

Moving Missouri Forward: Building a Better Missouri



Office of Administration
annual report 2012



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commissioner's office



Doug Nelson

Commissioner



Renee Slusher

Deputy
Commissioner/
General
Counsel



Walter Pearson

Assistant
Commissioner



Emily Smith

Special
Assistant



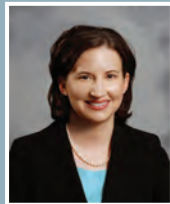
Brett Berri

Legislative
Liaison



Wanda Seeney

Public
Information
Officer



Nikki Loethen

Legal Counsel



Aaron Hart

Human
Resources
Director



Crystal Wessing

Budget
Officer



Sherrece Smith

Executive
Assistant



Sara VanderFeltz

Administrative
Assistant

director's office



Stacy Neal

Accounting



Linda Luebbering

Budget &
Planning



Cathy Brown

FMDC



Mark S. Kaiser

General
Services



Bill Miller

Personnel



Jim Miluski

Purchasing



Celeste Metcalf

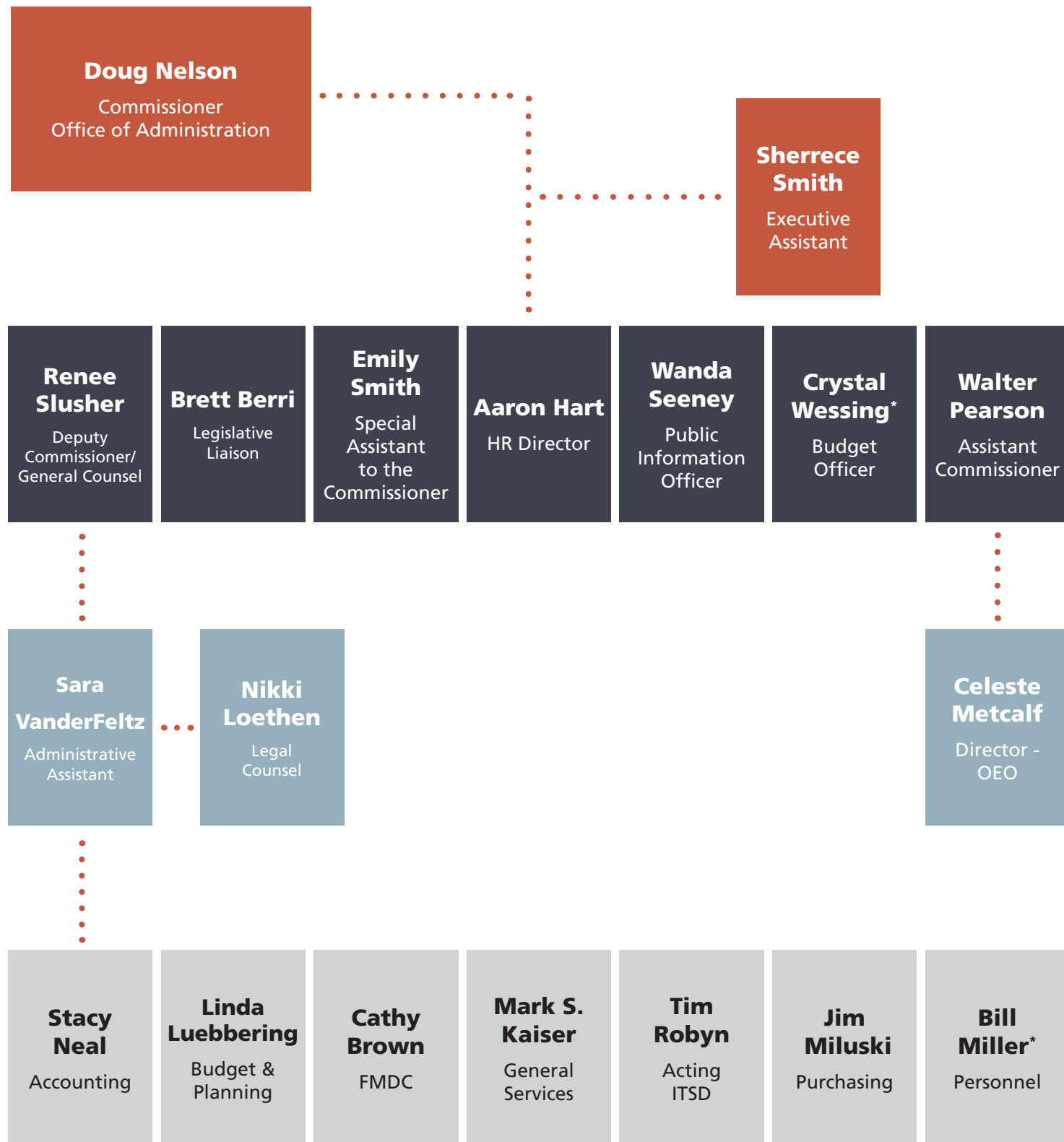
OEO & ARRA
Compliance
Officer



Tim Robyn

Acting CIO,
Information
Technology
Services
Division

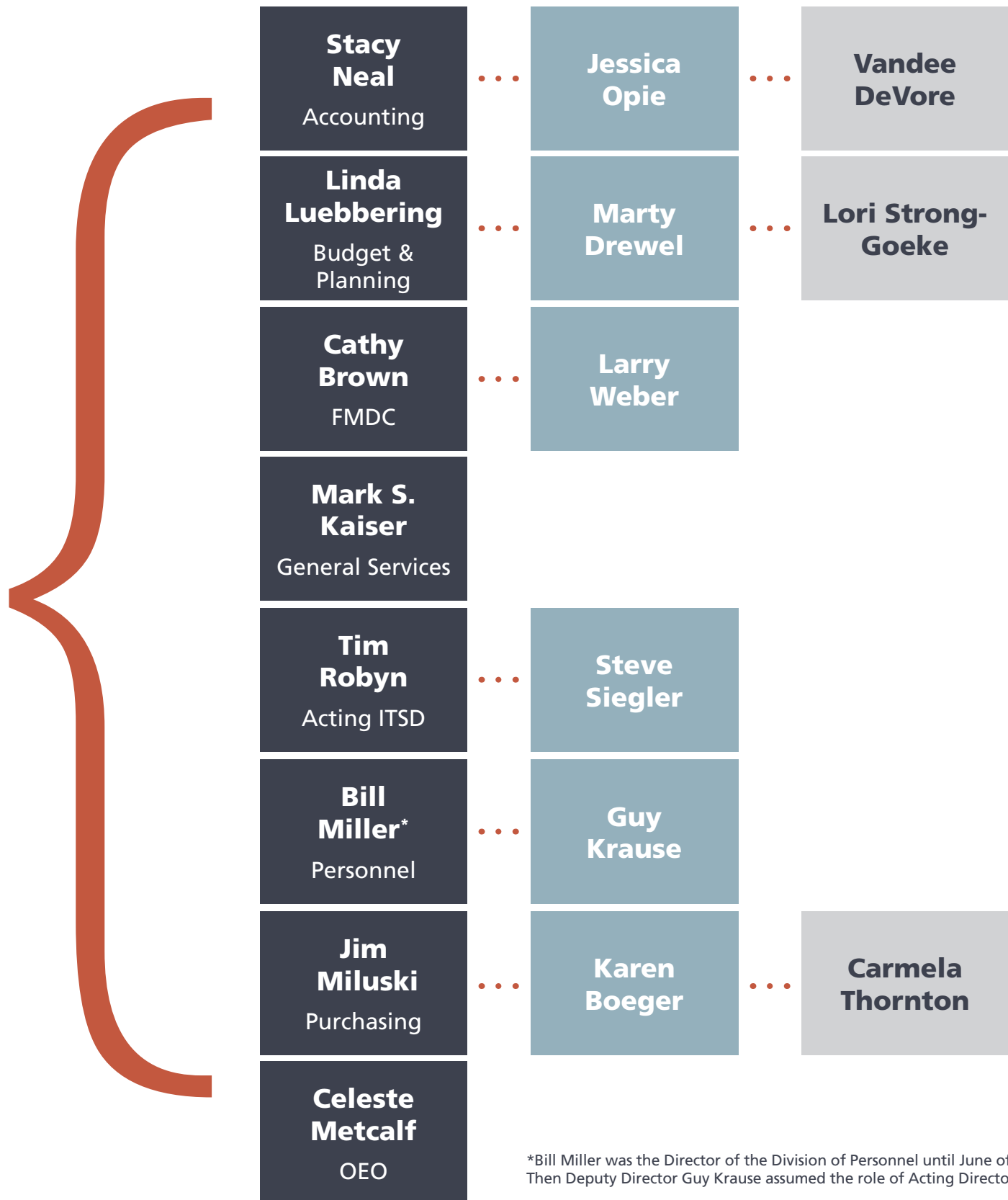
office of administration organizational chart



*Crystal Wessing served as Budget Officer for half of the 2012 year. Gerri Howard assumed the role of Budget Officer in June 2012.
*Bill Miller was the Director of the Division of Personnel until June of 2012.

office of administration

division directors & deputies



office of administration: accounting



**Stacy
Neal**
Division
Director

Overview

The Division of Accounting provides central accounting services for all state agencies. This includes producing checks, ACH payments and providing technical support for the statewide accounting system.

In addition, the Division provides a central payroll processing and reporting function for all State agencies including processing wage garnishments, direct deposit of State employee pay and providing technical support for the statewide HR system.

Division
Employees:
49
FY '13 Division
Budget:
\$2,196,893

Accounting also is responsible for providing numerous statewide financial reports. This includes the Comprehensive Annual Financial Report, cash flow reports for the General Revenue Fund and three different debt reports.

The Division monitors and provides oversight of the employee benefits program. This includes transfers from agency funds to a central statewide fund from which the benefit providers are paid.

Accounting also provides support and oversight for the issuance of State debt. This includes communication with Moody's Investors Service, Standard & Poor's and Fitch Ratings to maintain the State's AAA rating.

Accomplishments:

1. Debt Restructuring – In 2012, OA played an integral part in refinancing outstanding state bonds in order to take advantage of the historically low interest rates. These transactions resulted in savings to the state in the millions of dollars over the life of the debt. The lower interest rates helped to achieve the following economic and budgetary savings:

(1) Board of Public Buildings Refunding bonds issued in August 2012.

- Provides budgetary relief in FY '13 of \$20.3 million
- Provides budgetary relief of \$28.2 million over the life of the bonds.
- Achieved present value savings of approximately 14.4% of the par amount refunded.

(2) Board of Fund Commissioners Refunding bonds issued in September 2012.

- Provides budgetary relief in FY '13 of \$23.3 million
- Provides budgetary relief in FY '20-'22 of \$26.9 million
- Achieved present value savings of approximately 15.33% of the par amount refunded.

2. Missouri's AAA bond rating reaffirmed – The State's AAA bond rating was reaffirmed by all three credit rating agencies: Fitch Ratings; Standard and Poor's; and Moody's Investors Service. Missouri's rating, currently higher than the U.S. sovereign rating, is equaled by only nine states. The rating, which applies to general obligation bonds issued by the state, allows the state to borrow with lower interest rates, thereby saving the state money. The rating was reaffirmed due to Missouri's conservative financial management.

3. Social Security – The State Social Security Administrator - is responsible for maintaining and administering provisions of the state's Social Security coverage agreement, extending Social Security coverage to the state's political subdivisions, and the proper application of Social Security and Medicare coverage. These agreements, referred to as Section 218 Agreements, represent a mutual commitment to assure that participation in the Social Security program is a viable part of employee benefit programs available to public employees. In 2012, the State Administrator conducted 13 educational sessions for the City of St Louis Employees' Retirement System member entities that resulted in successful referenda for coverage.

4. Employee Benefits –

- Cafeteria Plan - Mandatory changes resulting from the Affordable Care Act were implemented to reduce the maximum contribution amount allowed from \$5,000 to \$2,500. At the same time, optional changes were made to the plan to increase opportunities for employee participation in tax free program. A 2 ½ month grace period was added, which will allow employees to incur expenses during a 14 ½ month period and seek reimbursement. The new grace period will help employees avoid the "use it or lose it" rule. Additionally, a limited scope flexible spending option available to those with a health savings account (HSA) was added. This option allows employees with HSAs to also have a flexible spending account for dental and vision expenses when it typically has been unpermissible to have both a health savings account and a flexible spending account. These

changes will go into effect in the 2013 calendar year.

- Deferred Compensation Auto Enrollment – Starting July 1, 2012, new employees automatically were enrolled in the deferred compensation plan at 1 percent of their pay. Employees were allowed to opt-out of the plan

"In our view, the 'AAA' General Obligation rating on Missouri reflects the state's very strong budget management framework, including substantial statutory budget flexibility to maintain strong reserves and structural budget balance."

within the first 30 days of their employment. Prior to this change in the law, all contributions were on a dollar amount basis rather than percentage. Employees now can elect a percentage of pay or a flat dollar amount for their contributions to their deferred compensation plan giving them additional flexibility in their investments. The third-party administrator, ICMA-RC, also has a feature that will allow the employee to automatically escalate their contributions, if they so choose. This allows employees additional investing flexibility. Changes to the plan were easily implemented and participation has improved with approximately 2 percent of new employees opting out of the plan.

- Pay Check Stubs - Accounting has been working with state agencies to decrease the number of paper paycheck stubs that are printed. State employees are required by Code of State Regulation to receive their

paychecks electronically, either by direct deposit or paycard; but agencies have been hesitant to discontinue printing paystubs for their employees. However, the availability of online access to paystub information has assisted the movement away from paper. All information contained on the paystub, and more, can be accessed through the Employee Self Service (ESS) portal. This year the Department of Corrections opted to discontinue the printing of paycheck stubs. This action has decreased the number of stubs Accounting prints each pay period to fewer than 3,000, resulting in a cost savings to the State. Accounting will continue to direct more employees and agencies to ESS and move towards eliminating the printing all of paystubs in situations where the payment was available online.

5. Vendor Influx – During the summer 2012, Accounting experienced an enormous influx of requests to add vendors into the SAMII system. During the height of the requests, Accounting processed more than 7,100 vendor additions. On average, Accounting staff processes around 2,100 vendor requests each month. In total, more than 6,000 requests were received within a six week period in addition to the normal workload. This mainly was due to the implementation of a drought assistance program in DNR and an effort to ensure timely payment to farmers in the program. Accounting was able to handle the large volume of requests using existing staff, in addition to recruiting employees from other sections to assist with the increased workload.

office of administration: accounting

Challenges:

1. Social Security – The State Social Security Administrator duties have not been actively supported in the past few decades, resulting in the development of significant coverage issues. The number of entities that exist without a proper coverage agreement is unknown. As a result, significant communication and education challenges exist. Efforts are underway to amend State regulations related to the requirements of 218 coverage agreements with political subdivisions. This rule change would eliminate the requirement for every political subdivision to have an agreement and would coincide with the federal requirements related to mandatory Social Security coverage, if entities do not participate in a Federal Insurance Contributions Act (FICA) equivalent retirement system. Communication efforts are on-going to educate and inform affected individuals. The role of the State Administrator is neutral, yet explaining the impact to benefits when an entity has been contributing without the legal means to do so can be quite challenging.

2. Cash Flow – Cash balances in the general revenue (GR) fund continue to remain low. Borrowing from the budget reserve fund has been necessary in the past several years, and current projections indicate

that it will be necessary to borrow from the budget reserve fund in FY '13. Accounting will continue to closely monitor GR cash balances.

3. Debt Issuances – Accounting plays an integral part of new debt issuances in the state. During the last few years there has been an increased interest by legislators to issue new debt in order to improve the building infrastructure of the state. The issuance of new debt will create a challenge for Accounting. The requirements for tax-exempt debt issuances have increased since the last new debt issuance. Accounting will be required to track



the projects paid for with the debt proceeds and all related associated files. Accounting will continue communications and stay abreast of the issues and the building projects as they progress.

4. Tax Compliance – Over the past few years the IRS has pushed for greater post-issuance compliance on tax-exempt financing. Accounting has faced many challenges with going back to old debt issuances and getting the necessary and required documentation to meet IRS regulations and guidelines. It is imperative to have the files in place in order for the state to continue financing

projects on a tax-exempt basis, which allows the state to issue debt at lower interest rates. In order to increase compliance with the requirements, a statewide policy of Debt Issuance and Post-Issuance Compliance was created. As time allows, emphasis is placed on keeping all compliance checks up-to-date and making sure these checks are conducted on an annual basis.

5. Educating agencies on payment processes –

The Office of Administration is responsible for ensuring proper payments on a statewide basis. Due to downsizing within OA, no longer is there

A. Creating a survey for agency personnel with the requirement they must pass the survey in order to keep their SAMII access. This would be done in conjunction with the cooperative agreements;

B. Creating short videos on various financial policies that will be posted to Accounting's website;

C. Speaking to various accounting groups within the state to remind them of pertinent policies and;

D. Reviewing security settings for agencies with problem areas.

6. Statewide Cost Allocation Plan – Accounting has met with the U.S. Department of Health and



the appropriate staffing levels needed to approve all payments made statewide. Therefore, OA has entered into cooperative agreements with all state agencies and is monitoring internal control plans to ensure they are approving payments appropriately. To further ensure that payments are made properly, Accounting is working on ways to communicate to all state agencies the importance of following the right procedures for processing payments. In order to increase the communication and education of agency personnel, Accounting is planning and working toward the following:

Human Services (HHS) to come to agreement for the approval of the 2009–2011 Statewide Cost Allocation Plan. HHS approved the plans, which was holding up state agencies from receiving accurate amounts of reimbursement for their federal indirect money. While the approval of the plans was given, Accounting continues to work with HHS on some remaining outstanding issues.

office of administration: budget & planning



**Linda
Luebbering**
Division
Director

Overview

The Division of Budget and Planning analyzes budget policy issues and provides information to the Governor's Office, Commissioner's Office, General Assembly, Missouri's Congressional delegation and state, local, and federal agencies.

In addition, the division reviews state agency fiscal operations, prepares annual budget instructions, analyzes budget requests, and prepares the annual Executive Budget and appropriation bills. Division employees analyze the state economy and tax issues, estimate revenue collections, track agency performance measures, and draft fiscal notes.

Budget and Planning also manages the automated state budget system.

The Division coordinates legislative reviews for the executive branch and analysis on the impact of federal issues on the state of Missouri.

Division
Employees:
26

FY '13 Division
Budget:
\$1,654,421

The Division is the designated state demographic agency and has statutory duties for technical aid to the decennial redistricting of state House and Senate districts.

Accomplishments

1. Maintaining a Balanced Budget – Budget and Planning assisted the Governor's Office with finding solutions, including cost-containment options, to ensure a balanced budget and that limited resources were focused on the state's priorities.

2. Legislative Analysis – The Division completed reviews on 100 Truly Agreed To and Finally Passed (TAFP) bills and more than 125 legislative proposals providing thorough analysis of policy and financial issues to the Governor's Office for consideration during its review of legislation.

3. Federal Earnings – The Division worked with the departments of Social Services, Mental Health, and Health and Senior Services on various ways to maximize federal earnings to the state while providing better services to Missourians. Successful strategies included: implementing a health home program for Medicaid participants; receiving the balancing incentive payment program grant, which is focused on preventing premature placement

in long-term care facilities; and expanding the children's health insurance program's administrative claiming process to include local public health agencies.

4. Federal Budget Coordination – Budget and Planning worked with other departments to ensure a coordinated approach to potential federal budget actions that might require state actions, including preparing for the possibility of mandatory federal budget-balancing restrictions.

5. Redistricting Assistance – Budget and Planning staff supported the Judicial Redistricting Panel and the Second Senate Redistricting Commission.

"Missourians should know that we'll continue to live within our means and hold the line on taxes, while doing everything possible to help businesses grow and create jobs."
- Gov. Jay Nixon



Challenges

1. Continued Budget Challenges

– Despite a recovering economy, uncertainties at the federal and international level led to challenges at the state level. Budget and Planning continued to assist the Governor's Office by ensuring the state budget remained balanced by analyzing and tracking spending and revenues, and by providing analysis, options and recommendations for action.

2. Legislative Priorities – To assist with the budget challenges and continue to move the state forward, it was essential to continue to make progress in new legislation, without negatively impacting the state's budget situation.

3. Disaster Assistance – The division worked with the Governor's Office and state departments to identify

resources in the state budget to ensure the state could assist communities impacted by the Joplin-area tornado and the statewide 2012 drought.

4. Federal Budget Uncertainty – The federal budget for the current fiscal year continued to operate under a series of continuing resolutions, and plans for future years were under continuing discussion, with no apparent consensus. Planning for the current and future budget years at the state level was made even more challenging due to the uncertainty at the federal level.

5. Economic Projections – Changes to the tax code at the state and federal levels, as well as the recovering economy, continue to impact the variables used to forecast the state's revenue projections.

office of administration: facilities management, design and construction



**Cathy
Brown**
Division
Director

Overview

The Division of Facilities Management, Design and Construction provides asset management services to assist state entities in meeting their facility needs for the benefit of the public. The division has five units including: real estate services, state-owned operations, institutional operations, project management/planning unit, and the energy unit.

Division
Employees:
756.50
FY '13 Division
Budget:
\$92,751,789

The mission is to provide a superior workplace environment for state occupants and their visitors and protect the State's investments in property assets. The goal of FMDC is to provide agencies with the information and resources that will support their development of high-performance workplaces – workplaces that will meet agencies' business needs and can be readily adapted to changing work place practices and strategies.

Accomplishments:

1. Cost Savings – The division continues to see significant costs savings related to leasing operations as a result of renegotiation and termination of leases, and janitorial contract savings. For the 2012 calendar year, FMDC has reduced leased square footage by 47,695 feet and annual rent/janitorial by \$452,680 (Note: if the new antenna leases for DPS/Interop project are backed out, total annual rent savings w/janitorial is \$619,279).

2. State Capitol Building – FMDC completed the replacement of the west stairs of the State Capitol Building. This major project addressed the serious deterioration of that portion of the structure that had been occurring over the years. In addition, the project was completed under budget and ahead of schedule.

3. Energy – The Division has realized significant energy consumption reductions thus far this calendar year. To date, energy consumption is down 12.54

percent compared to the same time frame in 2011. Given the record-high temperatures throughout the summer, this reduction is impressive. This far exceeds the Governor's Executive Order 09-18, which requires a 2 percent reduction per year.

4. Cost Savings – FMDC is continually working to find efficiencies and cost savings in regard to the migration of Archibus and the Energy Management Systems. Significant migration has occurred this year, bringing the systems onto State servers as opposed to completely outsourcing. Talisen Technologies continues to host various components of these services and also provides maintenance service. However, in 2012, FMDC has saved more than \$253,000 compared to 2011. Between 2011 and 2010, FMDC realized additional cost savings of more than \$120,000. Since 2009, FMDC has realized cost savings totaling more than \$474,000. FMDC will continue to explore service areas provided by Talisen that could be transferred to the State for the potential of additional annual savings.



5. Completed the renovation of the Capitol Cafeteria – FMDC moved forward with the renovation after the Rehabilitative Services for the Blind expressed they no longer wanted to run the operation. Renovation was necessary in order to attract a viable business, given the extremely poor condition of the space. The project was completed ahead of schedule and will provide necessary services to visitors and personnel that work in the Capitol Building.

6. Revenue Generated – FMDC sold various property through the normal conveyance process. Total income generated for 2012 was \$737,700.

Top Challenges Moving Forward:

○ **1. Maintenance Consolidation** – The final phase of maintenance consolidation would consolidate approximately 413 FTEs from the Department of Corrections, Missouri State Highway Patrol, Veteran's Commission, State Fair, Lottery, and the Missouri Supreme Court. This would complete maintenance consolidation and create greater efficiencies in operations statewide. FMDC continues to believe the complete consolidation of maintenance within the Office of Administration will ensure that dollars are more consistently applied towards maintenance needs, which will ensure better maintenance and reduce long-term costs.

2. Leasing – FMDC will continue to explore lease reductions and consolidation opportunities statewide for future leasing savings. Leases and rent payments have been significantly reduced over the last four years. Other

departments are downsizing and/or consolidating, which may provide some additional lease reductions. However, it is difficult to determine at this time given the volatility of other department's programmatic changes. As has occurred over the last four years, FMDC will continue to explore lease terminations and consolidations into state-owned space in an effort to save money.

3. Talisen – FMDC also will review additional service areas provided by Talisen for major FMDC systems that potentially could be moved to the State data system for future savings. Since the final migration of two major systems has occurred from Talisen to the State late in 2010, FMDC is continuing to look for incremental opportunities to reduce the monthly payment to Talisen for ongoing services that initially were incapable of migration. The Division will work closely with Talisen to reduce payments to them as much as possible.

4. Public/Private Partnerships – Continue to explore public/private partnerships utilizing upfront utility company funds to accomplish energy savings projects by:

- Continuing the exploration of the development of public/private partnerships to reduce operational costs and improve efficiencies, while also pursuing collaboration with utilities to develop solutions that will provide mutual benefits in the areas of power, heat, water and wastewater at State facilities.

- Continuing implementation of efficiency improvements through upgrades of facilities systems and components utilizing operational

office of administration: facilities management, design and construction

funding, along with recent receipt of utility incentive rebate funds.

○ **5. Energy Savings** – Continue energy-savings projects through retrofitting lighting, especially at correctional sites. The retrofitting entails replacing existing inefficient lighting (perimeter fencing and high-mast) with much more efficient LED technology that far reduces the wattage required and offers a much greater bulb life. FMDC also will explore additional energy projects that offer a quick payback and significantly reduce energy consumption.

6. Energy Education – Begin educating building occupants statewide about the importance of saving energy. This is in an effort to help meet the Executive Order requiring a 2 percent energy reduction. FMDC will work with the Department of Natural Resources' Division of Energy, through a recently awarded grant that will, in part, begin the education of building occupants in order to reduce consumption through direct education of employees.

7. Capital Improvement Funding – FMDC will continue to monitor capital improvement funding necessary to address deferred maintenance throughout the state. FMDC continues to address maintenance and repair issues as they arise statewide, given we are faced with a significant lack of funding.

8. Housekeeping – FMDC is challenged with expanding its contracted housekeeping services from a basic service to an expanded service. Several years ago, in an effort to reduce expenses, housekeeping contracts were significantly reduced. It now has become evident that buildings are not being cleaned at a level that is acceptable. The challenge will be to acquire the necessary services, while keeping costs down. If proper building cleaning is not addressed in the near future, it will become difficult to manage the backlog of overall cleaning needs.



“LED technology far reduces the wattage required and offers a much greater bulb life - reducing energy costs.”

office of administration: general services



**Mark S.
Kaiser**
Division
Director

Overview

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. The Division also provides staff to administer the Missouri Public Entity Risk Management Fund, a liability and property pool for Missouri public entities.

Division
Employees:

106

FY '13 Division
Budget:

\$4,684,647



“Reduced Mileage
Reimbursement
Rates cuts costs
of operation.”

Accomplishments

1. **Reduced Mileage Reimbursement Rates** – In an effort to assist agencies in cutting their costs of operation, the Office of Administration reduced mileage reimbursement rates by \$.13 per mile during 2010 to the current rate of \$.37 per mile. This action saved more than \$950,000 during FY '10, more than \$2.5 million in FY '11 and \$3.7 million in FY '12.
2. **Reduced Business Miles Driven** – State agencies reporting to the governor reduced their business miles driven in FY '11 by 12.3 percent from FY '09 levels. In FY '12, agencies were asked to keep business miles at the FY '11 levels. Business miles driven in FY '12 increased slightly over FY '11, due largely to statewide emergency response for tornado and flood relief. FY '12 business miles are below FY '09 levels by 8 percent or 5.6 million miles. As a result of the business mile reduction initiative, three-year savings total \$6.8 million.
3. **Continued Redirection of Business Travel to Lowest Cost Option** – For the seventh straight year, state agencies have redirected more of their business miles from mileage reimbursement to lower cost state vehicles and rentals. Since FY '05, mileage reimbursement miles driven by state employees have dropped 53 percent from 43,698,576 to 20,544,771. While total business miles driven have dipped 12 percent over the period (194,368,350 to 171,134,227), the percentage of miles driven in state vehicles actually increased 9 percent (77% to 86%). Moving from the highest cost option of mileage reimbursement to the

office of administration: general services



lower cost options saved an estimated \$1 million in FY '12 compared to FY '05 levels.

4. Reduced the State Vehicle Fleet – In early 2010, most state agencies were asked to reduce the size of their fleets to achieve a reduction goal of 400 vehicles. To date, state agencies have reduced their fleets by 571 vehicles, returning nearly \$1.4 million to the state.

5. Consolidated Agency Carpools – Fleet Management consolidated Jefferson City based pool vehicles in 12 agencies. To date, 82 or 28.5 percent of these vehicles have been eliminated. Consolidating these smaller carpools reduced the number of required vehicles from 288 to 206, increased administrative efficiencies, maximized vehicle utilization, and minimized the necessity to redirect business miles to more expensive options. Prior to the pool consolidation efforts, OA operated a pool of 50 vehicles. Additional pool vehicles will be eliminated over the next year as efforts to right-size the pool continue.

6. Implemented a new MSECC Donor Database System – The Missouri State Employees Charitable Campaign (MSECC) successfully implemented an ITSD-developed donor database system that is more robust, reliable, efficient, and secure than the previous Access database system. The new system protects employee privacy and allows full integration of the retiree giving component.

Challenges

1. Rightsizing the Carpool fleet – With the successful consolidation of agency carpool fleets, Fleet Management will continue efforts to reduce and reassign vehicles to maximize efficiency while maintaining high service levels to its carpool customers. The age, condition and mix of vehicles will be evaluated to ensure a proper balance of vehicles is available to agency customers.

2. Implementation of RESTORE – The Risk Management unit is working closely with the Information Technology Services Division to address remaining

programming requirements for a new workers' compensation system. Programming is proceeding and timely completion of this project is essential to meeting new requirements that will be placed on the division. In

Reliable and safe transportation is critical in providing essential state services to Missouri citizens.

addition, the Division of Worker's Compensation is developing a new reporting system of their own and will require electronic submission of data and an expanded interface from its largest insurers. The new system will provide enhancements that will spur improved accountability, functionality, productivity, and efficiency.

3. Deteriorating Fleet Condition – The condition of the GR passenger fleet continues to be a concern. Reliable and safe transportation is critical in providing essential state services to Missouri citizens. The annual GR investment in the passenger vehicle fleet alone should be at approximately \$2.8 million to maintain the fleet at



State Printing has improved productivity by streamlining staff and responsibilities and utilizing emerging technologies.

its present condition. However, GR funding over the past several years for these vehicles has fallen significantly below the required levels. At the end of FY '13, 34 percent of the GR passenger fleet will exceed the 120,000 mile minimum replacement criteria and by the end of FY '14, 47 percent will be eligible for replacement. 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.

4. Adjudicating Medicare Claims against the State

– New federal rules require the state and other insurers to report injuries to employees who are eligible to receive Medicare payments or who have injuries that may require medical care in the future that could impact Medicare. As a result, General Services anticipates that Medicare will bill the state for medical payments they have made on behalf of current or former state employees whose medical treatment may have been associated with a previous workers' compensation injury. It is anticipated the burden of proof will be on the insurer, the state, to prove the payments were not from a work-related injury. This review and documentation process will require additional staff resources and the resulting claims from Medicare will raise worker's compensation costs in the future.

5. Managing with Limited Resources – As with most agencies, 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 by streamlining staff and responsibilities and utilizing emerging technologies. State Printing has not increased its labor rates for 13 years with charges remaining significantly below the prevailing market.
- Vehicle Maintenance continues to provide vehicle repair services at labor rates over 40 percent below the average local repair facility hourly rates.
- Central Mail Services provides mail processing services for state agencies in the Jefferson City area at a cost to the state nearly 40 percent less than was expended prior to consolidations.
- Risk Management processes workers' compensation claims at less than one-half the cost of other insurers doing business in the State of Missouri as reported by the National Council for Compensation Insurance and the Missouri Department of Insurance, Financial Institutions and Professional Registration.

office of administration: information technology services



**Acting Chief
Information
Officer**

Overview

ITSD is the information technology unit for nearly all state government agencies that are under the umbrella of Missouri's 14 consolidated departments. ITSD also provides network services to all other Missouri state government agencies.

The **Missouri State Data Center (SDC)** is operated by ITSD and is the primary facility housing ITSD supported computer systems, storage area networks (SAN) and associated

the state's information systems. ISMO promotes and provides expertise in information security management for all state agencies and supports national and local homeland information security efforts.

The **Project Management Oversight Office (PMO Office)** was established as the central clearing house for IT project management, providing greater visibility and transparency of IT operations. The office aligns state department needs with IT resources and priorities.

The **End User Support** group provides a wide range of IT assistance to employees of consolidated agencies within state government and some public entities that are affiliated with these agencies. State employees can make an IT support request by utilizing the online "helpdesk" ticket system or calling the Tier I call center. Problems are resolved by Level I and Level II technicians.

The **Office of Geospatial Information (OGI)** coordinates and supports Geographic Information Technology (GIT) for the State of Missouri, governing all technologies and standards relating to the development of the state's geospatial infrastructure, data and metadata.

Application development teams work closely with state agencies to develop and maintain the software used by state agencies to fulfill their core missions.

The **Web team** provides technical support and expertise to all agencies and maintains web portals that support the state as a whole.

network and telecommunications equipment. The primary focus of the SDC is to provide a cost effective, un-interruptible hosting environment to support state IT needs. The IT services provided by the SDC support, either directly or indirectly, every service provided by the State of Missouri.

The **Network and Telecommunications team** provides a wide selection of data, voice and video services to all state agencies. The team works with customer agencies to identify and establish flexible, dependable and cost-effective communication offerings. These structures are monitored around the clock to assure swift response in the event of service outages or disruptions.

The **Unified Communications (UC) team** is responsible for providing Voice over IP (VoIP) for approximately 14,000 customers throughout the state. In addition to VoIP, the team provides functionality such as voicemail, 911 services, call center, chat, desktop collaboration and video.

The **Information Security Management Office (ISMO)** is responsible for safeguarding

**Division
Employees:
1,043**

**FY '13 Division
Budget:
\$276,862,761**



TOP ACCOMPLISHMENTS

1. E-Government – ITSD works with state agencies each day to maintain and create online services for Missouri's citizens, businesses and government entities. Below is a sampling of ITSD's 2012 E-Government efficiency efforts:

- **Department of Natural Resources (DNR)**

E-Permitting – DNR's e-Permitting system allows land disturbance permit holders to submit applications online. Prior to implementation, paper applications were mailed. Currently, 50 percent of all permitting is submitted electronically; however, beginning Sept. 1, 2012, all permit holders will be required to use the electronic system. This system uses sophisticated self-service mapping techniques that eliminate on-site visits, thereby saving DNR the cost of four employees.

- **LSI (Land Survey Index - Public Purchase)** – This project enables the public to locate and purchase land survey documents online using a web application. The process is saving DNR 90 staff hours per week.

- **Food Stamps** – ITSD completed three separate projects related to food stamps, in an effort to automate formerly inefficient processes. An eligibility tool was developed that allows citizens to self-assess their food stamps eligibility. If the system determines that they are eligible based on the data provided in the assessment, data entered in the eligibility tool is passed to a new online Food Stamp application. Participants check status, report changes, and send re-certification applications. Additionally, disaster food stamp applications now may be submitted online. As a result of these upgrades, 5,900 online applicants are processed per month, saving the cost of paper, printing, and mailing. In addition, there is an

associated reduction in time handling data entry and data errors by 2,500 Department of Social Services' employees. The system has eliminated duplicate issuance of benefits and has shortened processing time.

- **Online Invoice for Residential Treatment and Children's Treatment Services** – This new online invoice application is available 24 hours a day and seven days a week for residential treatment and crisis treatment facilities in Missouri. The system allows providers to register online to receive their service authorization letters and invoices online. In addition, it allows providers to submit their invoices and all supporting documentation online to the appropriate county office for approval and payment. Prior to implementation, facilities were mailed their service authorization letters and invoices which were then filled out and mailed back along with supporting documentation to state county offices for entry into the FACES application.

- **On-Line Child Support Application** – ITSD developed an electronic application for Missourians that eliminates the time and expense associated with mailing or personally delivering documents to the appropriate child support office. The application for child support services, with supporting documentation, and electronic signature, automatically are sent to an electronic file folder associated with the appropriate child support county office. Child support staff is immediately notified that a new support application has been submitted for screening. Receipt of approximately 6,000 applications in the first six months has resulted in faster processing and greater productivity.

- **Marine Title/Registration Functionality in TRIPS** – The Title and Registration Intranet Processing System (TRIPS) used by Department of Revenue was updated to process marine original, duplicate, corrected titles, and new registrations. Previously, license office clerks collected fees in miscellaneous

office of administration: information technology services

accounting systems and then forwarded the documentation to the central office where staff manually keyed the information into a mainframe system. This process is now streamlined and completed upfront when an applicant completes a transaction in the license office.

- **Disabled Placard Functionality in TRIPS** – TRIPS was updated to process new, renewal, replacement, and additional permanent disabled placard transactions. Previously, license office clerks collected fees in miscellaneous accounting systems and then forwarded documentation to the central office where staff was required to key the information into a mainframe system. This process is now streamlined and the entire process is completed upfront when an applicant completes a transaction in the license office. This project resulted in license offices processing thousands of permanent placard transactions, relieving the central office from performing data entry on those transactions. The new TRIPS process has eliminated hundreds of hours of data entry in the central office.

- **Department of Insurance, Financial Institutions and Professional Registration (DIFP) E-Docs** – E-docs provided a central, secure repository for many request forms and approval documents

required internally by DIFP. E-docs converted 16 paper forms to electronic documents using SharePoint, InfoPath, e-mail and workflows. E-docs allows for ease of tracking the status of a document and notification to users, if they have requests that need their attention. E-Docs is a green initiative saving DIFP approximately \$45,000 annually in FTEs and paper costs.

- **State Information Data Exchange System (SIDES)** – SIDES was implemented Sept. 20, 2012, and within the first week of production, successfully sent 5,340 employee separation records to employers (containing details provided by claimants on jobs departed), and processed 302 employer claim responses. The project manager on the national SIDES team has praised Missouri for being ahead of other states with this initiative. Previously, these processes required that data be printed on forms, stuffed in envelopes, and physically mailed; with responses returned by fax or mail. Department of Labor and Industrial Relations staff then manually scanned the documents. In addition to elimination of delays due to mail delivery time, this project is saving Missouri citizens the costs of paper, envelopes, printing, postage and staff time.



2. MoBroadbandNow - The MoBroadbandNow (MBBN) initiative was created by Gov. Nixon to provide high-speed Internet connection to more Missourians and coordinate the state's efforts to aggressively compete to bring broadband funding to Missouri in response to the federal recovery bill passed in 2009. Gov. Nixon established a goal to increase broadband accessibility from its current level of 79.7 percent to 95 percent within five years. The State, through its MoBroadbandNow initiative, worked to secure partners and to bring \$261 million for 19 projects to Missouri. The total value of all of these projects including cash and in-kind match is \$311 million.

In 2012, MBBN:

- Published 18 regional technology strategic plans with short and long-term implementation goals on accessibility, adoption, and literacy.
- Published two broadband white papers, "Dissecting Missouri's Digital Divide" and "Building Digital Inclusion." These publications analyzed both quantitative data and qualitative commentary.
- Launched Rural Health Broadband Initiative, a pilot project to expand accessibility to rural hospitals with 50 patient beds or less. Rural Hospital Broadband Connection grants were awarded to 15 hospitals. Total public-private investment is \$506,000.00. The initiative also is focused on improving specialized telemedicine, electronic record management, and disaster recovery of medical data.
- MBBN was profiled in "Governing" magazine, the leading national publication on state public policy issues, for the state's collaborative effort on the Ralls County Electric Cooperative project.
- MBBN was a co-host of the Delta Regional Authority Broadband summit, an eight state conference focused on broadband needs among 250 underserved counties.

3. Unified Communications – In response to Gov. Jay Nixon's call for a smarter, more efficient state government, ITSD launched Unified Communications (UC) in August 2010. UC will create one unified and modern network covering data, voice, security, wireless and other systems, which will help lower operating costs. UC also will refresh much of the network infrastructure and upgrade capacity,

allowing for more citizen centric interaction, delivery of better services, and responsiveness to the public. In addition to cost savings for Missouri taxpayers over the lifespan of the new equipment, the benefits of UC to state employees and the customers they serve include increased productivity, greater collaboration across state agencies and between organizations, and reduced travel time and expenses.

Phase II phone deployments were completed in 2012.

During phase II 5,657 total phones were converted from traditional lines to Unified Communications (UC). In addition, 518 total lines were disconnected. Disconnecting these lines saves an estimated \$7,081 per month. Efficiencies in system redesign and support eliminated an estimated \$5,100 per month in third-party infrastructure. In addition, system support costs have been reduced \$7,358 per month.

"Expanded broadband accessibility between healthcare providers will mean access to quicker and more specialized care that is often life-saving for patients."
-Gov. Jay Nixon

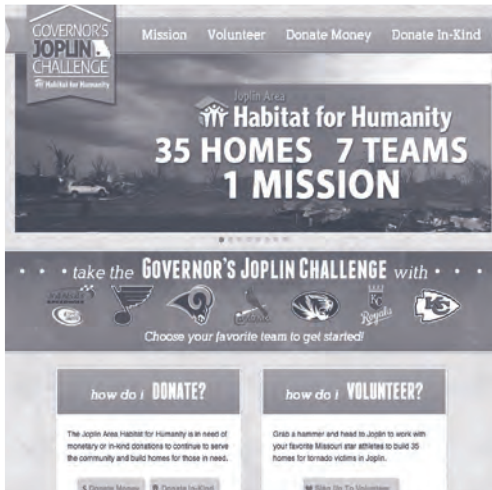
Completed in 2012, Tail End Hop Off (TEHO) in the four major cities (Jefferson City, St. Louis, Kansas City, and Springfield) allows a UC user in Jefferson City to call a non UC phone in St. Louis and avoid long-distance charges from the telephone company. The call travels the state network from Jefferson City to St. Louis and drops out as if it were a local call, avoiding long-distance charges.

Phase III of the UC project is underway and will convert an estimated 3,000 phones to UC located across the state in various cities. Phase III will include state facilities in St. Joseph, Kansas City, Columbia, and Cape Girardeau.

4. Mobility – The demands for mobile computing continue to escalate. ITSD has responded to the challenges of providing mobility solutions in the following ways:

- **Virtual Desktop:** ITSD has successfully deployed nearly 2,000 virtual desktops. This initiative replaces traditional desktop computers that are physically located at an employee's desk with a virtual desktop that is located in the State Data Center and securely accessible via an Internet connection from anywhere at any time.
- **iOS Support:** ITSD instituted support for iOS devices (iPads, iPhones and iPods) in 2012 so state

office of administration: information technology services



employees would be able to procure and use these mobile devices to increase productivity.

- **Mobile Device Management (MDM):** Implementing an MDM solution had laid the foundation for greater use of mobile devices.
- **Wireless Networks:** ITSD continues to increase and upgrade password-protected private wireless networks and public wireless networks so that citizens and state employees can access data and systems on the go.
- **Network Access Control (NAC):** Any mobility strategy should have a method for detecting the presence of mobile devices attempting to access the network and authorizing devices to have access to State data and systems. NAC provides ITSD the ability to control such access.
- **Mobile Applications:** Mobile applications hold great promise for realizing optimum efficiency in certain state functions - especially field inspections. Several projects made progress in 2012.

5. Citizen Engagement – ITSD works with state agencies to engage, educate, and exchange information with citizens on topics that are of value to them. Below are the most notable accomplishments for 2012:

- **MO.gov:** Enhancements to Mo.gov included an improved online services directory, making it easy to locate any one of the more than 700 online services contained in the mo.gov directory; additional value-added content found on the inner pages that inform citizens of services in simple terms; unified search allowing users to look for mo.gov content, online services, state agencies, social media and state employees in one location; mobile styles for a user-friendly mobile device experience; and a social media directory making it easy to connect with a state agency or program of interest.

- **Jobs.Mo.Gov:** Jobs.mo.gov, Missouri's jobs board, is a redevelopment of MissouriCareerSource.com. The website is much more user-friendly and includes new, valuable information and videos for job seekers and employers.

- **Storm Aware Website:** The Missouri Storm Aware website educates Missourians about tornadoes and severe storms through engaging videos that informs them about the actions that one should take when severe weather strikes. A list of severe weather alert subscriptions also is included. The project received the 2012 Governor's Award for Quality and Productivity (GAQP) for Innovation because it improved an existing process/product/service to create an added value to state government, and serves as a model of excellence in state government nationally.

- **Governor's Joplin Challenge Website:** The Governor's Joplin Challenge website was used to promote a partnership between the Department of Economic Development, the Joplin Area Habitat for Humanity and Missouri's major athletic organizations, to build 35 new homes in Joplin to assist in the city's recovery from the 2011 tornado that devastated the area. The visually

appealing website allowed volunteers to sign up to build homes with Missouri's athletic organizations and donate to the cause.

- **Industry Portals:** Targeted industry portals help promote key industries identified by the state's Strategic Plan for Economic Growth. Four portals were launched for "Advanced Manufacturing," "BioSciences," "Energy Solutions" and "Information Technology". These portals promote Missouri as the best place to expand or relocate a business in that industry.

- **AgriMissouri.Com:** The AgriMissouri website connects consumers with more than 1,700 registered local food producers, and it received an Honorable Mention for the 2012 Digital Government Achievement Awards.

- **Missouri Data Portal:** The Missouri Data Portal moved to the Socrata social data platform which makes it easy for citizens, researchers and developers to use State public data. Data can be shared, filtered, downloaded and exported in a variety of ways.

6. Digital States Survey B+ – Missouri received a B+ in the 2012 Digital States Survey, which "evaluated the digital technology practices of all 50 states. Grades were given based on quantifiable results in better serving citizens and streamlining operations."

TOP CHALLENGES

1. Information Security – The challenges of keeping State networks and data secure continue to mount. Hacktivists hoping to make a political point, state-sponsored hackers seeking to harm our national security, and identity thieves looking for a payday attempt to penetrate state security systems every day.



ITSD has many information security layers of protection in place, but more funding is needed to keep pace with the sophistication of attacks in a world of mobile devices, wireless networks and cloud computing.

A commitment to information security and an awareness of cybersecurity best practices by each and every state employee is required to

combat these attacks.

2. State Data Center – A different location for the State Data Center is necessary in order to mitigate the risks associated with power, environmental control and potential flooding. This is a highly complex, multi-year project that will require additional funding regardless of whether out-sourced cloud strategies are employed.

3. Legacy System Modernization – Many of the state's critical systems, and several of the largest, are legacy systems. This means that they reside in technology that is considered out-of-date when evaluated in the context of the realities of today's workforce, Internet, mobility, budgets, technologies, etc.

Modernizing the state's legacy systems achieves great things.

First, system modernization has the potential to transform current state government processes that are inefficient, labor-intensive, and paper-intensive to processes that utilize customer self-service, electronic content management, and electronic case management.

Second, the risk of supporting systems when institutional and technical knowledge of those systems and technologies is rapidly declining can be eliminated by modernization.

The greatest challenges to system modernization are funding, staffing, data conversion and dual

office of administration: information technology services



system maintenance over the life of large, multi-year, complex projects.

4. Network Upgrades –

When fulfilling their core missions, state agencies increasingly depend on electronic systems and information that reside on the Internet or our state network. A robust core network and sufficient bandwidth capacity at each state facility is a prerequisite for operating state services at expected levels.

Some network modernization has occurred over the last three years, however additional funding is needed to upgrade and maintain core network infrastructure and to increase bandwidths at many facilities across the state.

5. System Interoperability –

Enterprise-wide system interoperability that is attained through service oriented architecture (SOA), identity management, master data management and other initiatives lacks dedicated funding at this time.

6. Communication –

Communication is critical to the success of ITSD. Effective communication between ITSD and its customers must occur in order to align IT resources with state strategies. Effective communication also is imperative to ensure that sustainable, cost-effective IT solutions are deployed that meet security and architecture requirements.

Effective communication among ITSD staff and across organizational units also is a critical requirement for operating at an optimum level.

Daily and diligent attention to the challenge of effective communication is a point of emphasis for ITSD.

7. Recruiting and Retention –

Recruiting and retaining qualified staff is a challenge for ITSD because of many factors. These factors include:

- Nationwide talent shortage of IT professionals
- High percentages of retirement-eligible staff across ITSD the last several years
- Competition with private industry to attract IT staff
- Missouri state employee pay rates

In an effort to overcome these challenges, ITSD continues to recruit, train and promote qualified employees as staff retire and/or resign for other opportunities.



office of administration: personnel



**Bill
Miller**
Division
Director

Overview

The Division of Personnel assists all branches of state government by providing an effective and efficient statewide human resource management function, as well as guidance in several areas. Along with the Division of Personnel, the Personnel Advisory Board is responsible for the operation of the Missouri Merit System, the UCP System and other HR management functions established by Chapter 36, RSMo. The director of the Division of Personnel and other division employees act as staff to the Board in its oversight and policy making responsibilities. The four major programs of the Division are as follows:

Division
Employees:
60.97
FY '13 Division
Budget:
\$3,105,707

The **Employee Services** section develops and administers position classification for agencies covered by the Uniform Classification and Pay (UCP) System; ensures employees are assigned to appropriate job classes and that new job classes are assigned to the appropriate pay range; reviews applications for employment within the Merit System; and

develops, updates and administers Merit System examinations.

The **Pay, Leave and Reporting** section provides information on the UCP System pay plan; interprets policies on pay, leave and hours of work; provides assistance with the SAM II HR/Payroll System; maintains registers of people from whom agencies can select for Merit System jobs; ensures personnel transactions are in compliance with Chapter 36, RSMo; coordinates labor relations activities in individual state agencies including participation in negotiations with employee-elected unions and approval of agreements relating to uniform wages, benefits and those aspects of employment that have a fiscal impact on the State; and administers the Productivity, Excellence and Results for Missouri (PERforM) State Employee Online Appraisal System.

The **Center for Management and Professional Development** develops and delivers management and supervisory training programs as well as computer and technical training programs; administers statewide recognition programs; and coordinates the WeSave employee discount program.

The **Human Resources Service Center (HRSC)** provides administration of human resources by providing a single point of contact for Office of Administration management and employees to obtain consistent responses to human resources situations and issues. Within this section, the state operators provide responses to questions from the general public.

office of administration: personnel

Accomplishments

1. HR Transformation - Efforts around HR Transformation continue. The transformation leverages current resources, reduces paper transactions, and creates an effective and efficient system that is employee focused.

- The HR Transformation project was introduced to OA division directors. Obtaining the buy-in needed for the project is a continuous process.
- The Human Resources Service Center (HRSC) was established within the Division of Personnel (DOP).
- Information Technology Services Division (ITSD), Facilities Management-Design and Construction (FMDC) and the DOP worked together to create the new work area for the DOP-HRSC.
- Division employees that were handling HR functions at the division level were added to the HRSC and new duties have been assigned accordingly. State Operators also were transferred to the HRSC.
- The HR Call Center was established by using a combination of two software packages:
 - Unified Call Center Express (UCCX), a Cisco product that allows the phone calls to be routed in the call center; and

- HR Helpdesk Software, a duplicate of the ITSD Helpdesk software, allows the call center representative to create a ticket when a call comes into the HR Call Center.

- ITSD staff created and deployed the HR Call Center Icon. This icon allows an OA employee to submit HR requests and questions with ease from a work station.

- Enterprise Timekeeping Application (ETA), a system created by ITSD, has been utilized to fill the timekeeping needs of the ITSD staff. Staff from HRSC, ITSD and other OA divisions are working together to see whether this system will accommodate the timekeeping needs of other OA divisions.

- HRSC staff has successfully flowcharted and improved existing HR procedures. It is expected that in January 2013 a new OA hiring process will be implemented.

2. Employee Self-Service (ESS) System - The ESS portal was launched July 1, 2011. This was a collaborative effort involving staff from ITSD, the Division of Accounting, and the DOP. The functionality included in the initial rollout created a foundation for an expandable web-enabled portal that provides a number of conveniences for employees, including the ability to view paycheck details; leave balance summaries; employee announcements; W-2 original and corrected information for the previous five years; and the



ability to print blank W-4 forms. During 2102, more functionality was added. These improvements included the addition of individual employee training history information captured from SAM II, and adding a link to the Vendor Payment Services site which allows employees the ability to view their payment information online, such as paid expense accounts or other non payroll-related expenses. Approximately 72 percent of state employees currently are registered to use the system.

3. Center for Management and Professional Development - Over the last year, the Center for Management and Professional Development (the Center) achieved the following:

- Continued to promote e-learning opportunities for learners via webinars and MyQuickCoach online coaching system.
- Coordinated the *In the Spotlight!* employee recognition website to promote the accomplishments of state employees through the use of an employee "blog," pictures, videos of employees speaking on what motivates them to provide "great work;" and state executives speaking about their employee's accomplishments. A supplemental, *In the Spotlight Newspaper*, also was introduced to encourage use of the website.
- Expanded the reach of the Center using various marketing efforts to include city, county and local government entities, and the private sector in an effort to minimize training costs while allowing greater opportunities for learners to benefit from the experiences

of their peers in other organizations and agencies.

- Developed new Cyber Security training modules for state employees in conjunction with ITSD. Content areas include: Protecting Confidential Information, HIPAA Security, and Criminal Justice Information Systems (CICS) Security.

"This past year, hundreds of Missourians were impacted by a number of natural disasters. During that time, Missouri state workers went above and beyond to ensure that critical services were available in areas impacted by the storms, floods and tornadoes. State Employee Recognition Day is a way to honor all employees for their dedicated service to Missouri citizens."
-Gov. Jay Nixon

- Championed the annual State Employee Recognition Day event attended by more than 5,000 state employees and 90 vendors comprised of state agencies and local merchants.

4. Working to Improve Hiring Processes for Agencies -

- Converted the examination component of 14 classes from a written test to an education and experience rating. This conversion eliminated seven merit examination booklets. This change expedites recruitment/hiring by foregoing the scheduling and testing processes.
- In April, the Analyst Review Process was implemented for select classes with straightforward minimum

qualifications. This process inhibits applicants' names from being added to a given register until an analyst reviews their qualification and confirms eligibility. This process was established to improve the quality of candidates certified to merit agencies.

- Staff is working with ITSD to implement Phase I improvements to the Electronic Application System (EASe). In addition to cosmetic enhancements to simplify application use, improvements are to include: better accessibility for applicants that rely upon blind readers; access to Mac users; and compatibility to an expanded number of web browsers. Several meetings must take place to discuss functionality and screen layout.

5. HRIS - As a part of a broader restructuring within the DOP, a new Human Resources Information Systems (HRIS) Team was formed. The formation of this Team should improve communication regarding, and administration of, various information systems (e.g., SAM II HR and the HR Data Warehouse, MAIRS, ESS, EASe, etc.) used by Division staff and our stakeholders. This structure should also, over time, improve cross-training and back-up for important HRIS functions.

6. Statewide Employee Relations Program - Efforts are underway to cultivate an employee relations program and to identify trends and other employee relations issues state agencies are facing. Our intent is to create a centralized resource agencies can use for assistance with common Human Resources issues.

office of administration: personnel

Challenges

1. HR Transformation - The establishment of a centralized HR consolidated pilot/model entails some difficulty as it establishes a transformed model of conducting HR businesses. Some of the challenges are:

- Identifying a timekeeping system that can be used by all OA divisions. ETA has been created by ITSD with the purpose of fulfilling the timekeeping needs of all OA divisions. ITSD, the Administrative Hearing Commission, the Commissioner's Office, and HRSC staff have been converted to this timekeeping system. Converting additional OA divisions to this system could present challenges, as outlined below:

- Identifying technology-driven solutions that will help HRSC implement new cost-effective procedures such as an electronic routing of HR forms.

- Implementing uniform HR policies in the Office of Administration.

- Training all OA supervisors to use the new procedures.

- Finding affordable technology to be utilized by the State Operators.

2. Employee Self Service Portal (ESS) - During 2013 and beyond, the ESS project team will continue to expand the capability of ESS through Phase III of the project. The project team will work to increase the use and functionality of ESS to incentivize additional employees to use the portal.

3. Compensation - The creation of the Joint Interim Committee on State Employee Wages has created both opportunities for achievement and challenges for DOP staff. While the Committee began its work in FY '12, the work of the Committee and other possible initiatives related to statewide total compensation issues will be supported by Division staff for the foreseeable future.

4. Center for Management and Professional Development Goals -

- Finding more and better ways to provide e-learning opportunities to Center customers and better ways to connect to virtual environment required for computer training workshops.

- Cultivating additional dynamic, high quality, contract trainers to provide a cost effective and diverse spectrum of experience and learning for Center customers.

- Encouraging current and potential customers to continue to utilize the Center's programs.

5. Succession Planning - These are challenges the state is beginning to experience as replacing skilled employees becomes more difficult. The Division of Personnel also will face challenges due to resignation or attrition.

6. Employee Relations - Agencies have optimistically been in favor of a statewide employee relations program and have provided a great number of items and areas they believe they could benefit

from Division of Personnel staff assistance. While several items could be managed from a statewide perspective, there also will be challenges in assisting with other items requested due to budgetary constraints (additional training resources) and lack of authority in some areas (e.g., requirement of statute changes).

7. EASe - The online application system is very important to a number of our stakeholders, which range from applicants who are seeking employment with the State of Missouri to the merit agencies that rely on the DOP to certify quality candidates to fill their positions. There are a number of technical obstacles associated with the current system which continue to present challenges. There are limits on the number of characters and fields available to clearly state the minimum requirements of classes, which creates confusion and misunderstanding. The system is not programmed to validate an applicant's self-assessed eligibility in comparison to the education and experience information provided within the application, which directly relates to the quality of candidates that are added to merit registers. The DOP is aware of the problems associated with EASe, but has limited control for making and/or scheduling the implementation of necessary technical changes. Although this circumstance exists, staff works within the current constraints of the system to provide adequate service to applicants and merit agencies.

office of administration: purchasing and materials management



**Jim
Miluski**
Division
Director

Overview

The Division of Purchasing and Materials Management (DPMM) is responsible for the procurement of all state required supplies, materials, and services in larger quantities and encourages competitive bidding and awards on all contracts.

The division executes procurement functions in accordance with applicable statutes by maximizing competition in the procurement process, conducting evaluations and negotiations where appropriate and awarding contracts to the "lowest and best" bidder.

The Division also maintains responsibility for the statewide in-house recycling program, transfers and/or disposes of state agencies' surplus property to maximize state resources, and administers the Federal Surplus Program.

The Federal Surplus Program is a program that distributes donated new and used federal surplus property to eligible entities which include all state agencies, political subdivisions, not-for-profit health and education entities, and service agencies that meet federal program guidelines.

Accomplishments:

1. Competitive Solicitations – The Division of Purchasing & Materials Management (DPMM) has worked to create a more competitive environment for information technology competitive solicitations. This included an assessment and review of the Division's Terms and Conditions. These revisions made their debut in the solicitation for Unemployment Insurance System Development for the Department of Labor and Industrial Relations. The changes included areas such as software ownership, copyright, and liability issues. The DPMM will continue to review terms and conditions to ensure the broadest competitive environment is achieved.

2. The DPMM operates with administrative efficiency – Purchases from contracts established by the division total approximately \$1.8 billion and the administrative expense of the division is less than

\$1.7 million. The ratio to administrative expense to value of contracts is 0.09%.

3. Bid Opportunities – For the past several years, prospective bidders have been given the opportunity to register to receive notice of upcoming bid opportunities and award notice by submitting an annual fee of \$50.00. Effective January 1, 2013, all vendors will be able to receive this benefit at no cost. The goal is to increase opportunities for small, women, minority and service-disabled businesses. In addition, increased supplier access to business opportunities increases competition, thereby reducing prices.

4. Surplus Property – The Missouri State Agency for Surplus Property operates a federal property donation program for the State. One of its program participants, Little River Drainage District, was honored as Associate Member of the Year by the National Association of State Agencies for Surplus

office of administration: purchasing and materials management

Property. In addition another program participant, The Space Museum, received a NASA space engine through this program. The ceremony was open to the public and NASA astronaut Charlie Walker and other special guests were in attendance.

5. State Recycling – The DPMM also operates the State Recycling Program. The program has grown extensively and FY '12 recycling revenues set a record, generating \$305,144. The state recycling program generated \$120,634 and \$120,286 in revenues in FY '10 and FY '11 respectively.

Challenges:

1. Complexity of Procurements

– The greatest challenge faced by DPMM is the complexity of procurements. Over the last 10 years, a number of preferences have been added (sheltered workshops, Service Disabled, Minority- and Women-Owned Businesses, etc.) that complicate the award process. In addition, other statutory requirements must be reviewed prior to award (E-verify program, etc.). As a result more documents are included, making the solicitation a cumbersome document. As a result of the complexity, more competitors are soliciting legal input which has the potential of making the process lengthier.

2. Training and Retention – DPMM struggles with maintaining and retaining staff. The ability to maintain staff requires training to ensure that staff are up-to-date on current practices and future direction. However, a reduction in the budget has led the division to reduce training. In addition, retaining staff within DPMM is becoming increasingly difficult as trained staff are offered jobs in other agencies at an increased salary. DPMM currently is working on strategies to improve both maintenance and retention of staff.

3. Surplus – The Missouri Agency for State Surplus Property operates as a self-funded entity surviving on its service charges for transportation and distribution of federal surplus property. The Agency once had a budget line with an estimated appropriation that allowed Surplus Property to obtain any property that was determined financially prudent. The current budget is restricted to a maximum amount which forces Surplus Property to decline property it otherwise would accept, if the agency had the expenditure authority to do so.

4. Responsibilities – Staffing has decreased (DPMM once staffed 54 FTEs, but currently staffs 33 employees) and responsibilities have increased with no additional staff. The burden of an increased workload creates stress which can lead to human error. Therefore, it is incumbent upon the division to implement various levels of review to ensure all procurements are completed in accordance with statutes, rules, and regulations.



office of administration: office of equal opportunity



Overview

The Office of Equal Opportunity 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.

**Celeste
Metcalf**
Director

Office
Employees:
5.5
FY '12 Office
Budget:
\$298,452

development seminars, and even low-interest loans sponsored by a local bank. Hits to the site continue to increase every year. Average weekly website hits were 2,700, 3,300 and 3,900, respectively, for each of the last three years: 2010, 2011 and 2012.

3. The OEO newsletter - continues to gain popularity as OEO offers topics and perspectives of interest to minority and women-owned businesses. Several of the topics offered include business interruption insurance, establishment of internal controls, Missouri wage and hour laws, and understanding and monitoring cash flow.

CHALLENGES

1. Certification Site Visits – OEO's certification process requires that a site visit be conducted before a M/WBE certificate can be issued. It is critical that the actual existence and presence of every applicant be confirmed. However, physically visiting each business site throughout the entire state continues to present a challenge, given a limited staff.

To assist in covering the entire state, OEO hired external contractors to perform this service in St. Louis and Kansas City, while existing staff performs site visits for all other regions. The inconsistency of applications received makes it difficult to predict the workload flow at any point in time. Receiving applications, coordinating, monitoring, and managing the applicant paperwork flow, relying on external parties to schedule and perform the visit, and then combining and reviewing the submissions from all parties, requires adherence to a strict timeframe by all parties involved.

ACCOMPLISHMENTS

1. The Public-Private Partnership Initiative - that was created to fund contributions for a statewide disparity study, raised \$82K from Minority and Women-Owned Businesses (M/WBEs) in 2012. The Office of Equal Opportunity (OEO) will continue to solicit additional funds from public and private partners until the \$1.5M goal is reached.

2. The OEO website - is gaining traction among users. OEO has refocused efforts toward offering more than just government-related opportunities to the minority and women-owned business community. OEO has posted a variety of interesting information such as career fairs, professional

office of administration: office of equal opportunity

2. Certification and Sunshine Laws – There is a perception among the minority and women business community that, as a state-sponsored entity, OEO-certified vendors are subject to sunshine laws. This perception is one of the contributing factors that limit the number of applicants applying for OEO certification. DED had a similar situation and, to address the issue of limiting the amount of applicant information that could be produced upon request, DED revised its Code of State Regulations (CSR). To date, OEO has been unable to accomplish similar CSR revisions.

3. Tracking Minority Expenditures in SAM II – The process by which minority vendors are tracked in the accounting system opens the door for misinterpretation.

Currently, ITSD has designed a nightly download process that compares the list of certified vendors in OEO's database with the list of vendors paid through SAM II. If a vendor currently is certified by OEO, a "Minority Vendor" box will be checked in SAM II. If a vendor has allowed their certification to lapse, the "Minority Vendor" box automatically will be unchecked in SAM II.

When performing analyses of payments made to minority and women vendors, a report will reflect only transactions where the "Minority Vendor" box has been checked. Payments to minority vendors still can occur; however, these payments will not show up on any reports if the vendor's certification has lapsed during the time period that a report is being run.

The inability to determine when these lapses are occurring and/or how many payments may or may not have been missed, presents a challenge in analyzing and monitoring adherence to Executive Order 05-30.

4. Monitoring Workforce Diversity – In the fall, agencies use census data to develop their workforce diversity plans through a software application. However, 2010 Census data was not available until December 2012. The delay in receiving this information allowed OEO to analyze our

current vendor and assess whether to use another application to develop the diversity plans. At least 22 out of 25 state agencies/entities currently use workforce diversity software produced by the vendor PeopleClick. PeopleClick offers desktop software used independently by each agency. Independent usage does not easily lend itself to the development of a statewide plan.

At least two state entities use Berkshire software, both with very positive results. Berkshire offers web-based software that allows independent usage but also enables OEO or HR to combine each agency's information into one comprehensive, statewide workforce plan.

The challenge ahead is purchasing new software, downloading 2010 Census data, and using the comprehensive workforce diversity information to enable better, more timely decision making.

5. M/WBE Contract Compliance – The ability to monitor minority and women participation hinges upon good information. You cannot monitor what you cannot measure. The list of contracts that contain minority and women participation provisions must be readily accessible and available in a format that allows timely monitoring and compliance. The information that would enable effective monitoring of M/WBE participation on contract expenditures, discretionary spending and P-card transactions is currently housed in multiple places.

An inability to effectively monitor minority spend in a timely manner limits OEO's ability to make recommendations and improvements when necessary. OEO is working closely with DPMM and ITSD to understand what methods currently are in place versus which processes should be in place to determine the likelihood of improving the information flow.

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**Aaron
Hart**
Director

Overview

The Human Resources Service Center (HRSC) is responsible for human resources management and payroll for the Office of Administration. The Center is housed within the Office of Administration (OA), Division of Personnel, and 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.

Employees:
5.5

Top Accomplishments

1. Human Resources Transformation – The OA HRSC was established in July 2012. Division employees performing human resources functions throughout OA were moved to the HRSC to join OA HR. New duties were assigned with the goal of making human resources services more efficient and providing consistency across all OA Divisions. Another goal was to provide proactive HR initiatives across the Office of Administration by gaining efficiencies and maximizing HR staff resources within OA. Housed within the HRSC is an HR Call Center that was established using the Unified Call Center Express and HR Helpdesk software packages. A centralized call center has improved consistency and response time to employees requesting information about timekeeping and benefits. Call Center staff now can conduct intensive audits of timekeeping records, and professional staff now has more capacity to address ADA, FMLA, and disciplinary issues proactively, rather than reactively. An HR Call Center icon has been added to OA employee's desktop, allowing workers to submit HR-related questions online, as well as receive answers to questions.

2. Recruitment – In an effort to proactively recruit and retain an increasingly sought-after workforce, in April 2012 a position was revamped to focus on this new initiative. A recruiting campaign was prepared, adopted, and launched in May. The plan includes a list of targeted primary and secondary schools (including diverse, military/veteran and other demographic-enriched programs). The recruitment efforts have primarily been focused on ITSD and FMDC, but will be expanding to include all OA divisions. To date, notable progress has been made in the following areas:

- Campaign Brand/Design and new Recruiting Materials and Social Media: A new OA recruiting brand and design was adopted, with new recruiting materials, including a one page recruitment flyer, Wordle Biz card, and an OA display unit. The new brand projects a more appealing and progressive image of State government employment to prospective OA hires. Samples are provided below:

- IT Careers Flyer: <http://www.it-careers.mo.gov/Docs/Missouri%20IT%20Careers.pdf>
- IT Facebook and Twitter: www.facebook.com/moitsdjobs; <https://twitter.com/MoITSDJobs>
- IT Careers YouTube Video: <http://www.youtube.com/watch?v=JxnAjVgXVa0>
- Outreach Campaign and Strategic Partnerships: As part of the outreach goal, continuous interaction with college and university administration, key faculty, career services staff, and student

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associations, regarding pertinent announcements, upcoming events/activities and job opportunities and postings on their job board systems is critical. Numerous meetings have been hosted in an effort to cultivate these partnerships. Other strategic partnerships (many a collaborative effort between public and private businesses/employers and educational institutions) have been identified to enhance OA's recruitment plan. Fostering these relationships is paramount to the success.

- **Career Fairs/Recruiting Events:** Staff attended numerous college and community career fairs to network with potential applicants and increase visibility, while simultaneously gaining an expanded portfolio of applications. In addition, OA has hosted and participated in similar recruiting events such as Meet n' Greets, advisory board and curriculum round table meetings, campus activities such as resume reviews, information sessions, and open houses. Since April 2012, OA has participated in nearly 60 recruiting events and meetings.

- **New Hire Survey:** A new hire electronic survey was created, in an effort to discover how new employees learned about OA employment opportunities, what the key recruiting selling points were, educational backgrounds, as well as what generally motivates and frustrates the employee in a job. The surveys are conducted so that OA can help foster an environment that

nurtures the new employees to be as productive as possible so they can enjoy a prosperous and rewarding career within OA in the long term. All new OA employees will be asked to complete this survey within their first month of employment.

With the reality that 25.3% of our state employees will be eligible to retire within the next four years, we must continue our efforts to ensure a strong workforce by expanding and improving our recruiting efforts to reach highly skilled, well-trained applicants.

3. ADA – ADA procedures within the OA were revised. Building upon revisions made last year, HR has further streamlined OA's ADA processes. These changes are necessary in order to keep up with the increased demand in accommodation requests from OA employees. A staff person has been assigned to this area, and great strides have been made in tracking accommodation requests and ensuring timely resolution of accommodation issues.

4. Standardized Hiring Process for the Office of Administration –

A standardized hiring process for the OA has been approved. Staff created hiring process flow charts that document each step in the hiring process for the OA. In addition, interview questions, reference check questions, a supervisor hiring checklist, justification to fill, recommendation to hire, and interview questions not to ask forms have been created. The flow chart and these forms will be routed to supervisors and managers throughout the OA. This process will standardize the hiring procedures in OA and build upon best practices and HR standards to help divisions hire the best person for the job in a timely fashion, while meeting Merit System requirements.

5. Secretary of State Office

Transition – Staff assisted with the set up of the transition office for the Secretary of State-elect within OA. Staff of the HRSC established position numbers to allow payment of transition employees, ensured all new employee/benefit paperwork was completed and that staff was added to the payroll in a timely manner. The Center will transfer employees from the transition office to the Secretary of State's Office after the Secretary of State is sworn in.



Challenges

1. Automation of Personnel Change Process –

Currently, the OA has a paper form that is routed from the divisions to the Commissioner's Office for the approval of any personnel change that involves pay. This form is filled out by the divisions, routed through HR to the Commissioner for approval and then back to HR to enter into the payroll system. Automation of this process will reduce staff time and eliminate inefficiencies in the transaction process. Any automation that takes place will maintain good HR practices in regard to payroll.

2. Recruitment and Hiring Process –

Work continues on streamlining recruitment and hiring within the OA. Areas for improvement include the electronic application system, some merit rules such as appointing from the top 15 or 15 percent of a register, and the process of appointing applicants from a register of names. Many applicants are unfamiliar with the process of applying for placement on a register, as opposed to submitting a resume for a job opening. The confusing nature of some merit hiring procedures, as well as some of the timeframes involved, may cause applicants to lose interest in state positions. These are issues that may make it a challenge to compete with the private sector for applicants. Key stakeholders including hiring managers, Division of Personnel staff, HR representatives, and leadership staff have collaborated and drafted new OA Hiring Flow Charts, in an effort to help streamline and automate numerous OA HR and recruiting functions, and enhance collaboration between all parties involved. These flow charts and procedures have been approved, but managers and supervisors

need training on how to use these tools to their advantage. An electronic method of routing resumes and other hiring materials will decrease the time it takes to hire within the OA.

A team recently was tasked with reviewing the merit hiring process and recommending ways to streamline it, whether through procedural, statutory, regulatory, or other changes.

There appears to be confusion among some applicants regarding the location of OA job vacancies. It is imperative to create an HRSC website and update and enhance the current ITSD Careers website to project a more modern and significant hub of prospective careers/job information, as well as an interactive online recruitment system and hiring process. Ideally, a sister site will give HRSC the capability to route hiring documents (e.g. resumes, request to fill, interview questions) electronically. Currently, each OA division posts jobs on its own website and may or may not post jobs on the Division of Personnel website. An OA HRSC website will ensure that vacancies are shared with the Office of Equal Opportunity, Division of Personnel and the Missouri Department of Labor to ensure we are reaching more applicants. Exploration and demonstrations of best practices, interactive technologies, and similar online application sites (both internal and in other state government entities) are underway.

In addition, a formal OA internship program is being developed. This program will assist with building a pipeline of potential new full-time hires. The internships will include paid positions across the various functional areas. The goal is to post these opportunities online in early 2013, in order to secure

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interns by summer 2013. Informal promotion of the program began in the fall recruiting season at college and university career fairs.

3. Review of all Office of Administration policies – Work continues on the remainder of OA's policies that have not been updated. Many of these policies have not been updated for some time.

4. FMLA – FMLA procedures have been changed and improvements in the process have been gained; however, enhancements will be made to the letters OA employees receive in these areas. The revision of FMLA letters, in conjunction with the change in procedures, will streamline the process for management and employees. The intent is to strike a balance between creating letters that are easy to understand, yet provide the information necessary for HR to make a determination on leave or accommodations.

5. Timekeeping system for OA – One timekeeping system for the OA would create many timekeeping efficiencies in the processing of time. The Information Technology Services Division (ITSD) created ETA (Enterprise Timekeeping Application) with the goal of having all of ITSD on one timekeeping system. Efforts are underway to determine whether ETA will be the system utilized department wide. Currently ITSD, Commissioner's Office, HRSC, and the Administrative Hearing Commission use ETA. A committee has been formed to look at improvements needed to

the system in order to incorporate additional OA divisions into this timekeeping system.

6. Manager/Supervisor Training – Many initiatives are currently underway within the HRSC. As a result of these initiatives, many HR processes are changing. It is imperative that supervisors are trained on these changes including, interviewing, reference checks, disciplinary issues, performance appraisals, and handling FMLA and ADA requests. These trainings present some challenges for the HRSC since there is currently no training staff dedicated to this task.

7. Possible Facilities Management Design and Construction Consolidation – Possible consolidation of further maintenance employees (413) from Corrections, Highway Patrol, Veterans Homes, and Agriculture (State Fair) into the OA 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 into SAM II from one agency to another. There also is likely to be many questions raised by employees who will be transitioning to an entirely different set of policies once the consolidation into OA takes place. These employees will need training on these matters.

