

Initiative Performance Report Interim Draft

February, 2009



The Working 4 Utah **baseline report** presented a methodology that would help the state evaluate the collective impact of Governor Huntsman's initiative to adjust the business hours of most state agencies.

The purpose of the **interim report** is to provide early data on the initiative's impact to date. Available data is presented in the form of a performance metric.

The initiative is being implemented as a one-year pilot study. A **final report** will be developed at that time (after August 2009), and will contain a summary of impacts as well as a recommendation about whether the change should be made permanent.

For more information, please contact:

or

Mike Hansen
Utah Governor's Office of
Planning and Budget
801-538-1556
mhansen1@utah.gov

l .

Utah Department of Human Resources 801-538-3377 jnagle@utah.gov

Jamie Nagle

Overview

In August 2008, Utah Governor Jon Huntsman launched the Working 4 Utah initiative. This initiative was 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. The purpose of the initiative was to make a positive impact in the areas of energy consumption, extended customer service, employee recruitment and retention, and reducing the environmental impact of state government operations. The initiative was implemented via Governor's Executive Order (#2008-0006).

As the initiative was launched, a baseline report was compiled. The role of that report was to outline where the State was, and what success might look like at the end of the one-year pilot. That report was posted on the Governor's website, and it drew a great deal of attention from other states and local governments that were interested in the methodology Utah was following.

The purpose of this report is to show early indicators and lessons learned. The initiative's implementation strategy involves making adjustments along the way. It is hoped that this report might be more useful to the State because it could offer ideas for ways to proactively address 'hotspots' and emerging issues.

One of the most apparent lessons learned thus far is that there are a multitude of other drivers that make it difficult to isolate the effects of the initiative. For example, a softening economy affects public sector recruitment, the opening of Legacy Highway will affect commuting patterns, and unusually mild weather in November will reduce the amount of natural gas consumed. Nevertheless, data on the early indicators outlined in the baseline report is generally positive.

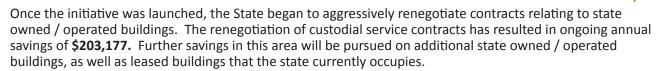
The impact of this initiative can only be measured in the context of its full effects.

INTENDED BENEFITS & SUMMARY of EARLY INDICATORS \$203,177 reduction in custodial service contracts **Energy:** state savings on building this year. operational costs, as well as spreading Early energy usage data indicates that ½ of the the load on transportation infrastructure. buildings in the study are achieving 10%-20%+ energy usage reductions. **Extended Service:** maintaining Agency customer service survey results are productivity while improving availability similar to periods prior to the initiative. of State services beyond the traditional Utilization of Utah.gov web services continues to workday. increase. Employee attitudes are more positive toward the **Employees:** quality of life benefit to 4/10 schedule. existing State employees, as well as an increased ability to recruit new talent. Employees are at work more and using leave time less frequently. (Absenteeism is down) Estimated reduction of 12,652 metric tons of greenhouse emissions produced annually. **Environment:** reduced energy usage correlates to reduced CO2 emissions. Estimated reduction of 744,000 gallons of gasoline consumed annually.

Energy Impacts

What is the impact on the State's Operational costs?

 \rightarrow \$203,177 ongoing annual cost savings in custodial service contracts



What is the impact on the State's Energy costs?

- → Energy usage is being closely tracked in 101 state buildings, where 80%-90% of state employees impacted by the initiative are located.
- → Early energy usage data from utility bill analysis indicate that ½ of the buildings are achieving 10%-20%+ energy usage reductions while ½ of the buildings are showing less than 10% energy usage reductions. These figures reflect both buildings completely and partially closed on Fridays.

The overriding, long term state energy goal is to increase energy efficiency by 20% in each one of our buildings; the compressed work week is part of this goal.

The baseline report discussed the idea of measuring energy consumption by the total number of facilities. Initially, the various agencies in the state identified approximately 900 buildings and structures that would be closed partially or completely on Fridays beginning August 4, 2008. After examining each of these, it became clear that the majority of impact would be found in 101 of the buildings. The 101 buildings identified house 80-90% of the state employees that moved to a Friday-off schedule due to the initiative.

The remaining buildings were excluded because:

- they will realize a minimal impact,
- they are leased or free building space is being provided to the State,
- they are used seasonally, or
- they were closed on Friday prior to the initiative. (example: Utah National Guard - 242 facilities)

The strategy to reduce energy usage involves new core working hours for agencies, associated building systems scheduling changes, and increased involvement of each agency in monitoring their energy usage and assisting with energy conservation efforts.

It is important to note that the building system on-times did not increase Monday through Thursday. In some cases, the Monday through Thursday building system on-times have actually been reduced by matching their operation with the new core working hours established by the Governor. Building systems are now completely shutdown on Friday or cycle to an unoccupied mode with reduced inside temperature requirements. On Fridays, only emergency lighting remains on.

A robust measurement and verification plan is needed to document building energy usage reductions. Utility bill analysis alone is not sufficient to accurately determine savings; a closer analysis is required for each building and should be done on an annual basis.

In addition to the measurement and verification plan, the state uses the EPA's ENERGY STAR Portfolio Manager tool to compile, track and normalize building energy usage. The Portfolio Manager tool accounts for building characteristics such as size, location, occupancy levels, occupancy schedules, number of computers

"I love the 4/10 work week. For me, it is a bonus of four hours a week that I don't have to waste commuting. Having an extra day at home to get things done is an even bigger bonus. Being home on Fridays gives me that day I need to fit into my kid's carpools to school (and everywhere else), doctor and dentist appointments, and that quick errand that never seems to get done in the evenings when everyone else needs my attention."

employee comment Housing & Community Development and compares the building relative to similar buildings nationwide. Portfolio Manager also provides weather-normalization, which is an automated process that mathematically adjusts actual energy data so that it represents energy typically used in an average year for the same location. This accounts for weather differences from year to year that may result in abnormally high of low energy consumption. Portfolio Manager requires annual energy data (at least 11 consecutive months of energy data) to calculate weather-normalized data.



Actual annual cost savings will be provided when the energy usage can be normalized and verified at the end of the initiative's trial year.

The following metrics will provide insight on the energy impact of the compressed workweek.

Leading Indicators and Lessons Learned

1) Building operational adjustments

Actual savings from adjusting business hours will only be realized if its mechanical/lighting systems are also adjusted. Building control systems that automatically shut-down lighting and heating/cooling systems are critically important in this; several older buildings need upgraded control systems installed. Several buildings have sensitive areas such as computer rooms and other equipment rooms that have minimum/maximum temperature criteria, or there are areas where one or a small number of employees work on Fridays, each of these issues need to be addressed with relocation of employees or installing individual units in these sensitive areas so the larger building systems can be shut down. Installing new technology in state buildings will take time.

A number of buildings are not separately metered and tracking their energy usage is challenging: new meters need to be installed so that energy usage can be tracked; then the individual building management team can be accountable for the usage.

Employees still access the 101 buildings from time to time on Fridays and manually turn on lights; this issue needs to be addressed.

<u>Energy savings in state buildings is a work in progress, the potential for significantly higher monthly energy savings remains as adjustments continue to be made.</u>

"In our informal survey, the majority of the public seem to prefer these hours and our numbers are higher between the hours of 7-8 and 5-6 than they were on Fridays."

- Bear River Local Health Dept

2) Energy usage reduction

Utility bills were the main source of data used to identify electric and gas unit usage. Utility billing cycles vary, and the electronic data from these bills lags actual consumption by almost two months. Therefore, this analysis only consists of data from the first cycle where the billing period began after the compressed work week started.

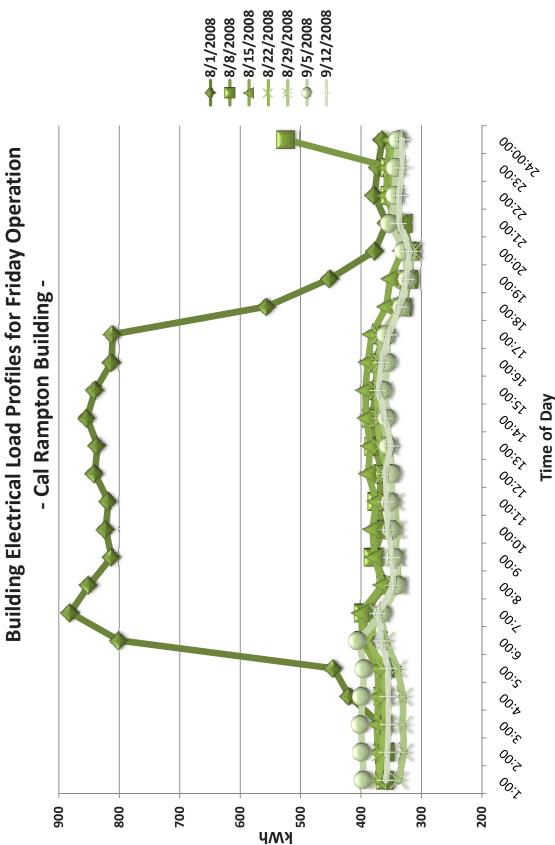
To approximate actual monthly energy usage reductions, 2008 energy consumption (kWh/Decatherm usage) was compared to same time period in 2007.

EPA's ENERY STAR Portfolio Manager tool is used to track, measure and normalize building energy usage. Normalization of savings was <u>not</u> included in this report, but will be a part of the annual savings report. Portfolio Manager only provides normalization data for year-to-year comparisons and cannot provide month-to-month comparisons.

It should be remembered that the service billing period included in the report was from the middle of August 2008 to the middle of September 2008; a period of year when Utah begins to experience milder temperatures. It is anticipated the higher energy intensive months such as the winter/heating months and the summer/cooling months will yield the highest monthly energy usage reductions.

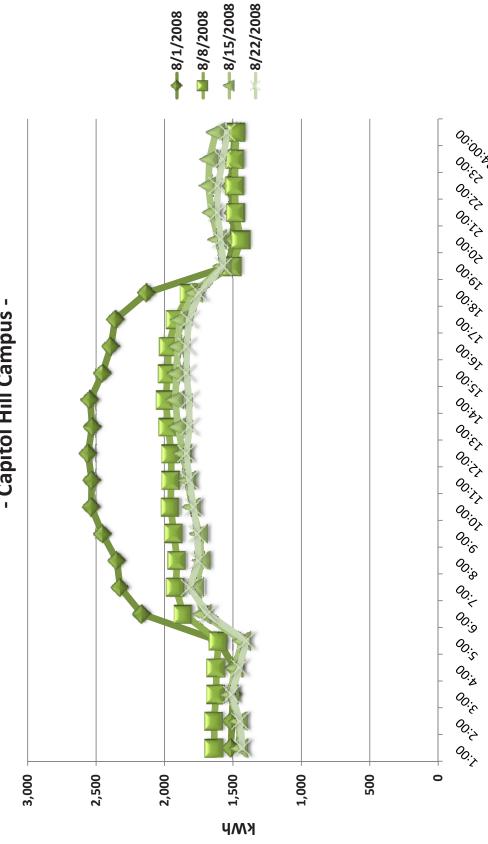
The following charts show electricity consumption in three buildings. Each line represents a Friday's usage – the "8/1/2008" data was the last Friday before implementation.



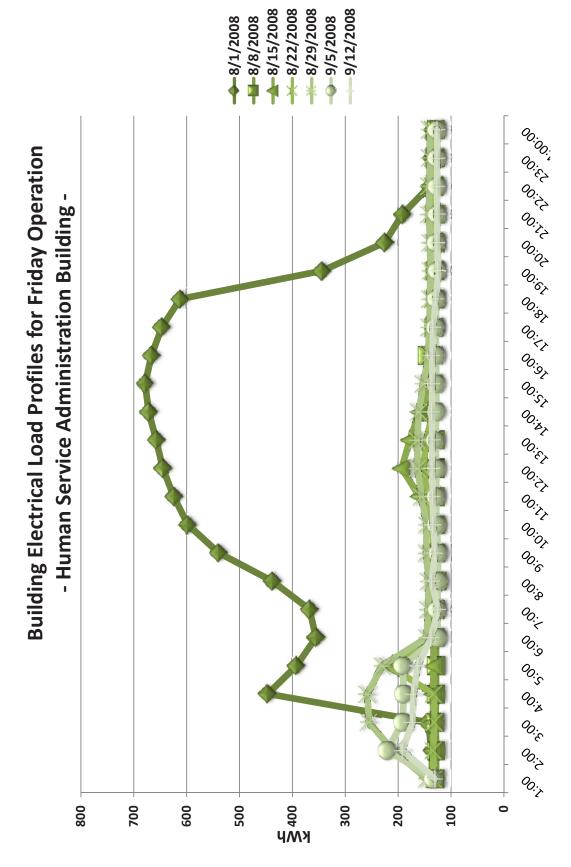












Extended Service Impacts

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

- → agencies report no decrease in their productivity measurements
- → agency customer service survey results are similar to periods prior to the initiative
 - → utilization of Utah.gov web services continues to increase
- → number of calls to the Working 4 Utah hotline have decreased substantially
 - → DMV and Driver's License wait times have improved

The general impact on the public is difficult to quantify due to the different ways the public interfaces with state government. A formal survey of the public has not been conducted to this point in the initiative, but might be considered if it is determined necessary. The following indicators are providing insight on the public's opinion of the change.

Leading Indicators and Lessons Learned

1) Agency-specific monitoring of customer opinion

Executive Branch agencies monitor their performance with internal management tools. At the beginning of this initiative, impacted agencies were asked to identify performance metrics that would provide the best indicator of how this change might affect their customers, stakeholders, etc.

One of the lessons learned with this approach is that most agency performance metrics change over time (as goals are achieved, situations change, or methodology improves). Therefore, in order to present a meaningful indication of the impact of the initiative, agencies were asked to submit brief statements on how the initiative seems to be affecting their customer.

- For a six-week period following the implementation of the initiative, the Central Region of the **Department of Workforce Services** (serving Salt Lake and Tooele Counties) tracked foot traffic in its employment centers from the hours of 7:00 to 8:00 a.m., and from 5:00 to 6:00 p.m.; the extended hours of the "Working 4 Utah" initiative. The numbers were significant as an average of 826 customers per week were served in the extended period. The numbers were higher in the 5:00 to 6:00 p.m. hour than the morning counts, but they report a solid stream of traffic in the mornings as well.
- While the Unemployment Insurance (UI) division has seen a considerable increase in unemployed workers filing for UI benefits, the condensed work week has not had a significant impact on the delivery of services. Most UI services are available on the web. Many customers who were filing UI claims over the phone on Fridays are now filing over the web with no human intervention. The division estimates a 10% increase in web usage was directly attributable to the condensed workweek, resulting in the processing of UI claims more efficiently and accurately.
- The Utah Center for Health Data has the ability to monitor when copies of certificates were printed
 for walk-in customers. In literally thousands of cases, certification services moved from the middle
 of the day to the extended hours.



Office Managers at the DMV report the response of the public has been overwhelmingly positive to the extended hours. Some of the comments they have received have been:

"I absolutely love the new extended hours. I am able to go after work instead of having to take time off."

"Fast, friendly & open after 5:00! Didn't have to leave work early! Thanks."

"I would be unable to make it down to the DMV if you closed at 5:00, I'm glad you are open till 6:00 - great idea."

"I came before work, I have to be to work at 8:00 and don't get off until 5:00 so this is wonderful."

"The next time someone in the afternoon complains about the lines tell them to wake up."

"I love coming in here in the mornings, this is the 2nd time I have come in before 8:00 and I am only here about 10 seconds. This is great."

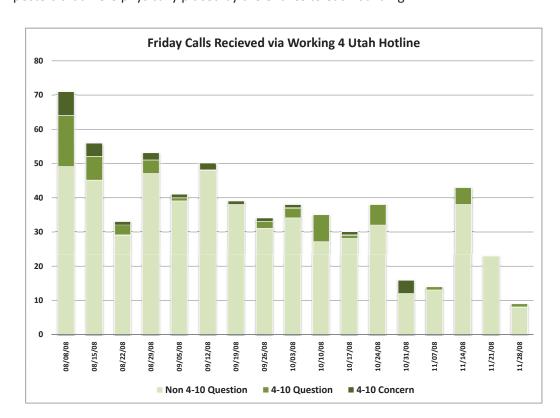
"Please keep the extended hours."

- The **Utah State Library** provides funding for local libraries, reading materials for the blind and disabled, and bookmobile service for rural Utah. They maintain a customer service index that shows more than a 10% increase over the same period last year (from 915 to 1071).
- The Tax Commission monitors the amount of transactions completed outside of
 Division of Motor Vehicles offices. This amount has increased from 27% to 30%. They
 also report that the average wait time at a DMV office continues to improve from 11.4
 to 7.3 minutes. Their 'quality customer service' survey results remain unchanged at 4.5 out of 5.0.
- The Driver's License Division of the Department of Public Safety is currently reporting that average
 wait times are approximately 13.5 minutes. Part of this is due to the fact that new facilities were
 recently constructed. However, the agency has also made positive adjustments to its process, and
 they are showing a substantial service improvement.

2) Track the type of concerns expressed directly

A hotline was established and advertized at the beginning of the initiative. Staff recorded the number and type of contacts that were made. They report the total number of constituent phone calls has diminished over time, and most relevant calls are from people who have forgotten about the change, or have unique situations.

Hotline calls regarding the 4/10 schedule have decreased so significantly that operators are now recommending that agencies modify their websites, to include a Friday contact number on their homepage. Agencies have also been asked to modify 4/10 signs and posters that were physically placed by the entries to each building.



"On the last day to register for the Presidential election a young man wandered into our office about 5:30 p.m. in a panic. It was the first year he could register to vote, work had kept him in the oilfield until he feared it was too late to register (registration office is located in the same building as we are, but closed at 5:00).

I was able to help him by downloading the form etc.... He slid the completed paperwork under the registration office door and hoped for the best.

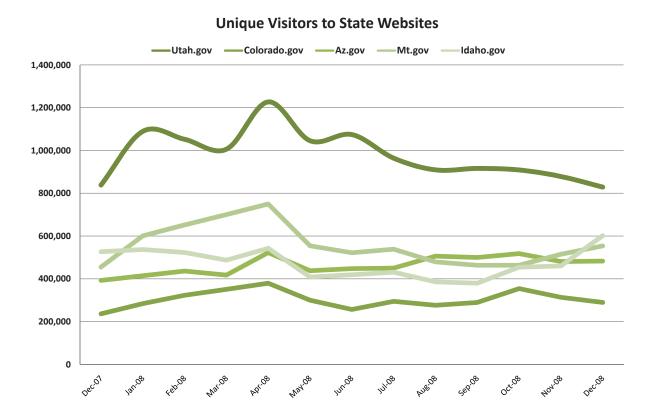
A couple of days later he called to thank me for helping him even though I worked for wildlife and not for the clerk's office. His words were "If your office hadn't been open I would have missed my first opportunity to do my duty for my family and my country by voting." He also told me that I 'rocked!' and added that all offices should have extended hours."

Rose Fedelleck-Division of Wildlife Northeastern Regional Office



3) Utilization of online services

The State of Utah is consistently recognized as a leader in eGovernment. The chart below compares traffic history for Utah's websites against those of neighboring states.



Changes in the utilization of websites in the Utah.gov portal is a key indicator of the level of service that is influenced by the Working 4 Utah initiative. One of the best ways to track this is by monitoring adoption rates for the State's online services.

- 88% of business registration renewals
- 83% of vehicle identification number validations performed by law enforcement
- 78% of adoption and foster parent applications
- 71% of hunting and fishing licenses
- 67% of criminal background checks
- 64% of driver's license renewals
- 54% of birth, marriage, divorce and death certificate orders
- 54% of income tax filings

These adoption rates have continued to increase since 2006. They illustrate that a change in business hours might not have created a net negative impact to the public because a significant amount of the population were already using online services.

Employee Impacts



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

- → 70% of affected employees prefer the 4/10 schedule (up from 56%)
 - → employee turnover rates have decreased slightly
 - → employee absenteeism has decreased

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. The data discussed in this report reflects the results of a follow-up survey that was conducted in November, 2008. Another survey will be conducted at the end of the pilot. Surveys are 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.

Leading Indicators and Lessons Learned

The initial survey that was conducted in July, 2008 demonstrated a positive opinion of a significant majority of current employees. The follow-up survey conducted in November, 2008 showed a significant increase in the positive opinions of employees compared to the initial survey.

1. Employee Work Preference

The follow-up survey indicates that almost 70% of respondents prefer the 4/10s schedule, up from 56% in the survey conducted in July. Over 45% indicated the schedule having a positive impact on activities outside of work, up from 40% in the initial survey.

2. Commuting

The survey data indicates that there has been a savings in commuting, both in terms of costs and in the total days driving a personal vehicle to work. About 65% of employees agreed or strongly agreed that the 4/10 schedule has reduced commuting costs. In addition, survey respondents overall report driving a personal vehicle fewer days to work compared to their driving habits prior to the shift in schedule.

"Since a lot of our 'customers' are located in Houston, they are now able to get in touch with me (or Division) first thing in the morning before going to meetings etc. They are able to talk with someone live and get critical decisions made before one party or the other may be tied up (i.e. call at 8 a.m. Houston time is 7 a.m. here). This scenario has played out many times since going to the 4/10's schedule."

> - Petroleum Engineer Division of Oil Gas and Mining



3. Employee Issues

The baseline survey indicated that prior to the implementation of the 4/10 work schedule that some employees anticipated negative impacts on childcare and the use of public transportation. Our follow up survey indicates that the actual impact was much lower than anticipated in each of the areas. Only 12% of respondents indicated a negative impact on childcare, down from 20% who anticipated a negative impact on the initial survey. About 9% of employees indicated a negative impact on public transportation, down from 14% who anticipated a negative impact.

4. Organizational Impacts

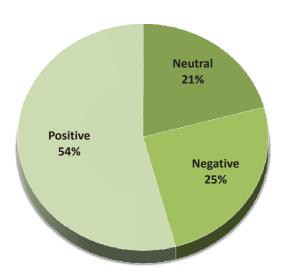
There have been no significant changes in employee terminations or recruitments since the implementation of the 4/10 work schedule. Turnover has remained fairly consistent with the previous year's turnover rate. The annualized turnover from July 08-November 08 is 9.7%, while the overall turnover rate for the previous fiscal year (July 07-Jun 08) is 10.7%.

The ratio of job offers declined/ job offers made has decreased slightly, indicating that fewer job applicants are turning down jobs with the State. There are, however, other factors that impact both recruitment and turnover, making it difficult to directly measure the impact of the 4/10 work schedule.

5. Leave Time and Overtime

Since the start of the 4/10 work schedule there has been a decrease in the use of leave time and the amount of overtime paid, compared with the same time period in previous fiscal years. Cumulative leave usage and overtime across agencies in the Executive Branch is down about 9%. (This is a key indicator of productivity). Further data may be needed to confirm the trend because we haven't reached the midway point of the trial period.

Summary of Comments
Employee Survey, November 2008



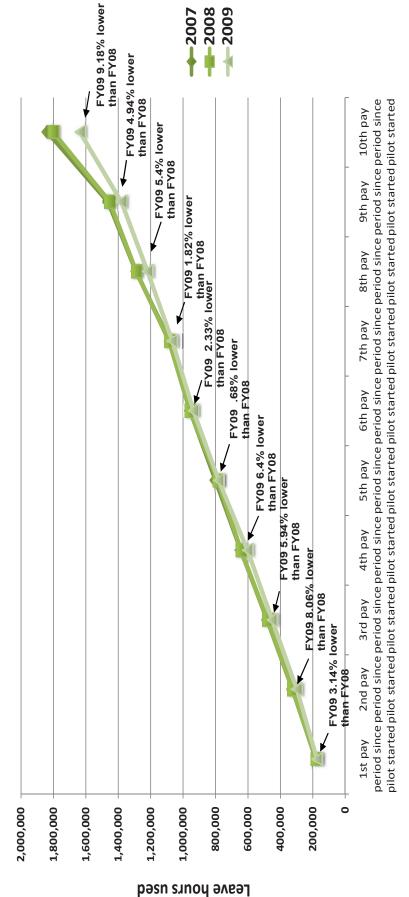
"Previously, motor vehicle offices have worked on car dealer "batches" as they can. With the change to 4/10's, they now have more concentrated time available at the start of the day to focus on processing these batches. The turnaround time on processing care dealer transactions has dropped from 4-5 days to a 1-day turnaround.

This results in the state being quicker on delivering registration and plates back to dealers, who then could get them to their customers sooner. The change will improve the timeliness of processing over 200,000 plate & title transactions each year."

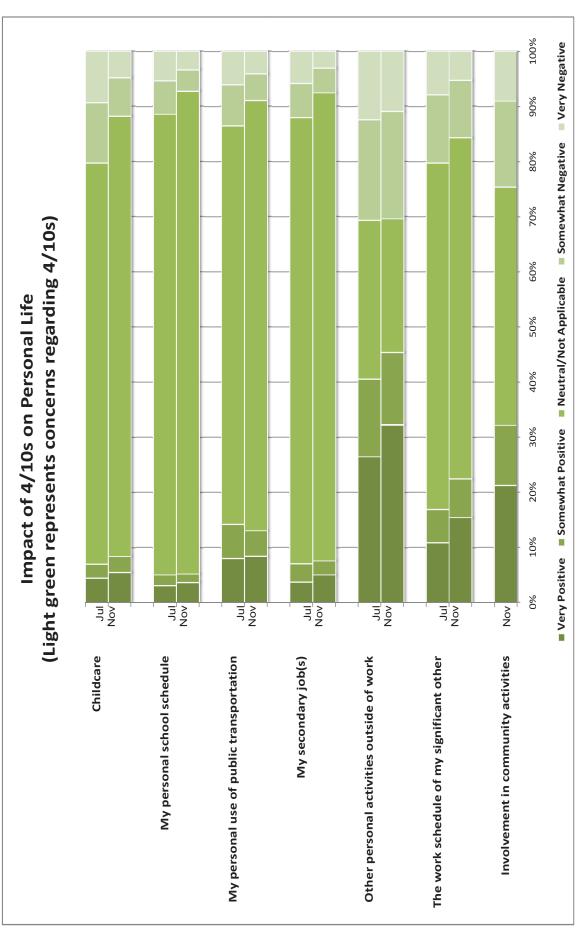
> Dept of Motor Vehicles Tax Commission



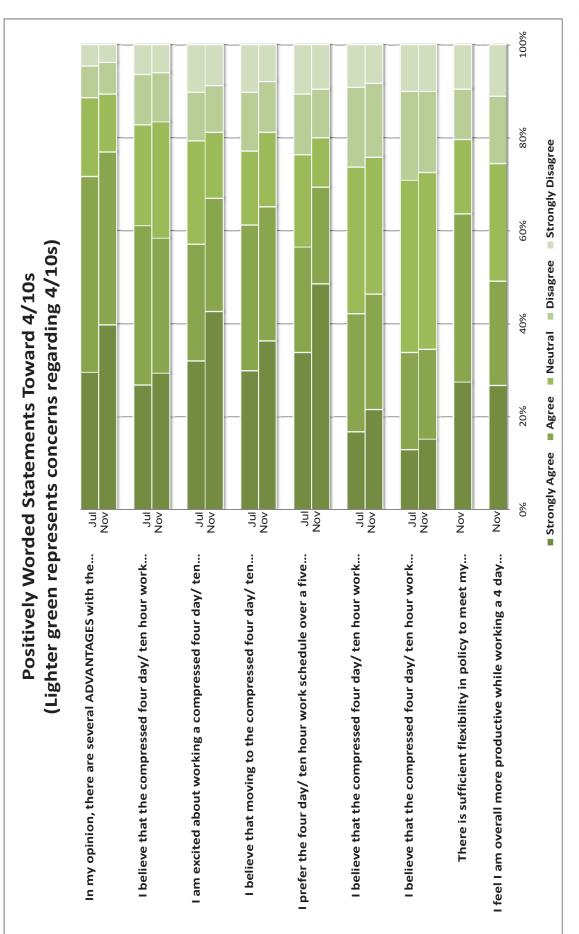
Cumulative Leave Usage (adjusted to account for FTE increases each year)



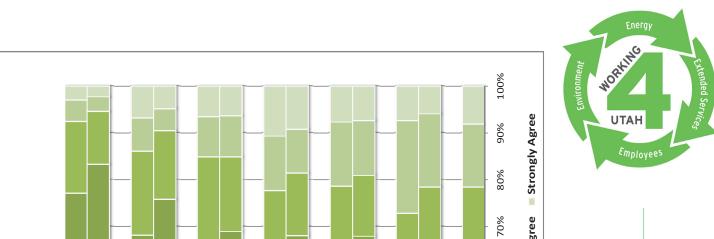
Pay period

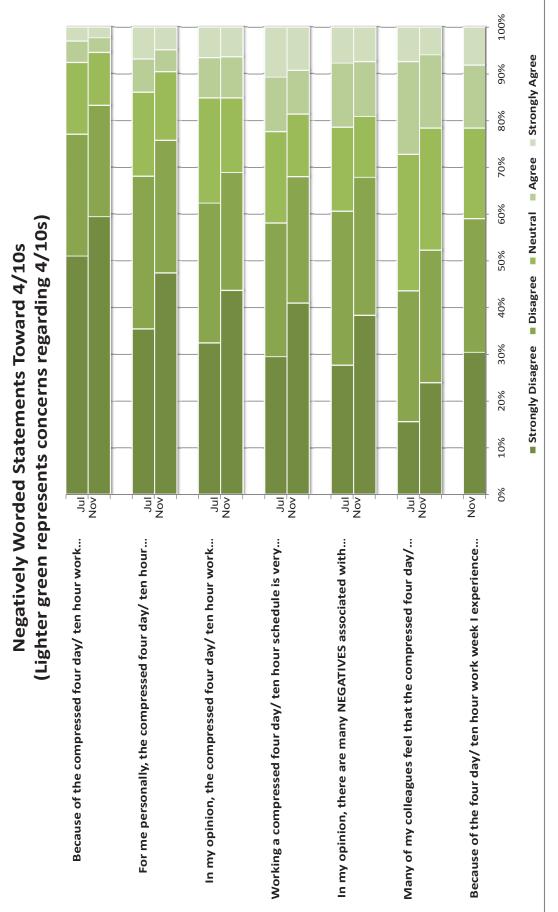










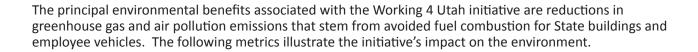


Environmental Impacts

What is the estimated environmental impact?

 \rightarrow estimated reduction of 12,652 metric tons of greenhouse emissions produced annually

→ estimated reduction of 744,000 gallons of gasoline consumed annually



Leading Indicators and Lessons Learned

1) Environmental Benefits

DAS estimates that implementation of the four-day work week under the Working 4 Utah initiative resulted in facility energy savings of 486,815 kWh of electricity and 608 Decatherms of natural gas over a one-month period between August and September 2008. This energy savings corresponds to a greenhouse gas emissions reduction of 507.9 metric tons of CO2. If this level of energy savings continues over a one-year period, it would result in an annual greenhouse gas emissions reduction of 6,095 metric tons of CO2. However, because this period does not include typical peak summer cooling or winter heating load, it is possible that annual emissions reductions could be even larger.

DEQ estimates that the annual greenhouse gas emissions reductions associated with changes in employee personal vehicle use is approximately 6,557 metric tons of CO2. Combined with preliminary annual savings from facility operation, DEQ anticipates total annual greenhouse gas emissions reductions of 12,652 metric tons of CO2. This is equivalent to taking 2,300 cars off the road for one year.

In addition, DEQ estimates annual air pollution reductions of 0.1 metric tons of PM10, 0.1 metric tons of PM2.5, 20.1 metric tons of NOx, 0.8 metric tons of SOx, 27.5 metric tons of VOCs, and 259.8 metric tons of CO from changes in employee personal vehicle use. Assuming early facility energy savings patterns continue, DEQ projects additional emissions reductions of 15.2 metric tons of NOx (for a total of 35.3 metric tons of NOx reduced) and 13.2 metric tons of SOx (for a total of 14.0 metric tons of SOx) from changes in facility operation resulting from the Working 4 Utah initiative.

2) Commuter Energy Savings

In November of 2008, DHRM conducted a survey of State employees on their commuting practices and vehicle characteristics both before and after the switch to a four-day work week under the Working 4 Utah initiative. The survey resulted in 5,535 complete responses that were then used to assess changes in employee personal vehicle use. (The table below summarizes the survey results).

Applying these results to the 18,255 employees covered under the Working 4 Utah initiative, the new four-day work week should result in over 744,000 gallons of fuel conserved annually. At the current Utah gasoline price of \$1.50 per gallon, this will result in a savings to employees of over \$1.1 million (at \$4.00 per gallon the savings would be almost \$3.0 million). Note that these estimates do not include potential changes in transit ridership or non-commuter personal vehicle use that may result from the Working 4 Utah initiative.



The onsite daycare at the Department of Health adjusted operating hours to meet the needs of employees who now work a 4/10 schedule.

The daycare now officially operates from 6:00 a.m. to 6:30 p.m., an hour more on each end prior to the 4/10 schedule. There is also someone there at 5:00 a.m. (as needed) if someone needs to drop off their child earlier.

Parents seem quite satisfied with these hours.

No parental dissatisfaction has been voiced.



DHRM State Employee Commuting Practices Survey, November 2008	80
Approximately how many days a week do you CURRENTLY use a personal vehicle to commute to work? (Days)	3.8
Prior to the four day/ten hour work schedule implementation on August 4th, how many days a week did you typically use a personal vehicle commute to work? (Days)	4.5
Reduction in commute days (Days)	0.7
Miles per gallon	24.6
Round trip commute distance (Miles)	28.0
Average commute time in (Minutes)	42.6
Fuel used per average commute (Gallons/day)	1.1
Fuel reduced per week, per employee (Gallons)	0.8

"I talk to other state employees when I commute, and the general consensus is that we are all adjusting, and we like the idea that the state cares about energy efficiency. None of us thinks that the price of fuel won't go back up. We have all adjusted the way we work, to make it more efficient with the bigger blocks of time. I am actually getting MORE done than before. We just worry that it would be so much harder if we ever had to change back-both personally and at work."

"There is more time for activities like golf and skiing. All I can say is, Heaven help us if we ever have to go back to the old five day week."

"Everyone I talk with is envious of our 4/10 schedule."

"Working a 4/10 work week has allowed the opportunity to be with my children more. I volunteer in my son's 3rd grade class every Friday. I help the teacher with copying papers, getting assignments ready for the following week, correcting spelling tests and math papers, and helping children catch up on any missing work. I love the opportunity to be with my child in the classroom."

employee comments Dept of Communitiy and Culture

Adjustments



Governor Huntsman's direction to affected agencies focused on implementing the change, and making adjustments along the way. The following is a list of ideas that could be studied during the one-year trial period.

Customer service initiative. Many agencies feel like their customer service-related performance metrics don't provide information that they have confidence in. The State could study different ways to consistently assess customer service satisfaction. Ideas could include process improvement teams or partnering with universities to conduct surveys.

Addressing employee fatigue. Some employees adjust to a longer workday easier than others. Employees might profit from a reminder of options that are available to them (i.e. exercise leave time, voluntary furlough, telecommuting). Managers and supervisors might profit from a forum where they can discuss other ideas on how to provide flexibility to employees.

"Lights-out" campaign. Adjusting the systems in buildings is an important step in reducing energy consumption, but the full potential can't be realized without a change in behavior from the people that occupy the building. An education campaign could be conducted with state employees (i.e. conducting a podcast where the Governor provides a reminder to turn-off lights and computers).

Accelerate the adjustment and monitoring of building systems. In several cases, energy studies were needed to determine the cost avoidance because of a lack of utility meters at specific buildings. Upgrading the controls and meters in buildings will facilitate better consumption habits.

Improve the use of alternative transportation. The employee survey done in November showed that the negative impact of the initiative on commuters using transit was less than anticipated (9% actual instead of 14% anticipated). While this is encouraging, the amount of employees impacted is significant. The State could study different ways of encouraging carpooling with the UTA website or developing one specific to state employees.