Oregon

Department of Administrative Services
Ways & Means Subcommittee on General Government

February 2013

Overview

- Day 1: Understanding the Agency & the Enterprise

- Day 2: Improving Government

- Day 3: Administrative Services Baseline 2.0

- Day 4: DAS Policy Divisions

- Day 5: Customer Utility Boards & Enterprise Human Resource Services

- Day 6: Enterprise Technology Services

- Day 7: Enterprise Goods & Services & Enterprise Asset Management

- Day 8: Public Testimony

Day 1: Outline

- Changing the Business of State Government

- Office of the Chief Operating Officer

- Enterprise Leadership Team

- Impact to Agency Directors

Changing Our Business

Government can no longer operate as business as usual.

The business is changing and so is the usual.

10-Year Plan Overview

- Creates a strategic plan for state government services that:

  – Defines high-level outcomes that Oregonians expect

  – Identifies strategies that state government can employ to meet those outcomes

  – Articulates societal level metrics to demonstrate progress towards outcomes

Changing Our Business

Efforts Currently Underway:

- Health Care Transformation
  - Coordinated Care Organizations

- Education System Reform
  - Achievement Compacts

Changing Our Business

New Efforts in '13-'15 Governor's Budget

- Public Safety Reforms

  – Hold Adult Prison Beds Flat in Future

- Rethinking State Agency Service Delivery

  – Oregon State Library

  – Housing and Community Services

Why a COO?

The Legislature has asked state government to:

- Trim expenses

- Reduce its management structure

- Be customer-focused

- Be accountable and transparent to citizens

Why a COO?

DAS' role is to be the convener-in-chief

- To drive leadership with a view of the enterprise

- To focus on the outcomes policy makers want to see for Oregonians

- To balance the short-term needs with the long-term goals

COO makes a difference…

- Shared Leadership in Management of the Enterprise means:

  – Strategic planning for future services

  – Aligning policy making with implementation by management

  – Sharing resources to solve problems

  – Creating a new collective culture

Enterprise Leadership Team

- Comprised of 20 agency directors and representatives of four statewide elected officials

- Works together to implement policies set by Governor and the Legislature

- Example: New approach to calculating risk assessments

Impact to Agency Directors

Erinn Kelley-Siel, Director
Department of Human Services

Patrick Allen, Director
Department of Consumer & Business Services

With a COO, management is different…

- Align agency directors to implement policy makers' decisions

- Partnership with Governor's Office to advance policy agendas

- Agency directors focus on the Enterprise as a whole, and seek opportunities to collaborate

Topics for Tomorrow

- Improving Government Steering Committee

- Improving Government Project Portfolio

- Analysis of Facilities Projects
  - Dave Leland, Leland Consulting

Day 2: Outline

- Improving Government Steering Committee

- Improving Government Project Portfolio

- Analysis of Facilities Projects

  – Dave Leland, Leland Consulting

Improving Government Steering Committee (IGSC)

- Subcommittee of Enterprise Leadership Team (ELT)

- Chaired by Patrick Allen, Director Department of Consumer & Business Services

- Membership includes four ELT representatives, and four agency deputy directors

IGSC Purpose

1. Play a leadership role in improving state government's overall efficiency and effectiveness

2. Monitor the performance of statewide operations

3. Provide oversight of specific Improving Government projects

IGSC Strategies

1. Setting the overall vision and strategies to achieve long-term outcomes for improving government

2. Recommending (to ELT) appropriate projects and necessary resources

3. Recommending implementation benchmarks for performance

IGSC Strategies

4. Reviewing project performance and recommending corrective action

5. Balancing any tension between a specific agency charge and the Enterprise objectives

6. Ensuring effective communications with all stakeholders

Project Idea Vetting

Project ideas from legislators, from agencies, from front-line staff, from COO Policy Team or Governor's Office, from Administrative Baseline Project

IGSC discusses ideas and approves charters or makes recommendations for implementation

Ideas forwarded to ELT for decision; in consultation with Legislative branch on go-forward basis

The Dairy Rule

Fortify with Vitamin D - Supplement the local delivery

Pasteurize – Remove bad stuff

Homogenize – Standardize & focus on outcomes

Improving Government Projects

Procurement Improvements

- Project to redesign the service delivery model to provide better value in state purchasing and contracting

- Reducing costs by decreasing cycle times within agencies, at DAS, and at DOJ

- Simplifying purchasing rules and procedures

- Engaging more Oregon businesses, especially traditionally disadvantaged firms

Electronic Paystubs

- Project to implement a process for the electronic distribution of pay stubs to all agencies

- HB 2207 would require state employees paid through the state payroll system:

  - To receive payments electronically

  - To receive itemized pay stub electronically

Electronic Timekeeping

- Project to develop a web-based interface to enter time into state's mainframe timekeeping system

    - Automates a fairly manual process, cutting time for payroll staff to enter timesheets into system

    - Potentially frees up program staff time as well

Data Storage Consolidation

- Project to reduce the total amount of data stored in the backup environment

  - Uses the State of Montana as Oregon's offsite facility

- Data that has not been used in five years (about 30% of total) will be moved to lower cost storage, slowing growth of spend in storage management

Active Directory & Email Consolidations

- Projects to build infrastructure to consolidate different kinds of applications

  - Enterprise Email solution for 10,000 users from agencies that voluntarily participate

- Will consolidate 25 of the 50+ email systems to a more cost-effective solution

Enterprise Software License

- Project to negotiate the best possible cost on an enterprise licensing agreement with Microsoft for its office productivity products

Results: Rate for state governments = 20% off retail pricing; Oregon's rate = 20% off pricing minus additional 18.5%

- Consider same approach for other software applications

HR System Replacement Scoping – On Hold

- Scope and request funding to replace existing human resource (HR) applications which:

  - Lack the needed functionality and flexibility state agencies need

  - Lack easy access to the information policy makers want

Facilities Projects

- Renegotiate Large Leases

- Optimize Office and Warehouse Space

Facilities Projects

Leased Property Evaluation
Preliminary Findings Report

Dave Leland, Managing Director
Leland Consulting

Going Forward…

- Communication is key.

Topics for Tomorrow

- Administrative Services Budget Note

- Administrative Services Baseline Project

- Report from the Hackett Group

Day 3: Outline

- Administrative Services Budget Note

- Administrative Services Baseline Project

- Report from the Hackett Group

Administrative Services Reduction Budget Note

- Asked for the note

- Wanted agencies to have incentive to collaborate

- We learned from the process that we:

  - Needed more data to know where to make changes

  - Needed Enterprise perspective to generate new ideas

Administrative Services Baseline Project

- Project to document detailed performance data baselines for four administrative functions:

    - Human Resources

    - Procurement

    - Finance

    - Information Technology

Why The Hackett Group?

- NASACT Master Contract

- Experience with 14 other states

- Large comparison pool of clients

Hackett Group Report

Administrative Baseline Results Report

Melondy Mina, Consultant
The Hackett Group

Take Aways from Today

- The major transition in our business service delivery models will require leveraging technology.

- Automating highly manual processes frees up resources to redirect into service delivery to Oregonians.

- Leveraging technology will take investment to achieve efficiencies.

Topics for Tomorrow

- Agency Overview and Changes at DAS

- Statewide Policy Functions

  - Office of the Chief Operating Officer

  - Chief Financial Office

  - Chief Human Resources Office

  - Chief Information Office

- Performance Management

Day 4: Outline

- Agency Overview and Changes at DAS

- Statewide Policy Functions

  - Office of the Chief Operating Officer

  - Chief Financial Office

  - Chief Human Resources Office

  - Chief Information Office

- Performance Management

Why Change DAS?

- 21% Reduction in FTE over past two biennia requires DAS to focus on service delivery:

  - Service enterprises governed by customers

  - Separated statewide policy from statewide service delivery

  - Coordination across policy functions

Policy vs. Service
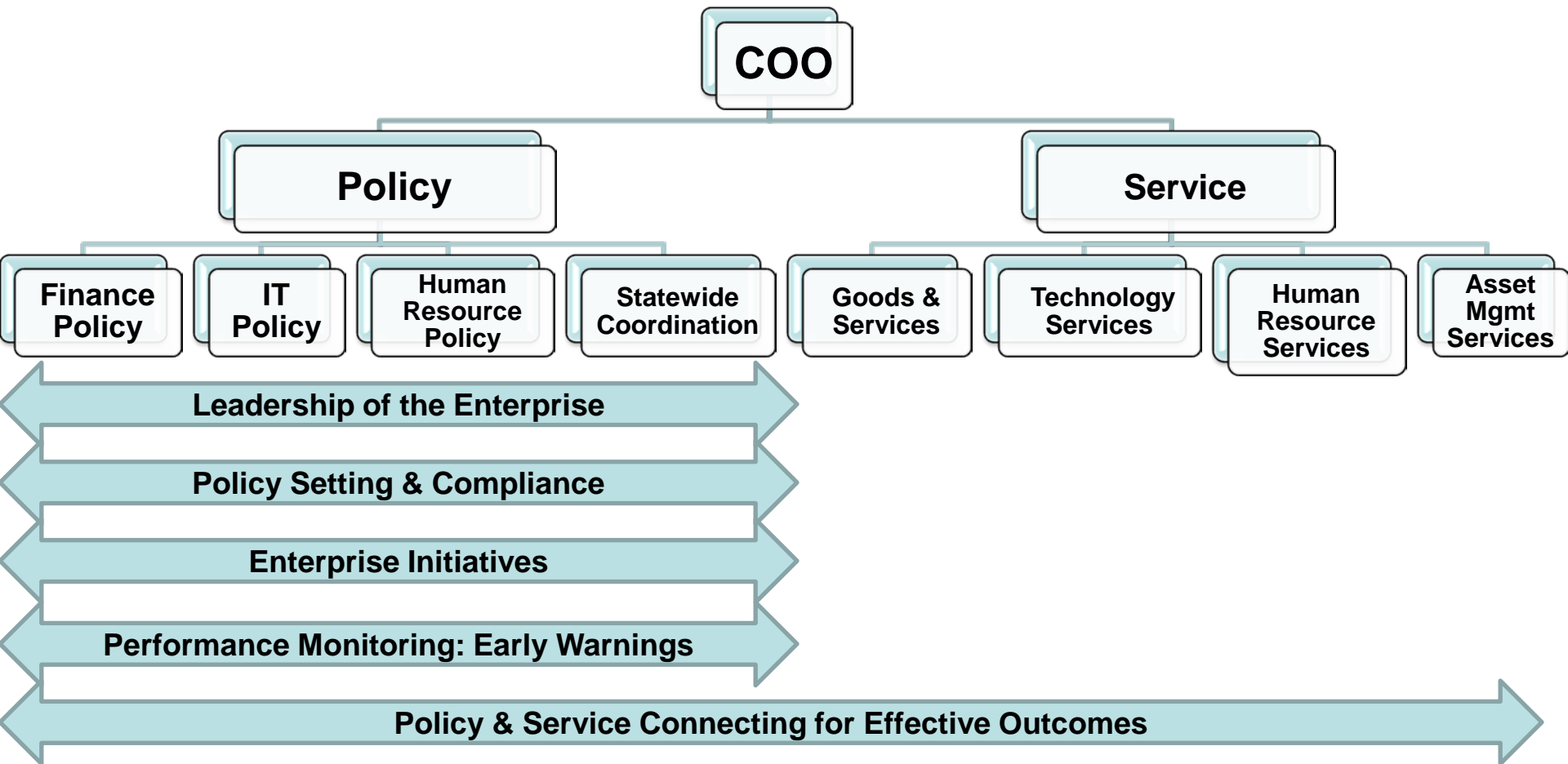
DAS Mission

- We serve state government to benefit the people of Oregon

  - Implement decisions of policy makers

  - Lead on behalf of the Enterprise

  - Partner with customers to achieve outcomes

  - Deliver the best value for every dollar spent

DAS Goals

Policy
- Effective, high-quality leadership, governance, and oversight

Service
- The right service, at the right time, for the right price

Agency-wide
- A knowledgeable, skilled, diverse and engaged workforce

DAS Strategies

Policy
- Implement a shared leadership model of governance
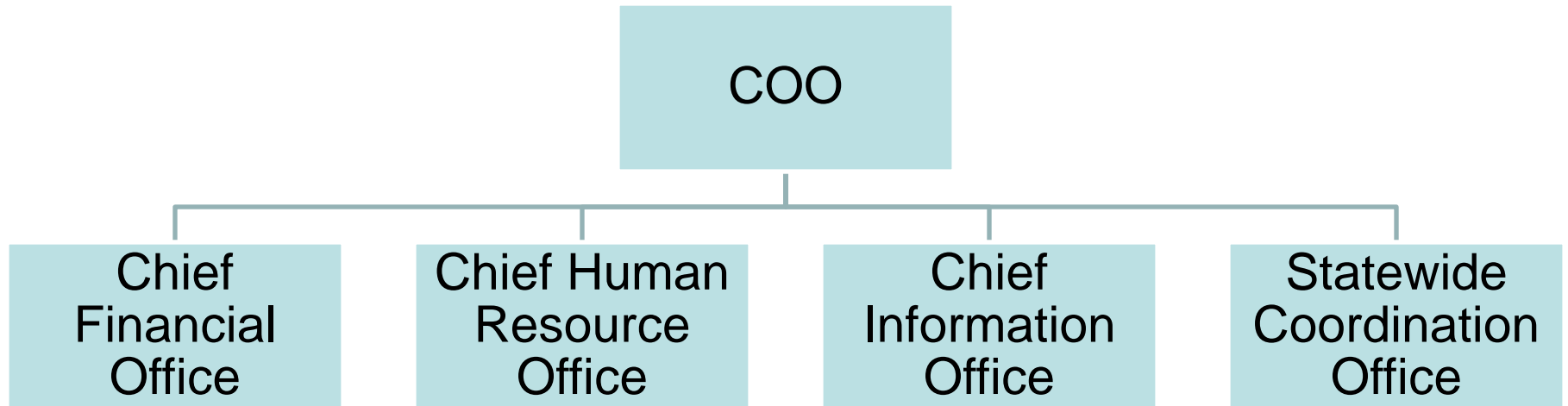- Advocate for effective policies & remove barriers

Service
- Provide choices to customers with regard to service delivery

Agency-wide
- Provide a culture of continuous improvement
- Invest in our employee's development

Statewide Policy Functions

COO
- Chief Financial Office
- Chief Human Resource Office
- Chief Information Office
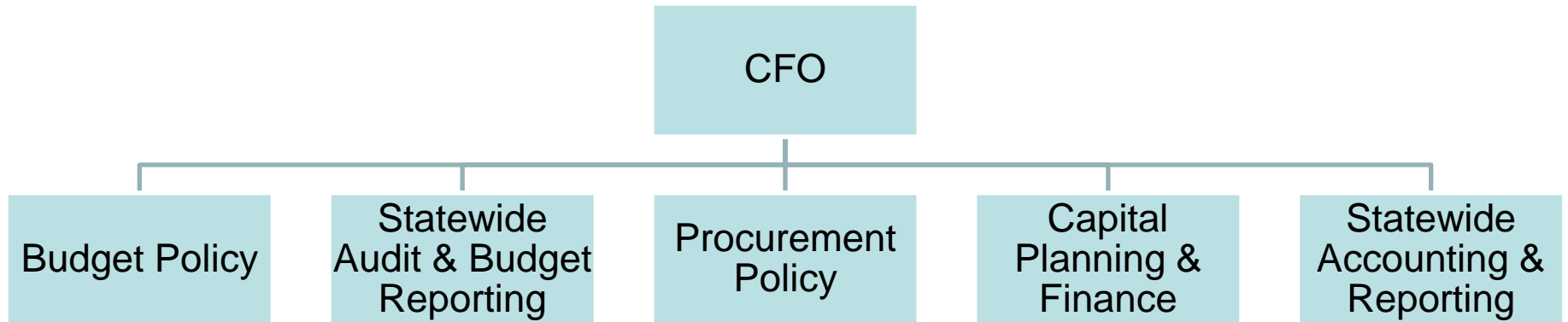- Statewide Coordination Office

Why Coordinate Policy Functions?

- Simplify policies

- Remove barriers to agencies' business operations

- Provide consistency in implementing strategies to meet stated outcomes

- Solve problems without creating formal policies

- Don't just enforce compliance, but win it

Chief Financial Office

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│  Policy   │ │Audit & Budget│ │  Policy    │ │Planning &│ │Accounting &  │
│           │ │  Reporting   │ │            │ │ Finance  │ │  Reporting   │
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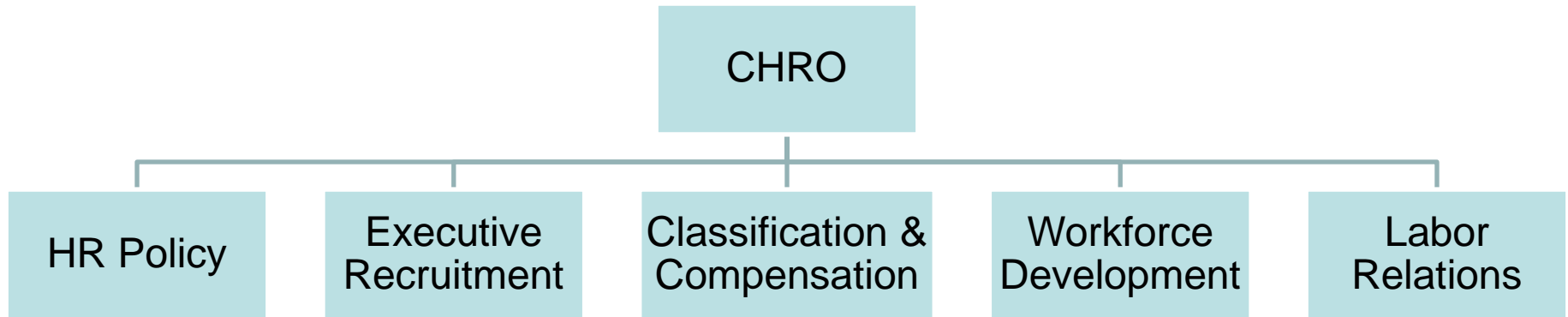
Chief Financial Office

Investments for the Future

- POP #117 – Enhance Facilities Capital Planning

  – State Architect

  – Statewide Sustainability Coordinator
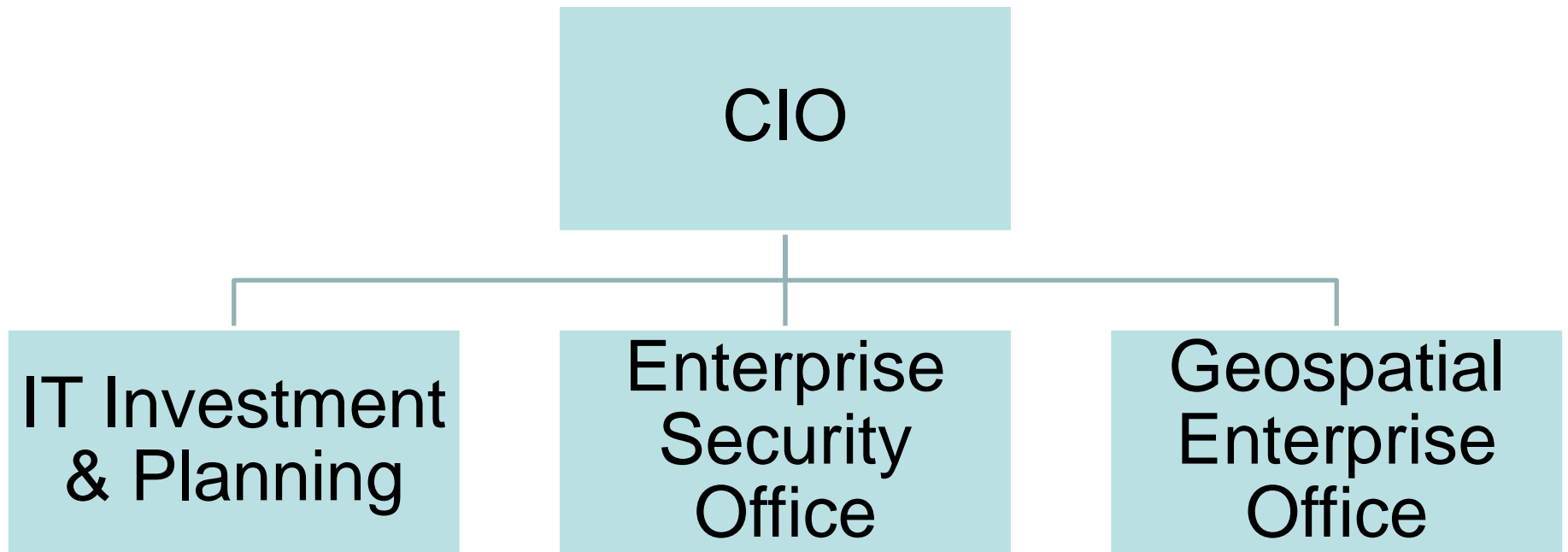
Chief Human Resources Office

Chief Human Resources Office

Investments for the Future

- POP #104 – HRIS Replacement

  – Scope and Requirements Definition

  – Phased Implementation
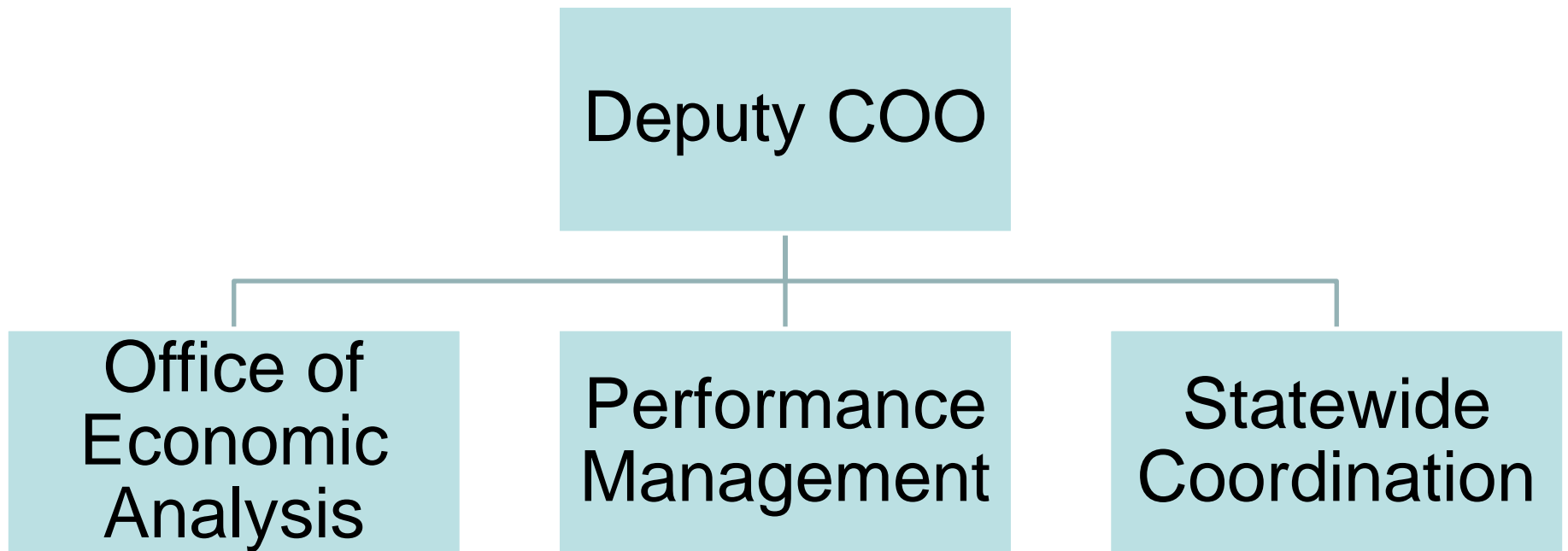
Chief Information Office

Chief Information Office

Investments for the Future

- POP #103 – Broadband Data Mapping

  – Provides continued implementation of statewide effort to track and report availability and adoption of broadband Internet services within Oregon

Statewide Coordination Office

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                    │   Deputy COO    │
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│   Economic    │  │  Management   │  │  Coordination │
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Statewide Coordination Office

Investments for the Future

- POP #101 – Enterprise Initiatives Project Managers

    – Implements Enterprise projects

- POP #504 – Infrastructure Coordination

    – Implements Governor's EO #12-17

Key Performance Measures

- 13 Key Performance Measures

  - Results in the APPR in GBB binder

- Agency performance will continue to focus on outcomes

- KPMs need to be refined

- Propose to work with Committee and LFO to revise for '15-'17 session

Cost Containment Actions Taken

- Data storage consolidation

- Space optimization and co-location of staff

- Cell phone and portable device optimization

- Pilot project for energy savings in buildings

- Optimized reporting processes for state financial and payroll systems

HB 2020/HB 4131 Actions

- April 2012 Ratio: 1 to 7

- October 2012 Ratio: 1 to 8

  - 809 total positions

  - 86 supervisory positions

  - 723 non-supervisory positions

Status of Audit Findings

December 13, 2012 Internal Audit Report:

Good Progress Made Towards Issued Recommendations*.

- 3 Secretary of State Audits and 5 Management Letters with a total of 23 recommendations

- 12 Internal Audit Reports and 7 Management Letters with a total of 100 recommendations

- 80% of all recommendations were either complete or in process of being implemented

*Audit included all recommendations issued between July 1, 2010 and June 30, 2012, as well as prior open items

SOS Audits

February 2012 – Agencies Ensured Contracts with Former Employees were Properly Awarded

- <u>No recommendations made in audit</u>. Specific suggestions to improve contracting practices were noted with agreement.

March 2012 – Computer Controls Review

- <u>Complete and test disaster recovery plans</u>. Disaster Recovery Plan established and tested; tabletop exercises conducted.

- Funding and position authority requested in a package for a Disaster Recovery Manager.

- <u>Maintain an accurate listing of all media tapes and perform regular reviews</u>. Completed a comprehensive media inventory. ETS will track and manage its removable media from inception through destruction.

SOS Audits

April 2012 – Strategies to Better Address Federal Level of Effort Requirements

- Require programs to distinctly identify funding sources related to LOE. Convene key staff to identify partnerships to manage GF funding in relation to LOE. Budget instructions will be strengthened regarding funding sources to identify opportunities to convene staff to leverage resources.

Packages Requested to Implement Prior SOS Findings

- Package 108 – Leveraging Technology – Includes Disaster Recovery Manager and 2 Configuration Management FTEs -- $500,000

- Package 109 – Security – Replace end-of-life and obsolete security equipment and 1 FTE for security monitoring $1,175,000

- Packages are requested to improve the stability, security and recoverability of the State Data Center

Topics for Monday

- Statewide DAS Service Functions

- Customer Utility Boards

- Enterprise Human Resource Services