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**Capitol View**

***Commentary by J.L. Schmidt***

**Statehouse Correspondent**

**Nebraska Press Association**

**Governor Hires Consultant to Save State Money**

Governor Jim Pillen had an epiphany that paying a consultant $10 million over the next four years would save the state money.

Pillen has signed the $2.5 million/year contract, renewable three times, with Epiphany Associates of Utah to find ways to save the state money. In the process, he dismantled the seven-year-old Center for Operational Excellence which was doing the same thing. The 26 employees in that little known division of the Department of Administrative Services completed nearly 1,000 process improvement projects and cut costs by more than $100 million.

Former Governor Pete Ricketts created the center with a mission of simplifying government by making it customer focused. But Pillen said he wanted to go a different direction using a systems approach to reduce costs and improve outcomes and performance.

In a news release, Pillen said he has “challenged our entire team to drive breakthrough change. We are going to accelerate our progress to reduce waste in government, improve services and save taxpayer money.”

I’m going to stop right there lest you all get lost in the obfuscated babble of government speak. It’s starting to sound like a reelection pitch from a politician full of enticing buzzwords: reduce waste, improve service and save taxpayer money. I thought that’s what the Rickett’s favored organization was doing.

But maybe Pillen had an epiphany before he hired Epiphany. Webster says an epiphany is “a usually sudden manifestation or perception of the essential nature or meaning of something. An illuminating discovery, realization, or disclosure.”

Well, that’s easy. He had a realization that an almost stealth organization created by his predecessor was actually working, with little fanfare, to make government work for the people f

**For Release Wednesday, October 4, 2023 – Page 2**

or a change. So, as leaders are often wont to do, let’s get rid of something that works and create something new so I can get some credit too.

Ricketts mission for the center was to “instill a culture of continuous improvement throughout state government.” I like that. I understand that. But then it all got messy with explanations that they were utilizing Lean Six Sigma methodologies, and some had green belts and others had black belts. With apologies to the handful of you who understand this jargon, I am confused. Is this a diet plan or a martial arts demonstration?

So, let’s hire a consultant at $2.5 million a year with the promise they can earn $10 million if they’re good at it. Raise your hand if you think this will all be done in one year and the consultant will say “we’re good, that’s all we can save, we’re done here.”

Sorry, a contract like that is meant to be milked.

Under the contract, Epiphany is to “recommend and support strategies that reduce costs while improving quality,” with a target of 25% improvement in agencies identified by the state. Pillen spokeswoman Laura Strimple said the 25% target will be based on a combination of cost savings, quality and output.

The contract specifically requires Epiphany to identify “realistic, feasible, hard cost savings” equal to at least 3% of state general fund appropriations in the fiscal year that began July 1 and at least 6% in the following fiscal year. That works out to be more than $160 million in the first year and more than $322 million in the second year.

Call me skeptical, but I’ll believe it when I see it. Remember, this is government we’re talking about here.

I’ll give Ricketts credit for trying to change the culture to be more customer centric. The center had employees embedded in state agencies, so the change was coming from within. An outside consultant is just that, on the outside. If it works, it’ll take longer.

Strimple contends the new approach will deliver sizable general fund appropriation savings by analyzing high value projects and contracts to determine value to the Nebraska

**For Release Wednesday, October 4, 2023 – Page 3**

taxpayer. The freed dollars will allow for future investment in items like tax relief, education and other future priorities identified by the governor and Legislature.

Ricketts noted successes including: cutting on-hold time for people seeking public benefits from an average of 23 minutes down to 5 minutes; streamlining registration and renewals for fleet vehicles; simplifying fire marshal reviews of building construction plans that cut 15 days out of the process; faster processing times for some health care professional licenses and environmental permits; changes in contracting that saved $10.2 million in the first year and negotiating ways to speed up background checks for relative foster families.

 I’m willing to wait-and-see if Pillen’s epiphany will produce results.

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*J.L. Schmidt has been covering Nebraska government and politics since 1979. He has been a registered Independent for more than 20 years.*