

June 3, 2009

An Overview of Government Reorganizations

L E G I S L A T I V E A N A L Y S T ' S O F F I C E

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Budget Conference Committee



Recent History of Reorganizations

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- A Number of Consolidations and Eliminations Over the Past Decade**
 - Creation of the California Department of Corrections and Rehabilitation.
 - Creation of the Office of Chief Information Officer.
 - Creation of the California Emergency Management Agency.
 - Elimination of the Technology, Trade, and Commerce Agency.
 - Elimination of many task forces and commissions.

- Other Entities Instead Have Been Split Apart or Created**
 - Split of the Departments of Public Health and Health Care Services.
 - Creation of the Labor and Workforce Development Agency.

Criteria for Considering the Merits of a Reorganization Proposal

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- Effectiveness.** Would the reorganization make the programs more effective? Would the public receive better services as a result of the reorganization?
- Accountability.** In the current and the new structures, who is responsible for the program's outcomes? Is the new structure likely to improve program accountability to the public?
- Efficiency.** Would the reorganization improve the use of limited resources? Are there reasons to believe that the programs can be administered more efficiently? Do existing programs exhibit duplication of effort or lack of coordination?
- Other Options.** What is the problem that is being addressed? Is a reorganization the best approach to solve that problem? Could improved leadership, changes in policy, better coordination between departments, or other solutions provide a better result?
- Implementation.** Do the expected long-term benefits outweigh the short-term costs and disruptions from the implementation of the reorganization? Will the public experience a disruption in services? Does the implementation need to occur now, or can it be phased in over time?

Implementation Issues

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- May Revision Assumes \$50 Million in General Fund Savings**
 - Proposed Control Section 13.25 would allow the administration to reflect any adopted changes in the budget act.
 - Savings from some reorganizations may be small or nonexistent, while others could even cost money in the short term.

- Details Matter**
 - Some reorganizations take significant amounts of time to implement.
 - There are often practical issues, such as relocating offices and integrating data and budget systems.

- A Variety of Methods Have Been Used for Reorganizations**
 - Formal Governor's Reorganization Plan process—public comment through Little Hoover Commission with an up or down vote by the Legislature.
 - Normal legislative bill process.
 - Trailer bill language.