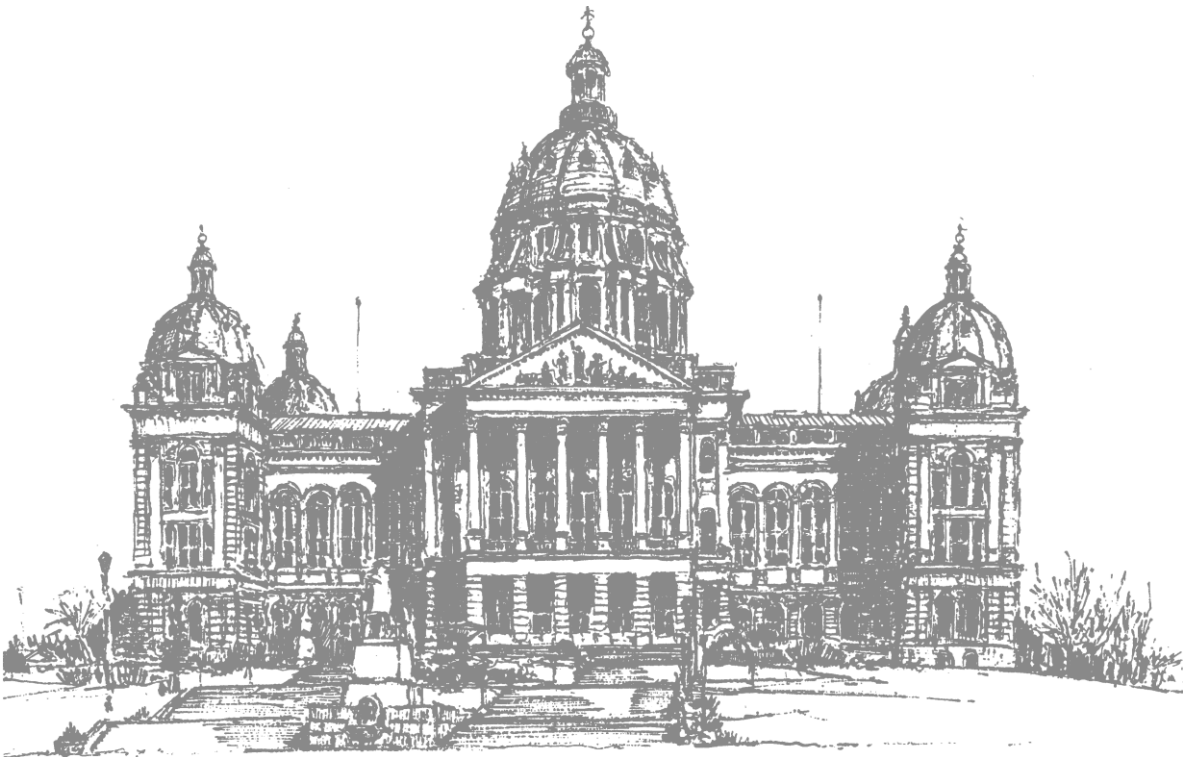# DEPARTMENT OF MANAGEMENT

BUDGET PRESENTATION

Fiscal Year 2015

Presented to the

Administration and Regulation Budget Subcommittee

January 30, 2014

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DEPARTMENT OF MANAGEMENT
Organization Chart
January 30, 2014

Governor Terry E. Branstad
Lieutenant Governor Kim Reynolds

Director:
David Roederer (281-3322)

Executive Secretary & Personnel Assistant:
Tammy Winters (281-3322)

Accountant:
Carla Seemann

Budget & Finance
Dave Fardal
Shashi Goel
Heather Hackbarth
Mike Hahn
Dennis Hart
Sandra Hurtado-Peters
Carrie Johnson
Joel Lunde
Kathy Mabie
Ted Nellesen
Lisa Oakley
Steve Timmins

Performance Results
Linda Leto
Steve Maslikowski
Scott Vander Hart

Early Childhood Iowa
Jeff Anderson
Debra Scrowther
Shanell Wagler

State Appeal Board
Joseph Barry

Lean/Process Improvement
Marcia Tope

DOM Key Roles and Responsibilities

State Budget

- Prepares the Governor's Executive Branch budget proposal
- Facilitates the work of the Revenue Estimating Conference in determining revenue estimates
- Assists departments with budget preparation to achieve desired results
- Evaluates the fiscal and policy impacts of program and budget proposals
- Manages the I3 Budget system

Local Government

- Establish forms and computer software for all 3,950 local governments to use in providing budget estimates and certifying property tax levies including 99 counties, 1,975 townships, 946 cities, 346 school districts, and 580 miscellaneous budgets
- Certify final property tax levies for all taxing jurisdictions to county auditors
    - Provide oversight – taxes are accurate, legal and within statutory limits
    - Ensure statewide consistency – forms, instructions, procedures
    - Provide technical assistance – answer questions on budgets, tax levies, etc.
- Collects and aggregates statewide property valuations
- Computes and distributes utility replacement tax data
- Implement the Annual Urban Renewal Report
    - Planning yearly updates to the report forms and testing the changes
    - Yearly training on using the system for the user group
    - Support for report users
    - Review the submitted reports and guide changes that need to be made by users.
    - Maintenance of searchable databases of TIF data
- Processes county annual reports
- Determines the amount and distribution of school aid
- Provide searchable local tax rate information via the DATAshare web site

Performance Results

- Administers the major provisions of the Accountable Government Act including strategic planning, annual performance (operational) planning, performance measurement and annual performance reporting
- Provides a framework, tools and technical assistance for actively using performance data to improve state government results
- Manages Results Iowa and American Recovery and Reinvestment Act (ARRA) reporting systems and websites
- Works with executive branch agencies to identify, implement and track Lean initiatives
- Develop and update Iowa's searchable database: DATAshare website

Early Childhood

- Facilitates development and statewide implementation of the State's Early Childhood Program to ensure coordination of early care, health and education programming in Iowa
- Coordinates collection and reporting of data and learning related to Early Childhood Iowa accomplishments throughout the state
- Supports Early Childhood Iowa boards through development of tools, and provision of technical assistance
- Maintains Early Childhood Iowa website

Appeals Board

- Processes approvals, rejections and payments of claims against the State or a state employee
- Resolves local budget protests

Grant Management

- Implements IowaGrants.gov (electronic grant management system) which provides the software to post grant notices, applications, selections, awards, monitoring, reporting, finances, site visits, status reports, communications and more
- Maintains a database of grant applications

IOWA DEPARTMENT OF MANAGEMENT APPROPRIATIONS
Budget FY 2014 - FY 2015

		FY 14 Estimated	FY 15 Dept. Request	FY 15 Governor Rec.
Operational Appropriations				
General Office Operations				
GF Appropriation - D01		$2,550,220	$2,550,220	$2,550,220
	FTE Level*	21.00	20.58	20.58
RUTF Operations				
RUTF Appropriation - D23		$56,000	$56,000	$56,000
	FTE Level	0.00	0.00	0.00
Non-Operational Appropriations				
Appeal Board Claims (Standing)		$3,000,000	$7,086,307	$3,000,000
GF Appropriation - 890	FTE Level	1.00	1.00	1.00
Special Olympics Fund (Standing)		$100,000	$100,000	$100,000
GF Appropriation - 809				
Technology Reinvestment Fund		$14,310,000	$0	$0
RIIF Appropriation - 01D				
Technology Reinvestment Fund**		$0	$17,500,000	$17,500,000
GF Appropriation - D16				
Transparency Project		$45,000	$0	$0
TRF Appropriation - DA6				
Environment First Fund (Standing)		$42,000,000	$42,000,000	$42,000,000
RIIF Appropriation - 30E				
Iowa Grants Management Implementation		$0	$0	$100,000
TRF Appropriation - DA8				

* FTE level reduced due to expiration of federal grant.
**Iowa Code Chapter 8.57C, Subsection 3a

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IOWA DEPARTMENT OF MANAGEMENT OTHER FUNDS
Budget FY 2014 - FY 2015

	FY 14 Estimated	FY 15 Dept. Request	FY 15 Governor Rec.
Early Childhood Iowa			
ECI Office & Technical Assistance*			
Allocation from ECI Fund	$354,600	$354,600	$354,600
ECI Professional Development & Training*			
Allocation from ECI Fund	$825,030	$825,030	$825,030
Early Childhood Advisory Council Grant			
Federal Grant	$362,215	$0	$0
Training and Technology			
DOM Operations			
GF Carryforward from FY 13 per IA Code 8.62	$12,171	$0	$0

* Funding appropriated/allocated by the Education Appropriations Subcommittee

Lean/Process Improvement

What is Lean?

Lean is a collection of principles, methods and tools that improve the speed and efficiency of any process by eliminating waste. Although Lean originated in Toyota's manufacturing operations - known as the Toyota Production System – the tools have been successfully applied in organizations across all sectors.

How Does Lean Work?

Lean recognizes that for most processes only 5% of activities add value for the customer, which means that 95% are either necessary non-value adding activities or waste. By clearly defining value for a specific service or product from the customer's perspective, non-value activities and waste can be targeted for removal. Eliminating waste is the greatest potential source of improvement in process performance and customer service. Once waste has been identified, processes are redesigned to allow service, information or product to flow through the new process without interruption.

When is Lean Used?

Lean methods and tools apply to any process where an employee:

- Has to track down information to complete a task

- Must jump through multiple decision loops

- Is constantly interrupted when trying to complete a task

- Is engaged in expediting (of reports, purchases, materials, etc.)

- Does work in batches

- Experiences process delays during multiple handoffs"

What are the Benefits of Using Lean?

Using Lean tools an organization can expect to:

- Eliminate or dramatically reduce backlogs

- Reduce lead times by more than 50%

- Decrease the complexity of processes

- Improve the quality of applications and the consistency of reviews or inspections

- Allocate more staff time to "mission critical" work

- Improve staff morale and process transparency

Lean/Process Improvement

How Many Lean Events Were Held Last Year?

- 23 Lean events were initiated in Fiscal Year 2013
    - Department of Natural Resources- 2
    - Department of Human Services- 8
    - Department of Transportation- 5
    - Department of Inspections and Appeals- 1
    - Iowa Civil Rights Commission- 1
    - Department of Revenue - 2
    - Department of Public Defense – 2
    - Department Cultural Affairs – 1
    - Department of Management - 1

What Are Some Examples of Iowa State Government Lean Events?

- **Iowa Department of Human Services: Western Service Area (WSA) Customer Service Event/Implementation 2013**

  With DHS restructuring in 2010, the former Council Bluffs and Sioux City areas were combined into one, 30 county service area. While some aspects of Income Maintenance work were the same, there were variances in how applications were processed, resulting in unequal caseloads, a variety of processing times, and delays in providing benefits to customers. A Kaizen was held with staff across the WSA. The efficiencies identified in the Kaizen resulted in freeing up resources of approximately 2 FTE's creating capacity which helped the WSA take an additional 225 applications per month from other parts of the state and balanced workloads statewide. This event was awarded the Iowa Lean Consortium's 2013 "Iowa's Partners in Efficiency Award".

- **Department of Revenue: Business Property Tax Credit Event/Implementation 2013-2014**

  The goal of this event was to design a framework to implement Senate File 295, identifying and establishing potential processes and procedures to meet statutory reforms outlined in the bill. Reforms included creation of a statewide parcel inventory, classed as commercial, industrial, or railroad, for annual calculation of business property tax credit and replacement claims.

- **Iowa Department on Aging (IDA); Department of Inspections and Appeals (DIA); Department of Human Services (DHS); Attorney General (AG) – Elder Abuse Event/Implementation FY 2013-2014**

  The goal of this cross-agency event was to understand the current dependent adult and elder abuse processes for DHS, DIA, AG and IDA. Event participants identified opportunities to improve the existing system to better meet the needs of clients. Prioritized recommendations were provided to the Elder Abuse Task Force which developed a written proposal for legislative action. Communication between agencies regarding their current processes also improved as a result of this cross-agency event.

What Are We Doing to Build Capacity to Facilitate Lean Events?

- In recognition of the need for additional Lean facilitators in Iowa state government (12 currently), the Department of Management sponsored a design event to establish a standardized Lean Facilitator training for the State of Iowa. Implementation of the program will begin in CY 2014., with a goal of training 8 new facilitators in CY 2014.

Lean/Process Improvement

Lean Events by Fiscal Year

Year	Events
2007	21
2008	20
2009	20
2010	21
2011	29
2012	27
2013	23
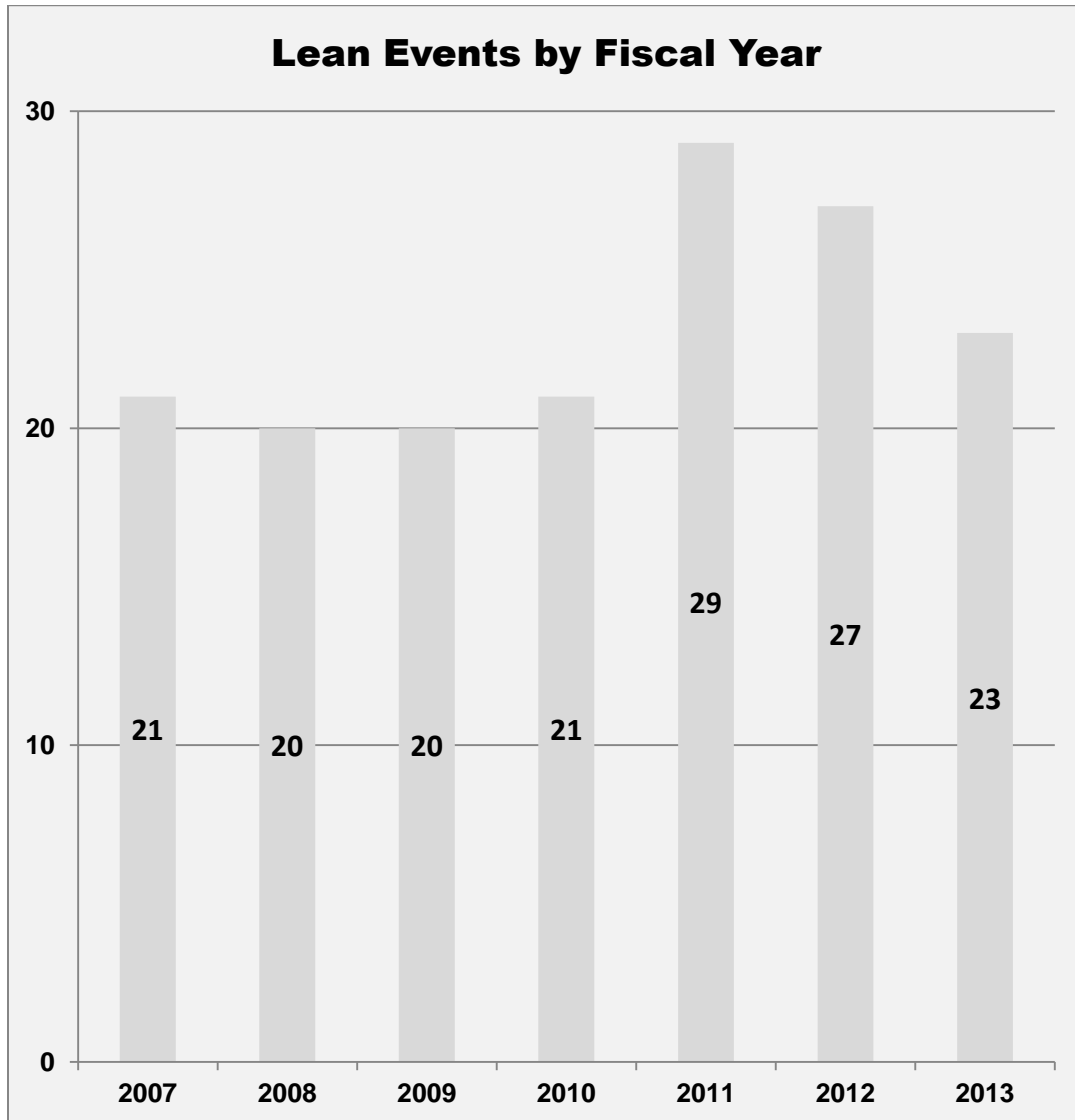
DATAshare: Iowa's Searchable Data Website

DATAshare (data.iowa.gov) was designed to make it easy to find, understand, use and share Iowa's financial, tax and performance data. The website has been operational since January 1, 2012, and allows Iowans to search state data by topic and agency; browse, open and download data; and create custom interactive tables, maps and charts of the data. There are currently over 960 charts, tables and maps available on DATAshare. The complete list can be found at http://data.iowa.gov/datasets. The table below highlights requirements, required data, and the status of each available.

Requirements	Required Data	Status
Iowa Code Sec 8G.4 & 8G.5 1/1/2013 – Implement searchable website/database 7/1/2013 – Data updated regularly 1/1/2014 – Historical Fiscal Years data added as time allows.	Fiscal Year Receipts Fiscal Year Expenditures Vendor Payments State Budget – Expenditures & Resources Tax Credit Claims and Awards Salary Book Audits and Other Reports Performance Outcomes Achieved	FY 2012 – 2014* available FY 2009 – 2014* available FY 2012 – 2014* available FY 2010 – 2014 available 2006 – 2009 available, 2010 available soon FY 2007 – 2013 available Capability to post documents available soon Currently working with agencies to expand the amount of performance data available.
Iowa Code Sec 8G.12 1/1/2012 – Implement searchable website/database	Consolidated Property Tax Rates Levy Authority Rates Local Option Sales Tax Rates & Payments Local Hotel/Motel Tax Rates and Payments	FY 2012 – 2014 available FY 2002 – 2014 available FY 2011 & 2012 available FY 2010 – 2012 available
Iowa Code Sec 8A.512A 1/12/2012 – Implement searchable website/database	Travel Reimbursements	FY 2012, 2013 & 2014 YTD available

* FY 2014 reflects data year to date, and is updated monthly. Regents make annual updates after close of the fiscal year.

Future Plans

➢ Expand the amount and quality of agency performance data published to DATAshare
➢ Make it even easier for the public to create quality interactive charts, tables and maps, and display data from multiple agencies
➢ Simplify the navigation of complex data with drill down reports (e.g. expenditure reports that allow the public to click an agency's summary to access more detail)
➢ Improve the quality of maps, and expand mapping capabilities
➢ Integrate demographic data, so agencies can present their data on a per capita basis
➢ Create meaningful displays of performance outcome data by calculating rates and percent change, highlighting trends and targets, and implementing dashboard capabilities

DATA SETS CURRENTLY AVAILABLE ON DATAshare

Dataset Name

2012-2013 Iowa Public School Enrollments

Property Casualty Iowa Premiums and Losses

Unemployment Insurance payment data by county

Investor Owned Electric

Active Sex Offender Registrants By County

FFY2013-IDB-Successful Employment

Iowa Seasonally Adjusted Non-Farm Employment

Iowa Convenience Stores

Iowa Liquor Vendors

Iowa Class "E" liquor licensees

Iowa Vehicle Registrations by Year, County and Vehicle Type

FFY2013 - Iowa Vocational Rehabilitation Services

College Aid Awards and Payments by Institution and Program

FY 2013 State of Iowa Salary Book

Regent University Enrollment - Fall 2013

City Expenditures - Budget & Actuals - FY2007 to FY2014

City Revenues - Budget & Actual - FY2007 to FY2014

Levy Authority Rates by Fiscal Year

2012 Assessed Property Values by Tax District

2012 Taxable Property Values by Tax District

FY 2014 Consolidated Property Tax Rates by Tax District

Fiscal Year 2014 Vendor Payments

FY 2014 Out-of-State Travel

FY 2014 State Revenue

FY 2014 State Expenditures

FY 2013 Regent Institution Vendor Payment Data

FY 2013 Regent Institution Revenues by Class and Unit

FY 2013 Regent Institution Expenditures by Class and Unit

FY 2014 Monthly Medicaid Payments by Vendor

FY 2014 Budget Resources

FY 2014 Budgeted Expenditures and Carry Forwards

FY 2012 Local Option Sales Tax Rates & Payments

FY 2012 Local Hotel and Motel Rates and Payments

IEDA Annual Report FY 2012 - Closed Projects - Partial Recapture

IEDA Annual Report FY 2012 - Closed Projects - Full Recapture

IEDA Annual Report FY 2012 - Closed Projects - Successful

IEDA Annual Report FY 2012 - Projects in Default

IEDA Annual Report FY 2012 - Projects under Contract - Maintenance Period

IEDA Annual Report FY 2012 - Projects under Contract - Performance Period

IEDA Annual Report FY 2012 - Project not Proceeding - Declined/Rescinded

IEDA Annual Report FY 2012 - Projects not Proceeding - Contract Terminated

IEDA Annual Report FY 2012 - Projects Awarded but not Reporting - Too New

IEDA Annual Report FY 2012 - Projects Awarded Not Yet Reporting

Active Iowa Corporations

2012 Retailers Motor Fuel Gallons
FY 2013 Active Levy Authority Property Tax Rates
2011 Taxable Property Values by Tax District
2011 Assessed Property Values by Tax District
Top 20 Sales and Use Tax Expenditures
IFA - Investments By County
Iowa Vocational Rehabilitation Services - Federal Fiscal Year 2012
FY 2012 Regent Institution Vendor Payment Data
Tax Credit Awards for Years 2006-2009
FY 2012 DOT Vendor Payments
Fiscal Year 2012 Vendor Payments
Fiscal Year 2013 Vendor Payments
Tax Credit Claims on the IA 148 Tax Credit Schedule for Tax Years 2006-2009
Iowa Veterans Home - Current and Past Resident Information
Indigent Defense FY 2012 Juvenile Claims Expenditures
Indigent Defense FY 2012 Adult Claims Expenditures
FY 2011 State of Iowa Salary Book
FY 2007 State of Iowa Salary Book
FY 2008 State of Iowa Salary Book
FY 2009 State of Iowa Salary Book
FY 2010 State of Iowa Salary Book
FY 2012 State of Iowa Salary Book
Regent University Enrollment - Fall 2012
FY 2012 Regent Institution Expenditures by Class and Unit
FY 2012 Regent Institution Revenues by Class and Unit
FY 2013 State Revenues
FY 2013 State Expenditures
FY 2013 Out-of-State Travel
FY 2013 Monthly Medicaid Payments by Vendor
FY 2013 Consolidated Property Tax Rates
FY 2013 Budgeted Expenditures and Carry Forwards
FY 2013 Budget Resources
Recovery Act Funded Work Hours
Recovery Act Funding and Recipient Payments
Community Based Corrections Population
Iowa Prison Population
FY 2011 State Expenditures
FY 2010 State Expenditures
FY 2009 State Expenditures
FY 2008 State Expenditures
FY 2007 State Expenditures
FY 2006 State Expenditures
FY 2005 State Expenditures
FY 2004 State Expenditures
Monthly Medicaid Payments & Recipients by Category
Monthly Medicaid Payments & Recipients by County
FY 2012 Monthly Medicaid Payments by Vendor

2011-2012 Iowa Public School Enrollments
2011-2012 Iowa Non-Public School Enrollments
Food Assistance Program Statistics
Family Investment Program Statistics
Child Maltreatment Statistical Report
FY 2012 State Expenditures
FY 2012 State Revenues
2010-2011 Non-Public School Enrollments
2009-2010 Non-Public School Enrollments
2008-2009 Non-Public School Enrollments
2010 High School Graduation Rates
2010-2011 Public School Enrollment
2009-2010 Public School Enrollment
2008-2009 Public School Enrollment
2011 Adequate Yearly Progress for Math and Reading
2010 Annual Yearly Progress for Math and Reading
2009 Annual Yearly Progress for Math and Reading
2008 Annual Yearly Progress for Math and Reading
State Employee Demographics
FY 2010 Budget Resources
FY 2012 Budgeted Expenditures and Carry Forwards
FY 2011 Budgeted Expenditures & Carry Forwards
FY 2010 Budgeted Expenditures & Carry Forwards
Comp Time & Overtime Hours by Pay Period
Full Time Equivalents
FY 2012 Budget Resources
FY 2011 Budget Resources
FY 2012 Out-of-State Travel
FY 2011 Local Option Sales Tax Rates & Payments
FY 2012 Consolidated Property Tax Rates
FY 2011 Local Hotel and Motel Rates and Payments
FY 2010 Local Option Sales Tax Rates and Payments

Iowa Department of Management
Local Government Area
January, 2014

- Accomplishments:
  - Implemented Annual Urban Renewal report within tight timeframe
  - Incorporated complex legislative changes into local government budget and valuation processes, systems and forms
  - Local government forms and completed budgets available online
  - Property tax levies certified by June 15 deadline
  - Collaboration with county auditors, city clerks, school board business managers/superintendents and other local governments on budget process

- Challenges:
  - Varying levels of local expertise
  - Late budget submissions
  - Late valuation adjustments
  - End of session legislative changes

- Roles and Responsibilities:
  - Local Government Certification
    - Develop and modify local government electronic budget forms including county, school district, city, township, assessor, hospital, agricultural extension, E911 coordinator, emergency management, community college and miscellaneous
    - Provide 3,950 local governments with technical assistance, instructions, training and procedural information on budget forms, and related topics
    - Certify local government tax levies to county auditors
      - Verify property tax levies are legal, accurate and within statutory limits
      - Ensure statutory budget requirements are met
      - Tax Certification Timeline:
        March 15 – all budgets (except schools) due to county auditor
        March 25 – budget protest deadline (except schools)
        April 15 – school budget deadline
        April 30 – State Appeal Board decision required
        June 15 – DOM certifies final property tax rates to county auditors
        June 30 – County auditor delivers property tax list to county treasurer
    - Facilitate local hearings and information gathering for budget protests filed with State Appeal Board
    - Serve as an independent data source for budget and property tax reports and information
  - School Foundation Aid Formula
    - Calculate school district spending authority, property taxes and state foundation aid

- Property Valuations
  - Provide technical assistance, training and instructions to counties filing property valuations with DOM
  - Provide various reports and valuation data to public on DOM web site and by request
- Provide Utility Replacement Tax liability reports to county treasurers and provide various Utility Replacement Tax reports to public on DOM web site and by request, as well as to the Utility Replacement Tax Task Force
- Develop and modify Annual Urban Renewal Reporting system
  - Provide technical assistance, instructions, training and procedural information for completion of 476 reports
- Develop reports and gather information for City and County Finance Committees as well as provide general staffing to the Committees
- Develop and modify County CASH and GAAP Annual Financial Reports (AFR)
  - Provide technical assistance, instructions, training and procedural information for completion of reports
  - Provide various reports and data from AFR to public and other state agencies

IowaGrants.gov

The purpose of IowaGrants.gov is to:
- Provide a mechanism for reporting all grants applied for and received by state agencies;
- Manage the reporting of grants applied for and received by state agencies;
- Centralize the posting of state grant awards available to apply for;
- Manage state agency awards to government entities, non-profit organizations, private businesses and individuals - includes the grant application, selection, award/contracting, monitoring, communications, modification, reporting, close-out, and financial management processes.

Agencies currently using IowaGrants to manage their awards:
> Department of Administrative Services, Information Technology Enterprise
> Department of Cultural Affairs
> Department of Education
> Department of Human Rights
> Department of Human Services – Summer 2014
> Department of Justice
> Department of Management
> Department of Public Health
> Department of Public Safety
> Homeland Security and Emergency Management Department
> Iowa Commission on Volunteer Service
> Iowa Economic Development Authority
> Office of Drug Control Policy

All departments will be using IowaGrants by June 30, 2015.

Benefits:
- Expand accessibility to grant information ensuring accountability and transparency to legislators, boards, commissions, stakeholders and citizens;
- Ensure that all state government funding opportunities are easily identifiable and applications are accessible and straightforward;
- Provide access to a rich source of project and financial information;
- Allow departments to serve sub-grantees in a consistent, customer-focused manner;
- Eliminate the costs of continued investments in the development and operation of agency-unique grant management systems;
- Reduce costs associated with processing applications (printing, paper, postage, filing space);
- Improve audit trails throughout the entire process of awarding grants.

Total cost of 6 year contract – ending July 29, 2014	$1,432,300
Revenue Sources:	
FY09 Pooled Tech Funding	$455,000
FY11 Pooled Tech Funding	$414,311
Technology Reinvestment Fund	$125,000
Expenditures:	
Expended as of December 31, 2013	$917,221
Applications Processed:	5,226
Dollar Value of Awards Processed:	$390,308,490