



STATE OF INDIANA

Michael R. Pence
Governor

OFFICE OF MANAGEMENT & BUDGET

212 State House
Indianapolis, Indiana 46204-2796
317-232-5610

Christopher D. Atkins
Director

Brian E. Bailey
Budget Director

MEMORANDUM

TO: All Agency Heads and CFO/Controllers

FROM: Chris Atkins, OMB Director
Brian Bailey, Budget Director

RE: Update on Cost Saving Measures

DATE: September 30, 2013

With your help, we ended FY13 in a very strong fiscal position. We not only paid off several hundred million dollars of debt, but we also closed the year with nearly \$2 billion in combined General Fund balances (or roughly 13.1% of our FY14 General Fund appropriations). The Governor has made it clear that we should maintain this \$2 billion General Fund balance in order to maintain the state's critical services in the event of future economic and revenue decline.

In order to maintain our strong fiscal position during FY14, it is essential that our annual surplus (FY14 revenues minus FY14 expenses) be at least \$150 million. Through the first quarter of FY14, revenues have lagged behind the same period in FY13, falling well short of the growth expected in the April revenue forecast. As such, it becomes even more critical that state agencies meet or exceed their FY14 reversion target of 3% so that the state maintains an annual surplus of \$150 million.

To help agencies meet their reversion targets, the Office of Management and Budget (OMB) and the State Budget Agency (SBA) have issued the following policies:

1. Funding – When possible, agencies should spend dedicated and federal funds first in order to maximize General Fund reversions.
2. Media/Advertising – Agencies should minimize media and advertising expenses to the greatest extent possible. Spending on media and advertising requires prior approval from the OMB Communications committee (OMBCommunications@omb.in.gov). Agencies should not:
 - a. Pay for news clips services,
 - b. Pay for any listserv tool,
 - c. Pay for any promotional items, or
 - d. Pay for any sponsorships.

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3. Associations/Memberships – Agencies/divisions should belong to no more than one association or organization. For instance, the State Budget Agency is permitted to be a member of the National Association of State Budget Officers (NASBO), but may not pay memberships or dues to any other associations.
 4. Mail – Agencies should not mail information to each other. Information can be sent through email or interoffice mail at no charge.
 5. Printing – Agencies should strive to reduce printing where possible. This includes but is not limited to the following:
 - a. If paper copies are required, print double-sided.
 - b. Color copies should only be used when absolutely necessary and not for internal meetings.
 - c. Paper publications should be eliminated wherever possible. Annual reports and other information can be posted to agencies' websites and/or distributed electronically in most instances.
 6. Publications and Reports – Agencies should weigh the benefits of publications against the time and energy required to create them. Publications not required by statute should be carefully evaluated.
 7. Subscriptions – Agencies should analyze their subscriptions to periodicals and journals and reduce or eliminate the number of subscriptions wherever possible. An agency should have no more than one subscription for the same periodical. For example, the State Budget Agency receives one copy of the Wall Street Journal, and it is shared by multiple employees.
 8. Meeting Space – Agencies should minimize their costs for internal and external meetings including agency hosted trainings and conferences. This includes:
 - a. Agencies should not pay for meeting spaces. Agencies should utilize existing meeting space in the government center as well as at state facilities. For instance, the Department of Natural Resources can host off-site meetings at locations such as the Fort Harrison State Park Inn.
 - b. Agencies should utilize web videoconferencing and webinar tools when available and appropriate for meetings and agency hosted training.
 9. Office Space – Agencies should minimize their costs for office space and help other agencies to do the same. This includes:
 - a. Consolidation of space within the government center so that more agencies can get out of leased space and into the government center, and
 - b. Consolidation of satellite locations (e.g., branches, county offices, parks, prisons, hospitals) when feasible in order to eliminate lease costs, utility costs, etc.
 10. Travel – Agencies should limit travel expenses by:
 - a. Car Pooling – State employees should make reasonable efforts to car pool when state travel is deemed essential. The Department of Administration can assist

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- agencies with daily rental vehicles using the state's contract with Enterprise Rent-A-Car.
- b. Conferences – Agencies should minimize the number of state employees being sent to conferences and training seminars. In most cases, one or two employees can bring the relevant information back to other state employees who do not attend the conference. Agencies should maximize opportunities to use the “train the trainer” model in order to avoid the costs of sending multiple employees to the same conference or seminar.
 - c. Overnights – Overnight stays should be utilized on a limited basis primarily for out of state travel deemed essential. In-state travel should rarely require an overnight stay.
 - d. Alternatives to travel such as teleconferences and webinars should be considered in all cases.
11. Information Technology – Agencies should carefully review their expenditures in the following areas:
- a. Cellular Phones and Smart Phones – Agencies may only provide these devices to executive-level (e.g., EXBB) employees and field staff.
 - b. Telephone Lines and Seat Charges – Review your IOT bill to ensure that your agency is only paying for telephone lines and computers currently being used.
12. Furniture – Agencies should eliminate furniture purchases. The Department of Administration can assist agencies with recycling used furniture through the State Surplus program.
13. Offender Labor – Agencies should work with the Department of Correction to identify opportunities to utilize offender labor (e.g., mowing, painting).
14. Overtime – Agencies should carefully monitor overtime expenses, especially where employees are working considerably more than 37.5 hours per week. Agencies should explore opportunities to eliminate or reduce overtime costs as much as possible.
15. Vehicle Purchases – Vehicle purchases should be made only in accordance with the Department of Administration's Vehicle Fleet Management Policy. Agencies may not purchase SUVs.
16. Salary Increases – Unless an employee is being promoted or assigned additional duties, salary increases should only be provided through the annual pay for performance review process.
17. Strategic Hiring Committee – All personnel actions (e.g., filling of positions, creation of positions, reclassifications, reorganizations) require review by Strategic Hiring Committee. No job offer or salary may be extended to any candidate until the SHC has reviewed and approved the request.

18. Health and Wellness Programs – Agencies should actively encourage employees to participate in Health and Wellness Programs (Healthy Lifestyles and Castlight) offered by the State Personnel Department. More information is available on SPD’s website or at investinyourhealthindiana.com.
19. Refreshment and Meal Expenses – The following list contains examples of circumstances where the purchase of simple refreshments or light meals by agencies is not appropriate. This is not an exhaustive list:
- a. Office refreshments
 - b. On-campus meetings at which only state employees are present
 - c. Birthday, holiday, going-away, and/or retirement parties

Exceptions to any of these policies will only be considered by OMB and SBA for agencies that are exceeding their reversion target.

This list should not be taken as an exhaustive list of cost savings measures. As always, agencies should conserve all tax dollars as if expense was coming out of their own pocket. After all, we are all taxpayers!

Finally, we welcome all suggestions that you or your staff may have for additional cost saving initiatives. In addition to your regular channels of communication with OMB, please pass along the OMB Suggestion Box to agency staff to share ideas with us. The Suggestion Box can be accessed at www.in.gov/OMB or email directly at feedback@omb.in.gov.