Initiative Performance Report
Baseline Draft

August, 2008

The purpose of this report is to present the methodology used to evaluate the collective impact of Governor Hunstman's initiative to adjust the business hours of state agencies. The estimates used in this report were gathered as the initiative was implemented, and will be replaced with actual data in six months. A final report will be developed after one year and will contain a summary of impacts as well as a recommendation about whether the change should be made permanent.

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Overview

The theme of Utah Governor Jun Huntsman's administration has been the promise of a new day for government in Utah. His emphasis has been on four key areas: economic development, education, quality of life and governance. In an effort to be innovative and creative in the way government services are rendered, Governor Huntsman announced the Working 4 Utah initiative on June 26, 2008.

The initiative was born as a bold move to address a multiplicity of issues including energy, extended service, employees, and environment. The initiative is intended to extend state government services that are not already available during extended hours and weekends from 7:00 a.m. to 6:00 p.m., Monday through Thursday to better serve the public and increase employee morale, while being environmentally responsible in an era of soaring energy costs.

Modifying the way that the State provides its services provides leadership to other levels and branches of government. A number of other public sector entities are watching to see how Utah's experiment plays out. If successful, it can be expected that the 'multiplier effect' of Utah's leadership will result in positive changes that reach beyond the scope of state government.

Energy: state savings on building operational costs, as well as spreading the load on transportation infrastructure.

Extended Service: improved availability of State services beyond the traditional workday.

Employees: quality of life benefit to existing State employees, as well as an increased ability to recruit new talent.

Environment: reduced energy usage correlates to reduced CO_2 emissions.

Preliminary Economic Analysis

REMI Policy Insight was used to model the dynamic effects of instituting a 4/10 work week for state employees. Preliminary analysis suggests that state employees will save approximately $6 million a year in vehicle operating costs and that the State will save approximately $3 million per year in building operation costs. The result of reallocating $6 million in consumer expenditures on vehicle operation to the purchase of other goods and $3 million in utility consumption to non-residential investment yields an additional $5 million in State Gross Domestic Product.

Modeling the dynamic effects of employee and State savings is only a piece of the economic impact of the policy change. Other components include the opportunity cost of an employee's commute time, the value of environmental impacts, and the value of better customer service. Data gathered in the Working 4 Utah research project will allow us to add these components to the analysis at a later date.

ECONOMIC IMPACT BASED ON CURRENTLY AVAILABLE ESTIMATES:	
Employee savings on vehicle operation	$6,000,000
State savings on utility expenses	$3,000,000
Additional GDP due to reallocated expenditure of savings	$5,000,000
TOTAL	**$14,000,000**

TO BE QUANTIFIED BASED ON BASELINE RESEARCH OUTCOMES:

1. *Verify employee vehicle-related savings*
2. *Verify state savings on building operational costs (utilities, cleaning/maintenance, etc)*
3. *Value of time saved by commuting during non-peak hours*
4. *Value of environmental impacts*
5. *Value of improved customer service*

Working 4 Utah FAQs

Revised: **August 18, 2008**

These FAQ's were previously distributed to all State Agency and Human Resource leaders.

Q: What will be the standard business hours for state offices?

A: Standard business hours for state offices will be 7:00 a.m. – 6:00 p.m. Monday through Thursday. Agency management will have discretion regarding scheduling of staff. However, the State's standard business hours will be 7:00 a.m. – 6:00 p.m. and agencies will be responsible for coverage during these hours.

Q: When will the 4-10 hour shifts and Monday through Thursday schedule go into effect?

A: The 4-10 hour shifts and Monday through Thursday schedule will go into effect for all agencies on August 4, 2008. This program will remain in effect as a one year pilot program until August 2009. At that time, the program will be evaluated and a determination made as to continuing or discontinuing the program.

Q: Will employees have a transition period to manage day care and other personal scheduling issues?

A: Yes. Agency management will have flexibility during the implementation of the compressed workweek to help employees transition to new schedules. This will be individual to each agency as they work to ensure that customer service needs are met.

Q: How will holidays be handled?

A: For this one year pilot, state offices will be open on Columbus Day. All of the other ten holidays, state offices will be closed. Employees who work the four 10-hour shifts, the five 8-hour shifts, or any other work schedules will receive the 10 hours of holiday leave on each of the ten celebrated holidays. Employees who work the four 10-hour shifts will only work 30 hours on weeks where the celebrated holiday falls on a Friday **beginning with July 4, 2009**. Employees that work the five 8-hour shifts will only work 30 hours on any week that includes a holiday **beginning on Labor Day 2008**.

Q: Will state employees work on Veterans Day?

A: State offices will be closed on Veterans Day.

Q: How will the State make the change from 8 hours of holiday pay to 10 hours of holiday pay mid-way through the calendar year?

A: The Department of Human Resource Management rules will be changed effective August 4, 2008 to reflect 10 hours of holiday pay for employees. Prior to August 4, 2008, employees received a maximum of 8 hours of paid leave for each holiday designated as paid holidays. From August 4, 2008 forward, holidays will be paid to employees at a maximum of 10 hours per holiday. For the pilot period of August 4, 2008 to August 2009, employees will receive 10 hours for each of the celebrated holidays.

Q: Lunch and breaks?

A: A lunch period is not legally required. On July 1, 2008, the DHRM rules will no longer require a lunch period. However, managers will have authority to require a minimum 30-minute uncompensated lunch period for their employees. Breaks will remain the same.

Q: Will overtime requirements change?

A: No. The same overtime rules will apply to the 10-hour shifts.

Q: What if an employee is unable to work a 10-hour shift?

A: Employees who are not able to work a 10-hour shift (i.e. Americans with Disabilities Act) may negotiate with their supervisors for alternative shifts providing any necessary documentation to support this need.

Q: Will "on-call" for weekends now include Fridays?

A: This will be at agency discretion based on customer service needs.

Q: Will telecommuting be an option on Fridays?

A: Telecommuting decisions will be at agency discretion based on business and agency needs. During the pilot period, and specifically during the implementation period, there will be flexibility on telecommuting schedules. Agency telecommuting agreement forms must be completed.

Q: Can employees work a flexible schedule outside of the 7:00 a.m. to 6:00 p.m. schedule?

A: Yes. These decisions will be made at the agency level based on business and agency needs. If an employee works a schedule other than 10 hours per day, agency management is encouraged to have the employee sign a work schedule agreement. This form may be obtained from you DHRM field office or it can be found on the employee gateway at www.employeegateway.utah.gov . Click on the "Employment" tab then go to "Forms" and then to "Personal Information Forms".

Q: Will the policy on exercise time change?

A: There will be no changes in the policy regarding the amount of time an employee can use for exercise. Whether or not exercise time is allowed is up to agency discretion.

Q: Will casual Fridays become casual Thursdays?

A: This is up to agency discretion.

Q: Will pay periods and paydays change?

A: No. Pay periods and paydays will remain the same.

Q: Is there a list of childcare providers that offer extended service hours? Where can I get help if I have childcare issues?

A: There is no list of childcare providers that offer extended service hours. This is due to the difficulty of keeping such a list accurate and up-to-date. However, there are resources available to assist those with childcare issues. First, discuss you childcare needs with your current provider **immediately** to determine if the current provider can meet your needs. If your current provider is not able to meet your needs, contact the Department of Workforce Services/Office of Child Care for help in your search for providers to meet your needs. The Office of Child Care can be reached at www.jobs.utah.gov/occ. Their website has a map that lists regional resource and referral offices by county that can assist you in your search for a childcare provider. You may also contact the Office of Child Care by calling (801) 526-4340 or (800) 622-7390.

Q: How will funeral leave be compensated?

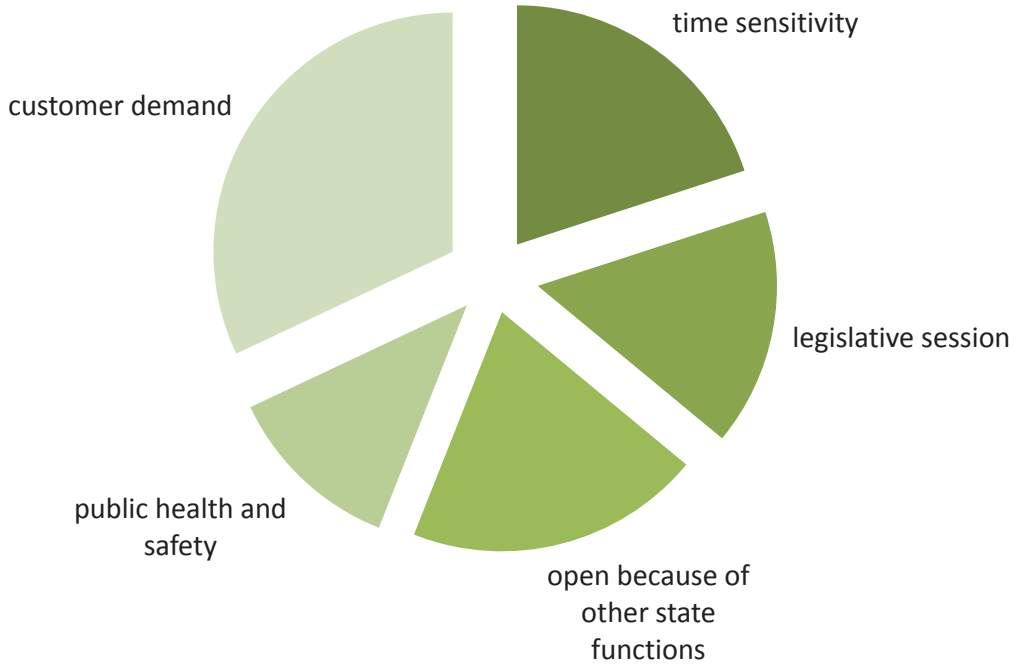
A: DHRM rules will be changed to compensate employees with up to three days of funeral leave based on an employee's "normal work schedule". The maximum number of funeral leave hours allowed will be 30 hours. For example, if an employee's normal work schedule is four 10-hour days, the employee may receive a maximum of 30 hours of funeral leave. If an employee's normal work schedule is five 8-hour days, the employee may receive a maximum of 24 hours of funeral leave.

Implementation Planning

At the outset of the project, it became clear that the change would require a high degree of leadership. Consequently, the Governor's Office asked agencies to develop an implementation plan and communicate their efforts through the following survey.

1. *The scope of this initiative involves modifying the availability of all public services, except for those deemed by the Governor's Office as "essential". Please provide a list of all offices in your department, including those that cannot accommodate the 7:00 a.m. to 6:00 p.m., Monday through Thursday schedule (i.e. Highway Patrol, UDOT snow removal, etc). Please include justification for those offices that can't follow this schedule.*

Requested Exemptions



Innovations by Agencies

The Department of Technology Services will use the current Service Level Agreements that are in place with each agency to monitor the effects of the Governor's initiative.

The Department of Workforce Services has approximately 300 employees who telecommute exclusively. They will also be moving to the new schedule.

All offices and departments within the Utah National Guard implemented a four day work week in 1992.

2. *The cost and benefit impacts of this initiative will be evaluated during its first year. Please identify specific strategies your agency(s) will employ to ensure the highest level of benefits from this change.*

Benefit Strategies

Innovations by Agencies

The Department of Agriculture and Food developed a map of the Wasatch Front showing where each employee lives. This was accomplished to encourage employees to develop a carpool with neighboring workers.

The Alcohol Beverage Control conducted an energy efficiency/awareness campaign with its employees. The central piece of this campaign is department executives leading by example.

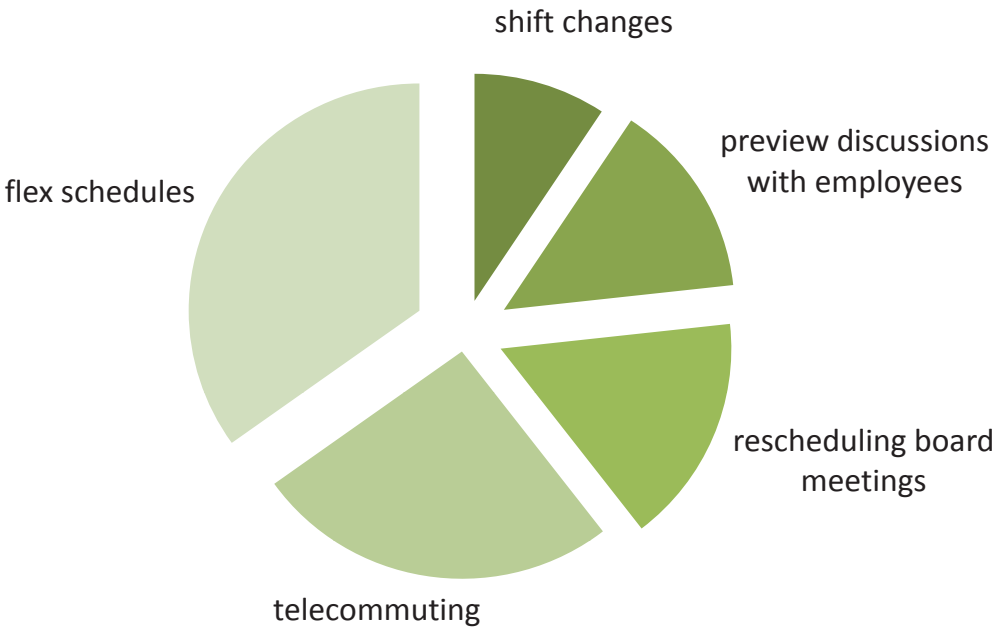
The Department of Human Resources(DHRM) began pointing employees to the Employee Gateway and DHRM's website as locations for up-to-date information regarding HR office hours of operation and contact information.

As a part of the initial implementation, the Division of State Parks and Recreation offered all state employees free entrance to any state park on August 8th (the first Friday that the State was closed).

The Department of Public Safety is developing ways to formally recognize employees that 'go the extra mile'.

3. Please describe the efforts you will be making to mitigate the disruption to your employees.

Employee Accommodations



Innovations by Agencies

In order to reduce employee fatigue, the Division of Corporations and Commercial Code implemented cross-training and rotating 2- and 3-hour shifts for employees who work telephones, answer online chat questions, provide front desk customer service, perform data entry, and process documents.

The Department of Community and Culture scheduled presentations by Healthy Utah for annual Spring and Fall meetings with all employees. Topics included Stress Management, Healthy Eating, etc.

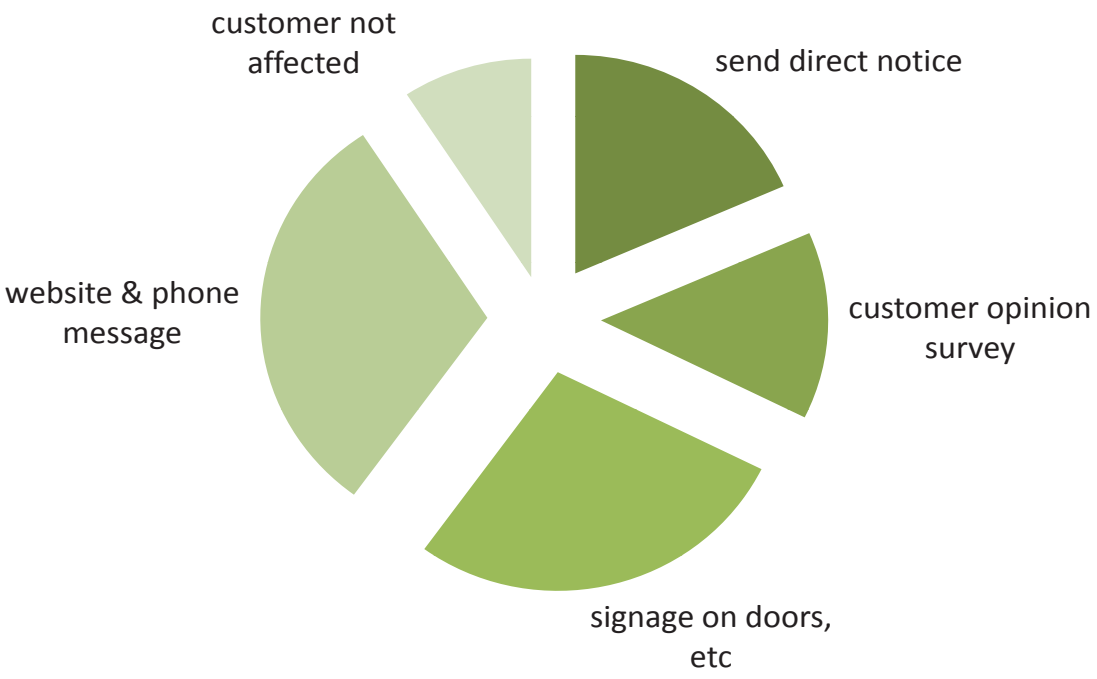
The Department of Human Services re-evaluated their reimbursement policy for UTA passes and employ Eco-passes at locations with the new schedule where the business case warrants.

The Department of Natural Resources formed an implementation committee consisting of employees with varied demographics, work routines and job requirements

The Governor's Office of Planning and Budget intends to conduct three employee opinion surveys during the implementation phase.

4. *The initiative is intended to benefit not only those providing services, but those who receive them. Please explain how you will communicate with and monitor the effect of this initiative on your customers.*

Customer Communication



Innovations by Agencies

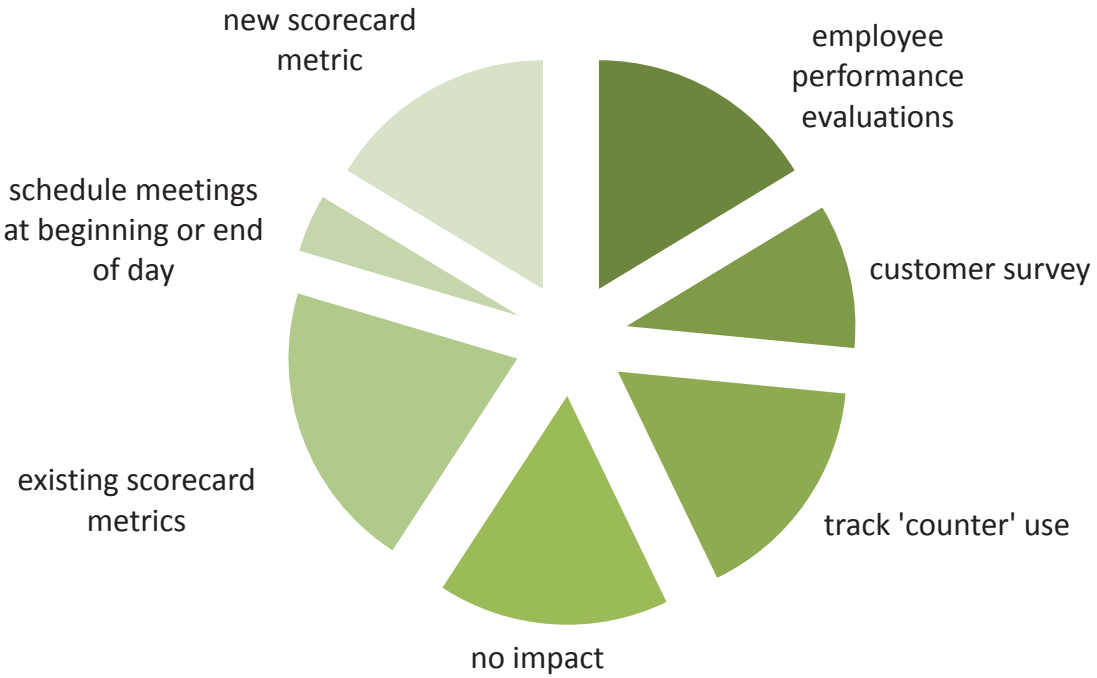
The Governor's Office established a hotline (801-538-1808) and webpage that provides information on the availability of services http://www.utah.gov/governor/offices/extended-hours-service.html .

The Department of Corrections forms notifying probationers and parolees of reporting hours were modified to reflect the new office hours. The Department will take care to inform the public that the initiative will not impact visiting hours at the two state prisons, an area of concern for family members of inmates.

Wildlife Resources' internet site is the most highly utilized site in state government. Division of Wildlife Resources will reverse an e-mail to their database of hundreds of thousands of customers to provide this information.

5. *Any cost savings realized could be mitigated by a reduction in performance. Please explain those efforts you will be making to ensure that you maintain productivity (i.e. new scorecard metrics, etc).*

Maintain Productivity



Innovations by Agencies

The Department of Administrative Services is creating a new scorecard metric that will measure each agency's monthly energy use and compare it to same period in the year prior.

The Commerce Department will be monitoring online adoption rates of services by their customers.

When practical, meetings typically scheduled for the beginning or the end of the day will be scheduled to start either earlier in the morning or later in the afternoon for DHRM and GOPB.

As a fun way to kickoff this new initiative, senior managers in the Department of Natural Resources welcomed employees at 7:00 a.m. with pastries during the first week. Each afternoon of that week, they offered a "seventh hour stretch" sugar-laden refreshment.

The Department of Workforce Services is preparing a return on investment survey that can be used to assess each region's productivity.

Energy Impacts

What is the impact on the State's use of energy?

The strategy to maximize energy conservation involves agency changes in maintenance practices as well as a monitoring of the actual cost savings realized. The following metrics will provide insight on the energy impact of the change:

1) Agency adjustments

To ensure optimal use of building mechanical and lighting systems, state agencies will:

- monitor monthly energy usage
- modify system operating hours as needed to support Working 4 Utah business hours
- target systems to support only the occupied zones in partially used buildings
- renegotiate lease agreements where possible to accommodate Working 4 Utah schedule
- co-locate essential services that need to continue current hours of operation

2) Energy usage & cost savings measurement

EPA's Portfolio Manager is the tool we are using to benchmark energy usage and energy performance in state owned buildings. Portfolio Manager provides a secure environment for centralized and decentralized organizations to share energy information and DFCM will have access to each of the agencies' energy data. The energy baseline year is FY07 which runs from July 06 through June 07.

Each state agency that pays utility bills is required to have all energy consumption and cost data entered including the baseline year and energy data through June 2008 by the end of September 2008. The agencies will be required to enter the energy data into EPA's Portfolio Manager on a monthly basis.

Initial Baseline Results

We are currently working with the state agencies in entering the data into Portfolio Manager. Each agency has been trained on this tool and several have already completed the initial data entry. However, we have some issues to overcome with a few facilities, and then we need to verify and correct any deficiencies with the data.

Extended Service Impacts

How does the public view the initiative? Does it create a positive impact on them?

The general impact on the public is difficult to quantify because of the different ways that the public interfaces with state government. The following metrics will provide insight on the public's opinion of the change:

1) Agency –specific monitoring of customer opinion

Agencies currently utilize the balanced scorecard to monitor their performance. Many of them are making the following changes:

- measure the 'counter-use' by time-of-day
- modify existing customer service surveys
- improve monitoring of the utilization rate of online services
- monitor wait-times (i.e. DMV)

2) Track the type of concerns expressed to the Governor

The Governor's Office of Constituent Affairs will monitor the number of contacts that are made on the issue of the Working 4 Utah initiative. They will track these contacts by issue.

3) Public opinion survey

A formal public opinion survey will not be conducted as part of the baseline because information on actual experiences is more valuable than opinion on a proposal. The State might conduct a survey at the end of the one-year implementation period if feedback from the other metrics shows something unexpected.

Initial Baseline Results

Public opinion seems to be generally positive. Media attention has been widespread and informed. A number of other states, counties, and cities have contacted the State looking for advice on how to implement a similar initiative.

Employee Impacts

How is the initiative received by current employees?
How does it affect future/potential employees?

The impact on people currently employed by the State is the highest concern because it is clear that the impact on some will be significant. There are two sources of data that will help decision-makers understand the impact on employees:

1) **System data:** The Department of Human Resources intends to gather data from our existing Human Resource Information System (HRIS) to track turnover rates, recruitment acceptance/rejection rates, and the use of leave. They have historical data for each of the measures with which we can compare any changes that occur with the new compressed 4/10 work schedule.

2) **Survey data:** Other information will be gathered using employee surveys. A baseline employee survey was sent out to all employees once they were notified of the change in work schedules, but before the 4/10 work schedules actually started. At least two follow up surveys will be conducted, one a few months into the 4/10s schedule, and another at the end of the pilot. Surveys will be sent to all executive branch employees to gather information on their attitudes toward the 4/10s as well as the impact of the 4/10s on various aspects of their personal life.

Initial Baseline Results

The initial survey that was conducted in July, 2008 demonstrated a positive opinion of a significant majority of current employees.

Employee Work Preference

Initial baseline survey results indicate that in general about 60% prefer the 4/10s schedule, 20% of state employees would prefer a 5/8s schedule, and 20% are neutral. Approximately 40% indicated that the new schedule would have a positive impact on activities outside of work.

Commuting

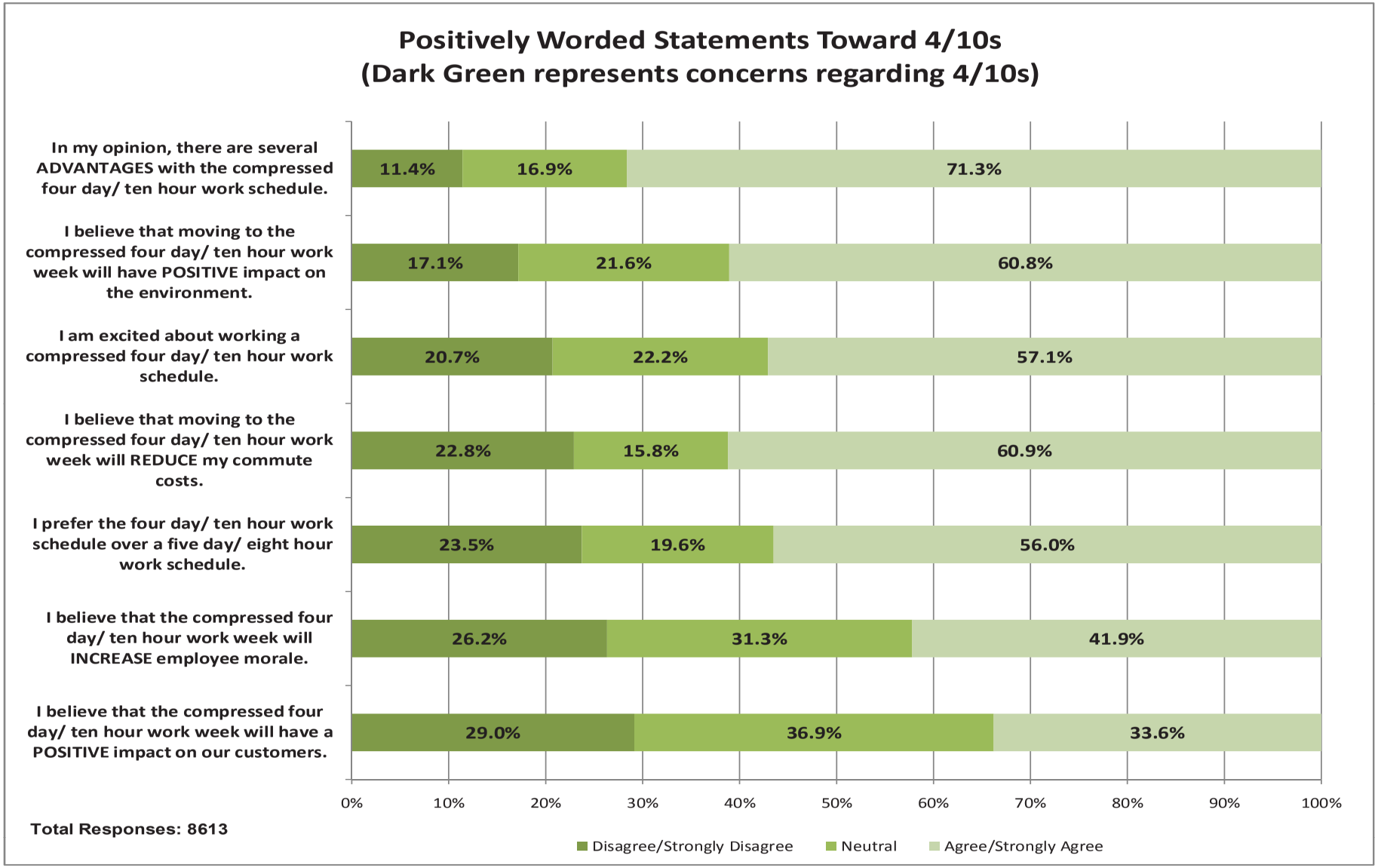
For employees, one anticipated result of shifting to the 4/10s schedule is a decrease in costs related to commuting. The baseline survey results indicate that a majority of employees (61%) believe that the 4/10s schedule will reduce commute costs.

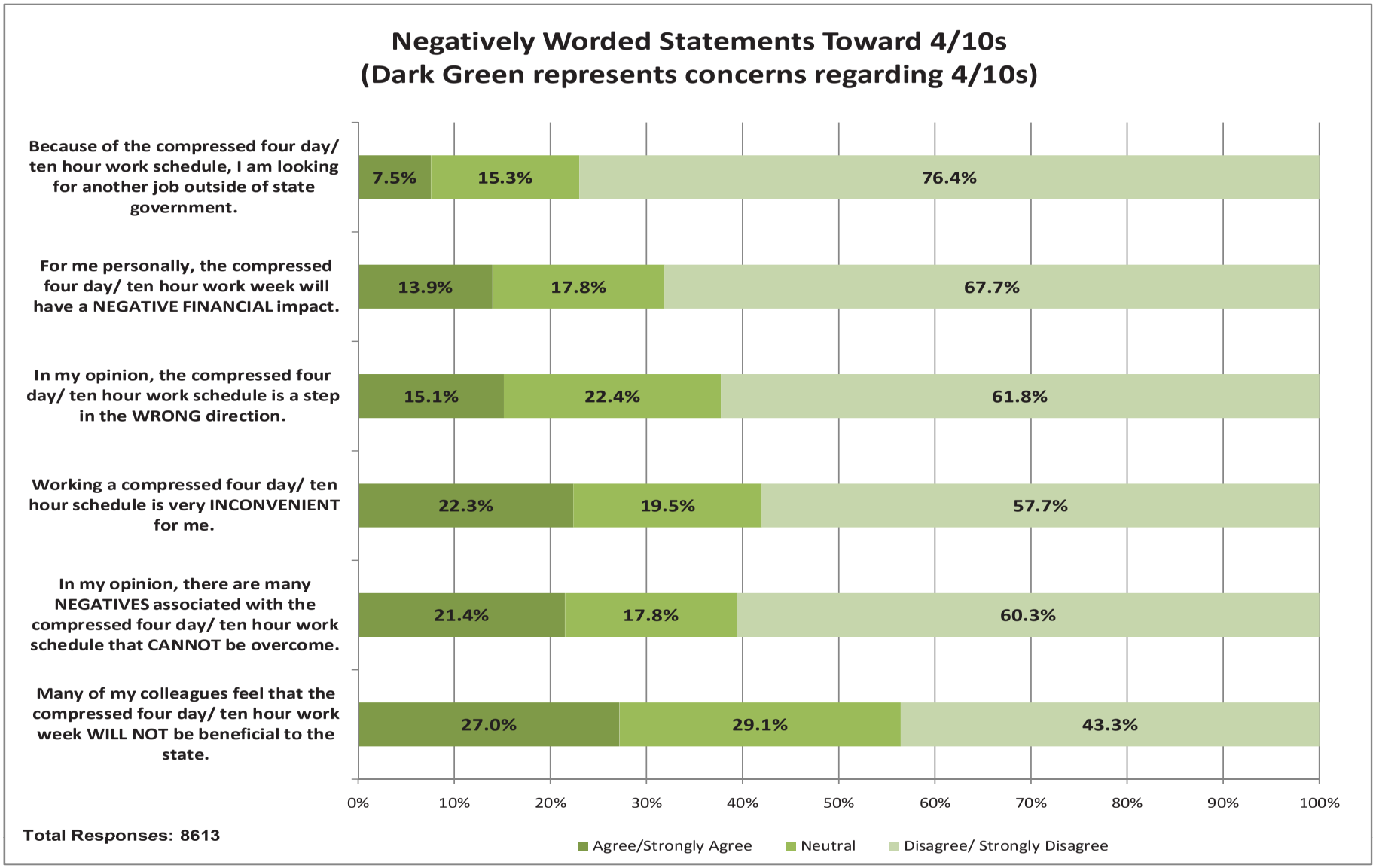
Employee Issues

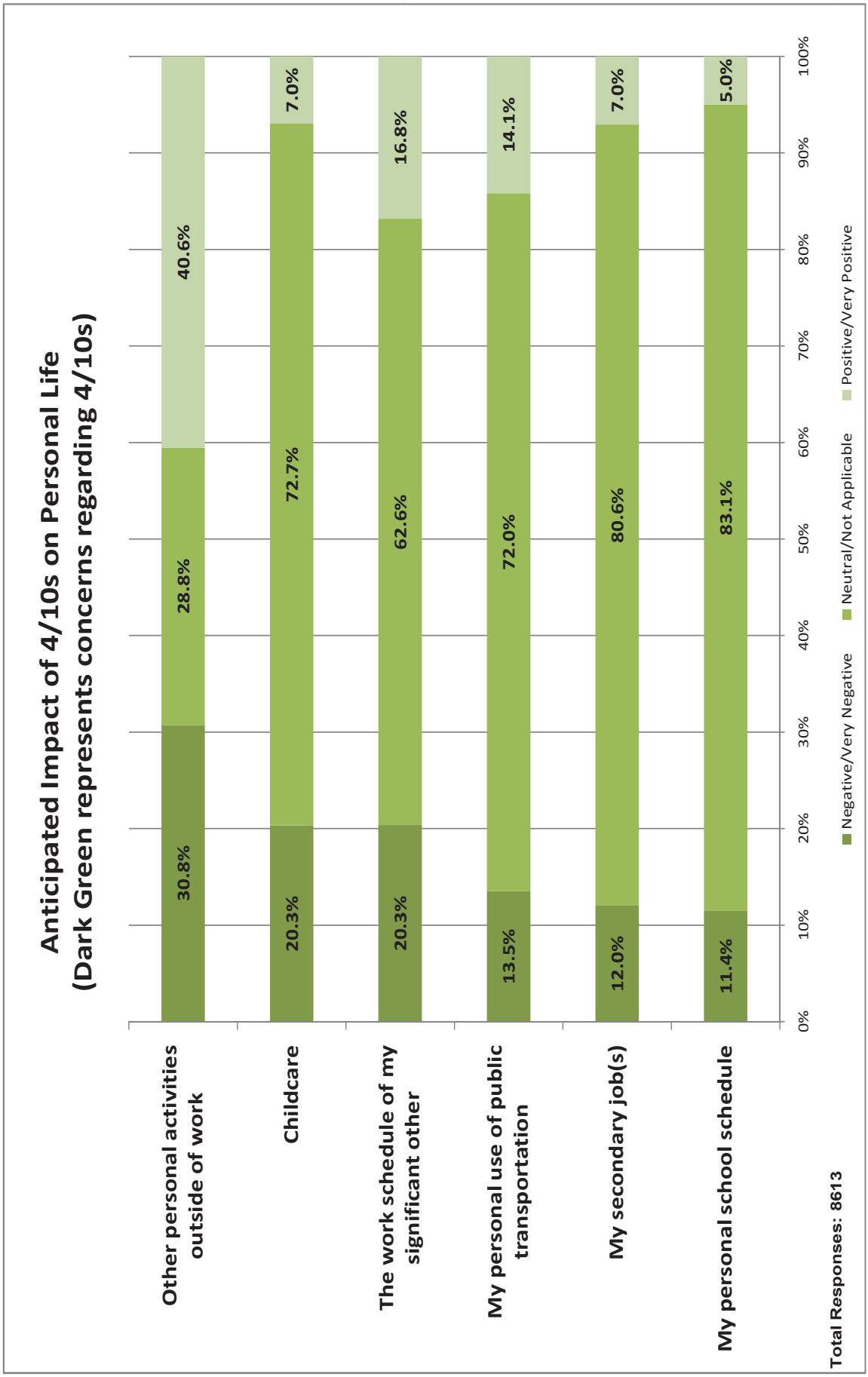
The negative impact of the 4/10s schedule would appear to involve the lack of services available to employees who will be working earlier and later in the day. In the baseline employee survey, 20.3% of the respondents indicated the new schedule will have a negative impact on childcare, 13.5% indicated a negative impact on the use of public transportation, and 11.4% indicated a negative impact on school schedules.

Organizational impacts

Agencies are anticipating a slight increase in the number of employees terminating their employment initially. However, they are also anticipating an increase in applications on the recruitment side. Each of these will be measured and compared with data from previous years. Agencies also intend to closely watch the use of leave time, and anticipate that the extra day off during the week will decrease the need for employees to use their leave.


Positively Worded Statements Toward 4/10s
(Dark Green represents concerns regarding 4/10s)
In my opinion, there are several ADVANTAGES with the compressed four day/ ten hour work schedule.
11.4%
16.9%
71.3%
I believe that moving to the compressed four day/ ten hour work week will have POSITIVE impact on the environment.
17.1%
21.6%
60.8%
I am excited about working a compressed four day/ ten hour work schedule.
20.7%
22.2%
57.1%
I believe that moving to the compressed four day/ ten hour work week will REDUCE my commute costs.
22.8%
15.8%
60.9%
I prefer the four day/ ten hour work schedule over a five day/ eight hour work schedule.
23.5%
19.6%
56.0%
I believe that the compressed four day/ ten hour work week will INCREASE employee morale.
26.2%
31.3%
41.9%
I believe that the compressed four day/ ten hour work week will have a POSITIVE impact on our customers.
29.0%
36.9%
33.6%
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%
Total Responses: 8613
Disagree/Strongly Disagree
Neutral
Agree/Strongly Agree


Negatively Worded Statements Toward 4/10s
(Dark Green represents concerns regarding 4/10s)
Because of the compressed four day/ ten hour work schedule, I am looking for another job outside of state government.
7.5%
15.3%
76.4%
For me personally, the compressed four day/ ten hour work week will have a NEGATIVE FINANCIAL impact.
13.9%
17.8%
67.7%
In my opinion, the compressed four day/ ten hour work schedule is a step in the WRONG direction.
15.1%
22.4%
61.8%
Working a compressed four day/ ten hour schedule is very INCONVENIENT for me.
22.3%
19.5%
57.7%
In my opinion, there are many NEGATIVES associated with the compressed four day/ ten hour work schedule that CANNOT be overcome.
21.4%
17.8%
60.3%
Many of my colleagues feel that the compressed four day/ ten hour work week WILL NOT be beneficial to the state.
27.0%
29.1%
43.3%
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%
Total Responses: 8613
Agree/Strongly Agree
Neutral
Disagree/ Strongly Disagree


Anticipated Impact of 4/10s on Personal Life
(Dark Green represents concerns regarding 4/10s)
Other personal activities outside of work
30.8%
28.8%
40.6%
Childcare
20.3%
72.7%
7.0%
The work schedule of my significant other
20.3%
62.6%
16.8%
My personal use of public transportation
13.5%
72.0%
14.1%
My secondary job(s)
12.0%
80.6%
7.0%
My personal school schedule
11.4%
83.1%
5.0%
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%
Negative/Very Negative
Neutral/Not Applicable
Positive/Very Positive
Total Responses: 8613

Environmental Impacts

What is the estimated environmental impact?

The principal environmental benefits associated with the Working 4 Utah initiative are reductions in greenhouse gas and air pollution emissions that stem from avoided fuel combustion for State buildings and employee vehicles. The methodology used for this analysis includes the following:

1) Greenhouse gas emmissions

For State buildings, DFCM estimated anticipated building energy savings by evaluating historical energy consumption data for six State buildings. Electricity savings (in kWh) and natural gas savings (in therms) were then converted to CO2 emissions reductions using U.S. EPA Emissions & Generation Resource Integrated Database (eGRID) state level electricity emissions factors and data from the U.S. Department of Energy, Energy Information Administration (EIA). CO2 emissions reductions associated with both energy sources were then summed to estimate total annual building greenhouse gas emissions reductions.

For employee vehicles, DHRM conducted a survey of state employees that work in the six State buildings noted above. The survey collected information on daily commute distance, vehicle fuel economy, and related commuting practices. These data were used to estimate annual fuel savings in gallons which were then converted to metric tons CO2E using a carbon coefficient from U.S. EPA (http://www.epa.gov/cleanenergy/energy-resources/refs.html).

Estimates of avoided emissions from State buildings and employee vehicles were then summed to provide total estimated annual CO2 emissions reductions associated with the six building sample.

2) Air pollution emissions

Estimates of air pollution emissions reductions associated with building and vehicle fuel savings are difficult to reliably estimate due to the complex interaction of the numerous fuels, equipment specifications, and other factors involved. However, it is generally accepted that reductions in fossil fuel combustion will lead to lower air pollution emissions. The State of Utah will work throughout the pilot program to develop a methodology to quantify the effects of the Working 4 Utah program on non-greenhouse gas air emissions.

Initial Baseline Results

Data on the environmental impacts of this initiative will be available in future versions of this report.

Secondary Impacts

As the initiative was developed, a number of issues came to light. These issues were significant to some, but not to all. As part of the implementation process, the Governor called for innovation to mitigate their impacts. Most of these issues were not analyzed as part of this report, but are provided for those considering a similar initiative.

Comprehensive list of buildings. In a number of cases, closing buildings entails a revision to existing cleaning and maintenance contracts. This process could not begin until a detailed list of affected buildings could be generated. This list was also needed for state mail services and to better estimate utility savings.

Legal definition of "business day". The legal definition of a business day can affect program performance and customer service issues. For example, an application filed on a Saturday, Sunday, or holiday would be effective the "next business day". If Friday is formally declared as a non-business day, applications and verifications received that day would follow the same protocol. This is necessary in order to track timeliness performance outcomes for a number of the programs. Without a declaration, and Friday is considered a regular business day, and the State's ability to meet certain required federal performance standards would be compromised.

Existing carpooling arrangements. Most of Utah's administrative functions are located in the Salt Lake City area. Employees that carpool with non-state commuters were often forced to find alternatives.

Retail operations. There are a few retail functions (Capitol Gift Shop, cafeterias, DNR bookstore, etc) that need to remain open on Fridays.

Administrative systems and rules. Changes in one rule lead to changes in other rules. The net effect was a consolidation and simplification of some existing rules, as well as a few new ones that needed to be developed.

Accounting for employee holiday pay. One of the goals of the initiative was to be a net benefit to state employees. However, holiday pay has traditionally been budgeted for only eight hours. Without a change, employees would have to use two hours of their annual leave for legal holidays. The State explored the idea of having state employees work some holidays they have traditionally had off of work.

Transit operations. Transit services are not provided directly by state government. The Utah Transit Authority was advised that the change would take effect in August, but their bi-annual 'change day' was aligned with university schedules. This presented a short-term problem for commuter bus and train riders.

Note that this list will be amended with the lessons are learned over the course of the one-year implementation period.