
3. Amount of primary energy consumed per dollar of economic activity in Florida.
4. Per capita energy consumption.

### Agency Level Measures

1. Assessment of a sample of governmental agencies and the private sector concerning the Department's effectiveness in establishing a shared growth management vision.
2. Level of satisfaction of a sample of local governments with growth management and planning assistance rendered by the Department.
3. Assessment of a sample of local, regional, state and federal agencies and the private sector concerning the Department's effectiveness in protecting coastal resources.
4. Level of satisfaction of a sample of local governments with housing, community and economic development assistance rendered by the Department.
5. Level of satisfaction of a sample of local governments with the Department's assistance in increasing available public shelter space for hurricanes.
6. Level of satisfaction of a sample of state and local emergency managers with the Department's efforts to increase their communications capability in responding to disasters.
7. Level of satisfaction of a sample of grant recipients with the Department's effectiveness and efficiency in managing its grant programs.



## GAME AND FRESH WATER FISH COMMISSION

**Governance:** This agency is established in Florida's Constitution. Commissioners are appointed by the Governor and confirmed by the Senate. The agency head is appointed by the Commission.

**1992-93 budget:** \$67 million (\$18 million General Revenue; \$49 million Trust Funds)

**Number of positions:** 934

**Mission:** To manage freshwater aquatic life and wild animal life and their habitats to perpetuate a diversity of species with densities and distributions that provide sustained ecological, recreational, scientific, educational, aesthetic and economic benefits.

### **Preliminary performance and productivity measures:**

#### State Level Measures

1. Level of quality and quantity of fresh water fish and wild animal life  
This category is measured by 90 objectives in the Commission's July 1988 Strategic Plan (pages 17 through 70).
2. Status of threatened or endangered wildlife  
This category is measured by 17 objectives in the Commission's July 1988 Strategic Plan (pages 59-64).
3. Reduce boating accidents  
This function is shared with the Department of Natural Resources. Measurable objectives have not been set.
4. Reduce littering and illegal dumping  
This function is shared with the Departments of Environmental Regulation and Law Enforcement, and with local governments. Measurable objectives have not been set.

#### Agency Level Measure

1. Public perception of Game and Fish Commission activities  
The satisfaction level of anglers is measured by objectives in the Commission's July 1988 Strategic Plan (#3 on page 17 and #1 on page 24).

The satisfaction level of hunters is measured by objectives in the Commission's July 1988 Strategic Plan (#3, 5, 7, 9, 13, 20, 23 and 27 on pages 40 through 45).

## SUBCOMMITTEE ON PROMOTION CHAIRMAN'S OVERVIEW, FINDINGS AND RECOMMENDATIONS

Chairman  
**Paul T. Nolan**  
President  
GTE Telephone Operations  
Tampa



*Paul T. Nolan*

I appreciate the excellent work completed by the three members of this sub-committee: Payton F. Adams, retired President of GTE Telephone Operations; William E. Starkey, President of GTE Information Systems; and Robert A. Monroe, General Manager of the House of Seagram. After some sensitive beginnings, the cooperation and interest of the agency officials was very good. The information which was gathered and the proposed measurements which are suggested form a good beginning to enable more effective planning, budgeting, implementation and quantitative and/or qualitative measurements.

The following observations have been gleaned from the reports of the subcommittee members:

1. Some state agencies are more difficult to measure than others and care should be taken not to put in place frivolous, costly indices just for the sake of having them.
2. There are indications of needless bureaucratic processes and involvements being imposed on some agencies.
3. There appear to be the usual attempts to close the current budget gap by imposing multiple taxes on people and entities trying to compete, such as citrus grove operators.
4. Some agencies compare very favorably with others in benchmark comparisons.
5. If we and the state are to really leverage the potential that may lie in the findings and recommendations of this subcommittee, it will require follow-up actions or hand-offs to appropriate state officials. Steps should be taken to marshal support from the private sector on an as needed basis to provide specific technical and professional assistance.



## DEPARTMENT OF COMMERCE

**Governance:** Agency head is appointed by the Governor

**1992-93 budget:** \$41 million (\$9 million General Revenue; \$32 million Trust Funds)

**Number of positions:** 280

**Mission:** To be an effective force in raising the standard of living for all Floridians by working in partnership with representatives of business, education and government to build a Florida economy that is characterized by clusters of value-added industries; the nation's leading tourism industry; prominence in the global economy; and enhanced prospects for success by small businesses, minority businesses and distressed and rural areas.

### Major functions:

1. Guide, stimulate and promote tourism, economic development and international trade and development.
2. Deal with small and minority business issues, including increasing the number of qualified black business enterprises, and improving the welfare of the economy -- particularly in distressed communities.

### Five year priority issues:

1. Foster tourism and economic development in an increasingly competitive domestic and international environment.
2. Establish a Total Quality Management system that will prompt continuous improvement of agency operations, and allow for effective measurement of performance and productivity.

### Comments:

1. The 1992 Legislature enacted "Enterprise Florida" legislation whose primary purpose is to unify state, regional and local economic development efforts in order to reduce duplication and save money. The Department's economic development functions are slated to be transferred to a new 21 member Board of Directors over the next two years.
2. The Department's sponsorship of Enterprise Florida indicates its willingness to work in cooperation with industry, to seek its advice and make use of its expertise and knowledge, thereby helping to reduce the need for expansion of the Department.
3. The biggest ongoing obstacles to improving the department's effectiveness lie in areas outside of its purview. These include quality education, a skilled work force and good transportation facilities -- key factors that influence private sector decisions to invest, locate or expand in Florida.
4. Agency goals are sometimes vague because of competing interests within the state. A Total Quality Management system must incorporate such competing interests.

5. The Department does not need new resources in order to put a Total Quality Management program in place. Rather, the resources the Department already has need to be used more efficiently.
6. The Department does not currently have in place the means to assess whether the desired results from performance are achieved.
7. The possibility of privatizing tourism promotion has been debated previously. If this occurs, would there be a need for a Department of Commerce to continue to exist?

**Recommendations:**

1. The Department should place more emphasis on short term goals that are relatively easy to measure while establishing its Total Quality Management program. It seems as though TQM is in danger of "analysis paralysis."
2. Wherever possible, the Department should utilize private industry resources to help monitor trends and provide data for measuring its performance and productivity.

**Preliminary performance and productivity measures:**

State Level Measures

1. New job growth and average wage increases in targeted industry clusters and by geographic region within Florida.
2. Percent increase in the contribution to the estimated gross state product from targeted industry clusters and targeted geographic regions.
3. Percent favorable rating from a sample survey of economic development organizations regarding the state's efforts to implement a streamlined permitting process.
4. Percent favorable rating from a sample of tourism and economic development groups concerning Florida's image as a business and vacation environment.

Agency Level Measures

1. Percent favorable rating of a sample of Florida firms assisted by the Department for the purpose of increasing their participation in global markets.
2. Percent favorable rating by key government and business leaders of the Department's efforts to facilitate joint public and private efforts to improve educational, environmental and growth related conditions in Florida.
3. Percent favorable rating from a sample of local and statewide economic development, tourism and international trade organizations regarding the Department's efforts to eliminate fragmentation and enhance intergovernmental cooperation.
4. Level of satisfaction of assisted businesses with the improved marketing tools provided them by the Department.
5. Number of small and minority firms assisted by the Department that register growth in international markets.
6. Number of new or expanded public/private partnerships facilitated by the Department to enhance educational and vocational training opportunities for Floridians.



## DEPARTMENT OF CITRUS

**Governance:** The Governor appoints citrus commissioners who are confirmed by the Senate for three year terms. Each appointee must represent a specific citrus producing district and segment of the industry. The agency head is appointed by the Commission.

**1992-93 budget:** \$78 million (No General Revenue; \$78 million Trust Funds)

**Number of positions:** 157

**Mission:** To serve and regulate Florida's citrus industry by protecting and enhancing the quality and reputation of citrus fruit and processed citrus products in both domestic and foreign markets.

**Major functions:**

1. Promote fresh citrus fruit and processed citrus products.
2. Protect the citrus industry against fraud, deception and haphazard processing and marketing.

**Spending priorities:** Historically, and again in 1991-92, the allocation of funds for Department programs was as follows:

Marketing Promotions	90%
Research Activities	4%
Regulation and Administration	3%
General Revenue Payment	3%

**Five year priority issues:**

1. Selling Florida's citrus products on a worldwide basis, including establishing a distribution system and increasing the interest in fresh grapefruit, grapefruit juice and orange juice.
2. Competing with less expensive citrus produced in South America and other parts of the world by proving the worth of Florida's product.

**Obstacle to improved management:** Difficulty in hiring highly qualified scientists and marketing personnel for key positions because of state salary guidelines.

**Preliminary performance and productivity measures:**

1. Demand for Florida orange juice and grapefruit as measured by the annual percentage increase in retail revenue from its sale.
2. Percent of consumers with a favorable image of Florida orange juice and grapefruit juice.
3. Percent increase in annual sales to special markets versus dollars spent on advertising to those markets.
4. On-tree value of citrus versus marketing expenditures.
5. Administrative costs as a percent of the department's budget.



## DEPARTMENT OF LOTTERY

**Governance:** Agency head is appointed by the Governor. Lottery Commission members are also appointed by the Governor.

**1992-93 budget:** \$149 million (No General Revenue; \$149 million Trust Funds)

**Number of positions:** 768

**Mission:** To maximize revenues to the state to provide educational enhancement by responsibly and successfully presenting innovative and entertaining lottery products to citizens and visitors.

### Major functions:

1. To maintain an internal and external security program that upholds the highest level of integrity and confidence in the Florida Lottery.
2. To sustain annual increases in lottery sales.
3. To maintain an effective and efficient organization.
4. To strengthen business relations with retailers and vendors to achieve mutual interests.
5. To sustain growth through timely and innovative product and game development.
6. To sustain a positive public image.
7. To develop and maintain a cooperative relationship with the education community.

### Five year priority issues:

1. To achieve annual growth in lottery sales from \$2,052 million in 1991-92 to \$2,144 million in 1995-96.
2. To enhance retailer relations by having at least 95% of the retailers achieve minimum sales goals each calendar quarter.

**Comment:** The Florida Lottery is a well run agency which compares very favorably with other state lotteries. Three states generate annual sales of more than \$2 billion. Florida has the lowest percentage of administrative costs (11.9%) versus 15% for New York and 16% for California.

### Recommendations:

1. Lottery advertising needs to be integrated and tied to productivity. Continue to monitor the return on investment.
2. The Legislature appears to be micro-analyzing the Lottery's budget in detail. The Legislature needs to make an increased effort to work with the Lottery to address budget issues and draw on the Lottery's professional skill and knowledge.

### Preliminary performance and productivity measures:

1. Annual dollar and percent growth in the sale of lottery tickets.
2. Percent reduction in the proportion of lottery revenue spent for operations.
3. Percent of retailers and vendors who are minorities.

## SUBCOMMITTEE ON SUPPORT TO GOVERNMENT AGENCIES CHAIRMAN'S OVERVIEW, FINDINGS AND RECOMMENDATIONS

Chairman  
**R. Travis Storey**  
Managing Partner  
Arthur Andersen and Co.  
Jacksonville



*R. Travis Storey*

The Subcommittee on Support to Government Agencies focused on the Executive Office of the Governor and the Department of Administration's efforts to improve the quality of state government operations. Meetings were held with representatives of both, as reflected by the comments that follow.

The Executive Office of the Governor has adopted as one of its objectives the implementation of Total Quality Management in state government. The Governor and his staff also appear committed to developing a meaningful performance and productivity accountability system for state government planning, budgeting and evaluation.

The Department of Administration has adopted a mission of providing leadership to state agencies to develop a skilled, productive and motivated workforce committed to delivering quality services to the citizens of Florida. To further the achievement of its mission, the DOA conducted a strategic planning analysis and developed a Total Quality Management model for state government, which is called Total Quality Leadership (TQL). The DOA's strategic plan specifies critical success factors to achieve its strategies and identifies key performance indicators to measure the achievement of its goals.

During the past eight months, the DOA has undertaken to implement the Total Quality Leadership program internally to improve its performance and productivity. Approximately 40% of the DOA workforce has received TQL training. Eighteen functional and cross-functional quality teams have been formed to improve and streamline processes, develop TQL training models and provide TQL training.

In addition to its internal work, the DOA is promoting quality throughout state government. It has helped establish pilot programs in three other state agencies. Within the next two months, the DOA plans to provide training to an additional 750 state employees.

The Department of Administration -- in conjunction with the private sector -- sponsored Florida's first quality summit and is coordinating establishment of the Governor's Sterling Award for Quality and Productivity. It also publishes a bi-monthly quality newsletter. To continue the advancement of quality in state government, the DOA has committed to:

1. Complete internal DOA training to implement TQL and commence training to integrate Department of General Services employees into the process. (These two agencies were merged into a Department of Management Services effective July 1, 1992.
2. Expand training in three other TQL pilot agencies.
3. Initiate the TQL process in all Governor's agencies as requested.
4. Implement measurement and accountability systems in all state agencies in conjunction with the Governor's Office of Planning and Budgeting and the proposed Government Accountability to the People Commission.
5. Complete additional training modules and make training available to agencies on a routine and continuous basis.
6. Continue to build a network of quality councils throughout state government.
7. Train examiners and appoint judges to evaluate applicants for the Governor's quality award.

Total Quality Management programs require a significant continuous effort over a period of time to achieve desired results. Secretary John Pieno and department staff are commended for their initiative and should be strongly supported as the DOA continues to implement Total Quality Leadership.

#### Findings and Recommendations

1. The Executive Office of the Governor is supportive of productivity initiatives undertaken by all agencies. However, it should lead by example by implementing Total Quality Leadership and developing agency level performance and productivity measures.
2. The Governor's Council on Integrity and Efficiency -- whose purpose is to promote efficiency and effectiveness by identifying fraud, waste and abuse in state government - should be given increased visibility. Its charge seems to overlap with the purpose of a recently proposed public "hotline" for suggesting cost savings and reporting fraud and abuse.
3. The Governor's Inspector General should devise a plan now to achieve further rightsizing in 1992-93.
4. The Department of Administration's Total Quality Leadership program should be considered a model for use by other state agencies.
5. As noted above, the Departments of Administration and General Services were merged effective July 1, 1992. A high priority should be implementing the DOA's TQL initiative throughout the new department as quickly as possible.



## EXECUTIVE OFFICE OF THE GOVERNOR

**Governance:** The Executive Office of the Governor is headed by the Governor.

**1992-93 budget:** \$21 million (\$12 million General Revenue; \$9 million Trust Funds)

**Number of positions:** 265

**Mission:** The Constitutional mission of the Governor is to preserve the public peace, execute the laws of the State and secure the protection of life, liberty and property of all Floridians. The Governor carries out his mission through activities of the Executive Office of the Governor, such as:

1. Providing assistance to and communicating with all citizens.
2. Forecasting economic and demographic trends and conditions.
3. Developing a meaningful State Comprehensive Plan and coordinating state and regional planning activities.
4. Preparing and coordinating recommended budgets that are responsive to the challenges and opportunities facing the state.
5. Promoting interagency and intergovernmental coordination.
6. Providing incentives, initiatives and ideas to governmental agencies.
7. Monitoring the effectiveness of state programs and actions.

**Five year priority issues:**

1. Make government work for Florida.
2. Invest in Florida's families.
3. Take our education system back to the community.
4. Ensure public safety for our people.
5. Safeguard our quality of life.

**Obstacles to improved management:**

1. The Governor's Office does not receive cost/benefit data from state agencies -- a key ingredient in determining how to improve services and cut costs.
2. The Governor's Office needs to know how much state agencies are spending and what the public is getting for those expenditures. This Office has a great need for data, but appropriate data is not readily available. More than a decade ago, the Legislature authorized the design and implementation of a unified financial management system, the Florida Fiscal Accounting Management Information System (FFAMIS). However, the existing FFAMIS subsystems are not integrated and adequate funding has not been appropriated to fully implement it. The Governor's recommended investment budget includes additional funding for FFAMIS implementation.

3. The state lacks an executive information system that would prove useful to policy makers for planning, budgeting and evaluation decisions. The Governor's Office has initiated efforts toward this end, supporting amendments to Chapter 216, Florida Statutes, to allow for program based budgeting, and supporting amendments to Chapter 186, Florida Statutes, to enhance the agency planning process by identifying key trends and conditions affecting the state; agency priorities to address those trends and conditions; and specific, measurable performance objectives. The executive information system would provide the framework for collecting and displaying financial data, trends and conditions data, and key performance data for agencies and for the state.

**Preliminary performance and productivity measures:**

The following measures relating to the work of various state agencies are contained in the Governor's 1991-1996 Agency Functional Plan:

#### MAKING GOVERNMENT WORK FOR FLORIDA

1. Percent of state workers who receive training in Total Quality Management by 1996.
2. Percent of state regulatory and inspection activities evaluated for duplication by 1996.
3. Percent of state programs that are funded with more than one percent of total appropriations that have performance measures by 1996.
4. Establish a government accountability commission by 1996.
5. Establish a biennial process to evaluate and update the State Comprehensive Plan by 1992.
6. Establish an annual process to evaluate the goals and strategies of the Governor's Strategic Investment Plan by 1993.
7. Percent of state revenues that are allocated to help accomplish goals and objectives in a revised State Comprehensive Plan.
8. Establish a Health and Human Services Board in each of the HRS districts by 1996.

#### INVESTING IN FLORIDA'S FAMILIES

1. Percent reduction in Florida's infant mortality rate by 1996.
2. Percent reduction in the number of children in out-of-family placements by 1996.
3. Percent reduction in the annual growth of juvenile delinquency cases.
4. Percent increase in the availability of community-based residential beds and related support services by 1996.
5. Have a system in place to assure that all Floridians have access to quality and affordable primary and preventive health care by 1994.

#### TAKING OUR EDUCATION SYSTEM BACK TO THE COMMUNITY

1. Percent reduction in the school dropout rate.
2. Percent increase in the school graduation rate.
3. Percent reduction in first-time-in-college students referred to remediation courses in community colleges.
4. Percent increase in the number of degrees awarded by each state university by 1995.
5. Percent increase in the number of Associate of Science degrees, certificate degrees and Baccalaureate and upper level degrees related to health professions and high growth technical industries awarded by 1995.

ENSURING PUBLIC SAFETY FOR OUR PEOPLE

1. Percent of sentence served by violent offenders.
2. Percent of non-violent drug offenders who serve their punishment in community based treatment programs.
3. Percent of special needs inmates who have equal access to health, education and treatment programs by 1993.

SAFEGUARDING OUR QUALITY OF LIFE

1. Number of acres of environmentally sensitive land acquired by 1996.
2. Number of acres of wetlands restored by 1996.
3. Percent reduction in the state's total daily water consumption.
4. Percent reduction in the amount of solid waste requiring disposal in landfills by 1994.
5. Percent increase in energy savings by all state agencies by 1995.
6. Number of new jobs in Florida by 1996.
7. Number of local governments complying with the state's Growth Management Act by 1993.
8. Number of new rental units for low and moderate income residents by 1996.



## DEPARTMENT OF ADMINISTRATION

Note: On July 1, 1992, the Department of Administration was merged with the Department of General Services to form a Department of Management Services. The subcommittee's work with the Department of Administration was completed prior to this merger.

**Governance:** Agency head is appointed by the Governor

**1991-92 operating budget:** \$1 billion (Most of this is for state employee retirement benefits.)

**Number of positions:** 493

**Mission:** To provide leadership in developing a skilled, productive and motivated state work force committed to delivering quality services. To promote modern management principles and implement innovative strategies that foster:

1. Constructive union-management relations.
2. Competitive conditions of employment.
3. Progressive equal employment opportunity and affirmative action.
4. Comprehensive training and professional development.
5. Healthy life styles.
6. Sound retirement programs.
7. Improved quality of work life.

### Major functions:

1. Work to hold down employee health care costs.
2. Administer state and local government employees' retirement programs.
3. Promote, coordinate and conduct employee training.
4. Administer a state employee awards program.

### Five year priority issues:

1. Reform the Civil Service System.
2. Provide quality and affordable health care.
3. Emphasize quality in management.
4. Provide retirement benefits.
5. Enhance computer technologies.

### Preliminary performance and productivity measures:

#### CRITICAL SUCCESS FACTORS

1. Increase Workforce Productivity
  - Departmental operating expenditures per state employee.
  - Department staff to state work force ratio.
  - Productivity realization index (combination of costs and utilization of services).

2. Cultural Change
  - Absenteeism within the department.
  - Turnover within the department.
  - Agencies adopting Total Quality Management practices.
  - Percent of state employees submitting suggestions to state awards program.
  - Quality Councils established in communities throughout Florida.
3. Meet Customer Needs/Expectations
  - Customer survey scores.
  - Employee survey scores.
  - Absenteeism for the entire state.
  - Turnover for the entire state.
  - Percent of employee grievances resolved within 60 days.
4. Marketing
  - Public opinion survey.
  - Percent of budget requests funded.

#### AGENCY STRATEGIES

1. Implement Career Service Reform
  - Training budget as a percent of payroll.
  - Standard deviation of state salaries from mean market pay.
  - Amount of elapsed time that vacant positions remain open.
  - Differential in labor market statistics (EEO).
2. Facilitate the implementation of Total Quality Leadership
  - Processes improved.
  - Percent of employees involved on quality teams.
  - Applications for the Governor's Sterling Award.
3. Improve the operational efficiency and services of the State Employee Comprehensive Insurance Benefits Program
  - Claims cost compared to other employer sponsored plans.
  - Complaints and queries per 1,000 employees.
  - Cost per employee to administer the plan.
4. Improve communications and productivity through office automation
  - Manual processes replaced by automation.
  - Customer feedback surveys.
  - Reduction in average response time.
5. Improve the operational efficiency and services of the Florida Retirement System
  - Cost per member.
  - Staff to member ratio.
  - Customer survey scores.
  - Complaints per 1,000 members.



## DEPARTMENT OF GENERAL SERVICES

Note: On July 1, 1992, the Department of General Services was merged with the Department of Administration to form a Department of Management Services. The subcommittee's work with the Department of General Services was completed prior to this merger.

**Governance:** Agency head is appointed by the Governor and Cabinet

**1991-92 budget:** \$130 million

**Number of positions:** 1,355

**Mission:** To serve the needs of state agencies in the areas of bond financing, construction management, facilities management, purchasing, motor vehicles, executive air travel, safety and crime prevention, information services, small and minority business assistance and surplus property disposal.

### Major functions:

1. Provide suitable office space for state agencies, including new construction and lease of existing space.
2. Administer a bond finance program.
3. Operate a communications network for state government.
4. Administer a purchasing system for state government.
5. Operate a motor pool and aircraft pool for state government.
6. Administer a minority business enterprise assistance program.
7. Promote energy conservation in state facilities.
8. Operate and maintain an Information Systems Utility to ensure that electronic data processing services are provided to state agencies.
9. Administer a program for cost effective, accountable control and equitable distribution of state and federal surplus property.

### Five year priority issues:

1. Provide efficient, effective and timely services to user agencies.
2. Implement a statewide law enforcement radio system.
3. Implement the purchasing and general services subsystem of the Fiscal Accounting and Management Information System.
4. Implement an optimum ratio of private-sector to state-owned office space throughout the state.
5. Implement recycling requirements.
6. Improve business opportunities for minorities.

**Preliminary performance and productivity measures:**

1. Cost per minute to provide direct-distance-dialed (DDD) telecommunications services as compared to cost per minute in the private sector.
2. Average hourly personnel cost to provide security services in DGS-controlled facilities as compared to the cost if performed by the private sector.
3. Amount of cost avoidance to public agencies from obtaining properties through the Federal Surplus Property Program versus buying properties on the open market.
4. Amount of cost avoidance resulting from consolidation of purchases and volume purchasing of commodities and services needed by state agencies versus purchasing off state contract.
5. Amount of energy per square foot saved per year in DGS-controlled buildings through an energy conservation program.
6. Amount of savings resulting from the use of state custodial workers as compared with the use of private sector custodial workers.
7. Average hourly cost of state employed mechanics to perform vehicle maintenance services as compared to the cost if done in the private sector.
8. Number of pounds of materials collected for recycling in DGS-controlled facilities.
9. Amount of additional return to the state resulting from centralized management of motor vehicles and watercraft disposal versus each state agency doing it themselves.



## INFORMATION RESOURCE COMMISSION

**Governance:** The Information Resource Commission is composed of the Governor and members of the Cabinet. The Executive Administrator is appointed by the Commission.

**1992-93 budget:** \$867,879 (\$867,879 General Revenue; no Trust Funds)

**Number of positions:** 13

**Mission:** To ensure the most effective and efficient use of information technology resources by Florida state government. This includes increasing productivity, improving delivery of services and promoting information as a strategic asset to the State of Florida.

**Major functions:**

1. Administer an information resources management planning and performance reporting process.
2. Develop policies, procedures and standards for information resources management.
3. Provide technical and managerial assistance to state agencies.
4. Review information technology procurements.
5. Evaluate budget requests for information technology resources.

**Preliminary performance and productivity measures:**

1. Percent reduction in unit cost of data center services from a base year of 1992-93.
2. Percent of state agency heads serving as executive sponsors of strategic information resource management projects.
3. Percent of state agencies that reduce turnover of technical staff as a result of increased flexibility in personnel management.
4. Percent of state agencies identifying and providing access to enterprise-wide data.
5. Number of strategic information resource management projects completed by 1995-96.
6. Percent of state agency system development maintenance resources re-deployed to new initiatives.
7. Percent of state security standards implemented by 1995-96.



## OFFICE OF THE AUDITOR GENERAL

**Governance:** The Auditor General is appointed by the Joint Legislative Auditing Committee of the Florida Legislature.

**1992-93 budget:** \$39 million (\$33 million General Revenue; \$6 million Trust Funds)

**Number of positions:** 710

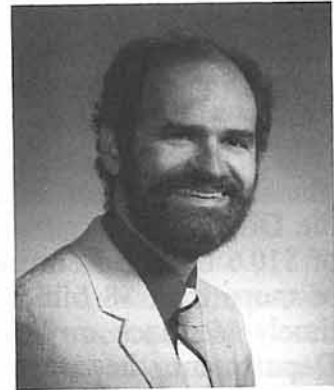
**Mission:** To report to the Legislature and People of Florida on the fiscal integrity of the state, the public resources raised and the purposes for which they were spent. This includes whether public funds were spent in an effective and efficient manner; whether such expenditures comply with applicable laws, rules and regulations; whether state agencies have proper management and accounting controls; and whether errors, omissions and illegal activities have a reasonable chance of being discovered. It also investigates fraud in Public Assistance and Medicaid programs.

### Major functions:

1. Conduct audits to determine whether programs are serving their intended purpose, producing desired results, operating efficiently and complying with federal and state laws.
2. Conduct financial and compliance audits of all state agencies, community colleges, district school boards and the State University System to determine:
  - Whether the state's financial statements are fairly presented in accordance with generally accepted accounting principles, and whether adequate controls have been implemented;
  - Whether federal funds have been used in compliance with applicable regulations and have been properly accounted for;
  - The adequacy and effectiveness of various management controls of state agencies and their subsidiaries; and
  - The degree of compliance with state laws, rules and contractual obligations.
3. Conduct internal audit reviews and external quality assurance reviews of the internal audit function in each state agency at least once every three years.
4. Conduct local government audits and issue rules that independent public accountants must follow in auditing local governments; and review local government audit reports submitted to the Auditor General's Office by independent public accounts.
5. Conduct systems audits of electronic data processing and data centers.
6. Provide consultation and advisory services on computerized financial and management accounting systems.
7. Conduct investigations to detect irregularities relating to the disbursement of public money and food stamps to public assistance recipients.
8. Conduct investigations of possible fraud in the administration and provision of health care, and alleged abuse or neglect in health care facilities receiving state Medicaid program payments.

SUBCOMMITTEE ON EDUCATION, REVENUE,  
STATE AND LEGAL AFFAIRS  
CHAIRMAN'S OVERVIEW, FINDINGS AND RECOMMENDATIONS

Chairman  
**Robert A. Morris, Jr.**  
Chairman  
Ramar Group Companies  
Sarasota



*Robert A. Morris, Jr.*

Although the subcommittee was charged with developing performance and productivity measures for several agencies, we decided the area where we could make the most contribution was K-12 education. Partners in Productivity and Florida TaxWatch had amassed a substantial knowledge base in previous reports on education, with a potential impact for positive change. Preliminary performance and productivity measures, and some observations are also included for the Departments of Revenue, State and Legal Affairs.

**The Department of Revenue** has withstood a great deal of scrutiny recently as policy makers have sought alternatives to increased taxes. We were impressed with the commitment to increased productivity we perceived in our contacts with the department. The fact that this department probably received the lowest level of scrutiny from the subcommittee is an indicator of how favorably impressed we were with its Total Quality Management and restructuring efforts already underway.

This Department is rich territory for almost immediate pay-off for increases in effectiveness. It has been estimated by Florida TaxWatch that as much as \$1.5 billion in taxes owed go uncollected each year for a variety of reasons. In a Research Report entitled **When Looking for Additional Revenue, Florida Should First Reduce its \$1 Billion Plus Tax Gap**, released in June 1992, TaxWatch makes several recommendations to increase compliance in the reporting and collecting of the Sales Tax, Intangibles Tax and Corporate Income Tax. TaxWatch estimates that by reducing the collections gap in these three taxes by 15% to 20%, an estimated additional \$200 million would be available to meet Florida's pressing needs. Recommendations to reduce the tax gap include: (1) increasing audit coverage, (2) increasing taxpayer education, and thus, voluntary compliance, and (3) increasing penalties for securities dealers and investment advisers for non-reporting or incomplete reporting.

**The Department of State** seemed an unlikely collection of functional entities; charged with such diverse responsibilities as supervising the state's election process, issuing corporate charters, permitting concealed weapons, preserving Florida's archaeological heritage, and promoting cultural pursuits. Delivering consistently good services to Floridians is the primary mission of this agency -- an office not charged with crisis management. One area we felt deserved more attention, indeed should probably qualify as a crisis, is the expansion of efforts by the state's library system to deal with adult illiteracy. Florida has

the highest rate of adult illiteracy in the nation, and the state's library system has been charged with addressing this problem.

**The Department of Legal Affairs** employs approximately 250 attorneys. In addition, various state agencies contract for over \$30 million in outside counsel per year. The Attorney General has only limited authority to oversee these outside vendors. Purchasing private legal services probably makes sense in non-routine matters, but the department should be empowered to make more of a contribution to contract oversight.

**The Department of Education** has under its jurisdiction the Division of Public Schools, the Division of Community Colleges, and the Board of Regents -- with combined budgets of \$10.6 billion. Because of the size of the Division of Public Schools (operating budget of more than \$8 billion and over two million students) and the opportunity to provide timely feedback on performance and productivity efforts already underway within the Department, the focus of the subcommittee's efforts were directed to the Division of Public Schools.

Between 1982-83 and 1991-92, public education enrollment in Florida increased by approximately 500,000 students. Public education funding during the same period increased more than 125%, from \$4.1 billion to \$10.6 billion. Even adjusted fully for inflation and expressed per student, the increase amounts to nearly forty percent in the decade. Unfortunately, student achievement by most assessments has not improved, despite vastly increased resources and numerous efforts at incremental reform.

Development of education performance and productivity measures is a continuation of extensive work completed by Partners in Productivity. **New Directions For Florida Education: A Task Force Report on Making Our Public Schools More Productive** (May 1989) provided, " ... a vision of how Florida's education system must be re-structured and managed better in order to prepare our children to compete in a technologically advanced, increasingly sophisticated world marketplace." There is wide support for the conclusions reached in that report. Unfortunately, although large strides have been made in decentralization of governance, and there has been substantial increases in resources, little else has changed in the day-to-day conduct of teaching and learning.

The subcommittee's report provides initial impressions of the important work undertaken by The Florida Commission on Education Reform and Accountability. Certainly, none of our comments are meant to detract from the outstanding work accomplished by the Commission -- a group which could easily have been an extension of the status quo. Very few members were appointed from outside the system, and the education establishment resisted the enabling legislation. However, the Commission has taken on the task of creating a system open to scrutiny and committed to the success of every student.

Central to the work of the Commission has been its decision to align with the work products of the SCANS reports. These studies, sponsored by the U.S. Department of Labor, have set the standard for defining what we must accomplish in our educational endeavors in order to be internationally competitive. Considerable work still remains, particularly in the areas of assessment and disclosure.

We strongly urge the Commission to continue its alignment with the SCANS work and to take on the Blueprint for High Performance outlined in *Learning A Living*. Only in this way will it have an impact on teaching and learning, within the available time frame, to help preserve our standard of living.

We also urge the Commission not to avoid providing meaningful disclosure to communities and parents. Public disclosure of the comparative results of individual components of the schooling system is essential to creating the energy for continuing improvement. Utilizing the findings and applications of local assessment projects, such as one currently sponsored by the Palm Beach Economic Council and independently conducted by Florida TaxWatch, should foster improved local oversight.

Successful implementation of the Commission's work should result in vastly improved oversight, and emphasis in the right places as far as accountability is concerned. However, a case can be made that current efforts at streamlining governance have removed much of the energy of the education establishment from issues dealing with productivity and effectiveness at the classroom level.

The fact of the matter is, there is no great store of latent knowledge on how to do this simply waiting for liberation by a management system that empowers people at the school site. This is a catechism which is not born out by the facts. Most education colleges do not teach such methods; even today, let alone when most of our teacher corps was educated. Most publications in the field are bastions of conservative pedagogical dogma. And the institution itself is structured such that advanced degrees (knowing better how to do primarily obsolete things) and job seniority are the primary levers of power.

When the day is done, little will have been accomplished if we have not furnished classrooms with learning systems that work for all kids and are relevant to the world they will live in.



## DEPARTMENT OF REVENUE

**Governance:** Executive Director is appointed by the Governor and Cabinet

**1992-93 budget:** \$1.6 billion (\$1 billion General Revenue; \$1.5 billion Trust Funds)

**Number of positions:** 2,721

**Mission:** To encourage and enforce the maximum practical degree of compliance with Florida tax laws by actively applying the following principles:

1. Administer tax laws in an impartial, fair, consistent and professional manner.
2. Assist and educate taxpayers, tax practitioners, and state and local governments in revenue and property tax matters.
3. Collect, account for and distribute revenue accurately, efficiently and effectively.
4. Provide leadership, resources and training which motivate and enable employees to deliver the highest quality of service.
5. Ensure that the work environment promotes high ethical conduct and pride in performance.

**Comment:** The Department's executive director has made implementation of Total Quality Management a top priority. A great deal of time, effort and talent are being dedicated to this initiative. Federal Express, the first service organization to win the Malcolm Baldrige Award, has been selected as a benchmark for the Department to strive to emulate.

**Preliminary performance and productivity measure:**

1. The Department of Revenue by 1997 will considerably reduce the tax gap attributable to taxpayer ignorance, taxpayer fraud, accounting errors and differences in taxpayer law interpretations through a resource deployment strategy which optimally blends direct recoveries, taxpayer education and enforcement visibility (subject to funding.)



## DEPARTMENT OF LEGAL AFFAIRS

**Governance:** Agency head is the elected Attorney General

**1992-93 budget:** \$51 million (\$19 million General Revenue; \$32 million Trust Funds)

**Number of positions:** 820

**Major functions:**

1. Provide legal representation on behalf of the state in criminal appellate matters.
2. Represent the state in civil cases and proceedings in which the state is a party.
3. Bring actions against groups or individuals violating the civil rights of any person.
4. Prosecute violations occurring under several enforcement statutes under which the Attorney General and the Statewide Prosecutor have been given authority.
5. Provide legal opinions upon the request of various public officials.
6. Assist the Governor in extradition proceedings.
7. Promote the rights of individuals victimized by crimes through training, technical assistance and planning.
8. Assist new car buyers through administration and coordination with the Florida New Motor Vehicle Board.

**Comments:**

1. The Attorney General's office is largely reactive. That is, its workload is generated by other governmental and private sector actors. This creates some difficulties in managing workload and resources.
2. Office efficiency has been increased and personnel costs reduced for selected functions through office automation over the past several years.
3. Communication and reporting relationships appear to be more informal, less bureaucratic and probably more effective in getting the job done than would be expected in a government agency.
4. Management of this Department is enhanced by the fact that all of its 250 attorneys are exempt from the Career Service system.
5. Entry level lawyers probably have more impact on the state (for good or otherwise) than comparable level employees in other agencies. This highlights the need for a thorough orientation of new lawyers to the Office's policies, and for continual training.
6. We were favorably impressed by the administrative improvements described during our meeting, as well as the quality of the people and their attitude toward government improvement. The subcommittee looks forward with a sense of enthusiasm to the possibility of a continuing working relationship with the Department.

**Recommendations:**

1. The Department should work to reduce the use and cost of outside attorneys contracted to perform work for the state. Where outside attorneys are used, do so in accordance with a comprehensive strategy for employing outside counsel either resulting in standardization of billing rates or recognition of truly unique expertise.
2. The Department should encourage private attorneys to satisfy the Supreme Court's mandate on pro bono legal work by providing pro bono legal assistance to the state.
3. Periodically rotate departmental managers and staff attorneys to increase their areas of expertise and provide opportunities for professional growth.
4. Improve the evaluation of staff attorneys' performance by applying principles of Total Quality Management such as objective setting and peer review.
5. Measure cost savings resulting from efficiencies such as reduction of the secretary/lawyer ratio, reduction in the time needed to produce Attorney General Opinions and reduction of the number of libraries housed throughout the Department, as well as other measurable and appropriate indicators of performance.
6. Resubmit to the 1993 Legislature a proposal by the Attorney General to reorganize selected law enforcement and motor vehicle functions.

**Preliminary performance and productivity measures:**

1. Percent and total dollar amount of state legal services provided by government attorneys versus outside counsel.
2. Percent of disputes over the application of open government laws that are settled through mediation.
3. Average elapsed time to issue an Attorney General's Opinion.
4. Average elapsed time required to handle the claim of a victim alleging violation of a civil rights law.
5. Average elapsed time required to process criminal victim compensation claims.
6. Average elapsed time required to process a dispute involving a defect in a new motor vehicle. (Florida Lemon Law)
7. Ratio of Department attorneys to secretaries.
8. Annual percentage turnover of Department attorneys.



## DEPARTMENT OF STATE

**Governance:** Agency head is the elected Secretary of State

**1992-93 budget:** \$85 million (\$41 million General Revenue; \$44 million Trust Funds)

**Number of Positions:** 810

**Mission:** To supervise the state's election process, issue corporate charters and record financial information, identify and preserve Florida's historical heritage, plan and develop Florida's library system, promote Florida's cultural heritage, license and permit concealed weapons, and regulate the private security industry and game promoters.

**Five year priority issues:**

1. Centralize and expand corporate business filings.
2. Increase the efficiency of records management services, and assist in the development and improvement of Florida's libraries.
3. Manage Florida's archaeological resources; recognize, document and encourage the living historical resources of the state; promote knowledge and appreciation of Florida's museums; preserve Florida's historical resources.
4. Provide competitive public access to all art forms and cultural endeavors; stimulate cultural development opportunities.
5. Protect the public safety and welfare through regulation and enforcement of private security and investigation services, game promotions and concealed weapons.
6. Fully implement a documents management reporting system.

**Preliminary performance and productivity measures**

1. Number of resources listed in the Florida Master Site File (this is a measure of how well the Department protects the state's historical resources).
2. Annual time and cost savings and increased revenue resulting from centralization and expansion of business filings.
3. Annual cost savings from increased archival and records management services.
4. Documented percentage of matching dollars provided by local public and private sources to state supported grant projects.
5. Percent increase in proactive investigations to reduce violations of licensure requirements regarding concealed weapons, private investigative and security agencies and game promotions.



## DEPARTMENT OF EDUCATION

**Governance:** The Commissioner of Education is an elected statewide official. The Board of Regents, which oversees the State University System, is appointed by the Governor. The Chancellor of the State University System is appointed by the Board of Regents. The State Board of Community Colleges is appointed by the Governor. The Executive Director of the Community College system is appointed by the State Board of Community Colleges.

**1992-93 budget:** \$9.7 billion (\$6 billion General Revenue; \$3.7 billion Trust Funds)

**Number of positions:** 25,597

**Mission:** The state mission for education is established in Article IX, Section One of the Florida Constitution: Adequate provision shall be made by law for a uniform system of free public schools and for the establishment, maintenance and operation of institutions of higher learning and other public education programs that the needs of the people may require. The Florida Legislature has established in law the policies to implement the Constitutional provision related to education.

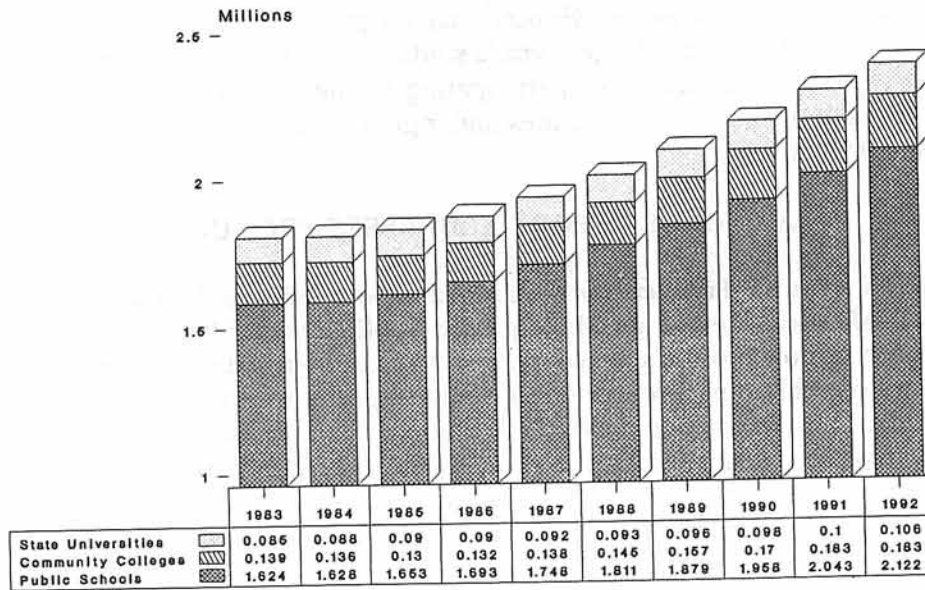
The Commissioner of Education and the State Board of Education (Governor and Cabinet) are responsible for providing leadership for the improvement of components of the state system of public education.

### OVERVIEW

This report represents the work of the Partners in Productivity Subcommittee addressing performance and productivity measures for the Department of Education and the entire educational system in the State of Florida. The Department has under its jurisdiction the Division of Public Schools, the Division of Community Colleges and the Board of Regents (administrative responsibility for the State University System), with a combined operating budget of \$8.5 billion. Because of the size of the Division of Public Schools within the Department (operating budget in excess of \$6 billion and more than two million students) and the concurrent performance and productivity activities already in progress, the focus of the Subcommittee's efforts have been directed to the Division of Public Schools.

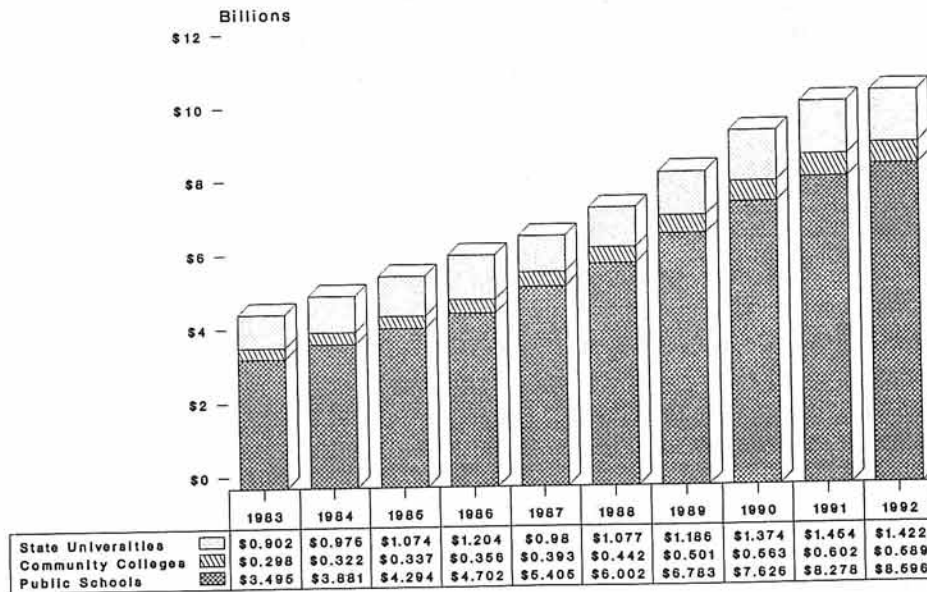
Between 1982-83 and 1991-92, public education enrollment in Florida increased by more than 560,000 (30%) students from 1.8 million to 2.4 million students. Public education funding over the same period increased more than \$5.9 billion (125% increase in nominal dollars) from \$4.7 billion to \$10.6 billion (Figure 1). Even adjusted fully for inflation and expressed per student, the increase represents a nearly forty percent jump during the last decade. Public school enrollment growth in

### Public Education Enrollment in Florida 1982-83 to 1991-92



Source: Florida's Ten-Year Summary of Appropriations Data, Vol. 14.  
Executive Office of the Governor

### Public Education Funding in Florida 1982-83 to 1991-92



Source: Florida's Ten-Year Summary of Appropriations Data, Vol. 14.  
Executive Office of the Governor

Figure 1

Florida has consistently exceeded the national average, while per student spending increased to approximately the national average of \$4,639 in 1988-89 (Figure 2). Adjusted for inflation, real per student spending in Florida has increased 38% (Figure 3).

Unfortunately, student achievement has not improved with the increased commitment of resources. On the 1990 National Assessment of Educational Progress (NAEP) Trial State Assessment of average mathematics proficiency of eighth grade students, Florida students performed below thirty-two of the forty states and territories participating in the assessment (Figure 4). In addition, Florida's college bound high school graduates under perform their national peers on the Scholastic Aptitude Test (Figures 5).

### TASK FORCE REPORT ADDRESSES PRODUCTIVITY

In May 1989, Partners in Productivity released a report entitled **New Directions For Florida Education: A Task Force Report on Making Our Public Schools More Productive**. The report provided a "vision of how Florida's education system must be restructured and better managed in order to prepare our children to compete in a technologically advanced, increasingly sophisticated world marketplace." It referred to public education as "big business" -- an assessment that is evidenced by growth of education in the three years since publication of **New Directions**. The report's conclusions have met with wide support. Although large strides have been made in decentralization of governance, and resources have increased substantially, little else has changed in the day-to-day conduct of teaching and learning in Florida.

Since **New Directions** was released, total spending for public schools (including local taxes) grew to more than \$8.8 billion in 1991-92. On a per student (FTE) basis, the average dollars provided in the Florida Education Finance Program (the FEFP is the primary funding formula for public schools) increased by 9.4 percent from \$3,130 in 1988-89 to \$3,425 in 1991-92 (nominal dollars).

The Public Schools appropriation of \$5.7 billion in state funds represented nearly 20 percent of the \$28.8 billion state budget for 1991-92. While this is less than the 23 percent share of the state budget reported in 1988-89, it does not include the more than \$900 million increase in local school taxes over the period, from \$2.0 billion in 1988-89 to more than \$2.9 billion in 1991-92, a 45 percent increase.

**New Directions** examined three broad areas for improvement: Capital Facilities; Human Resources; and Student Dropout. More than sixty recommendations were made in the following areas:

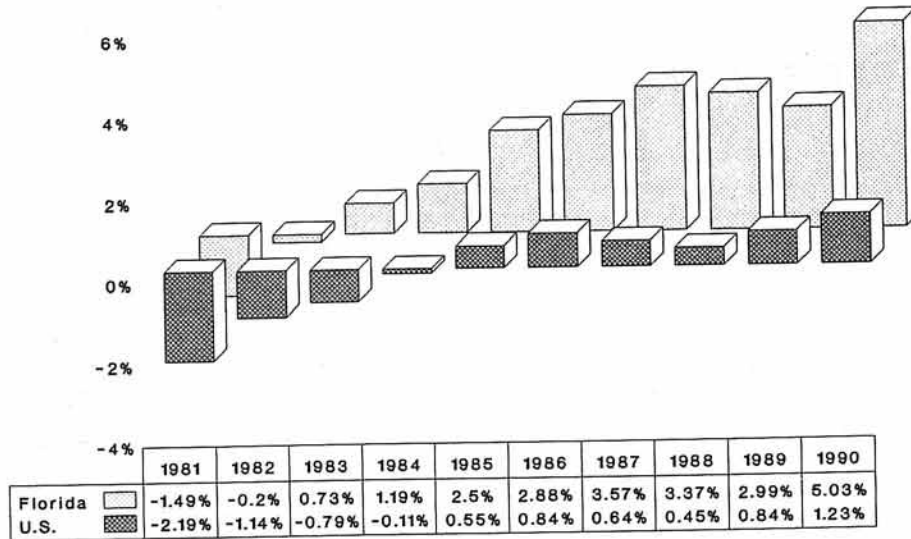
#### Meeting K-12 Capital Needs

- Improving Utilization of Existing Educational Facilities
- The Need For New Schools
- Cost Savings Suggestions For New and Existing Facilities
- Financing New Facilities

#### Maximizing the Productivity of Human Resources in Our Public Schools

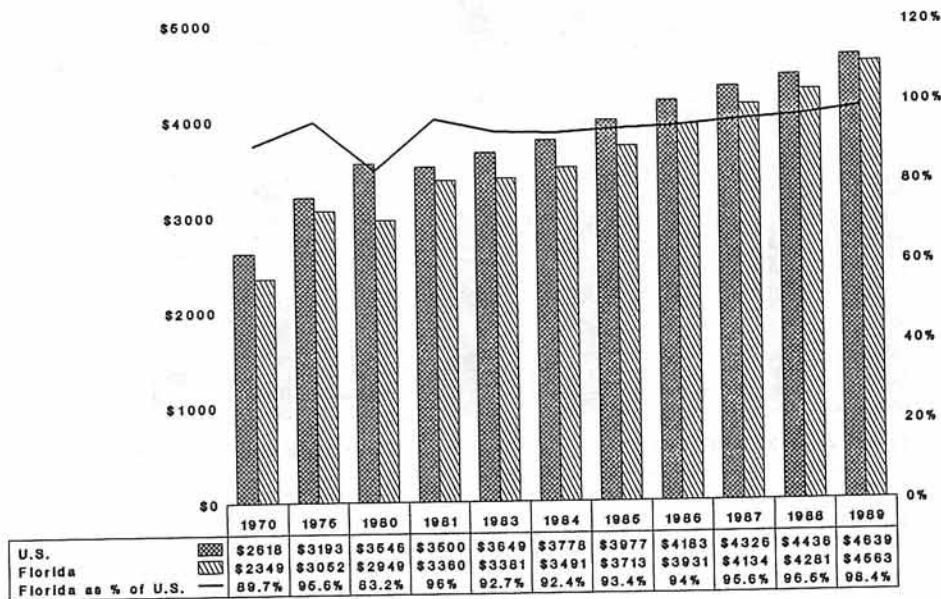
- Parental Choice
- School-Based Management

### Change in Public Elementary & Secondary School Enrollment 1981 - 1990



Source: *Digest of Educational Statistics*  
1991, National Center for Education  
Statistics, U.S. Department of Education

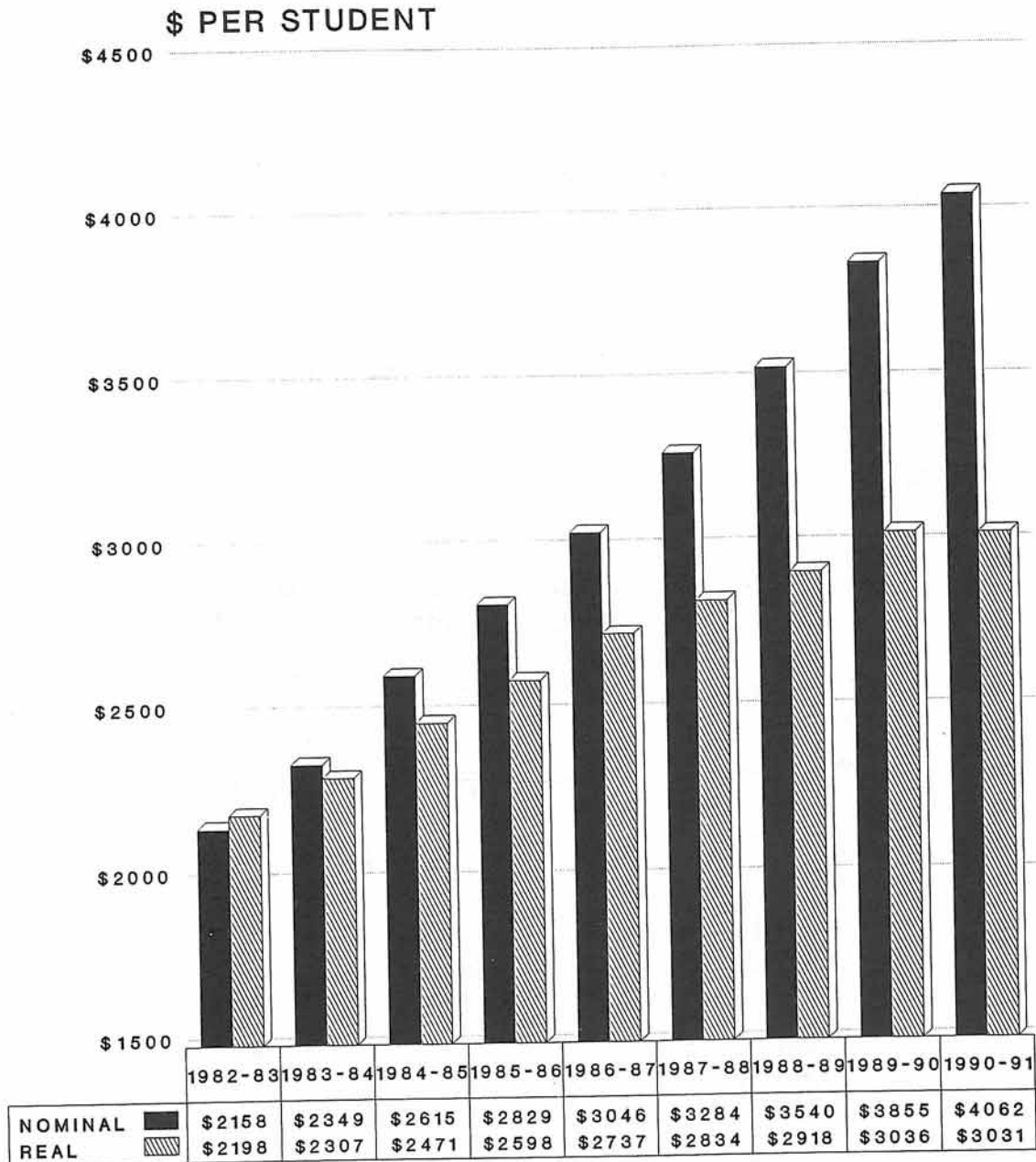
### Current Expenditures Per Pupil (ADA) 1969-70 to 1988-89 (constant 1988-89 \$)



Source: *Digest of Educational Statistics*  
1991, National Center for Education  
Statistics, U.S. Department of Education

Figure 2

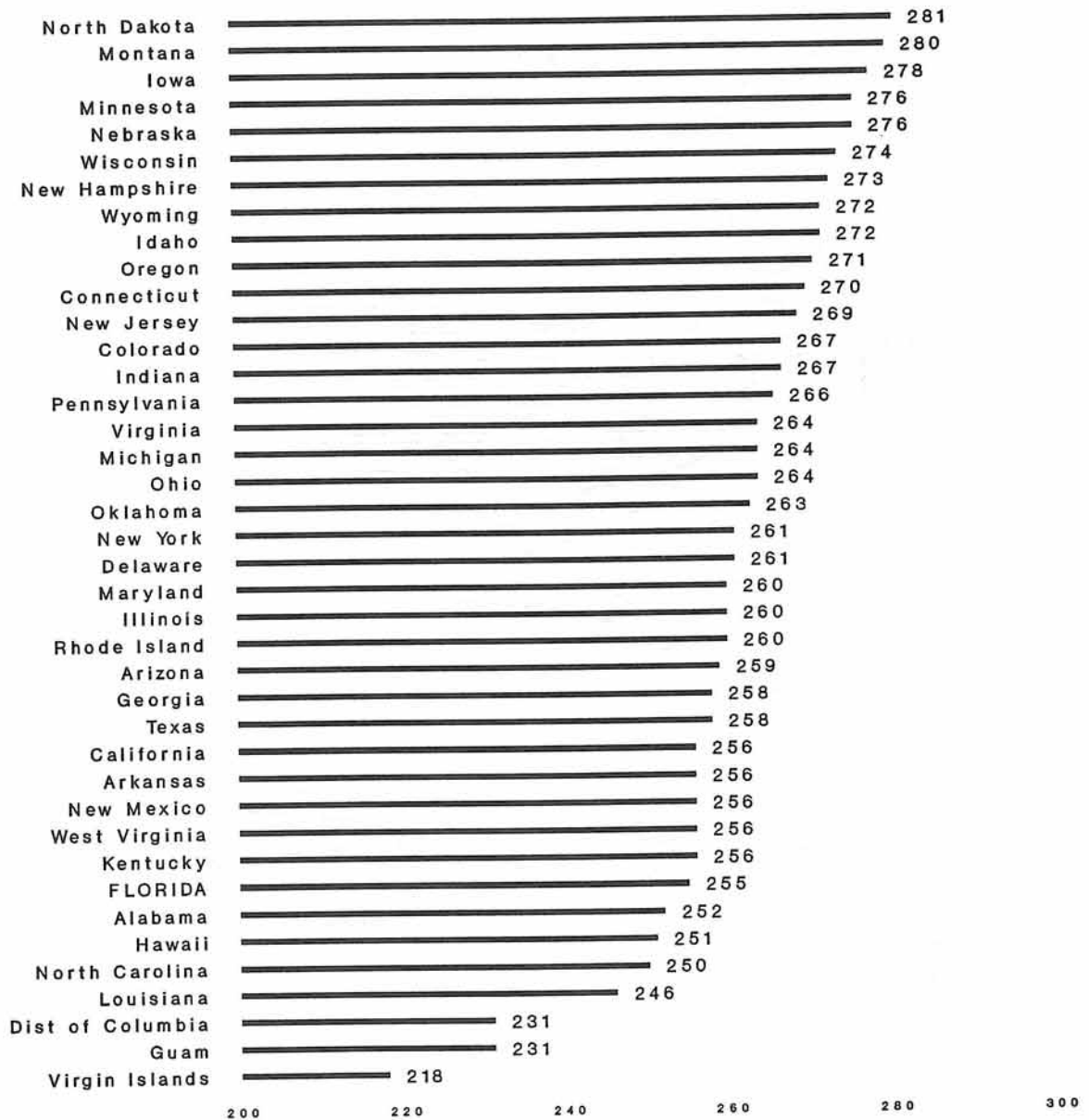
PUBLIC SCHOOL GENERAL FUND EXPENDITURES  
1982-83 TO 1990-91  
NOMINAL AND REAL



SOURCE: FLORIDA TAXWATCH, INC., 3/92  
FLORIDA DEPT. OF EDUCATION DATA

Figure 3

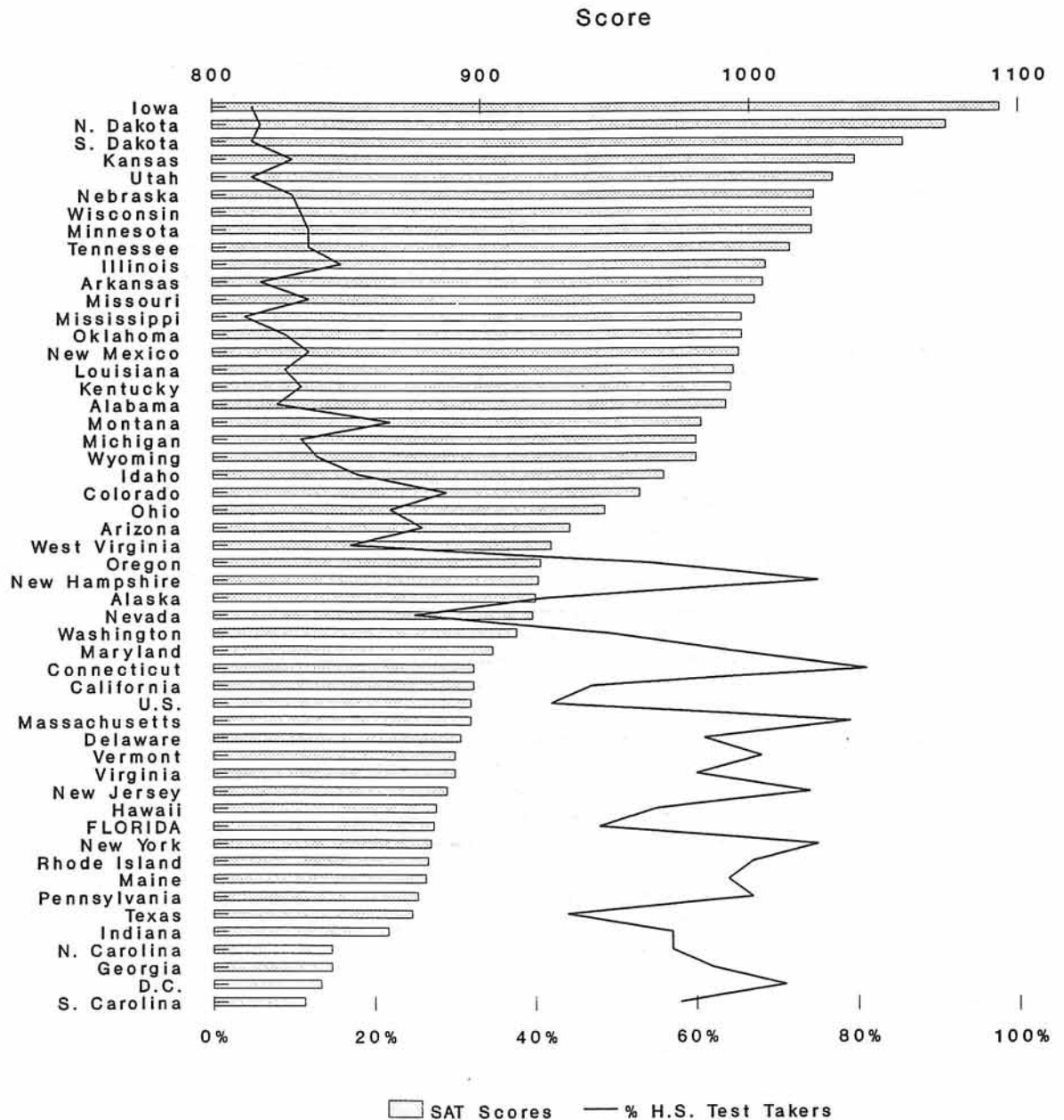
## Overall Average Mathematics Proficiency 1990 NAEP Trial State Assessment of Eighth Grade Students



Source: The State of Mathematics Achievement, 1990. ETS under contract to National Ctr for Education Statistics

Figure 4

# 1991 SAT Combined Score by State Compared to Percent of H.S. Graduates Taking Test



Source: Florida TaxWatch, Inc., and the Florida Department of Education.

Figure 5

- Instructional Technology
- Teacher/Administrator Productivity
- Recruitment and Retention
- Career Development Plans
- Professionalism - Testing and Certification
- Teacher Salaries
- Gaining Support for Increased Public Education Investments

### The School Dropout Challenge

- How Serious is It?
- Ingredients of Successful Dropout Programs
- Early intervention To Prevent Dropout
- Reaching Potential Dropouts
- A More Flexible K-12 System
- Bring the World Into The Classroom
- Effective Teaching Impacts Dropout
- The Important Role of Parents
- Inter-Agency Coordination

### BLUEPRINT 2000

Many of the specific recommendations **New Directions** were adopted, setting in motion a number of current education reform initiatives. This culminated with the passage by the 1991 Legislature of **Blueprint 2000**.

Setting goals and measures to assess success in schooling has not been absent from the myriad of reports and assessments made in Florida's education system. However, these have been predominantly measures of processes and products that may or may not lead to educational outputs relating to achievement of desirable social outcomes. The efforts of **New Directions** and the intent of **Blueprint 2000** were to remedy this shortcoming.

Public education in Florida is undergoing a radical restructuring. Whether this effort results in improvement or continuation of the status quo remains to be seen. **Blueprint 2000** establishes a system of school improvement and education accountability that reduces Tallahassee's control and micro management of education, and enhances local decision making; the "how to" in the delivery of educational services is put under local auspices.

To implement **Blueprint 2000**, the Legislature established the Florida Commission on Education Reform and Accountability. The Commission is composed of twenty-three members, including the Commissioner of Education and the Lieutenant Governor as Co-Chairpersons. The Commission is charged with the following responsibilities:<sup>1</sup>

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<sup>1</sup> *INITIAL RECOMMENDATIONS ON A SYSTEM OF SCHOOL IMPROVEMENT AND ACCOUNTABILITY, The Florida Commission on Education Reform and Accountability, June 2, 1992.*

1. *Overseeing the development, establishment, implementation, and maintenance of a program of school improvement and education accountability, based upon the achievement of the state education goals.*
2. *Reviewing the results of a 1991 school needs assessment from each Florida school and make recommendations to the legislature, including recommendations on graduation requirements.*
3. *Recommending to the legislature and the State Board of Education the components of a system of school improvement and accountability which must include, minimally, (a) performance standards for indicating state, school district, and school progress toward the state education goals together with a definition of what constitutes "adequate progress" toward meeting the performance standards; (b) methods for measuring such progress; (c) methods for public reporting of such progress, minimizing comparisons of one school against another; (d) methods for recognizing those schools that make adequate progress toward the education goals; and (e) guidelines for action to be taken with any school that does not improve after three years of assistance and intervention.*

The Commission adopted the following Mission Statement:<sup>2</sup>

**"The mission of the Florida Commission on Education Reform and Accountability is to guide and oversee the implementation of a system of school improvement and accountability which should result in educational excellence and the highest level of student learning, and thereby, the opportunity for every Florida student to be successful in a global economy and a changing social structure, and be a contributing citizen in our democracy."**

The Commission was organized into seven work groups (one for each state goal) to develop for the full Commission's consideration of the following components of a system of school improvement and accountability:<sup>3</sup>

- A set of "working assumptions" in order to set a context for recommendations regarding the goals;
- Initial performance standards and outcomes;
- Assessment methods for those standards and outcomes;
- Definitions of adequate progress;
- Methods of public reporting;
- Methods of school recognition, reward, and action.

The Commission held numerous public meetings around the state to aid in developing its recommendations. These culminated with the release of a draft report on June 2, 1992.

At the heart of **Blueprint 2000** is the assessment of performance outcomes to meet the requirements of state Goal Three. The Commission made the following recommendation concerning performance assessment:<sup>4</sup>

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<sup>2</sup> *ibid.*

<sup>3</sup> *ibid.*

<sup>4</sup> *ibid.*

*"School improvement and accountability assessments should minimize state-level intervention, empower local school communities, hold schools accountable and improve and inform instruction. There is a legitimate state interest to report on progress of education, but this interest should be constrained to the minimum amount of information necessary for state-level reporting and should not be burdensome to the school improvement process."*

The Commission's performance assessment recommendations identify five primary assessment tools; **High School Competency Test, District Norm-Referenced Test, Performance Standard Assessment, Florida Writes!, and Student Portfolios**. Because of the development, pilot and revision process, full implementation of the assessment system will not occur until the 1996-97 academic year.

It will be necessary to develop a system which can be partially implemented immediately and allow for a transition to the **Blueprint 2000** assessment system. It should also be pointed out that local initiative are not absent. The Economic Council of Palm Beach is sponsoring research to be conducted independently by Florida TaxWatch to develop a District performance report card.

The material on the next page identifies the Commission's initial Goal three standards.<sup>5</sup> Within each "proposed initial standard" are "initial outcomes." As an example, one of the initial outcomes for initial standard #1 is "While performing individual and group tasks, students: locate data and determine the main idea or essential message."

**BLUEPRINT 2000  
STATE EDUCATION GOALS**

1. **READINESS TO START SCHOOL** - Communities and schools collaborate to prepare children and families for children's success in school.
2. **GRADUATION RATE AND READINESS FOR POSTSECONDARY EDUCATION AND EMPLOYMENT** - Students graduate and are prepared to enter the workforce and postsecondary education.
3. **STUDENT PERFORMANCE** - Students successfully compete at the highest levels, nationally and internationally, and are prepared to make well-reasoned, thoughtful, healthy lifelong decisions.
4. **LEARNING ENVIRONMENT** - School boards provide a learning environment conducive to teaching and learning that includes sequential instruction in mathematics, science, reading, writing, and the social sciences, and appropriate educational materials, equipment, and pupil-teacher ratio.
5. **SCHOOL SAFETY AND ENVIRONMENT** - Communities provide an environment that is drug-free and protects students' health, safety, and civil rights.
6. **TEACHERS AND STAFF** - The schools, districts, and state ensure professional teachers and staff.
7. **ADULT LITERACY** - Adult Floridians are literate and have the knowledge and skills needed to compete in a global economy and exercise the rights and responsibilities of citizenship.

### IMPLICATION OF ACCOUNTABILITY EFFORTS

Successful implementation of the Accountability Commission's work should result in vastly improved oversight and emphasis in the right places as far as accountability is concerned. In reality, however, current efforts at streamlining governance have removed much of the energy of the education establishment from issues dealing with productivity and effectiveness at the classroom level. When true accountability is achieved, we will have accomplished little if we have failed to install classroom systems that work for all kids and are relevant to the world in which they live.

<sup>5</sup> *ibid.*

**GOAL THREE - STUDENT PERFORMANCE****Proposed Initial Standard #1:**

Florida students locate, comprehend, interpret, evaluate, maintain, and apply information, concepts and ideas found in academic and technical documents, prose, the arts, symbols, recordings, video and other graphic displays, and computer files, in order to perform tasks and/or for enjoyment.

**Proposed Initial Standard #2:**

Florida students communicate information, concepts, prose, symbols, reports, audio and video recordings, speeches, graphic displays, and computer-based programs.

**Proposed Initial Standard #3:**

Florida students use numeric operations and concepts to describe, analyze, disaggregate, communicate, and synthesize numeric data, and to identify and solve problems.

**Proposed Initial Standard #4:**

Florida students use creative thinking skills to generate new ideas, make decisions, recognize and solve problems through reasoning, interpret symbolic data, and develop efficient techniques for lifelong learning.

**Proposed Initial Standard #5:**

Florida students display responsibility, self-esteem, sociability, self-management, integrity, and honesty.

**Proposed Initial Standard #6:**

Florida students appropriately allocate time, money, materials, and other resources.

**Proposed Initial Standard #7:**

Florida students integrate their knowledge and understanding of how social, organizational, informational, and technological systems work with their abilities to analyze trends, design, and improve systems, and use and maintain appropriate technology.

**Proposed Initial Standard #8:**

Florida students help a group successfully complete a project or activity by working cooperatively and teaching others.

**Proposed Initial Standard #9:**

Florida students establish credibility with their colleagues through competence and integrity, and help their peers achieve their goals by communicating their feelings and ideas to justify or successfully negotiate a position which advances goal attainment.

**Proposed Initial Standard #10:**

Florida students appreciate their own culture and the culture of others, understand the concerns and perspectives of members of other ethnic and gender groups, reject the stereotyping of themselves and others, and seek out and utilize the views of persons from diverse ethnic, social, and educational backgrounds while completing individual and group projects.

The fact is, however, that no great store of latent knowledge exists on how to achieve education effectiveness and productivity. Those who work at the school site are not empowered to make accountability a reality. Moreover, few college and university education departments currently teach such methods, nor did they during the years when most of our teacher corps was educated. Most publications in the field are bastions of conservative pedagogical dogma. And the education institution itself is structured so that advanced degrees (which some say consist of learning how to do primarily obsolete things) and job seniority are the primary levers of power.

The introduction of accountability legislation largely eliminated categorical programs. This "tradeoff" was required to pass the measure over the objections of most of the education establishment. Many of these programs represented efforts by the Legislature, and through them others outside of the education budget establishment, to mandate particular approaches to improving quality.

Investment levels in technology, critical to any increase in productivity, have also received paltry funding during this period. Eventually, it is hoped that individual school districts will see the efficacy of these efforts and others like them. Some of the districts, in fact, do appreciate the need for improving effectiveness. Unfortunately, the fight for funding for these programs may be even more difficult at the district levels as they must contend with union pay demands, local politics and lack of advocacy. One of the great costs of the decentralization effort may be setbacks in some important quality improvement efforts.

#### FISCAL ISSUES

Previous attempts at educational reform have been very costly. Generally funded in "categorical" programs, purposes were quite specific and restrictive. However, program effectiveness was not measured, and with the state budget revenue shortfall of 1990-92, most categorical program funding in 1991-92 was "rolled into" the basic FEFP funding formula, with deletion or waiver of program requirements. The freed-up funding was absorbed into the FEFP. Following are a few of the more costly programs:

1. K-3 Improvement Program (PREP) - \$1.2 billion (1979-80 to 1990-91); \$175.5 million in 1990-91.
2. Middle Childhood Education Enhancement Program (PRIME) - \$135.6 million (1984-85 to 1990-91); \$43.9 million in 1990-91.
3. State Compensatory Education Supplement - \$368.6 million (1981-82 to 1990-91); \$35.6 million in 1990-91.
4. Student Development Services--\$255.5 million (1981-82 to 1990-91); \$26.7 million in 1990-91.

Given the current fiscal realities of the state budget, increased funding for new programs is problematic. To reallocate funding for more effective programs (instructional technology, etc.), the FEFP itself must be the source. As an example, if \$100 per FTE was reallocated for instructional technology (approximately \$200 million), there would necessarily be a reduction in instructional personnel, with a nominal .5 increase in the pupil/teacher ratio. Because the reallocation would be from recurring revenue sources, each year \$200 million would be available for instructional technology (hardware, software, teacher training, etc.), yielding \$1 billion over five years, revolutionizing the delivery of education. Result: The major recommendation in Partners in Productivity's 1989 report on **New Directions For Florida Education** would be implemented.

Implementation could be achieved via modification of the PECO allocation to require retro-fitting of existing schools and including technology supporting infrastructure in new schools. With approximately 2,300 schools statewide, at \$100,000 per school, a \$46 million annual earmark would retrofit all schools in five years.

Capital Facilities was another major issue in the *New Directions* report. The change in student enrollment over the three year period since its release is also reflected in state funding for school construction. Fueled by a 67% increase in the Gross Receipts tax (from 1.5 mills in 1990-91, to 2 mills in 1991-92, and to the maximum 2.5 mills in 1992-93), the PECO appropriation has increased dramatically for public schools, community colleges and state universities:

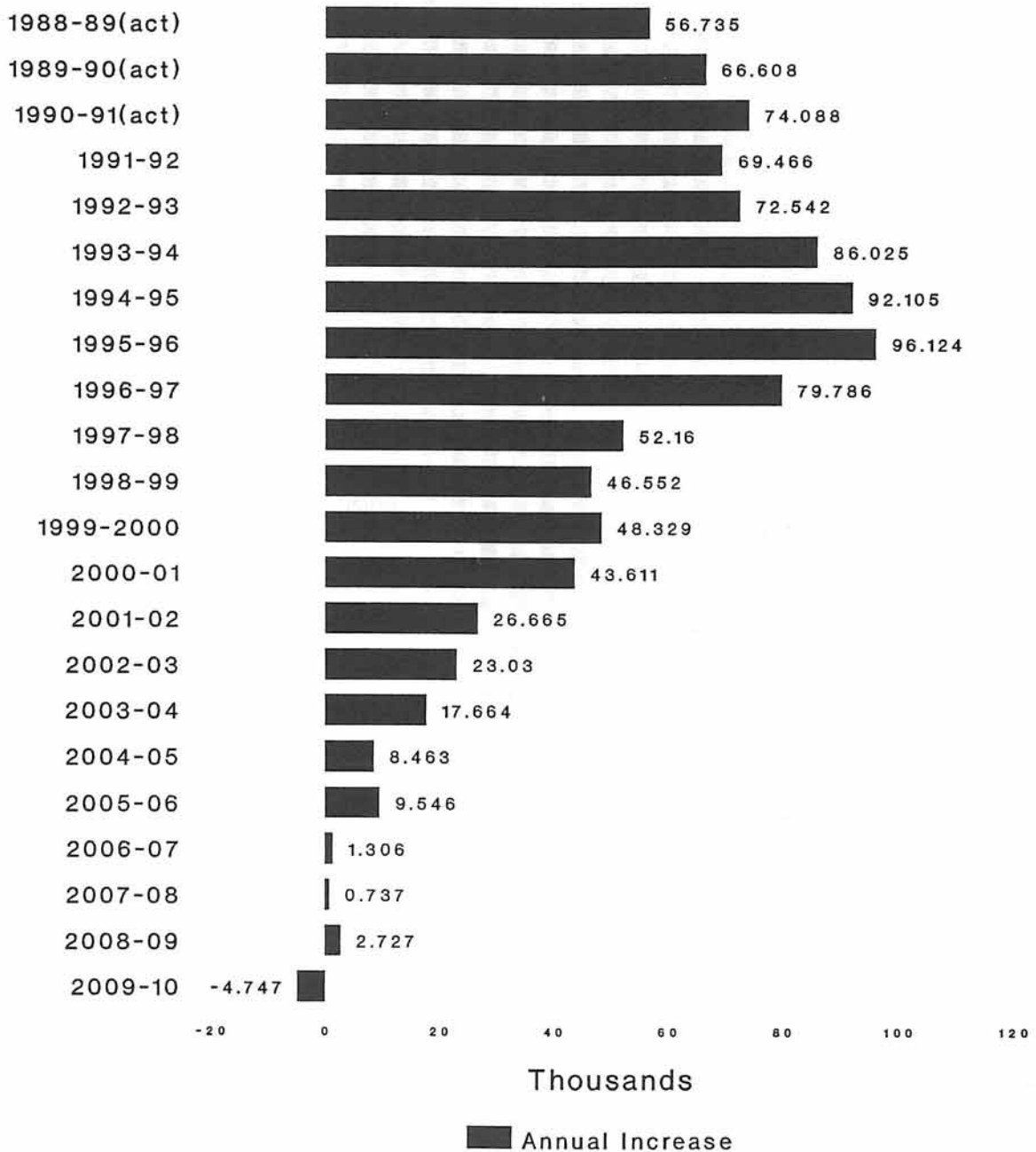
<u>Year</u>	<u>PECO Appropriation</u>
1988-89	\$385.3 million
1989-90	\$409.2 million
1990-91	\$621.1 million
1991-92	\$857.8 million
1992-93	\$1.071 billion

*New Directions* discusses continued growth in public school enrollment through the end of this century. Based on the most recent projections by the Department, enrollment growth will peak in 1995-96 with an increase of more than 96,000 students (up from the 80,000 students projected for 1993 in *New Directions*), and subsequently grow by smaller annual increases until 2009-10, when total public school enrollment is projected to decrease by 4,700 students (**Figure 6**).

Increased public school enrollment has two major effects; (1) school facilities - having the appropriate classroom space available at the appropriate time and in sufficient quantity, and (2) the transition (graduation) of public school students to the postsecondary education system and/or the workforce.

Increased public school graduation is reflected in **Figure 7**. In the decade of the 1980s, the average annual number of graduates was 86,000. This is projected to increase to 90,000 in the 1990s and more than 137,000 in the first decade of the Twenty-first Century. This increase will severely test the capacity of the postsecondary education system and the work place to absorb these graduates.

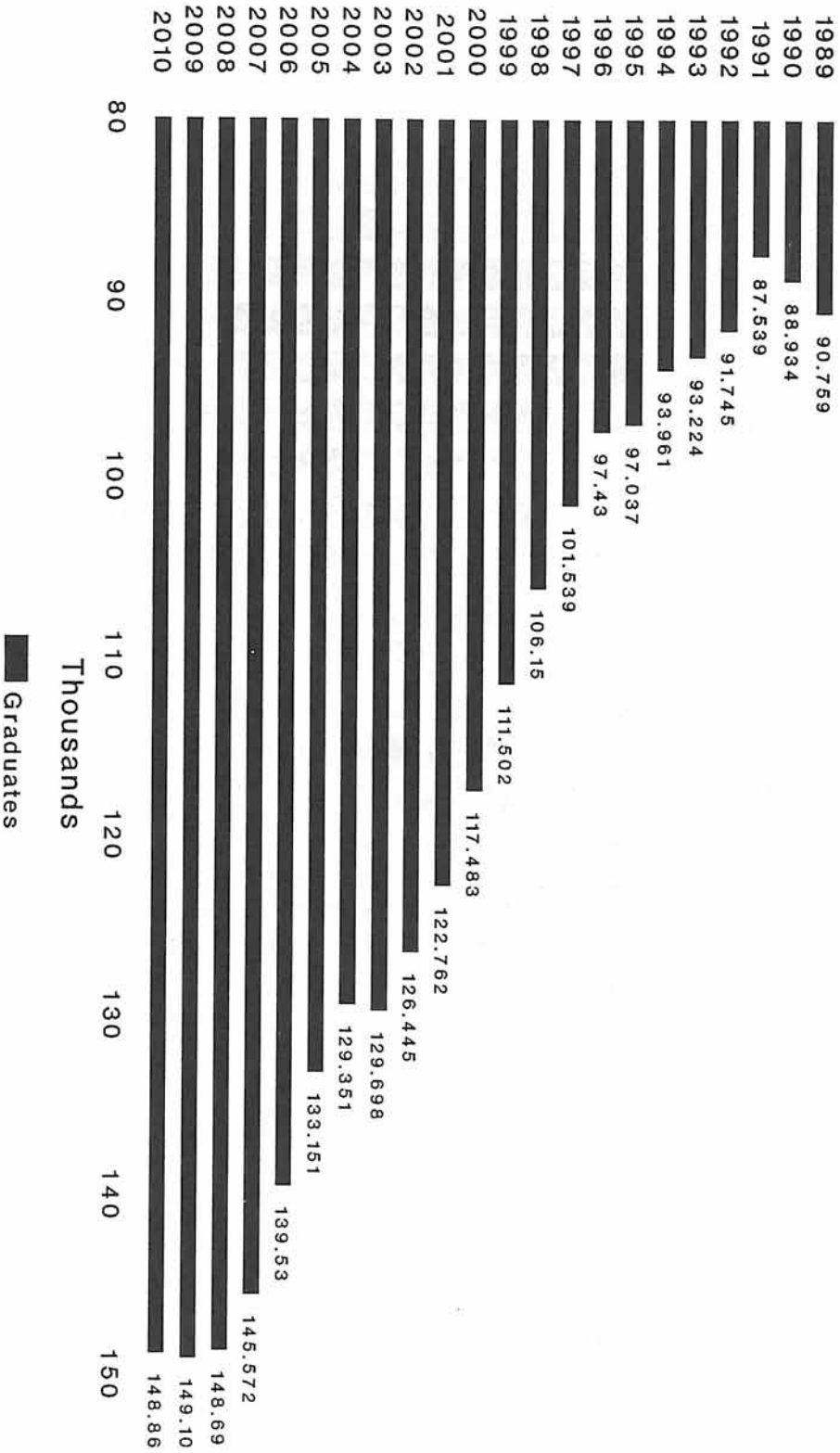
## Projected Increase in K-12 Enrollment



Source: Florida TaxWatch, Inc., and the Florida Department of Education, April 7, 1992.

Figure 6

## Projected Florida Public High School Graduates



Source: Florida TaxWatch, Inc., and the Florida Department of Education, April 7, 1992.

Figure 7

## FINDINGS AND RECOMMENDATIONS

**Finding:** The Florida Commission on Education Reform and Accountability deserves the acknowledgment and recognition from all Floridians for the supreme effort and creditable product developed to implement **Blueprint 2000**.

**Recommendation:** Partners in Productivity should support the Commission's initial recommendations and suggest appropriate modifications where necessary.

**Finding:** Full implementation of the accountability process may extend to 1996-97 (or beyond) before assessment data generated by the new Performance Standards and Student Portfolio will be available. The Commission recognizes this and recommends a transition assessment be implemented to bridge the gap.

**Recommendation:** Notwithstanding the transition period, a higher level of standards that approximates the anticipated new level should be extrapolated from existing assessment instruments. Lack of progress towards higher levels of achievement should not be hampered by a lack of new assessment tools.

**Finding:** The Commission's recommendations are presented as "revenue neutral."

**Recommendation:** The concept of "revenue neutrality" should include an analysis of the current Florida Public Education Finance Program (FEFP). Such analysis should include strategies that would enhance local control/responsibility that **Blueprint 2000** envisions. Specific areas that should be addressed include: (1) reallocation of funding from remediation to prevention (e.g. summer school to pre-kindergarten/grade three), (2) shifting from a program/grade level/time factor to an individualized student needs factor, and (3) reallocation of funding from specified DOE budgeting categoricals into non-specified lump sum allocations to local schools and districts to provide flexibility and incentives to improve student performance.

**Finding:** The Commission's report stresses that assessments should be public and viewed as tools to identify areas of weakness that require assistance and intervention to correct deficiencies, not as a measurement system to compare one school to another.

**Recommendation:** Assessment, by definition, denotes the process of comparison, and as such, should measure and compare all elements of the education system. This extends to the individual classroom, school to school, and district to district. Assistance and intervention should also extend to the individual classroom (and by inference, student and teacher).

**Finding:** The Commission's draft report does not specifically address what actions will be instituted if a school/district fails to make adequate progress to meet the state goals.

**Recommendation:** The Commission should develop appropriate, meaningful and clearly understood sanctions that will be imposed as a result of failure to make adequate progress to meet the state standards. This is critical to the accountability process. If financial sanctions are imposed, they should not reduce the level of student funding in a school or district.

**Finding:** Many of the recommendations in *New Directions For Florida Education* (Partners in Productivity, May 1989) have not yet been implemented.

**Recommendation:** Local school districts, the Florida Department of Education and the Legislature should act to complete the job outlined in *New Directions* in the context of *Blueprint 2000*.

**Finding:** Much verbal attribution has been given to social outcomes and institutional outputs. However, the failure to establish appropriate needs assessments has made these activities vague exercises.

**Recommendation:** A conscious effort should be made to identify the social future to which the activities of education are directed. Also, a system of accountable outcomes should be identified to meet these defined social ends.

**Finding:** The current education focus is excessively process oriented and neglects not only a vision of education's practical application and relevance to the changing world, but also ignores students' real needs.

**Recommendation:** Education should focus on state-of-the-art technology and relevant didactics to serve citizens throughout their lives, providing meaningful activities that generate intellectual and social skills that enhance a free democratic society. This is basic to valid accountability in education.

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