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Business Still Waits for Businesslike Government

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Garrison Wells

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State slow to implement ideas of its productivity commission

Continued from page 1

business leaders, said state Sen. Jana Mendez, D-Boulder County, who is also a member of the committee.

"I warned them (the commission) early on: 'You're going to think this is moving really slow, but that's the wheels of government,'" Mendez said.

"There is just a world of difference" between the corporate world and government, said Eugene Petrone, the former executive director of the Office of State Planning and Budgeting, who is serving as a consultant to the governor's office on the project. "If I were in the corporate world, we would make decisions differently and we could do things effectively."

Petrone said thus far the commission's recommendations have resulted in a direct savings to state government of about \$9 million, with indirect savings mounting up. However, he could not estimate the total amount of indirect savings.

In some cases, key recommendations have been scuttled, tossing savings out of the window for the sake of politics, said Pearsall.

For instance, one recommendation called for consolidating the Colorado Water Resources and Power Development Authority into the Water Conservation Board. The move would have saved state government \$750,000.

Taken up during last year's legislative session, the recommendation quickly died.

"I understand it took all of 30 seconds for them (the Legislature) to kill that one," said Pearsall. "You start talking about water, and legislators won't have anything to do with it. It's a shame."

While noting that he is not "all doom and gloom," Pearsall nonetheless said some of the commission's significant recommendations that would have led to substantial savings have either been the victims of legislative foot-dragging or have been scrapped.

One of the commission's so-called "cornerstone" recommendations, also killed last year, would have provided more incentive pay to productive state employees by increasing the salary cap for high-level managers and basing merit pay on performance rather than a set schedule.

"In the personnel area, that's where my biggest disappointment is," said Pearsall. "We have not changed the salary system. There's no incentive for performance. It's

unconscionable that the system is like that."

In fact, the government itself, in a brief report in August on state agencies' progress on the recommendations, noted that "key cornerstones are missing."

The most substantial recommendation that has not been acted upon, said the report, is "sound human resources management — which makes it difficult (if not impossible) to build on progress in other areas."

Another recommendation considered important by the committee was a "total quality management" program business leaders hoped would be implemented by state agencies. However, that recommendation was killed when the state Legislature, pinched by the state's tight budget the past two years, refused to fund it.

According to Petrone, Romer plans to ask half a dozen companies in the area to provide voluntary training for state managers.

"You are talking about a million dollars in training" for the total quality management program, he said. "We don't have a penny."

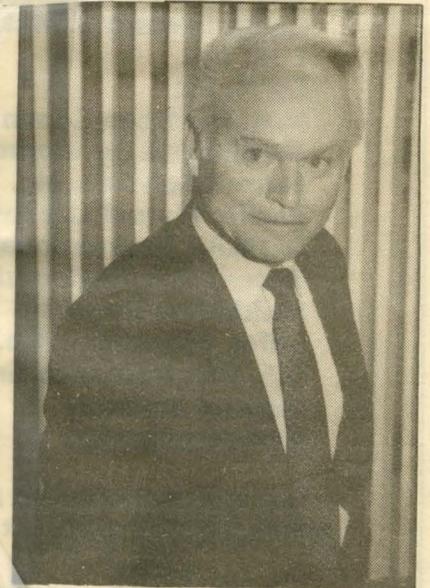
A report on the recommendations, issued by the state's Office of State Planning and Budgeting in September 1989, showed that 76 of the commission's 371 recommendations had been implemented as of August of that year. Another 261, or 71 percent of the total recommendations, were being actively pursued or "will be pursued as time permits," while 34 recommendations had been killed.

Of the 261 recommendations being pursued, the report does not specify how many are being delayed and how many are actually being "actively pursued."

Romer's 18-member commission was comprised of 10 members from the private sector, four from the governor's cabinet and four from the state Legislature.

The commission established 20 committees, which included loaned executives, state managers and employees, and the executive directors of the departments in state government that were studied.

Among the corporate contributors were AT&T, IBM, Martin Marietta, Public Service Co. of Colorado, United Banks of Colorado, U S WEST Communications, Adolph Coors Co., Affiliated Bankshares of Colorado, KPMG Peat Marwick, Hewlett Packard and Price Waterhouse.



Commission's Duane Pearsall
... "I think we're all disappointed."

Business still waits for a businesslike state government

By GARRISON WELLS

A 2-year-old effort to inject some business acumen into state government has so far yielded meager results.

Gov. Roy Romer formed the Commission on Government Productivity in July 1988 to recommend ways for state agencies to work more efficiently. Local companies contributed millions of dollars in cash, equipment, services and the time of loaned executives to the commission.

The commission's report, released in March 1989, estimated the state could save \$218 million over three years.

But one year and nine months later, less than \$10 million in direct savings to state government have been achieved.

"I think we're all disappointed because we can't see the hard-dollar savings to date," said Duane Pearsall, co-chairman of the commission and general partner in Columbine Venture Fund Ltd., a Denver investment company.

There may be even more disappointment on the horizon.

The commission, committee members and state officials are planning to meet next March to mull the commission's report and how its recommendations are being implemented. At that time, Pearsall said, "I think we're going to be disappointed because the savings are going to be less than we thought."

But the sluggish pace of government reform should not come as a surprise to

Please turn to page 11