



## USING GOVERNMENT STREAMLINING COMMISSIONS TO REDUCE SPENDING AND IMPROVE EFFICIENCY: EVIDENCE FROM LOUISIANA AND VIRGINIA

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Kansas House Government Efficiency Committee

Chairman Burgess, Ranking Member Trimmer, and members of the committee:

Thank you for the opportunity to speak with you today about the Kansas Government Effectiveness and Efficiency Commission Act. I appreciate the invitation and applaud the committee's interest in making Kansas's government more efficient and effective.

My name is Daniel Rothschild, and I am the managing director of the State and Local Policy Project at the Mercatus Center at George Mason University. The Mercatus Center is a university-based research group focused on the economics of public-policy issues. Our mission is to generate knowledge and understanding of how institutions affect the freedom to prosper and find creative solutions to overcome barriers that prevent individuals from living free, prosperous, and peaceful lives. Nothing in my statement today represents an official position of the Mercatus Center or of George Mason University.

Over the past three years, as states have faced record budget deficits, a number of governors and legislatures have looked for ways to increase government efficiency and effectiveness in order to minimize painful budget cuts and avoid tax and fee increases.

With my colleague Maurice McTigue, I have had the opportunity to work with Louisiana's Commission on Streamlining Government and Virginia's Commission on Government Reform and Restructuring as they spent much of 2009 and 2010, respectively, poring over their states' operations looking for efficiencies and opportunities to refocus state agencies on their critical core missions. My comments today reflect my personal experience with these commissions, as well as ex-post analysis based on qualitative interviews with many of the members and staff who participated in Louisiana's efforts and less formal conversations with participants in Virginia's commission.

We have found that independent government streamlining commissions that bring together officials from the legislative and executive branches of government as well as outsiders from the private sector and nonprofit groups to look closely at government activities can be effective at identifying opportunities to cut waste, eliminate duplicative programs, realize economies of scale, and generally streamline state government operations.

We have identified eight specific factors relating to the creation and composition of streamlining commissions that we believe help make them more effective and their reports more likely to result in positive policy changes. I will go through these points briefly, and I am happy to discuss them in greater detail after my testimony or at a later date.

1. **Identify a focus and clear goals.** Commissions can either focus on specific, discrete issues or cover a wide range of government services. This should be clearly and specifically articulated in the commission's charter, as should the deliverables the commission is charged with producing. Failure to do either of these things will delay the commission's start and open it up to pressure from outside interest groups to either include or exclude specific issues. To maximize the effectiveness of the commission's reports, the committee may wish to review section 8 of the bill and more clearly specify what should be included in the four reports required of the commission.

2. **Keep the timeline commensurate with the scope.** Commissions with a very narrow scope may be able to complete their work in a matter of months, but those with broader missions may need a year or more to complete their work. Your proposal to stagger reports over two years may be a way to achieve both short-term results with the kind of reform that only comes through longer-term deliberation and study. As one staff member from Louisiana's Commission on Streamlining Government said, "The deal with true reform is you sit back and look at it a while." Taking the time for deep study, debate, and reflection will yield a better final product. The approach proposed in the bill may be an effective

way to grab some of the “low-hanging fruit” early on while contemplating more complex reforms over two years.

3. **Structure committees in a way that comports with staff expertise.** Both the Louisiana’s and Virginia’s commissions created committees to study particular issues in depth and report back to the commission. If Kansas’s commission elects to do the same thing, these committees should be structured to take advantage of legislative staff experience and expertise. Additionally, each committee should be provided with clear terms of reference that minimize overlap between the committees. The bill may wish to clarify that the commission has the authority to create committees and specify who is eligible to serve on these committees.

4. **Properly resource the commission with the funds necessary to start quickly, investigate thoroughly, and report effectively.** Providing a budget to a commission tasked with reducing spending may sound oxymoronic. But virtually all of the members of the Louisiana Commission on Streamlining Government who we interviewed told us that they would have been more effective with an independent investigative and analytic staff. While members praised the diligence and expertise of the legislative staff detailed to the commission, these staff members, by virtue of their positions as civil servants, were unable to effectively critique ideas put forth either by commissioners or members of the public. Moreover, they were unable to aggressively seek information from agencies. Commissioners and staff generally agreed that civil-service staff can be valuable assets to commissions, but commissions need their own independent staff as well for fact-finding and analysis. Further, we recommend that a commission be given the funds to hire a facilitator to serve as a chief of staff to the chairperson and an editor to begin the hard work of writing intermediate and final reports from the first day the commission meets. These positions help the commission make the most of its time, especially when operating on a tight timeline.

5. **Select commission members who are largely outsiders.** Streamlining commissions are most effective when a majority of their members do not make government their full-time occupation. After all, much of their strength comes from having a fresh set of eyes look at the operations of state government. The bill in question enshrines this principle in section 3(b), so I will not dwell on this topic. But that said, your committee may wish to consider amending the bill to allow one or two legislative members who can speak for the commission when its recommendations come before the legislature. I discuss this more in point eight.

6. **Select an independent chair.** Your bill makes this the prerogative of the members of the commission, so I would simply recommend to them that they elect a chair who is widely seen as politically independent yet knowledgeable of the policy making process, can effectively speak for the commission in the media, and ensure that the commission is making timely progress.

7. **Keep administration participation circumscribed but significant.** Having buy-in from the governor can greatly increase the commission’s access to timely, accurate information. However, the commission must be able to act independently of the executive branch.

8. **Plan for legislative follow through.** Nobody agrees to serve on a commission like this because of the joy that comes from writing articulate, convincing reports that sit on shelves and do not result in policy changes. Therefore, the commission should endeavor to make all of its recommendations as actionable as possible. As I suggested earlier, having a small number of legislative members may be useful in this regard, as legislators bring expertise about the legislative process and can serve as spokespeople for the commission with their fellow legislators. Additionally, the facilitator and editor can help maintain focus on the actionability of recommendations throughout the research and writing process.

In addition to these recommendations, we have identified a number of effective practices that the commission may wish to employ after it is constituted. I would be happy to discuss these with the members of the commission when it is formed.

I hope my comments today have been useful to the committee. There is no “one size fits all” recipe for establishing or operating state streamlining commissions. Rather, effective commissions must be created and managed in a way that is compatible with a state’s political, economic, and constitutional environments.

Based on what we have learned from other states, I believe that Kansas will be well served by the commission this bill would create. I believe that some small changes, especially allowing limited legislative membership, providing a budget for investigation and facilitation, and clarifying the commission’s deliverables, could improve the quality, scope, and time of the commission’s work.

I thank you for your time and look forward to taking your questions.