



# Department of Administration

## **FY2021 – FY2024 Strategic Plan**

*“Providing Business Solutions for Idaho  
State Government”*

July 1, 2020

**BRAD LITTLE, GOVERNOR**

**Department of Administration**  
Keith Reynolds, Director

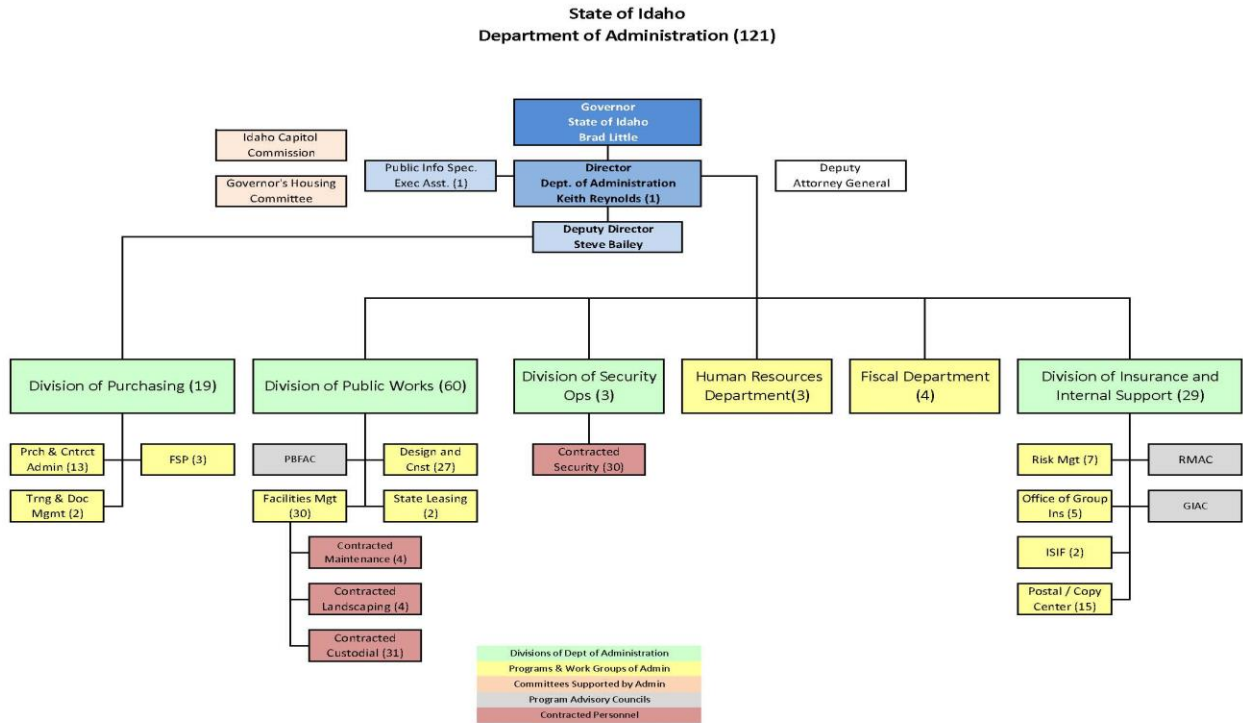
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## Table of Contents

|   |    |
|---|----|
| Department Overview.....  | 3  |
| Program Support of FY2020 – FY2023 Plan Goals.....  | 5  |
| Strategic Planning FY2021 – FY2024.....   | 9  |
| ✓ Introduction  |    |
| ✓ Mission   |    |
| ✓ Vision  |    |
| ✓ Guiding Values  |    |
| ✓ Goals, Objectives, Performance Measures, Benchmarks   |    |
| Key External Factors.....   | 16 |
| Addendums.....  | 18 |
| Updates on Adoption of the NIST Cybersecurity Framework and<br>Implementation of CIS Critical Security Controls 1 – 5 |    |
| Summary of approach to the Red Tape Reduction Act   |    |

# Department Overview

Core functions of the Department of Administration are outlined in Idaho Code Title 67, Chapters 57 and 92. The department is composed of four unique divisions committed to providing leadership, expertise and value-added services for its customers.



**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)

**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)

**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 new 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 FY2020 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 FY20, property claim payments have been reduced by 5% over claim payments made in FY19 (from \$971,419.43 to \$922,848.46).

Beginning in FY21 property insurance will be split between two carriers (Travelers and XL) to provide for better competition, insurance pricing, and added expertise. Securing affordable insurance coverage for property in 2020 was difficult due to significant catastrophe losses throughout the country which has caused hardening property market conditions. XL will provide field consulting services that will include loss prevention surveys at 13 of the state's high value properties. The added loss control services will provide recommended cost benefit analysis that forecasts loss estimates. This will allow Risk Management to prioritize recommended actions and reduce exposures. The ability to prioritize needed actions and repairs will help the state maintain the positive loss reduction trend experienced in FY20.

### 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. The 44.6 days established a baseline for following years. During FY17 that time was reduced to 41 days, a reduction of 8.8%. In FY18 the length was reduced further to 39 days, a 4.9 % reduction. For FY19 the average length was 37 days, a 5.1% decrease over the previous reporting period. The FY20 average of 36.4 days is a 1.6% decrease.

Of the current 36.4-day average, the time to receive an authorization letter from the agency increased to 14.3 days or 39% of the total time. During the fiscal year, two projects required 40 and 42 days for the agency to secure additional funding required. Taking those two projects out of the equation the average time for agencies would be reduced to 13.4 days.

Contractors are averaging 12.2 days or 33.5% of the total time. During this fiscal year the contractor for one project struggled to provide the proper paperwork and licensing taking a total of 55 days before having everything in order. Without that project the contractor days would have been reduced to 11.5.

DPW will need to work with agencies and contractors on strategies to reduce the time required to process the required documents. For agencies, one strategy is to review financial what-ifs prior to the bid so the agency is prepared to make a quick decision in the event of bids that exceed the budget. For contractors, DPW will need to work closer with those companies that have not completed a previous project with DPW.

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.*

DPW received a FY21 appropriation to perform a Master Plan and Facilities Condition Assessment. Project No. 21006 has been set up and a facility condition assessment (FCA) will be performed for the Capitol Mall,

Chinden Campus, and the Idaho Falls and Lewiston State Office Buildings during FY21. Once the project is complete, the FCA will provide a prioritized list to be used to address deficiencies. The FCA report will provide cost projections and a guide to performing immediate repairs, and ADA/CODE and reserve replacements, which will be used to develop the 20-year plan. Facilities funding is currently provided through two sources; an Alterations and Repair fee included in rents, and through requests to the Permanent Building Fund.

### **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.*

The Chinden Postal Center was established August 1, 2019. At this time, it's staffed by one fulltime employee and backfilled with Postal staff from the Capitol Mall. Services are currently provided to four agencies on campus--two of those agencies moved to the campus from other Postal routes. By consolidating them with agencies at the Chinden Campus, delivery drive time has been reduced by a total of 10 minutes. Those two agencies, Idaho Public Utilities Commission and the State Tax Commission, were previously in leased buildings away from the Capitol Mall. Not only has vehicle delivery time been reduced, but liabilities associated with driving reduced, as well.

Postal is considering replacing its packaging/shipping system with one that allows authorized state employees to create their own shipments and charge to appropriate accounts/depts, while still providing Postal the checks and balances required before a label is printed.

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

New machines were leased beginning 1/1/2020 incorporating new technology for more diverse products, services, and customer accessibility.

Specifically, these machines allow for the option of 24-hour, on-demand printing. Soon to be implemented is the ability for authorized state employees to create their own documents, merge, and prepare for mail or email. This also allows for jobs that are ready to print to go into a que for final inspection by Copy Center staff. Subsequently, the job will print at a designated time, which could be after hours to allow for use of the machines during non-business hours.

### **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.*

FSP has not increased the total number of registered donees but has actually seen a decrease in the number of active donees compared to last year. In October – November it realized an increase of registered donees by 2% (263) but that has since declined to last year's numbers, which was 258. A primary driver for this decrease was the nationwide shutdowns due to COVID-19, which prevented FSP from bringing in new property since March. This lack of new property to donate impacted donee recruiting. Since July 1st FSP has enrolled 20 new donees to the program that had not utilized the program before.

A Growth/Marketing plan is being developed that will outline the strategic plan for the program to achieve the department goal of increasing the number of active donees 20% by FY23. An executive summary with

metric driven marketing goals has been created. Currently, research is being compiled on demographic data identifying potential eligible donees within Idaho.

A qualitative survey has also been developed that will be sent to all donees in September. This survey will help to learn more about our customer base and the relative needs of those customers. Information will be utilized to develop targeted marketing materials during the implementation phase of the marketing plan. In the meantime, weekly application renewal letters are sent to donees nearing expiration. This maintains the existing baseline to support year-over-year donee increases.

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

DOP's Learning Management System (LMS) is live and has a growing course catalog. State employees can use the LMS to register for courses (including in-person and online) and complete online courses. Due to new challenges associated with holding in-person courses, DOP is also developing the ability to host live classes using the LMS platform.

The division has developed a plan for a comprehensive certification program including several levels of "buyer" certifications tailored to procurement staff throughout the state. Criteria includes public procurement experience, some of which must be in Idaho; completion of required coursework; and commitment to a standard of ethics. The planned certification program has been designed to complement the Delegated Purchasing Authority (DPA) policy, with the granting of DPA and determination of appropriate dollar level being guided by the certifications maintained by the agency purchasing staff.

Idaho-specific procurement training has been promoted through DOP's various training opportunities. During FY20, DOP offered: 20 in-person classes with over 200 participants, 1 online course with 76 participants, 3 Quarterly Workshops with over 230 participants; 1 Vendor Outreach Day with 65 participants, and 8 Lunch 'n' Learns with 30 participants—events that focused on various aspects of procurement law, policy, and process in Idaho. This does not include the virtual Quarterly Workshop scheduled for June 30, 2020. While offering these training opportunities, DOP has continued to develop new online courses which will be included in the certification program, expected to launch on June 29, 2020. Though DOP had fewer total participants in FY20 (609) than in FY19 (629), in part due to the COVID19 pandemic, it offered more training events (35 in FY20 vs. 23 in FY19). In addition, two DOP employees who were scheduled to test the first certification were both diverted to pandemic response efforts (one to the Office of Emergency Management and one to the Mask, Gloves, Sanitizer Procurement Program).

**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 minimize the administrative fee increase from FY19 to FY20 due to responsible personnel and cash management.

OGI did not have any significant, unexpected expenditures in FY20 nor additional projects or legislative mandates that would have required additional resources or funds. Historically, staffing needs due to additional programs had direct impacts on the fluctuations in the administrative fee. Staffing level has been consistent for several years, which resulted in a fairly consistent administrative fee for several years. In FY20, the OGI was able to restructure the organizational chart, within the existing budget, for greater operational efficiency as well as 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. The full effects of these organizational changes will be seen in FY21.

### **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.*

On August 14, November 13, 2019, and February 12, 2020 presentations were made to members of the Advisory Committee of the Industrial Commission and other work comp specialists. Approximately 40 people attended each meeting. Case filings, costs, trends and projected assessments for the coming year were discussed. Attendees asked questions and were provided further details of the ISIF operation. The May meeting was cancelled.

Fiscal year 2019 and Calendar year 2019 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 was extended but not set-up. The reports were also provided to the Advisory Committee, attendees and the ISIF website.

Additionally, FY19, and then 1st, 2nd and 3rd Quarter financial information was prepared and sent to the Industrial Commission and to the Idaho State Treasurer.

Individual meetings have been difficult due to the COVID-19 virus and the saturation level of ISIF information at previous seminars and work comp conferences.

### **Division of Security Operations (DOSO)**

This division was created during FY20; therefore, a goal for its operation was not submitted with the plan on July 1, 2019. Nonetheless, 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.



## **Strategic Planning FY2021 – FY2024**

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. In January 2020 a new division was created within the department—Division of Security Operations. As noted on the prior page, initial objectives set at that time were realized and a new department goal established for the operation going forward.

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
- Promoting Trade
- Improving Broadband
- Fighting Opioid Misuse
- Forest Health through Shared Stewardship
- Restoring Salmon
- Regional Government Efficiency
- 2020 Census

### ***Mission Statement***

Provide responsive, cost effective, and timely support services to Idaho's policy makers, public agencies, and state employees as they serve Idaho citizens.

### ***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 GOOD at 0.00 to 0.05, FAIR at 0.05 to 0.10, POOR if greater than 0.10, and CRITICAL 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 donee's 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.

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

Rationale for Benchmarks: 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. FY21 Baseline: All agencies that currently have DPA will have the number of employees certified needed to earn the RFQ certification and maintain their current level of DPA up to \$100k (~22 certifications)
2. Agencies with higher levels of DPA will be grandfathered in until the higher-level certifications are available
3. FY22 Baseline: All agencies that currently have DPA will have enough employees certified needed to earn the higher-level certifications and maintain their current level of DPA (~6 additional)
4. Annual target: Each year beginning with FY22, increase the total number of state certifications earned by a pre-determined percentage 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.

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 operating costs increase by **no more than 3% annually.**

### Benchmark:

1. FY16 rate - \$4.08 per FTP per month.
2. FY17 rate - \$3.75 per FTP per month.
3. FY18 rate - \$3.50 per FTP per month.
4. FY19 rate - \$3.50 per FTP per month.
5. FY20 rate - \$3.58 per FTP per month.

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.).
2. Develop targeted marketing materials:
  - Pamphlets
  - Worksheets
  - Letters
  - PowerPoint Presentations

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.

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.

### **Coronavirus (COVID-19)**

On March 18<sup>th</sup>, Governor Little adopted the federal guidance to prevent coronavirus spread which included avoiding social gatherings of more than 10 people and working from home whenever possible. As the state moved through the four stages of Rebound Idaho, social distancing resulted in department public meetings, training, and travel to be cancelled which slowed projects and operations. Staff availability at first was hampered until working-from-home techniques could be implemented. Eventually, the department was issued a mandate to purchase, ship, and bill for masks, gloves, and sanitizer for not only other state agencies but small business and nonprofit organizations. It was, and still is, a huge departmentwide effort involving the utilization of many resources within Administration.

### **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 24.2% of its workforce eligible to retire as of July 1, 2020, either due to reaching full retirement age or becoming eligible for early retirement. Of those individuals, 4.8% have reached service retirement age (65). The remaining 19.4% are eligible for early retirement, 17.7% due to reaching 55 years of age with at least 60 months of credited state service and 1.6% due to reaching the Rule of 90.

The breakdown by program shows: 7.3% in DPW Design and Construction; .8% in Purchasing; 6.5% in DPW Facilities Services; and, 9.7% in Risk Management, Group Insurance, Director's Office, Financial Services, Postal Services and Industrial Special Indemnity Fund (ISIF).

### **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.

### **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, remodelings, 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.

## **Addendum to Agency Strategic Plans: Adoption of the NIST Cybersecurity Framework and Implementation of CIS Critical Security Controls 1 – 5.**

As a technology customer of the Office of Information Technology Services (ITS) in the Governor's Office, we are using the cybersecurity systems and technical expertise in ITS to fulfill requirements related to Executive Order 2017-02. Staff from ITS were briefed on the NIST Core Framework, CIS Controls 1-5, and their plan for adoption of the NIST Cybersecurity Framework. We participate in DHR and ITS administered cybersecurity training, as awareness is a critical component of an effective cybersecurity program. As briefed by ITS staff, implementation of the CIS Controls 1-5 will be their responsibility for the systems they operate and, as technological tools applied to the computer systems, largely invisible to us as a customer. ITS, working through the multi-agency Incident Response Task Force, has developed an Incident Response Program in support of our agency.

## **Addendum to Agency Strategic Plans: Red Tape Reduction Act**

The Department of Administration will propose legislative changes next session to simplify existing law by removing existing statute that is duplicative and potentially confusing.