

Department of Administration

Report to SAVA
August 19, 2015



Major Activities Since Last Interim

Architecture and Engineering Division

- Completion of Butte Justice Center; houses the Butte/Silver Bow County Emergency Operations Center and the Montana Highway Patrol Division Headquarters, as well as a driver testing station.
- Completed construction of the new Jake Jabs Business Building, MSU-Bozeman.

General Services Division

- GSD and Helena Recycling rolled out an enterprise-wide comprehensive recycling program for the Capitol Complex. Since the program began, 130 tons of materials have been recycled (office paper, cardboard, aluminum, glass, wood pallets, and plastics).

Health Care and Benefits Division

- Opened new Health Centers in Butte and Anaconda. We now have locations that are accessible by 73% of our employees, their dependents, and retirees under age 65.

Risk Management and Tort Defense Division

- Brett Dahl, division administrator, was recognized as the United States Public Entity Risk Manager of the Year by the Public Risk and Insurance Management Association.

State Financial Services Division

- The division partnered with our bank to implement services that reduce risk of check cashing fraud and check theft (onsite electronic deposit machines and payee positive pay).
- The State Procurement Bureau implemented eMACS, an online system which provides vendor registration and electronic bid notification to all registered vendors, as well as online bidding, electronic reminders and notifications, and document submittal capabilities.

State Human Resources Division

- The division partnered with the Department of Public Health and Human Services to implement a new recruitment and onboarding system (known as SOMRS) to replace the existing legacy system. SOMRS provides a better experience for candidates applying for state jobs. The system eliminates duplication of information for both candidates and agency HR and management staff. It also replaced manual, sometimes paper, processes with streamlined electronic processes. <http://statecareers.mt.gov/>

- Completed a project to identify and properly code the state's work locations in SABHRS (Statewide Accounting, Budgeting, and Human Resources System). We worked with each agency on this massive effort to ensure we can identify where our employees work, which is especially important during an emergency.

State Information Technology Services Division

- In concert with the Department of Labor and Industry, SITSD conducted a successful pilot test of an enterprise Electronic Content Management (ECM) solution. The state is moving forward to adopt this system as an enterprise solution, encouraging adoption and use by state agencies.
- SITSD has engaged AirWatch to provide our on-premises Mobile Device Management (MDM) solution. MDM will enable the state to more efficiently manage mobile smart devices while increasing security.
- SITSD has implemented Microsoft Forefront Identity Manager (FIM) as part of the Access Control and Verification Project (part of the Data Protection Initiative). This system synchronizes data with the State Human Resources system and automatically creates and deletes access accounts for employees, contractors, and other computer users. Currently, all of DOA is using FIM. Our goal is to have all state agencies using this solution by March 2016.

Director's Office

- The Director continues active involvement as co-chair of the Governor's Equal Pay for Equal Work Task Force. The second Equal Pay Summit was held in Butte in April 2015.
- Implemented department-wide Managed Print Program reducing copying devices from 60 to 27. We expect annual savings in excess 14.6% on average.
- As chair of the Capitol Complex Advisory Council, the Director participated in the process of securing and installing the Women's Mural in the Montana Capitol.

Key Legislation in 2015

Architecture and Engineering Division

- **HB 403** Provide for long-range building appropriations. 1) Establish individual project parameters; 2) appoint consultants; 3) complete designs; and 4) bid/construct projects.
- **HB 464** High-performance program for existing buildings. 1) Establish strategy and outline method to develop standards; 2) develop collaborative work group; 3) assign tasks and conduct research; 4) develop standards and program practices and distribute for review/comment; and 5) finalize standards and program practices.

General Services Division

- **SB 94** Revise laws related to the central stores warehouse. The department established a working group of interested office supply vendors to determine a new definition of "office supply" to reflect changes in state business processes (closing of the Central

Stores Warehouse) and updated technology. The new definition will be adopted in administrative rule with the participation of this working group.

- **SB 144** Revise laws to consolidate procurement accounts. With the closing of the Central Stores warehouse, the Central Stores Program no longer operates as an internal service fund. This bill updates the fund type for this program and transfers existing funds to the correct fund.

Health Care and Benefits Division

- **SB 418** Authorize transfers to implement HB 2 (including state employer pay and state share under 2-18-703, 2-18-812, MCA). We are implementing programs aimed at improving health outcomes and reducing costs. We are establishing cost-efficiency direction to CareHere, our health center contractor, to control referrals. We are conducting an extensive study into reference-based pricing.
- **HJ 29** Study membership-based health services to determine insurance, cost impacts. Our chief concern and interest in this study resolution is the unregulated nature of air ambulance costs. Agreements between hospitals and air ambulance service providers have created a huge variance in the charges for air ambulance service by providers. In turn, because our plan pays a specified amount for this service, employee balance billing by the providers has resulted in unreasonably high costs to members.

Risk Management and Tort Defense Division

- **HB 354** Establish a loss mitigation special revenue account. This bill changes the program name, requires detailed documentation, and requires OBPP approval for awards greater than \$30,000.

State Financial Services Division

- **SB 123** Revising the regulatory authority over the Montana State Fund. Changes the State Fund's fiscal year from the state fiscal year to a calendar year basis. This change requires significant configuration changes and reprogramming of SABHRS.

State Human Resources Division

- **SB 418** Authorizing transfers to implement provisions of House Bill 2. Provides for a 50¢/hour increase for state employees in January 2016 and January 2017. It also removes the requirement, which was added last session, for State HR to conduct a second salary survey.

State Information Technology Services Division

- **HB 10** Long-range information technology appropriations. Several projects from multiple departments were consolidated under DOA. The CIO is working with the Governor's office and agencies to determine the final allocation of the funds appropriated to DOA.
- **HJ 21** Interim study on ownership of personal information. SITSD will support the interim committee.

Director's Office

- **HB 2** General appropriations act. Working to establish DOA biennial budgets based on particulars of HB 2.

Key Activities for the Current Interim

Architecture and Engineering Division

- Implement projects appropriated in HB 403.
- Commenced construction of Missoula College UM.
- Commenced construction of Natural Resources addition at Montana Tech.
- Develop high-performance operations and maintenance program for existing buildings (HB 464).
- Design and construction of College of Engineering building at MSU-Bozeman (new Norm Asbjornson Innovation Center; largest project in division history).
- Review potential integration with State Procurement Bureau's new eMACS system.

General Services Division

- Continue Facilities Condition Inventory updates.

Health Care and Benefits Division

- Data management and analysis
 - The division is working with SITSD to develop a data warehouse, with data analytics tools.
 - HCBD worked with current vendors to feed 30 months of data to Verisk (a population management tool) to better analyze plan expenses, trends, and outcomes.
- Hired Alliant Insurance Services as HCBD Health Plan consultant, to advise on plan performance, design, and efficiencies.

Risk Management and Tort Defense Division

- Implementation of Loss Mitigation Expense Fund process controls (HB 354).
- Review commercial and self-insured deductibles, policies, limits, and incentives programs.

State Financial Services Division

- Prepare 2015 CAFR.
- Implement SB 123 (Montana State Fund to calendar year).
- Implement enterprise contract management as part of the eMACS system.
- Update internal control plans and procedures.
- Upgrade Financials System with increased functionality and features.

- Develop eLearning solutions regarding accounting subjects for local governments.
- Explore solutions to eliminate need for agencies to visit the state treasury to make deposits. This may include bank kiosks in each building.

State Human Resources Division

- We continue to make improvements to SABHRS to increase efficiency of the enterprise HR function and to ensure compliance with state and federal law.

State Information Technology Services Division

- SITSD faces a \$3.7 million budget cut from the Governor's proposed budget over the next biennium. Numerous steps have already been taken to address this shortfall.
- The Montana Information Security Advisory Council (ISAC) was recently established by Governor Bullock to provide recommendations to the Governor on a statewide strategic information security program.
- The Enterprise Information Security Program develops strategies and establishes the overarching framework for securing information systems for the state of Montana, using National Institute of Standards and Technology standards as a base framework. The program goals and objectives are established by ISAC.

Director's Office

- Pursue internal controls improvements throughout the department.
- Continue the department's support of the Governor's Main Street initiatives. DOA is the lead agency in developing a customer satisfaction survey for state agencies.
- Continue active involvement as co-chair of the Governor's Equal Pay for Equal Work Task Force.