

Part 1 – Agency Profile

Agency Overview

The Department of Administration (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
- Human Resources
- Purchasing/Contract Administration
- Postal & Quick Copy Services
- Records Management
- Capitol Restoration
- Design/Construction Management
- Facilities Management
- Statewide Leasing
- Office of the Chief Information Officer
- Office of the Chief Financial Officer

In preparation for FY08, Admin took a more aggressive approach to strategic planning than in recent years. Managers responsible for delivering the services listed above met to strategize ways to support the changing needs of their customers over the next three years. Goals were established to achieve excellence in customer service through continuous improvements in the methods and quality of service delivery and internal operations. Admin further defined existing performance measures to evaluate each area of service and identify opportunities for improvements. **Admin's vision is to bring appropriate, efficient and innovative business practices to Idaho government.**

Created in 1967 and enabled by Idaho Code Title 67, Chapter 57, Admin was authorized 176.1 FTPs in FY07; 155.1 in FY08; and 156.1 for FY09.

Admin is organized into four divisions: The Divisions of Insurance and Internal Support, Purchasing, Public Works, and the Office of the Chief Information Officer. We also staff the Idaho State Capitol Commission, the Governor's Housing Committee, the Information Technology Resource Management Council (ITRMC), and the Permanent Building Fund Advisory Council (PBFAC). (Organizational chart attached.)

In the Boise area, Admin is currently housed in three separate locations on the Capitol Mall, and three facilities outside of the Capitol Mall. 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. In a centralization effort for FY2008, the Division of Purchasing will be moved from its offsite location to available space on the Capitol Mall.

Admin will continue with the restoration and expansion of the Idaho State Capitol building through the expected completion date in 2010.

Core Functions/Authorized under Idaho Code Title 67, Chapter 57

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)

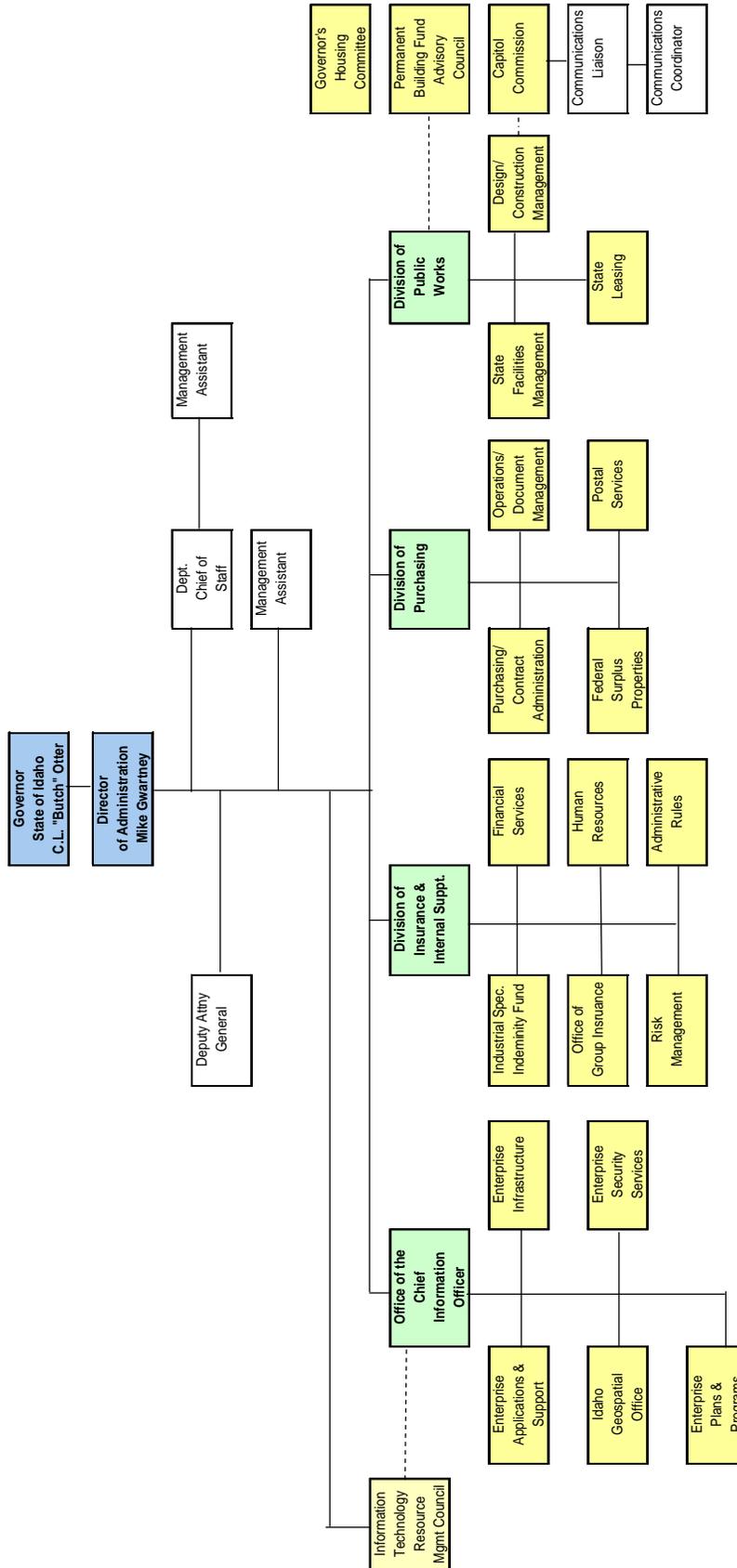
Division of Insurance and Internal Support (DIIS): Provides financial support services to all programs within the Department and to various small state agencies as well as internal control/auditing and project management functions through its Office of the Chief Financial Officer; offers internal human 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)

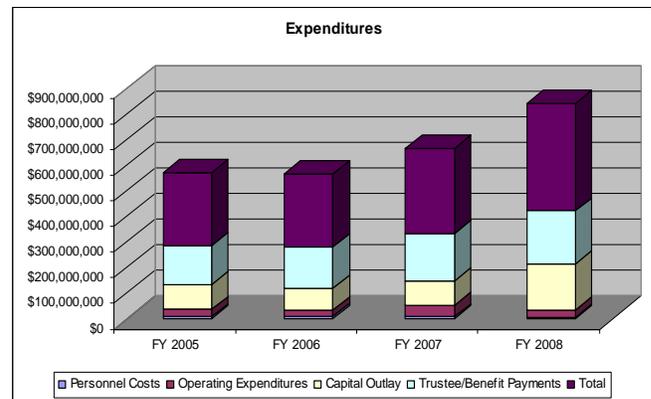
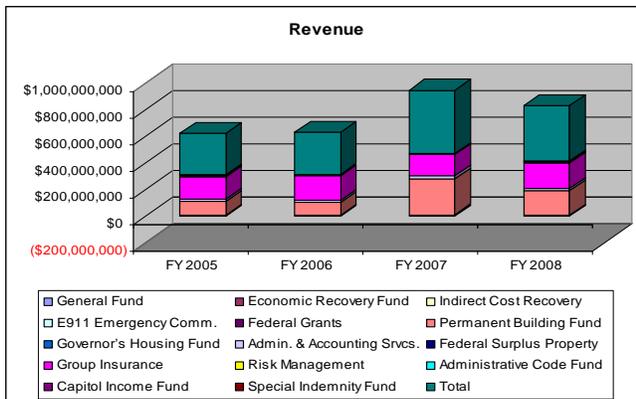
The Office of the Chief Information Officer (OCIO): Supports the Information Technology Resource Management Council; the Director serves as Council Chairman and the State's CIO. The Council reviews and evaluates the information technology (IT) and telecommunications systems presently in use by state 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 also provide administrative oversight for Idaho's coordinated, statewide telecommunication distribution system for distance learning for each public school, the Idaho Education Network (IEN). The IEN ensures that Idaho is utilizing technology to facilitate comparable access to education opportunities for all students. (Idaho Code Section 67-5745) 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 over 30 agencies providing all of their IT services (e.g. desktop troubleshooting, server management, and e-mail). (Idaho Code Sections 67-5747-5748; 31-4815-4818) OCIO is also a key sponsor in the development and implementation of the Consolidated Messaging System.

STATE OF IDAHO
DEPARTMENT OF ADMINISTRATION



Revenue and Expenditures

Revenue	FY 2005	FY 2006	FY 2007	FY 2008
General Fund	\$8,567,400	\$8,815,000	\$8,754,221	\$8,288,890
Economic Recovery Fund	\$0	\$51,200	\$2,684,400	(\$161,007)
Indirect Cost Recovery	\$1,148,500	\$1,188,500	\$1,155,034	\$1,244,800
E911 Emergency Comm.	\$72,000	\$162,600	\$150,883	0
Federal Grants	\$18,000	\$0	\$15,000	\$4,826
Permanent Building Fund	\$104,659,000	\$94,146,400	\$270,076,082	\$183,042,917
Governor's Housing Fund	\$66,500	\$166,000	\$67,508	\$62,133
Admin. & Accounting Svcs.	\$16,383,000	\$17,889,600	\$18,597,145	\$17,551,077
Federal Surplus Property	\$332,000	\$293,400	\$303,193	\$343,488
Group Insurance	\$166,840,000	\$182,766,100	\$163,994,599	\$190,921,806
Risk Management	\$6,385,600	\$7,860,400	\$6,042,998	\$8,649,004
Administrative Code Fund	\$513,000	\$571,000	\$513,219	\$559,167
Capitol Income Fund	\$2,295,900	\$269,500	\$107,342	\$854,842
Special Indemnity Fund	\$4,861,100	\$2,563,600	\$602,791	\$2,676,999
Total	\$312,142,000	\$316,743,300	\$473,064,415	\$414,038,942
Expenditure	FY 2005	FY 2006	FY 2007	FY 2008
Personnel Costs	\$8,677,100	\$9,051,900	\$8,994,951	\$7,947,119
Operating Expenditures	\$28,536,800	\$27,352,400	\$42,896,349	\$27,957,399
Capital Outlay	\$97,409,800	\$85,911,200	\$97,737,170	\$180,516,101
Trustee/Benefit Payments	\$150,195,600	\$160,733,200	\$183,217,582	\$205,216,189
Total	\$284,819,300	\$283,048,700	\$332,846,052	\$421,636,808



Profile of Cases Managed and/or Key Services Provided

Cases Managed and/or Key Services Provided	FY 2005	FY 2006	FY 2007	FY 2008
Insurance & Internal Support Division:				
# of rules promulgated (from end of 2006 session to beginning of 2007 session)	206	210	210	196
# of property, casualty, liability, and auto insurance claims reported.	1032	1058	976	933 (to date)
# of active employees enrolled in state's group insurance.	18,495	18,382	19,035	19,455
# of active employee dependents enrolled in state's group insurance.	22,813	23,300	24,210	25,307
# of retirees enrolled in state's group insurance.	3,117	3,217	3,235	3,284
# of retiree dependents enrolled in state's group insurance.	1,440	1,486	1,495	1,457
Purchasing Division:				
# of agency boxes of records stored.	41,500	42,488	43,600	42,100
# of impressions made at the Copy Ctr.	7,164,286	6,286,532	5,311,737	7,175,752
# of postage pieces mailed.	7,428,300	7,394,292	7,857,311	7,350,964
# of P-card transactions.	220,975	228,222	210,246	243,783
\$ total value of P-card usage.	\$36,032,599	\$39,435,587	\$36,944,417	\$45,629,509
# of purchasing personnel trained.	891	1,256	1,600	541
# contracts issued	703	807	971	1060
\$ amount of Federal Surplus Property items sold.	\$321,321	\$226,511	\$214,935	\$311,135
Public Works Division:				
\$ appropriated for Public Works projects not including agency funds.	\$21,337,700	\$21,058,900	\$52,428,300	\$137,974,000
# of new Public Works projects.	183	163	151	268
# of closed Public Works projects.	148	134	150	140
# sq.ft. office space leased statewide.	2,059,703	2,046,877	2,061,114	2,170,600
\$ for office space leased statewide.	\$23,054,923	\$23,893,685	\$24,299,485	\$26,299,485
Office of the Chief Information Officer:				
# of spam messages blocked from the state's e-mail system.	30,623,088	65,831,353	177,873,603	427,064,412
# of viruses blocked from the state's e-mail system.	2,905,913	1,723,906	301,866	43,913
# of cumulative Idaho government interactive services and applications on-line.	66	124	142	148
# of hits to the Idaho State home page.	86,705,460	85,624,839	93,709,582	95,800,000
# of user sessions from the Idaho home page (does not include individual agency sites)	2,994,866	3,549,696	4,175,644	4,200,000
# of work tickets for public safety communications repair and maintenance closed-out and billed.	7,361	5,789	5,833	No longer applies to OCIO

Performance Highlights

Self-Analysis

Due to proposed changes to the organization of the Department, about half of FY07 was spent conducting a self-analysis of the Department's structure and operations, and providing that data to the Legislature and the Governor's Office. As a result of that information gathered the Legislature recommended that the Department remain in tact with specific tasks to streamline processes, consolidate efforts and improve overall efficiency.

In response to this decision, the Department developed and/or implemented initiatives such as an enterprise wide consolidation of email and telephone systems and a total review of all Division of Purchasing policies. These and other specific examples of the Department's commitment to customer service and efficiency are demonstrated below.

Cross Agency Consolidation Efforts

The Consolidated Messaging Project is underway and is the first of potentially several projects that will utilize highly skilled technical individuals from several State agencies to bring the project to fruition. The overall goal is to bring about technology efficiencies, reduce technology related costs, and streamline processes without exorbitant contractor or programmer costs. Rather, State agencies are working together and sharing their technical expertise for a mutually beneficial endeavor.

The OCIO has been sponsoring the Consolidated Messaging System project that will consolidate email service for executive agencies. The project has been an outstanding example of collaboration, with a dozen agencies contributing over 3000 personnel hours and donations of funds, service and equipment totaling well over \$100,000 in value. Key vendor partners have also contributed highly valuable personnel to making the project a success.

Governor's Total Compensation Plan

The Department was a key participant in the Governor's efforts to develop and implement a long range total compensation plan for state employees. The plan, which has received the Governor's approval, would address all aspects of compensation including cash compensation, benefits and pension. The department surveyed private sector employers relative to benefit packages and developed a number of recommendations for inclusion in the final plan. The marketing of the total plan will fall to the Department and will target the Governor's cabinet members, the Legislature, employees and, in some instances, retirees. The plan is a multi-year plan that is intended to bring the state closer to its private and public sector competitors and allow the State to more effectively recruit and retain employees

Effective Use of Health Insurance Dollars

In addition to the Total Compensation Plan, the Department is also undertaking a close look at health insurance coverages, costs, and eligibility levels for part-time, temporary and seasonal personnel. This study will carefully analyze how and why state agencies utilize these types of employees, identify where inefficiencies or funding issues exist, and identify potential changes, whether plan coverage, eligibility, or other pro-rated aspect would better utilize health insurance funds while still enabling State agencies to meet their mission and goals.

New RMIS

During the last half of FY08, the Department entered into a contract with a firm to design and implement a new Risk Management information system that will come on line the Fall of '08. The new system will allow Administration to provide enhanced risk management services. It will increase efficiencies in the way that claims against the state are administered and insurance trends analyzed. It will also improve the

accuracy in which we inventory and assess state assets, and subsequently place and maintain property and casualty insurance and self-funded coverage for state agencies.

Assumption of State Switchboard

In June of 2008, the Department of Administration once again assumed responsibility for the State Switchboard. Since that time we have been analyzing the need and effectiveness of the switchboard as well as tracking the agencies the callers are trying to reach. Through this process we are identifying where problems exist with agency listings in the various phone books and with the current answering processes in use by the agencies. It is not our intent to interfere but rather enhance the customer service and assistance provided by the agencies. Additionally, the title "State Switchboard" is a misnomer and causes confusion to the general public who may want to reach a particular state agency or may want a public sector number of a business located in the State. It is our intent to re-title this service as Idaho State Government Directory Assistance for release in all upcoming telephone directories. These actions should greatly reduce the number of calls as well as the level of frustration of our taxpayers.

Complete Purchasing Review

In June, 2008 a review of the State of Idaho Purchasing functions was completed. An important outcome of this review was specific recommendations that will improve the effectiveness and role of the State Purchasing office. Purchasing is actively implementing these recommendations in the following areas: review all purchasing job classifications to include public procurement knowledge in job requirements; be involved in all job selection processes; implement cross-training opportunities; capture spend data from all state agencies; create and implement standard templates for bids; migrate all agencies to a single e-procurement system.

Record Center Update

We worked with staff of the ISHS to determine the benefit of merging operations of the State Archives and the State Record Center. It was determined that there is not a significant cost savings to merge these programs unless they can be housed in the same facility. An additional outcome of this activity is that the ISHS will be seeking budget approval to conduct a study of the comprehensive records program of the Idaho State Historical for the purpose(s) of: assessment of current records program, determination of future staff, facilities, and budgetary needs based upon alternative scenarios, stakeholder needs assessment for counties and cities, validation of the 2008 Records Merger Business Plan, suggested changes in legislation that may be required and recommended future actions that can be brought forth for the FY2011 legislative session.

Copy Center Consolidation with the Department of Education

On July 16th, Director Gwartney and Tom Luna, Superintendent of Public Instruction, Department of Education, signed a Memorandum of Understanding to consolidate the copy center functions of both Departments. This consolidation of effort and equipment will result in a \$10,000 per month savings for the State of Idaho.

New Billing Interfaces for Postal and Quick Copy

Our previous process of preparing data for monthly Postal billings was very cumbersome; in fact, one fiscal employee spent an average of about 40 hours each month doing so. The new Postal interface, however, streamlines the billing process to just a few minutes saving at the very least about 39 hours per month. The application also checks our STARS database for advance postal payments and updates the advance accounts automatically with just a click of the mouse.

The Quick Copy billing process was automated over the past year, eliminating the need for a second entry of data into the Department's financial system, IFAS. An Excel file is now imported into a new application creating a billing report or 'invoice'. This billing report summarizes the orders for each

customer listing all copy jobs and their costs. The automation saves about 2 to 3 hours per month of staff time by eliminating the manual entry of billings into IFAS, and the frustration of using an old problematic Access program that took extra time and often resulted in calls to the IT help desk.

Industrial Special Indemnity Fund (ISIF) Review

The ISIF provides disability benefits to workers who have incurred a second disabling injury and are permanently and totally disabled. Previously, ISIF installed a new system that is Internet based and provides direct electronic feeds to the Department's financial system. This system replaced the out-dated system used by ISIF for many years. Controls over both confidential claims and critical financial information have been significantly enhanced and manual interventions have been almost completely eliminated. ISIF is now working with a review committee to assess the continued need, or dissolution, of ISIF. Manager Ted Roper continues to work closely with the review committee.

Capitol Restoration/Addition

Work on this project has continued throughout FY08 and it is, as of mid-August 2009, on schedule for a November 2009 completion and within the budget, now set at \$120,000,000. It is anticipated that the designated occupants of the 'new' facility will re-occupy the building in the November-December timeframe and that the 2010 Legislative Session will be conducted there.

The '08 Legislative Session was conducted in the temporary facilities prepared during the prior year and the arrangements were, for the most part, deemed more than satisfactory by the Legislature. Additionally, the rest of the temporary facilities prepared for the year round legislative staff, as well as the Elected Officials and their staffs, have served their functions well and should continue to do so until the Capitol is finished.

Significant Public Works Projects Completed

During FY 08 (and early FY09), notable projects completed included the Press Box and Sky Suites at BSU (\$36 million), the Interactive Learning Center at BSU (\$16 million), Idaho State Police Facility, Meridian (\$3.8 million), 24 Bed Mental Health Facility for the Department of Juvenile Corrections (\$4.4 million), and the Center for Advanced Energy Studies in Idaho Falls (\$18 million).

Part II – Performance Measures

Performance Measures supporting <u>Goal #1: Provide Quality and Value in Service and Project Delivery</u>	2005	2006	2007	2008	Benchmark
1. For at least 75% of our Public Works projects, our aim is to contain total costs within a percentage increase of their original budgets. (Less than a 5% increase for typical construction, and less than a 10% increase for remodel or specialized construction.)	-	-	65% for typical construction 82% for remodel and specialized construction	64% for typical construction 82% for remodel and specialized construction	Achieve targets in 75% of all projects.

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%	90% of contracts delivered on-time.
3. Our aim is that during FY07 at least 35% of our Information Technology projects are completed on-time and on-budget. 40% in FY08 45% in FY09 50% in FY10 55% in FY11	-	-	See Note Below.	50% of projects are completed on-time and on-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 = 5% Industry benchmark = 15.3%	State's increase = 2.5% Industry benchmark = 9%	State's increase = 0% Industry benchmark = 8%	State's increase = 17.8% Industry benchmark = 11%	Annual insurance rate increase for medical/dental costs are within 2% of current industry benchmark.
Performance Measures supporting Goal #2: Deliver Excellent Customer Service	2005	2006	2007	2008	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.	3.70	3.83	3.74	4.05	Average rating of "4" on Likert Scale for measuring attitudes in regard to the Department's level of service.
Performance Measures supporting Goal #3: Pursue Continuous Improvement in Internal Management	2005	2006	2007	2008	Benchmark
6. Our aim is to deliver 85% of requests for ad hoc financial reports by internal staff within 72 hours of their request.	-	-	90.12%	100%	85% of ad hoc financial reports delivered within 72 hours of request.
7. Our aim is to fill key full-time positions within 45 days of their vacancy.	-	-	50%	73.33%	80% of key positions filled within 45 days of vacancy.

8. Our aim is in FY08 to drive at least 70% of our full-time use vehicles at least 6,000. 50% in FY09 55% in FY10 60% in FY11	-	61%	65.9%	60%	At least 6,000 annual miles driven for each full-time use passenger vehicle.
9. Our aim is that after FY08, 10% of the buildings maintained by Administration have a facility condition index rating equal to or less than .1. 15% - FY09 20% - FY10 25% - FY11	0%	0%	N/A	9.1%	Maintain a Facility Condition Index of =<.1 for buildings maintained by Administration.

Performance Measure Explanatory Note:

4. The substantial FY2008 rate increase was due to the 0% increase in FY2007. The previous year's increases were paid for with reserves.
7. During FY08, the Department had a total of 15 vacancies. Of these, 11 were filled within 45 days. Three were filled in 100 or more days and 1 is still vacant.
8. Not counting "special use" vehicles and those owned less than one year, Administration had approximately 25 vehicles at year end. Of those, 12 accumulated at least 6,000 miles during FY08. "Full-time use vehicles" can be a judgment call—someone else may interpret the term differently. *Note that this performance measurement has been revised for FY09.*

For More Information Contact

Jennifer Pike, Management Assistant
Administration, Department of
650 W State Rm 100
PO Box 83720
Boise, ID 83720-0003
Phone: 332-1826
E-mail: jennifer.pike@adm.idaho.gov