



# State of Connecticut

## SENATE

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**MEMBER**  
REGULATIONS REVIEW COMMITTEE

December 11, 2009

Dear Senator Slossberg and Representative Spallone:

Per your request at the November 30th meeting of the Commission on Enhancing Agency Outcomes, I am submitting additional ideas for consideration. Having reviewed the preliminary ideas generated for consideration, I believe that many are worth pursuing. However, only a few of these ideas reach the fundamental type of government restructuring needed to address the fiscal crisis facing Connecticut in the next 3-5 years. Most of the ideas will result in savings of less than \$5 million, which will not make a dent in the multi-billion dollar deficit projected for FY11-FY14.

If our commission is to be more than just another political distraction, we must face the task of restructuring government to save money head-on. Therefore, I am offering several additional ideas that I believe our commission should adopt. Most of these ideas were discussed in the budget process of 2009, but require a multi-year effort to implement. I believe these are the types of long-term changes our commission should work to implement.

When taken together, the following recommendations would save over \$250 million per biennium (based on OFA estimates) without diminishing the quality of service provided by government. Most of the recommendations will result in a reduction of the state work force, as redundancies are eliminated and functions are transferred to more efficient providers. While the state work force cannot be reduced until FY11 at the expiration of the SEBAC agreement, I believe we need to start planning now.

This commission has an opportunity to reinvent government by changing how we operate—saving the taxpayers money while maintaining the outcomes we desire. Anything short of this approach will result in massive tax increases and additional borrowing. My hope is that we can join together in a bipartisan fashion to stand up to special interests, truly change how Connecticut government operates, and set us on a fiscally sustainable course.

Sincerely yours,

Dan Debicella  
State Senator

# Proposals for Reinventing Government

## 1) Transfer DDS and DHMAS Clients to Non-Profit Community Providers

Total Savings: \$100 million per year (post-SEBAC agreement)

Background: Currently, 80% of DDS and DHMAS clients are served by non-profit community providers, ranging from day services to full hospital care. The remaining 20% of clients are served by state institutions. Quality of care is widely recognized to be excellent at both community providers and state institutions. However, state institutions cost between 2-3 times more per client than community providers. While part of this is due to more severe cases being handled by the state, a large portion of the cost comes from higher labor cost and overhead in state institutions.

Proposal: Transfer all clients from state institutions to private providers (along with 50% per client funding) and close state institutions. Take a multi-year approach to the transfer to ensure community providers can build capabilities to handle the wider array of client needs.

## 2) Merge 23 State Agencies into 6 New Agencies, and eliminate unnecessary overhead

Total Savings: \$19 million (post-SEBAC agreement)

Background: As state government has grown, state agencies have developed with overlapping responsibilities and management structures. Management layers can be eliminated and redundant positions reduced by merging and streamlining agencies.

Proposal: Merge similar agencies and eliminate redundant managerial, supervisory, and front-line positions. Potential mergers are as follows:

- a. Move CI, CDA and CHFA into DECD
- b. Combine DPH, DCF, DDS, DMHAS and DSS into a Department of Human Services
- c. Consolidate all permanent and minority-based commissions into one new Commission on the Status of Protected Citizens
- d. Merge DPW into DOT and DAS
- e. Merge DMV into DOT
- f. Consolidate DOL into DECD
- g. Move DEMHS into DPS
- h. Merge Department of Aging into various agencies

## 3) Consolidate Cedarcrest Hospital with Connecticut Valley Hospital

Total Savings: \$8 million

Background/Proposal: With under-utilization of both hospitals, merging them and eliminating labor and overhead associated with hospitals would maintain client quality while saving costs.

## 4) Prohibit any state agency from having more than 3 layers between Commissioner and front line personnel, and have every manager responsible for at least four direct reports.