

The Wisconsin Department of Natural Resources is one of a number of state environmental agencies that are realigning, adopting advanced business processes and using technology to better meet core work requirements with limited resources.

In summer of 2015, DNR collected information about 11 other state agencies and changes they made to meet the challenge. The “slice” of the states chosen was not random. The question of “where to look for change” was asked of the Environmental Council of States (ECOS), academics and peers to find the best “slice” of states to survey. The fact-finding approach used interviews, reports, testimony and the web.

These conclusions were reached:

1. **Process improvements and technology:** States are reducing tasks and steps that are not directly linked to results, saving time and money. Automated transactions and self-reporting free staff for other work. Technology supports public sharing of performance data and citizen feedback.
2. **Function and risk triage:** States are applying comparative risk criteria to eliminate tasks and sometimes entire work categories. Approaches include imposed sunsets and internal reallocation of resources to greater risks.
3. **Employee skills and capacity:** States are rethinking how they use employees to produce results. This affects human resources, compensation and structures.
4. **Integration and strategic alignment:** States are addressing internal and inter-agency silos that inhibit problem-solving and service. Approaches include matrix management, functional centralization and team management

All ECOS members are challenged to become higher performing organizations. So ECOS changed its by-laws to create a committee to support management and leadership needs of member states.

The DNR survey had limits, including the fact that it included only environmental agencies. Each state had the opportunity to confirm results. It later was learned that the Oregon Department of Environmental Protection conducted an effort similar to DNR’s. The state has received a detailed summary of that effort which agency officials are currently reviewing.

Terms: LEAN refers to systems changes that maximize value and minimize waste; Kaizen refers to a continuous improvement process; Baldrige is a national program for performance excellence; Six Sigma is a data-driven approach to eliminate defects.

Each state had the opportunity to confirm or adjust the DNR draft. The state breakdown:

Arizona Department of Environmental Quality

- 2011: 30% cut in staff and budget
- 2012: Begin LEAN journey; adopt stretch goals with targets at agency level; and lead metrics at front line
- 2013-2014: Decrease timelines for the most complex permits by 60%;
- Permit costs down 40%
- Reduce timeframe for public records by over 70%
- Double the number of state-led underground storage tank clean-ups
- Reduce return to compliance timeframes by over 40%
- Reduce vehicle emissions testing by over 25%

- 2015: Elected officials recognize ADEQ as “model agency”
- Legislators defend “model agency”
- ADEQ asked to share experience with other Arizona agencies, State of Missouri, the Environmental Council of States and EPA

Arkansas Department of Environmental Quality

- Electronic reporting, complaint and inspection system initiative
- Collaborative design with AZ, DE, NH, WV and TN
- Direct data entry by 95% of facilities
- Inspectors use secure e-tablets that produce instant, printed reports
- Citizen complaint mobile app with GPS coordinates
- Citizens contact inspectors directly by web link

Connecticut Department of Energy and Environmental Protection

- Gina McCarthy (now EPA) started LEAN as CT DEEP commissioner
- Successor introduces Good to Great strategy
- Permit and agency efficiency core to legislative strategy with power point
- Elimination and change of laws and rules results
- DEEP gets new technology funds because of streamlining
- Program integration, consistency, accountability a by-product
- Culture sometimes resists change, especially in long-standing programs
- State does cross-agency LEAN projects; DEEP benefits

Indiana Department of Environmental Management

- Top down reform with employee input
- Kaizen adopted; employees enlisted to help change
- Forced and voluntary departures change culture
- Confidential information from business
- Results: expedited permits and enforcement
- Efficiency tracked for Legislature

Iowa Department of Natural Resources

- Kaizen begun in 2003
- Consultants successfully challenged on running clock time
- Air permits from 60/90 day average to 7 days
- LEAN used in state economic pitch
- Now a national example
- Value added mapping aggressively applied
- Line authority for permits and enforcement for consistency
- Shrink seven to two divisions; six to two supervisory levels (all state)
- Loss of general purpose revenue from \$22 million in 2008 to 12.8 million

Massachusetts Department of Environmental Protection

- Bi-partisan legislation results in more than 100 employees taking advantage of early retirement incentive, decreasing MA DEP staffing by more than 15%
- In reaction to staffing reductions, senior team collaborates on strategic reorganization and process redesign of functions, coordinated with limiting rehiring effort
- Executive Order #562 prompts a system-wide regulatory review, which MA DEP is aligning with items described above

- Focused stakeholder outreach through creation of new municipal partnerships and permit ombudsman functions to enhance coordination and technical assistance
- Major technology project kicking off to upgrade and optimize permitting functions, while improving customer interface
- Environmental organizations express concern about inadequate funding, staffing

Minnesota Pollution Control Agency

- Re-organized in mid-1990s from a media to a matrix organization
- Learning, systems thinking and quality improvement culture introduced
- 2015: PCA under bi-partisan fire; PCA Board eliminated Executive Order creates replacement advisory committee
- LEAN and Six Sigma adopted in 2003
- Baldrige planned for 2017: outside evaluation against standard, opportunities for improvement

Ohio Environmental Protection Agency

- Agencies work together, led by top down for reform with input
- Top down tracking of performance metrics
- Regular accountability meetings to track performance on metrics
- Sunset rules every five years, reducing workload
- E-Document system yields cycle time, transparency, accountability gains
- Other agencies get OEPA functions
- Line authority for consistency

Tennessee Department of Environment and Conservation

- All state agency emphasis on performance
- Governor posts performance metrics on his website
- Agency using Baldrige without fanfare to support LEAN and quality
- 49 LEAN events for permitting, grants and parks
- Agency Baldrige certified persons team with private sector, other agencies
- Employees must have job performance plan; pushback recedes
- Human Resources reform: two-track pay system (management-professional)
- Human Resources reform: independent talent management office

Virginia Department of Environmental Quality

- Water division too big to manage; so split in two -- permits and planning
- Values and systems focus like Good to Great
- Great care in creating teams, making assignments
- Consistency a challenge: Program management groups lead and meet monthly
- LEAN practices are used to improve process efficiency and consistency of implementation
- Serious approach to risk: environmental, economic, political, media
- Risk management approach is used to establish agency priorities and resources
- Example: Reduce inspections on high in-compliance majors (EPA approved)
- Legislative relations of Agency Director and Director of Policy
- Great effort made on community, stakeholder involvement, even if not required

Washington Department of Ecology

- Statewide budget constraints resulted in even greater care around project selection

- State agency fiscal stress exacerbated by court order giving schools more money
- Engagement with LEAN for all state agencies
- Governor reports “Results Washington” on his website
- Increased focus on permit efficiency and coordination
- Inconsistency addressed through process improvement efforts leading to standardization and streamlining
- Department of Ecology surveys customers biennially on agency service and efficiency
At the Department, a full-time economist provides analysis of the costs and benefits for proposed rulemaking

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