

Public Sector Practice

# Reopening US state government operations on a path to the next normal

State leaders must continue to address the COVID-19 challenges facing their own operations while also considering how to rebuild and reimagine for the next normal.

*by Sean Christiansen, Kunal Modi, Meg Sachdev, and Sarah Tucker-Ray*



© Drnadig/Getty Images

### **The COVID-19 crisis struck** with terrifying speed.

In a matter of weeks economic activity had slowed to a crawl. Government operations were pulled in two directions—needing to surge some services to meet the crisis, while needing to adjust others to physical distancing and stay-at-home orders. Recovery is going to be much more gradual and governments have the dual task of reopening and restarting not only their own operations, but also the economy. This article focuses on how US states can start preparing now for the next normal for their own operations and workforces. Already many states are beginning to pivot from focusing almost exclusively on crisis response to planning for a restoration of some services and functions, including their own operations.

As state leaders begin planning for this reopening, they must continue to address challenges to their own operations brought on by COVID-19, from strained budgets to work backlogs, while also considering how to rebuild in the context of an altered world.

The challenges are real, but there are also opportunities to reimagine our collective future. This moment has been an inflection point, pushing states to operate in new ways. States should take stock of knowledge gleaned from the crisis while the opportunity for change is highest. States must plan all the immediate steps necessary to reopen their own operations, while taking time for thoughtful reimagination of their place in the longer-term next normal.

The most pressing short-term needs are planning the government workforce's safe return and restarting the delivery of essential government services. To some extent, restarting means redesigning. States will need to change how they operate to succeed within a changed environment. The optimal balance between planning immediate steps and architecting a new future will vary from state to state, but all states will benefit by doing both.

### **The state of the states**

In most states, the state government is the biggest employer. It's no surprise, therefore, that most have taken strong action to protect their workforces from COVID-19. While essential services such as transportation, health, and emergency services have continued (in a modified way) throughout, many other services have been scaled back and/or operated remotely, including most administrative services.

Clearly, recalling workers and returning government services to full throttle will not be as simple as pressing a start button. Powering up a large, multifaceted organization from a mostly dormant status is a complex task. States must find a systematic way to prioritize and sequence the various elements of their machinery as they are brought back online and identify and address the most pressing needs first. It's a formidable challenge; compared with the private sector, many of the services provided by government, such as education, social services, and healthcare, are both critical and hard to provide remotely, safely, and effectively.

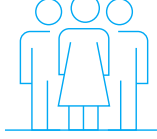
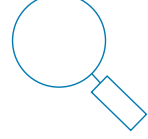


Even as they do this work, states should focus on longer-term issues that will better position them for the future. This includes accelerating plans to address long-standing needs, like building digital capabilities, as well as addressing new needs revealed by the COVID-19 crisis, such as weaknesses in remote service provision and talent gaps that impede nimble, data-driven solutions.

### **Restarting government services and operations**

States will need to carefully balance the actions required to restore government services as quickly and as safely as possible with the unique opportunity this period offers to put in place much needed change programs. As states begin the job of restarting operations, they should consider focusing on four major workstreams (Exhibit 1). These four workstreams will help them find the right balance between solving for immediate needs and building a new, more resilient future state.

Exhibit 1

**States can address government reopening activities through four workstreams, covering a series of key actions.**

	 <b>Build a baseline of agency services and employees</b>	 <b>Assess infrastructure and enact safeguards</b>	 <b>Plan and execute return</b>	 <b>Reimagine next normal for service operations</b>
<b>Priority</b>	Evaluate criticality of employee return from remote operations	Ensure work spaces are ready to enable safe employee return	Develop phased approach to bring employees back to work and monitor risk	Rethink how services and functions are delivered and how people work
<b>Key actions</b>	<ul style="list-style-type: none"> <li>● Classify and prioritize services (eg, urgency of services vs public-health risk)</li> <li>● Classify and prioritize employees (eg, job types, remote capabilities, on-site criticality)</li> </ul>	<ul style="list-style-type: none"> <li>● Assess government spaces and relevant equipment (eg, PPE<sup>1</sup> on hand to place in government buildings)</li> <li>● Implement public-health measures to safeguard workers for various work environments</li> </ul>	<ul style="list-style-type: none"> <li>● Implement governance, communicate, and plan return across agencies</li> <li>● Establish and measure reopening indicators and monitor risk</li> <li>● Reprioritize service backlogs, projects, and resources (eg, prioritize digitization efforts)</li> </ul>	<ul style="list-style-type: none"> <li>● Rethink how work gets done: efficiency, effectiveness, and resiliency (eg, modify FY 2021 budget)</li> <li>● Retool worker talent and capabilities (eg, reassess skill needs, update training)</li> <li>● Redesign customer experience and improve service delivery (eg, contactless services)</li> </ul>

<sup>1</sup>Personal protective equipment.

## 1. Build a new baseline of agency services and employees

To reopen services as quickly and safely as possible, states should consider segmenting and sequencing both services and employees. States can ask a series of questions to rapidly segment services according to those that are most urgently needed by the public, the health risk they pose to workers and the public, and size of the population they serve, as well as quickly classify employees for rapid deployment to fulfil these service needs.

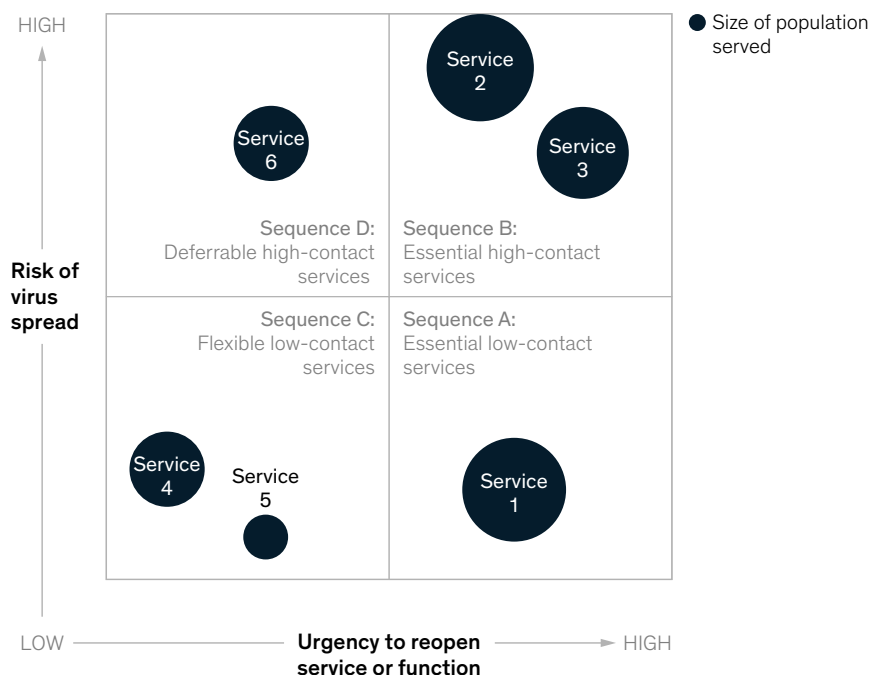
### Classification and prioritization of services

Most services will fall into four archetypes, which correlate with four waves for reopening (Exhibit 2).

The first wave consists of all **essential, low-contact services**, which can include vital IT or public-utilities services. These operations should be both low risk and high value and should therefore be at the head of the queue for reopening. Governments can think through the actions necessary to get these vital services up and running as quickly as possible,

## States can sequence the reopening of government operations based on criticality, risk, and reach.

### Illustrative framework for sequencing government services by urgency, risk, and reach



prioritizing those that have been most hurt during the period of remote operations.

Next in line are **essential high-contact services**, which can include corrections or mental-health services. Governments will need to think through additional safeguards necessary to reopen and restore services quickly while minimizing the health risk to workers and the public. This could include steps to reduce or defer demand for these difficult-to-deliver services.

The third wave includes all **flexible, low-contact services**, which can include human-resources services. In many cases, the task will be to develop processes and tools to sustain long-term remote operations. Governments should consider whether any services or workers can be transitioned to permanent remote work.

The final wave includes all **deferrable, high-contact services**, which can include documents and licenses services. The questions to consider here are whether these services can be deferred or reduced while viral transmission is active or whether the mode of service delivery can be reconfigured to reduce risk while still maintaining adequate service levels.

#### Classification and prioritization of employees

As governments plan which services to reopen when, they should also consider the best way to sequence and prioritize roles within agencies. One way to prioritize is by using a talent-to-value approach to identify the most critical teams and roles for specific high-priority services. This approach encourages leaders to look beyond traditional hierarchies to pinpoint where the true value of a service or function is being created and enabled.

# As states categorize their employees, it is important to assess which roles and teams are critical for delivering a service, regardless of where they sit in the hierarchy.

Using this analysis, agencies can divide their workers into four categories, creating a detailed return-to-work plan for each.

First are *on-site critical workers*. These workers can be recalled in stages based on local health conditions, but there should be a detailed plan that looks at virus spread, guidance from local public-health authorities, workforce readiness for returning to work, and legal liability.

Next are *on-site flexible workers*. Here, the ramp-up might be slower and include staggered shifts and retraining to build more flexible skill sets and a shift toward flexible work arrangements.

*Virtual workers* are those who can continue to carry out their roles effectively while working from home. Employment data from 2018 suggest that nearly 30 percent of state and local government employees can work virtually, including office clerks, assistants, and lawyers. Agencies should focus on providing any additional support necessary to ensure productivity, connectivity, and health. Again, work arrangements should shift where needed and possible to become more flexible.

Finally, governments and agencies should consider new demands and opportunities and provide the necessary transparency and reskilling to fill these new, *reimagined roles*.

As states categorize their employees, it is important to assess which specific roles and teams are actually critical for delivering a service, regardless of where they sit in the hierarchy.

## 2. Prepare safeguards for workplaces and employees

The return of the workforce to their places of work must be executed with care, making worker and public health a top priority. To provide adequate infrastructure to do so, governments need to have a clear understanding of the working conditions for each role, including level of contact with the public and level of control that can be exerted over the work environment (Exhibit 3). The measures taken to protect the health of teachers, for example, will be very different from what's needed to protect judges or call-center agents.

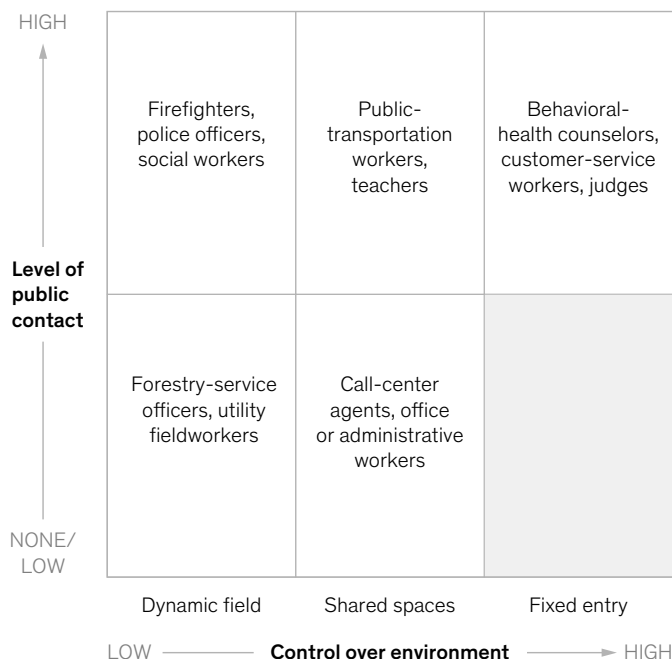
States can think about the steps they will need to take in three ways.

First are the measures needed to ensure *healthy humans*, such as enforcing physical distancing and providing adequate sanitizing of materials and products that come into contact with the broader population.

*Healthy business operations* include practices and policies aimed at keeping workers safe, such as

## Safeguards vary based on work space and level of public engagement.

### Example of occupations by work environment



monitoring the temperature of workers, embracing policies to allow people to work from home, and instituting flexible sick leave.

Practices such as installation of barriers to limit physical contact between workers and ensuring adequate ventilation are aimed at creating a **healthy work environment**. Other steps include no-touch bathrooms, providing adequate supplies of hand sanitizer, and both routine and targeted cleaning and sanitizing.

### 3. Plan and execute return

State governments should work together with departments and agencies to define a clear approach for a safe return to sustainable operations. This road map for reopening includes the steps

earlier outlined for segmenting workers and return-to-work plans for each. It also includes a sequence of steps to ensure that employees know how to return, how to resume their duties, and where they should focus their efforts first. Some elements of the job will remain the same, but others will change. All of this must be carefully communicated and monitored. The steps here fall into three areas.

#### Communication, planning, and scheduling

State central response teams can work together with departments and agencies to develop a schedule of major service and function reopenings and milestones, providing guidance and direction to department leadership, validating return-to-work plans from individual departments, and assessing related equipment and budget needs. Planning should be supported by a cadence of

communication from the central response team to agencies, employees, and external stakeholders.

#### **Measurement of reopening indicators and key performance indicators**

Again, the first priority must be worker and public safety. Governments can develop dashboards and other mechanisms to monitor and address emerging risk areas. Designated agency leaders can ensure compliance with the state reopening effort and conduct regular check-ins to maintain a continued focus on safety.

#### **Prioritization of backlogs, projects, and resources**

States can also conduct an inventory of service backlogs for services that were slowed, paused, or limited during quarantine, creating lists of both essential and nonessential services and products that have been paused. They can then pivot staff and resources toward critical projects, such as improved IT services for remote delivery, and redistribute resources to bolster areas under strain. These decisions will be taken within the context of additional budgetary considerations given the crisis, and states will be pressed to consider efficiency opportunities across services.

Finally, as states work through the process of planning and operationalizing the next era of government, they should consider establishing a governance framework to facilitate smooth operations and coordinate all the tasks that will be part of this massive and wide-ranging undertaking. In addition to a steering committee and core working team that includes representation from health, technology, and other relevant agencies, they can consider including SMEs and representatives with backgrounds in economic recovery, emergency and disaster response, and other relevant fields, who can weigh in more occasionally on decisions related to their areas of expertise. Each of the areas of focus under each workstream should be assigned clear leadership, with agencies/leaders with expertise in the area deployed appropriately.

## **4. Reimagine a next normal for state service operations**

The crisis has uncovered new work practices and opportunities for building a more responsive and resilient government. Even as administrators work through the complex process of “reboarding” their workforces and creating a safe environment for both workers and the public, they can think through ways to strengthen and support new ways of working as well as technologies that can support better provision of government services.

Some of the reinvention might be a matter of dusting off old ideas that have been stymied, while other initiatives might be based on new ideas born of the crisis. New, more flexible ways of working and remote working should be considered and evaluated based on their ability to increase productivity, rather than just insisting that everyone conform to traditional practices. Parts of the five-year plan may now become part of the five-week plan, and vice versa. Everything is on the table now, and governments should take the time to mine this recent period of enforced quarantine and remote working for practices that should be scaled to help society spring back better and stronger than before.

Focus areas for this reimagination include rethinking work, retooling talent, and redesigning customer experience.

#### **Rethinking how work gets done**

As states imagine their next normal, it is helpful to consider the new baseline of what work means in the context of this new landscape. This includes everything from baselining budgets based on post-coronavirus priorities such as safety and health to exploring automation and other digitization levers to make processes more resilient to future crises. Administrators should also take a hard look at the actual demand for services and reprioritize where appropriate. Some services that were paused may have been revealed to be of low value and may not need to be brought back on line. Other crisis-driven adjustments may be of much higher value and should be retained postcrisis.

Worker productivity is a rich area in this regard. There may well be important lessons from the crisis in how to support employees in working better and more productively, regardless of time or place. This should not be a matter of intuition; rather, governments can implement productivity-measurement tools to track outcomes.

### **Retooling worker talent and capabilities**

Now is also the time for states to get serious about talent assessment and filling skills gaps. Carefully assess how the COVID-19 crisis may have changed the demand for certain roles, skills, and capabilities, and flag both higher- and lower-demand roles. Given the employment picture, there could be an opportunity to revisit job types that have previously been hard to source and explore outreach to talent who might not have previously considered government work. States may wish to explore opportunities to partner with large local employers that have been forced to lay off workers who can fill these high-demand needs. For more information, see “How to rebuild and reimagine jobs amid the coronavirus crisis” on McKinsey.com.

This is also the time to embed and reinforce new ways of working—and to flag new practices that are not desirable. States should assess which changes and new practices are most useful, and develop a training and communication plan to help agencies reinforce desired changes and revert away from less-desired behaviors. It is important to train agency leaders and supervisors to role model positive new ways of working. Finally, states should develop a plan to help agencies upskill and reskill workers to meet changes to their roles, postcrisis.

### **Redesigning customer experience**

States are coming through a period of having to provide services under extreme stress. Despite best efforts, many services may have been delivered insufficiently or unsatisfactorily during the crisis, creating the need to restore public confidence.

By surveying residents and employers, states can determine where their systems held up—and where they need to be reinforced. In some cases, service provision may actually have improved and that, too, is important to know.

To streamline service delivery, states can then work with agencies to address the pain points for the highest-priority customer journeys. By surveying stakeholders they can also better project how service demands are likely to increase or decrease postcrisis—including demand for new types of services not regularly offered by states, such as remote education or childcare for essential workers. A short concept-ideation workshop can be useful in helping states uncover which areas to focus on, and answer the questions of how public behavior has changed in the wake of the COVID-19 crisis, and how service delivery can be reconfigured to meet change in service demand.

As they work through these customer-experience improvements, states and agencies can also align them with their broader digital road map. There may be an opportunity to invest or reallocate resources and projects toward strengthening digital and remote service capabilities.

---

Reopening government is a complex task unlike anything most states have ever undertaken, but it also presents a chance to institute new practices based on the enforced remote operations of the crisis or to accelerate long-standing plans that the crisis has made more urgent. The challenge is to balance the immediate necessary and difficult steps with the wider-ranging, longer-term shifts. It won't be easy, but as the crisis abates, there is a clear path forward for states to reopen to a next normal and an opportunity to define a new and better future.

**Sean Christiansen** and **Meg Sachdev** are consultants in McKinsey's Washington, DC, office, where **Sarah Tucker-Ray** is a partner; **Kunal Modi** is an associate partner in the San Francisco office.

The authors wish to thank Nehal Mehta for his contributions to this article.

Designed by Global Editorial Services  
Copyright © 2020 McKinsey & Company. All rights reserved.