



INNOVATION, ECONOMY & EFFICIENCY STUDY – PHASE 1:

Examples of Efficiency Measures that Enabled \$432 Million in Spending Cuts

- The executive branch is the smallest it has been in almost 20 years; has some 3,800 fewer employees than just five years ago; and nearly 2,000 fewer than December 2007. Some vacant positions, approved to be filled, are being abolished and re-established at a lower grade/lower salary position. Employees are being cross-trained to supplement vacant positions. Staff works to implement training in house verses hiring outside staff.
- Reviewed shipping and postage costs to ensure that all mail that can be sent electronically is being handled appropriately and duplicate hard copies have been eliminated. Hand delivery of regional office mail is also being utilized whenever possible.
- Eliminated newspaper and other subscriptions, when possible, instead accessing the information online.
- Reviewed vehicle usage patterns and streamlined state fleet usage.
- Reduced laundry and cleaning costs through negotiation with vendors by going from a weekly service to monthly service.
- Reduced the overall purchases of consumable office supplies and instituted environmentally friendly practices. Recycled paper is being utilized to a greater extent rather than standard paper while still realizing cost savings on each purchase.
- In an effort for employers to reduce rising health-care costs, many cabinets have joined the “Journey to Wellness Program” in an effort to improve employee overall health and reduce spikes in health insurance costs.
- Fleet vehicle replacements are of a smaller size and/or more fuel efficient, resulting in significant cost reductions over the life of the vehicles’ use. The size of the state fleet has been reduced through two surplus vehicle auctions since January 2008.
- Agencies, cabinets and some constitutional offices have combined like tasks to reduce duplication of processes and streamline existing efforts. For example, the Attorney General’s Office has worked with the Cabinet for Health and Family Services to streamline efforts to collect child support, thus providing a cost savings and increased services.
- Cabinets have increased use of distance learning facilities and made more educational and training materials available online. By offering online training in conjunction with a greater frequency of testing the Well Child program within the Cabinet for Health and Family Services has been able to reduce the waiting time for nurses to perform Medicaid Services.
- Cabinets have also looked across government to maximize field inspections and reports by utilizing alternative scheduling, carpooling and combining efforts to reduce the amount of office time required for processing.
- IT purchases and equipment have been re-evaluated and several cabinets have imposed new policies that lengthen the refresh rate for additional services.
- Policies are being implemented to simultaneously monitor repair costs. In instances where repair costs for IT units continue to climb, they are being replaced by new models where it is cost effective.
- Some cabinets and agencies have set targeted rates for reduction in key areas to reduce costs, such as utilities or fuel consumption. The Kentucky State Police have set a target of 10 percent reduction in fuel costs.
- Cabinets across government have completely cut or scaled back the length of conferences that are sponsored by agencies. Attendance at outside conferences is restricted.

- Reconfigured copiers for fax and print functions as opposed to using fax machines and desktop printers. Stationery and letterhead is being copied rather than ordered and printing costs are being closely monitored.
- Guidance and training manuals are published online with hard copies only supplied to those who require daily reference. Any hard copies provided are in black and white and printed are double-sided.
- State assets have been reviewed for usefulness and disposed of through Surplus Property sales, where applicable.
- Renovated unused office space and reconfigured existing office spaces in government facilities to eliminate unnecessary rental payments.
- Conducted energy audits at state facilities to determine most energy-efficient building practices.
- Utilizing every available resource to gain additional federal grants, as well as maximize and leverage the federal funds currently appropriated.
- Implemented a policy where uniforms are only being purchased for new employees and emergency replacement articles for full-time employees to keep them within the division uniform guidelines.
- Postal Services has increased the amount of mail that is sorted in house and decreased the amount sent to a presort operation. In 2008, 98.78 percent of mail was sorted in house and only 1.22 percent was sent to be presorted. These amounts are compared to last year over the same time for which 88.58 percent was sorted in house and 11.42 percent sorted outside. In an effort to assist another state government agency, mail from the Administrative Office of the Courts is now run on a bar coder at Postal Services, decreasing costs previously paid for first class postage.
- Cabinets and agencies have undertaken internal audits to streamline processes and make recommendations on services. Many agencies have been able to simplify the billing process or to automate some services as a result of vacancies and increased case loads on remaining employees. In many instances contracts for services being provided have been re-evaluated, leading to increased savings through renegotiations or cancellations. For example, the Department of Public Advocacy has been able to institute a “best buy” policy that limits the cost of office supplies and has been able to produce 36 percent savings.
- The Department of Revenue has worked diligently this year to become more efficient in tax administration, revenue collection and taxpayer service, while still reducing its costs due to budget cuts. One of Revenue’s greatest accomplishments for taxpayers in the last year relates to shortening the tax return processing time. For individual income tax returns, Revenue has processed over 1.8 million returns as compared to 1.7 million returns last year during the same time. From a compliance perspective, Revenue has increased the number of field audits completed by 6 percent with a reduction in staff of 9 percent. In addition, field offices helped 19 percent more taxpayers to e-file their individual tax returns this year.