

2009

TRANSPARENCY, ACCOUNTABILITY & EFFICIENCY A YEAR IN REVIEW— OFFICE OF ADMINISTRATION



Commissioner Kelvin Simmons
Office of Administration

1/20/10

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LETTER FROM THE COMMISSIONER

This document highlights the immediate accomplishments and the challenges of the Office of Administration of 2009. This summary will also show the complexity of an organization with a great deal of responsibility in carrying out a myriad of operations for key state government services. The last year has been very instructive in laying the groundwork for strategic direction given the dwindling budget and futuristic outlook on where state government will have to be positioned moving forward.



In addition, the document also wishes to show the management operations of the divisions within the Office of Administration along with the individual accomplishments and challenges of each division. We have moved from a series of transitional documents at the beginning of the administration to the transformative process of implementing day to day operations that form a strong executive team worthy of carrying out the Governor's strategic direction for state government.

We have assembled a team of highly motivated professionals that embody the OA "can do" spirit of accomplishment. The OA senior management staff which is highlighted in the following document represents an array of professionalism, talent, experience and diversity that I am confident will be second to none in state government.

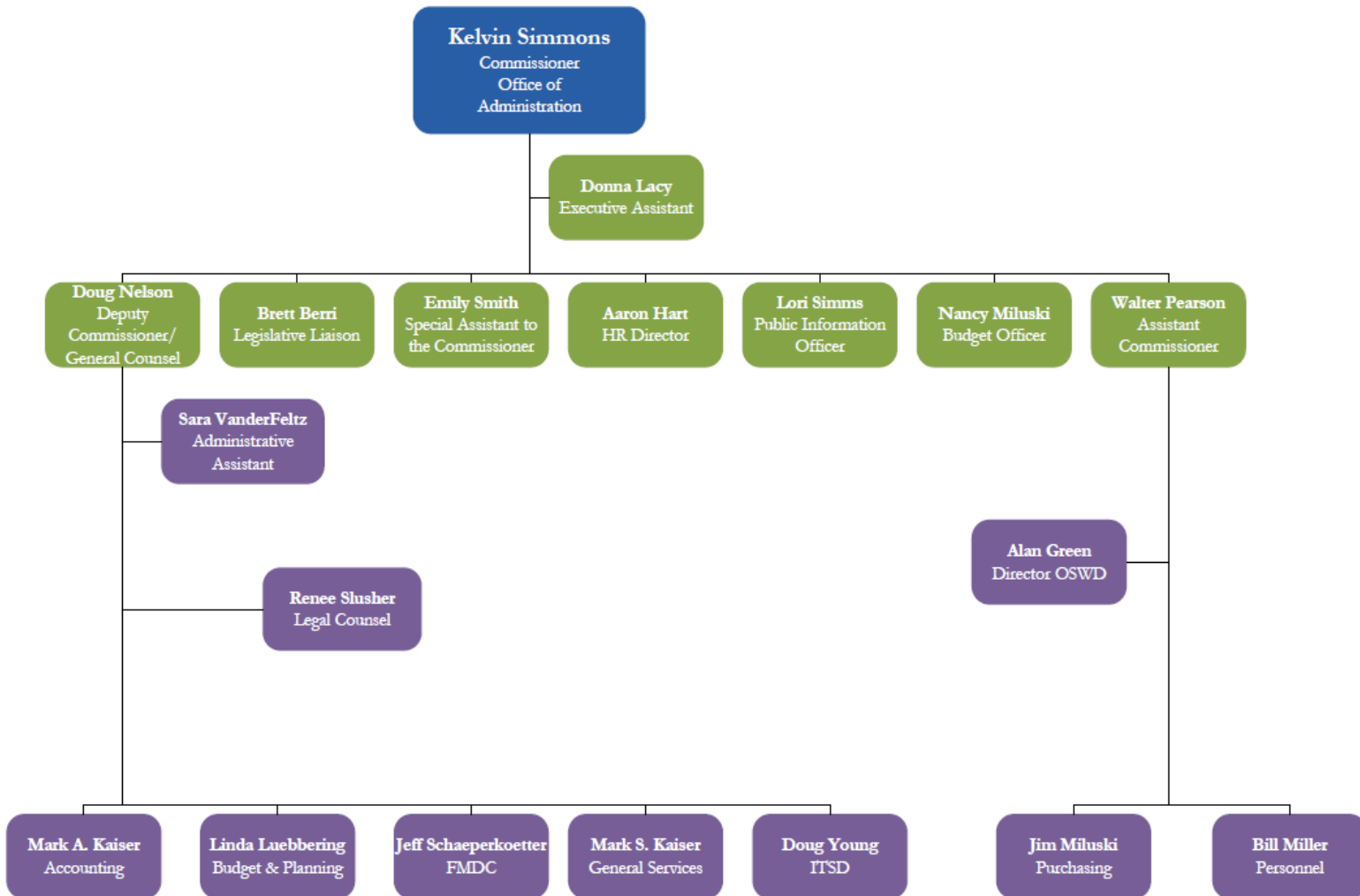
Welcome to a brief overview of the Commissioner's view of how our organization operates, functions, communicates, carries out the Governor's directions and implements legislative policy—all on behalf of the people of Missouri. We in the Office of Administration paused for a moment to look back at the last year so that we may lay a foundation to usher in "A New Day for Missouri." Our staff is here to serve and we look forward to your feedback and comments.

Kelvin L. Simmons

Commissioner of Administration

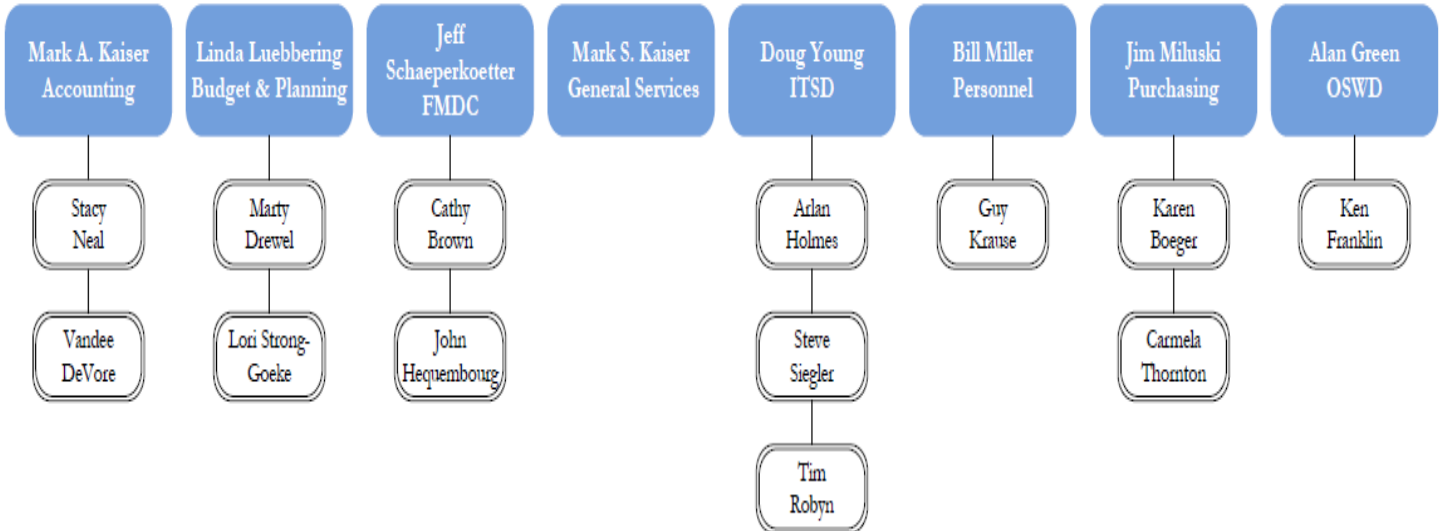
January 2010

OFFICE OF ADMINISTRATION ORGANIZATIONAL CHART



OFFICE OF ADMINISTRATION

DIVISION DIRECTORS & DEPUTIES

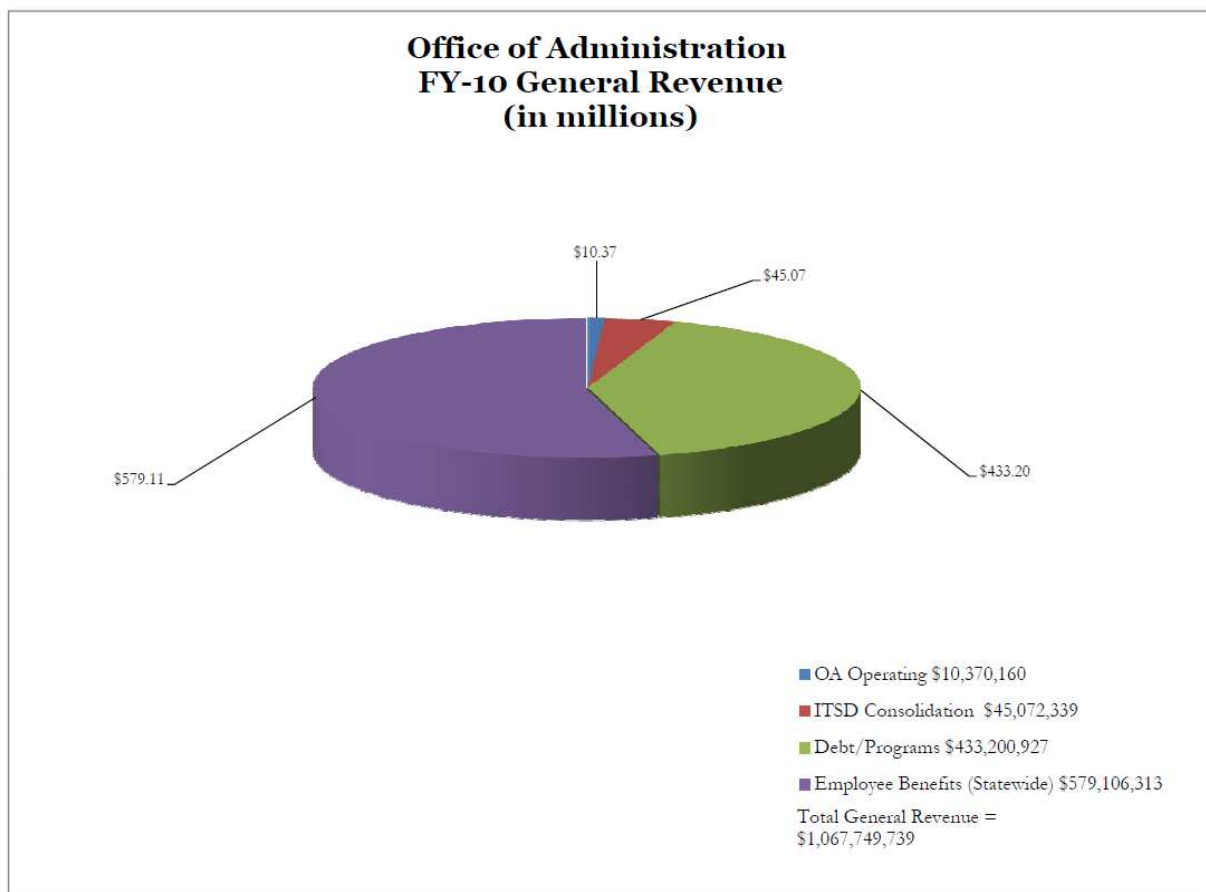


WHAT IS THE OFFICE OF ADMINISTRATION?

The Office of Administration provides services for all state agencies and serves as the state's administrative office. The core functions provided by OA include:

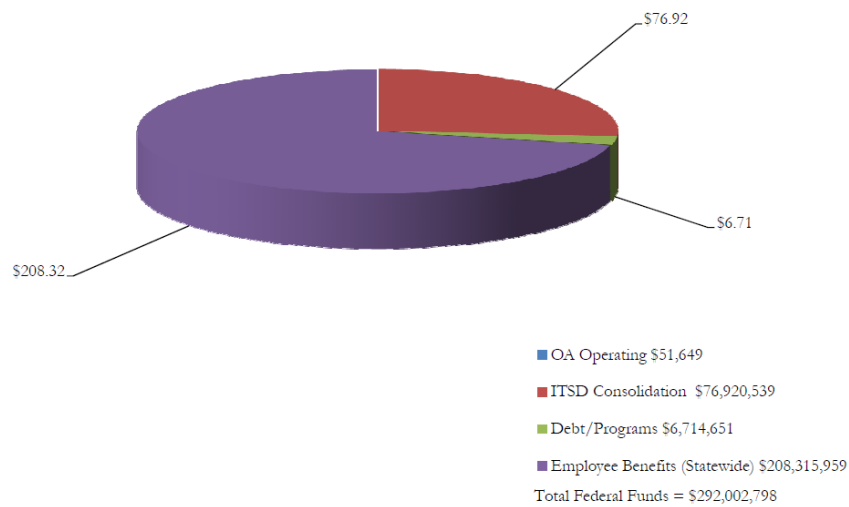
- Administering the state budget and accounting activities for the state.
- Administering the human resources system.
- Coordinating data processing and telecommunications for state agencies.
- Providing and maintaining office and other space for governmental operations.
- Procuring supplies, equipment and services for state agencies.
- Managing the state transportation fleet.

FINANCIAL OVERVIEW

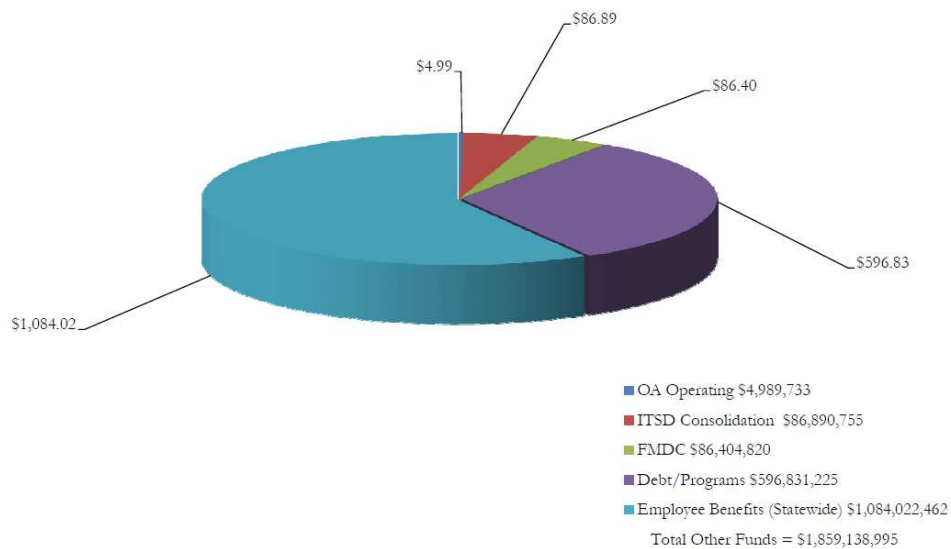


Financial Overview

**Office of Administration
FY-10 Federal Funds
(in millions)**



**Office of Administration
FY-10 Other Funds
(in millions)**

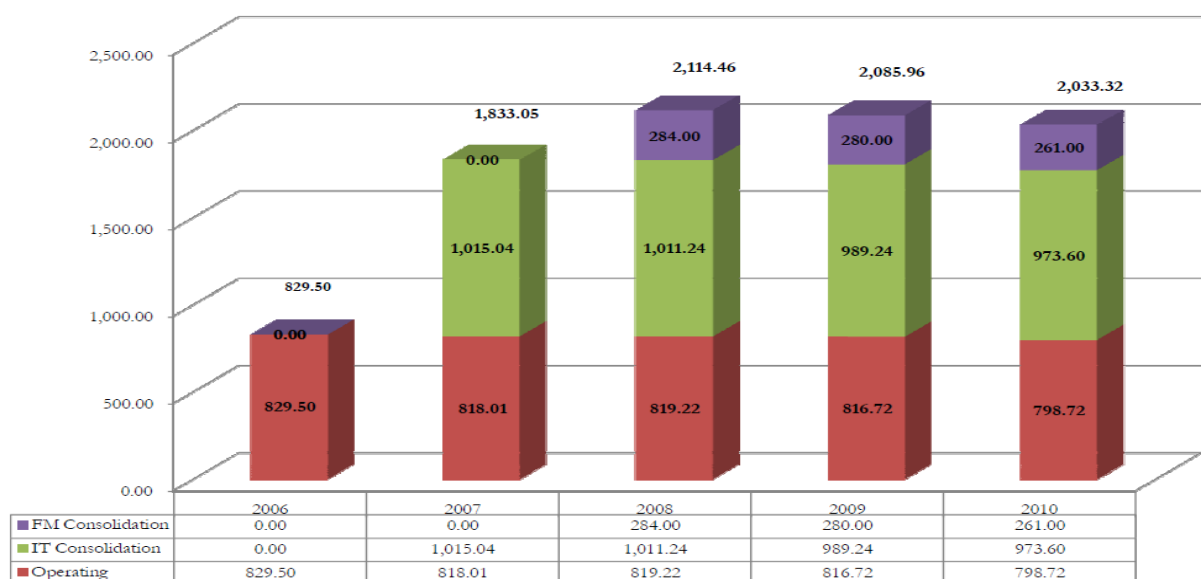


Financial Overview, Continued

OA GR FTE 2006-2010

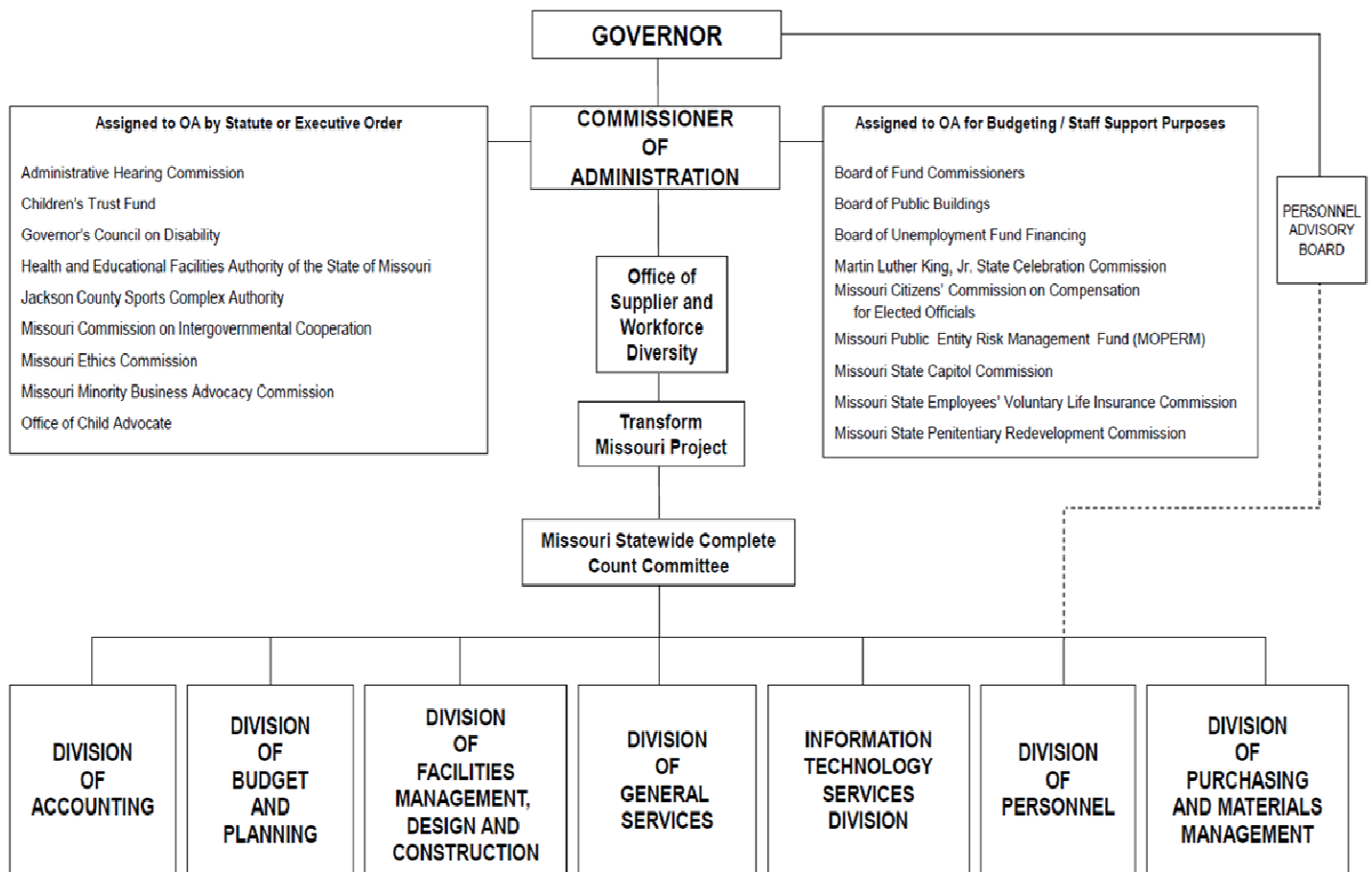


OA TOTAL FTE FY 2006-2010



BOARDS AND COMMISSIONS OVERVIEW

Office of Administration



BOARDS AND COMMISSION DESCRIPTIONS

ADMINISTRATIVE HEARING COMMISSION

AUTHORITY: STATUTORY – RsMo 621.015

MEMBERS: Three which require consent of the Senate.

FUNCTIONS/DUTIES: The Administrative Hearing Commission is a neutral, independent, administrative tribunal. Some of its cases are appeals from decisions of other State agencies. Others are cases that an agency or private person starts at the Administrative Hearing Commission. The Administrative Hearing Commission also contracts with other agencies to assist in their decision-making processes. In such cases, the Administrative Hearing Commission conducts the proceedings, but makes only a recommended decision to the agency. The agency makes the final decision. The procedural law applicable to such cases is the law governing the agency, not the law governing the Administrative Hearing Commission.

COMMISSIONER'S ROLE: No Direct Role

BOARD OF FUND COMMISSIONERS

AUTHORITY: STATUTORY – RsMo 33.300

MEMBERS: 6 – Governor, Lt. Gov., Att. General, Auditor, Treasurer, OA Commissioner (OAC)

DUTIES: Direct payment of interest on state debt, redemption, issue and cancellation of bonds of the state and perform all acts.

OA ASSIGNED STAFF: DOUG NELSON. **OA ACCOUNTING PROVIDES ADMINISTRATIVE SUPPORT.**

BOARD OF PUBLIC BUILDINGS

AUTHORITY: STATUTORY – RsMo 8.010

MEMBERS: Governor, Lt. Gov, Att. General, Speaker & Pres. Pro Tem

EX-OFFICIO: Speaker and Pres. Pro Tem

DUTIES/POWERS: Execute and perform any obligations under any instruments and contracts or agreements to incur obligations with interest and obtain w/o bidding credit enhancement or other financing and execute and perform any obligations including municipal bond insurance, surety bonds, liquidity facilities, forward agreements, tender agreements, remarketing agreements, option agreements, interest rate swap, exchange cap, lock or floor agreements, letters of credit and purchase agreements.

COMMISSIONER'S ROLE: No direct role.

OA ASSIGNED STAFF: DOUG NELSON. **OA ACCOUNTING PROVIDES ADMINISTRATIVE SUPPORT.**

BOARD OF UNEMPLOYMENT FUND FINANCING

AUTHORITY: STATUTORY – RSMO 288.330

MEMBERS: Gov., Lt. Gov., Att. General, Dir. DOLIR, OA-Commissioner

DUTIES: Can issue credit instruments and they are not considered debts of the state fund- benefits due and payable only to the extent money is in the fund. Neither state nor division is liable for excess. Gov. is able to apply for an advance to unemployment fund if accept obligation to repay advance to ensure federal dollars.

COMMISSIONER'S ROLE: SERVES AS SECRETARY.

OA ACCOUNTING PROVIDES ADMINISTRATIVE SUPPORT.

CHILDREN'S TRUST FUND

AUTHORITY: STATUTORY – RsMo. 210.170

MEMBERS: 21 with 17 appointed by the Governor (consent from Senate) from various disciplines and 4 members for Leg. (Senate/house – majority/minority)

FUNCTION: To prevent and alleviate the leading causes of child abuse and neglect

COMMISSIONER'S ROLE: Established in OA and no direct role for commissioner.

OA ASSIGNED STAFF: EMILY SMITH

CITIZENS' COMMISSION ON COMPENSATION FOR ELECTED OFFICIALS

AUTHORITY: MISSOURI CONSTITUTION – ARTICLE 13

MEMBERS: 22 members. 12 appointed by the Governor; SOS appoints 1 member from each Congressional District and Supreme Court appoints one retired judge.

DUTIES: every two years the commission reviews compensation and duties of elected officials, members of the general assembly and judges. The Commission must fill its schedule of compensation and must become effective unless disapproved by a concurrent resolution adopted by 2/3 majority vote of the general assembly.

COMMISSIONER'S ROLE: no direct role.

OA ASSIGNED STAFF: SARA VANDERFELTZ

GOVERNOR'S COUNCIL ON DISABILITY

AUTHORITY: STATUTORY - RsMo. 286.200 IN DOLIR; EO 04-08 MOVED TO OA

MEMBERS: 21 members. 10 must have a disability and others must have family members that have a disability or are advocates (all must have commitment to disability issues).

DUTIES: Make persons with disabilities aware of their rights and opportunities including employment and education of the public.

OTHER: Transferred by executive order in 2004 from

DOLIR to OA.

COMMISSIONER'S ROLE: no direct role

OA ASSIGNED STAFF: WALTER PEARSON

MISSOURI COMPLETE COUNT COMMITTEE

AUTHORITY: EXECUTIVE ORDER – 09-05

MEMBERS: No more than 30 additional members will be appointed by the Governor. Additional appointments will represent Missouri's diverse population. Membership on the committee will be bipartisan and representative of the state. The State Demographer shall be one of the members.

DUTIES: designed to heighten awareness around the 2010 Census and encourage hard-to-count groups to participate.

COMMISSIONER'S ROLE: COMMISSIONER CHAIRS THE COMMITTEE

OA ASSIGNED STAFF: EMILY SMITH

MISSOURI CONSOLIDATED HEALTH CARE BOARD OF TRUSTEES

AUTHORITY: STATUTORY – RsMo 103.008

MEMBERS: 13 (Dir's of DOI, DOH, OA, 2 members of the House and 2 from the Senate and 6 members appointed by Governor – 3 non-plan and 3 members)

DUTIES: responsible for the general administration and operation of the plan covering medical expenses of officers, employees and retirees and other eligible participants. Members also function as a fiduciary of the trust and set all eligible requirements.

OA ASSIGNED STAFF: COMMISSIONER SIMMONS & DEPUTY COMMISSIONER DOUG NELSON

MISSOURI MINORITY BUSINESS ADVOCACY COMMISSION

AUTHORITY: STATUTORY – RsMo 33.752 IN DED; EO 03-06 MOVED TO OA

MEMBERS: 9 – OAC, DED dir., 3 Gov. Appointments. (3 minority business people), 2 House and 2 Senate

DUTIES: Identifies and assesses the need for minority businesses in the state, initiates aggressive programs to assist minority businesses in obtaining state policies and programs, and assists minority businesses. Increase economic opportunity.

OA ASSIGNED STAFF: WALTER PEARSON

MISSOURI HEALTH AND EDUCATIONAL FACILITIES AUTHORITY

AUTHORITY: STATUTORY – RsMo. 360.020

MEMBERS: 7 appointed by the Governor and takes into consideration nominees recommended by professional organizations of hospitals, operators or long term health care facilities, higher education associations, investment bankers and architects. The Senate must approve.

DUTIES: The Health and Educational Facilities Authority, created in 1975, provides assistance to not-for-profit education and hospitals in the construction, financing and refinancing of projects. The authority assists not-for-profit institutions in borrowing funds at the lowest possible cost to provide medical and educational services to Missouri residents.

COMMISSIONER'S ROLE: no direct role.

JACKSON COUNTY SPORTS AUTHORITY

AUTHORITY: STATUTORY – RsMo. 64.930

MEMBERS: 5 nominated by Jackson County Legislature and submitted as a panel to the Governor (must reside in Jackson County and requires senate consent). This board is located in KCMO.

DUTIES: Oversees the maintenance and operation of the Harry S. Truman Sports Complex in a fiscally responsible manner.

COMMISSIONER'S ROLE: no direct role

MARTIN LUTHER KING, JR. STATE CELEBRATION COMMISSION

AUTHORITY: EXECUTIVE ORDER – 85-19

MEMBERS: 20 members appointed by the Governor with consent from the Senate. Located in St. Louis, Missouri.

DUTIES: Considers and recommends to individuals and organizations appropriate activities for the recognition and celebration of MLK day in Missouri.

COMMISSIONER'S ROLE: no direct role.

OA ASSIGNED STAFF: WALTER PEARSON

MISSOURI COMMISSION ON INTERGOVERNMENTAL COOPERATION

AUTHORITY: EXECUTIVE ORDER – 01-16

MEMBERS: 28 members. Governor, 5 private citizens, 6 state officials appointed by the Speaker, 4 municipal elected officials appointed by the Missouri City Management Association, 1 member of the Missouri Fire Services Alliance appointed by the Alliance, 1 Director of the Missouri Municipal League, 1 Director of the Missouri Association of Counties, 2 local government administrators appointed by the City Management Association, 1 Regional Planning Commission Director appointed by the Missouri Association of Councils of

Government, and 1 school board member appointed by the Missouri School Boards Association

DUTIES: seeks to develop closer partnerships between state and local governments and serves as a vehicle of communication through which state and local governments can meet to discuss and resolve shared existing and potential problems.

COMMISSIONER'S ROLE: no direct role.

OA ASSIGNED STAFF: EMILY SMITH

MISSOURI ETHICS COMMISSION

AUTHORITY: STATUTORY – RsMo. 105.955

MEMBERS: 6 members each nominated by congressional district committees with Senate confirmation

DUTIES: receives and reviews complaints alleging violations of conflict of interest, lobbying statutes and campaign finance disclosure laws.

COMMISSIONER'S ROLE: no direct role

MISSOURI PUBLIC ENTITY RISK MANAGEMENT FUND

AUTHORITY: STATUTORY – RsMo 537.710

MEMBERS: 6 members. Attorney General, OAC, 4 members appointed by Governor and represent a public entity participating in MOPERM.

DUTIES: Provides general administration of and responsibility for the proper operation of the fund. Works to provide a shared risk pool to Missouri public entities offering coverage that are stable, economic alternatives to traditional insurance policies.

OA ASSIGNED STAFF: DOUG NELSON (SERVES ON BOARD IN PLACE OF THE COMMISSIONER)

MISSOURI STATE EMPLOYEES RETIREMENT SYSTEM (MOSERS)

AUTHORITY: STATUTORY – RsMo 104.450

BOARD OF TRUSTEES: State Treasurer, OAC, 2 members of the Senate (appoint by the Pro Tem), 2 members appointed by the Governor, 3 members who are members of the system (1 retired and 2 employees)

OA ASSIGNED STAFF: DOUG NELSON

MISSOURI STATE EMPLOYEES VOLUNTARY LIFE INSURANCE COMMISSION

AUTHORITY: STATUTORY- RsMo 105.1010

MEMBERS: 5 members - 3 appointed by Governor with consent from the Senate, 1 House and 1 Senate

COMMISSIONER'S ROLE: no direct role.

MISSOURI STATE PENITENTIARY REDEVELOPMENT COMMISSION

AUTHORITY: STATUTORY – RsMo 217.900

MEMBERS: 10 members. 3 residents of Jefferson City appointed by the mayor, 3 residents of Cole County (not

JC) appointed by the County Commission, 4 members appointed by the Governor (Senate consent) not residents of Cole County.

COMMISSIONER'S ROLE: no direct role.

OA ASSIGNED STAFF: DOUG NELSON. FMDC PROVIDES ADMINISTRATIVE SUPPORT.

OFFICE OF CHILD ADVOCATE

AUTHORITY: STATUTORY – RsMo 37.705

DUTIES: OCA provides families/citizens with an avenue to obtain an independent and impartial review of the decisions/actions made by DSS-Children's Division. The Office of Child Advocate also does the following: 1) provide education to Missouri citizen's regarding child welfare process including investigation, case management and the court system; 2) receive and investigate complaints from citizens regarding the child welfare system; and 3) make recommendations on approving the system. The Governor and the Supreme Court Chief Justice jointly appoint the Director of the Office of Child Advocate, every 6 years with the advice and consent of the senate.

COMMISSIONER'S ROLE: reports to the Commissioner.

OA ASSIGNED STAFF: EMILY SMITH

PERSONNEL ADVISORY BOARD

AUTHORITY: STATUTORY – RsMo 36.050

MEMBERS: 7 members with 4 public members, 2 members of state government (1 management and one non-management) – all appointed by the Governor with senate consent and the State Equal Opportunity Employment Officer.

DUTIES: renders decisions on employment appeals, approves classifications and pay plans and promulgates rules.

COMMISSIONER'S ROLE: no direct role.

OA ASSIGNED STAFF: ALAN GREEN – OSWD

PERSONNEL INDEPENDENCE COMMISSION

AUTHORITY: EXECUTIVE ORDER – 01-08

MEMBERS: 19 members; 10 of the members shall be appointed by the governor and shall include persons with disabilities or family members of persons with disabilities and representatives of disability and elderly groups; 4 of the members shall be selected from the General Assembly – 2 appointed by the President Pro Tem of the Senate and 2 appointed by the Speaker of the House of Representatives; and 4 of the members shall be the Directors of the Departments of Social Services, Mental Health, Health and the Commissioner of the Department of Elementary and Secondary Education, or their designees.

DUTIES: Established in Executive Order 01-18, this commission advises the Governor on necessary policy and program changes to assure that Missourians of all ages and disabilities have access to a range of community support services.

COMMISSIONER'S ROLE: no direct role.

OA ASSIGNED STAFF: LINDA BAKER – GOVERNOR'S COUNCIL ON DISABILITY PROVIDES SUPPORT SERVICES

STATE CAPITOL COMMISSION

AUTHORITY: STATUTORY – RSMo 8.003

MEMBERS: 11 members – 4 appointed by the Governor who have knowledge and background regarding history of the state, the history and significance of the Capitol and the significance of the seat of state government and the Capitol.

DUTIES: Evaluate and recommend courses of action on the restoration and preservation of the Capitol, the preservation of the historical significance of the Capitol and the history of the Capitol and to ensure accessibility to the Capitol for the physically disabled. Commission can publish books and manuals. Commission shall recommend annual options to the Governor on budget allocation for improvements/restoration to the Capitol.

COMMISSIONER'S ROLE: COMMISSIONER SERVES ON THIS COMMISSION.

ON
TOP 10

ACCOMPLISHMENTS

of 2009

1 Charitable Campaign Record: The Missouri State Employee Charitable Campaign raised an all-time record total of

\$1,250,700, an 8.4 percent increase over last year's previous record of \$1,154,126. The 25th year of the

Charitable campaign also brought a new logo, created from a compilation of ideas submitted by state employees, who chose the final logo through an on-line vote.



4 Creation of Top 10 and Dashboard:

The commissioner implemented an effective communication tool that has been instrumental in identifying issues and moving towards resolution. Each division is required to submit their top 10 issues every Friday for review by the commissioner. These issues are reviewed weekly and allow the commissioner to stay abreast of issues within the eight divisions. The addition of the dashboard, as requested by the governor's office, has required us to track and monitor our programs.

5 Agency savings: OA divisions have worked hard to mitigate the budget restrictions and cuts. In order to maintain current services to the state, the agencies have had to achieve additional savings by identifying additional areas where they could achieve savings. Some examples, include \$5.4 million dollars in FMDC—nearly \$1.2 m from renegotiated leases and reductions and consolidations in janitorial services; nearly \$2m in ITSD; a cost avoidance of over \$650,000 due to a decreased mileage reimbursement rate and \$34,000 in General Services using Web-based training rather than pay for mileage reimbursement. These are just a few examples, and a full documentation will be available in 2010.

9 Stimulus Tracking: The state of Missouri successfully submitted our first round of required tracking numbers to the federal government on Oct. 10 through our Stimulus 360 application. In all, the state of Missouri submitted 265 individual 1512 reports for the third quarter reporting period. We reported \$266,044,436.09 dollars expended and 13,051.09 jobs created or retained.

2 MOSERS and MCHCP: This summer the state successfully negotiated a contract with a new health care provider that resulted in a \$20 million dollar savings to the state. The result of this savings is that premiums for the majority of employees will remain relatively neutral – with only a slight increase. Had the contract not been renegotiated premiums could have risen substantially. In addition, the board members of MOSERS approved a plan to spread out the cost to continue current liabilities so that funding for the state portion of the plan could be mitigated. In total, by doing this, \$15 million dollars in general revenue was saved.

6 Interoperability contract: The parties have worked on several issues including funding and process. The tower plan is nearing completion and the first pilot area will be in Southeast Missouri.

7 Fee Office Bids: In keeping with Governor Nixon's objective of putting all fee offices out to bid, rather than giving them to political allies, the Division of Purchasing and Materials Management successfully bid out all 150 fee offices this year. The Department of Revenue was responsible for the evaluation of those bids.

10 Complete Count Committee: By Executive Order 09-05, Gov. Nixon established the Complete Count Committee (CCC) The CCC is designed to heighten awareness around the 2010 Census and to encourage hard-to-count groups to participate. The committee is comprised of 23 business leaders and community leaders that represent diverse geographic, political and ethnic diversity. In May, the legislature approved a budget of \$434,215 to fund outreach and awareness. In November the committee approved the media plan to fund such efforts as advertising on bus tails and interiors, movie theaters, utility bill inserts, print, TV and radio and funding for targeted events. OA staff also developed a Website and maintain a Facebook and Twitter account.

3 #3 MBE/WBE Participations: The Office of Administration in FY 09 finished **first** in Minority-Owned Business (MBE) expenditures and **second** in Women-Owned Business (WBE) expenditures out of the 16 state agencies. The Office of Administration spent over \$45 Million dollars with certified M/WBE vendors in FY 09.

8 Missouri State Prison Redevelopment Project: Lack of resources and a lack of a clear Memorandum of Understanding between the state, city and county have led to delays in moving the project forward. FMDC, the Commissioner's Office, the city, and the county have worked diligently to develop a plan and move it forward. After some funding setbacks, the project will now move forward in collaboration with the Department of Economic Development. A new Memorandum of Understanding was signed in December outlining a key partnership between the city, county and the state regarding the development of the old prison site.



IT'S IN OUR HANDS

ON TOP 10

CHALLENGES of 2009

1 Rising cost of employee benefits: As the economy continues to weaken, policy-makers are growing ever more concerned about the sustainability of public retirement systems and the state's health care plans. As a member of the board of the Missouri Consolidated Health Care Plan (MCHCP) and Missouri State Employees Retirement System, the commissioner continues to work with various entities on how best to structure these programs to ensure sustainability and affordability. This will continue to be a challenge over the next few years if the state does not rebound from the current economic climate.

2 Budget uncertainty: Throughout 2009, our agencies have faced multiple rounds of budget restrictions and layoffs. Each one continues to be challenging for a variety of reasons as we learn to work in these unprecedented times. We can only assume that FY11 will have its own challenges, but we feel our staff is up to the task of analyzing critical functions and ways to achieve cost savings.

3 Union negotiations: The Division of Personnel in consultation with the legal counsels in OA have begun negotiations for a new labor contract with American Federation of State, County and Municipal Employees (AFSCME). These negotiations began this fall and will continue into 2010. AFSCME has two bargaining units: craft and maintenance and health care. The role of OA is to negotiate for the departments a contract with the labor organization. This requires OA to coordinate the management side of the negotiations. After AFSCME is complete OA will negotiate with Communication Workers of America and then Service Employees International Union. The Missouri Nurses Association has agreed to sign an extension of its current agreement.

4 Lack of resources to manage stimulus obligations for reporting and tracking: In order to continue to comply with the reporting requirements of the 2009 American Reinvestment and Recovery Act, OA will need access to additional resources for the technical functions, as well as the staffing to continue to meet our deadlines. We may need to consider a combination of outsourcing, in addition to using existing state employees to meet these demands.



6 Continuation of employee consolidation: Consolidation of maintenance employees into the Office of Administration from the departments of Mental Health and Elementary and Secondary Education and mail employees from the Department of Social Services will pose many challenges. Staff from non-merit agencies will need to be classified and employee files will need to be transferred. In addition, positions will need to be transferred in SAM II from one agency to another. It is also anticipated that there will be an increase in questions for new staff on the policy and procedures of OA since they will differ from the agencies they come from.

7 Missouri State Government now 50 out of 50 states in employee pay: With employees not receiving pay increases or COLA adjustments for the last several years, it has caused the Missouri pay system to compress. Shorter tenured hires are in some cases paid close to the same pay levels as longer term employees.

5 Outdated merit system: The Office of Administration needs to evaluate the current merit system and determine if a strategic plan is necessary for transforming the personnel systems to be more responsive to employers, employees and applicants. The current system of hiring and testing is outdated

9 Worker's compensation claims skyrocket at DMH and Fulton: Workers compensation costs have increased dramatically at Fulton State Hospital during the past three years. Costs have more than quadrupled in this time period, rising from \$965,883 in FY '07 to more than \$4 million projected for FY10. Fulton now accounts for nearly 15 percent of the total worker's compensation costs for the state. Most of the increase in the state's worker's compensation costs during the past two years can be attributed to the Department of Mental Health and for the most part Fulton State Hospital. More than 41 injuries are reported each year for every 100 employees at Fulton, more than six times the state average injury rate.



8 Resources to accelerate updated Web presence: Governor Nixon has prioritized making government more accessible to the people through the internet and through e-government initiatives. In keeping with the governor's priority, the Information Technology Services Division has had to shift resources to web development and have had to explore additional outsourcing opportunities. In addition, ITSD has had to engage other agencies to discuss which applications are most cost effective and provide the greatest return to citizens.

OA Special Projects

Interoperability: One of the first projects OA undertook was the review of the interoperability contract signed by the previous administration. The review included an examination of the entire contract, all bid protests, and a determination of the true cost involved. The parties are now moving forward on implementation of the contract. The parties have worked on several issues including funding and process. The tower plan is nearing completion and the first pilot area will be in Southeast Missouri. **Project Staff:** Doug Nelson

Missouri Employee Discount Savings Program: Governor Nixon approved a state-wide employee discount savings program that the Commissioner's Office recommended after working with the divisions of Purchasing Management and Materials and Personnel and the legal counsel. The program is offered exclusively to government employees and allows them to save money on goods and services at participating merchants. This program works with retail merchants throughout the state to obtain a savings from 5 – 20 percent when employees use a "show –and – save" discount card. There is no cost associated with this voluntary program. **Project Staff:** Walter Pearson, Alan Forbis, Brett Berri, Jim Miluski, Emily Smith, Mark A Kaiser and Doug Nelson .

Tour of Missouri: We completed our review of the 2008 records and with our expert submitted a report on our findings. We are now working on obtaining the 2009 records and will begin our review on the 2009 race. **Project staff:** Doug Nelson

Complete Count Committee: OA successfully convened the CCC throughout the year to develop an outreach plan that would reach out to hard-to-count groups in Missouri. Despite, lack of information and communication from the Census Bureau, plans are moving forward. We have contracted to run TV and radio ads, place ads on buses in the major metropolitan areas and coordinate events with local complete count committees. In addition, we have established a Web site, Twitter account and Facebook account. **Project Staff:** Emily Smith

Labor Negotiations: The Division of Personnel in consultation with the counsels in OA have begun negotiations for a new labor contract with AF-SCME. These negotiations began this fall and will continue into 2010. AF-SCME has two bargaining units-craft/maintenance and health care. The role of OA is to negotiate for the departments a contract with the labor organization. This requires OA to coordinate the management side of the negotiations. After AFSCME is complete OA will negotiate with CWA and then SEIU. MONA has agreed to sign an extension of its current agreement. **Project Staff:** Jerry Denton, Renee Slusher and Doug Nelson

MOHELA: OA successfully completed a review of all university projects intended to be funded by money from the sale Missouri Higher Education Loan Authority and made recommendations for the projects that met the criteria to move forward. All projects that were not recommended will continue to be evaluated if or when funding becomes available. **Project Staff:** Cathy Brown, Renee Slusher and Emily Smith

Missouri Faith-Based Outreached Initiative: A group of clergy from around the state requested a meeting with Governor Nixon and Commissioner Simmons to discuss various issues that involved the communities which they serve. The governor agreed to meet with them to begin a productive dialogue between communities of faith and the Nixon Administration. Commissioner Simmons coordinates with department leaders and key staff from various agencies to use forums and workshops to present information relevant to the faith based community. **Project Staff:** Kelvin Simmons, Ken Franklin, Elizabeth Birks, Alan Green, Roxana Flores, Damion Trasada (DSS) and Walter Pearson

FEDERAL ASSISTANCE CLEARINGHOUSE:

Missouri's Intergovernmental Review Process was established to fully implement and utilize the opportunities provided to the state by Presidential Executive Order 12372, "Intergovernmental Review of Federal Programs," which supersedes the authority of OMB Circular A-95. Governor Christopher S. Bond signed Missouri Executive Order 83-6 initiating the State and Local Review and Comment Process. The State Clearinghouse prints a weekly index which includes pertinent information of all applications received for federal assistance and direct federal development and distributes to appropriate State and Regional Review Agents. Reviewers may request additional information or additional time for review of a particular application. The State Clearinghouse compiles reviewing agencies' comments and issues a sign-off letter on the project to the applicant. The applicant then forwards a copy of the clearance letter to the federal funding agency. The Federal Assistance Clearinghouse has reviewed an average of 850 grants per year over the last four years. To date, OA has reviewed grants since January. **Project Staff:** Sara VanderFeltz

LONG-TERM CONTRACT REVIEW: OA was asked to review and evaluate all long term contracts in the State of Missouri. Commissioner Simmons named eight staff members in OA to coordinate all efforts related to this project. OA has contacted all state departments and asked they appoint one point person to provide information and assist in the review of contracts and has already reviewed a contract from the Department of Revenue. OA has narrowed our scope to include all contracts over 100,000. Some of the notable examples of success include \$2.2 million dollar savings for Veterans' Pharmacy Services, \$10 million dollars in Corrections over the life of the CMC contract and a reduction in PAQ contracts for IT workers in the Department of Revenue. In the last few months, we have widened our scope to include looking at maintenance agreements on office equipment. We hope this will yield significant savings. **Project staff:** Doug Nelson, Renee Slusher, Walter Pearson, Jim Miluski, Emily Smith, Roxana Flores, Lori Simms, Barb Shimmens, Cindy Dixon & Mark S. Kaiser

OA Special Projects

STIMULUS TRANSPARENCY AND ACCOUNT-

ABILITY: Every department is challenged with implementing the American Recovery & Reinvestment Act of 2009. OA is responsible for ensuring transparency and accountability through reporting. The Commissioner's Office has taken several steps to ensure that accountability pieces are in place by working with OA Accounting, OA Budget & Planning and the Project Team over the last several months. In addition, the Stimulus Transparency & Reporting Task force was created to coordinate efficient implementation and tracking of money received under ARRA. This task force includes financial management representatives from each department with expert knowledge of the department's accounting practices. The group discusses issues on a weekly basis which insures challenges are identified and solutions are communicated effectively. Additional knowledge has been shared during a collaborative case study related to the DNR weatherization program. This task force will continue to play an important role in effectively communicating and solving challenges related to ARRA as more funds are received and disbursed and as reporting deadlines are met. OA will continue to monitor guidance from the federal government as it relates to transparency and accountability. OA successfully completed our first round reporting in October.

Project Staff: Kelvin Simmons, Renee Slusher, Doug Nelson, Mark A. Kaiser and Stacy Neal

BOONVILLE BRIDGE: Began negotiations with Union Pacific on the transfer of the Boonville Bridge to the state for adequate compensation. We attended a series of meetings discussing the issues and costs involved with keeping the bridge in place or moving the bridge. The state made an offer to purchase the bridge for \$3 million and continue its efforts to have MoDOT consider funding a project with stimulus money to build a rail bridge over the Osage River. The offer would require repayment of the \$3 million if the rail bridge was built. UP indicated early on that its drop dead price to keep the bridge in place was \$7-8 million. We are currently moving forward and waiting on the federal grant process. Parties have agreed to move forward contingent upon the grant of funds. **Project staff:** Kelvin Simmons and Doug Nelson

TOP ISSUES ACROSS DIVISIONS

Division of Accounting

The Division of Accounting (ACCT) provides central accounting and central payroll system services for state government, producing checks and electronic payments for state vendors and state employees. ACCT publishes annual financial reports, administers bond sales for the Board of Fund Commissioners, Board of Public Buildings, and Board of Unemployment Fund Financing and administers the social security coverage for all employees of the state and its political subdivisions.

Mark A. Kaiser is the Director of the Division of Accounting and heads a team of 50 employees.

Top Accomplishments

RATING AGENCIES: Due to the economic conditions and the budget issues, we have had an increased number of conference calls with the rating agencies as well as one-on-one conversations and emails during the year. Although these conversations are on-going, the analyst's response thus far has been positive. Compared to other states we are weathering the recession well. Missouri's reputation for quickly recognizing problems and solving them continues to be strong. The analysts also have consistently commented on our continued fiscal flexibility, strong cash reserves and multiple year planning. In a time when many states are selling assets, underwriting cash flow borrowing and trying to patch this year's problem instead of looking at the future, Missouri's current position is envious. Our triple AAA appears solid.

SOCIAL SECURITY (FEDERAL SECTION 218):

A task force composed of representatives of the Social Security Administration, Internal Revenue Service, Division of Accounting and the Public School Retirement System met this past December, January and February. The objectives of the task force were to compile relevant information, determine the proper application of the 1951 Missouri Section 218 Agreement and subsequent coverage modifications and to develop a process for evaluating which positions in the Missouri public schools are subject to Social Security coverage. The task force completed a report March 31, 2009 and delivered a copy to the Missouri congressional delegation. The task force also drafted informational letters to the school districts of the categories identified in the report. Following the issuance of the report, the division:

- Prepared and conducted 10 sessions of informational webinars for the four categories of school districts.
- Revised all referendum documents to comply with current federal and state laws. These included the Resolution Request for Referendum, Notice of Referendum, Register of Eligible Voters, Majority Vote Ballot, Absentee Ballot, Certification of Referendum results, Authorizing Resolution and the plan and agreement.
- Completed an official dissolution of a school district for SSA.
- Scheduled seven school district referendums to be held in the first quarter of 2010.

BOARD OF PUBLIC BUILDINGS: The Board of Public Buildings issued the Series A 2006 Bonds to build and equip the Chillicothe prison. The bonds were sold on Oct. 25, 2006 and the prison's ribbon cutting ceremony was Aug. 6, 2008. When the Series A 2006 bonds were sold, approximately \$16 million of bond proceeds (three years of interest on the bonds) was available to pay interest expense. Instead, only \$3.6 million of bond proceeds were used to pay interest in FY07 and FY08. This fact combined with the remaining cash balance in the construction fund presented a unique opportunity to reimburse general revenue for approximately \$12.4 million of interest payments. A resolution approved by the board in February provided for the immediate transfer of \$7,034,942, the April 1, 2009 transfer of \$2,667,234 and the Oct. 1, 2009 transfer of \$419,510 to general revenue. Additionally, \$158,169 of excess reserve funds from the Series B 2001 due to interest earnings also was transferred to general revenue. The total transferred to general revenue was \$10,279,855.

DEBT ISSUES: The Municipal Securities Rulemaking Board (MSRB) and the Electronic Municipal Market Access (EMMA) site for continuing disclosure documents for bond deals require a new electronic filing procedure. New standards require identifying bond issues with Committee on Uniform Security Identification Procedures (CUSIP) numbers and filing word searchable documents. Accounting met the July 1, 2009 deadline for the new filing procedures. Division staff coordinated with Facilities Management, Design and Construction and Gilmore & Bell on the closeout and arbitrage calculations for the energy service company (ESCO) master lease. The remaining balance of unspent funds was used to pay down a portion of the balance of the master lease. Staff worked with Gilmore & Bell to file 8038G form.

Worked with the purchasing division to rebid and award a new master lease. Designed agency request form and set up procedures for commissioner's office approval.

STATE MILEAGE ALLOWANCE/STATE MEAL PER DIEM: Based on new federal mileage rates, the Office of Administration announced in December 2008 that the state mileage rate for FY10 would be 52 cents per mile. Because of budget constraints, the rate was lowered in June 2009 to 50 cents per mile. In December 2009, the federal mileage rate decreased from 55 cents to 50 cents per mile. A new state mileage rate of 47 cents per mile will take effect Jan. 1, 2010. The state meal per diem also reverted back to the previous year's CONUS rates. Some agencies (including OA) have instituted maximum reimbursement rates lower than the state meal per diem. Due to the varied levels of reimbursement, it is not practicable to estimate the savings.



WORKLOAD: Despite a 10 percent cut to full time equivalent employees (FTE), the division continues to pay vendors and employees on time. Fiscal year-end processing proceeded with minimal disruption to agency payments. Additional reports are being prepared including daily general revenue cash flow statements, daily reports for American Recovery and Reinvestment Act (ARRA) receipts and disbursements for the governor's office, and a thorough review of each ARRA 1512 grant report prior to the required quarterly reporting. Division staff have accomplished all regular tasks while adding these time sensitive duties. Accounting has completed a couple reorganizations of

responsibilities. Eight functions were either consolidated or moved to the director's administrative assistant. This has proved to provide better control and oversight of the functions. The human resources section has reassigned duties to free up a position. That position will now be utilized to staff the state's social security, section 218 responsibilities.

As part of our ongoing oversight of SAMII, we identified a significant internal control weakness which allowed one individual to enter and approve payments without secondary approvals. Since this ability significantly increases the risk of fraudulent payments, we have worked diligently to review the security settings of all personnel with access to SAMII. Although this issue has not been completely solved, due to the complexity of the security setup, there has been significant progress where departments with issues have been contacted and many weaknesses have been corrected. This problem has existed for many years; however, we were not aware of it until recently when staff asked the right questions.

In accordance with IRS regulations, the division sends out 1099s to vendors doing business with the state. For calendar year 2008, the state produced 18,277 1099 notices. Naturally, errors occur and the most common is a mismatch between the vendor name and the FEIN number. To correct the errors it is necessary to send out "B notices" to the mismatch vendors. For calendar year 1999, the division sent out 1,152 B notices. From calendar year 2005 to calendar year 2008, the number of 1099 error notices decreased from 352 to 50. Accounting received the 2008 notice of 50 errors on October 20. By that time, 33 of the errors were already corrected resulting in only 17 B notices to vendors. This significant reduction is primarily due to an initiative to validate the tax payer identification number and the tax payer name through a free service with the IRS prior to allowing payments from SAMII. This reduction has created a cost savings for the state in several ways. First, the IRS does not assess a penalty to the state when fewer than 250 errors are identified. Although we did not pay the penalty when more than 250 errors were found, it required significant time and effort on the part of staff to obtain a waiver of penalty from the IRS. Second, since fewer errors are identified, there are has fewer B notices to send to our vendors and less communication is required between our vendors and staff including fewer letters and phone calls. Our proactive approach is saving significant effort and money.

FORMS IMPROVEMENT: The nonresident aliens form has been completed, posted and communicated to agencies for use. This was a large effort on the part of the human resources staff. The need for the form arose because of confusion and lack of knowledge throughout agencies on how to handle the various visas of nonresident aliens. Nonresident aliens have higher tax liabilities; the payer is liable for taxes, interest and the IRS has pulled agents from “outreach” into “enforcement” to increase audits. We have also shared our new non resident alien form with Kentucky’s Division of Local Government Services. They plan to use our form statewide with all of their political subdivisions and have sent their thanks to us.

The notice to employees portion of the W-2 form will be printed on the back of the Employee copy of the W2 form for 2009. Previously, this was printed as a separate notice requiring additional paper and handling by the agencies. Division of Accounting, human resources staff came up with this idea and it will save our division approximately \$730 in printing costs and save agencies from additional workload when distributing the W2s.

MAP STIMULUS WEB PAGES: The Missouri Accountability Portal was expanded to provide the public with information on federal stimulus funds. The revenues page was made available on April 28, 2009 providing information by individual agency and program. The expenditures and program tracking pages were made available on May 29, 2009. The expenditures page provides information by individual agency and program. The program tracking page provides the receipt and disbursement information by individual program. The site was also updated on Sept. 9, 2009 to allow users to view, print and download data related to stimulus funds into an Excel spreadsheet or text form.



AFSCME REQUEST: Beginning in May 2009, the division began work on the first of two AFSCME requests for information. Staff hours (not counting management review) have exceeded 160 hours. The resulting product was 20 spreadsheets with 5,000 – 7,000 names each.

PROBATION & PAROLE OFFICERS: A court ordered back pay award was completed in October 2008. The back pay award was for fiscal years 2004 through 2007. The decision was made to make additional payments

for FY08 and FY09. In addition, payments were to be made for individuals erroneously omitted from the original court order. An FY09 supplemental appropriation was passed and signed. Payments were made on June 15, 2009 for the period of July 1, 2007 through April 30, 2009. Effective May 1, 2009 the officers were moved from the temporary “P” ranges to a standard grid range. This action was approved by the Personnel Advisory Board at their April 14, 2009 meeting. This additional payment provided new challenges for the division due to the death of seven former employees. Payments had to be appropriately documented and checks remade payable to the deceased estates.

Top Challenges

RATING AGENCIES: Our successful communications and Missouri’s current position are listed as an accomplishment but it will also be a challenge for the next couple of years. Until the economy turns around for Missouri and budget issues diminish, we will be under a more watchful eye. We can expect tough questions for which we will have to give very convincing and satisfying answers.

SOCIAL SECURITY (FEDERAL SECTION 218): The ongoing Social Security responsibilities involve K-12 schools, community colleges and various political subdivisions. Seven K-12 schools have scheduled referendum votes for February 2010. Accounting will conduct education seminars prior to the vote. The division is also responsible for conducting and verifying the voting process. We expect that four of the community colleges will ask for referendums. Accounting will also conduct those votes. Because our primary focus has been on education institutions, we have only identified one political subdivision in need of a 218 agreement. We fully expect to discover additional entities in need of an agreement.

CASH FLOW: FY10 will be more of a challenge than FY09. Although cash flow monitoring is a part of the division’s ongoing responsibilities, the seriousness of the current cash flow situation requires significantly more staff time. As we move into the second half of FY10, tough decisions will have to be made concerning disbursements.

MISSOURI CONSOLIDATED HEALTH CARE PLAN (MCHCP): Accounting is currently involved with three separate issues with MCHC. The first issue is debt offsets to agency funds. The second issue is outstanding refunds for overpayments to MCHCP by

various state funds. The third issue concerns the imputed wage determination for certain dependent health care coverage.

MISSOURI STATE EMPLOYEES VOLUNTARY LIFE INSURANCE COMMISSION (MOVLIC): MOVLIC began the year with all members serving in expired terms. New members have been appointed. The commission has two expiring contracts to replace. The first is the third party administrator (TPA). The TPA is contracted to design, develop, implement and operate the program to state employees. The TPA coordinates these activities with the commission and the division. The TPA also coordinates the request for proposal process and review of bid proposals for the universal life insurance product which is the second expiring contract. Under a competitive bid process, a universal life insurance product is chosen by the commission for offering to state employees.

WPC BOND PROCEEDS: The Series A 2007 Water Pollution Control Bonds (\$50,000,000) were sold on Nov. 14, 2007. Federal arbitrage rules require 85 percent of the proceeds to be spent in three years. As of Nov. 30, 2009, only 56 percent of the proceeds have been spent. Division staff will continue to monitor the fund. If it becomes necessary, staff will recommend a cash defeasance using leftover bond proceeds.

SAMII SECURITY: The true accomplishment was finding the problem and determining the corrective action. The challenge is to work with the agencies to set up approvals that do not compromise internal control.

STAFF WORKLOAD/EMPLOYEE MORALE: Staff workload is an increasing challenge as new issues add to Accounting's responsibilities. There has been no increase to budgeted full time equivalent (FTE) positions; in fact the division has experienced a 4.5 FTE core cut. The possibility of additional cuts or withholdings is also a concern. No cost of living adjustments (COLA) and core cuts are an obvious negative impact on employee morale. Morale and workload concerns me when it comes to the need for accuracy in our work product. I truly believe that employees are thankful to have a job and benefits. However, every little thing we can do for them such as the ice cream event and simply giving them some personal attention is becoming very important.

BOND EDUCATION: Often during financial difficulties, an increased number of bond proposals are dis-

cussed. Some of the proposals are common to the State such as the fifth state building or Board of Public Buildings bond issuance proposals. Others are less routine for Missouri such as current refundings (refinancing principal payments into future years for budgetary savings) or the imposition of additional fees on the issuance of bonds. Accounting's challenge with any bond proposal is to review the proposal and discuss any issues we may see related to legal bonding requirements or consistency with Missouri's conservative approach to bonding.

CONVERTING PAPER PAYMENTS TO ELECTRONIC:

With the cost of producing, handling, and mailing paper checks continuing to increase, we are working on increasing the number of electronic payments. A major project with Information Technology Services Division (ITSD) to enhance the current vendor payment website with numerous search features is nearing completion. We are hopeful that this improvement will aid our ability to convince the state's vendors to accept more payments via electronic fund transfer (EFT). Our challenge is to demonstrate the potential for cost savings for the companies since we do not have the authority to require electronic payment. When we are successful, Accounting will have a secondary challenge to maintain and verify more banking information without additional staffing.

Some Issues worked on in 2009 2009:

B&P Staff Reduction Plan

Capital Improvement Budget

Cash Flow Issues

Complete Count Committee

Consent Bills

Department Reduction Plans

Executive Budget Prep for Governor's Budget Recommendations

Federal Fiscal Stimulus Accountability

Federal Fiscal Stimulus

Administrative Expense

Federal Fiscal Stimulus Funding

Federal Fiscal Stimulus

Impact on Budget

Federal Fiscal Stimulus Implementation

Government Review Committee

Interoperability

Joint Committee on CI

Legislative Assistance

Fiscal Notes

Legislative Tracking

TAFP

Major Cost Bills

Mid-MO Mental Health Center Agreement

Planning/Performance Measures

TOP ISSUES ACROSS DIVISIONS

Division of Budget & Planning

B&P analyzes budget policy issues and provides information to the Commissioner, the Governor's Office, the General Assembly, Missouri's Congressional delegation and state, local and federal agencies. The Division also prepares budget instructions, reviews agency budget requests, prepares the annual executive budget, forecasts state revenues, prepares legislative fiscal notes, reviews legislation and is Missouri's primary liaison to the Census Bureau. Linda Luebbering is the Director and leads a team of 30 employees.

ACCOMPLISHMENTS

LEGISLATIVE TRACKING AND REVIEWS: The Division of Budget and Planning (BP) tracked hundreds of bills as they progressed through the legislative process; providing status and other information on these bills. During the spring, 164 bills were reviewed by departments and the division as part of the process to provide analysis to the governor's office on legislation passed by the General Assembly.

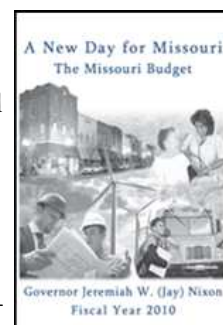
LEGISLATIVE PROPOSAL REVIEWS: This fall the division completed a review of 207 department legislative proposals for the governor's office. Staff coordinated both review processes and met to formulate improvements to the processes and forms used for next year.

APPROPRIATIONS TRACKING AND REVIEW: Staff tracked all appropriations bills as they moved through the legislative process; providing analysis as they progressed. The division reviewed all of the truly agreed and finally passed (TAFP) appropriations bills (HB 1-22) to provide analysis to the governor's office for potential line-item vetoes, based on the revenue shortfall and policy issues.

MAINTAINING A BALANCED BUDGET: The division provided options and analysis to the governor's office during two rounds of expenditure restrictions, helping the governor to maintain a balanced budget.

STIMULUS REPORTING: Working with the Department of Social Services, staff completed the enhanced federal medical assistance percentages (FMAP) reporting template in October for the first four quarterly reporting periods.

EXECUTIVE BUDGET PREPARATIONS: Explored various areas for cost containment, program review and areas where fee supported programs are not covering the cost of doing business. Staff also worked with the departments of Corrections and Mental Health on population growth issues and reviewed options for behavioral health services for offenders. Division staff worked with three departments and four vendors to develop a complete and thorough review of all Medicaid programs for potential cost savings and program improvements.



CAPITAL NEEDS: Staff worked with the Facilities Management, Design and Construction division on several capital issues, including addressing the need for additional corrections space; prioritizing maintenance and repair needs of the state; and exploring available federal funding to for high priority projects.

CENSUS 2010 PREPARATION: With the help of the Information Technology Services Division and the University of Missouri-Columbia, the state demographer completed submission of 1.3 million residential address records to the U.S. Census Bureau for inclusion in the Count Review Program. These records were supplied to the state demographer by county and local governments. They were reformatted and compiled according to precise standards and will be matched against the bureau's master address file. This process will help to ensure that no Missouri addresses were omitted from the mailing list used by the bureau to deliver census forms to Missourians in 2010.

RATING AGENCIES: Staff worked with the

Division of Accounting to provide information and answer questions of the three rating agencies related to the State of Missouri's bond rating.

CONSTITUTIONAL CALCULATIONS: Division staff completed annual total state revenue, tax and fee limit calculations and education spending. These will be submitted to the state auditor's office in December in compliance with the Missouri Constitution.

Top Challenges

EXPENDITURE RESTRICTIONS: There have been multiple rounds of budget reductions, starting in January 2009. Each round of reductions was more challenging than the previous, as any less critical items have been eliminated from the budget in earlier rounds of cuts.

PROJECTING REVENUES FOR FY 2010 AND FY 2011: With the continued economic volatility, previous changes in state and federal tax laws, tax credit growth and unpredictable taxpayer behavior it has been a difficult year to project revenues.

CASH FLOW: As the general revenue cash balance is hurt by the economic situation, division staff needed to more frequently and closely monitor cash balance, with the Division of Accounting to lessen the need to borrow from the Budget Reserve Fund and ensure sufficient cash flow for general revenue expenditures.



GENERATING RECOMMENDATIONS FOR FY 2011

EXECUTIVE BUDGET: Given the revenue constraints that will continue in the next fiscal year, the division continued to determine the additional number of reductions that will be needed to fund the governor's executive budget recommendations.

FRINGE BENEFITS COSTS: The state's fringe benefit costs are rising. B&P worked with various health care and pension plans to ensure the state employee and retiree health care and retirement benefits are available and affordable.

ECONOMIC ANALYSIS AND FISCAL NOTE RE-

SPONSES: The division lost an economist position in

FY10, but still needed to provide economic analysis on legislation and fiscal notes. This has been challenging in 2009, but will be even more so in the future.

INCONSISTENCY IN DATA FORMATTING FOR COUNTY-LEVEL DATA OBTAINED FOR STATE CENSUS PREPARATIONS: Throughout the census cycle, which includes redistricting, there are a number of processes which require the state to gather information from local and county governments. The lack of statewide standards for data formatting has generated difficulties for Missouri in the collection of local/county records in three areas:

1) accurate mapping of municipal boundaries, 2) accurate mapping of voting precinct boundaries and 3) development of an accurate master address file for the state.

OUT-YEAR / LONG-TERM PLANNING FOR STATE BUDGET: Due to the historical nature of the current economic downturn, it has been challenging to anticipate spending needs that are tied to the economic situation, such as Medicaid.

FISCAL NOTES: Ensuring that the fiscal notes prepared by the legislature completely reflect the input of the administration continued to be a challenge. The division will continue this effort next year.

LEGISLATION AND THE ECONOMY: The economic situation also made decisions on legislation more challenging. Both bills approved by the legislature during the 2009 session and proposed by departments for the upcoming session had to be scrutinized even more than normal for any potential budgetary impact.

Some issues worked on in 2009.

9TH Street Parking Garage – White Paper

Bio-Mass Boilers at East Correctional Center in Charleston

Bio-Mass Boilers at South Central Correctional Center at Licking

BPBA 2006 Bond Proceeds Chillicothe Women's Prison

Budget Issues & Cost Savings

Building Management Contracts-Wainwright

Capitol Roof Bids

Carthage Project

Clinton Armory Renovation

Energy Portal

ESCO Contract Review

Facilities Review

Federal Fiscal Stimulus

Fee Agents – Revenue

FMDC Budget and Reorganization

Fuel & Energy

Hannibal CDL Site (Patrol)

Inter-departmental Issues

Joplin Project

Kansas City Power & Light Easement Request at WMMHC

Landfill Gas Plan at Algoa and Jefferson City Correctional Center

Maintenance Consolidation (DOC, DMH)

Maintenance Issues, i.e., repairs, bids

Mental Health Facilities

Missouri School for the Blind

MSP Redevelopment Commission

New and Old Health Lab Issues

Prince Hall

Review Existing Contracts

Security – Capitol Police

SOS Archives Center

TOP ISSUES ACROSS DIVISIONS

Division of Facilities Management, Design & Construction

FMDC assists state entities in meeting their facility needs. The division has six units overseeing services including; real estate services, portfolio management, facility assessment, space management, space standards, statewide master plan and energy management. FMDC is led by Jeff Schaeperkoetter and they have 489 employees.

ACCOMPLISHMENTS

COST SAVINGS: Cost savings from leasing operations of \$2 million from lease rate negotiations, consolidations, janitorial contracts, and moving from leased to state-owned in St. Louis. In addition, FMDC achieved Cost savings of more than \$2.1 million through contract review, consolidation and negotiation, improved bidding procedures and operational efficiencies, and bringing in-house previously outsourced contracts.



JOPLIN/CARTHAGE FACILITIES: Working through the minefields of Joplin and Carthage facility issues without major injury. New Carthage Crime Lab under construction.

PRINCE HALL: Identified the issues presented by non-state tenant use/lease of state-owned property and helped to develop a strategy for resolution and management of those leases. Prince Hall's non-state tenants raised the issue statewide. With the assistance of the Commissioner's Office, we executed leases for each of the Prince Hall tenants, as well as for all other non-state tenants in state owned buildings. We are hopeful that this progress will ease legislative concern about the appearance of state subsidy to private interests.

ORGANIZATIONAL EFFICIENCIES: Reorganization and development of organizational efficiencies that have resulted in reduced backlogs, consistent contracting procedures and tightened cost controls. Reduction in overall staffing has not adversely affected our work product.

DISASTER RESPONSIVENESS: We were ex-

tremely successful in responding to arising situations from disaster response to equipment failures to legislative inquiries.

IMPLEMENTATION OF EXECUTIVE ORDER 09-18: We have moved through the initial implementation and data verification of Executive Order 2009-18, including preparation of State Facilities Energy Conservation Program, and have identified possible funding sources.

DEVELOPMENT OF PLAN FOR MISSOURI STATE PENITENTIARY REDEVELOPMENT: Worked with City, county and state leaders on developing a plan for the old MSP site and have successfully executed a new Memorandum of understanding between the aforementioned parties. We have also been working with Department of Economic Development to identify potential funding streams to accomplish this project.

MAINTENANCE CONSOLIDATION: Moving on to phase two of maintenance consolidation with Department of Mental Health and Department of Elementary and Secondary Education.

BUILDING MANAGEMENT: We have made significant progress on important projects in the Capitol complex including the completion of the mansion, near completion on Capitol roof, progress on Broadway State Office Building and award of contract on emergency generator project.

CHALLENGES

CONTINUED EXECUTION OF EXECUTIVE ORDER 09-18: We will continue to work towards fully implementing this executive order in state buildings this includes identifying necessary funding sources to maximize efficiencies in energy consumption and develop other ways to

and develop other ways to fund efficiencies through energy service companies (ESCO) projects that can be done on a “pay from energy savings” basis.

COST SAVINGS: Continue to achieve cost savings in leasing operations through current methods, and adding storage consolidation and energy efficiency. Seek commissioner and governor office help to encourage or order departments to follow document retention policies.

MISSOURI STATE REDEVELOPMENT COMMISSION: Continue to work with Missouri State Penitentiary Redevelopment Commission, city, county and other state departments to see real progress on the ground in 2010. Memorandum of Understanding and Preliminary Use Plan set the stage for development of plans for demolition, infrastructure, and preservation of historic buildings. We are now looking for grants and other funding opportunities to pursue realization of those plans.

JOHNSON CONTROLS AND TALISEN—CONTRACTS

AND COST REDUCTION: We are now paying these expenses, over one million per year, now from our expense and equipment (E&E) instead of from the Master Lease for ESCO contracts. Out of an \$18 million budget for E&E, that level of expenditure is not sustainable. Moving some of that work in-house or to ITSD will be essential, and our initial talks with the contractors about cost reduction have not been productive.



PHASE TWO OF MAINTENANCE CONSOLIDATION:

Working toward phase two of maintenance consolidation with Department of Corrections, Missouri State Highway Patrol and other agencies. FMDC continues to believe that the complete consolidation of maintenance within the Office of Administration will ensure that maintenance dollars are more consistently applied to maintenance needs, will produce better maintenance and will reduce maintenance costs in the long-run. Some agencies are resistant to those beliefs or believe that they need to have full control over maintenance requirements.

SPRINGFIELD CRIME LAB: the environmental issues impact closing. City has been resistant to our environmental testing, but has or will soon grant us access to the property for that testing. Results of testing will de-

termine next step with completion of that closing.

FUNDING VS. MAINTENANCE NEED: We continue to face pressure on facilities maintenance and repair funding and E&E funding in view of mounting maintenance and repair needs. Deferred maintenance always has a higher subsequent cost. Withholds of FMRF funding and insufficient E & E will have a negative long-term impact, and our budget priority will always be to obtain adequate maintenance funding.



Issues worked on in 2009:

Alternative Fuel
Vehicle Purchase
Requirements

ARRA – competitive
grants

Attorney General Fleet
Consolidation

CARS System
Implementation

Fleet Management
Compliance Review

Legal Expense Fund
Revisions

Legal Expense Fund
Settlement Authority

Mail Consolidation-Phase
II

Master Lease Contract

Medicaid Reporting

Mileage Reimbursement

Missouri State Employee
Charitable Campaign
Retiree Eligibility
(MSECC)

OSHA Compliance

RESTORE System

Smart Lease Program-
Phase II

State Vehicle Repairs

Fulton State Hospital

TOP ISSUES ACROSS DIVISIONS

Division of General Services

The Division has seven units that provide agencies with a variety of support services including; printing, fleet management, administration of the Legal Expense Fund, the state employee Workers' Compensation Program, vehicle maintenance, mail services and administration of the Missouri State Employees Charitable Campaign. General Services also provides staff to administer the Missouri Public Entity Risk Management Fund, a liability and property insurance pool for Missouri public entities. Mark S. Kaiser is the Division Director and leads a team of 87 employees.

Accomplishments

REDUCED MILEAGE REIMBURSEMENT RATES:

The Office of Administration has traditionally set the mileage reimbursement rate for officials and employees at 03 cents less than the published Internal Revenue Service (IRS) rate. In December 2008, the Division of Accounting notified state agencies that the FY10 rate would be 52 cents per mile, a 9.5 percent increase over the FY09 rate. Fuel costs were down considerably from the fall of 2008 and the federal Energy Information Administration projected fairly level prices over the next year. As a result, the commissioner decided to reduce the mileage reimbursement rate to 50 cents, achieving a cost avoidance of over \$650,000, based on current utilization levels. The state fleet rate, the state's cost to own and operate a mid-size sedan, dropped to 25 cents from 28 cents per mile. Assuming the state fleet rate is actually used 20 percent of the time, the savings to state agencies from this reduction is projected at \$300,000 per year.



In December 2009, the IRS announced that the 2010 federal mileage reimbursement rate would drop from 55 cents to 50 cents effective Jan. 1, 2010. At the recommendation of Fleet Management, the commissioner opted to reduce the rate Jan. 1, to 47 cents per mile, achieving an additional savings of approximately \$450,000 for the remainder of FY10.

IMPLEMENTED NEW CARPOOL

MANAGEMENT SYSTEM: General Services implemented the Carpool Automated Reservation System (CARS) March 1, 2009. CARS is a web-based reservation system for the Office of Administration carpool that completely automated all aspects of pool operations including: reserva-

tions, vehicle check out, maintenance scheduling and billing procedures. CARS replaced a labor-intensive process with new user-friendly system that increased functionality for carpool users and assists the state fleet management program with new management tools and reporting that help analyze the efficiency and utilization of the pool. Initiated rewrite of workers' compensation system – The risk management section worked extensively with Information Technology Services Division staff to develop requirements for a new risk management system to assist in the administration of state employee workers' compensation claims. The new system, named RESTORE (Risk Enterprise System to Restore Employees), will provide web access as well as significantly improved functionality, productivity and efficiencies.

IMPLEMENTED NEW PPO CONTRACT: The state maintains a preferred provider organization (PPO) contract for a network of medical providers that offer workers compensation medical services at a discount to the state. In addition, the PPO contractor provides staff to support the processing of workers' compensation medical bills and basic claims. The vendor under the prior contract utilized a temporary employment firm to provide the required services. The subcontractor did not offer many benefits to its employees and the annual turnover of their staff approached 65 percent. At renewal, the state changed several provisions of the contract which led to the successful contractor offering direct employment for the staff with their firm. As a result, the state has higher quality contract employees assigned to provide services to the state, the contract employees have much better benefits and there has been limited turnover in staff this past year. An added benefit is that the employment stability of the contract workers reduces the training required and improves the coordination of claims processing leading to en-

hanced state employee productivity.

RECORD PLEDGE FOR MSECC: The Missouri State Employee Charitable Campaign raised an all-time



record total of \$1,250,700, an 8.4 percent increase over last year's previous record of \$1,154,126.

The First Lady was actively involved in the campaign from kickoff through wrap-up and check presentation and lent her support to the new retiree campaign. The 25th year of the charitable campaign also brought a new logo, created from a compilation of ideas submitted by state employees, who chose the final logo through an on-line vote.

Passed and implemented Charitable Campaign legislation – House bill 210 was unanimously passed by the General Assembly and signed into law by the governor. This bill allows retirees to participate in the charitable campaign by authorizing deductions from their retirement checks.

Considerable coordination took place with Missouri State Employees Retirement System (MOSERS) and the Missouri Department of Transportation and Patrol Employees Retirement System (MPERS) to implement this legislation. Including employees required changing data systems and processes to allow deductions from retiree benefits. The campaign developed a targeted mail solicitation for recent retirees who had previously participated in the campaign and revised the Web site and brochures that communicate the new program to employees who are nearing retirement. Twenty-eight retirees pledged nearly \$7,000 through the targeted mail campaign.

MASTER LEASE: The division provided research on master lease programs in other states, focusing on the authorizing authority and legality of these programs that offer tax-exempt financing rates for certain equipment purchases by governmental agencies. A new contract was issued by the Division of Purchasing under a revised review protocol. This financing approach is a cost saving tool that can assist agencies in spreading the cost of equipment acquisition over its useful life. Master lease financing is critical to the success of the smart lease program that transfers business miles from more costly mileage reimbursement to state vehicles, the lowest cost option.

REBID THE STATE FUEL CARD CONTRACT: The fuel

card contract was rebid and a new vendor was selected. The new contract offered expanded control and enhanced reporting to agencies. Purchases through the card can be controlled by product type, and authorization profiles can be established to ease administration. Some additional discounts are available to users at select fueling locations.

TRANSITIONED TO A NEW MISSOURI PUBLIC ENTITY RISK MANAGEMENT (MOPERM) BOARD OF TRUSTEES: MOPERM is governed by a Board of Trustees and is staffed under contract with the Office of Administration. All six members of the board have been appointed within the past year. MOPERM staff provided the new members with orientation sessions to assist in their education. Members will also be invited to attend a conference that focuses on the training of governmental pool governing bodies.

CREATED A REPORTING INTERFACE TO COMPLY WITH MEDICARE REPORTING REQUIREMENTS: Risk management in conjunction with ITSD has created an interim interface to report worker's compensation and legal expense fund payments to individuals who receive or may receive Medicare benefits in the future. This system will also be used to meet the reporting requirements for MOPERM.

Challenges

MANAGING WITHIN BUDGET: General Services continues to provide increasingly complex and expanded services to state agency customers with diminishing resources. The division prides itself in meeting these new challenges with innovative solutions that improve productivity, increase efficiency and lower costs. To illustrate:

- State Printing has improved productivity each year by streamlining staff and responsibilities and utilizing emerging technologies. State Printing has not increased its labor rates for 10 years with charges remaining significantly below the prevailing market.
- Vehicle maintenance continues to provide vehicle repair services at labor rates less than one-half of the prevailing local commercial hourly rates.
- Central mail services provides mail processing services for state agencies in the Jefferson City area at a cost to the state approximately one-third less than was expended just three years ago.
- Risk management processes workers' compensation claims at less than one-half the cost of other insurers doing business in the State of Missouri as re-

ported by National Council for Compensation Insurance and the Missouri Department of Insurance, Financial Institutions and Professional Registration.

FULTON STATE HOSPITAL WORKER'S

COMPENSATION: Workers compensation costs have increased dramatically at Fulton State Hospital during the past three years. Costs have more than quadrupled in this time period, rising from \$965,883 in FY 07 to more than \$4 million projected for FY10. Fulton now accounts for nearly 15 percent of the total worker's compensation costs for the state. Most of the increase in the state's worker's compensation costs during the past two years can be attributed to the Department of Mental Health (DMH) and for the most part Fulton State Hospital. More than 41 injuries are reported each year for every 100 employees at Fulton, more than six times the state average injury rate.



Risk management staff has met frequently with the staff from the hospital and DMH over the past two years to address this growing problem. Recently, the commissioner met with the DMH director and key staff to discuss how this issue may be resolved. Considerable research has been conducted and a study from a worker safety firm will take place over the next few months. There have been operational changes but more work is required to stem the growth in injuries and costs.

MAIL CONSOLIDATION: Phase two of mail consolidation is slated to take place in late spring of 2010. The Department of Social Services' mail operation will merge with central mail services and State Printing at a new location in Jefferson City. Consolidating staff, equipment and operating methodologies are always challenging. This round of mail consolidation will allow up to a 50 percent reduction in staff currently providing mail services for the Department of Social Services.

INCREASING EXPOSURE TO THE LEGAL EXPENSE

FUND: Payments from the Legal Expense Fund rose sharply during FY09 to more than \$19 million, largely the result of a single case that settled for \$7.1 million in the fall of 2008. Expenditures from the fund can fluctuate significantly. Expenditures in FY10 are down thus far, however, the Attorney General's office has alerted us to a few significant medical malpractice settlements that are expected to come through in early

2010. Increased coverages offered by the Legal Expense Fund over the past several years are driving some of the additional expenditures.

IMPLEMENTATION OF RESTORE: Risk Management is working closely with the Information Technology Services Division to draft final requirements for the new workers' compensation system. With staffing restraints and additional reporting requirement imposed by Medicare, it is essential that Risk Management and ITSD successfully develop and implement the new system in a timely manner. The system is large and complex but the proposed enhancements will spur improved accountability, functionality, productivity and efficiency. The development of the new system will continue to require considerable time and effort for key Risk Management staff over the next twelve months.

DETERIORATING FLEET CONDITION: The condition of the general revenue passenger vehicle fleet continues to be an ongoing concern. The general revenue investment in the passenger vehicle fleet alone should be at least \$3.5 million annually to maintain the fleet at its present condition. However, during the past five years general revenue funding has averaged \$2.3 million for all vehicle types. Without adequate investment, the general revenue passenger vehicle fleet by FY11 will have lost all the gains made through the FY08 vehicle replacement appropriation. At the end of FY 11, more than 34 percent of the GR passenger vehicle fleet will exceed the 120,000 mile minimum replacement criteria and 19 percent of the vehicles will exceed 150,000 miles. Without sufficient annual funding to replace aging vehicles, the condition of the fleet will deteriorate to a point where agencies are forced to utilize more costly travel options.



MEDICARE REPORTING: Medicare (CMS) will be requiring insurers and other responsible parties to report workers compensation and liability payments to Medicare eligible and potentially eligible individuals beginning April 1, 2010. Information must be submitted electronically which will require development of an interim program prior to the completion of a new worker's compensation system. CMS will require us to obtain information from the claimants that we do not currently capture. In addition, federal reporting

requirements are still evolving.

CARPOOL CONSOLIDATION: OA operates a well utilized, multi-location pool in Jefferson City that is available for use by any agency. Fleet management will evaluate options to further consolidate agency vehicle pools in Jefferson City to significantly reduce the number of vehicles necessary to meet employee travel needs and create a chargeback mechanism to help fund future replacement vehicles. While the new carpool automated reservation system (CARS) could easily accommodate the reservation and billing functions of a consolidated pool, OA staffing resources are extremely limited and agency staffing support would be necessary to provide dispatch and maintenance related functions.

MOPERM SYSTEM IMPLEMENTATION: The MOPERM Board of Trustees has approved a plan to replace the current underwriting, claims and financial systems that are integral to the administration of the program. Transition plans are underway and must be monitored to minimize potential disruptions in the services provided to members.

STATE PRINTING RELOCATION: As part of the mail consolidation effort, State Printing will be moving to a new leased facility in May of 2010. Co-locating printing operations with central mail services will offer synergies that should improve services to customers at a lower overall cost of operation. Structuring the move in a manner that allows uninterrupted services will be a challenge to the organization, particularly given the breadth and scope of the planned moves.

Issues worked on in 2009:

Broadband

Chapter 36 Revision

DOLIR Website & Support

EASe

E-Mail and Messaging

Enterprise Resource Planning

Green IT Initiative

Health Information Technology (HITEC)

iMO Gov

Integrated Motor Vehicle and Drivers (IMVDL) License Project Status Report System

Legacy Systems – Succession Planning

METERS

PerforM

Performance Measures/Reinvesting in IT

Second Life

SpringNet

Veterans Commission Data Loss & Global Velocity

Web Security

Wireless Expenses

Withholdings (FTE & E&E)

TOP ISSUES ACROSS DIVISIONS

Information Technology Services Division

The Information Technology Services Division manages state information technology resources; provides mainframe computer processing services through the State Data Center; manages the State's telecommunication services; and provides Internet services, information technology education services and network support to all state agencies. Doug Young is the chief information officer and leads a team of 1075 employees.

Accomplishments

IMPROVED COMMUNICATIONS: We have adopted new channels for communication and collaboration that did not previously exist within ITSD, thus improving communication and morale, and thereby making it possible to achieve greater progress toward our goals of available, reliable and secure IT. For example, the chief information officer maintains a blog that allows for discussion of ITSD issues and IT issues generally. Additionally, he has hosted town hall-type meetings with each ITSD section at least once. The division has implemented an ITSD Task Tracker with an executive dashboard to improve project oversight. SharePoint and Adobe Connect Pro are other systems being utilized to instill collaborative environments. These applications allow employees to work together in unprecedented ways showing cost savings in staff resources, time and travel.

CUSTOMER SERVICES TO MISSOURIANS: In an effort to bring state government services to the people of Missouri, additions, improvements and enhancements of online services have been a key priority. The following are a few examples:

- **State Mo.gov Homepage:** To allow for simpler and easier navigation of information and communication of the top news and feature items of the state, a total redesign was launched in the fall.
- **Implementation of Twitter and Facebook profiles** for various state programs.
- **Plates.Mo.Gov:** A recent major rewrite of this online service allows simpler navigation and enhanced automation checking and adding of additional vehicle types, making this a much improved and rebranded update and replacement of its predecessor application.

The goal of this enhanced application is increased online renewals of motor vehicles registered within the state.

- **Notice of Lien:** This effort included a significant enhancement to the vehicle look-up function, allowing for verification of current ownership, registration and lien information, including pending sales and liens. This additional information was per request of a vocal lobbying organization that represents companies and individuals involved in towing vehicles.
- **Farmer's Market Map:** With the simple click of the mouse on the county, this new map allows consumers the opportunity and convenience of locating markets, directions, and hours of operation.
- **Sensitive Crops Registration:** Agricultural businesses may now register their crops as sensitive to activities like crop dusting with this new online service.
- **Elevate America:** This new application allows Missourians to apply for a Microsoft e-learning voucher on use of their business products.
- **Alcohol and Drug Abuse Indicators:** This new system outlines statewide or county mapping for reports on alcohol and drug abuse indicators.
- **Address Change Request:** This new system allows Missourians to update address information online for driver's license, motor vehicle or individual income tax records.
- **Online License No Tax Due:** An employee of a political subdivision or state agency can now enter the business owner's Missouri tax

identification number to determine whether the business is in compliance. The system will provide a message that documents if a business is in compliance and if the license can be issued or the business must contact the Department of Revenue before a statement of no tax due can be issued.

GOOGLE MAPPING: Staff developed a framework for faster development of Google maps that allow citizens to view information from a geographic perspective in a user-friendly manner.

EMAIL MESSAGING RFP: Staff developed a request for proposal for a system to allow citizens to receive timely updates in email or text message formats on an opt-in subscription basis. This system would allow citizens to “watch” web page updates, receive newsletters, news, alerts, etc. It will also allow users to manage their subscriptions centrally, while allowing agencies to manage lists centrally as well.

AGENCY WEB DESIGN & TEMPLATE CREATION: In an effort to create more citizen centric Web sites and services, division staff redesigned numerous state agency Web sites and developed state templates to reduce time to market in future iterations and new Web sites.

MIGRATION: Following the transition, IT staff smoothly and successfully migrated significant critical data, including calendars, address books and other information for dozens of incoming employees without a hitch. The new administration was up and running from day one.

MODERNIZATION: Each consolidated agency IT director has developed a plan to modernize legacy applications for their agency. For the first time, there is a strategic plan for each agency application that ITSD supports. Modernization of our applications will show cost savings in development, support and the ability to produce information to the public via the web. In return, this shows a savings to the citizens of Missouri in the form of saved travel and service wait time.

VIRTUALIZATION INITIATIVE: ITSD is at the forefront of states relying on server virtualization to reduce costs and save energy. We estimate a cost avoidance of \$300,000 as a result of the server virtualization initiative accomplished during FY09. In FY10, the roll out of a desktop virtualization initiative (DVI) will also increase circuit utilization and will partially offset the savings associated with the DVI. Nonetheless, a savings of \$28 for every desktop virtualized, as well as realized staff reductions in the desktop support area, are expected.

MOBBroadbandNow: ITSD partnered with Sho-Me Technologies, to apply for \$142.3 million in federal recovery funds to expand the reach of broadband Internet service in Missouri. The federal government has awarded \$3,952,480 over a five-year period for the state Broadband Development Grant Program. First-year funding has been identified as \$1,503,151 for mapping current broadband service in the state, and \$470,231 is earmarked for broadband planning.

We are still waiting on notification regarding the middle-mile application.

STIMULUS 360: To fulfill the requirements of the American Recovery and Reinvestment Act (ARRA) of 2009, regarding transparency and accountability for funds expended, ITSD implemented Stimulus 360 to track total amount of recovery funds received from the federal agency amount of recovery funds received that were expended or obligated to projects detailed list of all projects or activities for which recovery funds were expended or obligated, including an estimate of the number of jobs created and retained detailed information on any subgrants or subcontracts awarded by the recipient

SECURITY: Safeguarding state networks and data from intrusion and unauthorized access is a significant program focus. With an average of more than 9 million illicit access attempts each month, it is critical that we continue to focus on improving security. In response to this need, a chief information security officer was appointed and tasked with developing a centralized security team who will safeguard all systems. To date, they have done an excellent job identifying potential vulnerabilities and working with staff across agencies to resolve issues. In an attempt to educate all employees, ITSD has launched www.cybersecurity.mo.gov and is formalizing security training for all state employees.

Top Challenges

CONSOLIDATION: An inherent flaw in the consolidation effort is exposure during the budgetary process. The consolidation effort began with 154 separate and certainly less-noticeable appropriations; now ITSD has one large appropriation that is tantamount to an unguarded bank. To experience the fiscal benefits of consolidation, this funding situation must be addressed. In addition, the issue of some IT staff being dedicated exclusively to federal projects prevents resource sharing and the ability to best deliver programs. Implementation of a different method to bill common services back to the agencies, similar to the state data center cap is cur-

rently being researched. The goal is to deploy a new funding model for the next legislative cycle. Furthermore, the restructuring of service delivery to enhance services while economizing staffing and funding will require considerable communication to staff and alignment of consolidated agency leadership.

INTERNET: As ITSD continues to drive modernization of services to Missourians, a focus will continue on the speed of application delivery, assurance of the direction of the various agencies and alignment with overall state vision. Similarly, prioritization of web development will assist with focus on applications that allow for the most exposure and touch to the most citizens. ITSD will be shifting resources to the web development team, exploring additional outsourcing opportunities and engaging the agencies to discuss which applications are the most cost effective, and provide the greatest return to citizens.

COST SAVINGS/COST AVOIDANCE/BUDGET: ITSD must examine its processes, tools and technology to ensure we are providing Missourians the best return on their technology investment. As budgets and staffing levels fall under additional pressures due to economic realities, ITSD has to examine where positive changes, redirection, and in some cases, reduction of staff or expenditures can be realized. Moreover, ITSD understands working with governmental leaders and legislators is critical to identify alternative or other innovative funding streams to progress IT solutions and future service levels.

LEGACY SYSTEMS MODERNIZATION: ITSD employees continue to regularly retire and there are few potential replacements for those who have dedicated their careers to some of the aging systems that have served us well. The inability to continue to support these critical applications due to secession is troubling. One of the solutions is to modernize systems by moving to newer programming languages and hardware platforms. As opportunities present themselves, ITSD moves these systems to newer technology; however, the magnitude of this effort is daunting.

ELECTRONIC RECORDS: Electronic records retention has quickly become a financial burden for the state due to the volume of items that are being saved, the heavy reliance on the state e-mail system and the direction on retention timeframes from a previous administration. In 2010 ITSD will refine its understanding of electronic records retention. To that end, a team will be formed to work with the Secretary of State's electronic record management staff to examine current requirements, recom-

mend changes to policy or retention periods. ITSD will work to find a tool that will allow staff to automatically classify e-mails. ITSD is hopeful that through this process we can demonstrate that non-pertinent e-mail (spam) can be culled from our retention process. A recommendation will be presented to the governor's office concerning the length of retention that we should put in place for e-mail to minimize cost while meeting the legal requirements for retention.

DISASTER RECOVERY (DR): Partial funding of the disaster recovery project in Springfield continues to be a concern, as that site currently can only recover part of our systems, should a disaster unfold. While ITSD has the ability to recover the most critical systems, we must explore ways to increase our recovery capacity to encompass all public facing business systems. While ITSD submitted a new decision item (NDI) to continue work on the Springfield DR site, the budget constraints related to the present economy make funding highly questionable. ITSD will explore partnerships and other opportunities to increase capacity through sharing arrangements.

STAFFING: Building adequate skill sets in critical staffing areas to address workloads, pending retirements and support of legacy systems will be an important focus over the next several years. Succession planning for the division is critical to prevent interruptions of service and to ensure ITSD has the right skills sets to move technology forward.

SECURITY: With recent personnel changes, assignment of a chief information security officer (CISO) and development of a new security team, ITSD has significantly improved its abilities to identify vulnerabilities to state data. However, while significant progress has been made, continual efforts to educate state employees on the subject of security, development of improved detection methods, acquirement of additional security tools and maintaining a state of constant vigilance will be needed.

UNIFIED COMMUNICATIONS: The integration of telephony, existing data networks, voice mail, e-mail, cellular, video and instant messaging technologies into one unified communication environment will have a dramatic impact on how employees interact with one another and with the public they serve. A myriad of challenges will be addressed in order to bring this vision of unified communications to a reality. ITSD will be challenged to address detailed implementation plans, refine return on investment numbers to more accurately reflect our environment and resolve policy issues associated

with the technology.

INITIATIVE SUPPORT: Several high profile initiatives are currently underway that will require continued ITSD support in the coming months. These projects include:

- ***MoBroadbandNow:*** provide technical expertise for the project. Implement the broadband mapping project as specified in the grant award.
- ***Missouri Health Information Technology (HITECH):*** Serve as co-chair for the technical infrastructure workgroup and support advisory board as needed.
- ***Stimulus reporting:*** provide adequate technical staff to ensure reporting continues to meet expectations.

TOP ISSUES ACROSS DIVISIONS

Division of Personnel

The Division of Personnel is responsible for the state's human resource management system and the Uniform Classification and Pay System, as established in the State Personnel Law (Chapter 36 RSMo). Bill Miller is the Director of Personnel and has 61 employees.

Accomplishments

PERFORM: Completed first annual statewide complete appraisal cycle using the PERforM System.

LAYOFF TRAINING: The Division of Personnel provided a refresher course for department directors and HR directors to instruct them on appropriate merit layoff processes in anticipation of budgetary restraints.

PROFESSIONAL DEVELOPMENT: To promote the benefits of online coaching and development opportunities for supervisors and managers, the Division of Personnel (DOP) championed a 4-month *MyQuickCoach* pilot with four state agencies. The *MyQuickCoach* system provides around the clock access to brief videos from leading experts and authorities on various management topics. Additionally, the Division initiated "LiveClicks" webinars backed by FranklinCovey content and facilitated in real-time by DOP trainers. "LiveClicks" bring training on timely leadership topics directly to the individuals desktop and allows participants to interact with each other and the facilitator via the telephone or text messaging.

TRAINING: The Division of Personnel also provided training on revised the Family Medical Leave Act (FMLA) regulations, the new MFLA (military family leave) regulations, and the seven new Department of Labor prototype forms. The session also covered a wide range of compliance and practice tips, including different approaches to compliance and key issues that require policy decisions by employers.

WEBSITE ENHANCEMENTS: Made changes to the Division of Personnel Job Opportunities website. Online job class specifications have been updated to provide information that would

typically have been provided on the Job Opportunity Announcement.

LAWSUIT RESOLUTION: Working with the Divisions of Accounting and ITSD, the Division of Personnel assisted in facilitating a final resolution to the Probation and Parole/SEIU lawsuit.

ARRA: Communicated to agencies newly established Job Titles, Position Status and related reporting mechanisms necessary to distinguish and track limited duration positions established in conjunction with the federal American Recovery and Reinvestment Act (ARRA).

REGISTER TESTING: Enacted procedures to ensure testing materials are received at the merit test sites in a timely manner and adjusted in-house testing procedures to allow applicants who have traveled a long distance to take back-to-back exams, so they don't have to make several trips.

PAY, LEAVE AND REPORTING: Completed the first EEO-4 report produced from SAM II HR. SAM II HR policies and procedures were changed to a new format and new databases were completed to accurately identify PERforM results and a new MOBIUS report completed to identify issues. The PERforM-related MOBIUS report was created to help agencies keep their PUD3 information updated and accurate in SAM II. The information on the PUD3 window in SAM II is used to load information into PERforM concerning reporting relationships, (i.e. whether a position is benefit eligible, etc.) The division coordinated with MOSERS to receive monthly layoff service files to facilitate layoff processing.

WORK HOURS: Working with the Department of Corrections in establishing procedures for 12-hour, 28-day employees and getting employees

paid in the correct pay cycle. In addition, working successfully with layoffs within the agencies has caused the section to rethink how to best accommodate employees who are being laid-off.

POSITION DESCRIPTIONS: Updated the position description form and position questionnaire for broad banded managers, as well as providing agency and employee guides for completing these forms. These documents help us collect information necessary in making thoughtful allocation determinations. A “How To Guide” and other informational rules for completion applicable to the incumbent, supervisor, and HR shop were included.

REGISTER AUDITS: Audited the personnel classification series of more than 400 applicants. We will be tracking all of the audits on our investigation as well as corresponding and talking with applicants who need to send additional information to clarify their eligibility. The intent is to improve the integrity of the registers and improve its credibility.

ITSD CLASSIFICATIONS: Revised the information technology class specifications i.e., computer information technologist trainee, I, II and III; computer information technology specialist I, II and III; computer information technology supervisor I and II; and computer information technology manager I and II. The class specification revisions were undertaken to provide clarity to the class concepts and to simplify the experience and educational qualifications. We are reviewing all positions to ensure the proper allocation of class titles and levels. Once the position reviews are completed, we will then review the proposed class specification revisions to ensure the appropriateness of examples of work and accuracy. These were collaborative efforts involving the Information Technology Service Division’s management and the Office of Administration’s Human Resources Office.

EDUCATIONAL REQUIREMENTS: The personnel advisory board in the fall of 2008 asked us to reduce the number of classifications without a high school diploma or general equivalent degree (GED). Personnel analysts contacted their agencies and worked with them to identify the classes that should not require a high school diploma or GED as the minimum qualifications in education. The number is about 36; a few more are still under discussion with the agencies. We updated 25 of these classifications; there are about 11 more classifications to update and add the high school diploma or GED to the minimum educational qualification.

Challenges

WRITTEN EXAMS: The Division of Personnel (DOP) does not have the funds to rewrite outdated written examinations and the user agencies of these examinations are unable to financially assist with the associated costs. Additionally, DOP lacks resources to dedicate a full-time staff person to this specific project. Therefore, the best solution that can be offered is to replace the outdated written examinations with an education and experience rating system. However, the written examinations have been a useful tool to the user agencies and aid in their recruitment processes. The elimination of the written examinations and implementation of education and experience only ratings will affect the quality of applicants added to merit registers and similarly affect the pool of candidates appearing on merit certificates from which an agency must select and hire.



LABOR RELATIONS ISSUES: Faced with limited staff and resources, the Division of Personnel will struggle with various labor relations issues (i.e., simultaneous contract negotiations, layoff issues with the unions, compliance with pending federal and/or state legislation affecting labor relations, etc.)

PAY PLAN RECOMMENDATIONS: In these extremely difficult economic times, the Division of Personnel and the Personnel Advisory Board will find it challenging to develop pay plan recommendations for state employees for FY 2011.

REGISTER TESTING & REMOVAL: Balancing the testing of applicants and additions to the registers with actual current job openings. Currently many of the registers contain large numbers of eligible applicants in classes where there are no “real” vacancies. We will continue to review with agencies and division staff the closing of merit registers in order to more accurately reflect vacancies.

EASE SYSTEM: Applicants are being allowed to determine themselves eligible via an honor system. Applicants “misinterpret” the verbiage or requirements of the minimum qualifications and placed themselves on register (s) incorrectly. This causes confusion and does not serve the purpose or intention of the agencies in hiring the best qualified applicant. The names of many unqualified applicants are certified to hiring agencies incorrectly for employment.

PAPER COST PRODUCTION: Costs are increasing in the use of paper, when conducting investigations for eligibility. An increasing amount of paper is used, both in the initial investigation and in sending the investigation letter (2 pages) and copy of the class specifications (1-3 pages if printed front and back). This basically applies to online applicants, which for 2009 has increased. With this increase comes problems when auditing EASe and having to write applicants, who do not qualify for the position. The division is examining ways to reduce this cost through more use of technology. This will reduce the amount of paper that we use and potentially reduce overall costs.

SAM II HR/PAYROLL: These are primarily reporting challenges involving the SAM II System

- o Union reporting
- o SAM II HR policies and procedures – need auditing and editing in software
- o SAM II HR functionality – need updates
- o Sunshine requests seem to be mounting in number and level of complexity
- o Reporting from SAM II financial



TOP ISSUES ACROSS DIVISIONS

Division of Purchasing and Materials Management

The Division of Purchasing and Materials Management (PMM) is responsible for the procurement of all state-required supplies, materials, equipment and professional or general services. The division executes procurement functions in accordance with applicable statutes by maximizing competition in the procurement process, conducting evaluations and negotiations as appropriate, and awarding contracts to the “lowest and best” bidders. The materials management section, the State Agency for Surplus Property (SASP) Jim Miluski leads the Purchasing Division and has 52 employees.

Accomplishments

LOW ADMINISTRATIVE COSTS: The Division of Purchasing and Materials Management (DPMM) operates its procurement function with extremely low administrative costs. When comparing state expenditures through contracts set up by DPMM to our total operating budget, the administrative cost is currently 0.089 percent.

LOW RATE OF LEGAL CHALLENGE: DPMM operates its procurement function without significant legal challenge. Each year we have approximately 1800 to 2000 contracts in place at any time and yet we have been involved in legal challenges less than a handful of times.

FEE OFFICES: DPMM has issued all Department of Revenue fee office bids and have awarded more than 150 to date. The challenges to completing all the bids were great as OA and Department of Revenue worked together to make many modifications to the Request for Proposal document to make clear all the requirements to proposed offerors. DPMM assigned three lead buyers and DOR assigned approximately 30 staff to process these awards.

SURPLUS PROPERTY: The Missouri State Agency for Surplus Property has completed its move to the new location at Central Missouri Corrections Center. Only some auction property remains and will be removed soon. To alleviate agency concern regarding state surplus, we will continue to utilize the block building on Riverside Dr. (with agreement of Facilities Manage-

ment, Design and Construction) to eliminate any warehouse backlog of state surplus.

STIMULUS PROCUREMENTS: Stimulus procurements have not significantly increased the workload as expected. Most stimulus procurements involved an administrative agent to handle the grant process and associated record keeping. The division has one procurement outstanding which were finalized in December.

Challenges

COMPLEX PROCESS: The procurement function is a complex process involving contractual requirements and negotiations with companies. There are many competing priorities and DPMM has not been given an indication of what has priority. For example, during budget time is cost the most important factor or does Missouri business or MWBE business take priority. Consistency is important and going from one priority to the other in a limited time period doesn't send a message of consistency. The normal procurement process is made even more complex within the confines of numerous executive orders, preference statutes and additional legal requirements that may sometimes conflict. This creates a significant burden to ensure that we follow all as specified. While these do create an administrative burden, PMM has operated successfully as can be seen by accomplishments one and two. Some of competing priorities include but are not limited to:

- MWBE Executive Order
- Sheltered Workshops/Organizations for the Blind preference

Some Issues worked on in 2009:

ARRA Contracting

Contract Rebate Issu

CTB McGraw Hill o
Testing

Electronic Benefits
Transfer Service

E-verify Program

Financing Interopera
bility
bility
Master Lease Contra

MO Healthnet and
contract modification
through Project
Assessment Quota-
tions

MOSASP downsizing

PerForm Evaluation

Revenue Fee Office
RFP's

Single Point of Entry
Contract

Statewide Message
Switch

- Buy American preference
- Services in the US Executive Order
- Missouri preference
- Missouri Economic Impact
- Disabled Veterans Business preference
- Federal requirements when using fed money
- Times of low employment law – Missouri Workers
- Illegal immigration
- Sales tax requirements
- Reciprocal reference
- Prevailing wage statutes
- HIPAA
- Confidentiality requirements for agencies

posals will have to be handled at the agency level through e-bids and sealed bids rather than being brought into a central location. DPMM has an agreement with FMDC to allow use of the Riverside block building to house some state surplus auctions to reduce agency concerns.

STAFF REDUCTIONS: DPMM must maintain an educated professional staff to ensure all statutory and Executive Order requirements are met in addition to ensuring fair and equitable treatment for all bidders. Reductions to budgets may impact our ability to provide professional development opportunities to staff. DPMM has 15 certified professional buyers or officers and 11 non-certified employees.

SURPLUS PROPERTY TRANSITION: The State Agency for Surplus Property is in a state of transition. We are moving from a location that had more than 13 acres of land and approximately 160,000 square feet under roof to a facility less than one-tenth the size. The operation is self funded but the limits placed on the operation by the legislature are a significant challenge to operate in a successful manner by bringing in enough property to continue making money or breaking even. DPMM is attempting to have an “E” in its FY11 budget to alleviate some problems related to a reduction in space. As a result of number seven, state agencies and political subdivisions, agencies for the homeless and not-for-profit health and education entities will not find opportunities to obtain low cost federal donated property that they have come to depend upon in the past. The challenge will be to survive under the restrictions placed upon the organization by the legislature.

As a result of number seven, state surplus property dis-

TOP ISSUES ACROSS DIVISIONS

Office of Supplier & Workforce Diversity

The Office of Supplier and Workforce Diversity (OSWD) exists to promote a diversified workforce within state government and to assist women and minorities in developing opportunities to contract with the state, economically empowering traditionally underserved communities and improving the overall fiscal vitality of the State of Missouri. Alan Green leads OSWD and has 6 employees.

Accomplishments

EEO – 4 REPORT: The Office of Supplier and Workforce Diversity worked with all branches of government to gather and update the data necessary to submit the EEO-4 report. Under Public Law 88-352, Title VII of the Civil Rights Act of 1964, as amended by the Equal Employment Opportunity Act of 1972, all state and local governments that have 15 or more employees are required to keep records and to make such reports to the Equal Employment Opportunity Commission as are specified in the regulations of the commission.

The filling of the report is required by law. Staff submitted the 2009 report to the Equal Employment Opportunity Commission Sept. 2, 2009. This report included statistical information from all the agencies that comprise our state government.

EXECUTIVE ORDER: OSWD prepared two executive orders:

The Procurement Executive Order deals with M/WBE issues, such as certification, utilization, monitoring and compliance. It also deals with barriers that MWBE vendors have identified through the years that need to be overcome in order for the playing field to be leveled.

The Employment and Affirmative Action

Executive Order deals with the assurance that all present and prospective employees are afforded equal opportunity at all levels and phases of employment within state government with respect to but not limited to hiring, recruiting, training, benefits, promotions, transfers, layoffs, demotions, terminations, rate of compensation and recalls from layoffs. It shall be the responsibility of this office to monitor all departments of the executive branch of state government and assist

them to ensure equal employment opportunity and affirmative action. The state shall work to ensure that there will be no vestiges of discrimination against persons on account of race, sex, color, religion, national origin, age disability, or veteran status in not only employment practices but the provision of services and operation of facilities.

The executive orders are currently under review.

US DEPARTMENT OF COMMERCE OUT-REACH PLAN UPDATE: The US Department of Commerce requested strategies to increase the participation of minority-owned firms under the American Recovery and Reinvestment Act (ARRA). The Office of Supplier and Workforce Diversity created an outreach plan which includes the following sections:

Coordination/Identification – The identification of key personnel at the divisions within the Office of Administration and the identification of MWBE vendors that have the capacity to perform the contracts that the state lets are important.

Internal State Network – The identification of key staff at the agencies that receive ARRA funding and to ability to receive notification about contracting opportunities in a timely fashion is extremely important.

External Networks – The contracting opportunities need to be disseminated to MWBE vendors in a prompt manner, in order for them to be able to bid promptly. Partnering with other certifying entities and ethnically driven organizations can help get the message disseminated at a faster pace.

Issues worked on
in 2009:

Agencies
Compliance to
Executive Order 05
-30

Certification Process

Disparity Study

Education and
Outreach

Native American
Proof of Ethnicity
Policy

Stimulus

Supplier Diversity
Events

Supplier Diversity
Issues

SWAM Procurement
Initiative

Vendor/partner
communication

Website Production

The outreach plan has been submitted to the commissioner's office and is currently under review.

DISPARITY STUDY: Recent court rulings have determined that disparity studies older than five years are stale and cannot withstand the strict scrutiny test under the 14th amendment (*Croson v Richmond*). Due to the fact that Missouri's disparity study was completed in 1996, the Office of Administration is actively pursuing means to support the appropriation of a current disparity study. The governor is in support of a new decision item for \$600,000. OSD anticipates this will be included in the Governor's FY11 budget to request to the legislature. If approved, OSD expects to begin drafting a request for proposal by summer 2010.

MISSOURI MINORITY BUSINESS ADVOCACY COMMISSION (MMBAC): The MMBAC was transferred to the Office of Administration through Executive Order 03-06 in 2003. The MMBAC met several times this year and outlined the following priorities, including:

- Support a new Executive Order to replace Executive Order 05-30.
- Seek support from the legislature for a new disparity study.
- Request an update on the response to the U.S. Department of Commerce regarding increasing Minority/Women Business Enterprise (M/WBE) participation in reference to the 2009 American Recovery and Reinvestment Act (ARRA).

AFFIRMATIVE ACTION AND MWBE UTILIZATION REPORTS: OSD has successfully collected affirmative action plans that depict the composition of their agencies workforce. OSD has also collected MWBE utilization analysis reports that show how the departments used MWBE vendors in their procurement processes during FY09. These reports were used to create the FY09 annual report that summarizes the activities of each department pursuant to Executive Order 05-30 and which contains recommendations for additional programs to accomplish the purposes of said order.

CHALLENGES

COLLABORATION AND CREATION OF ADVISORY COUNCILS: The participation of work groups, council, boards and commissions, and the agencies of the executive branch are extremely important to fulfill the mission of the Office of Supplier and Workforce Diversity. Our staff is working hard to strengthen these relationships, but this poses its own set of challenges: funds to travel to meet with other entities, time to invest in building these relationships plus the staff necessary. Our staff would also like to form the following advisory councils: Emerging Business Board which would be formed by small business leaders and Civil Rights Council which will be formed by community groups and elected officials.

STAFF WORKLOAD: Since the recent economic slump has motivated many people to start their own businesses, we have seen a 100 percent increase on M/WBE initial applications. The increase in applications also increases the staff workload, some examples include, more phone calls, onsite visits, and increased review of Applications. Given the current funding outlook, the staff will have to do more with less. After surveying other certifying entities in the state, we found that the state has the largest certification program, yet has the smallest staff working in certification and compliance.

FUNDING: OSD staff has identified the following projects which will require funding:

- Disparity Study.
- Assessment
 - Provide availability analysis
 - Legal review of purchasing policies practices
 - Interviews with department personnel and contracting community
 - Capacity analysis of M/WBE vendors
- Procurement.
 - Bid package review.
 - Pre bid conferences.
 - Bid proposal evaluations.
- Monitoring
 - Utilization plan adherence.
 - Preconstruction monitoring.
 - Weekly progress meetings.
 - Site visits.
 - Review of change of orders.
 - Computerized reporting.
- Technical Financial Assistance.
 - Design a quick pay program; promote

payment cycle shorter than one month in cooperation with prime.

- Prompt pay provisions; -primes pay within 10 days of payment from state.
- Mentor protégé must increase work for emerging contractors by increasing financial strength, bonding capacity and business planning.
- Technical classes on estimating and bidding; quality control; contract administration scheduling; and project management.
- Mobilization fund up to 10 percent (250,000 max.) of total contract value.



TOP ISSUES ACROSS OFFICE OF ADMINISTRATION

OA—Human Resources

The Human Resources Office is responsible for human resources management and payroll for the Office of Administration. The office assists management and employees in many areas including, but not limited to, payroll questions, discipline, investigations, policies, classification, hiring, dismissals, employee benefits, pay administration, grievances, SAM II data warehouse queries and timekeeping, Aaron Hart leads OA/HR and has five employees.

Accomplishments

GOVERNOR'S OFFICE TRANSITION: Assisted with the transition of new employees into the governor's office. Processed new employee paperwork and I-9's for new employees. Worked with governor's office human resources contact to update data to best fit Governor's Office needs.

TRANSITION OF OTHER ELECTED

OFFICIALS: Assisted in the set up of transition offices within the Office of Administration for newly elected officials. Established position numbers to allow payment of transition employees. Ensured all paperwork was completed and that staff were added to the payroll in a timely manner. The office assisted in transferring employees from the transition offices to the offices of the elected officials after they took office.

TRANSITION: Assisted with the transition of employees from transition offices located in OA to departments in state government. Assisted the commissioner with adding new staff to the Office of Administration after transition.

DEPARTMENT LAYOFFS: Performed layoffs within the Office of Administration following the Code of State Regulations. Informed each employee whose position was cut of their rights under the merit system regarding transfer and/or demotion. Informed employees who did not have transfer/demotion rights or who were displaced by another employee that they would be laid off.

FACILITIES MANAGEMENT DESIGN AND

CONSTRUCTION CONSOLIDATION: Assisted FMDC with the consolidation of employees into the Office of Administration. Worked with the Division of Personnel to establish positions for new employees and obtained employee paper-

work from employee's old department. Assisted employee's with filling out paperwork and with questions involving OA policies and procedures.

PANDEMIC FLU PLAN FOR THE OFFICE OF ADMINISTRATION: Worked with each division to establish a Pandemic Flu Plan appendix to the Office of Administration COOP/COG Plan.

MODIFICATION OF INTERNAL OFFICE OF ADMINISTRATION PCR PROCESS:

Revised the way the human resources office reports personnel actions to the commissioner's office. These revisions provided the commissioner's office with more information on the reasons for personnel actions and pay changes.

SAM II HR CLEAN UP: Based on an audit of the Office of Administration org charts and SAM II records, the human resources office inactivated many vacant positions within the Office of Administration. This process eliminated positions in SAM II that are not budgeted thereby making our budget reports more accurate with what shows in SAM II.

APPROVAL OF NON-COMPETITIVE HIRING PROCESS FOR COMPUTER INFORMATION CLASSIFICATIONS:

The Personnel Advisory Board approved a non-competitive hiring process for the classifications of computer information technologist II and III in March 2009. This process allows the Office of Administration to hire applicants into these classifications without using a merit register. This process should greatly reduce hiring time in these classifications.

ESTABLISHED REPORTS TO TRACK SICK LEAVE TRENDS OF OFFICE OF ADMINISTRATION EMPLOYEES:

These reports will help to diagnose if the Office of Administration is being affected by the H1N1 virus. If we begin to see multiple days of sick leave being taken by large

numbers of employees we will know that the Office of Administration may have employees that have the H1N1 virus.

Challenges

INFORMATION TECHNOLOGY SERVICES DIVISION (ITSD) CONSOLIDATION 2.0: We will continue to have conversations with ITSD management regarding consolidation 2.0. If ITSD staff are moved from the Office of Administration back to the departments we will need work through classification, transfer of files and procedural issues. We will also need to determine if merit employees retain merit status if they are transferred back to a non-merit/non-UCP agency.

ITSD CLASSIFICATION WORK: Division of Personnel has requested and received Position Description Forms on every computer information technology specialist one position and above that has not been reviewed recently. The Division of Personnel is also in the process of updating computer specifications. The intent is to ensure that all staff within ITSD are classified correctly. We will continue to work with Personnel and ITSD management following merit rules when positions are classified incorrectly.

OA POLICY REVIEW: Work continues on all Office of Administration policies. Many of these policies have not been updated in some time and are out of date.

DEPARTMENT WIDE HIRING PROCESS: The Office of Administration historically has not had Department wide hiring guidelines. I believe the creation of guidelines will help Managers be more comfortable in the hiring process. The challenge will be to balance the hiring needs and different application requirements of each Division.

REVIEW AND UPDATE ALL HUMAN RESOURCES PROCESSES: Will work to document all OA/Human Resources processes and procedures. Many of these are on paper but need to be updated. This should help to populate the Human Resources COOP/COG plan and to further facilitate the training of new staff.

REVIEW AND UPDATE OFFICE OF ADMINISTRATION COOP/COG PLAN: The Office of Administration COOP/COG plan appears to be out of date as it was written to address a Truman Building collapse.

FACILITIES MANAGEMENT DESIGN AND CONSTRUCTION CONSOLIDATION: Consolidation of maintenance employees into the Office of Administration will pose many challenges. Staff from non-merit

agencies will need to be classified and employee files will need to be transferred. In addition, positions will need to be transferred in SAM II from one agency to another. We will also have many questions from employees as they will be following an entirely different set of policies once they come to the Office of Administration.

GENERAL SERVICES MAILROOM CONSOLIDATION: Consolidation of Social Services mail room employees into the Office of Administration will pose many challenges. Employee files will need to be transferred. In addition, positions will need to be transferred and established in SAM II. We will also have many questions from employees as they will be following an entirely different set of policies.

I-9 PROCESS: We will continue to stress to our division contacts the importance of getting I-9 paperwork turned in on time. This continues to be a challenge for our employees that are hired in our facilities out state. We have new employees from time to time that forget their paperwork, or think that they can provide it when they want. We have told our contacts that I-9 paperwork must be filled out in a timely manner or the employee cannot continue to work.

STAFF WORKLOAD: As we receive more employees through consolidation the workload of the Human Resources office goes up. We receive more transactions to process for payroll as well as more questions from employees with each consolidation. Disciplinary issues and investigations also rise with more employees. These two items are of particular concern as they take a large amount of time. Some investigations require talking to many different witnesses. At current staff levels, one investigation can delay the other work of multiple staff for a couple of days. This becomes an issue when trying to meet payroll and other deadlines.

Media outlets covering OA

Wire Services

Associated Press

Newspaper

Aurora Advertiser
Carthage Press
Cedar County Republican
Columbia Tribune
Eldon Advertiser
Gatehouse Papers, Illinois
Jefferson City News Tribune
Joplin Globe
Kansas City Star
Lake Sun
Lawyer's Weekly
Maneater
Missouri State Post
Neosho Daily News
New Haven Leader
Pitch Weekly, Kansas City
Riverfront Times, St. Louis
Sedalia Democrat News
Springfield News-Leaders
Sikeston Standard Democrat
St. Louis American
St. Louis Beacon
St. Louis Post-Dispatch
St. Joseph News-Press
The Odessan
The Kansas City Call
Missouri State Post

Magazine

AARP
Governing Magazine
Public CIO Magazine
St. Louis Magazine
State and Federal Communications
(resource guide)

Television

48 Hours
NBC Action News, Kansas City
KOMU, Columbia
KOAM, Joplin
KODE, Joplin
KRCG, Jefferson City
KOLR – 10, Springfield
KMOV, St. Louis
KSN, Joplin
KTVO, Kirksville
KSDK, St. Louis
KY3, Springfield
KTVI, St. Louis

Radio

Missourinet
KMWU, NPR St. Louis
KRCU, Southeast Missouri State

Legislative & Media Outreach

Legislative Outreach: The office followed over 100 bills through legislative process in our first legislative session, ranging in topic from local government and election law to state purchasing, the sunshine law and administrative rulemaking. We successfully advocated for a bill to permit state retirees to participate in the state charitable campaign through payroll deduction (HB 210). We also helped to stop a number of ill-conceived and costly bills and amendments, including a major revision of the governor's power of appointment, a joint resolution authorizing photo identification for voting and an amendment that would have created a significant burden for the Division of Purchasing and Materials Management. In addition, we provided technical assistance to committees and individual members of the general assembly on a variety of topics, including conveyances, geographic information systems, the sunshine law, purchasing and information technology, and helped to redraft a compromise rulemaking provision that helped assure passage of the governor's economic development bill (HB 191). During the recess, OA's legislative liaison worked with the various divisions to develop and analyze potential legislative proposals and drafted our legislative agenda for 2010. We also assisted the governor's office in preparing the Governor's campaign finance/ethics proposal.

Media Outreach: The Office of Administration is committed to accountability to the taxpayer. In an effort to be more transparent, OA hired a Public Information Officer (PIO) to assist with both internal and external communications. This was in sharp contrast to the former administration who utilized the Governor's communication staff throughout their administration. The presence of a PIO has been a vital component of ensuring we are responsive to the people of Missouri and to the employees of the State of Missouri. Since January, OA has had stories to run on 57 media outlets. Some highlights include stories on the importance of participating in the 2010 Census and the work of the Complete Count Committee; Fitch Rating's reaffirmation of Missouri's AAA bond rating.

OA distributes monthly updates on the status of the state's general revenue and the PIO arranges follow-up interviews with the budget director, Linda Luebbering, as necessary. Additional press releases covered topics such as the appointment of the new personnel director and the chief information officer for the Information Technology Services Division.

LEGISLATIVE & MEDIA OUTREACH

The PIO also arranges all interviews with the commissioner; those interviews have covered a range of topics from the American Recovery and Reinvestment Act and the Missouri Accountability Portal to his work on the Missouri State Employees Retirement System board and interviews for feature stories.

In December, OA coordinated a press conference with the governor's office to announce the record-setting results of the Missouri State Employees' Charitable Campaign.

Also in December, OA coordinated a press conference with the governor's office to announce the record-setting results of the Missouri State Employees' Charitable Campaign. The PIO also arranged a press conference to announce an agreement between the state, county and city concerning the redevelopment of the site of the old Missouri State Penitentiary. The commissioner, Jefferson City's mayor and Cole County's presiding commissioner, presented the redevelopment plan.

Media outlets covering OA, cont'd

University, Cape Girardeau
Federal News Radio
KPRT, Kansas City
KKFI, Kansas City
KSUMU, Springfield
KBIA, Columbia
KZIM, Cape Girardeau
KCUR, Kansas City
KJEL, Lebanon
KRES, Moberly
KFRU, Columbia

Digital Media

Bloomberg News
Fired up! Missouri
Missouri Digital News
Online News

EMPLOYEE MORALE

During 2009, the commissioner and his staff engaged in numerous activities to increase employee morale, particularly during these economic times when staff are being asked to do more with less and did not receive raises.

The commissioner instituted monthly brown bag lunches with one staff person from each division. This allows employees to ask questions, share suggestions for improvements and bring up subjects that need attention.

The commissioner also visited and toured each division, where he stopped at each office, cubicle and desk to say hello to the rank and file employees that make OA work. These visits have been well-received by staff.

In May, the commissioner, deputy and assistance commissioners and division directors dished up ice cream for all OA staff.

In September following veto session, those same team members sponsored a barbecue in the Capitol to say “thank you” to managers and supervisors.

The commissioner has sent various all-employee emails on a variety of topics, including three reminders about the importance of registering for the right health care plan. Feedback indicates that employees appreciated that the commissioner expressed concerns about their well being.

The reinstatement of the OA employee newsletter also has been well received. Employees have indicated that they appreciate learning about what is going on in other areas of the agency.



State Employees Appreciation Day



Office of Administration Block Party hosted by the Commissioner



Governor Recognizes ITSD for Transform.Gov Web site

COMMISSIONER ACTIVITIES

Organizational Meetings

- Adams-Gabbert & Associates
- Alexander Open Systems (AOS)
- Bennie Lewis & Associates, LLC
- BNIM Architects
- CA, Inc.
- Cellcast Technologies
- Central Bank
- City St. Louis-Federal Grants Section
- City St. Louis Comptroller's Office
- Dozier Group
- Energy System Group
- GlenMartin
- Harris Financial Group
- Harris Stowe State College
- Health Care Foundation
- Interface Construction
- Jazz District Redevelopment Corp.
- Johnston & Associates, Inc.
- KAI-DB
- Kansas City Regional Transit Alliance
- KC Light and Power
- Legacy, Inc.
- Maly Commercial Realty
- Microsoft
- Minority Business Enterprise Center
- MO Chapter of the National ER Number Association
- Missouri Health Advocacy
- Moody & Nolan Architects
- NAACP St. Louis/Columbia
- Oracle, Inc.
- Pelopidas, Inc.
- Roberts Brothers & Real Estate Management
- Samuel U. Rodgers Health Center
- Joe Schlafly
- SiscommNet
- Spectrum Consulting
- Spencer, Fane, Britt & Brown, LLC
- St. Louis American
- St. Louis Minority Business Council
- State of Iowa Dept. of Administrative Services
- Swope Community Enterprises
- Taliaferro & Browne
- Talifen Technologies
- The Rhoads Company, LLC
- Union Pacific
- Urban Wellness
- Wexford Labs, Inc.
- Worldwide Technologies, Inc.
- Zimmer Realty Group

COMMISSIONER ACTIVITIES

Media

Jefferson City News Tribune
OA position and mission
~January 28

KPRT AM Radio – phone
Talking to Alex Thomas
OA position and mission
~February 27

KKFI FM Radio – phone
MC Richardson
OA position and mission
~February 27

Samuel Jordan – Kansas City
OA position and mission
~ March 4

Governing Magazine – phone
Missouri's Accountability Portal
~ April 2

Columbia Business Times
People You Should Know
Kelvin Simmons featured
~May 2

Press Conference with Kansas City area media
e: Jackson County SB 40 Board FMAP funding
~ May 26

KOMU-Columbia – phone
MOSERS bonuses
~ April 6

KMOX – St. Louis – phone
MOSERS bonuses
~ April 7

St. Louis Post Dispatch – Virginia Young re:
MOSERS bonuses
~ April 8

Missouri Post Net – Duties of the
Commissioner
~ March 2

Federal News Radio – Missouri Accountability
Portal
~ March 6

FM 108.9 Radio St. Louis – Announcement on
the April 30th Q & A Town Hall meeting @
Harris Stowe
~ April 19

FM 104.1 Radio St. Louis – Announcement on
the April 30th Q & A

Town Hall meeting @ Harris Stowe ~April 27
Who's Who in Columbia Maneater
Interviewed Commissioner
~ August 17

Missouri Net - Complete Count Website
~ August 27

Missouri Digital News
Interview regarding MOSERS
~ September 2

St. Louis Post Dispatch
Interview regarding MOSERS
~ September 14

Missouri Digital News
Interview regarding MOSERS
~ September 17

St. Louis American – Interviewed Commissioner
who will be keynote speaker @
Salute to Excellence
~ October 2

Missouri State Post
Interview Commissioner on stimulus funds
~ October 8

KMOX – Interview Commissioner regarding
St. Louis Minority Business Council
~ November 12 stimulus

COMMISSIONER ACTIVITIES

Presentations and Speeches

Stimulus Update to Constituents of Senator
Robin Wright Jones, 5th District
~ March 10

ARRA Implementation Conference Washington,
DC
~ March 11-12

Stimulus Update to Constituents of
Representative Kiki Curls, 41st Legislative
District
~ March 24

Missouri Coalition of Minority and Women
Businesses via the Governor's Office
~ March 26

Freedom, Inc. Board of Directors
Kansas City
~ March 26

Ecumenical Leadership Council Kansas City &
St. Louis Faith Leaders
~ April 1

Regional Business Council – St. Louis Stimulus
update via conference call
~ April 2

Economic Development Workshop
Hosted by Senator Claire McCaskill
Columbia
~ April 9

Zimmer Realty
~ April 9

Labor Local 264 – Legislative Coffee
Kansas City
~ April 24

Friends of Greater Kansas City Coalition of
African-American Skilled trade Workers
~ April 25

100 Black Men of Saint Louis
~ May 13

National Association of Construction
Contractors Cooperation – Kansas City
~ May 23

Alpha Kappa Alpha Sorority– LU Page Library
~ May 28

Dr. Martin Luther King, Jr. Day Celebration in
the Capitol Rotunda
~ January 14

Dr. Martin Luther King, Jr. Day Celebration –St.
Luke Church – Columbia
~ January 19

Dr. Martin Luther King, Jr. Day Celebration -
Harris Stowe College
~ January 09

Alpha Kappa Alpha Sorority Day at the State
Capitol
~ February 10

Delta Sigma Theta Sorority Day in the State
Capitol Rotunda
~ February 16

Trio Program Day at Lincoln University
Keynote speaker
~ February 24

EXCEL Leadership Group How the OA Works
~ April

St. Louis County NAACP Annual Freedom
Fund Dinner - speech
~ June 26

Columbia Unit of the NAACP Dinner speech
~ June 28

St. Louis Area Business Leaders Dinner meeting
remarks on stimulus
~ July 9

Kansas City – St. Louis Faith Based Outreach
~ August 10

Minister Across Missouri Dinner at the
Governor's Mansion
~ August 18

Missouri Association of Councils of
Government Professional Development
Conference - stimulus and Q & A
~ October 21

Faith Based Outreach – OA Overview and stimulus
update
~ October 27

MO DNR Annual Diversity Conference
~ October 29

MO Minority Business Advocacy Commission - remarks
~ October 29

St. Louis American Foundation 10th Annual Salute to
Excellence in Business – keynote
~ November 10

Small Group of STL Business Leaders – remarks on
stimulus
~ November 11

St. Louis Minority Business Council General
Membership – keynote
~ November 12

Economic Development and Grant Training Workshop
hosted by Congressman Claire McCaskill - remarks
and Q & A
~ November 14

Mid-America Minority Business Development Council
General Membership Meeting – keynote and
Q & A
~ December 14

MO Minority Business Advocacy Commission - remarks
~ December 17

Special Learning Center -Charitable Campaign check
presentation with Gov. & Mrs. Nixon
~ December 18

Office of Administration
201 W. Capitol, Ave. Room 125
Jefferson City, MO 65109
Ph: 573/751.1851
Fax: 573/751.1212