



Jump-starting efficiency

The South Dakota Legislature is using oversight authority and its own budget to eliminate waste, help transform operations in state agencies

by South Dakota Sen. Jeffrey Partridge (Jeffrey.Partridge@sdlegislature.gov)

Another election year is upon us, and for state lawmakers across the Midwest, that means trying to get rehired by our constituents.

And let's face it: The path to re-election can be a difficult course to navigate. While the voters may know *who* you are, they may be less certain about *what* you have done.

But there is at least one clear-cut accomplishment that I believe South Dakota's incumbents can make part of their message in the weeks and months ahead — our Legislature's leading role in starting a process to eliminate waste, improve operations and maximize results in state government.

We've done this by directing and helping our state agencies to utilize a process known as the "LEAN" methodology.

Simply put, LEAN focuses on improving government performance. It builds on an approach first pioneered in the private sector, namely with Toyota and its creation of a just-in-time manufacturing model that tied production more closely to customer demand in order to reduce waste and create more value.

In our case, the customers are the residents (and voters) of our home state, and we already can point to some important successes thanks to our agencies going through the LEAN process. That process typically includes:

- worker training and collaboration to improve agency operations;
- employing data analytics to inform decision-making;
- developing and strengthening relationships, both within a state agency and with the people or businesses that it serves; and
- establishing measures for regularly

and effectively measuring performance and outcomes.

Using the power of the letter of intent

In South Dakota, budgets have been tight in recent years, so demanding efficiency among our state agencies has been especially important.

While our part-time Legislature is in session, members of our appropriations committees review and modify the governor's proposed annual budget for various state agencies. During this process, we seek answers to questions about performance indicators and meeting benchmarks.

Two years ago, our committee was not satisfied with answers from the South Dakota Bureau of Information & Telecommunications. The committee peppered the department with questions, and all sides left frustrated.

But that dissatisfaction ultimately led us to implementation of the LEAN methodology, through a common legislative practice in our state known as a "letter of intent."

Our joint, interim South Dakota Appropriations Committee will often write these letters to cabinet secretaries or commissioners after a general bill has been passed. Though it does not have the force of law, a letter of intent helps explain our intentions or expectations — whether they be for a specific piece of legislation or an appropriation.

We decided that a letter of intent was the perfect tool for implementing LEAN in a specific department. We simply wrote, "Your budget is approved on the condition that you implement the LEAN Methodology over the next year."

That same year, we made another important decision. Because our leadership teams in both the House and Senate understood the value of implementing LEAN, we agreed to use our own legislative budget to help fund specific consulting projects for identified agencies. The first of these agencies was the Bureau of Information & Telecommunications.

Since then, we also have written letters of intent for South Dakota's departments of Labor & Regulation, Corrections and Bureau of Administration to implement LEAN.

In each of these instances, we use the legislative budget to pay for initial project costs (our Legislative Research Council actually issues the request for proposal). Our goal is to "prime the pump" so that LEAN gets up and running in these agencies. Once the initial consulting contract is complete, our hope is that departments will continue to engage where they see fit.

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Praising early results from LEAN

The results have been amazing. Our Department of Revenue had already implemented LEAN before we started issuing these letters of intent. Andy Gerlach, secretary of the Department of Revenue, says the process has been "transformational."

"It has been exciting to see our employees learn the fundamentals and then put them into practice," he says. "We have become more efficient, which is both a benefit to the citizens of South Dakota and our organization. LEAN is now part of the department's culture."

Marcia Hultman, secretary of the Department of Labor & Regulation, says the process has helped her agency streamline the travel-voucher system for employees, while also leading to collaboration with two other agencies on "statewide efficiencies."

And what about our first group, the Bureau of Information & Telecommunications, which provides technology services for the state?

"Implementing the LEAN methodology has allowed our development division to greatly improve our software development processes," says Jim Edman, the department's deputy secretary. "Through the collection of valuable metrics surrounding our modified processes, we are able to see how those process changes affect our work flow."

As our state's employees work together on process improvement, another interesting thing has transpired: They are building trust within the workplace. Trust leads to enhanced communication and a greater employment experience. This is certainly a positive byproduct of becoming more efficient and empowering employees to engage in continuous improvement.

As legislators, we should talk about LEAN, especially during election years. If your state has not engaged in it, I encourage you to become a champion of this successful program, which benefits elected officials, state employees and constituent taxpayers — making it a big win for all.

Sen. Jeffrey Partridge was elected to the South Dakota Senate in 2016 and previously served in the House.

Submissions welcome

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| Snapshot of state governments in the Midwest | | |
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| State | # of full-time equivalent employees | Amount paid to employees in March 2016 |
| Illinois | 123,611 | \$683,359,197 |
| Indiana | 89,278 | \$368,828,152 |
| Iowa | 51,005 | \$285,471,744 |
| Kansas | 52,118 | \$237,470,824 |
| Michigan | 144,350 | \$794,550,198 |
| Minnesota | 82,697 | \$453,265,630 |
| Nebraska | 31,924 | \$128,240,548 |
| North Dakota | 19,321 | \$90,249,595 |
| Ohio | 137,846 | \$671,328,539 |
| South Dakota | 14,106 | \$62,543,869 |
| Wisconsin | 72,676 | \$356,013,656 |

Source: U.S. Census Bureau, "2016 Annual Survey of Public Employment & Payroll"