

## Part 1 – Agency Profile

### Agency Overview

The Department of Administration is a client-oriented organization committed to offering leadership, expertise, and value-added services within the following management functions:

- Administrative Rules
- Building Design, Management, Leasing, Construction and Maintenance
- Group, Liability and Property Insurance
- Information Technology Governance, Policy, Research, and Services (Network and Internet Management, Voice/Data/Video and other Enterprise Services)
- Postal and Quick Copy
- Procurement, Surplus Property, and Document Management
- Public Safety Communications (through Fiscal Year 2007)
- Workers Compensation Second Injury Management

In the months prior to FY07, managers responsible for delivering these services to state agencies met to strategize ways to support the changing needs and ensuing missions of our customers over the next five years. Goals were established to achieve excellence in customer service through continuous improvements in the methods and quality of service delivery, and in our internal operations. We designed performance measures to evaluate and verify our improvements, and to collect program data over time for use by our management team in developing future operations. **The ultimate outcome of our vision is to be a productive and quality-run agency of state government.**

Created in 1967 and enabled by Idaho Code Title 67, Chapter 57, the Department was authorized 176.1 FTPs in FY07 and 155.1 in FY08. It 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, the Permanent Building Fund Advisory Council, and up through FY07, the Idaho Emergency Communications Commission. (Organizational chart attached.)

In the Boise area, Administration is housed in three separate locations on the Capitol Mall, and at three facilities outside of the Capitol Mall. The Division of Public Works has satellite offices in Idaho Falls, Pocatello, Lewiston, and Moscow; and, Facilities Services manages the two State Office Buildings in Lewiston and Idaho Falls. Until it was transferred to the Division of Military, Administration also included the Public Safety Communications program, which has operations located in six districts—Meridian, Coeur d'Alene, Lewiston, Twin Falls, Pocatello, and Rigby. **For the next 28 months, one of the major projects for the Department will be completion of the restoration and expansion of the State Capitol Building.**

### Core Functions/Idaho Code

Authorized under 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)

**Insurance and Internal Support Division:** Conducts administrative tasks for the Department; 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, disability and integrated behavioral benefit contracts for state employees and retirees; 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 67-5746; 67-5760-5778; 72-323-409; 67-52)

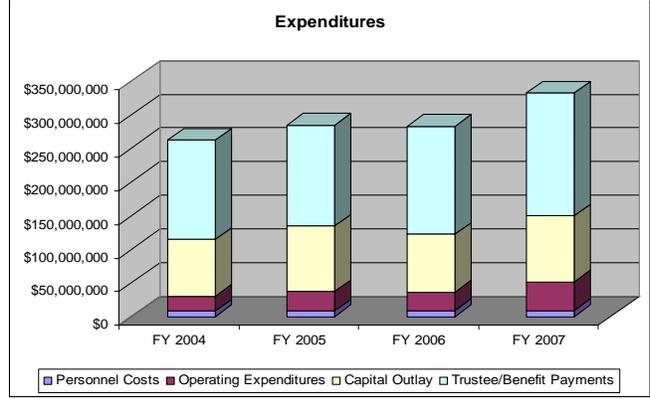
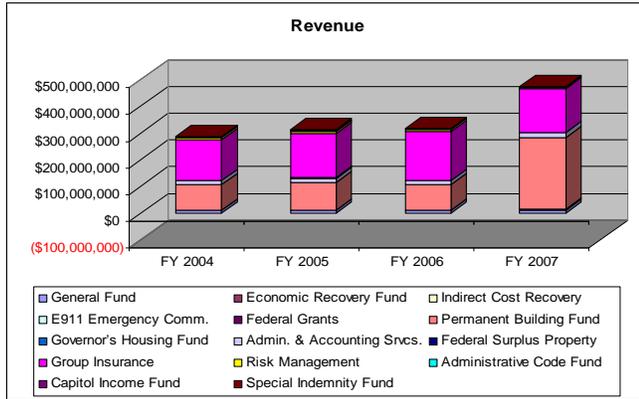
**Purchasing Division:** Coordinates bids and contracts for goods and services for state government; conducts diligent dispensing of government documents through the reproduction, mailing, and storage/retrieval of the state's paper records; and, serves as clearinghouse for the federal government's surplus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

**Public Works Division:** Manages the state's existing facility assets; assists agencies in searching for and leasing non state-owned office space; oversees design and construction of new state buildings, and alteration, maintenance and repair of existing facilities; and, staffs the Permanent Building Fund Advisory Council. (Idaho Code Sections 67-5705-5713)

**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. (Idaho Code Section 67-5745) OCIO provides leadership towards, and oversight 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). Until the end of FY07, this Office supported first responders in the state with microwave transmission and radio access; and, staffed the Idaho Emergency Communications Commission. (Idaho Code Sections 67-5747-5748; 31-4815-4818)

## Revenue and Expenditures

Revenue	FY 2004	FY 2005	FY 2006	FY 2007
General Fund	\$8,699,900	\$8,567,400	\$8,815,000	\$8,754,221
Economic Recovery Fund	\$0	\$0	\$51,200	\$2,684,400
Indirect Cost Recovery	\$1,076,100	\$1,148,500	\$1,188,500	\$1,155,034
E911 Emergency Comm.		\$72,000	\$162,600	\$150,883
Federal Grants	(\$1,700)	\$18,000	\$0	\$15,000
Permanent Building Fund	\$96,299,500	\$104,659,000	\$94,146,400	\$270,076,082
Governor's Housing Fund	\$74,700	\$66,500	\$166,000	\$67,508
Admin. & Accounting Svcs.	\$15,513,000	\$16,383,000	\$17,889,600	\$18,597,145
Federal Surplus Property	\$525,400	\$332,000	\$293,400	\$303,193
Group Insurance	\$151,253,900	\$166,840,000	\$182,766,100	\$163,994,599
Risk Management	\$7,827,500	\$6,385,600	\$7,860,400	\$6,042,998
Administrative Code Fund	\$527,300	\$513,000	\$571,000	\$513,219
Capitol Income Fund	\$246,500	\$2,295,900	\$269,500	\$107,342
Special Indemnity Fund	\$4,739,200	\$4,861,100	\$2,563,600	\$602,791
<b>Total</b>	<b>\$286,781,300</b>	<b>\$312,142,000</b>	<b>\$316,743,300</b>	<b>\$473,064,415</b>
Expenditure	FY 2004	FY 2005	FY 2006	FY 2007
Personnel Costs	\$8,292,100	\$8,677,100	\$9,051,900	\$8,994,951
Operating Expenditures	\$21,971,300	\$28,536,800	\$27,352,400	\$42,896,349
Capital Outlay	\$84,496,100	\$97,409,800	\$85,911,200	\$97,737,170
Trustee/Benefit Payments	\$147,902,000	\$150,195,600	\$160,733,200	\$183,217,582
<b>Total</b>	<b>\$262,661,500</b>	<b>\$284,819,300</b>	<b>\$283,048,700</b>	<b>\$332,846,052</b>



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

Cases Managed and/or Key Services Provided	FY 2004	FY 2005	FY 2006	FY 2007
<b>Insurance and Internal Support Division:</b>				
# of rules promulgated (from end of 2006 legislative session to beginning of 2007 session)	191	206	210	210
# of property, casualty, liability, and auto insurance claims reported.	1,166	1028	1047	830 (to date)
# of active employees enrolled in state's group insurance.	18,076	18,495	18,382	19,035
# of active employee dependents enrolled in state's group insurance.	23,022	22,813	23,300	24,210
# of retirees enrolled in state's group insurance.	3,035	3,117	3,217	3,235
# of retiree dependents enrolled in state's group insurance.	1,401	1,440	1,486	1,495
<b>Purchasing Division:</b>				
# of agency boxes of records stored.	37,900	41,500	42,488	43,600
# of impressions made at the Copy Center.	7,139,428	7,164,286	6,286,532	5,311,737
# of postage pieces mailed.	7,627,350	7,428,300	7,394,292	7,857,311
# of P-card transactions.	202,570	220,975	228,222	210,246
\$ total value of P-card usage.	\$32,839,375	\$36,032,599	\$39,435,587	\$36,944,417
# of purchasing personnel trained.	533	891	1,256	1,600
# contracts issued	622	703	807	971
\$ amount of Federal Surplus Property items sold.	\$411,516	\$321,321	\$226,511	\$214,935
<b>Public Works Division:</b>				
\$ appropriated for Public Works projects not including agency funds.	\$28,993,400	\$21,337,700	\$21,058,900	\$52,428,300
# of new Public Works projects.	161	183	163	151
# of closed Public Works projects.	104	148	134	150

Cases Managed and/or Key Services Provided	FY 2004	FY 2005	FY 2006	FY 2007
# sq.ft. office space leased statewide.	1,855,721	2,059,703	2,046,877	2,061,114
\$ for office space leased statewide.	\$21,805,106	\$23,054,923	\$23,893,685	\$24,299,485
<b>Office of the Chief Information Officer:</b>				
# of spam messages blocked from the state's e-mail system.	7,213,008	30,623,088	65,831,353	177,873,603
# of viruses blocked from the state's e-mail system.	1,813,835	2,905,913	1,723,906	301,866
# of cumulative Idaho government interactive services and applications on-line.	51	66	124	142
# of hits to the Idaho State home page.	100,163,619	86,705,460	85,624,839	93,709,582
# of user sessions from the Idaho home page (does not include individual agency sites)	2,776,819	2,994,866	3,549,696	4,175,644
# of work tickets for public safety communications repair and maintenance closed-out and billed.	6,588	7,361	5,789	5,833

## Performance Highlights

### Self-Analysis

As a result of 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. Information on outsourcing costs and efficiencies versus the programs we now provide were addressed, as was the compatibility of merging various programs with other areas of state government.

For example, staff developed an RFI intended to garner data on possible alternatives for IT services currently provided by our Department. As a result, the information gathered helped to define the services offered in the newly formed Office of the CIO. Through a resulting cost/benefit analysis, the OCIO team will make recommendations on the preferred service delivery mechanisms (e.g. outsourcing, contracted personnel, in-house, etc) for each service and will facilitate Request for Proposals, as appropriate.

### Reorganizations

Two of the Department's Divisions restructured themselves over the course of the past fiscal year. *The Division of Insurance and Internal Support* reorganized to provide more emphasis on insurance services and to promote a higher level of internal control. Additional analytical expertise was added to the division which provided the capability to undertake more complex and proactive analyses of information to develop strategic initiatives. An internal audit and special projects position was added to the Division to provide increased levels of internal control and to provide needed expertise in project management. The focus of the employee benefits program was changed from internal contract compliance to an outreach and education emphasis. More agency contacts were initiated to provide agency personnel with an understanding of the benefit programs as well as to gather input on the programs from users.

An *Office of the Chief Information Officer* was created from the combination of the Information Technology Resource Management Staff (IT policy and strategy) and portions of the Division of Information Technology and Communications Services (IT services). This merger provides a dedicated focus, both strategically and operationally, on improving IT efficiencies and services for state agencies. As part of the OCIO new charter, the staff has developed a comprehensive strategy and implementation plan to streamline IT operations and achieve IT cost efficiencies throughout state government.

OCIO is designed to enhance our existing IT service offerings while also being able to accommodate new statewide (enterprise) IT capabilities. To facilitate these services, OCIO is structured into service elements in which each team takes the lead on enabling the strategic direction for that specific service by providing or facilitating operational IT capabilities. The *Enterprise Applications team* is responsible for implementing the state's vision of providing convenient and timely access to state government services via on-line capabilities. The *Enterprise Support team* provides first- and second-tier technical support to our agencies. The *GIS Service Center* provides geospatial application and integration services to agencies, local government, and tribal partners. The *Enterprise Infrastructure team* is responsible for planning, maintaining and coordinating services and equipment that comprise our state's data and voice networks. The *Enterprise Security Services team* takes the state's lead on protecting our systems and information in order to maintain the trust of our citizens, businesses, and partners. And, the *Enterprise Plans and Programs team* was established to enhance the state's strategic IT planning, enterprise architecture initiatives, IT project management, IT budget forecasting and oversight, and IT contract management functions.

#### **Transfer of Public Safety and Communications to Military**

The 2007 Legislature approved the transfer of the Public Safety and Communications program and the Emergency Communication Commission to the Division of Military. This was successfully accomplished as of July 1, 2007. Various meetings were held with Military to ensure a smooth transition of personnel, financial and budgetary data, fixed assets, contract management and fleet inventory. A total of 23 employees transferred to Military. In conjunction with the State Controller's Office appropriation, encumbrances, cash and fixed assets were transferred to Military the first two weeks of July 2007. The State Treasurer also assisted in this transfer by programming future FTE payments and county payments to Military. The transfer of the MCM inventory system for Public Safety and Communication was also successful and is now under the management of Military.

#### **Idaho Website Receives High Ranking**

The State of Idaho's official web portal – idaho.gov – was ranked as second best of 11,227 government websites in the nation in an extensive e-government study conducted by the National Policy Research Council (NPRC) in collaboration with Computerworld. Thousands of Idaho citizens use the state portal 24/7 to obtain government information and services. They can file and pay their taxes, renew professional licenses, register vehicles, check road conditions, and help protect their children by searching the Correction Offender database, for example. The web portal is easy to navigate, services are organized around our citizens, and they can find the information they need quickly.

#### **New State Cyber Security Website Launched**

With the increasing use of the Internet by Idaho children and the alarming growth of online identity theft and financial fraud, October was named Cyber Security Awareness Month in the State of Idaho by Governor Risch. The Information Technology Resource Management Council (ITRMC) took the lead to coordinate statewide activities to raise awareness of Internet safety, identify theft and financial fraud. To move that effort along a new state Cyber Security Website was launched. The new website was designed to help parents and children understand the risks that are online and allow them to use the Internet in a safe and productive manner.

#### **New Telesoft Billing System**

A new Qwest long distance feed in the Telesoft Billing System was accomplished during FY07, and the old database and Web servers (both over 6 years old) were replaced. After three months of parallel testing we began live processing and billing in June. The new servers streamline the Department's monthly billing process and allocate usage and shared telecommunications charges to state agencies. Agencies now have on-line Web access to both PDF reports with their extension detail, and they have the capability to download extension detail in an Excel or CSV format.

#### **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, will 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.

#### **Industrial Special Indemnity Fund (ISIF) Information System**

The ISIF provides disability benefits to workers who have incurred a second disabling injury and are permanently and totally disabled. ISIF has been running a 12-year-old management information system that was operating on an obsolete technology platform, required significant manual intervention to keep the system operational, and continuous manual input from the ISIF system into the Department's financial system. A completely updated system has been designed, installed, tested, and is now operational. The new system is Internet based and provides direct electronic feeds to the Department's financial system. Controls over both confidential claims and critical financial information have been significantly enhanced and manual interventions have been almost completely eliminated.

#### **Department Financial System**

The Department operates a front-end financial management system that provides all reports and analytical capabilities for all activities and programs. The system processes all financial data before electronic transmittal to the State Controller's system. When the application was originally purchased the system maintenance and operation were outsourced to the company that developed the software. During the past year the feasibility of terminating the outsource arrangement was analyzed and the business case supported keeping the outsource arrangement in place. Bringing the operations in-house would require hiring additional IT staff and making some significant hardware expenditures. It was more cost effective to continue with the outsource contract.

#### **Records Inventory System**

In support of the State of Idaho Information Technology Strategic Plan, the State's Records Center successfully completed the implementation of a Records Inventory Tracking System (RITS) during FY2007 enabling state government agencies to more effectively and efficiently manage approximately 45,000 boxes of records and documents stored in the state's records repository facility. RITS is a secure on-line system that allows agencies the ability to conduct transactions on-line, and supports today's strategic IT enterprise approach of integrating common functions and computing elements into a shared infrastructure delivering "utility-like" services for agency use. Utility-like services from a common enterprise infrastructure frees resources for agencies to build applications and services that reflect their core competencies while meeting constituent demands.

Prior to implementation of this system, all inventory activities had been manually tracked and reconciled. One of the biggest challenges of the manual system was to identify boxes that had reached their retention requirements, and also to provide an accurate inventory for each agency. A better way was needed to control the inventory, provide more accurate reports, and reduce valuable staff time to maintain the boxes. The Center handles about 100 requests for retrieval a day – by phone, email, or fax. An on-line inventory tracking system was identified as the best approach.

Through this new system, agency customers can now submit storage box content information for new boxes coming into the records center. The system also allows customers to request items for check out, return, or disposal. From these requests, the system automatically generates documentation for center staff, tracks activities, and initiates billings and monthly billing reports.

#### **Capitol Restoration/Addition**

In FY 07 the long awaited Capitol Restoration and Expansion project began. This will be the largest public works project in Idaho (\$130 million) and will be complete in late 2009. Work includes the complete restoration of the Capitol proper with some modern additions such as new elevators as well as the construction of single story, underground wings on each side of the Capitol. These wings (25,000 sf) on each side will provide much needed hearing/committee rooms for both houses of the legislature.

A necessary activity to support the Capitol project was the complete abandonment of the Capitol to allow the contractors thirty months of construction activity. This necessitated the preparation of 'swing space' on the Capitol Mall to accept all the displaced personnel and offices of the Capitol. The space was prepared, the people and all furniture were moved by the end of May so the business of government could continue uninterrupted and the Restoration/Expansion project could begin.

**Significant Public Works Projects Completed**

During the last fiscal year, construction of the new Health Care Education Building at Eastern Idaho Technical College in Idaho Falls (\$10 million), and the Classroom Multi-Use Complex (Rendezvous Building) at Idaho State University in Pocatello (\$44 million) were completed.

**Part II – Performance Measures**

Performance Measures supporting <u>Goal #1: Provide Quality and Value in Service and Project Delivery</u>	2004	2005	2006	2007	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	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%	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.	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%	Annual insurance rate increase for medical/dental costs are within 2% of current industry benchmark.
5. Our aim is that the state's annual increase for risk insurance falls within 2% of the industry's defined average increase for risk insurance.	-	State's cost of risk = .31% Industry benchmark = .39%	State's cost of risk = .31% Industry benchmark = .39%	See Note Below.	Annual cost of risk is within 2% of current industry benchmark.

Performance Measures supporting <b>Goal #2: Deliver Excellent Customer Service</b>	2004	2005	2006	2007	Benchmark
6. 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	Average rating of "4" on Likert Scale for measuring attitudes in regard to the Department's level of service.
Performance Measures supporting <b>Goal #3: Pursue Continuous Improvement in Internal Management</b>	2004	2005	2006	2007	Benchmark
7. Our aim is to deliver 85% of requests for ad hoc financial reports by internal staff within 72 hours of their request.	-	-	-	90.12%	85% of ad hoc financial reports delivered within 72 hours of request.
8. Our aim is to fill key full-time positions within 45 days of their vacancy.	-	-	-	50%	80% of key positions filled within 45 days of vacancy.
9. Our aim is in FY07 to drive at least 65% of our full-time use vehicles at least 6,000. 70% in FY08 75% in FY09 80% in FY10 85% in FY11	-	-	61%	65.9%	At least 6,000 annual miles driven for each full-time use passenger vehicle.
10. 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%	0%	N/A	Maintain a Facility Condition Index of =<.1 for buildings maintained by Administration.

**Performance Measure Explanatory Note:**

3. Prior to the reorganization (on May 7, 2007) of the ITRMC Staff and DITCS into the Office of the CIO, operational IT projects were not formally tracked for schedule and budget performance metrics. Following this reorganization, the OCIO has established a formal project management process and oversight procedure to ensure IT projects are appropriately administered. Since the inception of this process, the OCIO has identified 60 IT projects of various scale that are now directly managed for schedule and budget. In FY08, the Office will be able to accurately report on this performance measure.
5. Measurements are typically belated by one year.
8. In FY07 the Department recruited for 16 Key positions of which eight were filled within the 45 day timeframe. Two of the Key positions were filled beyond the 45 day timeframe and 6 of the Key positions are still vacant. The majority of those still vacant are due to the proposed devolution of the Department, which placed our recruitment efforts on hold, and because of organizational changes in the Divisions. Additionally, the Project Architect positions have been difficult to recruit for even before the proposed devolution because of a limited applicant pool and competitive salary issues.
9. Not counting “special use” vehicles and those owned less than one year, Administration had 41 vehicles at year end. Of those, 27 accumulated at least 6,000 miles during FY07. “Full-time use vehicles” can be a judgment call—someone else may interpret the term differently.

With the transfer of the Public Safety and Communications program to the Division of Military, next year’s goal of 70% will be near impossible. Administration’s vehicles dropped to 23, with 11 having accumulated at least 6,000 miles this year, or 48%. *Note that this performance measurement will need to be revised when the plan is updated and submitted for FY09.*

10. The first measurement for this objective is planned for FY08.

**For More Information Contact**

Diane Blume, Management Assistant  
Administration, Department of  
650 W State Rm 100  
PO Box 83720  
Boise, ID 83720-0003  
Phone: 332-1826  
E-mail: [diane.blume@adm.idaho.gov](mailto:diane.blume@adm.idaho.gov)