

# COMMISSION ON SERVICE INNOVATION

## Meeting Minutes/Monthly Report

**Governance Team:** Commission on Service Innovation

**Date of Meeting:** November 18, 2010

**Location:** Centennial Office Building,  
Blazing Star Room

**Minutes Prepared By:** Taylor Joseph

**Time:** 9:30 a.m. – 3:00 p.m.

### Attendance

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Member:

Representing:

Steve Dahl

Minnesota Chamber of Commerce

Mike Kirst

Minnesota Business Partnership

Dave Bentrud

League of Minnesota Cities

Darrel Huish

Minnesota State Colleges and Universities

Steve Giorgi

AFSCME Council 65

Chet Jorgenson

MAPE

Bob Azman

Minnesota High Tech Association

Jeannie Fox

Minnesota Council of Nonprofits

Bernard Gulachek

University of Minnesota

Sean Kershaw

Citizens League

Gopal Khanna

State Chief Information Officer

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Special Guest Members (non-voting)

Sen. Terri Bonoff

State Senator, District 43

Rep. Keith Downey

State Representative, District 41A

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Other Attendees/Staff:

Stacy Becker

Meeting Facilitator

Sara Schlauderaff

Office of Enterprise Technology

Mike Muilenburg

Office of Enterprise Technology

Taylor Joseph

Office of Enterprise Technology

### Decisions Made

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Decision

1. Adopted minutes/monthly report from the October 21 meeting.
  2. The next meeting will be held on December 9, in the same location.
  3. Members made changes to the report.
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### Action Items

Action	Assigned to	Due date
1. Revise the initial draft report.	Commission Staff	December meeting
2. Set up social media pages.	Commission Staff	Prior to December Meeting

### Agenda

Topic	Presenter	Time	Decision Item
Welcome; Recap of Fourth Meeting & Adoption of Minutes; Overview of Agenda	Gopal Khanna	9:30	Yes
Advisory Workgroup Breakout Sessions: Review Relevant Report Sections and Develop Advice on Changing Report	Stacy Becker, All	9:50	No
Advisory Workgroups Explain Advice on Changing Report	Stacy Becker, All	11:00	No
Lunch Break	All	12:15	
Updates	Staff	1:00	No
Member Discussion and Decisions on Changes to Report	All	1:15	Yes
Next Meeting Agenda Ideas	Gopal Khanna, All	2:55	Yes
Adjourn		3:00	

### Next Meeting

Date:	December 9, 2010
Time:	9:30 a.m. – 3:00 p.m.
Location:	Centennial Office Building Blazing Star Room, Ground Floor 658 Cedar Street St. Paul, MN
Agenda items:	Submit proposed agenda items to Mike Mulenburg.

# COMMISSION ON SERVICE INNOVATION

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### Minutes

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[Note: Members comments are summaries, not direct quotes.]

#### **Welcome; Minutes Adoption; Agenda Overview**

Gopal Khanna, the State Chief Information Officer and lead co-chair of the Commission on Service Innovation, welcomed commission members at 9:41 am. A quorum was present. He welcomed members and recognized Sen. Terri Bonoff and Rep. Keith Downey who were in attendance.

Mr. Khanna asked members if they had a chance to review the October 21 meeting minutes/monthly report.

Steve Dahl proposed an amendment to the October 21 minutes/report that was approved by other members. They were unanimously passed as amended.

Mr. Khanna reviewed the meeting agenda and introduced Michael Muilenburg to discuss the first draft of the legislative report.

Mr. Muilenburg: We pulled together work that has already been done. We tried to massage the work the small groups and the Commission have produced into a more cohesive format.

Mr. Khanna: Peter Hutchinson is unable to attend today, but please take a look at his comments and ideas that have been included in your packet.

Members reviewed Mr. Hutchinson's comments.

Jeannie Fox: Looking at the agenda, I would like to propose that we share discuss some of the ideas in the report before breaking into small groups.

Members agreed.

#### **Full Group Report Discussion**

Stacy Becker: I'd like to go around the room and have everyone make a few comments on the first draft of the report. This draft is our jumping off point. I know there are some issues that we do not all agree on.

Ms. Fox: I like that it, in part, removes some of the political aspects of these problems. It shows the problems facing our state that are going to exist long after the short-term crisis.

I believe Recommendation 10 may be a bit out of scope. I think it undermines representative democracy and brings us back into the tax debate.

Darrel Huish: I noted an inconsistency in tone and level of detail. We might consider putting the broader statements earlier on and get more specific as we move through the document. We need a more consistent form of recommendation. Perhaps we should recommend who we think is responsible.

Bernard Gulachek: I would echo what has been said so far. It puts us in a good position to move forward.

Mr. Dahl: It's a good start as our call to action for the legislature. It captures our conversation and work so far. I agree we need more consistency on theme and approach. We need to make sure our recommendations give enough to the legislature to be actionable or credible.

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Sean Kershaw: I think the case for change should be tighter. It would be good to point out changes that have real, monetary value and also those with symbolic value. We need to focus the recommendations to make sure they are actionable. We can build political clout with symbolic value action items.

Rep. Downey: I agree with Peter Hutchinson that we need consistency in how we address budget numbers. I suggest using annual numbers, not both annual and biennial. The more specific recommendations for the legislature the better. Maybe make some recommendations on ROI (Return on Investment) models.

Sen. Bonoff: I think Recommendation 2 is a subset of Recommendation 1. Recommendation 3 is a big idea on engaging citizens. It seems like 4 through 6 all deal with getting citizens engaged. Maybe they should be more tactical in response to Recommendation 3. Recommendation 8 is also a big idea. It's all part of a new approach. I think it's important for this group to come forward and say, 'we want to be budgeting for outcomes.'

Steve Giorgi: I am not sure where we took such a strong stance on shared services. I don't see enough protection and inclusion for public employees. That is a red flag and a concern.

Randy Maluchnik: I think we need to be simple and detailed. I'm really interested in performance-based budgeting. I think if we take care of the performance part of it, there is less of a need for mandates.

Dave Bentrud: I'm concerned. Are we getting the detail and depth that the legislature would like to see?

Mike Kirst: I think it's a good start. I don't agree with the idea of a new governing body or entity to manage ideas and innovation. We need to vet and discuss the funding model more. I like the bottoms up approach—getting individuals engaged and coming up with new ideas.

Mr. Khanna: My challenge has been making sure the Commission puts forward ideas for bold, transformative change. We all realize there is no silver bullet solution. My goal is that we can say we believe in this together come January 15.

Sen. Bonoff: Was there any consideration to use concrete examples as a basis for the recommendations?

Mr. Dahl: The workgroups have looked at a lot of ideas, but we have been focusing more on broader ideas in the report.

Mr. Bentrud: I think we talked about not wanting to put parts of the state on the defensive. I think mentioning specifics in the report might upset people.

Mr. Kirst: I like the idea of having some inventory of change that is underway or that we are on the cusp on in various levels of government. We could have examples of wins that take advantage of this new way.

Mr. Huish discussed ways to promote citizen engagement, like budget balancing websites.

Ms. Becker: We are doing that right now at the Citizens League with the Minnesota budget.

Rep. Downey: You don't have to deliver an "end all" final report on January 15. You can just give us a framework and maybe design some next steps and discuss what's most applicable.

**MEMBERS TOOK A BREAK FROM 10:34 to 10:44 a.m.**

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Ms. Becker: I'd like to break into small groups to address some of these ideas. I'd like you to focus on three things:

1. What issues do we need to discuss as a group?
  - a. Identify the intent of the recommendations and if you agree with it
2. Discuss the hierarchy or focus of the recommendations
3. Note recommendations you feel are actionable

### **10:50 a.m. MEMBERS BROKE INTO TWO GROUPS**

### **12:15 p.m. MEMBERS CONTINUED WORKING THROUGH LUNCH**

### **1:03 p.m. THE FULL GROUP RECONVENED**

#### **Updates**

Mr. Khanna discussed his meeting with State Auditor Rebecca Otto, chair of the Collaborative Governance Council.

Mr. Khanna: I met with Rebecca Otto to see if our two groups were on the same or different tracks. We had a discussion and none of the things we are working on are in conflict. Michael Muilenburg is monitoring the minutes from their meetings.

Mr. Muilenburg: They are making recommendations in support of the Broadband Task Force's recommendations. They are also going to put some recommendations forward amending the joint powers agreement law.

Gopal and I also met with Jim Gelbman who ran the Board of Government Innovation and Cooperation from 1993 to 2003. They had similar ideas about providing grants to spur innovation and consolidation between entities. A lot of their work related to waiving procedural laws. He had great information and said any board like this should be independent and not part of any current entity.

Mr. Muilenburg also discussed the creation of Facebook and Twitter pages for the Commission. He asked members to help spread the word.

#### **Small Group Discussion Review:**

##### Group 1: Mr. Bentrud, Mr. Kirst, Mr. Maluchnik, Mr. Kershaw and Mr. Jorgenson

##### Discussion Highlights:

- Talked about creating a public/private board that would help implement LEAN, develop a train the trainer approach, work to add value.
  - Goal not to lay off.
  - Promote successes.
  - Provide grants and funding to help innovation.
  - Create an environment where savings could be retained and reinvested for innovation.
- Talked about the importance of citizen involvement as a catalyst for change
  - There might be a lack of trust between jurisdictions or amongst employees.
  - Citizen involvement would basically say, 'get over it—this is what we want.'
- The governing body
  - Modest human capital investments.
  - Find use cases, agencies that want to play ball.
- Have respected institutions (Humphrey, Carlson) involved as ambassadors.

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- Work toward long-term savings.
- Get buy-in from outside parties.
- Carrot rather than stick approach.
- Look at things like school reform outside the classroom (i.e., transportation).
- The Commission should set up the structure for people to do the work, not fix the problems.
- Train people with particular skill-sets to add value.

Group 2: Mr. Khanna, Mr. Gulachek, Ms. Fox, Mr. Huish, Mr. Giorgi and Mr. Azman.

Note: Group 2 evaluated each recommendation. The goal was to tease out the core of each.

### Discussion Highlights:

- Recommendations 1 and 2 are not necessarily recommendations. They are things we need to accept, acknowledge and simply state.
- Rec. 3 – Communications strategy that increases education and awareness and engages citizens to make them aware of intent.
- Rec. 4 – Felt the intent was transparency. Transparency of issues, decisions and data. The current language is too narrow.
- Rec. 5 – Enable interoperability between systems and processes. One account/touch point for government.
- Rec. 6 – Enable support for community-sourced data. Allows citizens to become co-producers.
- Rec. 7 – Leverage BPR, LEAN – championed by the highest levels of leadership
  - Develop some sort of continuous improvement methodology.
  - Must be a framework in place that leadership embraces.
- Rec. 8 – About creating responsibility, authority and accountability for innovation that includes decision-making, facilitating
  - 8A – Core intent to establish innovation incentives using existing resources...funding without new money.

Ms. Fox: It needs money. Let the legislature figure out where it comes from.

- 8B – removed the work “related” and replaced “including local government aid” with “all units of government.” Enterprise thinking to assure alignment across the whole.
- Rec. 9 – Shared service consolidation initiative for state and local governments. Add 9C language and blend it
  - Don’t use the word “program.”
  - Use language on strategic sourcing rather than outsourcing.
  - 9B – establish and innovation investment mechanism.
  - New 9C – inventory services that can be shared.
- Rec. 10 – Focus on outcomes.
- Rec. 11 – Restructure administrative functions everywhere. Take a horizontal approach.
- No specific input on Rec. 12.
- The Group questioned the structuring of the report in workgroup silos
- Don’t use the word “waste.”

### Issues Identified

1. Where does the money come from? Is that beyond the Commission's scope?

Ms. Becker: Do we want to specify that or leave it to the legislature?

Ms. Fox: I think that's a political decision that this group needs to stay out of. It's the legislature's job.

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Members agreed to not specifically identify a single funding source but discussed potentially putting forward a monetary figure of what is needed for investment.

2. Do we say what the innovation governing body should look like?

Members agreed the Commission should address this matter.

3. Rec. 8 and Rec. 9

Members agreed they should be revised and incorporated. They also discussed the difference between governance and creating a new governing entity.

4. Structure the report in workgroups?

Members agreed to the following new order for the recommendations section of the report:

- Citizen Engagement
- Include LEAN in the Workforce section
- Governing Entity
- Lastly, combine Vision and Bold Ideas (this should include Shared Services and the last three recommendations)

Members agreed to table the discussion on eliminating recommendations 10 -12 until Peter Hutchinson was available.

Members said they had reached an agreement on a majority of the report.

### **Next Meeting Agenda Ideas**

Mr. Khanna: Perhaps we should spend some time on the Next Steps section in our December meeting. We will have the new draft prepared in advance of the meeting, so you will have the opportunity to make comments.

Members also discussed developing a communications plan at the next meeting.

There was a motion to adjourn. It was seconded and passed. The meeting adjourned at 3:02 p.m.