

# COMMISSION ON SERVICE INNOVATION

## Meeting Minutes/Monthly Report

**Governance Team:** Commission on Service Innovation

**Date of Meeting:** December 9, 2010

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

**Minutes Prepared By:** Taylor Joseph

**Time:** 9:30 a.m. – 3:00 p.m.

### Attendance

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
Kent Sulem	Minnesota Association of Townships
Peter Hutchinson	Bush Foundation
Paul Mattessich	Wilder Foundation
Randy Maluchnik	Association of Minnesota Counties
Carol Nieters	Service Employees International Union
Alok Gupta	McKnight Foundation (does not speak for McKnight)
Gopal Khanna	State Chief Information Officer

### Special Guest Members (non-voting)

Sen. Terri Bonoff	State Senator, District 43
Rep. Keith Downey	State Representative, District 41A
Rep. Phyllis Kahn	State Representative, District

### Other Attendees/Staff:

Stacy Becker	Meeting Facilitator
Sara Schlauderaff	Office of Enterprise Technology
Mike Mulenburg	Office of Enterprise Technology
Taylor Joseph	Office of Enterprise Technology

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### Decisions Made

#### Decision

1. Adopted minutes/monthly report from the November 18 meeting.
2. Members reached an agreement on the overall tone/content of the report and approved it.

### Action Items

Action	Assigned to	Due date
1. Incorporate agreed upon amendments into the report and send to members.	Commission Staff	ASAP
2. Submit report to the Legislature.	Commission Staff	ASAP
3. Distribute press release.	Commission Staff	After Report released

### Agenda

Topic	Presenter	Time	Decision Item
Welcome; Recap of Fifth Meeting & Adoption of Minutes; Overview of Agenda	Gopal Khanna	9:30	Yes
Member Discussion of Second Report Draft A. Recommendations 8, 9 and 10 B. All other recommendations and sections C. Layout	Stacy Becker, All	9:50	No
Member Discussion and Decisions on Changes to the Report	Stacy Becker, All	11:00	No
Final Adoption of Report	Gopal Khanna, All	12:00	Yes
Lunch	All	12:30	No
Communications Plan and Roll Out	Gopal Khanna, Staff, All	1:15	No
Adjourn		2:00	

### Next Meeting

Date:	February 17, 2011
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.

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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 9:35 am. A quorum was present.

The November 18 minutes/report were unanimously adopted.

Mr. Khanna: We want to do the wordsmithing necessary to get the report finalized. The Humphrey Institute has a daylong retreat for legislators on January 12, and they are interested in showcasing the report. This shifts our timeframe forward.

Sen. Terri Bonoff: I want to emphasize what a huge opportunity this is for the Commission.

#### **Member Discussion on Second Report Draft**

Mr. Khanna asked Mike Muilenburg to walk through the report.

Mr. Muilenburg discussed changes made to the report that incorporated the feedback received at the previous meeting.

Mr. Muilenburg: We added conclusions and a next steps section. We also put all the recommendations at the front of the report, so people can find them more easily.

Mr. Khanna introduced Stacy Becker, the meeting facilitator.

Ms. Becker: Please take a few moments to review the recommendations in the report. I want to go around the room and ask each person to say what they like most about it. We are aiming for everyone to reach an agreement today on what should be in the report. Let us know any critical issues you have, so they can be addressed.

#### Member Comments:

Kent Sulem:

Favorite – The report reflects the tremendous amount of discussion, the broad group and need for ongoing work.

Changes – Focus more on successes that can be built on. Set a positive tone.

Paul Mattessich:

Favorite – States the need well. Like the themes of eliminating bureaucracy and becoming more entrepreneurial and incentive-based.

Changes – Move some of those themes forward.

Jeannie Fox:

Favorite – The Commission process.

Changes – Concerned about identifying places to take funds.

Darrel Huish:

Favorite – Strongly articulates the case for actions. The shared services/consolidation section.

Changes – Talk about adding new entities, mandates or additional bureaucracy.

Carol Nieters:

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Change – The workers must be part of the process, and the mandate discussion goes against that.

Bob Azman:

Favorite – The Commission process and the shared services/consolidation section.

Changes – The conclusion should be bolder.

Steve Dahl:

Favorite – Commission diversity and performance-based budgeting.

Changes – Some wording changes throughout the report. The concepts of recommendations 8 -10 are crucial.

Rep. Keith Downey:

Favorite – The bold ideas section.

Changes – Tweaking the organization could make it more powerful.

Sen. Bonoff:

Favorite – The bold ideas section.

Changes – The report must have a strong executive summary.

Rep. Phyllis Kahn:

Favorite – Budgeting for outcomes. The section promoting transparency.

Changes – Mixed feelings on the bold ideas section.

Steve Giorgi:

Favorite – The bold ideas section.

Changes – Doesn't like the idea of creating a quasi-public entity or mandates. Employees must be equal partners.

Chet Jorgenson:

Changes – The LEAN process should be employee driven. Recommendations 8 – 10 won't be needed if LEAN is properly implemented. Doesn't like creating a quasi-public entity.

Peter Hutchinson: My favorites and most hated are the same – recommendations 6 and 7. They are fantastic ideas but poorly presented. Eliminate words like mandate and oversight.

Randy Maluchnik:

Favorite – Performance-based budgeting.

Changes – The bottoms up approach is important. Be bold, not safe. No mandates—they kill innovation.

Dave Bentrud:

Favorite – The bold ideas section.

Changes – The layout should be reconsidered. Some of the recommendations are confusing.

Alok Gupta:

Changes – LEAN process might eliminate need for Recommendation 10. Recommendations 7 – 9 are the foundation for 2 – 4. The report should be restructured.

Mike Kirst:

Changes – Uncertain about the governing entity and dislikes using the term "status quo." Thinks the LEAN program should be expanded.

### **Member Discussion and Decisions on Changes to the Report**

Mr. Khanna: We haven't gone through the voting process on every idea, but we tried to capture as much as possible. The goal today is to strike out the things that shouldn't be included.

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Recommendation 6 - Quasi-Public Entity to Promote Innovation:

Members reached an agreement the recommendation should suggest a public corporation that is established by the government, accountable to the State but not seeking legislative appropriations every year. The entity would also have the ability to solicit and use private venture capital.

Members also agreed that the entity should be a resource center for innovation and proactively seek out innovative ideas to invest in. Employees should be viewed as equal partners as well.

### **MEMBERS TOOK A FIFTEEN MINUTE BREAK**

Members continued to walk through the report recommendations suggesting word/formatting changes, the report's order and other issues, strengthening the report in order to reach a consensus.

Recommendation 10 – Charter Agencies and Performance-Based Organizations:

Mr. Kershaw: I think this recommendation needs more clarity and could benefit from some bullet points and examples.

Mr. Hutchinson: The key paragraph is on page 30. If we want organizations to migrate onto a different set of assumptions, we should give them the opportunity to recreate themselves.

Mr. Khanna: It's not setting a mandate. It's just opening the floodgates for ideas.

Mr. Hutchinson: We should add language to make it more tangible about what the legislature should do.

Recommendation 8 – Administrative Systems:

Mr. Hutchinson: Our system today is built around a very complicated set of classifications that can make innovation difficult.

Members agreed to remove language relating to employees.

Mr. Dahl: Training is a big incentive and can be used to foster innovation. I think we should add something regarding training. We are way underinvested in it, and it is key.

Rep. Kahn discussed including specific examples (i.e. implementing a 4-day work week or equipping employees with laptops).

Recommendation 9 – Budgeting:

Mr. Sulem: I support budgeting for outcomes but don't like the term "maximum value." Small units of government can fall short on that because they aren't deemed to be the maximum value. If we leave in the term we should add something to it like, "at all levels of government."

Mr. Dahl: We could say, "Ensure maximum value balanced on statewide equity for every dollar spent on government services."

Mr. Hutchinson: Maybe we talk about comparable outcomes.

Sen. Bonoff: Instead of looking for maximum value, you could talk about delivering the highest outcome.

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Mr. Hutchinson: We need to be clear about the outcomes that we want and get the most we can for the money.

Ms. Fox: Is this the charge of the Commission? Budget reform seems separate to delivering services.

Mr. Khanna: Yes, there is a link. There's input, process and output. Money is a part of all three things.

Dr. Gupta: We should put Kent's comments about smaller cities in the explanation about maximizing value.

### **MEMBERS TO A SHORT BREAK AND THEN HAD A WORKING LUNCH**

Members discussed endorsing the report.

Mr. Huish: What does an endorsement mean? Is it personal or from my organization?

Ms. Fox: I consider myself a representative of my organization. If we don't use strong governing language, I am fine with it.

Mr. Hutchinson: The legislation specified the organizations on this commission, but we are all in different situations.

Mr. Khanna: To be taken seriously, we need to reach a consensus. We cannot disassociate from our organizations.

Members reached an agreement to say that they have been appointed by and represent their organizations, but their organizations have not necessarily reviewed and approved the report.

Members walked through the report one more time discussing wording and other changes they wanted made.

After everyone had the opportunity to discuss issues they had with the report, Mr. Giorgi made a motion to accept the intent of the report as amended, conditional on the changes discussed for a final version and executive summary. That would be sent to members one more time before being released to the legislature. The motion was seconded and unanimously adopted.

### **Communications Plan and Roll Out**

Members agreed to release the report as soon as possible (pending the final draft) prior to the event at the Humphrey Institute on January 12.

Staff was directed to write a press release and distribute it to the media after the report's release. Staff was also asked to make a PowerPoint presentation on the Commission's work that could be used by members.

Mr. Khanna told members it was his last meeting. He was stepping down as State CIO on December 15. Mr. Kirst will replace him as lead co – chair.

There was a motion to adjourn. It was seconded and unanimously adopted. The meeting adjourned at 2:28 p.m.