

Commonwealth of Kentucky
Office of the Governor

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Gov. Beshear Asks Taxpayers to Join In Ongoing Efficiency Study
Looking for Innovative Efficiency Ideas to Help Relieve Budget Crunch



FRANKFORT, Ky. (January 6, 2009)– Gov. Steve Beshear is asking Kentucky taxpayers to join his ongoing Innovation, Economy & Efficiency (IEE) efforts to identify cost efficiencies across government to help address the recently announced \$456 million revenue shortfall in the current fiscal year. Interested Kentuckians should go to www.finance.ky.gov and click on the efficiency light bulb to submit their ideas to make government work better for less.

To date, the Beshear Administration has made \$432 million in spending cuts to enable the commonwealth to cope with the enormous budget deficits it inherited. Many of these cuts were made with the assistance of Beshear's IEE initiative, in which thousands of state employees answered the governor's call to help identify cost efficiencies, promote public accountability and secure savings through energy reduction and more sustainable practices.

The IEE initiative was launched in December 2007, when Gov. Beshear asked all state employees to submit their ideas to make government more efficient. More than 3,600 responses were received. In addition, the Personnel Cabinet's Employee Suggestion System (ESS) received hundreds of additional efficiency ideas. An interagency effort to analyze and implement those recommendations followed, which focused on using technology, process re-engineering and best practices to reduce spending by hundreds of millions of dollars

One innovative suggestion came from state employee Walt Gaffield. Gaffield noticed that the state was purchasing unnecessary excess risk insurance for workers' compensation claims that could never materialize. This suggestion produced an annual savings of \$475,000 for the commonwealth and could save another \$5 million over the next 10 years.

Another commonsense recommendation came from Neal Lanham, a Personnel Cabinet employee. Lanham noted that the Kentucky Public Employees' Deferred Compensation Authority had been purchasing letterhead from the Division of Printing for \$1,250 a month. Using a computer macro instead to create stationery, the authority realized an annual savings of \$20,000. Employing this suggestion statewide will save the commonwealth hundreds of thousands of dollars.

A third example came from employee Tim Anderson. Anderson suggested that more agencies use free Web conferencing software to conduct meetings and provide employee training to reduce travel expenses. This suggestion was conservatively estimated to save the commonwealth \$30,500 annually, but its ultimate implementation government-wide could save taxpayers hundreds of thousands of dollars.

While other states have used consultant-driven and foundation-funded studies to promote government efficiencies, the trying economic circumstances required Kentucky to take a less costly approach. Gov. Beshear asked all state employees and now, is asking all interested taxpayers to contribute their ideas to make government more efficient.

A key element of the governor's efficiency efforts is identifying energy cost savings. By 2015, state facilities will reduce their energy consumption by 15 percent and the state fleet's fuel economy will improve by 30 percent. By 2025, energy consumption will be reduced by 25 percent, while fuel economy will improve by 50 percent. This will save state government millions of dollars, while protecting our environment and promoting our independence from foreign oil.

"These extraordinary economic times require a partnership among senior agency leadership, state employees and taxpayers," stated Gov. Beshear. "We recognize that state government must be leaner, greener and even more accountable to the public. Every dollar we save through efficiency is a dollar we spare cutting from vital public services."

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Attached is a list of some efficiency measures that enabled \$432 million in spending cuts.