

# **SUMMARY OF OFFERS AND GOVERNOR'S RECOMMENDATIONS**

**Fiscal Year 2007**



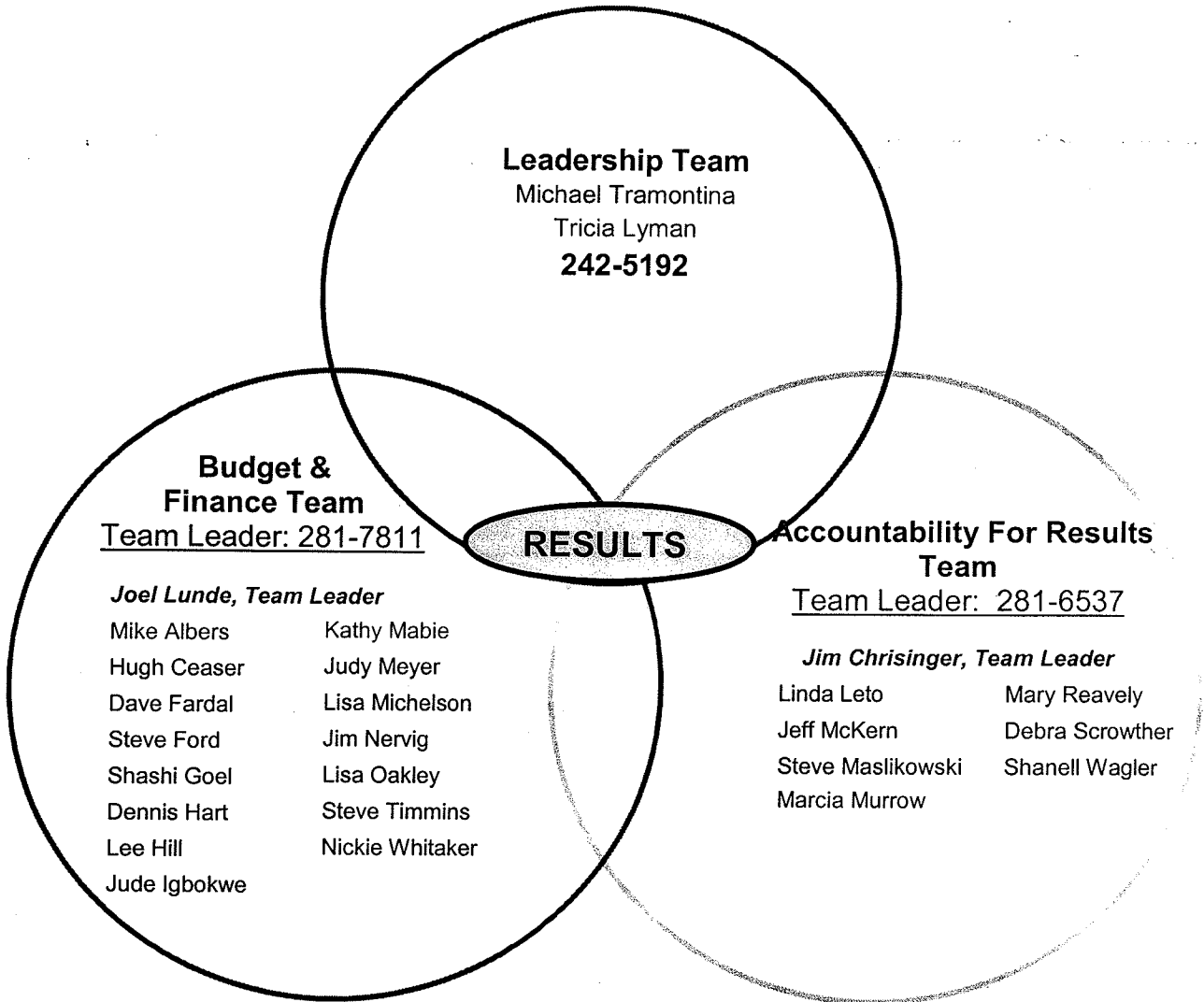
*The Department of Management will be the Performance, Finance  
and Accountability Center of Excellence in State Government.*

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

**January 18, 2006**

# Department of Management Organization

## January 2006



### KEY SERVICES, PRODUCTS, ACTIVITIES

#### Financial and Policy Analysis

- \*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 State Appeal Board (24.26)
- \*Manage the salary model and support collective bargaining (8.6 Ch.1175 (10) 2002 session laws)
- \*Offer budgeting technical assistance to state departments and local governments ( 8.6)
- \*Create and manage enterprise budget and financing systems ( 8.6)

#### Performance and Accountability

- \*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)
- \*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)
- \*Performance Audits (8.52)

## ACCOUNTABILITY for RESULTS OFFER

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DOM will provide accountability while remaining flexible in working with directors and their agencies to achieve results. This includes championing and assisting charter agencies and assisting IGOV in establishing flexible performance agreements for directors. DOM will work to make planning, finance and accountability systems allies, not enemies.

DOM will produce these results:

- Develop and manage budget and financing systems and support the budget process
- Forecast trends and impacts, including coordination of state revenue forecasting
- Manage the salary model and support collective bargaining
- Lead enterprise strategic planning
- Coordinate department strategic planning
- Implement a performance audit process
- Lead continuous improvement efforts to improve work processes and productivity, including LEAN and Iowa Excellence
- Lead enterprise results measurement to improve the availability, quality, use, and sharing of data
- Certify property tax levies
- Process local government budgets
- Collect and aggregate statewide property valuations
- Compute and distribute utility replacement tax data
- Determine the amount and distribution of school foundation aid
- Facilitate government reinvention projects that emphasize results and customers over bureaucratic inertia

Some of our results for FY 2006 included:

- Maintaining a AA+ Standard and Poors credit rating
- Achieving 100% executive branch agency compliance with AGA requirements for Strategic and Performance Plans and 83% compliance with requirement for Performance Plans
- Launching 21 Improvement Projects that yielded improved results. (develop additional handout?)
- Assisting 9 agencies in completing an Iowa Excellence assessment as the foundation for identifying opportunities for improvements the areas of leadership, planning, customer focus, measurement, process management and results
- Providing the Governor's Office with bill summaries for timely action 100% of the time
- Assisting agencies in achieving 100% compliance with the October 1 budget submission deadline
- Certifying 100% of local government tax levies by June 15

## LEAN/PROCESS IMPROVEMENT OFFER

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DOM will provide a significant expansion of process improvement efforts within the executive branch. Experience to date has revealed that many processes in state government are neither standard nor tightly focused on quality, cost and time. This leads to long customer waits, loss of money and missed opportunity.

Two important aspects of the process improvements targeted in the kaizen methodology include removing non-value-added activities and reducing the variability in the value-added activities. All kaizen events have specific goals and objectives that include reduction in processing times, number of steps, hand-offs and decisions. In no way is the accuracy or integrity of the process compromised.

Criteria for initial process selection will include productivity problems such as backlogs, customer service concerns and funding shortfalls. Short-term benefits include backlog elimination. Long-term benefits include increased productivity and the multiplier effect of dollars moved into the Iowa economy.

The kaizen methodology achieved significant results in improving government processes. Individual kaizen events in the DNR have resulted in as much as 85% increased productivity and avoided costs of \$150,000. Improvements in permitting times have ranged from 34% to 90%. Return on investment for continuous improvement efforts in the private sector range from three to four times the investment amount.

Some of the results of funding this offer include:

- 30 kaizen events to be conducted with external consultant assistance, either from the DNR or the private sector.
- Additional events will be conducted in the executive branch as DOM helps to build internal capacity to conduct kaizen events without external consultants. This will be accomplished through work of two Lean/kaizen staff.
- Continuous improvement from kaizen will help executive branch agencies to achieve better performance and improve accountability to Iowans through:
  - Reduced processing time,
  - Greater efficiency in operations by elimination of waste, bottlenecks and variability,
  - Better quality services by allowing more staff resources to be focused on complex issues or mission-critical work,
  - Better communication and coordination with the business community and other stakeholders,
  - Employee engagement and empowerment, and
  - More timely response to changing community needs and business methods.

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# ISSUE BRIEF

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Contact: Steve Falck 515/281-0130

Updated January 9, 2006

## ACCOUNTABLE GOVERNMENT:

### *Local Government Innovation*

#### ***Critical Issue***

In order to remain competitive in a global economy, Iowa communities must be innovative and creative in the delivery of services to their residents. Efficient and effective delivery of appropriate public services should be the goal of government all levels. Iowa communities have shown interest in regional collaboration but are stymied by a lack of models, technical information, assistance in moving the process along, and funding for implementation.

#### ***Initiative***

Governor Vilsack and Lt. Governor Pederson propose a Local Government Innovations Fund to provide assistance to Iowa's communities that are interested in innovation in governance. They further propose the creation of an Iowa Center for Governing Excellence within the Regents university system to identify and encourage innovative models of collaboration between local governments.

#### ***Cost***

- (\$1 million in FY2007 for Local Government Innovations Fund.
- (\$250,000 in FY2007 for the Iowa Center for Governing Excellence.

#### ***Results***

By increasing instances of collaboration between local governments, our communities will be strengthened through a more efficient and effective delivery of services.

**IOWA DEPARTMENT OF MANAGEMENT**  
**Budget FY 2006 - FY 2007**

<b>Revenues</b>			<b>FY 06 Estimated</b>	<b>FY 07 Dept. Request</b>	<b>FY 07 Governor's Rec.</b>
<b>DOM Offer: Accountability</b>					
<b>General Office</b>	GF Appropriation	D01	\$2,244,335	\$2,338,832	\$2,338,832
	RUTF Appropriation	D23	\$56,000	\$56,000	\$56,000
	Receipts		\$231,329	\$183,650	\$183,650
<b>Empowerment</b>	Intra State Transfer		\$300,000	\$300,000	\$300,000
<b>Total Revenues</b>			<b>\$2,831,664</b>	<b>\$2,878,482</b>	<b>\$2,878,482</b>
	Authorized FTE Level		32.00	32.00	32.00
<b>Enterprise Resource Plan.</b>	GF Appropriation	D04	\$57,435	\$119,435	\$119,435
	Authorized FTE Level		1.00	1.00	1.00
<b>Salary Model Admin.</b>	GF Appropriation	D15	\$127,936	\$127,936	\$127,936
	Authorized FTE Level		1.00	1.00	1.00
<b>Performance Audits</b>	GF Appropriation	D17	\$216,000	\$216,000	\$216,000
	Authorized FTE Level		0.00	2.50	2.50
<b>DOM Offer: Accountability</b>			<b>\$2,701,706</b>	<b>\$2,858,203</b>	<b>\$2,858,203</b>
<b>DOM Lean Offer</b>					
<b>Lean/Process Improvements</b>	GF Appropriation	D31	\$0	\$315,000	\$222,000
	Authorized FTE Level		0.00	2.00	1.00
<b>DOM Lean Offer</b>			<b>\$0</b>	<b>\$315,000</b>	<b>\$222,000</b>
<b>DOM Local Gov Innov.Fund Offer</b>					
<b>Local Gov Innovation Fund</b>	GF Appropriation	D08	\$0	\$0	\$1,000,000
	Authorized FTE Level		0.00	0.00	0.00
<b>DOM Local Gov Innov.Fund Offer</b>			<b>\$0</b>	<b>\$0</b>	<b>\$1,000,000</b>
<b>Institute for Tomorrow's Workforce</b>	GF Appropriation	D24	\$150,000	\$0	\$0
	Authorized FTE Level		0.00	0.00	0.00
<b>Property Tax Credit</b>	GF Appropriation	D35	\$0	\$0	\$39,894,525
	Authorized FTE Level		0.00	0.00	0.00

**Note:** DOM Standing appropriations and their related offers not included in this analysis.  
 DOM State Appeal Board funding offer (\$4,387,500)  
 DOM Indian Settlement Officer offer (\$0)  
 DOM Iowa Special Olympics offer (\$0)