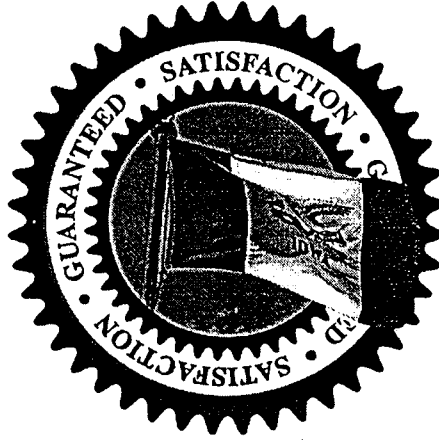


DEPARTMENT OF MANAGEMENT BUDGET

Fiscal Year 2003



VISION

The Department of Management will be the Strategic Planning, Finance, and Accountability Center of Excellence in State Government.

**Presented to the Administration and Regulation
Budget Subcommittee**

February 27, 2002

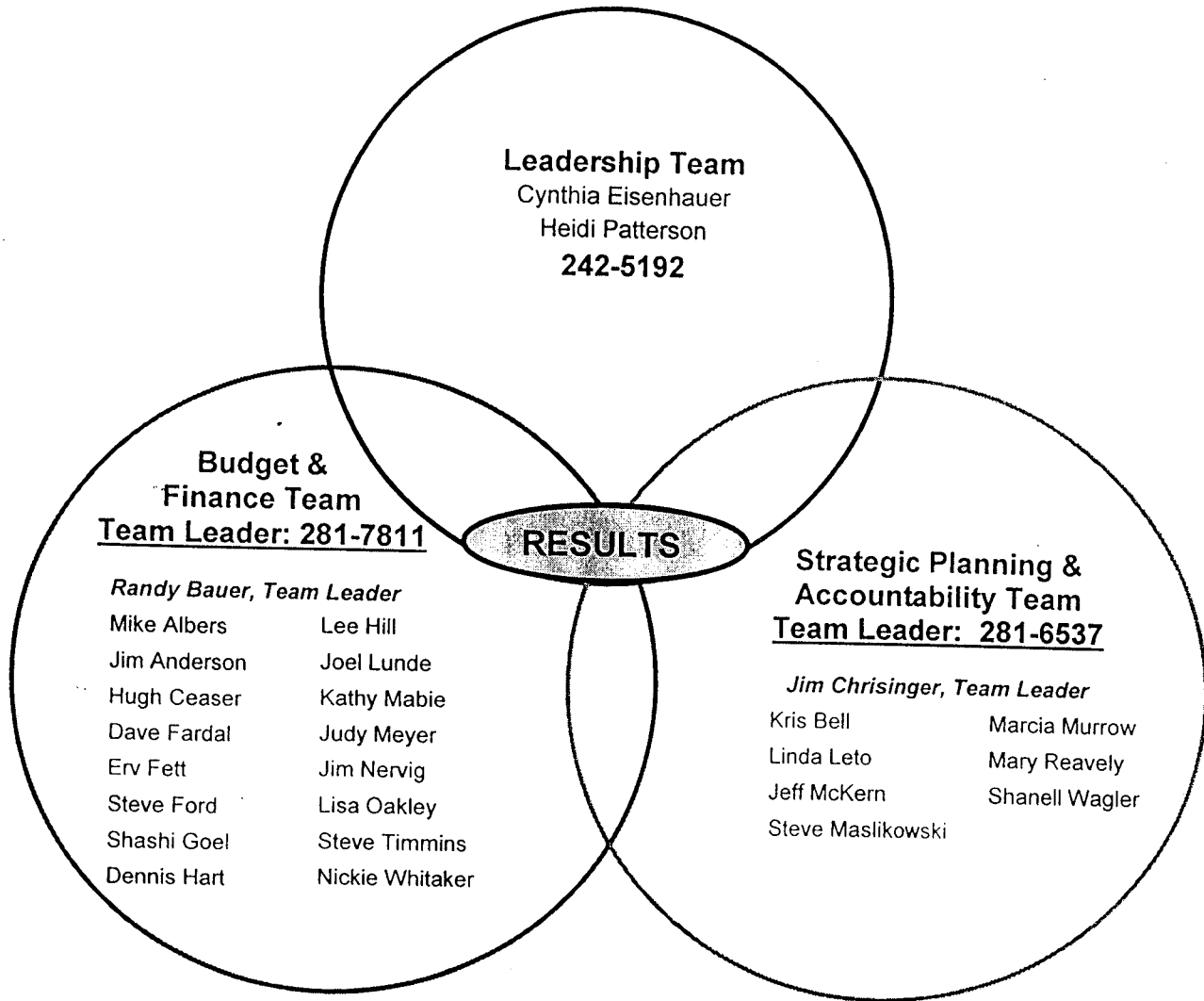
AGENDA

- Organization and Core Services
- Budget Overview
- Linking Planning, Budgeting and Results
- Emerging Issues

Iowa Department of Management
Cynthia P. Eisenhauer - Director

Department of Management Organization

February 2002



CORE SERVICES

- *Support the legislative budget process (8.6)
- *Forecast and track revenue (8.6; 8.22A)
- *Create and manage local budget systems (8.6)
- *Coordinate the Appeal Board (24.26)
- *Manage salary model and support collective bargaining (8.6 Ch.1219 (16) 2000 session laws)
- *Offer budgeting technical assistance to state departments and local governments (8.6)
- *Create and manage enterprise budget and financing systems (8.6)
- *Lead enterprise strategic planning (8.52)
- *Facilitate department strategic planning (8.52)
- *Lead enterprise results measurement and reporting (8.52)
- *Facilitate department results measurement/reporting (8.52)
- *Lead enterprise continuous improvement efforts (8.52)
- *Coordinate enterprise internal/external communications (8.52)
- *Facilitate public forums (8.52)
- *Support the achievement of enterprise goals (8.52)
- *Analyze enterprise policies and proposals (8.6; 8.52)
- *Forecast trends and impacts (8.52)

IOWA DEPARTMENT OF MANAGEMENT
Budget FY 2002 - FY 2003

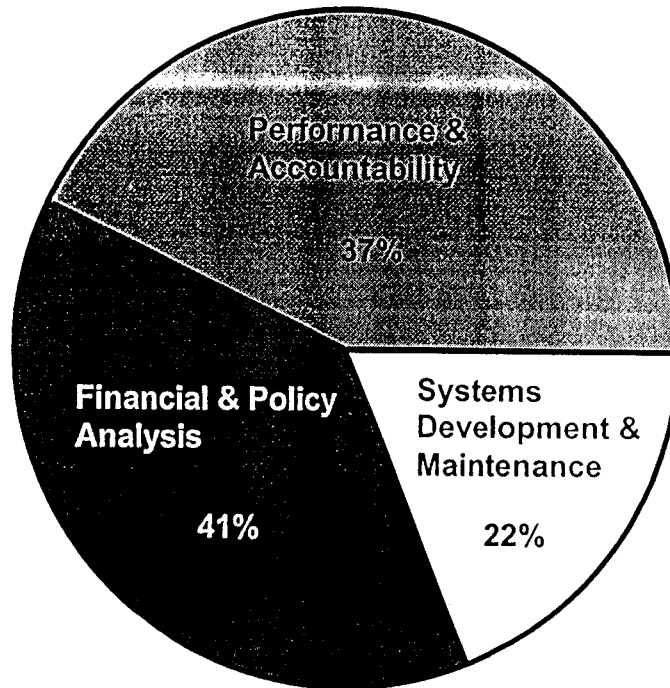
General Office	Revenues		FY 2002 Estimated	FY 2003 Dept. Req.	FY 2003 Gov's Rec.
Blue Book Pg 231	GF Approp.	D01	\$2,253,129	\$2,354,367	\$2,165,828
	RUTF Approp.	D23	\$56,000	\$56,000	\$56,000
	Receipts		\$122,943	\$2,650	\$2,650
	Total Revenues		\$2,432,072	\$2,413,017	\$2,224,478
	Authorized FTE Level		29.00	29.00	29.00
Prop. Tax Administ. Blue Book Pg 237	GF Approp.	D21	\$92,192	\$96,334	\$92,192
	Authorized FTE Level		1.00	1.00	1.00
Empowerment	Intra State Transfer		\$200,000	\$200,000	\$200,000
	Authorized FTE Level		2.00	2.00	2.00
Salary Model Admin.	Intra State Transfer		\$128,047	\$133,800	\$128,047
	Authorized FTE Level		1.00	1.00	1.00

Department of Management FY 2003 Budget Request

GENERAL OFFICE: Blue Book, page 230

Appropriation	Actual FY01	Estimated FY02	Governor's Rec. FY03	Difference FY02 to FY03
General Fund	\$2,361,258	\$2,253,129	\$2,165,828	\$ -87,301
RUTF	\$ 56,000	\$ 56,000	\$ 56,000	\$ 0

Summary of Proposed FY 2003 Budget
by Program



DOM FY 2003 Programs and Performance Measures

PROGRAM: Performance and Accountability

\$ 951,780

Program Purpose: To provide leadership and build capacity in State government to achieve desired results and efficiencies through the use of planning, change processes, and enterprise-wide management.

DOM Strategic Plan Goal Link: Goal #2-Support the transition to results oriented and accountable government.

Quarterly Results Links: Accountable Government Goal #1- Provide info. & services when & where convenient to Iowans & Accountable Government Goal#3- Achieve results valued by Iowans.

Performance Measures Linked to Strategic Plan:

- Percentage of agencies with strategic plans
- Percentage of agencies reporting improvement on strategic plan goals
- Percentage of agencies which evidence use of measures in strategic plans and budgets

PROGRAM: Financial and Policy Analysis

\$ 1,029,809

Program Purpose: To provide timely and accurate policy, operational, and financial information to the Governor, other public officials, State government agencies and citizens to assist informed decision-making.

DOM Strategic Plan Goal Link: Goal #1- Provide timely, quality service to the Governor, state government and the citizens of Iowa.

Quarterly Results Links: Accountable Government Goal #1- Provide info. & services when & where convenient to Iowans & Accountable Government Goal#3- Achieve results valued by Iowans.

Performance Measures Linked to Strategic Plan:

- Results of customer satisfaction surveys
- Percent of deadlines and accuracy met by local governments and local budget staff

PROGRAM: Systems Development and Maintenance

\$ 570,936

Program Purpose: To create easily maintained and readily accessible information systems to State government and its partners that provide data in a consistent, uniform and user friendly format for financial, operational, and policy analysis.

DOM Strategic Plan Goal Link: Goal #1- Provide timely, quality service to the Governor, state government and the citizens of Iowa.

Quarterly Results Links: Accountable Government Goal #1- Provide info. & services when & where convenient to Iowans & Accountable Government Goal#3- Achieve results valued by Iowans.

Performance Measures Linked to Strategic Plan:

- Results of customer satisfaction surveys
- Percentage of state agencies that on-line information to the Appeals Board
- Number of hits on Local Government website

Total \$ 2,552,525

EMERGING ISSUES

Accountable Government Act (AGA)

Since the AGA was signed into law last spring, interagency teams have worked together to design and construct each feature within guidance from legislators, LFB and the Auditor. Training and supporting materials are being written. Here are some of the barriers to implementing the AGA and examples of ways you can help us overcome these barriers:

Tradition

When you speak to constituents, write columns and make speeches, mention that the AGA promises to hold state government accountable for results valued by lowans;

Fear

Publicly recognize departments who are doing a good job of linking their strategic plan with their budget and results, and encourage them to continue to improve;

Lack of Resources

Recognize that creative financing options, like lease-purchase, can represent good business decisions requiring minimal initial investment and payoffs through long-term savings and support funding for the Enterprise Resource Planning (ERP) project.

Budget Redesign & ERP

The Department of Management, with support from the Legislative Fiscal Bureau, has been redesigning the state budget system for two years. Budget redesign is an important component of the AGA to link planning, budgeting and results. Additionally, a redesigned budget system will save considerable time and effort in data entry and report production. It will also mean more extensive reporting and analysis, and linkages among systems to allow nearly instant data exchange, while ensuring consistent information.

In the fall of 2001, an RFP was released for ERP. The project modernizes and integrates these administrative systems of state government: accounting, budgeting, E-procurement, human resources, benefits & payroll, fixed assets and overall technology. The goal is to streamline business processes and focus efforts on business/customer solutions, not transaction processing. Bids are now being evaluated.

Improving Government

The Improving Government initiative continues to identify and implement projects that streamline state government, improve service and save money. Examples included in the FY03 budget recommendation are DHS, DNR, DOT reorganizations, the consolidated department of administrative services, the transfer of professional licensing to the Secretary of State's office, and scores of other ideas. The effort will continue through the FY04 planning/budget process to identify even more opportunities. Business Process Redesign is a method of streamlining work processes to make them more efficient and effective and has been piloted. IDOM is going to try the approach of issuing an RFP for a "bureaucracy busting" Government Improvement Partner who will identify opportunities for savings and be paid when savings are actually achieved.

Progress Highlights

Strategic Planning

- Leadership Agenda in use
- 93% of departments currently have strategic plans
- Agency strategic planning guidebook in use
- Developing strategic planning training

Performance Measurement

- Agreement on common language and definitions (LFB & DOM)
- Measures Group working on guidebook and contributing to services contracting training

Performance Planning

- Developing guidelines and templates
- IDOP and DOM developing individual performance evaluation template

Results-Oriented Budgeting

- Planning underway for new budget system, building on "Budgeting for Results" experience
- Vendor submissions for new budget system currently under review

Performance Audits

- GAAP Oversight Committee beginning preliminary work

Performance Reporting

- State "Results" web site operational at www.resultsiowa.org
- Quarterly results reporting by Enterprise Planning Team

Performance Contracting

- New service contracting administrative rules undergoing internal review
- Committee developing training and guidebook to accompany new rules

Return on Investment

- Building on work done by ITD for technology projects
- IDOP creating an introductory short course

Other

- Developed project implementation plan and progress chart
- Identified implementation teams
- Developing overall conceptual framework and linkages



Enterprise Resource Planning (ERP)

Quick overview

WHAT IS ERP?

An ERP system is an **integrated solution**, sharing a centralized database, with all 'users'....Human Resources/Payroll/Benefits, E-procurement, Accounting, Budget, etc.... being served by the same database through one point of entry.

Data need only be entered or updated once, **reducing errors, time and labor** for reports, analysis, planning and program management. Ultimately, time and costs are shifted to **innovating, problem solving** and **direct service to customers** rather than **inputting, processing, organizing, verifying** and related "busy work" that burns through time and money.

WHAT IS BUDGET REDESIGN?

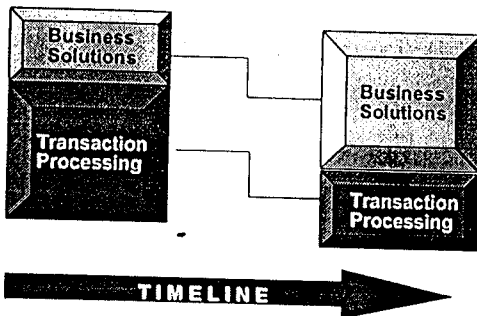
- An integral component of ERP that involves streamlining budget processes and enhancing analysis and reporting capabilities.
- A budget system driven by goals and performance, not incremental change from last year's dollars.
- Budget and accounting system information that compares costs to program outputs and results.
- A solution to the current budget system, which is decades old, and unable to provide the information envisioned by the Accountable Government Act.

WHY IS BUDGET REDESIGN CRITICAL TO ACCOUNTABLE GOVERNMENT ACT?

- ▶ To get quick, accurate answers to questions such as...What are Iowans getting in return for their tax dollars?
- ▶ To provide data for decision makers to review results and identify resources needed for State programs.
- ▶ To enhance data collection, program analysis, and provide integrated reporting.

ERP value

- ▶ Shifting "processing" time and costs to more solutions and results



ERP Management Team

Cynthia Eisenhauer— Director, Department of Management
Gerald Bair—Director, Department of Revenue and Finance
Richard Haines—Director, Department of General Services
Mollie Anderson—Director, Department of Personnel
Richard Varn—Director, Department of Information Technology and Iowa CIO

ERP UPDATE

- The State received a very favorable response from the vendor community upon the release of the RFP for ERP in late September.
- Staff from over 20 state agencies is presently evaluating the vendor proposals.
- Work on the first components, budget redesign and e-procurement, could begin as early as Spring 2002.