Michael Scheiring Interview  
March 13, 2014

John Weingart: My name is John Weingart. I’m with the Center on the American Governor at the Eagleton Institute of Politics. With me is Kris Shields who also works with the Center. Today is Thursday, March 13, 2014 and we’re very happy to be able to be talking with Michael Scheiring. Michael Scheiring was part of the administration of Governor Jim Florio. And went on to be Vice President and Treasurer at Thomas Edison State College, a post from which he is now retired and in an emeritus position. Thanks for coming in.

Michael Scheiring: Thank you for having me, John.

John Weingart: We want to talk about the management initiative of the Florio Administration but, first, how did you get involved in the Florio Administration? You were there from the beginning of his term, I know.

Michael Scheiring: Well, I was fortunate in the sense that I had served in the Byrne Administration. And during that period, Governor Byrne had put together a Governor's Commission on Budget Priorities and I had the pleasure of staffing that group which was chaired by Tom Stanton. And I guess when the topic first came up, I think Don Linky, who had been the Director of Policy when I worked with during the Byrne Administration, had passed my name onto Carl Van Horn. And Carl met me in an elevator and asked whether I might have some interest in helping them out.

John Weingart: What were you doing at that point?

Michael Scheiring: I was serving as the Vice President and Treasurer at Thomas Edison. This was during the campaign period and they asked me to do some research in terms of putting together a commission that would audit state government, and how would they go about that. And at that time, the discussion was that we were going to use professional accounting firms. And there would be a budget. So I was looking at it from the perspective of meeting with some Big Six accounting firms... We really wanted an operational review. And we were starting to frame a process of how we could engage these firms and use a typical RFP process to bring them on board. And then, after the election and Governor Florio won, they asked if I would serve and chair a commission. But at that point, they decided that they didn't want to spend any money because, again, the state was in very dire fiscal straits. And the messaging, I think, had to be very important. But they suggested we could probably get it done pro bono, much to my chagrin at that point. I'm thinking, "Pro bono,
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huh?" So that made for a kind of unique process, in terms of how are we going to elicit quality volunteer support that would be engaged in a review of state government.

I think the thing that New Jersey had going for it is that there had been a number of governors who had done a number of various commissions. In fact, Governor Cahill, who actually served on the commission, was appointed by the Governor, had done a very well done report some years before that. Again, Governor Byrne had had one. And Governor Kean, the prior governor had had a process called "GMIP" [Governor's Management Improvement Commission]. So there might have been a little gun shyness on some people's parts ... but there were a lot of lessons to be learned. In fact, a good part of the time was spent reviewing those lessons and trying to design a process that could take both the positives and perhaps avoid some of the stumbling blocks and to make it as bonified as possible. And I think we learned a lot by going through that.

John Weingart: So in the initial conversations about bringing you in, you were going to continue in your job at Thomas Edison and chair this commission?

Michael Scheiring: No. No. I think at that point, I was frankly just volunteering to be helpful at that point. And I really had no thought that I would be the executive director at that stage. I was looking at it more from the point of view of just helping them frame out what the process would be. And then, later on, it came to the point that they wanted to create a commission and they asked me for some ideas on that. I helped draft the initial executive order. They, kind of, recreated that. I gave them some ideas of some names. Most of the folks who were on that commission were not names I had suggested. I think one of the few was probably Stanley Van Ness, who turned out to be the chair. And we're glad. Stan was absolutely a perfect person to be the chairman.

John Weingart: And he had been the Public Advocate during the Byrne Administration and then was in private practice?

Michael Scheiring: Yes. And Stan was someone I had known during that period of time, and felt very comfortable with. He was very well-known, well thought-- he had served in Governor Hughes' Administration. So he had also had an understanding of statewide interest and statewide politics.

John Weingart: At what point did you go on the state payroll and become a...

Michael Scheiring: I came immediately. Right after the Governor was elected, they asked me...

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John Weingart: So November of 1989?

Michael Scheiring: Yes, that was shortly thereafter. I really went on a loan basis. That's how we sort of formed it. One of the things that I think we learned from that effort is that in many of the other processes, you had folks who sort of asked, "Who would like to do this?" And people would sort of come out of the woodwork and raise their hand. And they may or may not-- they had good intentions. But they may not have had, let's say, the expertise that you really wanted to have in the areas that you were looking at. So one of the things that we tried to do is make sure of was that whatever area of interest we were focused on, we had the best qualified experts in that arena.

Now, we might've gone to corporate America and asked Jersey Central Power and Light, which was very big in those times. And they gave us, for example, when we did the vehicle inspection process, they had a large fleet. So we had the folks who managed their fleet. You know, we viewed the various vehicle operation centers that the state had. So there was no learning curve. There was no-- it was really experts in their field, from the private sector, looking at the experts in the government area. And addressing what are the issues and how do they manage their operations? What are the things that they saw that big fleet operations ought to be doing and conducting? And what were the recommendations? And that was a cross cut thing. Obviously, the Big Six, it was-- the issue there was, one, convincing them that we were not going to take advantage of them and that we're not going to besmirch their fine reputations. And getting quality firms who understood very clearly what were your objectives, so that they met our objectives and not their objectives.

John Weingart: And the Big Six refers to?

Michael Scheiring: That was Deloitte and Touche, Arthur Andersen, Ernst and Young. And Price Waterhouse was back in those days, which was one of the firms we did not use. That group in that area.

John Weingart: Okay. And you had a staff of some...

Michael Scheiring: Well, the staff we had was all loaned execs. That was the other thing we learned is that let's identify folks who have a good desire in this area, but also some expertise. So when I say, "loaned execs", we had for example, Paul Finnocchio is a staff member who was-- he had been very active during the Kean Administration on the Motor Vehicle Study Commission. Good analytical skills, good understanding of state government, had been involved in a very high charged kind of review, obviously, working with Cary Edwards. Cary was considered no slouch in terms of the amount of time and effort you had
to put in. Paul was an excellent addition to the staff. Steve Clark, who served as a deputy was an old friend. He and I had served together in New Jersey Transit. He had also served during the Byrne Administration. Steve had a very strong background, an analytical background, and was a great number two person, someone I trusted. So we looked to get folks like that.

A guy named John Walsh was the former Director of Administration for Insurance, had been in transportation arena. He had also been in the Attorney General's office in their operational review area and had been on the motor vehicle thing. So we tried to identify folks like that. And then, after we first put together the work plan and we had a gentleman named Bob Guzek, who was with Hill International. Bob was very helpful. He had done some studies for Philadelphia, done some other reviews, as part of Hill's business, which was focused on the nuclear engineering environment. And he gave us some good suggestions related to cross cuts and another practical approach. So the primary objective in each arena was to focus on a specific area of study, make sure you had the marshal of forces of executives, either loaned within state government or from the private sector. And meld them together and have them come in and take a look at it. But work hand in hand with the state agency folks. Because our objective on the other side, I think one of the learning processes was, we wanted not just to have a rapport. We wanted to have buy in.

And so one of the things I really much appreciated, Kris on your piece, you had some focus there. "Gee, we asked such and such person here to give me an idea of what a budget is." Well, it was a tool to get people to buy into the process. You know, we asked Rich Keavey to give us a sense of what it would take and how much was the savings?

**John Weingart:** And he was Budget Director at the time?

**Michael Scheiring:** Rich was the Budget Director. But, you know, we had already generated savings recommendations. But I asked OMB, who was the one who's going to have to take these, for them to go over the reports and for them to identify the savings recommendations, too. And it's not that I didn't trust our numbers. Again, it's an approach to get them part of the process, to have their oar in the water, to have their acceptance that the audits were conducted in a right kind of way. And that they had some buy in to the process. And we tried to do that in a variety of ways.

We mentioned that when we first got here, we were talking, John, about, you know, working with 20 different cabinet officers. One of the things I really remember was right after the governor was elected, and I think it was, either, his first or second cabinet meeting. He invited Stanley Van Ness and I to attend and Stanley, as a new chairman, to introduce us both to the cabinet. And the Governor laid out what the commission's objectives were and
what he would like to see happen. And he introduced Stan. And Stan leaned over and said to me, "Smile. It's the last time anybody's going to clap." <laughs> I laughed at that. In some respects, he was right.

**John Weingart:** Well, the document you refer to that Kris put together is based on a lot of important data around this that you sved, which is really helpful. And going through your papers, which Kris did, coming up with a timeline of how all this worked. And one of the things-- you can talk about this more, Kris. But it seemed clear that from the outset you were aware, and maybe everyone involved with this was aware that there'd been other management review efforts by other governors. And you wanted to avoid the mistakes those people had made. Is that a fair statement?

**Michael Scheiring:** Well, that's a fair statement. And, again, also, we wanted to capture what were the things that worked? I mean, the Cahill Commission, if you really look back, a lot of the objectives that had been set up by the Cahill Commission served as almost like a strategic plan for the state.

**John Weingart:** And that was almost 20 years earlier, as Cahill...

**Michael Scheiring:** Exactly.

**John Weingart:** ...was elected in 1969.

**Michael Scheiring:** I mean, there was an issue, for example, for a long time the state could not get a bond issue passed. And one of the recommendations of the Cahill Commission was to form a capital planning budgeting commission. Well, that didn't happen until the Byrne Administration, and much later in the Byrne Administration, as I recall. And that enabled a transportation issue bond to pass. And it still exists today and has worked, I think, fairly effectively, in terms of, at least, when there's capital dollars to be had to formulate that.

And so the point was sometimes those reports, they may feel like they sat on a shelf, but they can have a long lasting impact. Especially, if folks go back and take a look at what those former recommendations were. And I think that was one of the other things that we really wanted to have happen here is not just do an operational review. You know, we had laid out, as our objectives, we wanted to increase revenues, improve service, and cut costs to the government. Those were the three objectives of the audit at that time. But I think in the background, what we really were hoping for was that it would also become like a strategic business plan.
Kris Shields: Along those lines, how sensitive were you to the possibility that the public might see this as sort of a political ploy, a publicity effort, rather than a real effort? And what did you do to try to combat that in the public eye?

Michael Scheiring: Well, you know, it's funny because when you break that up, I'm remembering there was a period of time where the headline was, "Where's the audit? Where's the audit?" And I think it was Dick Kamen who might have framed that line. And it stuck real well.

John Weingart: He was then a Republican Assemblyman.

Michael Scheiring: And so you always sort of had that-- because again, you know, a review, an operational review. And we had very specific topical areas. And I remember the first couple of ones we did were on sick leave usage and sick leave injury. And there was a poo-pooing going on. "They only found that?" And, you know, we sort of realized that what we needed to do was keep the high ground, forget about the media. Let the steak sizzle and let the results stand on their own. So what we tried to do is not respond. Not respond, at all, in fact. Is basically stay focused on the fact that we were, again, bringing quality people on board, quality firms on board. Going through a methodical process and a well-documented process. The documents that you, that the Governor received, that the commission was presented with, were not changed by the commission. The firms conducted those reviews. They were received and examined. And the firms made presentations to the commission. We would meet with the unions, let them have a chance to see what the draft recommendations were, but with the understanding that they were going to get an understanding on what those recommendations were and how they came about. And that they could raise questions. But we weren't going to modify the report in any form or fashion. So it was conducted very much like you would see if you had paid for it. In fact, I'll never forget John Kelly, who was with Arthur Andersen. He was one of the folks who, frankly, I would've put on that time list, who was really instrumental in getting all the accounting firms engaged. There was a lot of reluctance and concern on their part. And a guy named Ellis Vieser, who you might remember.

John Weingart: He formed and headed The Alliance for Action.

Michael Scheiring: Alliance for Action. But Ellis put a call out-- And I didn't know Ellis. But he put a call out and asked if I would meet with these firms. Well, I was happier than a-- I couldn't believe it. I wanted to get these guys all in the same room. Because I needed to make sure that they understood what it is what we were trying to do. Because, you know, at that time, they didn't know it was going to be voluntary. And they all-- you know, the Governor had made an announcement he wanted to do it. I think they all assumed they
were going to have some contracts coming their way. And so when we sat down and met, it really was the opportunity to lay out what it is we were trying to do and why it was so important. And how much the Governor really wanted them to participate. I learned this a little bit later on, but apparently, the Governor, when he was a Congressman, had used the-I'm going to call it the CPA Society. It may not be the right name. And from some things that he had done at the Congressional level, he had come away very impressed with, both, the material that he had gotten from them, and the way they conducted their work. So he was, I think, very interested in having the accounting firms participate.

In fact, the other thing I would've done a little different, Kris, and might suggest, is that it's very important when you do these things, in terms of how you set the tone. And the tone, you know, I wasn't setting the tone. The Governor's setting the tone. I mean, he's the one who made this happen. And that first cabinet meeting was setting the tone by bringing us in there. He had a meeting shortly thereafter with selected business folks where he described, again, what his objectives were, and introduced me. And this is before we started trying to identify different firms who could give us help in that area. That helped set the tone.

We had a meeting sometime in the summer, right after we put the work plan and the RFP out, with the accounting firms that we had selected. And they were just starting the process of the audit. That was so important. Because, you know, for them to have a meeting, just him, and the accounting firms-- it wasn't everybody else. It wasn't a whole cast of characters. But the Governor spent about an hour and a half with them. He recounted that story I just told you about, about his time in Washington and how impressed he was with their work. I had a bunch of eager folks, who all wanted to outdo each other. And they were doing it for nothing, on their time and their dollar. That wouldn't have happened if it wouldn't have been for the Governor. And the kind of tone that he set...

**John Weingart:** I know from being within the state government and Department of Environmental Protection throughout that period, and several other management reviews, that there's an, I think, natural-- at least, skepticism, if not cynicism, of people in state government about these kind of reviews, particularly, when they involve people from business. So did you have to, have Governor Florio step in and reignite the enthusiasm of the cabinet to respond to these things, from time to time?

**Michael Scheiring:** Well, the cabinet-- again, this was a new administration. This was right out of the gate. So they're all delighted to be cabinet members, part of his team. And I was fortunate, again, to have-- I had, you know, really two good quality people advising me on a regular basis. And that was Carl Van Horn and Dave Applebaum...

**John Weingart:** And they were both very close to the Governor in the administration.
Michael Scheiring: They were both very close to the Governor. So that helped a whole lot. I think the other thing that really helped a whole lot was the fact that I came from state government. Yes, I served in the Governor Byrnes Administration. But I was not looked at as someone from the elected. I was looked at as someone who, when you get there, I'm the guy who helps you after you get elected. There are those who help you get elected. And there are's those who you work with once you do get elected.

And so as a result, there were a number of folks, you know, who came out of government that were part of the team. They weren't being examined. They were the examiners. So they made a big difference in terms of how we were received when we went in. The folks that I sort of mentioned earlier, all had reputations within state government. They were well known, good quality individuals. Some of them had served in fairly level senior positions, again, as director of administrations or in prominent agencies. And they belonged to outside organizations, like ASPA or AGA. So they were known within the professional circles. That was the other groups that we went and talked to. We went and talked to the ASPA folks. I was a member of ASPA, always have been. We went and met with AGA and described what our goals were...

John Weingart: So ASPA is the Association of Public Administrators.

Michael Scheiring: Right.

John Weingart: AGA is what?

Michael Scheiring: American Association of Government Accountants. And AGA is comprised of both public, as well as private accountants. So that also helps quite a bit. Because they both speak the same language as accountants, but having the opportunity to go in and describe what we were going to do, versus what perhaps some other formal wants. And again, as an example, and this is not a criticism, but the approach that was to be taken through GMIP was a very stylistic approach, using house plots and staffing margins. It was all based on ratios, in a sense. Well, we should only have so many people reporting to a-- it really wasn't looking at operations. It was really looking at one cost to the government, and that being Labor. And let's see, within government and the public arena, labor is always a very significant part of your operational expenses. But it isn't really what makes things go better. If it just focuses on, perhaps, reducing some headcount, or reducing some dollar figures, it certainly can help. But if you're looking to improve operations, if you're looking to streamline government, if you're looking to do it better, I think by one, still-- how would I say it? Wish it would've done better on is that there was a significant amount of recommendations in the reports that really called for investment, especially investments in technology. And, again, given the time period that was, at least, initially
Michael Scheiring: Most of those were looking at maximizing revenues or mostly reducing the cost of operations. There wasn't a whole lot, at least, initially going forward in terms of money being pumped in to improve operations. Some of that happened later on, frankly, during the Whitman Administration. I think they picked up a number of those recommendations.

John Weingart: So these were recommendations that your commission made that just weren't being implemented...

Michael Scheiring: Weren't being implemented at that point in time. And my point is that, you know, again, I mentioned I think what we were really trying to do is be in a position at the end that we put together a strategic blueprint. And our whole objective was to make government better, to maximize operational activities. Well, again, for example, I think one of the classic recommendations, we had done reviews using the CPA Society to look at taxation. We had looked at Treasury and the revenue operations. We had looked at Labor, and revenue operations were significant there.

One of the investment recommendations was to consolidate all the various departmental revenue centers into a revenue center so that you could maximize the collection of your taxes, the collection of major fees. And it, frankly, I think it was during the Whitman Administration that they moved Motor Vehicles over to Transportation. And they took the revenue centers and they created the new division of revenues. Which then, you know, took away some sections of taxation, but put it all in a center. Not from the point of view of promulgating, but in terms of actually doing the collection process. And put a significant amount of resources into technology to be able to collect those revenues in quicker form. It was the first step toward the process of now having e-filing.

John Weingart: Your observation about the lack of investment technology in the Florio years is interesting, because the perception is that the information system in state government today is significantly worse than it is in most states - that people who come to work in New Jersey state government from other states are amazed. And maybe it sort of stems from that period when there wasn't a lot of money going into it.

Michael Scheiring: Well, again, I think, you know, part of the problem that has been in the public arena, as a whole, is that keeping pace with the expenses of-- technology has been one of the best things, in terms of leveling the field. I'm going to look at my other role, as Vice President and Treasurer for a college [Thomas Edison State College], a college that services students at a distance, with no classroom-based instruction, over 25,000 students we had. To do that we were able to do it only through technology. And it was really the power of the technology, the power of the Internet that allowed us to be able to do that in such a manner. And, frankly, our biggest investment after our people was every two or
three years we had to continually put money into the new technology to keep place. We knew it had to be digitized. What it was going to look like, I had no clue. We couldn't make bets on when it was going to be-- there was debates as to whether it's going to be beta, or VCR... and that's true within government.

And the problem was government doesn't have a means of continually renewing and refunding its technology. It also had a very centralized approach and a one-size-fits-all, very mainframe kind of mentality. And everything has gone down to the point now where most of us conduct our business on these little cell phones at this stage of the game. Where, you know, I can download significant sized spreadsheets and send them to any one of us here in this room. And work on them together, if we need to. And in the public arena, they haven't always been able to keep up with that. In fact, I think you'll see or remember, both of you, and when you look at some of the things that we suggested related to prioritization, departmentally, there were areas where there was already a track record.

I mean, our education is a classic example. You've got great examples of both public arena and private institutions, church-based, non-church based. And it didn't matter whether it was in the public arena, it was really what was the focus, what was the agenda. Did they have a vision, a mission? And did they have quality people? And my point is, in the public arena, there was a number of examples, whether it was corrections area, Environmental Protection area, and transportation certainly. Where you can use private firms very effectively to conduct the operations of the public arena, so long as you were mindful of two things. One, you still held responsibility for making sure those things were carried out. So you just couldn't turn it over and wipe your hands of it. And secondly, you needed to have a process that allowed you to actively manage and monitor, you know, what was happening. And those arenas were your private ties. So my point is there's, I think, you know, one of the things when technology was involved, perhaps, that was the best route to go. Because whoever was the private carrier that was coming in to service you, hopefully, they were going to bring to bear the best technology that they had available at the time in that arena. And I think, you know, one of the things that's a classic example is some of the things that were recommended, for example, during Cary's [Edwards] efforts to streamline the motor vehicles operations in the state. I think much of the success that happened there was because of some of the emphasis they had, not just on service, but on using new technology arenas. And some of the recommendations they were first heavily criticized for, if you remember, they were suggesting that we might use Sears as outlet centers for motor vehicles. And that was-- you know, really people were aghast at that. And today, we now have these private centers that I think work fairly effectively. At least today, when I go there, I used to take a book and finish the book.
John Weingart: That's true. So going back, the three governors right before Florio, there were Cahill and Kean who each had a commission. There was Byrne. Was there a commission in the Byrne Administration?

Michael Scheiring: It was the Governor's Commission on Budget Priorities.

John Weingart: Okay. And there was the GMIP, you referred to, the Governor's Management Improvement Program for Kean. My sense from the material Kris put together is you thought the Cahill one was the best model or maybe the most effective to look at going forward?

Michael Scheiring: Well, they were all different. Again, as I recall, for example, the one I know the best, obviously, was the Governor's Commission on Budget Priorities during the Byrne Administration. And that was focused strictly on the budget from the point of view. From a business perspective, did they have some better ideas of things-- and, again, it was chaired by a very prominent banker from Jersey City who had a great reputation. There was a gentleman from the Lennox Corporation on the thing. I don't remember the names, it's so long ago. But the point was they were really focused on budget and opportunities for, either, cutting costs or-- so it was very, very narrow in that aspect. And, I mean, the one that the governor's management view commission, ours was somewhat narrow. I mean, there were some people who criticized us. "Well, gee, why weren't you looking more at state aid? Or why weren't you looking more at federal funded operations?" And our view was, well, yes, we could look at that. But there really wasn't much we could do about it. If we did, you know-- so we made some recommendations on the federal side. It's the federal's dollars. We're not going to be able to-- you know, they sort of make the rules and the regulations of what you have to do. There's not much we can do to change that effectively, without working with a congressional delegation. On the state aid, these were really mainly, you know, transfer of payments, in many instances. So unless you can get complete support and approval on both the government and the legislative side, there's very little we could there.

So we focused, pretty much, on the direct state operations side. Now, on the other part, as we did the reviews, and again the accounting firms were very helpful on that, there's obviously various ways where you can maximize the use of federal revenues. And be given the fact that they do these kind of operational reviews and have conducted and been engaged nationwide in a variety of settings, there's a lot that we got from those firms because of their professional expertise that we couldn't have garnered, at all, if we wouldn't have had them involved. Because they brought, "Gee, there's a solution that Washington State's doing." That was very helpful. The Cahill Commission, I think, what they-- frankly, Governor Cahill was the beginning of the modern governor in this era. I mean, he was the man who was responsible for community college assistance. Yes, he was only one term. Just
as Governor Florio was only one term. But there was so much set by him during that period of time. And it was really, again, the centralization of the budget office, the creation of a governor's office that was effectively staffed. I think, again, if you'll look at the Governor Byrne policy and planning, there had never been a policy and planning staff, prior to that period in time. And that significantly changed the focus. Governors in the past had always spent their time looking at their legislative track record. That's really what they were known about. These were three governors who spent a good part of their time, not just trying to get things done legislatively, but getting done in an administrative management kind of way. And the Cahill Commission reports, sort of, did that. And it continued that process, I think, and sort of throughout that. Now, prior to that, were there some other reviews? I'm sure there were. But that's as far as my memory's going to go. Put it that way.

**Kris Shields:** I think one of the interesting things about your commission, in particular, and you’ve talked about this a little bit is that public private partnership, in terms of the way you approached it. Can you talk a little bit more, maybe, about the specifics of what the accounting firms did, what you did, how you sort of worked together? Because it wasn't exactly an outsourcing. You were both heavily involved. But can you maybe talk a little bit about who did what, sort of, on a day-to-day basis or on an issue-to-issue basis?

**Michael Scheiring:** Well, let's talk about the commission itself. You saw that we had a chancellor from Seton Hall, former chancellor from Seton Hall, as a priest. We had a former Public Advocate and attorney, Stan Van Ness who was the chairman. And John Petillo, who was from Seton Hall, was the vice chairman. We had a professor from Rutgers, Gloria Santiago. We had a businessman, Martin Brody. We had the president and CEO of the largest utility in the state, Jim Ferland, from Public Service Electric and Gas. And there's a name that wasn't listed, and I can't remember his name now, either, who was the president of the IBEW, which was a very prominent union. But he was from the non-public side of the house.

**John Weingart:** So the commission itself was created by executive order. So it didn't need senatorial confirmation from that respect?

**Michael Scheiring:** No. But it gave you a complexion, with a diversity of background and a representation that I think was very, very helpful and very, very useful. It was very, very helpful to have the gentleman who I can't remember now from IBEW. He, frankly, had given some of the issues and pressures that the unions were facing on the private side. And when some of the questions would come up related towards, “Well, how are the unions going to react?” He would be one of the most adamant responders to these reports, of saying they need to get back in line. They're out of kilter. Much of what you hear today, you know, was that was not the kind of thing you could say back then. But much of what he brought to the
table. So that commission served as a board. That's how they were. They were a board. So they helped approve plans. They reviewed the reports. They promulgated the recommendations. They assisted in getting support.

My role was to sort of act as the Executive Director, President of the organization to the board, with a core staff. The core staff that we worked with, we just, basically, outlined what the charge of the organization was going to be, what the work plan was going to be. And then, we marshalled the forces that we could to focus on that. As you recall, we had a series of cross cut issues, which we primarily used corporate loaned execs. A team of corporate loaned execs, execs from state government, and perhaps, staff out of the central agencies of either department of Personnel or Treasury. That was blended in and led by one of my core staff members. The purpose of that was to mold a team that would focus, again, on the topical area, based on the game plan that we had within those cross cut areas. And they were everything, as we talked about, from contingency staffing to review of the SCS. And, again, we used folks also from academia, for example, people from Rutgers and others, to look at those topical areas.

On the professional accounting side, again, we utilized what they were most used to. And that was an RFP. If I wouldn't have had an RFP, I would've gotten, basically, what they were willing to give me. Because, again, it was all pro bono time. They understood and had to respond readily and could respond quickly to an RFP process. And so they would, basically--you know, they understood what your objectives were, what you were looking for in terms of the criteria, what were the evaluation criteria that they were going to be selected on. And it was done in a process where they bid, but they bid on a pro bono basis. So the only difference was they weren't getting paid. They did everything that they normally do in their operational review, except that. And that helped us from the point of view of, again, clearly knowing what should be our expectations in the methodology. When the firm was coming on board, we would take the firm in as we would if it was any other kind of process. If this would've been led out of OMB in a paid kind of way, they would've taken the firm in. They would've met with the cabinet officer first. Here's what the objectives of the piece is. Here's the firm that's coming in. Again, put a team together. Here's the lead person from the agency who's going to work with the firm. And the firm came in, did its review, did its operations. We had an exit interview, as you normally would do. In this case here, they would have an opportunity if they had some issues that they felt, as you would in a normal audit, that you had some questions that you wanted to raise, or you felt they might not have quite got it right. They didn't have the information. They had that opportunity to present that information. If the information presented made a difference, and the firm felt it made a difference, that was fine. But the firm had to make that decision, not anybody else.

And that was one-- again, back to that point I made earlier on, of the meetings and discussions that we had early on that Ellis Veiser helped arrange and John Kelly helped
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arrange. That was the important part of making sure that those folks understood that we were not going to use their quality reputations in a way that would, you know, be self-serving from the perspective of “Is this a political kind of aspect?” So that, I think, was--now, that was one of the things we, I thought, learned significantly from some of the other reports. Again, we had some really quality reports that were put together in other venues and other reviews. But, maybe, again the loaned exec was an individual who was retiring, who had an axe to grind against government, or he had an axe to grind against his firm, because they were putting him out to pasture. He didn't want to do this job. You never knew. But...

John Weingart: And so the firms would submit this material with recommendations. And the commission would then adopt that document?

Michael Scheiring: Right. They would adopt it. And, basically, get an understanding of how they came about it and could ask any questions they felt. There was one or two instances where-- and it really wasn't with the audit firms, with crosscuts they had some suggestions that they wanted us to go back and take a further look at this or look at that area. And we would. And then, it would be-- then, that commission would adopt it. And then, the recommendations would be forwarded to the Governor. And I think the other thing that we tried to do, and you'll see that later on-- and again, I'm glad you captured that, Kris, in that timeline, is there was a point where after we-- We did about, I think, 43, 44 reviews while I was still there. And there was a few done thereafter. But then, we tried to turn the game. Because, again, we were all so caught up to the fact that based on our look-sees that too often these things sort of sit on the shelf.

So then, we sort of got very active working with the departments and actually, once the Governor accepted it, in getting those recommendations implemented. So we were going back in, meeting with them, finding out what actions that they were taking. We were doing status reports back to the Governor. The Governor would bring it up at cabinet meetings. We certainly never did not have a lack of interest by the legislature. That comes back to, "Where's the audit? Where's the audit?" And then, the other thing that really was very, very fortunate, there was-- and I've forgotten this person's name. But she was a good friend of Stan. And Mort Pye was the editor and owner of The Star-Ledger, and he wanted to do a review on us. And so there were some discussions and a meeting was held and then Herb Jaffe came down, and he did probably one of the most in-depth series that I can ever recall that anything had ever been done on government that was really going through the various reports meeting with all the folks on not just the commission members and myself but members of the loaned executives themselves, the agencies. And it really broadcast the results I think in a very positive way in a sense that they were meaningful, that they had merit, and it really sort of put the government to really make sure that things didn’t sit on a shelf.
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And from that we also then went off and started doing various around the state-- generally at a college we would have some group that the governor would do the invite. In fact, many times they were actually thinking the governor was going to show up <laugh> and it would be a commission member and myself giving the results and the review, but every time we left the room people were very—well, as Stan had said, “They’re never gonna clap again.” They were clapping, but they were clapping primarily because we would have in the room, whatever we were going to be talking about that night, not just us, we would have the accounting firms come out. We would have those loaned execs in the room. They may not be sitting up in front or doing the presentation, but we would have a question and answer session and we would generally do a very short presentation. And part of the process was to get new ideas from folks, John Joe Citizen, of issues that they felt needed to be addressed by government. And there were some that we frankly, “Yes, that’s a good idea. Let’s do that.” Others, it was really an information piece. “Yes, that is a great idea,” and here’s what we looked at. And generally we would then turn to somebody that would be sitting there and say, “Can you describe for them what- what we did in that part of the process?” And, again, that helped to reinforce for a lot of different folks that this was a meaningful process and also I think helped to have a variety of people begin to engage. People don’t like change. The government doesn’t like change. Nobody likes change, frankly, I mean in many respects. And I know a lot of good colleagues that I respected. When I walked in they were like, “Why do you always want to see us change?” I said, “Well, we’re all going to have change so why don’t we try and do this in a way that- uh.. that we’re all are going to be uh.. better off at the end?” And that’s easier said than done, I’ll put it that way, to convince people of that.

John Weingart: You mentioned Governor Florio’s involvement in the beginning. I’m wondering as this process went on how much was Governor Florio and his staff involved so that if the commission is voting on a set of recommendations, would people in the governor’s office know about that ahead of time and had input into that? And would cabinet members have opportunities to sort of work in back-channel interests?

Michael Scheiring: Oh, okay. Yes. <laughs> Yes, let’s say, again, in each one of these reviews, as I mentioned, the firm or their team that made the presentation, they would make their presentation. We would also have the cabinet officer and his team in the room there, too. So, again, there was not going to be a situation where the commission members voted on a report received by an external body and the group that had been reviewed was going to come in later and say, “Gee, that isn’t how we look at it.” They both had to be there, and if they had some issues they knew to raise them. And was there back-channeling done? Sure. There absolutely was, <laughs> and sometimes there could be-- and was there resistance at times? Yes, there was, absolutely. You mentioned again, Kris, in your timeline and, again, thank you for it, is part of our monitoring process we required every one of the state cabinet officers and the agencies to come back with various reports as to

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how they were doing on their objectives. Well, the only one I couldn’t get to do it was Treasury.

<laughter>

Michael Scheiring: And I couldn’t argue too much because, again, they had been very help-- they didn’t give me the best folks but they gave me folks to help out, and Rich Keevey was absolutely outstanding, and Treasurer Berman at the time, Treasurer Berman had his own reputation. We’ll just leave it at that. So that was an issue. Where I came from, higher education, the chancellor of higher education was very difficult and actually put me in a fairly difficult situation because, again, I’m a loaned exec, too. Yes, I was appointed by the governor, but I came from higher education and I need to go back to higher education. That’s what I wanted to do, at least I thought. And so how do you deal with someone who’s your colleague and someone who I worked with and might have to work for in the future? So I didn’t have the meetings with the chancellor. I had Stan meet with him, and I did that for two different reasons. One, obviously to make sure he understood what was the issue I was facing, that being Stan, so that I could bring others to bear on that chancellor and do it in a way that benefited all, we’ll put it that way, including myself. <laughs>

John Weingart: I wanted to ask you about boards and commissions because one of the things the commission did was review-- I think there were 400 boards and commissions in the state government at that point. And my impression was that you recommended consolidation of some, elimination of others, and to a large extent that happened. The legislature did make those changes. And while subsequent governors have also talked about reviewing boards and commissions and making more sense out of them and getting rid of ones that were no longer needed, my impression is that your effort was the last one to really have an impact. I wonder how that process worked.

Michael Scheiring: Well, again, let’s look at New Jersey. New Jersey is as, again, everyone knows it has one of the strongest chief executive officers in the nation. So as a result that governor has the opportunity to establish a variety of advisory bodies, commissions, et cetera, and they do. And many governors like to create a lot of them. But no one really ever goes back and-- it’s like your house. You buy things and then you buy a storage center. <laughs> So someone has to care and feed for those, and it’s typically the agencies that had some alliance to it, and the governor continually, whoever the new governor was, either had to make new appointments or keep holdovers, and invariably one of those appointments that may have been a holdover, even maybe a new one is going to be difficult. So the point is we had I think an opportune time because of just-- I don’t think anybody even knew how many there was out there. I mean we literally put a survey out not
knowing what we would get back, and as many boxes as you <laughs> got when I sent the material up from the audit to you I think we pretty much had from all the different 20 departments and commissions at that point in time sending in all the advisory groups. I would suggest, and again, the one that was classic and we made a little fun of-- and Phil Alampi, by the way, was a very good friend of mine.

John Weingart: Secretary of Agriculture?

Michael Scheiring: Secretary of Agriculture and frankly not just a friend, a mentor. But

Agriculture was and is and always has been very much a unique egg because you had a bit of independence to it. The farmers are very important to our state. We’re known for the Garden State for a variety of good reasons. And they take what they do very seriously and they have lots of bodies and commissions. And on topics that perhaps people today would, “Why do they need to have a blueberry and elderberry and a raspberry?” They were all important. But even he would tell you that, yes, there was perhaps more than necessary but how do I get rid of them without offending somebody? So frankly we were a useful tool in that way. And, yes, I think there was a lot of good activity as a result of that. It wasn’t too long thereafter there was as there is in every administration changes going on. Joe Salema came on as chief of staff. That was just about when that report was coming on. They were looking to make some additional changes within government. In fact, one of the things that we did that was a bit of a stray from our mission is that since we’d been engaged now for a time period one of the first things Joe asked is, one, he asked for a reporting relationship. I sort of worked with Dave [Applebaum] and Carl [Van Horn] on a regular basis, but he wanted me to go to him directly. And I wasn’t unhappy about that, but I also felt very strongly that the success we were having was because of Carl and Dave, so they became a triumvirate as far as I was concerned. Whatever conversations I had with Joe I was also having with Carl and Dave, so they were all in the loop. But the reality was--

John Weingart: But those were separate conversations?

Michael Scheiring: Well, sometimes they were together but most of the time they were separate because they might be on different topics. Frankly, David was my main person, and I expect if they felt it was necessary they would share it with each other. But I always let them know what I was going to go in and talk to Joe about if there was something I was going to talk about.

Now the other way around Joe also called me up a lot of times and one of the ones that he called me up on was, “Can you give us uh.. what you think from the operational review what
would be the ways that we could improve operations by reorganizing state government?” And we did a fairly significant detailed memorandum that suggested that one of the main things was taking many of the programs and operations that were part of Human Services, which was “the behemoth” within state government and making that more manageable by transferring some of those areas to other departments. And the primary area that we had suggested was anything that was related towards senior citizens. Well, senior citizens frankly had become a fairly significant area of constituents for government. There was a whole host of new programs that were created in prior administrations now focusing in either out at Community Affairs, Labor, Health or Human Services directed towards aging, and was there opportunities to move some of those programs under perhaps a department of senior citizens or senior services was one idea. And then, again, because of the desire not to-- we’re a commission that is thinking of how we can streamline government and so we’re not going to propose a new department, <laughs> so it was, “Gee, can you- can you make it part of Health,” which had a very important venue but it was all health focused, and it was a relatively small department, so could we do that? So that was one of our recommendations, and frankly I think it’s a recommendation that would’ve went. We actually had cabinet meetings on that. There was a sit-down with the governor on that discussion. And let’s just say I think a runny egg probably stopped that from happening.

John Weingart: A controversial regulation. And then that did happen in the Whitman administration.

Michael Scheiring: It did.

John Weingart: In the Department of Health.

Michael Scheiring: Yes, again, I think it could’ve happened then, too. I think it just was the wrong time, the wrong person, and--

John Weingart: Well, one organizational change that happened in the Florio administration was combining the Board of Public Utilities and the Department of Environmental Protection. Did that grow out of your Commission?

Michael Scheiring: No, that was separate. Again, I think it was-- Scott Weiner at that point had been doing some absolutely outstanding work as the governor’s appointee for the Board of Public Utilities, and then later on he had come down as a commissioner of DEP, and I think as a result of that-- again, sometimes personalities can make things happen, and Scott certainly has the personality to make things happen.
Kris Shields: There was some talk at one point of making the Commission itself permanent. What was the vision for that and why did that not happen?

Michael Scheiring: Well, there were a couple of things. Again, as you know, Kris, and you saw in the materials, we tried each year, again, as a commission and having commission members to each year deliver at the end of the year we’ll call it an annual report from the commission that we would share with the governor what we had accomplished this year and also sort of setting out what we thought would be the agenda for the upcoming year. The first year after we got that completed, what we had, we were able to get a small budget and then we were able to go on and continue doing some operation reviews, pay reviews, using the same RFP process with the accounting firms. But I think the-- I’m sorry. What was--?

Kris Shields: About making the commission permanent.

Michael Scheiring: Permanent. When we got into the second year, again, looking at the success that the commission was having we started looking around saying, gee, is there a way, since every governor seems to have one, should this become a process that can have an ongoing merit to make sure things actually take place and implement it? And frankly we looked outside of New Jersey and looked at the GAO and said, you know, what we really need to have here is a “GAO”-type operation that had a term situation like the GAO director, I think it’s a five- or six-year term as I recall, but it spans administration so that-- and not an elected position but someone who had a quality background. And that was really our recommendation. And frankly I was very hopeful that that would happen, and I was at that point in time really let’s say wedded into this process and hoping this would be a way that we could continue this work. It didn’t happen for a variety of reasons, but I think it has in the sense that when Governor Corzine got on board, again, they’d sensed that there’d been a number of other kinds of venues that had been put in place, and of course he created the State Comptroller position Then that folded a whole bunch of other offices and brought that all together. And that was a representation of having, again, what I frankly think was one of the things that we had strongly suggested, again, a GAO-type model that would look at operations of government in a formal fashion. The only differences I would suggest is that we still have the State Auditor, and I think they do an absolutely outstanding job of doing compliance reviews. And, again, they’ve tried to do some things in the operational arena.

John Weingart: That’s an arm of the legislature, right?

Michael Scheiring: It’s an arm of the legislature, and it’s more of being an opportunity to say, gee, under the legislation and under the mission that has been set for this operation and under the rules and regulations is what being carried out there being carried out in that kind of fashion? You still have the state commission on investigation, and it’s more also of a
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legislative body, but it’s more of an investigatory body. And, again, I think it has a very strong role to play, too. And then the comptroller hopefully is going to be more and has been I think more of an operations review. It seems to have been focused more outside of what’s happening within state government and more what’s happening at levels of government, put it that way. It could be the school district level. It could be at the local-- and that’s not a bad thing, either. So in many respects I think some of the things that we were thinking along have materialized in some form or fashion.

John Weingart: Governor Florio was elected in 1989. Your work was going on in the early nineties. Bill Clinton was elected president in 1992 and an early significant initiative was Vice President Gore’s reinventing government. Was there interplay that you were involved with in your world between your effort and that?

Michael Scheiring: Well, again, we were very-- let’s recall also prior to Governor Florio’s effort most of the efforts were sort of an anti-government flavor. You know, government’s too big. The line used to be if you get ”X” amount of lawyers-- well, five bureaucrats is only a drop in the bucket versus lawyers.

<laughter>

Michael Scheiring: And that was sort of the mentality. And what we really-- the Clinton administration, their focus again was very much our focus, which was how do you improve operations? How do you make government run smoother, more effective? Reinventing was a word that we used regularly at our arena, too, is that we’re really trying to do is reinvent and refresh, light size not downsize. That was a word we used on a regular basis. Again, they were just launching, too, so there wasn’t a whole lot to be--

John Weingart: Right, well, you were ahead of them.

Michael Scheiring: Yes, we were sort of a bit ahead of them, so there wasn’t a lot of-- and again. A federal scene versus a state scene, it’s quite different entities. We had a lot of discussions with them and met with some of the folks down there. There’s, again, a couple of bodies that we went down and met with, and I’ve forgotten what their names were. I know one of them was with the National Governors Association. We went down and met with a group of them, and the Advisory Association of Governmental something. I forget who it was in that area. So that was a positive thing from our point of view. And certainly, again, President Reagan - I think was one of our better presidents - but there were certain themes during that period that were more the government was on our backs kind of attitude
than really be a positive force, and we were trying not-- that wasn’t the kind of venue we were trying to put out there.

I’ll admit there was folks within our arena, and what I mean our arena I mean folks within the governor’s circle, who were anxious to have us perhaps generate reports that would create headlines that would say, guys, well, look what we found here. A whole host of-- there was an agency, for example, who had acquired a whole bunch of computer equipment. It was all sitting in the warehouse. The warranties ran out. They hadn’t installed them. Well, it wasn’t their fault because they didn’t really have the staff. And, again, back to our discussion earlier on with regards to central technology, that group was in such a flux at the point in time they had dropped the ball. Well, it could’ve been very embarrassing for that agency. We didn’t bring it out. We left it alone. It was a lot of people’s failures and it really wasn’t going to-- it was easy to know what the problem was and why put it in a report? So there was things like that that we just said, you know, that doesn’t get us anything except a headline and an agency that we want to make some other things happen on resistant to having us be there. So we would avoid that kind of stuff because it wasn’t going to do any good.

John Weingart:  I want to go back to Governor Florio’s impact and role specifically as a person. So if there was another governor in office then who had called for some kind of management review, as many governors do, what was different about this to the extent you can tell because it was Jim Florio who was governor? And I guess part of it would be what you were just talking about about; He would not have been advocating an anti-government review.

Michael Scheiring:  Well, again, one of the things I was very pleased to be a part of is that Governor Florio won the Profiles in Courage Award. Well, when that first came up, I was the one who had wrote a note and suggested this governor would be perfect for it. Now John Shure took the lead in putting together the material that was necessary for Governor Florio to get that. But if you think about the time period, Governor Florio was really ahead of his time. I mean he was leading the charge of how we needed to reinvent and reform government, and it was done in a manner from someone who had been in government for a long, long time at the national scene but also at the local level. And I think he was known as someone who was no nonsense, someone who had a strong belief in the value of government, had always thought of-- he had a very strong environmental record, but his environmental record was focused on how we could not only clean and improve the environment but utilize government to ensure that that happened in a way that was effective in cost. So I think what he brought to the table was that he was not a lawyer. I think that was helpful at that point in time.
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John Weingart: He was a--

Michael Scheiring: No, he was a lawyer, wasn’t he?

John Weingart: Yes, he was a lawyer, but he hid it.

Michael Scheiring: Yes, excuse me. I’m wrong on that. But the point is I think he had already had as a hands on kind of individual versus a-- Brendan was a former judge. I guess they all were lawyers if you think about it at one point and fashion. But he just brought a different kind of mentality to the forefront. He was also, given the fact that he had run for statewide office a number of times, he had a reputation as someone-- when he came in the room he would have a very focused discussion and a very-- when you left you knew he knew what he knew kind of thing. He wasn’t viewed as someone-- he wasn’t a slap-you-on-the-back chitchat kind of individual. He was very focused, issue-oriented, very interested in issues. So that I think helped a lot in the sense of someone who was willing to stay focused on issues. Again, many times Governor Byrne and Don Linky [Byrne’s director of planning] will be the first to tell you this. Governor Byrne has a great environmental record. He basically has a great environmental record because he put in good people who were interested in the environment. He really wasn’t that much interested in the environment. There were other things he was interested in. So it’s attracting talent.

Kris Shields: One of the things that we like to think about here at the Center is how we can use the experiences of the past or the experiences here to sort of help moving forward for future administrations when they’re thinking about some of the same things. What would some of your advice be coming out of this experience for a future administration or an administration in another state that wanted to think about these issues of efficient governance whether it were setting up a commission or legislation, however they sort of wanted to go about it, coming out of your experience? Is there any advice that you would have?

Michael Scheiring: Well, one, I want to applaud Rutgers and Eagleton as an Institute. I think, one, capturing this information, not just on this but on various topical areas in terms of past governors that can be very beneficial for whoever the next team is in a sense. One of the things New Jersey has been very good at is in its transition from governor to governor. Generally the sitting governor, he will work and require his team to develop briefing materials and prepare for the next governor. Generally a new governor coming on board has a very limited period of time of switching from an election mode to an administration mode. And invariably a good governor, usually new governor, picks someone within his staff that he relies on who’s going to no longer focus on the election but begin to start thinking about, gee, if I win this what are we going to do? <laughs> And that’s
important that that person be somebody that can do that but also there’s not going to be a whole lot of resources because everything’s focused on getting elected. So having things like what you’re doing available to those individuals I think would be very helpful. Capturing some of this knowledge and then being able to have people be able to go through that that’s very useful.

I do also think, though, just the freshness of a new governor-- you know, the fact that a four-year term or an eight-year term, but there is a term to it-- again, I think we all understand and appreciate you come on. There is a two-year, maybe a three-year window at tops within that first year to get things done. And as I like to say regardless of what level or position you’re in it takes you six months just to find the restrooms and to get settled into what your patterns are. So, again, you have a very limited window, so anything that can help, that’s very beneficial. The other thing is just that freshness is also useful. People come in, they’re anxious, they’re looking forward. To me that’s part of the refreshment that also goes on within the public arena. I think the other thing that would be very useful is how do you gain from not just creating but from-- I want to use the word refreshing because I think too often it’s an agenda focused on things that we haven’t addressed yet. Well, I think it would be useful and frankly I think that’s what policy and planning did or started to do in the shape of the- under the Byrne administration. It was thought of with the sense that, gee, rather than have a governor who focuses just on legislation let’s look at what we have here as an executive and what can we do better that meets the goals and objectives of what that governor set for his administration, and how do I get credit for that? And that’s really what policy and planning was focused on. Gee, what things can we do because we are the governor rather than the legislation?

And I think the next thing is taking that one step further is what things can we change, modify or eliminate because it’s time to do it and because frankly I think that’s what the citizens-- when I hear citizens speak out there regularly and as a citizen myself and I trust you do, what’s the biggest issue? Gee, does anybody ever eliminate a role? Does anybody ever take out a regulation? One of our lines used to be is that regulations are like headless nails. The regulation goes in easy but trying to take it out is--<laughter> is very, very tough. And for those who are concerned about certain regulations either in the taxation area or in the environmental area or in the code enforcement area, what do you hear from a variety of venues and setting is, gee, it takes us so long to get approvals, and we can build a house in eight months but it takes us two years to get all the okays. And you can hear that in a variety of venues. So anything that could be done in that arena to get administrations to think about it from the point of view we don’t need a new mousetrap. We need to go back and examine the mousetrap and make it address today’s issues.

It’s not to say that it wasn’t-- it’s like when we looked at the advisory boards and commissions. I mean the one thing I think you saw in that report, John, is that when you
looked at all our reviews they were very serious. And in that one where we wrote the report we sort of had a little fun with it because the first draft of that report was very much like every other audit, <laughs> and I said, "This isn't going make it with advisory boards and commissions. Go back and make it..." So we talked about the fact that they're very important, they have a mission, but they're almost "Star Wars"-like. They just kept right on going. <laughs> And unless you went in there and revisited them they would just continue on in their mission. And it may not be important today or it doesn't require the resources you have today.

And I think that’s the other thing is that when we looked on the revenue side, you know, there’s a lot of revenues that are created over time or things that are done over time and then nobody goes back and modifies it or adjusts, and some people suggested, well, on the revenue side what you need to put in is some sort of automatic inflator. They don’t want to do that. What you do want to do is go back and take a look at it and say, gee, is it something that we need to keep pace with, or is it something we need to change because it really isn’t doing what it was supposed to do? Which if it’s a revenue side maybe carry the cost of that operation, or if it’s a dollar figure that’s related towards a fine because does it really act as a deterrent? Or one of the things I did afterwards was look at healthcare in terms of EDI. And you looked at the legislation and some of the regulations on the book. They had no recognition of the use of electronic payment records or anything else in that area. And so as a result you had a hodgepodge of regulations that were based on an environment that was there 30 years ago. And so how do you get credit for doing things like that? How do you make that your agenda?

John Weingart: I imagine there’s a tension between hitting the ground running as a new administration with the energy you’re talking about and at the same time the new administration not knowing a lot or there being a lot the new administration doesn’t know about. So you could come in and say, well, this regulation makes no sense, but when you look at it more deeply maybe it does. And on the other side you have sort of a natural entrenchment defensiveness that builds up of people who want to protect their turf, not in a bad sense but because they get that perspective as opposed to a broader perspective of management issues.

Michael Scheiring: Well, again, in every one of these agencies you have good quality people who are doing their job as they were directed or as they have set their agenda, and they feel very strongly about it. And those are the kind of people you want in there. And you’re right. It’s very difficult for a new group to work with the existing group who’s carrying out a mission to the best of their ability, and then to be asked, well, gee, do you really need to be doing what you’re doing? laughter> You know, that doesn’t sit well with most people. And at the end of the day you also have to ask yourself what kind of a payoff
are you going to get as the one who’s asking that question or as the person who’s going to let the-- again, given the timeframe you have.

So that’s why I think it’s somewhat important that we create these new commissions because they can do some of those things relatively quickly and stay focused on that because, again, a governor’s team and a governor has a very short timeframe. And by the third year if they’re thinking they <laughs> might like this job and want to do it four more years, and they all tend to want to do it, then they’ve got to redirect themselves back into campaign mode, and that calls for something different going on. And it’s a difficult thing to have happen. So I think that’s probably the reason why we’ve seen over the years at a national level and even in this state here the use of commissions on a regular basis. You know, as students of public administration I think of history I think we’ve seen what’s the best way to get something resolved? Create an advisory body or commission because you can let the next guy worry about it--<laughter>  --and you did something. But all that does is kick the bucket down the proverbial path.

**John Weingart:** How long did you stay with the commission?

**Michael Scheiring:** I finished up and decided after going into the third year of his administration that it was time to leave. And frankly I thought that was appropriate, too, because I wanted to be in a position where-- the governor I frankly thought was going to get reelected and I wanted him to be reelected, but I also thought it was time for me to-- the fun time was done, and it was time for me to go back and get back in my setting as a loaned executive. It was also important, I think, to state that kind of response, that I was going back. That’s what the whole loaned exec is. One of the things I was very proud of is that every one of the folks on my team, and sometimes in the past when folks were asked to do these kind of jobs they didn’t find themselves in the best of position afterwards. And one of the things I was very pleased with is we had a contract with each one of these folks. Yes, they were loaned execs, but we met with their agency chief, and they were going to go back and they would go back at least at the job and the level they were at before, and everyone- I didn’t find any of them on the street. There was a number of folks when I looked at prior that hadn’t happened that way. There was people I knew that had it hadn’t happened that way, and I didn’t want to see that. People give a lot of good valuable time. They should be if not rewarded at least not--

<laughter>

**Michael Scheiring:** -not sacrificed. We’ll put it that way, unless something else was there. So that did very well. Yes, I don’t know what else I could say in that area.
John Weingart: Okay, well, what else haven’t we covered about this issue that you want to talk about?

Michael Scheiring: Well, again, I think you’ve covered it very, very well. Again, I’m not sure how you’re finishing up the piece besides the video here. I would suggest that one of the tones that I would want to reemphasize is the governor himself, and that governor has to definitely show day in and day out that this is a serious issue. This governor as part of his campaign made a statement that he was going to do it. It was one of the first executive orders. I think it might’ve been executive order three that he signed after he got in office. And he made it a regular part of his discussion in cabinet meetings. He, again, hosted a number of events when he did his annual state of the state message, when he did his budget message it was always a major part of that. He took opportunities to bring the commission members and put them in positions where they were being recognized for their efforts. He clearly worked with the legislature on ensuring that they understood the importance of this to him. So that’s not something that any executive director could do without— that’s something only the chief executive, whoever that is, the governor, could do.

John Weingart: Were you able to make suggestions to him of doing some of those things, or did they stem from—

Michael Scheiring: Yes, yes, very much so.

John Weingart: And he would be responsive.

Michael Scheiring: He would be responsive. And when I say— you know, again, it was frankly Dave Applebaum who I suggested that with the unions I thought it was important, again, if we wanted to see results, not just— I already had those certain folks, where’s the audit routine, the union folks, spending each time trying to rip the thing to shreds. So by giving him the opportunity to be a part— and the folks that had been studied, they were represented by, they would come in the room, too. And, again, when we did the review— and this seemed like a small thing— but when we did the review on print shops those folks, the union came in and they were all upset about it. The staff members who were there were telling them, “No, we like what they’re recommending.” And as it turned out they did consolidate some of those print shops and some of them got much better and some of the ones that they had were sort of good that they got rid of, and unfortunately with that it changed, the whole dynamics changed in that arena. It was interesting, though, as small a topic as that was I remember John Shure saying, “Oh, we did a release on that report,” and he kind of, “What do you want to do a release on that report for? Nobody’s going to be interested...” Well, it got coverage for days and days and days because everybody realized that one of what makes government run: Paper.
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<laughter>

Michael Scheiring: So they wanted to hear about what did you find? What were some of the things that were suggested in that area? And for some reason that rang a tone out there that-- every time we went out at a meeting people would ask us, “Well, gee, what’s happening with this? What’s happening with that?” And probably because when there’s a change in office at any level what’s the first thing that happens? Everybody throws out their-- and they have to get new business cards, they have to get new-- you know.

John Weingart: Well, that’s a lot of money. You know, we’ve got to change all those maps with the governor’s name on the back.

<laughter>

John Weingart: Well, this was great. Thank you so much for doing this.

Michael Scheiring: I’m glad we’re finally able to get this--

Kris Shields: Yes, thank you.

John Weingart: I’m glad we were, too. Thanks very much.

The End