

For consideration....

The current list of possible working ideas to be developed into long term suggestions for the Board is fairly broad reaching. During the time the Task force has been meeting, I've been focusing my thoughts on the processes and the organizational structure of the Fund. Accordingly, these are the areas where I've chosen to comment. Unfortunately, most of what follows seems obvious and has come about in our discussions, but it is my hope that putting it in a framework my help in the process.

While the current financial problems of the Fund have certainly impacted all Fund stakeholders, the overlying problems, it seems to me, are generally a shortage of resources. The current cash shortfall has only amplified the obvious, long running challenge at the Fund as evidenced in the additional step of the "no-pay letter" (or actually the pause in the payment process before the issuance of a "pay letter") resulting in an additional month (or more?) to release payments of RR's.

Of course, any system or process could benefit from efficiency gains. My concern is that increased efficiencies will only magnify the lack of resources so, it might make sense to gain efficiency before addressing the resource issue in earnest.

Possible efficiency gains:

Information flow

The flow of information (RR's) through the Fund should be analyzed and re-engineered to begin to reduce the strain on the limited staff (resources). Some suggestions are:

1. Empower the consumer (Get consultants/claimants to do as much as possible to organize RR's):
 - standardize the format of invoices submitted in RR's (and refuse review if not within the standard)
 - include a spreadsheet if a standard format invoice is unobtainable (can all accounting systems produce invoices in standard format?)
 - include a summary comparison of actual work vs. regulatory approved and Fund preapproved work.
 - include explanations for cost overruns.
 - expand Geotracker to accomodate RR uploads
 - make "the file" digital. Could most of this be added to Geotracker?
2. Officially recognize the involvement of consultants in the Fund process. Because official communications regarding Fund matters are in the form of letters to Claimants, consultants are often left out of the loop on RFI's and Fund matters. In order to include consultants in the flow of information, acknowledge them as "consultant of record" and cc them via email.
3. If the current system (with the issuance of "no pay letters") is to continue, do away with "pay letters" and process RR's all the way through so that the only step left is to issue a check when revenues are available.
4. Limit the dollar amount and/or time frame of each RR.
5. Blow up the green(blue?) sheets, or eliminate steps in the RR process (10 to 12 signatures/steps?).
6. Get RR submittals ready for the reviewer. This could be handled with #1, but the point is to summarize the RR and perform any QC tasks before it gets to the tech reviewer so that his/her time is spent at the highest value level of review; approval, denial or requiring more information.

7. Engage a business consultant to review the Fund's structure and processes and re-engineer the Fund in order to process and pay RR's as quickly as possible.

The elephant in the room:

If the Fund's process is reworked to take advantage of technology and gain efficiency, a significant question still lingers: does the Fund have the resources to process RR's and issue payments in a timely manner (dare we ask within 60 days)? My gut says no. I'd like to get a quick recap of the life of a RR. If there are ten steps in the RR process, how much time does a RR spend in line for each individual step? Even if steps were combined or eliminated, I get the sense that the most idle time is spent in line for technical review. If that is where the major restriction is in the flow, most efficiency gains would not influence that lag time; a reduction in any step beforehand would only add to the time a RR spends waiting for review.

So, the lingering question becomes a staffing issue. Does the Fund need more staff in order to process RR's through to payment?

If this is the case, then the Fund would need to approach it's funding from a budgeted perspective. That could mean that the Fund evaluates it's current obligation to A, B, and C claimants, projects future obligations and sets a detailed budget that would be necessary to meet those obligations. The budget would include realistic numbers on the operation of the fund in order to meet it's obligations. Now, here's the rub: that would likely require an annual adjustment to the fee collected from tank operators. So, the ultimate deal would depend on being able to adjust the fee collected "at the pump" on an annual or biennial basis. I need the insight of other Task Force members familiar with the ins and outs of legislation to carry this concept further.

General thoughts on generalities:

Fee collection: any improvement in the collection of fees due is worth considering.

Tax vs. fee: I'd remove this from discussion. Leave it as a fee for reasons discussed.

Meeting statute: While this is ultimately the goal, there are obvious impediments to it. Could this be considered an umbrella under which long term goals are covered?

Payment priority by risk: This requires serious thought. The implications to businesses that have structured themselves around the Fund are not known. Is it possible that D claimants have worked priority sites at costs equal to at least a year of the Fund's annual allotment? Beyond that, a reorganization of payment priority by risk could cut consultant's revenues by 50% (by an informal survey). Would the highest risk sites not be held to the strictest clean up standards and, therefore, create a delay in other sites being cleaned up thereby increasing those cleanup costs? While the concept of risk based payment is an admirable idea, maybe risk is best left for regulatory agencies to motivate action on those sites.

Limiting LOC time: Again, an admirable concept, but this would require a real commitment by all stakeholders in the process.

Perhaps we should consider what is obtainable...