



Department of Administration

FY2023 – FY2026 Strategic Plan

*“Providing Business Solutions for Idaho
State Government”*

July 1, 2022

BRAD LITTLE, GOVERNOR

Department of Administration
Keith Reynolds, Director

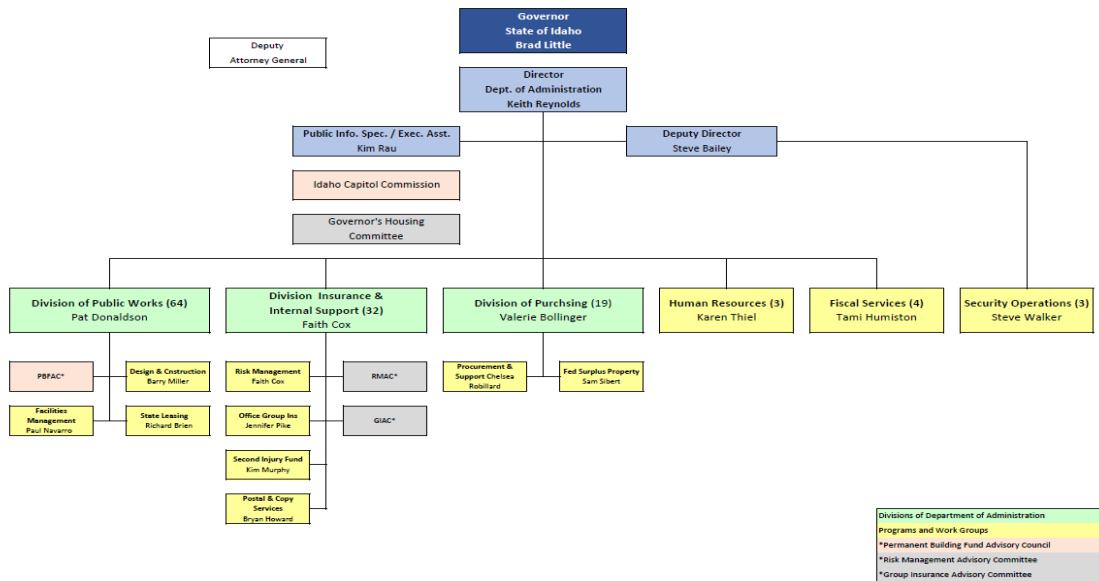
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Department Overview

STATE OF IDAHO
Department of Administration (128 FTP)



Department

Office of the Director: Maps the strategic direction of the department. Provides internal financial support, controls/auditing services, human resources, and payroll to all programs, supported committees, as well as the Idaho Commission on Hispanic Affairs.

The director serves as an ex-officio member for the following two entities:

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 the ongoing oversight of the capitol including overseeing all restoration work and additions to the building; approving all displays, artwork, and furnishings within the capitol; and promoting interest in the history of the capitol building. Department support for this commission includes accounting, clerical, and facility planning/management services. (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, and maintenance of a governor’s residence. Department support for this committee includes accounting, clerical, and facility planning/management services. (Idaho Code Section 67-455)

Division of Insurance and Internal Support (DIIS): The *Risk Management* program serves as the state’s property and liability insurance manager and adjudicates claims made against the state. The *Office of Group Insurance* contracts and administers medical, dental, life, flexible spending account, and disability benefit contracts for state employees and retirees. The *Industrial Special Indemnity Fund* manages a portion of the workers’ compensation system commonly referred to as the “Second Injury Fund,” which provides lifetime

benefits to workers who become totally and permanently disabled from a work injury. Finally, the division provides reproduction services through the *Copy Center* and mailing services through *Central Postal* for state agencies located in Ada County. (Idaho Code Sections 67-5202; 67-5746; 67-5749-5750; 67-5760–5778; 72-323–334 and 409)

Group Insurance Advisory Committee (GIAC): GIAC has been essential in the review of benefits currently offered through the Office of Group Insurance. It also provides consultation to the Director of the Department of Administration on possible changes to the current benefit package or benefit offerings that could improve access to healthcare for state employees. The committee has representation from the legislature, judicial branch, state agencies, and the retired community. It meets about three times annually; its authority and responsibilities can be found in I.C. 67-5761.

Risk Management Advisory Committee (RMAC): RMAC includes members of the legislature, higher education, Department of Correction, Idaho Transportation Department, and the Division of Human Resources. It meets about three times annually in an advisory capacity to provide consultation to the Director of the Department of Administration. The authority and responsibilities for the RMAC can be found in I.C. 67-5773.

Division of Public Works (DPW): Administers the construction, alteration, and repair of public buildings for Idaho's state agencies. The division is also charged, through its Facilities Services, with the management (operations and maintenance) and space allocation of all facilities on the Capitol Mall, Chinden Campus and the state office buildings in Lewiston and Idaho Falls. Additionally, it is tasked with negotiating, approving, and making contractual lease agreements with the private sector for office space to be used by various state departments, agencies, and institutions. DPW coordinates activities of the Permanent Building Fund Advisory Council, comprised of five members, that oversees the state's ongoing revenue source for state facility construction—the Permanent Building Fund. (Idaho Code Sections 67-5705-5713)

Permanent Building Fund Advisory Council: The administrator of the Division of Public Works and the responsible heads of the agencies for which appropriations for construction, renovations, remodels, or repairs are made pursuant to chapter 11, title 57, Idaho Code, must consult, confer and advise with the Permanent Building Fund Advisory Council in connection with all decisions concerning the administration of these appropriations and the planning and construction or execution of work or works pursuant thereto. The approval of the permanent building fund advisory council is a condition precedent to the undertaking of planning or construction. The Council has representation from the legislature, business, and construction community as well as the public at-large.

Division of Purchasing (DOP): Manages purchasing policy and implementation for property acquisitions (goods and services) for state executive agencies, including solicitation, issuance, and administration of contracts and training for professional purchasing staff; and serves as clearinghouse for the federal government's surplus properties through its *Federal Surplus Properties* Program. (Idaho Code Sections 67-9201 et seq.; 67-5744)

Division of Security Operations (DOSO): This division was added to the department in January 2020 with the chief responsibility of administering the physical security program for state-owned buildings managed by the Department of Administration. Working closely with the Idaho State Police, the Idaho Legislature and executive leadership throughout state government, this division continually evaluates, develops, and implements effective physical security policies, procedures, and methods to mitigate risk to state assets, employees, and citizens seeking services. (Idaho Code Sections 67-5708, 5709)

Program Support of FY2022 Strategic Plan Goals

Office of Risk Management (ORM)

Goal 1: Reduce 5-year rolling property claim payments by 20% by end of FY 2023.

In FY22, property claim payments were not reduced by 10% over claim payments made in FY19 (from \$971,419 to \$832,870). FY22 property claim payments are not fully realized due to several large open property claim files. Current trends show the property results will continue to deteriorate over the next 12 months due to several large water losses that occurred in FY22. In FY22, the State secured better property rate pricing than in prior years although FY 23 will be a challenging year for property coverage. The states property insurer has non-renewed coverage effective 7/1/22 due to wild-fire exposures and the carrier's inability to obtain adequate wild-fire reinsurance. Risk added a new loss control program manager and recently added loss control services that will eventually provide recommended cost benefit analysis that forecasts loss estimates. This position will work with DPW to prioritize recommended actions and reduce exposures due to outstanding deferred maintenance issues. The ability to prioritize needed actions and repairs will help the state identify loss reduction areas in the future.

Division of Public Works (DPW)

Goal 2: Reduce the average length of time between project bid date and issuing a Notice to Proceed, authorizing construction.

DPW has been working to reduce the average length of time between project bid date and issuing a "Notice to Proceed", authorizing construction. The average time for the two-year period, FY15 and FY16, was determined to be 44.6 days, which is our starting benchmark. Over the next three fiscal years the time frame was steadily decreased to an average of 38 days in FY20. In FY 21 that time increased to 45 days. In FY22, our current average is 42 days, which is a slight decrease, but still exceeds our goal.

Reviewing the trends, the increase in time for FY21 included an increase for an agency to provide authorization from 13.4 days to 16.2 days and an increase in receiving signed contracts from contractors from 12.2 days to 13.2 days. Additionally, the average time for DPW staff to generate and review contracts rose from 11 days to 14.1 days. It was determined that these increases were primarily caused by pandemic related staffing shortages and inefficiencies with personnel working remotely.

In FY22, the time to receive agency approvals has remained high at around 16 days; however, the time to receive contracts and for DPW's review has seen slight decreases. DPW will continue to meet with the agencies to express the importance of expediting the process. DPW is also working with contractors ahead of the contract due dates, to ensure they understand what contract documents are required.

Goal 3: Reduce the back log of deferred maintenance and repair items for the Capitol Mall (including the Idaho Falls and Lewiston State Office Buildings) and the Chinden Campus.

In FY2022, DPW Project No. 21-006 was initiated, and a contract executed with Gordian/Accreunt to perform a facility condition assessment (FCA) at the Capitol Mall (excluding the Lewiston and Idaho Falls offices) and Chinden Campus. Gordian completed the assessments and provided the final reports in January 2022. At the Capitol Mall, thirteen buildings with a total of approximately 1.2 million square feet and a replacement value of \$596 million, were evaluated. Gordian determined that it would cost an estimated \$75 million to perform the required maintenance and repairs. This resulted in an overall facility condition

index (FCI) for the Capitol Mall at 0.13, which is a 'Fair' condition rating. At the Chinden Campus, eight buildings and associated structures with a total of approximately 1.5 million square feet and a replacement value of \$444 million, were evaluated. Gordian determined that it would cost \$187 million to complete the maintenance and repairs at this campus. This resulted in an FCI of 0.42, which is a 'Poor' condition rating.

The Permanent Building Fund received an appropriation of \$244 million in a FY2022 Supplemental and FY2023 budget to start addressing the State's deferred maintenance liability. Of that amount, approximately \$20 million is allocated to perform maintenance repairs at the Capitol Mall and Chinden Campus. An additional \$37 million was appropriated in FY2023 to perform renovations at the Chinden Campus. DPW's Facility Services Group is in the process of prioritizing maintenance and repair projects for both campuses, which will significantly impact the deferred maintenance liability. Additionally, the Facility Services Group will develop a 20-year plan to correct the remaining maintenance requirements with the overall goal of lowering the FCI to a 'Good' to 'Excellent' condition rating.

Postal Services and Copy Center

Goal 4: Increase the pieces processed by the state's Postal Services at the Chinden Campus which will reduce the amount of time spent delivering mail to state agencies.

Central Postal has grown the Postal Annex at the Chinden Campus. This location serves as the Shipping/Receiving location for all agencies on campus and is staffed by 2 full time employees. This location also performs all fulfillment operations for the Department of Commerce's Tourism Division, sending out 60,000-80,000 fulfillment orders annually. As each agency moves on campus, they are eliminating an extra stop in the Boise metro area. The Department of Finance moving on campus eliminated a stop at its former location, saving 2 stops per day at 10 minutes per stop. There have been several Boards of the Division of Occupational and Professional Licenses (DOPL) that have moved to the Campus. The Division of Building Safety, the Board of Accountancy, and the Board for Outfitters and Guides have moved on campus. Each of these are saving 1 driver 5 minutes per stop per day by locating on Campus. These stops have saved over 30 minutes per day in additional drive time, allowing for more time processing mail inside the mail room.

Goal 5: Decrease the number of days to perform Copy Center jobs for state agencies while increasing number of jobs printed during non-business hours.

The joint-document management system is functioning and currently onboarding the first agency, the Department of Correction's Cost of Supervision monthly billing process. This system allows agency users to perform a wide variety of services on their own. They will have the ability to upload their address lists and document templates to the system, create a document template, merge documents, and cleanse addresses for accuracy. They also have the option to email the document, have the document printed and mailed, or both. This system applies a 2D bar code placement on the printed pages that allows the inserting machines in Central Postal to track the inserting jobs, ensuring that the correct pages are inserted into the envelopes, and provide closed-loop verification of mailing in real time for the customer. Customers are able to view every step in the process in real time, from creating the document, printing the document, inserting the document, as well as the entire flow through the mail stream in the USPS system including delivery to the recipient's door.

Division of Purchasing (DOP)

Goal 6: Increase the number of qualifying entities utilizing the Federal Surplus Property (FSP) program to maximize the value of existing resources and reduce overall costs to state and other public agencies.

Despite dedicated expansion efforts this year, FSP has realized a decrease of qualifying entities utilizing the Federal Surplus Property program by 7.9%. In FY22 a total of 127 organizations utilized FSP. The program continues to focus on customer service, maintaining a net promoter score of 10 out of 10 throughout FY22. FSP has increased its outreach efforts including reaching out to 98 registered or interested Veteran-Owned Small Businesses (VOSBs) to market the program to; sending out its annual survey to the donee base with 32 responses received; attending the Division of Purchasing's Quarterly Workshop in May; attending the Idaho Association of School Business Officials (IASBO); and meeting with the Administrator of the Idaho Division of Veterans Services to discuss promoting the program to more VOSBs. FSP will continue to participate in various programs and to evaluate and improve its marketing and outreach efforts.

Goal 7: Implement an in-state purchasing certification program.

DOP launched the first in-state purchasing certification in February 2022. The Idaho Certified Public Buyer (ICPB) certification is currently offered at the RFQ level (certifying competence in general purchasing and Request for Quotes), with additional levels of certification still in development. The certification requirements include meeting a required level of experience; completing two training models (Procurement 101 and RFQs), a total of approximately ten (10) hours of virtual trainings; certifying of a code of ethics; and passing a written and practical exam. There are approximately eleven (11) procurement professionals in the state who have met all requirements except the exams, which are expected to be offered in early FY23. Over five hundred (500) training courses have been completed in Q4 of FY22 (since DOP began tracking this metric). Customer satisfaction for the trainings has consistently been at a 9 out of 10. DOP will continue to develop additional trainings and certification levels in FY23.

Office of Group Insurance (OGI)

Goal 8: Examine the State's Group Insurance Program administration costs to establish a benchmark and minimize annual variability.

The Office of Group Insurance (OGI) was able to reduce administrative fee from FY21 to FY22 due to cash management and excess cash from unexpended funds for projects specified by the Legislature.

In FY22, OGI conducted a medical and pharmacy claims repricing to compare the negotiated discounts and pharmacy rebates amongst top carriers and Pharmacy Benefit Managers (PBMs) in the industry. This project helped inform the process for drafting a competitive solicitation for the medical and pharmacy coverages that will be published in early FY23.

Staffing levels have been consistent for several years, which minimized fluctuations in the personnel portion of the administrative fee. In FY22, OGI continued efforts to increase operational efficiency with new and existing staff to provide opportunities for better analysis in plan performance and strategy in administration of all programs, and to enhance outreach and communication to HR offices. Future projects include enhanced pharmacy management and a funded Health Savings Account (HSA).

Industrial Special Indemnity Fund (ISIF)

Goal 9: Enhance awareness of role, function, and processes of the Industrial Special Indemnity Fund for workers compensation practitioners and specialists.

Given the potential monetary ramifications of an injured worker being awarded lifetime benefits, the ISIF thoroughly evaluates all claims. The ISIF further analyzes which claims to fully defend up to and through a hearing before the Industrial Commission, and which claims to try and resolve through private negotiations or mediations

Presentations were made to members of the Advisory Committee of the Industrial Commission and other work comp specialists. Case filings, costs, trends, and projected assessments for the coming year were discussed

Fiscal year 2022 and Calendar year 2021 annual reports were prepared and shared with the Governor's office, Industrial Commission, and Idaho State Insurance Fund. The opportunity for individual meetings with those groups were extended. The reports were also provided to the Advisory Committee, attendees and were posted to the ISIF website.

Additionally, FY22 1st, 2nd and 3rd and 4th Quarter financial information was prepared and sent to the Industrial Commission and to the Idaho State Treasurer.

Division of Security Operations (DOSO)

This division was created in FY20 as a separate division. Previously, it was part of DPW's facility security group. A goal and objectives were set forth upon its creation.

The immediate goal was to "Determine most effective improvements for Security operations.", as measured by:

1. Completion of the Evaluation Phase of the published *Security Operations Strategy* by April 1, 2020
2. Completion of the Execution Phase of the published *Security Operations Strategy* by September 1, 2020

Both objectives were met:

- Execution Phase – Gap closures and Process Improvement
 - Deep organization of Security procedures to simplify security processes
 - Implement measurements and report on security activities
 - Develop scheduled communication and info sessions for employees
 - Establish a schedule for review of documents and operation plans
- Sustaining Phase – Maintenance and Monitoring
 - Inclusion of Targets and Objectives ensure programs are effective
 - Scheduled training for staff ensures creation of additional programs are successful
 - Staff development creates multiple points of contact for internal stakeholders for issues, support, awareness presentations, etc.

Strategic Planning FY2023– FY2026

A few of our department goals have been in place for several years illustrating progression over time. They were established to promote the enhancement of quality and/or cost efficiencies in the delivery of services representing each of Administration's programs.

The purpose of the measurable plan is designed to illustrate continuous improvement in productivity and quality of department operations, supporting Governor Little's vision to instill citizen confidence in Idaho state government, and his statewide priorities and initiatives. Our mission statement, vision, and guiding values lay the foundation for the department's strategic initiatives.

The success of Administration's strategic goals and objectives are not only to be gauged by achievement of their timelines and performance measures, but also by how well our department employees understand and participate in their implementation.

Governor's Statewide Priorities

- Strong Public Education System
- Robust Economy
- Confidence in State Government

Governor's Initiatives

- Supporting Education
- Cutting Red Tape
- Leading Idaho
- Operation Esto Perpetua

Mission Statement

"We serve Idaho by promoting responsible government through expert customer support."

Vision

Bring appropriate, innovative, and efficient operating practices to Idaho government.

Guiding Values

- **Customer Service**
Serve our customers to the fullest extent possible and treat them with respect and professionalism.
- **Integrity and Honesty**
Be honest, dependable, fair, credible, and trustworthy. Acknowledge mistakes, seek to correct them, and learn from them.
- **Innovation**
Demonstrate initiative and flexibility in promoting and responding to challenges and changes.
- **Communication**
Believe that open, positive, and honest communication is critical to our employees, our customers, and the citizens of Idaho.

Goals

1. Reduce 5-year rolling property claim payments by 20% by end of FY 2023.

Objectives:

1. Study 10-year historic property loss data.
2. Use the historic loss data to identify top claim cause and large claim payouts.
3. Identify and provide training to reduce claims frequency and reduce claim severity.
4. Conduct targeted loss control visits to reduce preventable claims.

Performance Measure:

1. Reduce property claim costs by 5% annually through FY23.

Benchmark: FY23 shows reduced claim payments from FY19 benchmark by 20%.

Rationale for Benchmark: Reducing and controlling property claim costs will allow the state to obtain better property insurance renewal options and/or self-fund this line of coverage at some point in the future. This goal also aligns with our initiative to provide a more robust loss control program to our state agencies.

2. Reduce the average length of time between project bid date and issuing a Notice to Proceed, authorizing construction.

Objectives:

1. Identify critical steps in the process that are causing delays. This may be caused by postponed receipt of agency authorization or incomplete submission of documents by the contractor (external influences).
2. Analyze internal processes that could be modified to reduce the time.
3. Educate agencies and contractors on the required process and submission of documents.

Performance Measure:

1. Reduce the average number of days between project bid date and issuing Notice to Proceed by **5% per year** each year until benchmark has been reached.

Benchmark: **“An average maximum of 30 days”** between project bid date and issuing a Notice to Proceed.

Rationale for Benchmark: Our client agencies have expressed concern about how long it takes to get construction actually started. Contractors have also voiced concern about price escalations and holding labor while contracts are put in place. DPW has reviewed its processes and determined this is an area where improvement is needed. The average maximum of 30 days is a reasonable expectation based on the efforts and time required to obtain bonds, secure subcontracts, arrange for insurance coverage, etc.

3. Reduce the back log of deferred maintenance and repair items for the Capitol Mall (including the Idaho Falls and Lewiston state office buildings) and the Chinden Campus.

Objectives:

1. Update the Facilities Condition Assessments (FCA's) for both campuses. Establish the current Facility Cost Index (FCI) for each building.
2. Utilize FCA's to develop and prioritize a current list of deferred maintenance items.
3. Prepare 20-year plan outlining areas of work and funding proposals.

Performance Measure:

1. Reduce the total average Facility Cost Index by 5% per year for all facilities until the benchmark has been reached for each facility. Further refine the deferred maintenance component included in agency rent charges. This amount would need to be adjusted for cost escalation, inflation, etc. on a reoccurring basis.

Benchmark: The desired average FCI for facilities is **0.00 to 0.05**

Rationale for Benchmark: The FCI is a standard measure used throughout the facilities management industry to compare accumulated deferred maintenance to the current replacement value of a facility. The total value of needed repairs is divided by the building value, resulting in the FCI score. An FCI is considered EXCELLENT at 0.00 to 0.05, GOOD at 0.05 to 0.10, FAIR at 0.10 to 0.30, and POOR if greater than 0.30.

4. Increase the number of pieces processed by the state's Postal Services at the Chinden Campus which will reduce the amount of time spent delivering mail to state agencies.

Objectives:

1. Provide additional services on site at the Chinden Campus. This will reduce the amount of mail that travels back and forth from the Capitol Mall. This will also reduce the amount of processing time for mail and parcels.
2. Implement a new package processing platform. Our current Pitney Bowes SendSuite Live platform lease will expire soon, and options for a new platform are being reviewed.

Performance Measure:

1. Postal Services will reduce time spent on delivery by an average of 70 minutes per year (10 minutes per route) for the next four years.

Benchmark: At the end of four years, daily delivery times will be reduced to under 28.5 hours per day.

Rationale for Benchmark: Current mail delivery on routes take an average and combined 33 hours per day. As state agencies move to the Chinden Campus, the goal is to reduce the average amount of daily driving time spent on delivery routes by 10 minutes per route, or a total of 70 minutes per day, each of the four years. ($70 \times 4 / 60 = 4.66$ hours)

5. Decrease the number of days to perform Copy Center jobs for state agencies while increasing number of jobs printed during non-business hours.

Objectives:

1. Increase marketing to departments statewide. Provide high level information to entities and more detailed information to certain departments that produce the largest volume.
2. Implement more technology-friendly platforms that will bridge the gap from paper to electronic.

Performance Measures:

3. Reduce the average processing time between order received and delivered by an average of four hours per year for three years.
4. Increase the number of jobs printed during non-business hours by 20% of all orders by FY2024. Baseline will be established in FY20 and increased 5% each year thereafter until benchmark is reached.

Benchmark:

1. Average of one day to deliver jobs by FY22.
2. 20% of all copy jobs completed during non-business hours by 2024.

Rationale for Benchmark:

1. Average delivery time in FY19 to perform jobs is 2 ½ days. Implementing new copiers with enhanced technology, the goal is an average of one day to deliver jobs by end of FY2022. (4 hours x 3 years = 12 hours, or 1 ½ days)
2. Standard jobs can be done during non-business hours when no one is on the clock, freeing up staff to focus on more technical jobs during regular business hours.

6. Increase the number of qualifying entities utilizing the Federal Surplus Properties program to maximize the value of existing resources and reduce overall costs to state and other public agencies.

Objectives:

1. Learn more about our current and potential customer base through increased outreach and in-person meetings throughout the state to identify key personnel/decision makers as well as presentation opportunities through annual association meetings (Cities, Counties, Sheriffs, Fire Chiefs, School Board Officials, Parts Managers, etc.).
2. Develop targeted marketing materials based on identified Equipment and Supply needs.
3. Ensure that each month we conduct outreach to donees that are nearing application expiration to renew their application.

Performance Measures:

1. Federal Surplus Properties increases the annual number of registered and/or active donees by 5% each year until benchmark is reached by FY23. Baseline established in FY19.

Benchmark: By FY23, increase number of donees by 20%, without additional capital outlay or increased overhead expenses.

Rationale for Benchmark: This benchmark has no scientific rationale other than it sets a goal to provide service on a broader base, which should result in some efficiencies/savings especially to some of the smaller agencies who are not currently utilizing our service.

7. Implement an in-state purchasing certification program.

Objective:

1. Increase the number of online purchasing courses so they can be efficiently completed throughout the state.
2. Increase the level of purchasing proficiency statewide through both on-line and classroom training opportunities and demonstrate this by increased state purchasing certification levels.

3. Develop marketing activities that position purchasing training and certification as an attractive and worthy endeavor to all who participate in or interface with Idaho public purchasing.

Performance Measures:

1. Annual target: Each year beginning with FY22, increase the total number of state certifications earned by 33% over the annually established baseline.

Benchmark: 100% of all DPA agency employees deemed to have procurement responsibilities will be certified through the in-state program to the level of their agency's delegated authority by FY24.

Rationale for Benchmark: Certifying procurement employees from agencies with delegated purchasing authority will increase the effectiveness and integrity in the state's procurement practices and instill confidence by taxpayers in the expenditure of state funds.

8. Examine the State's Group Insurance Program administration costs to establish a benchmark and minimize annual variability.

Objectives:

1. Study historic program structure, program operating costs and full-time positions.
2. Identify external factors that impact quantifiable trends in the historical data.
3. Review trends in historic operating costs compared to full-time positions.
4. Provide updated communications and education to agency human resource staff and plan participants to promote informed consumership.

Performance Measure:

1. Program personnel and operating costs increase by no more than 3% annually through effective management of cash balances and annual appropriation.

Benchmark:

1. FY18 rate - annual budget \$824,700 with 18,678 enrollees
2. FY19 rate - annual budget \$847,100 with 18,754 enrollees
3. FY20 rate - annual budget \$852,000 with 18,937 enrollees
4. FY21 rate - annual budget \$861,000 with 18,975 enrollees
5. FY22 rate - annual budget \$889,700 with 18,675 enrollees

Rationale for Benchmark: As a dedicated fund program, costs to support the OGI are shared amongst all agencies. The performance measure was established to compare year over year the cost per FTP to support the personnel and operation of OGI as statewide FTP counts increase, plan costs increase, and as personnel requirements and service delivery methods change.

9. Enhance awareness of role, function, and processes of the Industrial Special Indemnity Fund for workers compensation practitioners and specialists.

Objectives:

1. Identify target audiences for outreach and in-person meetings throughout the state to include presentation opportunities through association meetings (trial lawyers, compensation consultants, insurance adjusters, Industrial Commission Advisory Committee, etc.).

Performance Measure:

1. On an annual basis, provide presentations to at least 2 workers compensation industry meetings, offer to meet face-to-face with the State Insurance Fund Manager, and identify at least 2 occasions to share information to individuals new to the industry.

Benchmark: Increase opportunities to attend meetings and/or conferences and identify any new players to share information to increase awareness of the ISIF. At least 2 annually.

Rationale for Benchmark: This benchmark has no scientific rationale other than it sets a precedent to move forward efforts to provide education about the ISIF.

10. Improve the overall efficiency and effectiveness of the Security operation.

Objectives:

1. Prioritize for evaluation security services and programs that have legal requirements.
2. Continue to improve data collection on security events to establish best known practice security mitigations.
3. Establish employee education program which describes security processes and activities.

Performance Measure:

1. Improve the overall efficiency and effectiveness of the Security operation by 15% each year until benchmark has been attained in FY23.

Benchmark: A Security program must deliver consistent, qualified, and managed protection services to the organization at 100% effectiveness.

Rationale for Benchmark: The Security Operations Division was established in January 2020. The first phase of the Security Strategy, the *Evaluation Phase*, was a review of all security practices, programs, and personnel to determine gaps and set priorities to be remedied in the *Execution Phase*. Using best known practices in asset protection as a guide, a score of 60% effectiveness was revealed at the end of the *Evaluation Phase*.

Security programs and services should consistently be designed with legal requirements and best-known practices as a deliberate foundation. Effectiveness is a cumulative set of information designed to characterize a defensible posture which protects the organization from liability. When qualified, managed, and documented security programs are operating at high effectiveness, the people and assets of the organization are best protected.

Key External Factors

A number of external factors influence the goals set by the Department of Administration. Federal and state legislation particularly with regard to health care, changes in technology, and budget constraints have all played a factor in the completion of established goals.

Federal / State Laws and Directive Changes

Statutory changes often threaten business as usual. As a result, additional responsibilities can be placed on programs as well as increased expenditures. Increased scope of responsibilities can affect program goals, and increased costs to the program are often passed on to the agencies. Changes mandated in the Patient Protection and Affordable Care Act (PPACA) impacts the cost and design of the medical insurance plans available to state employees now and in the future.

Economic

The Statewide Leasing Program continues to face challenges in retaining affordable facility costs for state agencies that are currently in leased facilities. Economic recovery and increased construction costs are forcing lease rates to new levels. The purchase of the Chinden Campus is providing opportunities to house state agencies in more affordable space.

The thriving economy is also affecting construction costs for projects undertaken by DPW. When work is plentiful, fewer contractors bid on the state projects. Costs rise due to the demand in the private sector. Adjustments may need to be made to the scope of some projects to meet budgetary constraints.

Seasonal Elements

Weather conditions can influence whether the department successfully meets goals in a timely manner. For example, severe weather has a direct correlation to claims frequency in our Risk Management program. Weather is also a factor in the construction industry and can cause delays in the completion of our public works projects within construction timetables.

Personnel Changes

One external influence that is an issue for all of state government is our aging workforce and the resulting retirements. Further, the upturn in the economy and the ability of the private sector to offer higher salaries can lead to difficulty filling vacant department positions. These factors will continue to result in the loss of knowledgeable and skilled employees and loss of tremendous institutional knowledge. As the economy continues to improve, not only is the department faced with the potential exit of key employees, but also the challenge of hiring qualified applicants to replace them.

To compound this problem, Administration currently has 22.7% of its workforce eligible to retire as of July 1. Of those, 6.4% are eligible for full retirement with no reduction in benefit. The other 16.3% are eligible for "Early Retirement" with a reduced benefit.