

# Bush Grant Advisory Committee Meeting

November 20, 2015

365 Haecker Hall, St. Paul Campus, University of Minnesota

## **Present:**

Stephanie VanDyke

Karen Lanthier

Wayne Martin

Steven Diaz

Lisa Wetzel

Val Gamble

Sarah Leach

Colleen Paulus

Megan O'Hara

Mary Jane Miller

Chris Kudrna

Eric Sannerud

Tim Jenkins

Cecilia Coulter

Jane Jewett

Jan Joannides

## **Agenda:**

1 hour -- City of Minneapolis model presentation (~ 20 minutes) and Q & A  
- Megan, Tim, Jane, Jan, Wayne

1 hour -- Merger model

- Karen & Stephanie present information about Wisconsin merger (~ 20 minutes)
- Colleen present summary of 2014 Closer Alignment report (~ 15 minutes)
- Q & A for ~ 25-30 minutes

Break - 20 minutes

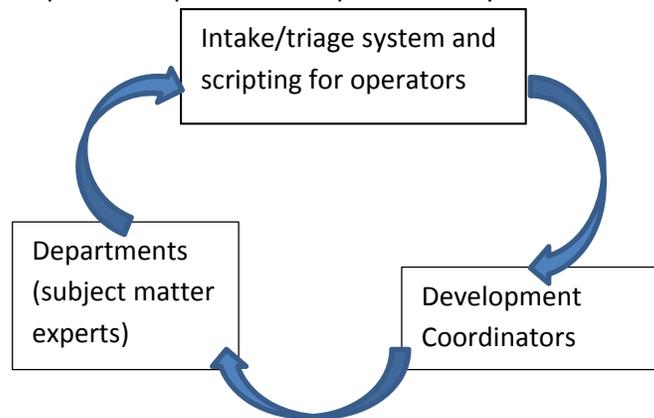
1.5 to 2 hours -- extended time for facilitated discussion; identifying best parts of each model; voting on what to pursue; strategizing & identifying next steps.

## City of Minneapolis System Overview

Megan O'Hara walked the group through the summary notes from the meeting that took place on Nov. 13, 2015 between City of Minneapolis staff, Jan Joannides, Wayne Martin, Jane Jewett, Tim Jenkins, and Megan O'Hara.

### Discussion:

- Question whether an applicant still has contact with a subject matter expert: Yes.
- City of Minneapolis staff received process training and project management training during the change to this system.
  - Continual process improvement is part of this system. There is a feedback loop:



- “One-Stop Shop” is a misnomer. The City realized that the phrase over-promised and under-delivered.
- The human aspect and customer service model is really important.
  - The Development Coordinators are in Economic Development: it’s their job to make sure that viable businesses get through the process.
- Question about whether there is an effort to move toward all-technology for routing people. Answer: No, it is very intentional to include the human element.
  - An all-technology solution was tried first and did not succeed by itself.
- Change in the system was a political and power process, and it was costly. Overall return on investment isn’t clear, but there are some wins:
  - Clear benefit in terms of customer satisfaction
  - Increase in revenue due to more days of business operation when businesses can start up more quickly
- Change in the system took place at the same time as other challenges:
  - The City was absorbing many new immigrants, and this was seen as a way to facilitate entrepreneurship that could employ those immigrants.
    - The City recruited staff people who were fluent in multiple languages
    - There are language lines available

- Educational guides for businesses, for example guides on food safety for restaurants, are mostly pictorial with limited text.
    - Local Government Aid was cut at the time this City system was developing.
  - There is a lot for legislators to like in this story, if it were applied at the state level:
    - Better governmental process/regulatory reform
    - Aspects of local government control
    - Businesses get up and running quicker
    - Funding something new and different is more attractive than funding something that looks the same as before.
    - It's easy to find examples of frustration with the current system that would resonate with legislators.
  - Drawbacks or challenges likely to be seen by legislators or agencies, and some solutions:
    - Fiscal note
      - Agencies now have separate language lines; centralizing language services would save some money.
    - Agency turf issues
      - Solve problems through multidisciplinary work teams
      - Use external consultants
      - Commitment and pressure is needed from the top levels
  - Considering use of the City of Minneapolis model at a statewide level:
    - Ratchets up the complexity level when you have many delegated authorities
    - At the statewide level, availability and use of computer and Internet technology is uneven.
    - The City has one set of ordinances. At the state level, there are multiple layers of state, county, municipality.
    - The City has one IT department. At the state level, both MDA and MDH have their own IT, plus there's a central IT department (MNIT) for the state.
  - Managing the process = managing complexity
    - Three areas of expertise:
      - Applicant – expertise in the business
      - Project manager – expertise in the process
      - Agency regulator – expertise in the regulatory subject matter
    - Other industries manage complexity behind the scenes to create a smooth experience for the user. Banking is an example.
    - Past efforts by MDA and MDH to work together better did not effectively manage the complexity experienced by licensees.
    - City of Mpls Development Coordinators have ownership and accountability for the process experienced by licensees: they get regular reports on how well the process worked in the cases they managed.

<BREAK>

## Merger Model

- In Wisconsin the idea of a merger had been simmering for some time, championed by the Commissioner of Agriculture.
  - Waited for the right political climate
  - Several scenarios were explored with community input
    - True collection of community input is difficult; WI believed they accomplished it.
  - Delegated authorities were in favor of the merger
- Wisconsin employees were incentivized for the merger by keeping their jobs and a higher pay scale for the Department of Health people who moved into Department of Agriculture, Trade and Consumer Protection (WI-DATCP).
  - Lots of investment in training, particularly cross-training.
  - Work groups were established to manage merger details: fleet services, data management, billing, physical movement of offices.
- Wisconsin tried a “Turbo Tax” model, but it was unsuccessful. They dropped it in favor of two employees whose job is to answer questions from the public.

**Clarification:** “Merger” does not mean merging the entire MDA with the entire MDH. We are talking about merging units with responsibility for food safety and licensing. In Wisconsin, just the Division of Public Health moved into DATCP.

### Discussion:

- In the Wisconsin system there is a lot of pressure on inspectors to manage the complexity in the system.
  - The system appears incomplete: they are hoping the merger simplifies things, but don’t have a robust system to manage the complexity that has to exist.
- Merger in MN would help to eliminate some of the confusion between MDA and MDH over who regulates which businesses: that is an ongoing problem.
- MDA and MDH conducted an analysis of how to relate to each other and how best to operate
  - Division of types of businesses between them
    - Food and lodging tend to go together, especially in rural areas
  - Primary reliance on generalists vs. specialists in the inspections staff
    - There are efficiencies and inefficiencies either way
- Which comes first – the merger or the 311/process management system?
  - Merging is relatively easy and fast – BUT – just merging doesn’t manage the complexity.
  - The 311/process management system is the low-hanging fruit. If that’s all you accomplish, you have made a positive change.
  - Establishing a version of the City of Mpls system would be a different political battle than the merger battle.
  - But ... why not recommend merger?

## The MDA/MDH “Closer Alignment” report

- This started with the revocation of St. Paul’s delegated authority. The Governor ordered MDA and MDH to report weekly on the St. Paul situation.
  - Meetings between assistant commissioners of MDA and MDH morphed into discussion of merger
  - A consultant was brought in to help with the discussion process
  - This report was generated as a result. The report recommends merger.
- Features of the report
  - Uses the FDA’s Voluntary Retail Food Program Standards as the common language between MDA and MDH
  - Obvious differences were seen between MDA and MDH in their implementation of the Voluntary Retail Food Program Standards; neither has a perfect program
  - Noted potential conflict of interest within MDA; it has the dual charge of promoting and regulating agriculture
  - Determination that it would be easier to move MDH units into MDA than vice versa
  - The report concluded that putting all regulation of retail food businesses in one agency would be the biggest bang for the buck.

## Further Discussion: Which Comes First, the Merger or the Customer Service/Process Management?

- The Process Management model is attractive because it makes positive change for the business owner, sooner
- Why not a merger? It’s time – both MDA and MDH recognize the need for a single retail food agency, but they aren’t comfortable with coming out and saying “merger.”
  - There are champions of a merger within the management of each department.
  - A merger would make food regulations easier to understand.
  - Concern raised that a focus on promoting a merger would take the focus off of the customer service.
- There is support for the merger, but also for the coaches or process managers – you really need both.
  - Agreement that merger + customer service need to happen simultaneously. The infrastructure created by the merger could support the customer service.
  - Both the merger process and the process of adding development coordinators should be started at the same time; but make them independent of each other so that if one fails, they don’t both fail.
- Gain support that isn’t just political – political leaders come and go.

## Report-out from Merger Small Group:

- Current areas of conflict or non-alignment in the food regulatory system:
  - Licensing fees, license terms, and exemptions differ between agencies
  - Delegated authority is different
  - Equipment requirements are different
- Real merger needs to be in statute. That process could start by:
  - Executive order from Governor's office
  - Legislative impetus
- There's a current priority on equity across socioeconomic groups; frame it on those terms.

## Report-out from Customer Service Small Group:

- Create a system similar to that of Mpls – call it “811”
- Include phone operators and navigators/case managers
- Start with food, but a goal is to move the customer focus into other areas as well (e.g. Zoning)
- This is not a zero-sum game. We can simultaneously address:
  - Improving food safety/enhancing compliance
  - Economic development
  - Efficient governance
- Create the structure to support this; it wouldn't necessarily have to be a merger.
- Push the idea out to stakeholders – including allies and some who may not be allies
- Push the idea out to Commissioners of MDA and MDH
- Frame it as regulatory reform.

## What this group wants to see at the next meeting:

- Higher-level outline of a report that could be shared outside of this group
- Identify stakeholders and potential benefits of change
- Framing and strategy