

From: Soura, Christian
To: Wilkins, Sam <Swilkins@ohr.sc.gov>
Date: 12/12/2013 4:19:33 PM
Subject: RE: Proviso

I tweaked it a bit, but it's largely the same language. As I noted during the talk, I think it's important for readers to appreciate the difference between centralization (bringing folks into the Budget and Control Board) and consolidation (which could be sibling agencies supporting each other, instead of the central office supporting program agencies). I didn't make any edits along those lines below, but the proviso's explicit references to centralizing functions into the BCB serve as an important limitation on what this report can ultimately find and recommend. Entirely up to you as to how/whether that observation should be reflected.

Also, I think the below text started moving towards another important point at the very end, which is that these projects are far more likely to be successful if the affected agencies have a seat at the table and there's an opportunity to negotiate terms and service levels for the new structure. That flexibility is important. Thanks.

CLS

The Board also met with Christian Soura, Deputy Chief of Staff of Budget and Policy at the South Carolina Governor's Office. Mr. Soura was involved several projects in Pennsylvania state government that involved consolidating administrative staff. According to Mr. Soura, Pennsylvania found that consolidation of administrative staff led to improved conformity and reduced legal risks and compliance issues, however the state only recognized significant cost savings when projects met certain criteria.

For instance, Mr. Soura explained that it was difficult to consolidate administrative functions in small agencies with disparate missions because many employees only do a small percentage of administrative work among their agency specific job duties. He noted that consolidations typically generated greater cost savings when they affected employees who were fully dedicated to a single type of work or when the consolidation enabled a change in business practices that allowed the state to achieve greater economies.

In his experience, when administrative staff could be consolidated at one location, consolidation was easier to implement and more advantageous to the entities. Mr. Soura explained that agencies could centralize certain functions based on the physical locale of their agency. For example, agencies inhabiting the same building could share copier leases, building maintenance and some information technology services, such as the location of servers. Agencies could work together to centralize functions that they find beneficial.

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From: Wilkins, Sam
Sent: Thursday, December 12, 2013 11:48 AM
To: Soura, Christian
Subject: Proviso

Christian,
The group that is looking at the proviso concerning the possible consolidation of administrative functions is drafting

their report to submit to the General Assembly. Below is some language that is in the draft concerning your discussion with the group. Would you review the language and let me know if you have any changes to this draft?

Thanks.

Sam

The Board also met with Christian Soura, Deputy Chief of Staff of Budget and Policy at the South Carolina Governor's Office. Mr. Soura was involved in the project of consolidating administrative staff within Pennsylvania state government. According to Mr. Soura, Pennsylvania found that consolidation of administrative staff led to improved conformity and reduced legal risks and compliance issues; however the state did not see significant cost savings in consolidation. Mr. Soura explained that it was difficult to consolidate administrative functions in small agencies because many employees only do a small percentage of administrative work among their agency specific job duties. His experience with successful consolidation was more with locations than with size. When administrative staff could be consolidated at one location, consolidation was easier to implement and more advantageous to the entities.

Mr. Soura explained that agencies could centralize certain functions based on the physical locale of their agency. For example, agencies that share a building could centralize copier leases, building maintenance and some information technology services, such as the location of servers. Agencies could work together to centralize functions that they find beneficial.

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