

Budget

Doing more with less in state government



Government operations: Lessons being learned from the business world

Budgets are in crisis in almost all states. Legislators and governors look at ways to close the FY02 gaps, while simultaneously projecting revenues and spending for the next fiscal year. The immediate choices are limited and in many cases rather unpopular.

Governors' solutions have varied from laying off personnel or freezing the hiring of non-essential employees, to freezing early-state construction projects. In some states, governors have decided to restrict travel of state government employees, cancelled subscriptions, discontinued staff cell phone use and turned down the thermostats in government buildings. Such stopgap moves, although necessary, probably are not the long-term answers to the existing difficult financial situation in which almost all state governments find themselves. What's needed is a different approach to doing business, and government efficiency is being discussed widely during the recent legislative sessions around the country.

Independent audits

"Times are tough and we have to be realistic," said Colorado Governor Bill Owens in announcing his veto to three bills submitted by the legislature's Joint Budget Committee. In Gov. Owens' opinion, the bills proposed spending too much money before making necessary cuts. New Jersey

Governor Jim McGreevey also focuses on spending. He said, "We have to examine every prospective measure to cut costs. That's our moral responsibility. That's our collective charge." A group of GOP freshmen in Florida started the Freedom Caucus, devoting their actions to reducing state government. "We do not have a revenue problem in the state of Florida," said one of the caucus members, "we have a spending problem." The idea of performance audits, or independent reviews of whether the state spends its money efficiently and whether its programs do what they intend, seem to be gaining support among an increasing number of states. Governments tend to be adapting more business-like attitudes and developing mechanisms to ensure voters that every dollar is spent responsibly.

Technology use

Some argue that cuts in the state government's employment and programs will adversely affect the level and quality of services provided. Some states addressed this issue by using more electronic tools to deliver services. "One of the best ways to make government better is through smart use of technology," said Illinois Governor George Ryan. This opinion is shared by Michigan Governor John Engler, who announced greater use of Internet-based

programs to maintain service levels after the implementation of an early retirement plan for state employees.

Promote efficiency

The trend to make state governments more effective and accountable was reflected in North Carolina Governor Michael Easley's announcement creating a Commission to Promote Government Efficiency and Savings on State Spending in North Carolina. The goals of the commission are to reduce spending without impacting quality of service, eliminate outdated programs, maximize appropriate revenues from other sources, reduce costs for individuals who deal with the state government, and ensure efficient government structure. The commission will review current laws, regulations and practices throughout state and local government in order to recommend necessary changes. Special attention will be given to the areas of service duplication and redundancy.

States continue to look into ways to increase efficiency and effectiveness, but in the meantime state agencies and departments are being asked to do more with less.

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