Union Calendar No. 209

104th Congress, 1st Session – – – – – – – – – – House Report 104–434

CREATING A 21ST CENTURY GOVERNMENT

SECOND REPORT

BY THE

COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT

together with

ADDITIONAL VIEWS

DECEMBER 21, 1995.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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(II)

LETTER OF TRANSMITTAL

HOUSE OF REPRESENTATIVES,
Washington, DC, December 21, 1995.

Hon. NEWT GINGRICH,
Speaker of the House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: By direction of the Committee on Government Reform and Oversight, I submit herewith the committee's second report to the 104th Congress.

WILLIAM F. CLINGER, Jr.,
Chairman.

(III)

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104TH CONGRESS, *1st Session* | HOUSE OF REPRESENTATIVES | REPORT 104–434

CREATING A 21ST CENTURY GOVERNMENT

DECEMBER 21, 1995.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. CLINGER, from the Committee on Government Reform and Oversight, submitted the following

SECOND REPORT

On December 14, 1995, the Committee on Government Reform and Oversight approved and adopted a report entitled "Creating a 21st Century Government." The chairman was directed to transmit a copy to the Speaker of the House.

I. PURPOSE, BACKGROUND AND OBJECTIVES

A. PURPOSE OF THE HEARINGS

The purpose of the Government Reform and Oversight Committee field hearings on "Creating a 21st Century Government" was to learn from the American public, State and local government officials and the private sector their suggestions and experiences on creating innovative, streamlined, and cost effective organizations. The committee intends that Congress learn from and adopt some of these successful strategies in an effort to restructure the executive branch to better meet the needs of Americans today and in the 21st century.

In its effort to hear from people outside Washington, D.C., the committee invited witnesses from State and local government, the private sector, and the American public to testify or participate in an open forum in which Members could hear their experiences and ideas with regard to organizational downsizing. Members of the committee traveled to Parma Heights, Ohio; Upper Montclair, New Jersey; Federal Way, Washington; Long Beach, California; Albuquerque, New Mexico; and Charlotte, North Carolina. Each one of these cities has recently challenged inefficient government by revitalizing its main functions in order to survive, compete, prosper and provide for the needs of its citizens. Identifying what has

worked, what has hindered their reorganization efforts and how best to implement a plan will aid Congressional initiatives to revitalize government at the Federal level.

B. BACKGROUND

As the United States approaches the 21st century, it is shedding the vestiges of the Industrial Revolution in favor of an economy driven by information and technology. Government must keep up with this changing society. At the same time, however, the American electorate is demonstrating support for a government smaller in size, scope and cost—yet more efficient and effective in those activities it must perform. The challenge for Congress is to determine the appropriate role of the Federal Government in our evolving society and to identify the structure and practices that will enable the government to fulfill its missions now and in the next century.

Today, the Federal Government is performing too many functions to deliver them all efficiently and cost effectively. It is critical to refocus government on those essential functions that it must perform and consider whether government should be involved in an activity if it cannot do it well. In fact, in the effort to do things better, it seems government has only gotten bigger. In 1985, there were 1013 Federal programs; today, there are 1390 Federal programs administered by 53 departments and establishments of the Federal Government.[1] To support these programs and the bureaucracy that runs them, Federal income tax receipts today have grown to an amount 13 times the amount they were in 1960.[2] Today a person must work 126 days to pay off his or her share of all Federal, State and local taxes, compared with 44 days required to pay them off in 1930. The Cost of Government Day—that is, the day in 1995 on which the American taxpayer finally paid off his or her share of the financial burden of government—was on July 9th, more than halfway through the year.[3]

Despite numerous reports and studies conducted on the effectiveness and efficiency of the Federal Government, little has been accomplished to make government more streamlined and effective. The most recent effort at comprehensive "reinvention," Vice President Gore's National Performance Review (NPR), was initiated in 1993. NPR included an exhaustive study and review of the executive branch, yet few concrete proposals were implemented as a result. Indeed, only modest reorganizations have resulted from the major reorganization initiatives of the last fifty years, including the First Hoover Commission (1947–49), the Second Hoover Commission (1953–55), the Ash Council (1969–71), and the Grace Commission (1982–84).

C. COMMITTEE OBJECTIVES

Pursuant to its jurisdiction under Rule X of the Rules of the House of Representatives, the committee is empowered to lead government-wide reorganization efforts. It identified seven steps toward achieving the goal of smaller, more cost effective government,

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[1] Office of Management and Budget, Catalog of Federal Domestic Assistance. Chart 1, Appendix I.

[2] Office of Management and Budget. Chart 2, Appendix I.

[3] Tax Foundation. Chart 3, Appendix I.

which guided the committee in its series of field hearings on "Creating a 21st Century Government" across the country.

The first step is to consider government reorganization from a broad perspective that goes beyond any single department or agency. Because any changes in the Federal Government will have a ripple effect, the committee believes the most effective strategy is to restructure the Federal Government in a comprehensive way, rather than through a fragmented approach.

The second step is to identify principles to drive and shape government reorganization, and apply those principles across the functions and institutions of the Federal Government. Throughout the field hearings, witnesses testified on the principles which have guided their reorganization efforts, some of which may be applicable on the Federal level.

The third step is to identify barriers to streamlining and reorganization, and create a path to clear those barriers. One of the most prevalent barriers to any reorganization effort is internal resistance to change. Federal bureaucracies will be faced with the difficult task of replacing outdated practices with innovative approaches to delivering agency services.

The fourth step is to engage in a dialogue with the American people to ensure their participation in creating their 21st century government. Input from the American public is a vital component of the restructuring process. As the beneficiaries and consumers of a vast majority of Federal Government programs, the American public knows first-hand how programs affect them, what programs have a positive impact and what programs are simply ineffective.

Steps five and six involve consulting with experts in an array of disciplines to identify and apply effective and successful reorganization strategies to the Federal Government. The field hearings served as a forum where these witnesses brought their own unique perspectives to each hearing and shared their success stories. Calling on these witnesses and borrowing the most creative ideas of corporate, State, and local government entities will enhance Federal reorganization efforts.

Step seven requires an attention to workforce, information technology, management, and performance standards. A largely expanded workforce, inefficient management, outdated technology, and a lack of clear performance standards have contributed to the inefficient bureaucratic structure that exists today. Outdated technology has left many Federal agencies and departments unable to communicate on sophisticated information networks. Updating the technology and management of Federal departments and agencies can help create a government that is more responsive to the needs of the American people.

II. FINDINGS

State and local government witnesses, business representatives, and the public all advocate looking at each Federal department and agency to determine which of the functions it provides are vital to the service delivery needs of Americans and which can be better carried out by State or local governments or the private sector. The widely shared view was that the Federal Government is not meeting the needs of its customers, the American public, and is less ef-

fective, less efficient and more costly than it should be. It must be fixed.

Six fundamental points, or practices, were raised at all six field hearings, each to promote the efficiency, effectiveness, high quality and low cost of service delivery. The first three of these common reorganization principles in particular affect the culture of an organization, while the other three are more practical in application. The committee finds—

1) *Clear missions* and a solid organization mission statement are necessary for establishing priorities and goals and maintaining focus on established objectives.

2) Open and honest *communication* with employees about each step of the reorganization process is vital to maintaining employee morale, as is affording employees an opportunity to convey their views on downsizing and reorganization.

3) *Innovative management techniques* are enabling States, localities and businesses to empower employees and to strip layers of bureaucratic management in favor of more streamlined structures. The result has been more efficient, more responsive organizations with high morale and greater productivity.

4) *Privatization* is clearly one of the most advocated means of taking government out of functions which are not inherently governmental and which can be performed more efficiently and cost-effectively by the private sector.

5) *Competitive bidding* will improve service while saving money. The government should be forced to compete with private business for effective, efficient service delivery.

6) The Federal Government must replace old and outdated computer systems with *advanced technology* that allows open communication both internally and with the public. Using such technology will facilitate "one-stop shopping" and other innovations in service delivery.

III. RECOMMENDATIONS

The committee makes the following recommendations as a result of its oversight findings:

1) Establish a citizens commission on 21st century government.

Congress should establish a commission to determine the appropriate role of the Federal Government in the next century, and to recommend a structure, size and scope for the executive branch that will best enable the government to fill that role. The American public should be afforded an active role in this commission to ensure it reflects their priorities and expectations.

2) Identify and remove statutory and regulatory barriers to reorganization and innovation.

Congress and Federal departments and agencies should identify statutes or regulations that prevent or frustrate department and agency efforts to privatize functions, introduce competitive bidding practices, reorganize or eliminate functions, and institute other innovations in the way the government does business. Congress and Federal departments and agencies should remove those barriers where appropriate.

3) Increase privatization and competitive bidding.

Congress and Federal departments and agencies should endeavor to privatize or invite competitive bidding for Federal activities and functions which are not inherently governmental when such privatization would result in better service and greater cost savings to the taxpayer.

4) Enlist the aid of the private sector in reorganization and innovation efforts.

Congress and Federal departments and agencies should invite experienced individuals from the private sector to form a partnership with Federal officials in executive branch reorganization, innovation and downsizing.

5) Restore responsibilities to the States and local governments without imposing unfunded mandates.

Congress should work with State and local governments to identify those Federal programs or activities that can be administered with greater success on the State or local level, and should provide greater State and local flexibility in administering Federal programs wherever possible. Congress should impose no new unfunded mandates on States or localities, and should identify existing mandates which can be altered or eliminated in order to ease the burden on State and local governments.

6) Establish, communicate and adhere to a clear mission for Federal agencies.

Every Federal department and agency must ensure that its mission is clear to all employees and to the public. A solid mission statement that is unambiguous and understood will allow the department or agency to establish priorities and remain focused on its core function or functions.

7) Maintain open lines of communication with agency employees.

Federal departments and agencies should make employees a part of any reorganization process. Sharing information with employees and listening to employees will make it easier to maintain morale and productivity. Communication also may result in new ideas and approaches that will improve service and save money.

8) Promote innovation by managers and employees.

Congress and Federal departments and agencies should encourage innovative management techniques in order to increase productivity, service quality and employee morale, and should explore ways to reward employees for suggesting changes that result in cost savings, better service and greater efficiency.

9) Use technology to improve service and increase efficiency.

Congress and Federal departments and agencies should identify barriers to the use of advanced technology. Congress and Federal departments and agencies should remove those barriers and take full advantage of technology to fulfill the missions of Federal Government.

10) Ensure full implementation of the Government Performance and Results Act.

Federal departments and agencies should work actively with the Office of Management and Budget and Congress to fully implement the provisions of the Government Performance and Results Act (P.L. 103–62). This law requires Federal departments and agencies to measure program performance and tie their performance goals to annual budget requests.

IV. INTRODUCTION AND REVIEW OF TESTIMONY

A. INTRODUCTION

The primary legislative jurisdiction of the Committee on Government Reform and Oversight as reflected in Rule X of the Rules of the House of Representatives includes matters relating to the overall economy, efficiency and management of government operations and activities, the relationship of the Federal Government to the States and municipalities, and reorganizations in the executive branch of the Government. Rule X also affords the committee primary oversight responsibility to "review and study, on a continuing basis, the operation of Government activities at all levels with a view to determining their economy and efficiency."

Pursuant to this authority, the committee held a series of field hearings across the country in an attempt to help Congress answer important questions about the size, scope and functions of Government. The field hearings served two main purposes: (1) to identify the strategies and principles used by corporate, State and local government organizations in restructuring their entities, and to learn which of their most successful and creative ideas can be applied to Federal reorganization plans; and, (2) to learn from the American people their thoughts and ideas for a more responsive, limited government designed to meet their needs.

B. REVIEW OF TESTIMONY

1. Common Reorganization Principles

a. Every organization must have a clear mission.

The reliance upon clear mission statements was strongly encouraged by witnesses from all types of organizations. Defining mission is the first step in any reorganization effort. Mission is the organization's guide to identifying those functions for which it is responsible, and an organization can be evaluated based on how well it fulfills that mission.

Mr. Wendell White, Charlotte City Manager, testified that everyone has to identify with the mission of an organization before the organization can turn itself around.[4]

Mr. Thomas Moore, Chairman and CEO of Cleveland Cliffs, Inc., testified that one of the main principles of management used at his company is to challenge and sharpen the mission of each unit within the organization.[5] Mr. Moore noted that this exercise is applicable to levels of government as well.

[4] North Carolina original transcript, p. 40, in full committee files.
[5] Ohio original transcript, p. 177, in full committee files.

The Honorable Heather Wilson, Secretary of New Mexico Department of Children, Youth and Families, testified that the first thing she did upon taking office was refine the department's mission statement with the help of her employees. She added:

> When I first read the mission statement I read it over and over again and still could not understand exactly what this agency did. And it seems to me if a mission statement is not clear, employees and the people we serve will have no idea what we do. So we clarified that mission statement of common values of what we expect of ourselves and what our employees and the public may expect of us.[6]

A clear mission is an important component of any organizational structure because it sets a defined parameter and guideline on what the vital functions of an organization are. Many bureaucratic institutions within the Federal Government have lost sight of their missions. Congress must reevaluate the mission of each Federal department and agency to determine whether those missions are still valid. Based on that analysis, Congress can better determine what functions the Federal Government should administer and what functions would be better delivered by States and localities or the private sector.

b. Communicate with employees and the public.

Open communication is necessary to keep employees as well as customers informed of and involved in every step in the reorganization process. It has been a vital component of many State, local government, and business downsizing strategies. Communication has led to sustained employee morale at a time of great instability, broader involvement in restructuring the organization, and most importantly, a greater openness to change.

Internal resistance to change is normal and expected. Keeping employees informed at each step in the process helps overcome opposition to change and increases the chance that reorganization objectives are met. The following witnesses stressed the vital role that communication played in their own revitalization efforts.

Mr. Frank Altimore, Vice President of Business Process Design at LTV Steel Company, testified on his company's urgent need to downsize in order to survive in a highly competitive marketplace, and acknowledged the important role that communication played in promoting partnerships. Mr. Altimore stated, for example, that when shift changes occurred in the plants, workers were to report to work 45 minutes prior to their shifts in order to be briefed on what happened during the previous shift. This type of communication created openness, employee involvement, commitment, and most importantly a team spirit among employees.[7]

Mr. Roger Sustar, President of the Fredon Corporation in Ohio, emphasized a similar success with communication in his organization. He advised it is easy to share information and it is easy to

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[6] New Mexico original transcript, p. 34, in full committee files.
[7] Altimore, prepared written statement, pp. 8–10.

get better together. All that is necessary is to communicate with employees and encourage them to share their ideas.[8]

Secretary Wilson announced a massive reorganization strategy just 18 days after being appointed to office. Communication was a key asset in making this reorganization successful. She explained:

> Initially the Department employees developed a sense of common values of what we expected from each other and what the public expected from us. This allowed for open communication between employees, management, and the customers. The single most important factors when considering any restructuring initiative are communication with your employees and the public, on where you are going and why, and involvement of line employees to encourage a bottom-up answer to your organization's problems.[9]

Mr. Henry Taboada, Assistant City Manager of the City of Long Beach, noted the success that the Long Beach City Police Force had when communicating with area residents to determine which services were most important to them. He explained that the Long Beach Police Department, suffering from low morale, initiated an effort to develop a strategic plan to meet the needs of their customers through the use of surveys and questionnaires. A series of public meetings were held where the community voiced its concerns. As a result of communication between the police department and the local citizens there was a clearer picture of how safe the police department's customers felt, which services were important to them, and how they rated the police department's performance.[10]

Mr. Robert Murphy, Senior Vice President for Organization and Human Resources at Rockwell International, testified on the important communication lessons Rockwell learned through its downsizing initiatives. He suggested:

> Be up-front with your employees regarding your organization's downsizing plans. Communicate to them way ahead of time what you are doing and why. We found that if you do this and you're up front with people and give them time, they can handle that kind of news.[11]

Federal Government employees, Federal officials, and the American public all have a joint investment and responsibility in ensuring that government services are of the highest possible quality. It is the responsibility of Federal officials and employees to suggest new ways to achieve that quality while saving money and increasing efficiency. Maintaining an open dialogue with the American public is necessary to learn which services the people demand and monitor the quality of those services.

c. Apply innovative management techniques.

Effective management skills are necessary to sustain the gains made through downsizing and reorganizing. Employees who have

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[8] Ohio original transcript, p. 193, in full committee files.
[9] New Mexico original transcript, pp. 56–60, in full committee files.
[10] California original transcript, p. 13, in full committee files.
[11] California original transcript, p. 139, in full committee files.

competent and trustworthy leadership will be more willing to accept the changes that accompany the downsizing of an organization. The witnesses who testified before the committee have implemented a number of unique management policies, including "no appointment necessary" meetings with the boss, a policy forgoing government cars, and a "productivity bank" which uses dollars saved to fund additional innovations in the way the entity conducts its business. These State, local and business leaders have good advice on management styles that get the job done while promoting strong internal communication and employee involvement.

The Mayor of Philadelphia, Edward Rendell, testified that the city is working on innovative management techniques to put incentive back into government. He explained:

> I would love to see a system in my city and in the Federal Government where we give bonuses to individual Federal workers who are extremely productive. Where we give a percentage of cash savings of any cost savings suggestion that an employee comes up with. Here in the City we have successfully implemented a Productivity Bank, which consists of a small amount of money, $25 million out of our budget. And we make it available for loans to our own departments to invest in innovation and the only rule is that they have to pay it back in three years with whatever the interest rate was at the time of their loan.[12]

Mr. William Lawrence, Executive Vice President for Planning, Technology and Government Affairs at TRW, Inc., testified about TRW's effort to eliminate layers of management. He offered the following example:

> Where we formerly had, both at our space and defense automotive businesses, a staff at the sector level, we have since eliminated those functions and those tasks have either been combined at the company headquarters or in our operating groups, and we reduced our staff from 600 employees to about 450 while doubling our revenues.[13]

Mr. Murphy discussed the importance of an innovative management style when his organization was in a renewal process. He explained:

> In past decades, we had a somewhat centralized command and control management style. But today, our business units make a majority of the decisions. We operate with a much less bureaucratic, more entrepreneurial management style. We abhor bureaucracy because it puts control and turfdom ahead of shareholders' and our customers' best interests.[14]

Secretary Wilson took a unique approach to fixing her problem-plagued department by starting with her own office. She eliminated some symbolic items from the budget such as the gold seal on the letterhead, and she gave up her government car. She also moved

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[12] Ohio original transcript, p. 55, in full committee files.
[13] Ohio original transcript, p. 171, in full committee files.
[14] California original transcript, p. 120, in full committee files.

from her large office into a more moderate one and transformed the larger office into work space for four workers. She implemented a set of office visits where anyone could schedule a meeting with her, on any subject, and have 15 minutes of her time. Brown bag lunches were also set up in an attempt to get employees and management talking and coming up with collective solutions.[15]

Innovative management techniques have made tremendous impacts on fiscal health as well as employee morale in all the organizations represented at the field hearings. Public servants displayed a willingness to give up some of the "perks" of being appointed or elected to office in favor of saving resources. Managers who communicate with employees, invite their participation, and lead by example can expect to sustain reorganization successes.

d. Public/private partnerships and privatization can save money and improve service.

Many witnesses advocated privatization of government services as an effective way to save taxpayer dollars, improve service, and remove government from those activities it does not perform well. Privatization is the act of reducing the role of government, or increasing the role of the private sector, in an activity or in the ownership of assets.[16]

States and localities across the country have also been successfully implementing partnerships, commissions and contracts involving the private and public sector for many years. Public-private partnerships and task forces encourage collaborative solutions and enable a coordinated use of resources to address problems.

In the State of Ohio, the Mayor of Cleveland, Michael White, testified in regard to his city's success in creating public/private partnerships. The city of Cleveland created "Cleveland Competes," which included myriad strategies to meet the city's downsizing objectives. Mayor White explained one "Cleveland Competes" success story:

> Already, we have evidence of how the Cleveland Competes concept has improved the lives of Cleveland families. The McCafferty Metro Health Center was in deplorable condition, physically and medically, and the services were woefully inadequate. In August of 1992, the city of Cleveland struck a landmark partnership with the Metro Health Medical Center and we began to see tremendous improvements in our ability to serve those in need of medical services. Pediatric visits alone increased from 3028 in 1991 to 13,278 in 1994, an overwhelming increase of 249 percent. Additionally, the total number of patient visits increased from 11,170 visits in 1991 to 25,092 visits in 1994. Today, three of the city's four health centers have joined in partnership with Metro Health.[17]

Mayor Rendell of Philadelphia explained that upon his election he inherited a billion-dollar deficit. He created a task force to help

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[15] New Mexico original transcript, p. 34–36, in full committee files.

[16] E.S. Savas, *Privatization, the Key to Better Government*, Chatham House Publishers, Inc., New Jersey, 1987, Pg. 3.

[17] Ohio original transcript, pp. 40–41, in full committee files.

him alleviate the city's financial burdens. The Mayor explained that the creation of the Mayor's private sector task force was an attempt to modernize the city government with the innovation, accountability and entrepreneurship of the private sector. The task force was composed of 41 local CEO's and approximately 300 loaned executives from 130 organizations, all chosen for their professional knowledge and experience. Through this commitment of volunteer resources, the task force thoroughly analyzed city operations and made specific recommendations for improving service quality, cutting cost, increasing revenues, and streamlining operations. From its inception in January of 1992 to the completion of its work in December 1993, the task force completed 17 management reviews of 26 departments and 7 citywide issues.[18]

A similar strategy was implemented by the Governor of the State of Ohio, George Voinovich. Testifying on the Governor's behalf was Mr. James Conrad, the Director of the Ohio Department of Administrative Services (DAS). Mr. Conrad reported:

> Shortly after taking office, Governor Voinovich established the Operations Improvement Task Force (OIT) to find ways the State could provide more efficient services to Ohio's citizens. The Governor designed the OIT as a public/private partnership, gaining the support of more than 100 companies in the process. These companies donated more than $500,000 and 300 individuals to the effort and spent an enormous amount of time reviewing nearly every aspect of State government. The result of these intense efforts was approximately 1600 recommendations on improving efficiency in State government. To date, more than 80% of the recommendations have been completed and the Governor remains committed to seeing this effort continued.[19]

Mr. Robert Gardner, Commissioner of Lake County, Ohio, utilized both public/private partnerships and privatization of public services, such as the prisoner transport program and solid waste management, to save Lake County resources. He explained:

> We have entered into a partnership with GTE Mobilenet and we have shared resources for the past three years, thereby eliminating the need for additional radio towers and for the purchase of land for new towers. By sharing the same towers, the county has saved approximately half a million dollars.[20]

The Honorable William Pascrell, Mayor of Paterson, New Jersey, testified that one of his first initiatives as mayor was to audit all city functions. A number of partnerships were formed as a result of these audits. Paterson's Health Department forged partnerships with two large hospitals in an attempt to provide preventative medical care and reduce duplication of services. Paterson's Department of Community Development forged ties with State agencies,

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[18] Rendell, prepared written statement, pp. 4–5, in full committee files.
[19] Conrad, prepared written statement, pp. 1–2, in full committee files.
[20] Ohio original transcript, pp. 122–123, in full committee files.

private lending institutions, and private developers to make Paterson attractive for new business prospects.[21]

Lieutenant Governor of the State of New Mexico, Walter Bradley, spoke of Governor Johnson's successful restructuring plans for New Mexico which include many privatization initiatives. Mr. Bradley explained:

> Governor Johnson intentionally sought out private sector-oriented cabinet secretaries, staying away from the entrenched bureaucrats, and gave them the charge of running their departments like they would run their own business. Through employee input in these agencies an initiative was brought up that would do away with three layers of bureaucracy that made obtaining a lease for the private sector on a State building too burdensome. The entire leasing section was privatized eliminating these layers of bureaucracy.
>
> In an attempt to involve the business community in public sector decisions the Governor formed a public/private group called Small Business Advocacy Group. The group met through a series of hearings and was designed for the citizens and the business representatives of New Mexico to tell us what was in the way and what we in State government could do to make it work for them.[22]

Forgoing public/private partnerships in favor of privatization takes government out of service delivery altogether and still yields savings for the taxpayers. The Governor of the State of New Jersey, Christine Todd Whitman, testified on some of her State's privatization initiatives:

> New Jersey privatized eleven State-run day care centers over the past two years. We anticipate that will save taxpayers $1.9 million this year. Seventeen day activity centers for the developmentally disabled were privatized with a cost savings of $2.3 million. Privatizing the final 10% of custodial services in the Capitol Complex saved $1 million and we anticipate that the privatizing of 23 motor vehicle departments will save the taxpayers $4.4 million.[23]

The Honorable James Treffinger, Essex County Executive, New Jersey, spoke of the similar cost savings that his county experienced when privatizing government services. He testified:

> In our attempt to downsize, we have privatized the County cleaning and janitorial services at a net savings of $1,026,000. We privatized security for the court buildings that resulted in a net savings of $1,080,000. We utilized private contractors for snow plowing and are currently exploring privatization and the sale of a county-run geriatric center.[24]

Gwen Fraser, the owner of Fraser Inc., a small business in Washington, represented the small business community and its

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[21] New Jersey original transcript, pp. 36–37, in full committee files.
[22] New Mexico original transcript, pp. 15–22, in full committee files.
[23] Whitman, prepared written statement, p. 2, in full committee files.
[24] New Jersey original transcript, p. 30, in full committee files.

willingness to be involved in the privatization process. She testified:

> I know that I can speak for thousands of small business owners that generally stand ready to help you help us. We can get it done. So call on us. Tap on our willingness. We can make a difference together.[25]

The city of Charlotte, North Carolina is at the forefront of privatization. Mayor Richard Vinroot spoke of the important role that privatization played in the city's streamlining efforts. He explained:

> We are attempting to bring privatization to every element of city government. I believe we are regarded, by the Reason Foundation, as one of the three most committed cities to privatization in America. We created a privatization task force to look at how we could bring competition into city hall. And as a result we have gone to a performance pay system, and we reduced our structure from 26 departments of city hall to 13 departments.[26]

Mayor Vinroot charged the Charlotte Privatization/Competition Advisory Committee with studying the ways in which Charlotte could benefit from privatization. Mr. Bill James, chairman of that Committee, testified:

> Since the (Privatization) Committee's formation in March of 1994 they have accomplished the following goals:
> 1) They have written and implemented guidelines for determining how privatization and competition should occur;
> 2) They selected about $30 million in excess real estate and placed it on the market; and
> 3) They privatized 25% of our residential garbage pickup at substantial savings.
> The reason that privatization has been so successful in Charlotte is a commitment on the part of our elected leaders to find a better way to perform government services; a commitment on the part of city management to see to it that privatization and competition of government services is a priority; and lastly, a strong oversight process that asks tough questions.[27]

Charlotte's business sector has been strongly behind Mayor Vinroot's privatization initiatives. Mr. Christopher Rolfe, Vice President of Organization Effectiveness at Duke Power Company, expressed his support for privatization:

> When you privatize you bring discipline of the market place to bear, which of course drives cost out and services up. We encourage that. It is a rigorous, disciplined process where government has to decide what businesses it needs to be in and which ones not to be involved in.[28]

Based on State and local experience, privatization is a successful and viable option for saving the public sector, and consequently the

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[25] Washington original transcript, p. 140, in full committee files.
[26] North Carolina original transcript, pp. 15–16, in full committee files.
[27] James, prepared written statement, pp. 1–2, in full committee files.
[28] North Carolina original transcript, p. 143, in full committee files.

taxpayers, millions of dollars without sacrificing the quality of services. Privatization not only provides better service delivery for lower cost to the taxpayer, but in many cases it creates ties between the public and private sectors and leads to long lasting partnerships between government entities and private businesses. Communities that encourage public and private sector collaboration benefit from cost savings to the taxpayer and produce local, civic and business leaders who are committed and dedicated to the citizens and the success of their community.

e. Competition and competitive bidding improves service quality and saves money.

Competitive bidding is the process by which a State or locality invites bids for the performance of services normally delivered by the public sector. The concept closely parallels privatization in that it allows a government entity to provide the best possible service to its constituency at the lowest possible price. The difference is that competitive bidding allows government entities that normally deliver a service to compete with the private sector as well as other government entities for the contract to deliver that service in the future. Many witnesses advocated this practice and praised the effect of competition on service delivery.

Mayor White suggested all government entities must embrace the notion of competition. He explained:

> One way to enhance competition is through competitive bidding. It embraces a fundamental philosophy, that we ought to spend our citizens money the way we would spend our own money. Competitive bidding allows us to provide equal or better service at a lower price, increase efficiency, and compare cost and quantity of government services to the private sector. In our city, local unions won the bid for waste collection and saved the taxpayers $600,000.[29]

Commissioner Gardner had similar success with his county's competitive bidding process. They used bidding to purchase liability and auto insurance and saved the county $33 million between 1989 and 1994.[30]

Mayor Vinroot testified that competition is healthy. He believes the government workforce should compete for the right to pave streets, build sewers, and provide services. Often the mayor is asked why government should have to compete with the private sector; he responds:

> Because we are providing services for our customers who really don't care who does it for them, they want to be sure it gets done at the most effective price possible. You cannot do that if you don't ask yourself (1) are we competitive, and (2) are we providing the best service at the most competitive price?[31]

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[29] Ohio original transcript, pp. 37–43, in full committee files.
[30] Ohio original transcript, p. 120, in full committee files.
[31] North Carolina original transcript, p. 19, in full committee files.

Mayor Vinroot was asked how he worked with employees to help them accept the change, and he replied:

> I have had people come to me and say "Gosh, you are going to take my job and you are going to contract it out." And my answer is, no, we are going to put you in competition with somebody outside the city, and why should you lose, you have been delivering the service for years. You know how to do it. If you lose, you are losing because you are not doing it as well as somebody else who has got some disadvantage you do not have.[32]

f. Investing in advanced technology will improve efficiency, quality, and savings.

Innovative technology played an important role in the successful reorganizations implemented by many States, communities and businesses. Greater use of computer technology was recommended to the Federal Government as a means of communication and to aid in the fight against waste, fraud and abuse. The most persuasive aspect of using technology is the tremendous potential for increased efficiency in government functions, which in turn may yield significant cost savings.

The city of Cleveland enjoyed cost savings when it embraced new computer technology and discarded inefficient, outdated systems. Mayor White explained:

> Embracing technology in city departments should be the call of the day. In the area of technology, we are one of the largest cities to have outsourced its payroll system, saving the city $2 million in the first year in hardware costs and over $600,000 in employee costs, not to mention the increased efficiency that new technology brings to any organization.[33]

Commissioner Gardner reported similar cost savings when Lake County renovated its computer systems. He explained:

> Computerization and improved technology have resulted in smaller and more efficient government in Lake County. In 1985, the Lake County Data Center had a single computer and 20 employees. Today the Data Center has four computer installations, a local area network, a digital equipment mini-computer system, but only 10 employees. Operation expenses decreased from $657,000 a year to $286,000 in 1994.[34]

Mr. Len Lauer, Vice President of Sales at Bell Atlantic-New Jersey, stressed the importance of information technology, and the ability to leverage technology and acquire and process information to improve customer service and gain market share. He named information management as the single skill most critical to productivity and adaptability. He then went on to explain:

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[32] North Carolina original transcript, pp. 28–29, in full committee files.
[33] Ohio original transcript, p. 37, in full committee files.
[34] Ohio original transcript, p. 121, in full committee files.

> Although the motivations of business and government may be distinctly different, our goals are similar. We both need to manage information and large organizations. We both need to leverage technology to help manage our organization and to deal with the following three fundamental changes in business and government:
>
> First, the growing impact of information; second, the impact of digitizing information; and third, the convergence of technologies, which will create new distribution channels of information.[35]

Mr. Paul Sommers, Executive Director of the Northwest Policy Center at the University of Washington, suggested that all levels of government get involved with the sharing of services through the use of a web site, which is an Internet page that can be accessed by computers with Internet communication capabilities. By linking together through a web site or other means, organizations can share information and access specialized services.[36]

The Honorable Steve Kuykendall, California State assemblyman, echoed Mr. Sommers' views when he testified:

> It's time for the government, at all levels, to realize there is nothing wrong with using high technology techniques to transmit information from your constituents, whether it's an E-Mail system or a page on the Internet that people can call up and see what your doing.[37]

Mr. D. Sherrill Clements, Executive Marketing Director of the Oracle Corporation, testified that technology is a judicious investment that can truly advance the ability of the government to provide service to the citizen and still look to economies of cost and operation. He suggested the use of open and scalable architecture, which allows computers to communicate with one another, is essential to taking full advantage of the technology available.[38]

Innovative technology has been a distinct asset in the reorganization strategies of States, localities and businesses. Their experiences have shown an investment in technology can yield both immediate and long term improvements in service, quality and cost.

2. Additional Findings and Suggestions

In traveling across the country, it became clear that most State and local government leaders, business leaders, and private citizens support an effort to reevaluate the size, scope and functions of the Federal Government. The committee learned valuable reorganization strategies from distinguished private and public sector witnesses. They shared many innovative ideas and success stories in addition to the common reorganization principles discussed in the previous section. Their suggestions will assist the Federal Government in revitalizing Federal departments and agencies.

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[35] New Jersey original transcript, p. 156, in full committee files.
[36] Washington original transcript, p. 64, in full committee files.
[37] California original transcript, p. 92, in full committee files.
[38] California original transcript, p. 126, in full committee files.

a. Parma Heights, Ohio Hearing

Mr. Lawrence, representing TRW, Inc., suggested the United States needs to determine those activities that should or should not be administered on a national level. Second, the country should compare the capabilities and competencies of government and the private sector regarding the ability to provide high priority needs. Finally, the Federal Government must set realistic limits on the financial burden people are expected to bear to fund national priorities.[39]

Dr. William Marshall, a Professor of Law at Case Western Reserve University, offered similar suggestions for drawing the distinction between Federal, State and local authority. He advised that the following criteria should be used in making this distinction: (1) whether a phenomenon is intrastate or whether it exists between States; (2) whether there is a need for uniformity; (3) whether decentralizing power increases the cost; (4) where State governments may not act appropriately; and (5) where economies of scale demand the kind of resources only the Federal Government can provide.[40]

b. Upper Montclair, New Jersey Hearing

Mr. Dwayne Warehime, a private citizen, participated in the committee's open mic session and made several suggestions, including:

1) Redefine the limits of government responsibility;
2) Impose a moratorium on new legislation;
3) Don't tinker, make real cuts; and
4) Create a strike force against waste, with authority to investigate, expose, terminate, and arrest individuals who intentionally waste public funds.[41]

Mayor Pascrell proposed that every government examine its functions to identify opportunities for improved efficiency, candidates for privatization, and functions which should not be performed by government.[42]

c. Federal Way, Washington Hearing

Mr. Lawrence Riggs, President of the Services Group of America, testified that his organization strongly supports Congressional efforts to reduce the size of the Federal Government:

> Our experience proves that you can reduce the size while increasing efficiency and productivity. The key to success here is focus. You need to decide where government can provide real value and focus on those areas. Where government fails to produce results that justify their cost, it should end the activity.[43]

Witnesses from State and local governments shared a view that States and localities should be trusted to govern their own affairs without excessive Federal involvement. The Honorable Mary Ann

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[39] Lawrence, prepared written statement, p. 6, in full committee files.
[40] Ohio original transcript, pp. 223–225, in full committee files.
[41] New Jersey original transcript, pp. 102–103, in full committee files.
[42] New Jersey original transcript, p. 39, in full committee files.
[43] Washington original transcript, p. 141, in full committee files.

Mitchell, a Washington State Representative, urged Congress to support block grants:

> We are delighted with the block grant idea. We have no problem with that. We have long wanted to make those decisions locally. We feel that we know what is needed in our community, better than the Federal Government does. So to have that opportunity to make those decisions locally is very important to us.[44]

The Honorable Chris Vance, a member of the Metropolitan King County Council, echoed Representative Mitchell's request for greater State and local authority. He suggested:

> Trust us to be competent in our local decision making. We know best what the people back home think and we have large expensive staffs as you do and we can make the decisions at the local level.[45]

Mr. Thomas Vander Ark, Superintendent of the Federal Way School District, expressed concern over the state of the American educational system today and offered suggestions to improve it. He said:

> We need to dramatically streamline educational funding. Our funding comes from local tax collections and the money that we send to Washington comes back to us in the form of myriad programs with very specific program requirements that makes it very, very difficult for us to operate. I believe strongly in local control; that the teachers and parents of this school are very capable of making sound educational decisions for the students at this school.[46]

Mr. Paul TeGantvoort, owner of Seattle Automotive Distributing, agrees that the educational system needs repair. He said:

> I think our educational system really needs a major overhaul. I do not think there is any reason for the Federal Government to be involved in education. I think the money must come back to the local school districts and be administered here and allow schools to do the job that they have been hired to do by the public, and not to have to operate under Federal mandates all the time.[47]

Mr. Mitchell Melars participated in the open mic segment at which members of the audience were invited to share their views. He suggested:

> With all the brilliant organizational minds we have in the private sector, I favor recruiting a small army of a-dollar-a-year men and women to take over the reorganization of the Federal Government without political interference.[48]

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[44] Washington original transcript, pp. 52–53, in full committee files.
[45] Washington original transcript, p. 30, in full committee files.
[46] Washington original transcript, p. 59, in full committee files.
[47] Washington original transcript, p. 148, in full committee files.
[48] Washington original transcript, p. 114, in full committee files.

d. Long Beach, California Hearing

The Honorable Michael Stoker, Chairman of the California Agriculture Labor Relations Board, offered general recommendations to the committee as it explores executive branch reorganization. He suggested:

1) Provide any given service through one level of government;

2) Eliminate duplication of programs and between levels of government;

3) Utilize groups like the National Association of Counties and the League of Cities, who would welcome the opportunity to work with Congress; and

4) Provide local governments greater flexibility in implementing Federal mandates.[49]

e. Albuquerque, New Mexico Hearing

Secretary Wilson offered the committee a list of things for Congress to consider when refocusing a government agency:

1) The job is not to row the boat, the job is to steer it.

2) Hire creative, nonconformists.

3) Bold moves are easier than minor corrections.

4) Clarify the vision of the organization.

5) Words and symbols do matter.

6) Enlist the help of line employees.

7) Encourage disagreement until the point of discussion.

8) Never tell people how to do things. Tell them what to do and let them use their ingenuity.

9) What gets measured gets done.

10) Expect excellence.[50]

The Honorable Barbara Seward, a Bernalillo County Commissioner, testified in favor of returning programs back to the localities. She testified:

> The local government can most assuredly administer. The local government is very hands-on. We know our constituents personally and they certainly know how to get us on the telephone and tell us what they approve of and what they disapprove of.[51]

f. Charlotte, North Carolina Hearing

Mr. White, Charlotte City Manager, suggested that the Federal Government take inventory of those activities in which it is involved, identify the priorities, and discontinue those activities that are not vital. Turn responsibility for these non-vital activities over to State and local governments, he recommended, so the States and communities can prioritize them based upon the local needs.[52]

Mr. Bill James, Chairman of the Charlotte Privatization/Competition Advisory Committee, offered his thoughts on how best to approach privatizing Federal activities:

1) Write rules that define the ultimate goal of privatization.

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[49] California original transcript, p. 53, in full committee files.
[50] New Mexico original transcript, p. 38, in full committee files.
[51] New Mexico original transcript, p. 96, in full committee files.
[52] North Carolina original transcript, p. 21, in full committee files.

2) Avoid mixing goals.

3) Establish a Federal oversight committee with one person responsible to look into all areas of government.

4) Give this Federal oversight committee authority to bring back legislation to a house committee.

5) Require all areas of the Federal Government to be subject to this committee.

6) Inventory all government assets and allow this committee to bring back plans for disposing of those assets deemed excess.[53]

Finally, Mr. Barney Lawson, owner of Modern Management Inc., suggested that effective leadership by a chief executive can motivate bureaucrats, unions, and citizens to join together for the common good.[54]

V. CONCLUSION

As a new century approaches, the Federal Government must keep pace with the changing needs of its citizens. Federal institutions that do not evolve with the rest of society will become ineffective and irrelevant. The Government Reform and Oversight Committee field hearings revealed that the American public believes there is a role for government, but that this role must be limited. Further, people want the Federal Government to be responsive, cost effective and less bureaucratic. The testimony offered at the committee's field hearings provided several principles that should be part of the downsizing, streamlining, and reorganization process. By learning which approaches have worked in the State, local and private sectors, Congress and the executive branch can revitalize Government without "reinventing the wheel."

Mr. Eisenhower, a private citizen who testified during the open mic segment in Long Beach, California, expressed his support for a more limited Federal Government. He said:

> I think it's an immoral presumption to say, from on high, whatever the level is, that we know best what to do and you (the local level) are not able to govern yourselves. We ultimately are the ones that have to live with the decision, and if we aren't going to be responsible enough to participate, then I guess we deserve what we end up with.[55]

Mr. Leroy Pittman, a participant in our Charlotte open mic segment, offered his support for "Creating a 21st Century Government" when he said:

> I congratulate you for what you have done so far. We are standing shoulder to shoulder in our belief that the least government is the best government, and the closer to the people the better.[56]

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[53] James, prepared written statement, pp. 1–4, in full committee files.
[54] Lawson, prepared written statement, p. 4, in full committee files.
[55] California original transcript, p. 101, in full committee files.
[56] North Carolina original transcript, p. 122–123, in full committee files.

Former Secretary of the U.S. Department of Labor, Lynn Martin, also encouraged a revitalization of government for the next century when she said:

> Creating a 21st century government, in my view, is a subject that is long overdue. For too many years we have blindly maintained many outdated and ineffective programs and policies. We cannot close our eyes to the fact that a large part of today's government was designed for an America and a world that has long passed into history.[57]

Ms. Sandra Reckseit, the Executive Director of United We Stand America in Ohio, toured the country with her organization. She said in the open mic segment that, based on her tour experiences, she believes people are ready for reform. They know it is going to take sacrifice and that it has to be fair, both inside and outside the beltway. Many of today's programs are from the 1930's and do not work anymore. The nation needs programs that are dynamic to meet the needs of today, and to start tomorrow with some flexibility. They are ready to reform, they will stand behind (Congress) if it's fair.[58]

Ms. Fraser commended Congress for its intent to pursue executive branch reorganization. She said:

> In complying with your efforts to hear about success stories from the private sector, let me state that the greatest success story that I can point to is the fact that the new Congress of the United States of America is seeking the input from business and private individuals as they reshape the government of this great land.[59]

Finally, Mr. Tom Rogers, a private citizen, encouraged the committee's efforts and said:

> I am here to commend you, to encourage you, to hope that you become a success story, because to the extent that you downsize there is a greater than even chance that we will get toward eliminating the deficit.[60]

The public believes in a limited, responsive government that is designed with their needs in mind. Downsizing and reorganization, when approached correctly, has resulted in more efficient, effective entities in State and local government and the private sector. The Government Reform and Oversight Committee finds that the same success can be realized on the Federal level. The committee field hearings were the first step in creating the "21st century government" the American people expect and deserve.

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[57] Ohio original transcript, p. 17, in full committee files.
[58] Ohio original transcript, p. 162, in full committee files.
[59] Fraser, prepared written statement, p.1, in full committee files.
[60] North Carolina original transcript, p. 115, in full committee files.

ADDITIONAL VIEWS OF HON. CARDISS COLLINS

The Report's Background comments on the need to restructure the Executive branch unfairly criticizes the National Performance Review (NPR). Instead of properly acknowledging recent efforts to make government more streamlined and effective, the Committee has incorrectly and unfortunately chosen to slight and ignore the important contributions the NPR has made in the 20th Century. Let me now set the record straight.

In February of 1992, President Clinton and Vice-President Gore initiated the National Performance Review—Creating a Government that Works Better and Costs Less. The NPR was initiated to radically change the way government operates. The first step of the "review" was to look at what the government does and how it does it. The next step was to fix those things that do not work. Next, the "review" went to the American public to determine what works and what does not. Thousands of citizens were contacted directly at town hall meetings, national conferences and local neighborhoods. More than 30,000 letters and phone calls from citizens across the country were received. (Almost an identical process undertaken by this Committee.)

In the past two and a half years, the NPR has been responsible for a number of changes in how government addresses its basic functions. Since President Clinton took office there are nearly 200,000 fewer federal employees. Today, the federal government is smaller and more streamlined than it has been in 30 years. President Clinton has committed to cutting 16,000 pages from federal regulations. We have passed and implemented the Government Performance and Results Act and instituted procurement reform. As a final irony, House Speaker Newt Gingrich, speaking about the NPR on ABC News earlier this year, characterized its results: "The Vice President's effort is a total success."

CARDISS COLLINS.

ADDITIONAL VIEWS OF HON. GENE GREEN

Member of the Minority of the Government Reform and Oversight Committee

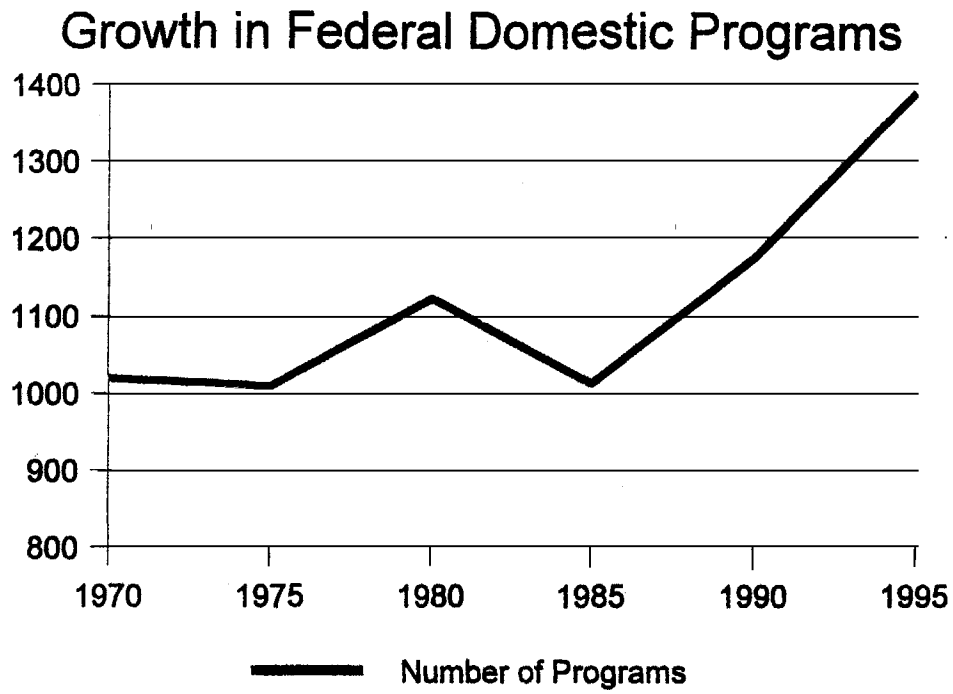
The reports approved by this Committee traditionally have been issue driven and non-partisan. However, the charts placed in the Appendix of the report offer a slanted and incomplete version of the costs of government. For example, Appendix I, Chart 2, entitled "Taxes Have Multiplied" states that federal receipts from individual income taxes are more than 13 times the size they were in 1960. The chart does state whether inflation was taken into account for these calculations. We do not dispute that income taxes have increased significantly over the past 35 years, however, the

absence of clarifying information in this chart is apt to confuse the reader and discount the usefulness of the chart.

Appendix I, Chart 3 suffers similar problems. Entitled "Cost of Government Day" the chart is supposed to tell the reader how long it takes Americans to work to pay off the yearly costs of government. The chart, provided by the Americans For Tax Reform Foundation, states that "regulatory costs" are taken into account in determining overall governmental costs. However, the chart does not define how regulatory costs were calculated. Would the costs of a $500/hour lawyer who has to stand in line to renew his driver's license be counted for this chart? Attempts to quantify regulatory costs, which could be defined quite broadly, should be accompanied by a brief statement of assumptions. Otherwise, the chart ends up raising more questions than it answers.

GENE GREEN.

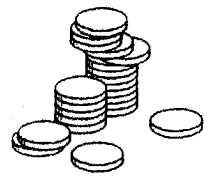
Appendix I, Chart 1



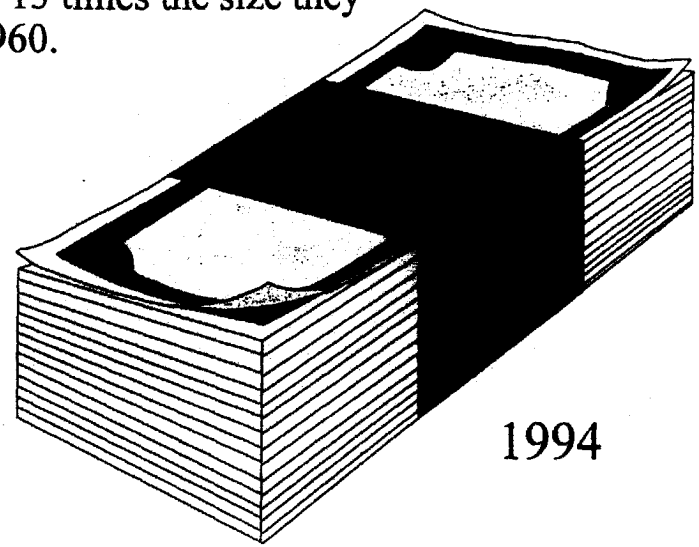
Source: Office of Management and Budget, *Catalog of Federal Domestic Assistance*.

Taxes have Multiplied

Federal receipts from individual income taxes are more than 13 times the size they were in 1960.



1960



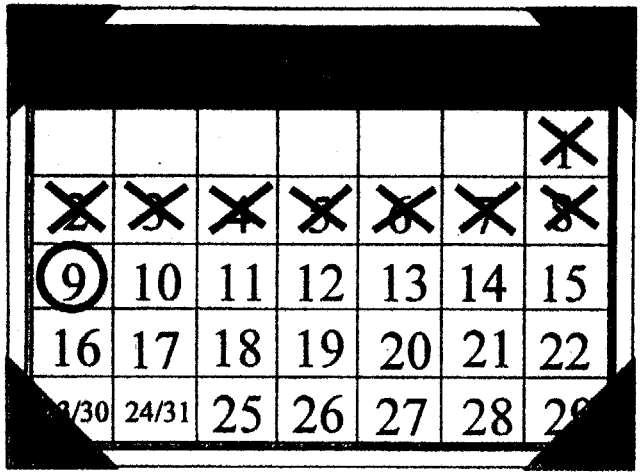
1994

Source: Office of Management & Budget.

Appendix I, Chart 3

Cost of Government Day

This year it took until **July 9th** - more than halfway through the year - for the American taxpayer to pay off his or her share of the financial burden of government, including all state and federal spending and regulatory costs.



Source: Americans For Tax Reform Foundation.

APPENDIX II—LIST OF HEARING LOCATIONS, DATES AND WITNESSES

PARMA HEIGHTS, OHIO—JULY 14, 1995

WITNESSES:

Lynn Martin, Former Secretary, U.S. Department of Labor.
Elizabeth Baron, Graduate Student, Northwestern University.
Michael White, Mayor of Cleveland, Ohio.
Edward Rendell, Mayor of Philadelphia, Pennsylvania.
J. Kenneth Blackwell, Treasurer, State of Ohio.
James Conrad, Director, Department of Administrative Services, Ohio.
Keith Rasey, Director of Federal Government Relations, Greater Cleveland Growth Association.
Claire Freeman, Executive Director, Cuyahoga Metropolitan Housing Authority.
Daniel Whitmire, Austinburg Township Trustee, Ohio.
Robert A. Gardner, Commissioner, Lake County, Ohio.
William B. Lawrence, Executive Vice President for Planning, Technology and Government Affairs, TRW, Inc.
M. Thomas Moore, Chairman and CEO, Cleveland Cliffs, Inc.
Frank Altimore, Vice President for Business Process Design, LTV Steel Company, Inc.
Karen R. Kleinhenz, Regional President, Society National Bank, Akron, Ohio.
Roger Sustar, President and Owner, Fredon Corporation.
Michael Horowitz, Senior Fellow, the Hudson Institute.
William Marshall, Professor, Case Western Reserve University School of Law.

OPEN MIC PARTICIPANTS:

Keith Simmons, Private Citizen.
Kathleen Nadall, Private Citizen.
David Vandall, Private Citizen.
Joseph Facolt, Private Citizen.
Doris Deniger, Private Citizen.
Bernard Kromer, Vice President of Manufacturing, Hybco Products, Lake County, Ohio.
Donald Luziak, Private Citizen.
Lowell Lefebvre, Private Citizen.
Sandra Reckseit, Executive Director, United We Stand America, Ohio.
Eileen Fitzgerald, Private Citizen.
Patricia Coksey, Private Citizen.

UPPER MONTCLAIR, NEW JERSEY—SEPTEMBER 9, 1995

WITNESSES:

Christine Todd Whitman, Governor, State of New Jersey.
Bret Schundler, Mayor, City of Jersey City, New Jersey.
James Treffinger, County Executive, Essex County, New Jersey.
William Pascrell, Jr., Mayor, Paterson, New Jersey.
Michael Berkin, Senior Vice President of Performance and Service Quality, Dun & Bradstreet.

Frank Sweeney, Vice President and Controller, ITT Avionics.
Irvin D. Reid, President, Montclair State University.
Len Lauer, Vice President, Sales, Bell Atlantic-New Jersey.
John E. Anderson, Director of Procurement, Public Service Electric & Gas Company.

OPEN MIC PARTICIPANTS:

Stuart Ginsberg, Member, Concord Coalition.
Mr. Jankowski, Private Citizen.
Sherwin Raymond, Private Citizen.
Michelle Shapiro, Private Citizen.
Bob Hogan, Private Citizen.
Dwayne Warehime, Former Chairman, United We Stand America, New Jersey.
Rosary Morelli, Private Citizen.
Kelly Conklin, Private Citizen.

FEDERAL WAY, WASHINGTON—OCTOBER 6, 1995

WITNESSES:

Chris Vance, Member, Metropolitan King County Council, Washington.
Mary Ann Mitchell, Washington State Representative.
Thomas J. Vander Ark, Superintendent, Federal Way School District, Washington.
Paul Sommers, Executive Director, Northwest Policy Center, University of Washington.
Richard Zimmerman, President, Washington Performance Partnership.
John Carlson, Chairman, Washington Institute for Policy Studies.
Jack Larsen, Vice President of Energy and Environment, Weyerhaeuser Company.
Gwen Fraser, CEO and Owner, Fraser, Inc.
Lawrence Riggs, President, Services Group of America.
Paul TeGantvoort, Owner, Seattle Automotive Distributing.

OPEN MIC PARTICIPANTS:

Terrell Alan Minarsen, Private Citizen.
Don Casper, Private Citizen.
Ann Barney, Private Citizen.
Randy Robbins, Private Citizen.
Mitchell Melars, Private Citizen.
Ed Pina, Vice President of High Line School, Washington.
Randy Moon, Private Citizen.
Deborah Carson, Private Citizen.
Tom Campbell, Washington State Representative.
Miriam Halgolin, Private Citizen.
Treasure Shoemaker, Private Citizen.
Bud Fleisch, Chairman, East King County United We Stand.
Lana Miller, Private Citizen.
Curt Anderson, Associated Builders and Contractors.
Jody Deon, Member, United We Stand, Sixth Congressional District, Washington.

Richard Kennedy, Mayor, Des Moines, Washington.

LONG BEACH, CALIFORNIA—OCTOBER 7, 1995

WITNESSES:

Douglas Drummond, Vice Mayor, Long Beach, California.
Henry Taboada, Assistant City Manager, Long Beach, California.
Michael Stoker, Chairman, California Agricultural Labor Relations Board.
Richard Terzian, Chairman, Commission for California State Government Organization and Economy.
Fred Silva, Executive Secretary, California Constitution Revision Committee.
Robert H. Murphy, Senior Vice President for Organization and Human Resources, Rockwell International.
D. Sherrill Clements, Sr., Executive Marketing Director, Oracle Corporation.

OPEN MIC PARTICIPANTS:

Thomas Clark, Member, Long Beach City Council, 4th District.
Steve Kuykendall, California State Assemblyman.
Susan Brooks, Councilwoman, Rancho Palos Verdes.
Steve Eisenhower, Private Citizen.
Roger Rosie, Libertarian Party.
Roger Hughes, Private Citizen.
John Valentine, Private Citizen.
Rodney Guarneri, GOPAC Member.
Ronald Branson, Judicial Misconduct Review.
Jim Kopp, Retired Executive, General Electric Company.
Ruby Pyers, Chairwoman of the Board, Southeast Los Angeles County Private Industry Council.
Herb Peters, Private Citizen.
Patrick Von Mout, Chairman of the Board, National Health Federation.
Kent Gale, Private Citizen.
Bob Weber, Chairman, Libertarian Party of L.A. County.
Ernie Castano, Member, Californians for Disability Rates.
Rod Briggs, Private Citizen.

ALBUQUERQUE, NEW MEXICO—OCTOBER 9, 1995

WITNESSES:

Walter Bradley, Lieutenant Governor, New Mexico.
Stephanie Gonzales, Secretary of State, New Mexico.
Heather Wilson, Secretary, New Mexico Department of Children Youth and Families.
Lawrence Rael, Chief Administrative Officer, Albuquerque, New Mexico.
Barbara Seward, Member, Bernalillo County Commission, New Mexico.
George W. Rhodes, Vice President and Technical Director, Quatro Corporation.
Mary Molina Mescall, Hispanic Roundtable.
Steve Strunk, Chief Administrative Officer, Boatmen's Sunwest, Inc.

OPEN MIC PARTICIPANTS:

Richard Peck, President, University of New Mexico.
James Red, Union Steward, American Federation of Government Employees, Local 4041.
Joe Bowdich, Sheriff, Bernalillo County, New Mexico.
General Mel Montano, New Mexico Adjutant General.
Roberta Cooper Ramo, President, American Bar Association.
Mark Henderson, President, New Mexico Branch of Associated General Contractors.
Ted Hobbs, State Representative, Bernalillo County, New Mexico.
Jay Sorenson, Sierra Club.
Joe Rose, Concord Coalition.
Tony Olmi, President, New Mexico Christian Coalition.
Frank Clinard, Libertarian Party of New Mexico.

CHARLOTTE, NORTH CAROLINA—OCTOBER 20, 1995

WITNESSES:

Richard Vinroot, Mayor, Charlotte, North Carolina.
Wendell White, City Manager, Charlotte, North Carolina.
Bill James, Chairman, Charlotte Privatization/Competition Advisory Committee.
Pat Garrett, President, Charlotte/Mecklenburg Housing Partnership.
Barney Lawson, Owner, Modern Management, Inc., North Carolina.
Christopher Rolfe, Vice President of Organization Effectiveness, Duke Power Company.

OPEN MIC PARTICIPANTS:

Gerald Fox, Mecklenburg County Manager.
Conrad Pogorzelski, Private Citizen.
Mark Seiler, Private Citizen.
Tom Rogers, Concord Coalition Citizen Council, North Carolina.
Leroy Pittman, Small Business Owner, Union County, North Carolina.
Chris Spruyt, Private Citizen.
Frank Gilreath, Private Citizen.
Pat McCrory, Mayor Pro Tempore, Charlotte, North Carolina.
Tom Bailey, Private Citizen.
Cheryl Cottingham, Private Citizen.
Earnest Johnson, Private Citizen.
Elizabeth Bohl, Private Citizen.
Joe Miller, Private Citizen.

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