

## ***Part 1 – Agency Profile***

### **Agency Overview**

**The Department of Administration’s vision is to bring appropriate, efficient and innovative business practices to Idaho government.** In FY10, Admin continued to review the progress made on previously established goals and set new goals to support the changing needs of its customers. Goals were established to achieve excellence in customer service through continuous improvements in the methods and quality of service delivery and internal operations. Admin has also continued its efforts toward enterprise wide consolidation in regards to email and telephone systems, as well as consolidated fiscal and human resources services to small agencies.

**The Department of Administration** (Admin) is organized into four divisions: The Divisions of Insurance and Internal Support, Purchasing, Public Works, and the Office of the Chief Information Officer. (Organizational chart included on page 3) Within those divisions, Admin is committed to providing leadership, expertise and value added services within the following management functions:

- Risk Management, Liability and Property Insurance
- Group Insurance/Employee Benefits Programs
- Administrative Rules
- Purchasing/Contract Administration
- Federal Surplus
- Quick Copy Services
- Records Management
- Design/Construction Management
- Facilities Management
- Statewide Leasing
- Office of the Chief Information Officer (OCIO)
- Industrial Special Indemnity Fund (ISIF)
- Office of the Chief Financial Officer
- Small Agency Support (Fiscal, Human Resources, etc)

Admin also provides administrative support for the Idaho Capitol Commission, the Governor’s Housing Committee, the Information Technology Resource Management Council (ITRMC), the Group Insurance Advisory Council and the Permanent Building Fund Advisory Council (PBFAC). (Organizational chart attached.)

In the Boise area, Admin currently has offices in the Len B. Jordan Building, the Borah Building and the Public Works Building. The Records Center and Federal Surplus are located outside of the Capitol Mall. Additionally, the Division of Public Works has satellite offices in Idaho Falls, Pocatello, Lewiston, and Moscow; and Facilities Management services oversee the two state office buildings in Lewiston and Idaho Falls.

**Office of the Director:**

**The Idaho State Capitol Commission:** Composed of 9 members—6 public members and 3 ex-officio voting members including the Executive Director of the Idaho State Historical Society, Director of the Legislative Services Office, and the Director of the Department of Administration, who serves as Commission Secretary. The Commission is charged with developing a comprehensive master plan for the restoration of, and addition to, the Capitol Building; implementing a program to fund the master plan; overseeing all restoration work on, and addition to, the building; approving all displays, artwork, and furnishings within the Capitol; and, promoting interest in the history of the Capitol Building. (Idaho Code Section 67-16)

**The Governor's Housing Committee:** Composed of two members of the State Senate, two members of the House of Representatives, and the Director of the Department of Administration; oversees the Governor's Residence Fund created to provide a Governor's housing allowance and/or the acquisition, construction, remodel, furnishing, equipping, or maintaining a Governor's residence. Department support for this Legislative Committee includes accounting, clerical, and facility planning/management services. (Idaho Code Section 67-455)

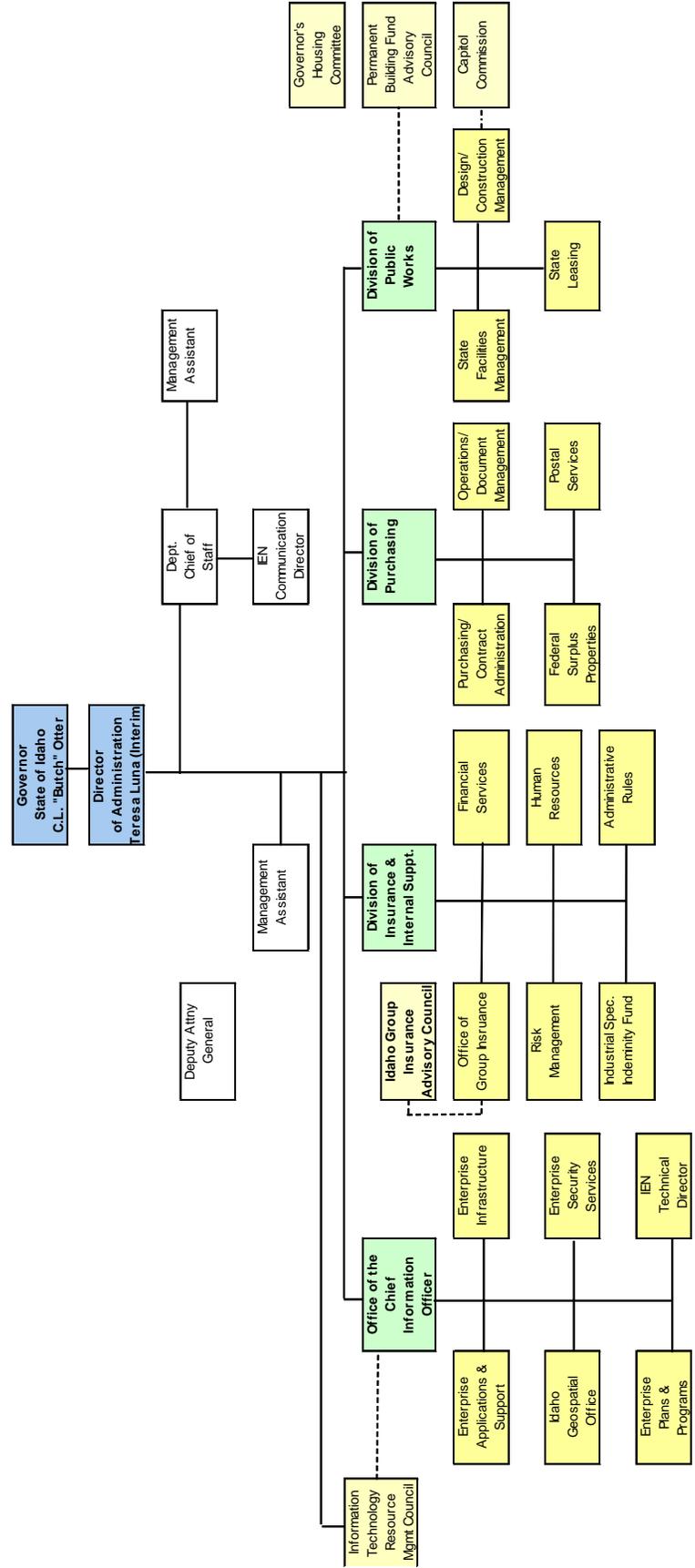
**Division of Insurance and Internal Support (DIIS):** Provides financial support services to all programs within the Department and to various small state agencies as well as internal control/auditing and project management functions through its Office of the Chief Financial Officer; offers internal human resources support; executes the function of the Administrative Procedures Act; acts as the state's property and liability insurance manager and adjusts claims made against the state; contracts and administers medical, dental, life, flexible spending account, and disability benefit contracts for state employees and retirees; review and update proposed and existing rules to the Idaho Code; and, manages the workers compensation system's "Second Injury Fund" encouraging employers to hire impaired workers by offering relief from potential total and permanent disability liability. (Idaho Code Sections 67-5202; 67-5746; 67-5760–5778; 72-323–409; 67-52)

**Division of Public Works (DPW):** Manages the construction, alteration, and repair of, all public buildings and works for the state agencies. The Division is also charged with the management (operations and maintenance) and space allocation of all facilities on the Capitol Mall and of the State Office Buildings in Lewiston and Idaho Falls. Additionally, the Division is tasked with the negotiations for, approval of, and making any and all lease agreements for office space to be used by the various departments, agencies, and institutions in the State. DPW also coordinates the activities of the Permanent Building Fund Advisory Council. (Idaho Code Sections 67-5705-5713)

**Division of Purchasing (DOP):** Coordinates bids and contracts for goods and services for state government; conducts diligent dispensing of government documents through the reproduction, mailing, and storage/retrieval of the state's paper records; and, serves as clearinghouse for the federal government's surplus properties. (Idaho Code Sections 67-5714–5744; 67-5749-5753)

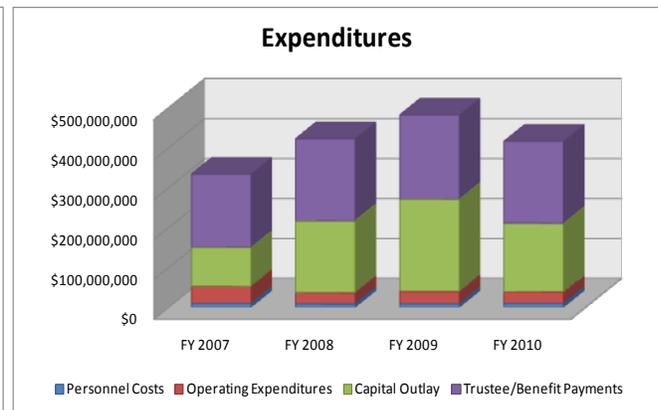
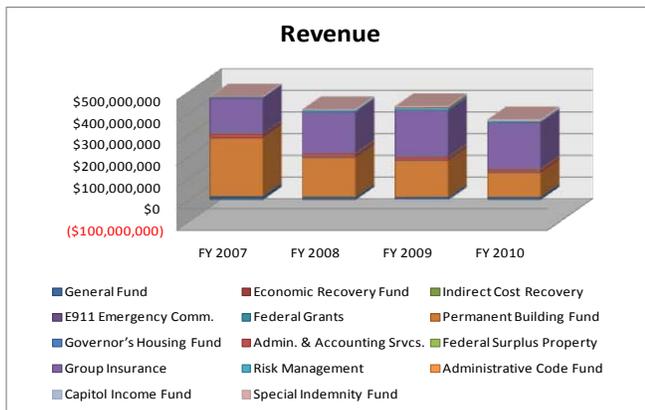
**The Office of the Chief Information Officer (OCIO):** Supports the Information Technology Resource Management Council; the Director serves as Council Chairman and the State's CIO. The Council reviews and evaluates the information technology (IT) and telecommunications systems presently in use by state agencies, and prepares statewide short and long-range IT and telecommunications plans; it also establishes statewide IT and telecommunications policies, standards, guidelines, and conventions assuring uniformity and compatibility of state agency systems. The OCIO and Director oversee implementation of the Idaho Education Network (IEN) infrastructure, Idaho's coordinated, statewide telecommunication distribution system for distance learning for each public school. IEN uses technology to facilitate comparable access to education opportunities for all students (Idaho Code Section 67-5745D). OCIO provides leadership towards, and administration of, state information technology innovations. It guarantees reliable communications with and within state government through telephone, IT networks, and Internet services. OCIO supports approximately 30 agencies, providing all IT services (e.g. desktop troubleshooting, server administration and e-mail) (Idaho Code Sections 67-5747-5748; 31-4815–4818).

### STATE OF IDAHO DEPARTMENT OF ADMINISTRATION



### Revenue and Expenditures

Revenue	FY 2007	FY 2008	FY 2009	FY 2010
General Fund	\$8,754,221	\$8,288,890	\$7,920,456	\$7,633,617
Idaho Education Network - 0120	--	--	--	\$3,511,460
Economic Recovery Fund	\$2,684,400	(\$161,007)	(\$367)	0
Indirect Cost Recovery	\$1,155,034	\$1,244,800	\$1,221,576	\$1,193,065
E911 Emergency Comm.	\$150,883	0	0	0
Idaho Education Network – 0346	--	--	--	\$1,329,872
Federal Grants	\$15,000	\$4,826	\$39,569	\$91,248
Idaho House Remodel	--	--	817	(\$817)
Permanent Building Fund	\$270,076,082	\$183,042,917	\$169,041,739	\$114,228,251
Governor's Housing Fund	\$67,508	\$62,133	\$51,938	\$43,963
Admin. & Accounting Svcs.	\$18,597,145	\$17,551,077	\$15,248,488	\$14,660,479
Federal Surplus Property	\$303,193	\$343,488	\$239,170	\$381,749
Group Insurance	\$163,994,599	\$190,921,806	\$217,212,051	\$215,843,690
Risk Management	\$6,042,998	\$8,649,004	\$10,772,509	\$6,955,779
Administrative Code Fund	\$513,219	\$559,167	\$577,028	\$480,079
Capitol Income Fund	\$107,342	\$854,842	(\$4,761,399)	\$105,663
Special Indemnity Fund	\$602,791	\$2,676,999	\$5,964,035	\$5,844,938
<b>Total</b>	<b>\$473,064,415</b>	<b>\$414,038,942</b>	<b>\$423,526,793</b>	<b>\$372,303,036</b>
Expenditure	FY 2007	FY 2008	FY 2009	FY 2010
Personnel Costs	\$8,994,951	\$7,947,119	\$8,632,879	\$8,831,955
Operating Expenditures	\$42,896,349	\$27,957,399	\$30,495,162	\$29,396,194
Capital Outlay	\$97,737,170	\$180,516,101	\$230,948,608	\$171,528,562
Trustee/Benefit Payments	\$183,217,582	\$205,216,189	\$210,925,091	\$205,309,076
<b>Total</b>	<b>\$332,846,052</b>	<b>\$421,636,808</b>	<b>\$481,001,740</b>	<b>\$415,065,787</b>



## Profile of Cases Managed and/or Key Services Provided

Cases Managed and/or Key Services Provided	FY 2007	FY 2008	FY 2009	FY 2010
<b><u>Insurance &amp; Internal Support Division:</u></b>				
# of rules promulgated	210	196	238	273
# of FTP's supported through payroll & HR				
• Administration	177.10	155.10	156.10	158.10
• ICHA	4.0	4.0	4.0	4.0
• IHRC	12.00	11.00	11.00	11.00
• SILC	--	--	--	8.50
# of property, casualty, liability, and auto insurance claims reported.	976	921*	824*	704 (to date)*
# of active employees enrolled in state's group insurance.	19,035	19,455	19,734	18,705
# of active employee dependents enrolled in state's group insurance.	24,210	25,307	26,244	25,745
# of retirees enrolled in state's group insurance.	3,235	3,284	2,696	947
# of retiree dependents enrolled in state's group insurance.	1,495	1,457	1,085	1,368

## Profile of Cases Managed and/or Key Services Provided, cont.

Cases Managed and/or Key Services Provided	FY 2007	FY 2008	FY 2009	FY 2010
<b>Purchasing Division:</b>				
# of contracts issued/value (new & renewed in FY2010)	971	1060	644	631/\$315M
# of purchasing personnel trained/manhours	1,600	541	207	167/46,760
# of P-card transactions.	210,246	243,783	239,492	208,395
\$ total value of P-card usage.	\$36,944,417	\$45,629,509	44,077,056	\$39,016,655
# of postage pieces mailed - external	7,857,311	7,350,964	7,225,806	6,886,998
# of postage pieces mailed - interoffice	--	--	960,000	1,280,000
\$ postal cost avoidance	--	--	\$805,000	\$947,000
# of impressions made - Copy Ctr.	5,311,737	7,175,752	6,979,227	5,598,843
# of agency records stored.	43,600	42,100	38,985	42,679
\$ of Federal Surplus Property items sold.	\$214,935	\$311,135	\$216,596	\$249,049
<b>Public Works Division:</b>				
\$ appropriated for Public Works projects not including agency funds.	\$52,428,300	\$137,974,000	\$52,805,900	\$27,438,600
\$ amount of all funding sources for projects under construction as of 6/15/10	--	--	--	\$500,237,568
# of active Public Works projects as of 6/15/10	--	--	--	246
# of new Public Works projects.	151	268	106	118
# of closed Public Works projects.	150	140	137	176
# sq.ft. office space leased statewide.	2,061,114	2,170,600	2,142,979	1,338,281
# sq. ft. total space leased statewide	--	--	--	2,009,307
\$ amount of office space leased statewide	\$24,299,485	\$26,299,485	\$28,951,293	\$18,066,521
\$ amount of total space leased statewide	--	--	--	\$26,936,667
<b>Office of the Chief Information Officer:</b>				
# of spam messages blocked from the state's e-mail system.	177,873,603	427,064,412	346,485,411	308,005,106
# of viruses blocked from the state's e-mail system.	301,866	43,913	211,542	117,476
# of cumulative Idaho government inter-active services and applications on-line.	142	148	152	158
# of hits to the Idaho State home page.	93,709,582	95,800,000	99,200,000	100,968,492
# of user sessions from the Idaho home page (does not include individual agency sites)	4,175,644	4,200,000	4,600,000	5,137,811

\*Claims are tracked based on their dates of loss, but claims or suits for a fiscal year may be reported after the year is over. There is almost always an increase in numbers over time for the most recent years, as their data is less mature. The figure for FY 2010 will increase as additional claims and suits are reported.

## Performance Highlights

### Cyber Security

The OCIO initiated the Secure State Network Working Group (SSNetWG); co-chaired by IT personnel from ITD and SCO. The working group also includes IT professionals from several agencies. The purpose of this working group is to address server security, applications security, security training/development for system administrators, and enterprise DMZ issues. To date, one Policy on Server Security and one Guideline on Operating Systems Security have been approved and put into place.

The OCIO Security Team had the opportunity to work with Department of Homeland Security (DHS) for a full day of training on Cyber and Critical Infrastructure Security. Participants included IT leadership and Managers from most state agencies, federal agencies and private companies.

On April 21, 2010, the State of Idaho, along with many major private and government organizations, endured an unintended test of its Business Continuity capabilities when McAfee Anti-Virus software received a corrupted update which disabled a large portion of computers. Though McAfee did send out a correct update within a couple hours, the OCIO Security team responded quickly and efficiently to this "friendly fire" incident.

### Capitol Restoration/Addition

The Capitol Restoration and Addition was substantially complete in November 2009. The groups occupying the building moved back in during November and December. The legislative session beginning in January 2010 was conducted in the newly renovated spaces. New hearing rooms and a large Capitol Auditorium enhanced participation by the public in the legislative process. The work included complete replacement of the building electrical, plumbing, and mechanical systems; extensive restoration of decorative plaster, marble, and woodwork; as well as new construction of underground wings on the East and West sides of the building. A new Capitol Visitors' Center on the garden level welcomes guests to the Capitol and features educational displays. A small gift shop is also a new feature in the building.

The project was completed with a final cost of approximately \$123,800,000, including furnishings, fixtures, and equipment. The final cost was below the \$125 million budget.

### Capitol Mall Parking Reconciliation

The Capitol Mall Parking Program now has a web-based program to track and reconcile parking permits. Programming to detect and issue an automatic email notification continues to be developed and is expected to be functional by January 1, 2011.

### Significant Public Works Projects Completed

During FY10 notable projects completed include: the Nursing/Health Sciences Building (\$16M), Lewis-Clark State College; the Region One Office in Coeur d'Alene (\$12M), Idaho State Police; a Student Recreation Center addition to Reed Gym (\$7.4M), and a remodel of the ISU-Meridian Building (\$13.4M), Idaho State University; a Student Union Building expansion (\$30.7M), Boise State University; and the Health Sciences and Human Services Building (\$21.2M), College of Southern Idaho.

### Postal Services in the internet age:

The Postal Services area continued to make significant strides this year through the consolidation of the BSU mail services, saving the taxpayers approximately \$338,000 per year. In addition, they saved an additional \$946,000 through managing 1.2 million pieces of interoffice mail and providing discounted rates for 6.9 million pieces of outgoing mail. Even with the consolidations, volume is dropping; due to decreased agency budgets and agencies exchanging more information via the internet versus hardcopy. Postal Services continues to provide service to 141 buildings with 259 stops with 3653 postage accounts via 9 routes and 14 employees for the capitol mall and other surrounding Boise areas.

### Changes to the Rules

In an effort to cut costs without compromising service delivery, the Office of the Administrative Rules Coordinator was successful in getting legislation passed to remove the requirements that the Idaho Administrative Code and the Idaho Administrative Bulletin be published in a printed and bound book format. This change allow for electronic-only publications that are accessed through the state portal and the Department website. Alternative formats, such as printing to a CD-ROM and on demand copies of individual chapters, could still be available for purchase if the demand is there. Additionally, Administrative Rules was successful with its legislation to change the legal notice format to reduce costs and move away from the current display ad format requirement to a standard legal notice format. All 3 of these amendments to the Administrative Procedure Act will streamline our processes and ultimately reduce the cost of rulemaking. These costs will eventually be passed through to the agency in the form of permanent reductions.

### **New Contracting Process Implementation**

Service acquisition accounts for approximately 80% of contract dollars managed by state purchasing. A great deal of training and focus was placed on implementing the Best Value Procurement for service related contracts. State Purchasing has engaged this methodology for several contracts e.g. Student Health Insurance Program, grants management software, DMV modernization, corrections medical services and food services. The process has enabled supplier selection based on dominant/risk information; and allowed greater project planning and understanding prior to contract award. The Division of Purchasing will continue this work-in-progress as they implement this industry leading process.

### **IPRO – eProcurement System Stimulates Competition**

Usage of the state's eProcurement system (IPRO) continues to grow. The system was used statewide for 447 new solicitations and has approximately 58,000 registered suppliers, 5,500 being Idaho suppliers. This process increases the procurement efficiency and allows for an increased competitive base to maximize value to the state.

### **Record Center**

The Record Center downsized its physical space by 18% by working with state agencies to identify stored boxes that have reached retention requirements, and ultimately disposed of those boxes. Future focus will be to continue to look at further reductions by retaining more information electronically and considering consolidating with State Archives.

### **Federal Surplus Program**

The Federal Surplus Program was physically moved to Caldwell during the year, achieving an approximate 30% reduction in physical space and a 62% reduction of on-hand inventory. Sales for the year increased by 15%; benefitting state government, schools, and other public agencies taking advantage of this program.

### Part II – Performance Measures

The Department of Administration has taken the downturn in the economy as an opportunity to truly evaluate the need for every service and fine tune the services that are offered. Customer service, increased efficiency, and communication have been continued goals in the Department’s overall strategic plan.

Performance Measures supporting on-going Department goals.	2007	2008	2009	2010	Benchmark
1. Identify potential small agencies, commissions and boards that meet the established criteria, could benefit from Admin’s coordinated services, and reduce general fund impact. Conduct marketing visits.	--	--	--	25%	50% of small agencies, commissions, boards that meet the established criteria utilize the consolidated services
2. Our aim is that 90% of purchasing contracts are delivered on-time per a mutually-agreed upon schedule between the agency and the Division of Purchasing.	83%	80%	81%	81%	90% of contracts delivered on-time.
3. Our aim is that during FY10 at least 50% of our Information Technology projects are completed on-time and on-budget. 40% in FY08 45% in FY09 50% in FY10 55% in FY11	--	50% of projects are completed on-time and on-budget	Approx. 50% of projects were completed on-time and on-budget	Fewer projects due to lower budgets. The projects we had were major efforts.  80% on-time; 100% on or under budget.	Industry standard that 36% of IT projects are completed on-time and on-budget.
4. Our aim is that the state’s annual insurance rate increase falls within 2% of the industry’s defined average increase for medical/dental insurance.	State’s increase = 0%  Industry benchmark =8%	State’s increase = 17.8%  Industry benchmark =11%	State’s increase = 6%  Industry benchmark =11%	State’s increase = 2.8%  Industry benchmark =9%	Annual insurance rate increase for medical/dental costs are within 2% of current industry benchmark.
5. Our aim is to rate an average of at least “Highly Satisfactory” (numerical rating of 4) on our agency survey measuring attitudes in customer satisfaction.	3.74	4.05	4.003	4.04	Average rating of “4” on Likert Scale for measuring attitudes in regard to the Department’s level of service.

7. Our aim is to fill key full-time positions within 45 days of their vacancy.	50%	73.33%	78%	78%	80% of key positions filled within 45 days of vacancy.
8. Our aim is in FY10 to drive at least 55% of our full-time use vehicles at least 6,000. 50% in FY09 55% in FY10 60% in FY11	65.9%	60%	60%	60%	At least 6,000 annual miles driven for each full-time use passenger vehicle.
9. Our aim is that after FY10, 20% of the buildings maintained by Admin have a facility condition index rating equal to or less than .1. 15% - FY09 20% - FY10 25% - FY11	N/A	9.1%	11.8%	11.8%	Maintain a Facility Condition Index of =<.1 for buildings maintained by Administration.

### Performance Measure Explanatory Note:

1. During FY10, the Department provided HR, accounting and IT related services to the Idaho Commission on Hispanic Affairs, Idaho Human Rights Commission, and the State Independent Living Council. Through legislative action, the Idaho Human Rights Commission became a subset of the Department of Labor. At the beginning of FY11, the State Independent Living Council left and the Soil and Water Conservation Commission was added to the list of agencies receiving coordinated services from the Department. Marketing tools and a pricing schedule have been developed and as agencies move into the Capitol Mall, i.e. Borah Building and Joe R. Williams Building, increased marketing will take place.
4. The Office of Group Insurance was able to reduce medical plan costs by 3.4% through implementation of a prescription drug formulary in FY2010. The actual premium rates for the medical/dental plans were held at FY2009 levels. The additional needed increase of 2.8% was covered with surplus reserves.
8. Not counting "special use" vehicles and those owned less than one year.

### For More Information Contact

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