DEPARTMENT OF MANAGEMENT

BUDGET PRESENTATION

Fiscal Years 2016-2017

Presented to the

Administration and Regulation Budget Subcommittee

February 17, 2015

Table of Contents

Department of Management Organization Chart	1
Department of Management Key Roles and Responsibilities	2
Department of Management Appropriations	4
Department of Management Other Funds	5
Lean/Process Improvement	6
Fiscal Transparency and Open Data	8
Local Government Overview	15
IowaGrants.gov	17

DEPARTMENT OF MANAGEMENT
Organization Chart
January 16, 2015

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
Ted Nellesen
Lisa Oakley
Debra Scrowther
Steve Timmins

Performance Results
Linda Leto
Steve Maslikowski
Scott Vander Hart

Early Childhood Iowa
Jeff Anderson
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, 338 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
- Oversee the operation and evolution of Iowa's open data portal, data.iowa.gov, and open checkbook, checkbook.iowa.gov

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 2015 - FY 2017

		FY 15 Estimated	FY 16 Dept. Request	FY 16 Governor Recommend.	FY 17 Dept. Request	FY 17 Governor Recommend.
Operational Appropriations						
General Office Operations						
GF Appropriation - D01		$2,550,220	$2,550,220	$2,650,220	$2,550,220	$2,650,220
	FTE Level	21.58	21.58	21.58	21.58	21.58
RUTF Operations						
RUTF Appropriation - D23		$56,000	$56,000	$56,000	$56,000	$56,000
Non-Operational Appropriations						
Appeal Board Claims (Standing)		$3,000,000	$3,000,000	$3,000,000	$3,000,000	$3,000,000
GF Appropriation - 890						
	FTE Level	1.00	1.00	1.00	1.00	1.00
Special Olympics Fund (Standing)		$100,000	$100,000	$100,000	$100,000	$100,000
GF Appropriation - 809						
Technology Reinvestment Fund		$17,500,000	$17,500,000	$17,500,000	$17,500,000	$17,500,000
GF Appropriation - D16						
Transparency Project		$0	$45,000	$45,000	$45,000	$45,000
TRF Appropriation - DA6						
Environment First Fund (Standing)		$42,000,000	$42,000,000	$42,000,000	$42,000,000	$42,000,000
RIIF Appropriation - 30E						
Iowa Grants Management Implementation		$100,000	$0	$50,000	$0	$0
TRF Appropriation - DA8						

IOWA DEPARTMENT OF MANAGEMENT OTHER FUNDS
Budget FY 2015 - FY 2017

	FY 15 Estimated	FY 16 Dept. Request	FY 16 Governor Rec.	FY 17 Dept. Request	FY 17 Governor Rec.
Early Childhood Iowa					
ECI Office & Technical Assistance*					
Allocation from ECI Fund	$354,600	$354,600	$354,600	$354,600	$354,600
ECI Professional Development & Training*					
Allocation from ECI Fund	$825,030	$825,030	$825,030	$825,030	$825,030
Training and Technology					
DOM Operations					
GF Carryforward from FY 14 per IA Code 8.62	$655	$0	$0	$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.

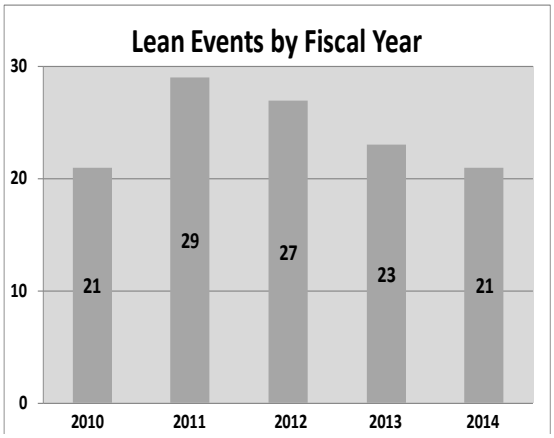
How Does Lean Work?

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.

How Many Lean Events Were Held Last Year?

21 Lean events were initiated in Fiscal Year 2014:

- Alcoholic Beverages Distribution - **1**
- Department of Human Services- **9**
- Department of Inspections and Appeals- **2**
- Department of Revenue - **3**
- Homeland Security and Emergency Management – **1**
- Iowa Board of Parole & Department of Corrections – **1**
- Iowa Finance Authority – **1**
- Iowa Utility Board - **1**
- Department of Management - **1**
- Dept. Aging/Dept. Human Services/AG/Dept. Inspections & Appeals - **1**



What Are Some Examples of Iowa State Government Lean Events?

<u>Iowa Civil Rights Commission: Complaint Processing</u>

Problem: Long processing times for complaints (2-3 weeks), backlog of cases.

Lean Process: Lean Kaizen event focused on streamlining the complaint processing from intake through screening.

Results: Processing time reduced to 24 – 72 hours per complaint

Backlog eliminated.

Focused resource to complete required tasks in place of many people needed to process. Cross training so there is a seamless process.

Lean/Process Improvement

Iowa Prison Industries: Streamlined Cabinet Production

Problem: Cabinet demand required 1.5 kitchen sets be produced per day while production capacity was at 2 sets per week. Excessive overtime and costs were necessary to meet order due dates.

Lean Process: Team started with a Value Stream Map to identify bottlenecks.

Results: Productivity improved from 2 kitchens per week to 2 kitchens per day

Due dates were met and unexpected orders were fit into the mix throughout the year.

As a result of the IPI team's dedication to improve their process and meet customer needs, the IPI team was the recipient of the 2014 Iowa Partners in Efficiency Award. This is presented annually by the Iowa Lean Consortium.

Iowa Utilities Board: Billing Process

Problem: The current billing process was a paper system from staff time sheets through mailing of invoice. This caused backlog and potential for errors.

Lean Process: Business Kaizen was held with internal staff and customers to focus on the billing process from assignable time to when payment from the industry is posted for receipt.

Results: Lag time for processing of staff billings sheets reduced by two weeks.

Customer request of quarterly billing in place of annual billing implemented

Accounting staff save approximately 12 hours per month to focus on mission critical work instead of completing data entry of billing sheets.

Current Billing Process

New Billing Process

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

- At the end of FY 2014 implementation of the standardized Lean Facilitation training program was started by piloting the initial classroom training. Twelve Lean facilitators participated in the training. A formal training calendar was also established for FY 2015.
- At the end of FY 2013, there were 25 staff from 9 executive branch agencies that were trained or being trained to be a Lean facilitator. At the end of FY 14, there was 28 staff from 10 executive branch agencies that were participating in Lean facilitation. Of the 28 staff, 13 are independently leading Lean activities and 15 are in training.
- Partnering with external agencies continues to provide another resource for the state's Lean capacity building. Alliant Energy provided Mapping Skills training to 10 State of Iowa Lean practitioners.

Fiscal Transparency and Open Data

Iowa's open data portal (data.iowa.gov) was designed to make it easy to explore, discover, and share Iowa's financial, tax, and performance data. Our open data portal has been operational since January 1, 2012, and allows Iowans to:

- quickly find state data
- browse, open and download data
- create custom interactive tables, maps and charts of the data.

2014 PIRG Report Top State Grades

State	2014 Point Total	Grade
Indiana	94	A-
Oregon	93.5	A-
Florida	92.5	A-
Texas	91	A-
Massachusetts	90.5	A-
Iowa	**90**	**A-**
Vermont	90	A-
Wisconsin	90	A-

Source: U.S. Public Interest Research Group

Our efforts to make data accessible has made data.iowa.gov one of the leading state government financial transparency websites in the country in 2014 according to the Public Interest Research Group (PIRG). PIRG's *Follow the Money 2014* report gave Iowa an A- grade, the highest grade assigned and an improvement over the B Iowa received from PIRG in 2013. To further build on this recognition, in December 2014, the open data portal underwent a significant redesign and upgrade, which:

- gave the website a new clean look
- enhanced searching capabilities – making it even easier to find information
- expanded the number of interactive chart options available
- gave users the ability to customize charts
- expanded capabilities for importing and creating maps
- provided developers with tools to create apps using state data

Additionally, Iowa's open checkbook (checkbook.iowa.gov) – a companion website – was implemented on February 3, 2015 to further the Governor's commitment to an honest and open government. The open checkbook makes it even easier for Iowans to find details on state spending. Our citizens can now review high level expenditure summaries and drill down to checkbook level transactions. It is now easy for citizens to discover answers to:

- Who are the State's top paid vendors?
- Which agencies and programs have spent the most?
- What has State funding been spent on?
- How does this year's expenditures compare to last year?

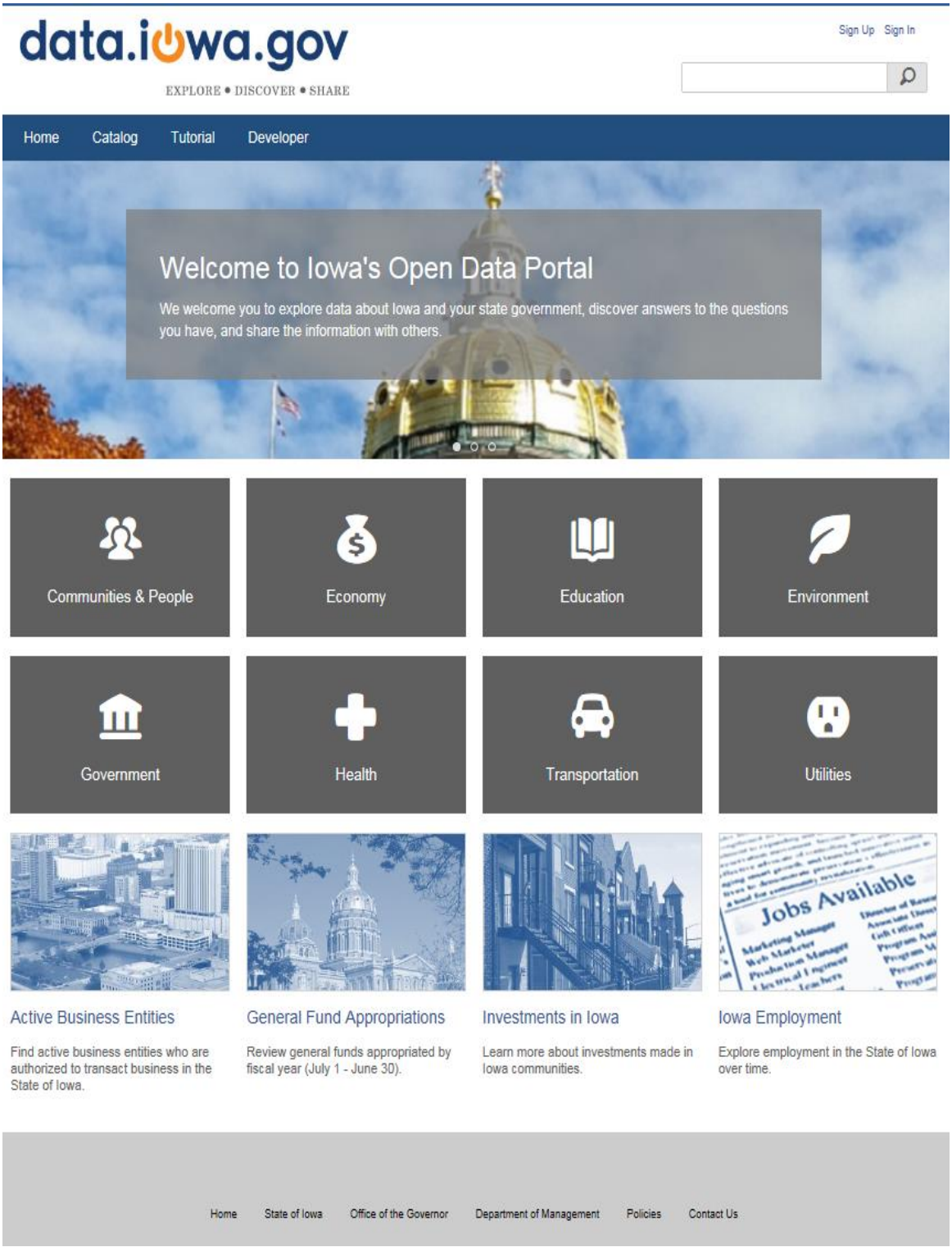


Figure 1. Responsive Homepage – data.iowa.gov
When people access data.iowa.gov, they access a clean page that recognizes whether they are using a smart phone, tablet or desktop and changes to best fit their screen. From the homepage, individuals can quickly access information within eight broad topic categories by clicking one of the tiles. A brief description for each is displayed when they hover over the tile. For example, Economy states "Learn more about economic activities, employment, agriculture, and business & industry in Iowa". They are also able to access one of four featured items.

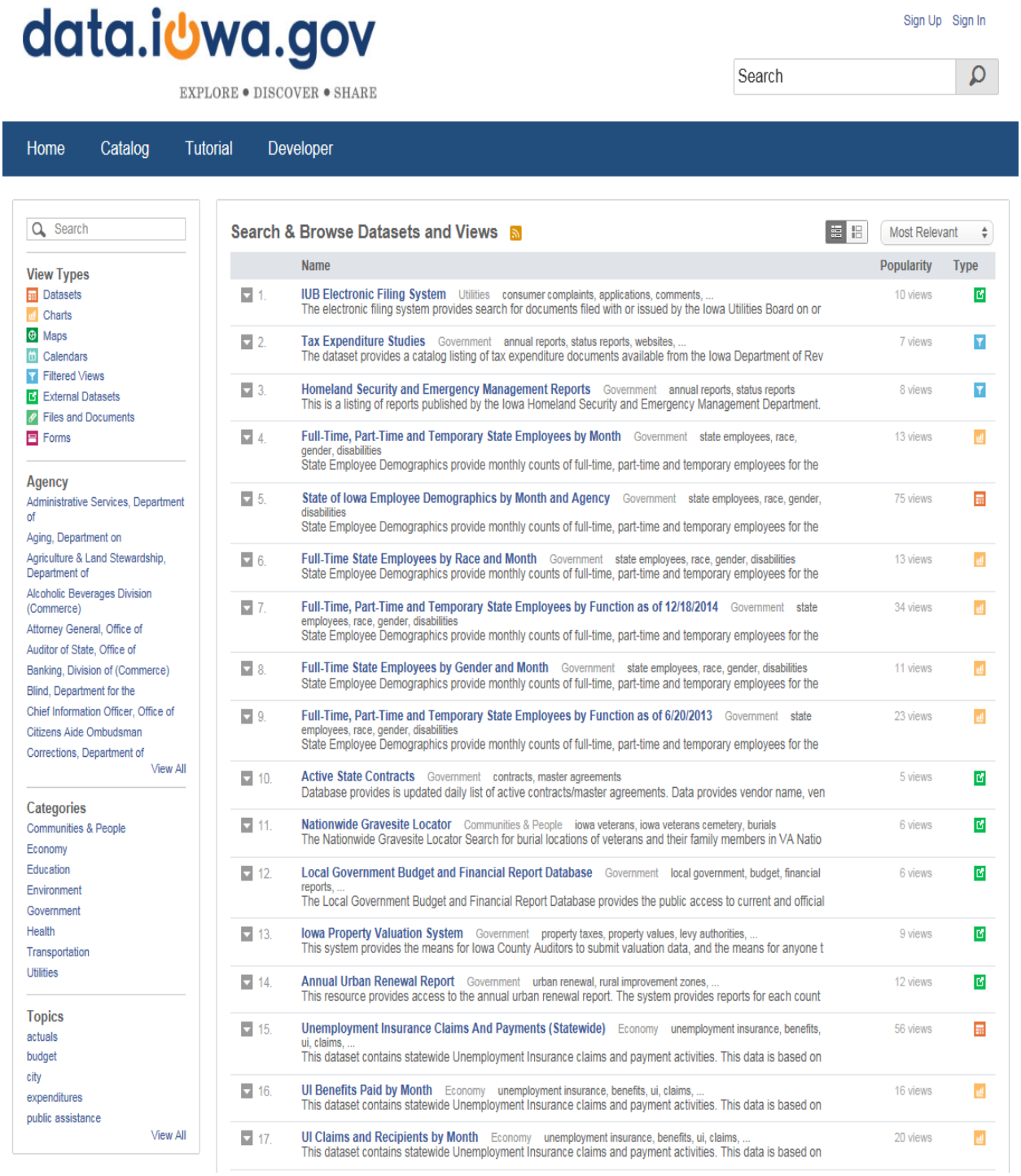


Figure 2. Catalog – data.iowa.gov
The catalog in data.iowa.gov gives individuals the ability to search information available. Individuals may filter the list by type, by agency, by category or by topic. They can also search for specific terms. The powerful search will even find items within individual rows of datasets. The catalog can also be sorted by: most relevant, most accessed (this week, this month, or this year), alphabetical, newest, oldest, recently updated, highest rated, and most comments. Clicking the title of any item will take them to the information they are interested in.

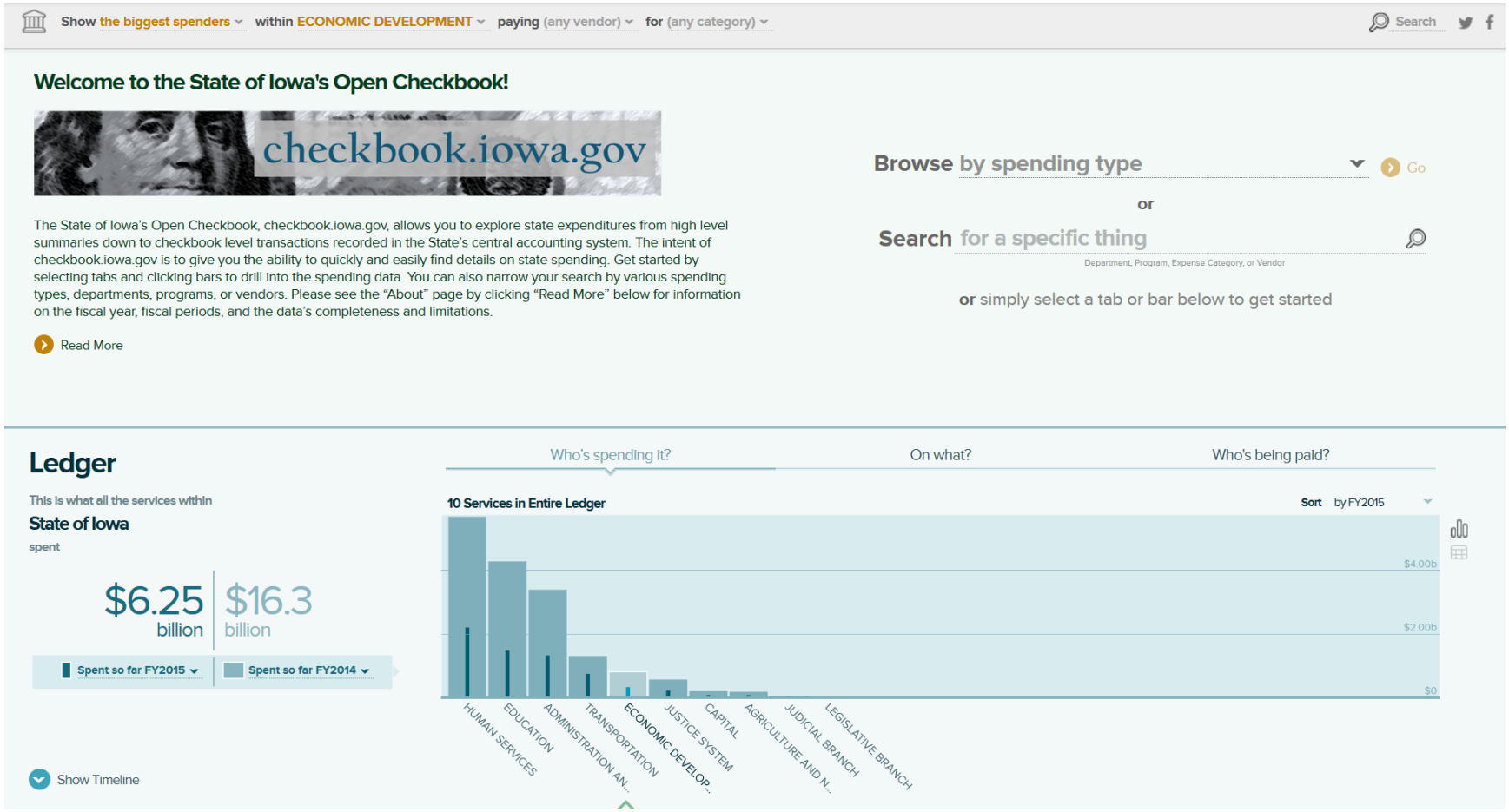


Figure 3. Iowa's Open Checkbook – checkbook.iowa.gov
When first accessing checkbook.iowa.gov, individuals are greeted with a summary of the entire ledger by service (i.e. state functions). Individuals can change the chart to see high level summaries for what spending was for or who it was to, as well as view state-wide spending over time. Individuals are also given options for quickly browsing and searching if they know exactly what they are looking for. Individuals are able to drill into any of the services (by clicking the column of interest on the graph) to see spending by the service's departments.

Figure 4. Service Summary – checkbook.iowa.gov
Once drilling into a service (i.e. state function), individuals are able to further drill into any of the departments displayed (by clicking the column of interest) to see a summary of spending by the department's programs. Individuals are also able to change the chart to see summary of what spending was for or who it was to within the service, and see spending within the service over time.

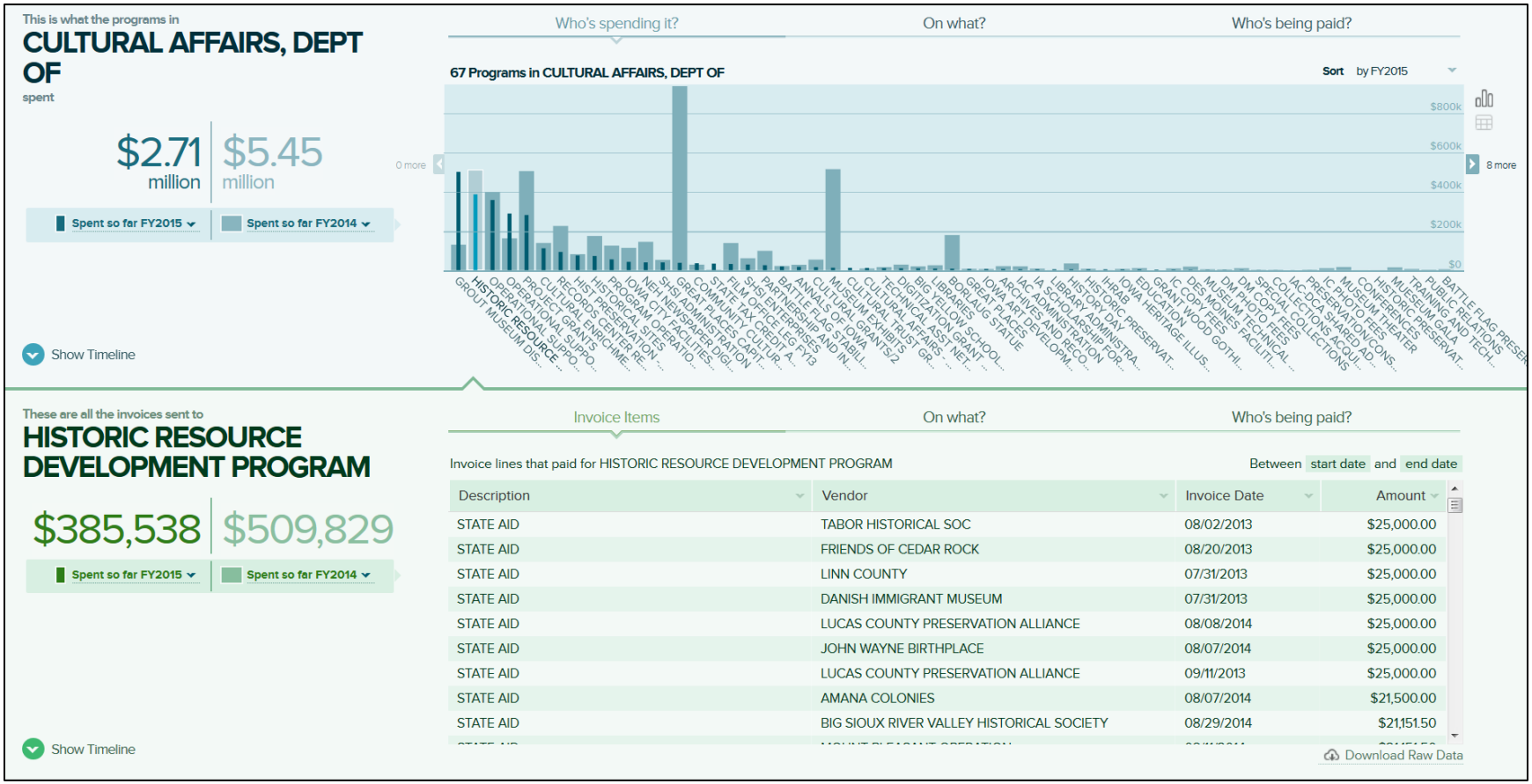


Figure 5. Department & Program Summary – checkbook.iowa.gov
Once drilling into a department, individuals are able to further drill into any of the programs displayed (by clicking the column of interest) to see a table of invoices associated with the program of interest. Individuals are also able to change the chart to see a summary of what spending was for or who it was to within the department, and see the department's spending over time.

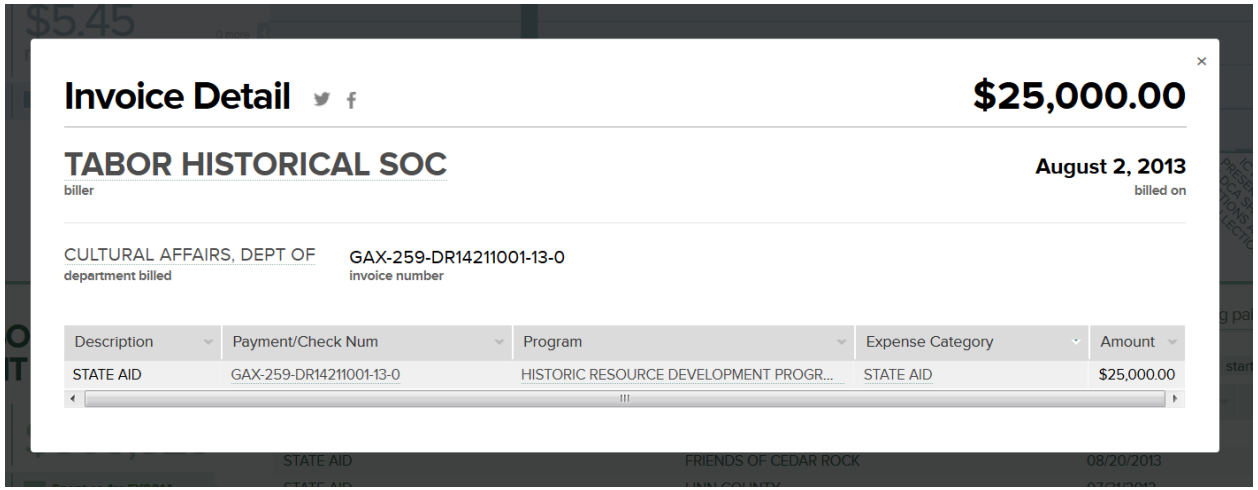


Figure 6. Invoice Details – checkbook.iowa.gov
Once drilling into a program and clicking a row of interest in the table of invoices, individuals are able to view the invoice details.

Iowa Department of Management
Local Government Area
January, 2015

- Accomplishments:
  - Created new valuation report and tool for local governments to use to estimate Commercial and Industrial State Replacement
  - Incorporated Commercial and Industrial State Replacement changes into budget forms
  - Implemented Annual Urban Renewal report changes within tight timeframe and worked with cities and counties to improve their accuracy in reporting this data
  - Implemented online submission system for the City Annual Financial Report – In partnership with the Auditor of State
  - 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 and managing all grants applied for and received by state agencies;
- Centralize the posting of applications for available state grant awards;
- 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 post and manage awards:

Department of Agriculture and Land Stewardship
Department of Cultural Affairs
Department of Education
Department of Human Rights
Department of Justice
Department of Management
Department of Public Defense, Homeland Security and Emergency Management Department
Department of Public Health
Department of Public Safety
Department of Revenue
Department of Transportation – Spring 2015
Iowa Commission on Volunteer Service
Iowa Communications Network – Potentially Spring 2015
Iowa Economic Development Authority
Iowa Workforce Development
Office of the Chief Information Officer
Office of Drug Control Policy

The expectation is that all departments will be using IowaGrants to some extent by December 2015.

Benefits of using IowaGrants.gov:

- 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 projected cost of 6 year contract – extended to August 1, 2016	$1,432,300
Revenue Sources:	
FY09 Pooled Tech Funding	$ 455,000
FY11 Pooled Tech Funding	$ 414,311
FY13 Technology Reinvestment Fund	$ 125,000
FY15 Technology Reinvestment Fund	$ 100,000
Expenditures:	
Expended as of November 30, 2014	$ 966,124
Funds Obligated:	$1,026,647

This figure includes maintenance, hosting and A&A charges through July 2016. Not included: technical assistance to agencies and programming hourly rate, when needed.

Additional Information:

Applications Processed:	8,730
Dollar Value of Awards Processed:	$558,957,797
# of Registered Users	10,291
# of Registered Organizations	4,068

These figures represent numerous city and county entities, all sectors of education, non-profit organizations and the general public. They are expected to increase significantly with full implementation.