FIVE YEAR STRATEGIC PLAN
FY2016 – FY2020

Kathy Peckardt
Interim Director

January 5, 2015

Dear Arizonans:

As the Interim Director of the Arizona Department of Administration (ADOA), I am pleased to share with you the Department's Five Year Strategic Plan for fiscal years 2016-2020. The ADOA leadership team has invested an extensive amount of time and effort into its development. You may find it helpful in understanding the critical work performed by the ADOA employees and our many stakeholders and partners.

Several major strategic issues were identified, and we believe the successful execution of these strategic issues will help us achieve our mission:

> *"To serve State government by delivering the highest quality services to our partners in support of all Arizonans."*

Sincerely,

Kathy Peckardt
Interim Director

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EXECUTIVE SUMMARY

The Arizona Department of Administration (ADOA) is a state government agency dedicated to enabling and in many cases enhancing the ability of other agencies to conduct their business. ADOA was established in July 1973 by the Arizona State Legislature to provide support to the operation of state government.

Mission

> *"To serve State government by delivering the highest quality services to our partners in support of all Arizonans"*

This statement accurately identifies the dual role of ADOA: providing centralized support services to agencies so they can focus their efforts on their unique missions and embracing the leadership role of the agency to introduce and implement statewide efficiencies and solutions that no other agency has the leverage to embrace.

Vision

> *"The vision of ADOA is to be an effective and dependable partner within Arizona State Government"*

The agency acknowledges the importance of being recognized as a vital link in the service delivery chain, ensuring that those agencies that directly provide services to the people of Arizona are in turn supported by ADOA. The agency is also working to be known as the model agency among all benchmark organizations and ensuring that the agency is strongly competitive with other organizations to attract top quality applicants when a position needs to be filled.

Values

A comprehensive list of six core values has been identified that will guide and direct the behavior of employees at all levels of the organization. Taken together, these values describe the culture of the workforce, ensuring that all employees and visitors to the agency have a common understanding of agency expectations and how they will be treated.

- *Accountability*
- *Stewardship*
- *Partnership*
- *Integrity*
- *Results-Oriented*
- *Excellence*

Goals

The agency has identified eight goals that will direct future actions and decision-making. These goals cover a broad diversity of actions and initiatives, as shown below:

- *Goal 1 – Employees*
- *Goal 2 – Statewide Effectiveness*
- *Goal 3 – Reliability*
- *Goal 4 – Reform*
- *Goal 5 – Leadership*
- *Goal 6 – Asset Management*
- *Goal 7 – Innovation*
- *Goal 8 – Partnerships*

Strategic Issues

The agency's strategic issues impact multiple divisions within ADOA. The nature of these issues further reinforces the value and the goal of partnering with our customers and stakeholders. ADOA will not be successful addressing the strategic issues without the assistance and cooperation of other agencies. Each issue listed below is described in more detail in the strategic plan, including appropriate objectives and strategies that will lead to realizing efficiencies and improved service delivery.

- *Strategic Issue 1:* *Attract a Highly Engaged and Highly Motivated Workforce*
- *Strategic Issue 2:* *Leverage HRIS (Human Resources Information Solution)*
- *Strategic Issue 3:* *Control & Contain Benefit Costs*
- *Strategic Issue 4:* *To Improve Consistency in the Delivery of Procurement Services, Using Standardized Formats and Procedures*
- *Strategic Issue 5:* *Provide, Enhance and Support a Transparent, Effective eProcurement System*
- *Strategic Issue 6:* *Development of Knowledgeable and Skilled Public Procurement Professionals*
- *Strategic Issue 7:* *Enhance Capitol Mall/Tucson Office Complex Physical Security*
- *Strategic Issue 8:* *Continue Building Renewal*
- *Strategic Issue 9:* *Develop Certificate of Insurance Tracking System*
- *Strategic Issue 10:* *Implement Workers' Compensation Medical Cost Containment Program*
- *Strategic Issue 11:* *Expand Enterprise Capabilities*
- *Strategic Issue 12:* *Proactively Manage Enterprise Risk*
- *Strategic Issue 13:* *Implement and Continuously Develop the Statewide Enterprise Resource Planning Solution*
- *Strategic Issue 14:* *Increase the Office of Employment and Population Statistics Participation in the Workforce Investment Community*

OVERVIEW OF THE AGENCY

The Arizona Department of Administration (ADOA) is a state government agency dedicated to enabling and in many cases enhancing our customers' ability to conduct their business. ADOA was established in July 1973 by the Arizona State Legislature to provide support to the operation of state government. The Arizona State Legislature funds the majority of ADOA programs. For Fiscal Year 2014, the ADOA operating budget was $1,144,906,400 and the agency was authorized 528.10 Full-Time Equivalent positions. Due to budget reductions, however, the agency currently employs only 471.70 employees.

The primary customers of ADOA include Arizona State government agencies and Arizona State employees. Even though it is minimal, ADOA does provide some direct service to the public, and to other governmental entities, including local governments (city and county), political subdivisions (e.g. school districts) and the Federal government.

Our service delivery cycle begins with the citizens of Arizona and their needs. They have needs for such things as health care; human service programs; enforcement of standards for the quality of Arizona's air, land and water; enforcement of standards of practice including finance, banking, accountants, barbers, insurance and educational standards; protection from criminal activity; law enforcement and a transportation system. ADOA understands that it is just one piece of the overall operation of state government. Seven different types of state government agencies address these customer needs including:

- Health and welfare agencies (e.g. Department of Health Services, Arizona Health Care Cost Containment System, Department of Economic Security),
- Protection and safety agencies (e.g. Department of Corrections, Department of Public Safety),
- Transportation agencies (e.g. Department of Transportation),
- Inspection and regulation agencies (e.g. Board of Accountancy, Department of Real Estate, Department of Insurance),
- Education agencies (e.g. Department of Education, Arizona State Schools for the Deaf and Blind),
- Natural resource agencies (e.g. Department of Environmental Quality, Game and Fish Department, State Land Department), and
- General government agencies (e.g. Department of Revenue, Governor's Office, Arizona Department of Administration).

For these state agencies and their employees to be successful in providing services to the citizens of Arizona, they in turn have needs. These needs can often be met most effectively and economically through common systems and processes shared by all state government organizations. These common needs include:

- Developing employees through training
- Paying employees for the work they do
- Processing claims when the employees get injured
- Providing medical and dental health benefit options to employees

- Maintaining office buildings for employees to work in
- Purchasing goods and services needed to conduct business
- Providing information technology and telecommunication services for employees
- Providing vehicles for business trips
- Providing a pool of qualified applicants to fill job openings

ADOA was established by the Legislature to provide these common services which not only capture economies of scale and reduce unnecessary duplication, but also to allow state government agencies and their employees to focus their resources and efforts on their unique missions and meeting the various needs of the citizens of Arizona.

ADOA is organizationally comprised of the Director's Office and seven divisions:

Director's Office
In addition to providing strategic planning, direction and operational guidance for the agency, the Director's Office also includes the legislative liaison/public information office, Budget Office, Government Transformation Office, Grant's Office, State Employee Charitable Contribution Office, Office of the General Counsel, Office of Employment and Population Statistics and the Governor's Regulatory Review Council.

Additionally, the Director's Office formulates and advocates agency policy and compliance with all statutory requirements and administers ADOA operations in a cost-effective and efficient manner that is responsive to our customer's needs.

General Accounting Office (GAO)
This group administers the statewide accounting system, Arizona Financial Information Systems (AFIS), which maintains information on over 44,000 vendors and involves processing over nine million transactions each year. The division also administers payroll for nearly 39,000 state employees through the Human Resources Information Solution (HRIS). Every two-week pay period, over $95 million is processed through the payroll system. The division also coordinates and prepares multiple statewide financial reports, establishes statewide accounting policies and procedures, conducts internal audits, and assists agencies with problem resolution. Taken as a whole, the State is a big business; if the State were a Fortune 500 company, it would rank in the top 100 companies.

General Services Division (GSD)
The division provides project management and contract review services for capital projects and other construction projects. The division also maintains ADOA-managed office buildings (plumbing, electrical, heating/cooling, and general maintenance), provides custodial services, maintains landscaping, inspects facilities, and manages the modification of office space. In total, the division provides property management services for over 3,500 structures. The division maintains a statewide fleet of vehicles ensuring agencies have appropriate vehicles for both long-term and short-term transportation needs. The management and disposition of surplus property is also coordinated through the division.

Human Resources

The division is responsible for administering the State Personnel System and health benefits to nearly 34,000 employees. The division has four primary functions:

- Benefit Services, whose programs currently include a self-funded medical plan, self-funded dental plan, and fully insured plans for vision, basic life, supplemental life, dependent life, short-term disability, flexible spending accounts, and a statewide wellness program. ADOA is legislatively mandated to offer continuation of health and dental insurance coverage to state retirees and their dependents.   In total, Benefit Services has a total customer population of over 125,000 members, making the State the largest self-insured health insurance group in Arizona. Benefit Services assists members with a variety of benefits related issues. Additional services provided include a Wellness Program and contracted services for an Employee Assistance Program. The Member Services staff works closely with the Benefit Liaisons assigned to each agency to ensure initial enrollments are correctly completed. Additionally, each year the staff conducts an open enrollment allowing members to modify their insurance choices (www.benefitoptions.az.gov).
- Maintaining the infrastructure for personnel administration including the classification and compensation system as well as personal rules and policies governing all employees within the ADOA Personnel System. In addition, HR maintains the State's payroll/personnel system-Human Resources Information Solution (HRIS), which links together a centralized job board (azstatejobs.com), the hiring system (Hiring Gateway) and the State's centralized employee self-service website-Your Employee Services (YES).
- Providing a number of services to state employees including a State Career Center, an internship program, a Travel Reduction Program, and training through the Arizona Learning Center.
- Supporting state agencies by providing human resources services in the areas of employee relations, staffing and recruitment, job classification, employee compensation, employee development, recognition, workforce planning and analysis, and operational support.

This program contains the following subprograms:
- Human Resources Operations
- Travel Reduction
- Benefits Services Operations
- Benefits Vendor Payments

Arizona Strategic Enterprise Technology (ASET) Office

ASET is responsible for defining and executing the Statewide strategic IT plan in alignment with the Governor's four cornerstones of reform. ASET will expand on the Governor's reform agenda with the themes of reducing unnecessary expenditures, leveraging technology as a force-multiplier, and protecting the security and privacy information of our state's citizens. The Strategic Transformation and Innovation office sets the technology, security, privacy, and communication strategies, policies, and procedures for the state of Arizona. In addition, it is the body responsible for monitoring and overseeing high-risk technology projects across all state

agencies. Lastly, it manages several large, state-wide programs and initiatives such as e-Government, the Health Information Exchange, and Broadband.

Risk Management Division (RMD)

The RMD provides statewide (including the three universities) management responsibilities for the following programs:

- The Property and Liability Claims Section is responsible for the investigation and settlement of all insurance claims related to state property and liability issues. The section also manages and defends lawsuits against the state with the assistance of the Attorney General's Office and recovers moneys from third parties responsible for loss or damage to state property.
- The Workers' Compensation Section is responsible for investigation and management of all workers' compensation claims filed by state employees. The Workers' Compensation Section manages the return to work and modified duty programs for the State and provides assistance to state employees in receiving quality medical care for injuries sustained on the job.
- The Loss Prevention/Insurance Section's primary responsibility is to work with state agencies to reduce the frequency and severity of losses. Risk Management Loss Prevention Consultants provide advice and assistance in a variety of areas including exposure analysis, environmental assessments and industrial hygiene concerns. The section also purchases insurance policies that provide excess coverage, agency assistance with insurance and indemnification issues, and also oversees post-offer physical exams for persons entering jobs with a high risk of occupational illness or injury.
- The Financial Section provides budgets, forecasts, financial reports and pays all approved insurance claims.
- The Administration Section provides the division with support services including personnel, procurement, facility management and archiving.

State Procurement Office (SPO)

The State Procurement Office (SPO) serves as the central procurement authority for the State of Arizona. The office conducts strategic sourcing for statewide cooperative contracts including: office supplies and equipment, temporary services, marketing and advertising services, information technology equipment, software, and telecommunication equipment and services. SPO also conducts specialized procurements for a large number of small agencies with limited procurement authority. Additionally, SPO provides and supports a central e-procurement system (ProcureAZ) for use by state agencies and cooperative members (i.e., counties, cities, schools).

MISSION AND VISION STATEMENTS

MISSION

To serve State government by delivering the highest quality services to our partners in support of all Arizonans

VISION

To be an effective and dependable partner within Arizona State Government

VALUES

Accountability: We accept responsibility for our actions and hold others responsible for theirs.

Stewardship: We embrace the responsibilities of effective administration of the programs and services we have been charged with providing and managing the resources used by the agency in a cost-conscious manner on behalf of the taxpayers.

Partnership: We are committed to active collaboration with employees, stakeholders, partner agencies, the Executive and other branches of government as a critical part of our processes and decision-making.

Integrity: We are honest and adhere to a moral and ethical code of conduct in all of our actions.

Results-Oriented: We are very concerned about process, but ultimately our primary focus is on outcomes, solutions, and achievements, streamlining and simplifying process when justified and prudent.

Excellence: We hold ourselves to a standard of excellence in order to provide service that exceeds the expectations of our customers.

GOALS

Goal 1 – Employees: Attract, develop, retain and value every employee, our most valuable resource.

Goal 2 – Statewide Effectiveness: Strengthen government's ability to achieve results efficiently and effectively.

Goal 3 – Reliability: Maintain the continuity of State government operations to ensure the safe and efficient delivery of government services.

Goal 4 – Reform: Fundamentally revamp and streamline statewide programs, eliminate bureaucracy and deliver effective, efficient, transparent, and responsive services.

Goal 5 – Leadership: Provide statewide innovative direction in managing resources and delivering exceptional customer service.

Goal 6 – Asset Management: Manage assets and infrastructure to sustain operations and make advancements with proven industry standards.

Goal 7 – Innovation: Use modern technology, business systems, data and expertise to enhance results and performance.

Goal 8 – Partnerships: Continually develop and enhance internal and external relationships through collaboration and ongoing communication.

Strategic Issue 1: Attract and Retain a Highly Engaged and Highly Motivated Workforce

Description: The Arizona State Personnel System has over 34,000 state employees. This workforce is comprised of very broad and diverse career fields including, but not limited to, information technology, healthcare, law enforcement, social services, legal services, administration, engineering, and finance. Like many employers, Arizona is facing leaner staffing levels and tighter budgets, and the need to have the right expertise is more critical today than ever.

Demographic shifts and competition for talent are expected to be the biggest influence on our workforce over the next five years, as increasing numbers of experienced employees may retire or choose to pursue other career opportunities, and the State will be forced to compete with other employers for talent.

Moving forward, we will continue to focus on implementing strategies to mitigate anticipated departures of our valuable employees, implementing recruitment measures to attract top talent, and ensuring our compensation system includes salary ranges consistent with market pricing of jobs.

Objective(s):

- By June 30, 2015, increase the average length of service of high-performing employees by 5 percent
- By June 30, 2015, increase turnover of low-performing employees by 5 percent

Strategies:

- Provide a sound classification structure and compensation system consistent with the market
- Provide recruitment strategies to attract high-performing employees
- Implement the Arizona Management Intern Program and increase participation in the Arizona Interns-in-Action Program
- Develop employees in their current roles and prepare them for future positions within state government with an emphasis on developing leaders
- Deploy an HRIS top performers behavioral assessment (Talent Science) for use in recruiting, promotion, employee development and succession planning

Performance Measures:

- Increase the average length of service of high-performing employees
- Increase promotional rate for high-performing employees
- Increase participation in ADOA developed intern programs
- Increase employee engagement (annual statewide survey)

Strategic Issue 2: Leverage HRIS

Description: The Human Resources Information Solution (HRIS) is an integrated enterprise system that processes human resources, payroll, and benefits transactions. Every state agency, with the exception of the universities, relies on HRIS to accurately pay state employees. Every state agency (including the universities) utilizes HRIS to manage health insurance coverage. Currently, HRIS processes information for over 60,000 employees and calculates the State's annual payroll of $2.5 billion dollars.

Over the past seven years, ADOA has leveraged HRIS to generate millions of dollars in efficiencies and productivity savings through the deployment of functionality that has streamlined business processes across state government. This functionality includes Employee Self Service, Manager Self Service, Training Administration, Hiring Administration, Employee Time Entry (ETE), Managing Accountability & Performance (MAP), Leave Administration and On-Line Benefits Enrollment.

The ADOA Human Resources Division will continue to leverage the base HRIS human resources, benefits, and payroll applications by continuing to make enhancements to the system in order to expand all functionalities to all agencies, boards and commissions

Objective(s):

- Generate $61.7 million of cumulative productivity savings and efficiencies over the FY15 – FY19 Strategic Plan period

Strategies:

- Upgrade HRIS to S10
- Deploy OnBoarding, Performance Management, and FMLA to all agencies
- Deploy ETE to Arizona Department of Corrections and Arizona Department of Transportation
- Deploy Goal Management to all agencies
- Deploy an HRIS top performer's behavioral assessment (Talent Science) for use in recruiting, promotion, employee development and succession planning
- Deploy Succession Management to all agencies
- Deploy an integrated Learning Management System

Performance Measures:

- Number of agencies deployed by application
- Productivity and efficiency savings by application

Strategic Issue 3: Control & Contain Benefit Costs

Description: The Human Resources Division - Benefit Services administers the group benefit programs for state employees and their dependents. These programs currently include self-funded medical and dental plans; fully insured dental HMO, vision, basic life, supplemental life, dependent life, short-term disability, long-term disability, home-owners and auto insurance plans; flexible spending accounts; and computer purchase and employee discount programs. ADOA is legislatively mandated to offer continuation of health and dental insurance coverage to state retirees and their dependents. This section also manages the statewide wellness program.

ADOA effectively controls the rise in health care costs through quality benefit design, administrative oversight, strategic planning, auditing, and effective contract management.

Objective(s):
- Each fiscal year continue to provide a competitive, comprehensive and cost effective benefits program
- Each fiscal year contribute toward improving the health and lifestyle of state employees, retirees, and their families

Strategies:
- Administer a comprehensive Wellness Program in partnership with the State's health care vendors
- Administer a comprehensive Audit Program to ensure vendor compliance with contract performance standard
- Evaluate annually and adjust as necessary the design of the benefit offering
- Implement an Employer Group Waiver Plan for Medicare eligible retirees to maximize federal dollars available for reimbursement to plans providing retiree coverage

Performance Measures:

- Percentage of customers satisfied with health plan provider-Annual Member Satisfaction
- Percentage of AZ providers/facilities available in networks
- Percentage of performance guarantees met
- Percentage of medical plan loss ratio
- Percentage of administrative costs of medical plan
- Medical claims processing accuracy percentage
- Percent of reserves funded
- Average annual medical cost per covered life
- Percentage of health care costs compared to national trend

Strategic Issue 4: To Improve Consistency in the Delivery of Procurement Services, Using Standardized Formats and Procedures

Description: Prior to procurement reform, inconsistencies in procurement processes and formats were highlighted. Through procurement reform the approach for improving these issues was initiated. To continue the improvement in the delivery of effective procurement support, advice, and direction, it is necessary to create consistent practices through policies, standards, rules, and legislation. The State Procurement Office must develop and maintain an organizational structure conducive to efficient and inclusive practices.

Objective(s):

- Establish a structured Vendor Performance program tool with policies and procedures to be used by agencies by December 2015
- By December 2015 develop and publish a state procurement manual
- By June 30, 2016 create 3 standardized templates for IT contracts for hardware and software available for use by agencies and cooperative members
- By June 30, 2016 complete a review and revision, as necessary, of the procurement operating manual based on scheduled technical bulletins, standard procedures, and legislation
- By July 1, 2016, establish the baseline for contract administration actions taken based on the vendor performance program

Strategies:

- Create standardized templates and forms
- Establish the vendor performance program
- Review and revise technical bulletins and standard procedures
- Support our stakeholders by promoting best practices and document standardizations

Performance Measures:

- Number of standardized templates developed
- Data and feedback on the use of the vendor performance tool
- Use of standardized policies, procedures and templates

Strategic Issue 5: Provide, Enhance and Support a Transparent, Effective eProcurement System

Description: Integration of the state's eProcurement system with the new ERP financial system has required the State Procurement Office to review its operational processes. To ensure functionality, availability and integration of the ProcureAZ eProcurement system for the benefit of the end users and the public this review will require SPO to revise and implement new policies to support the new configuration.

Objective(s):
- By June 30, 2015 establish all change control policies and procedures for ProcureAZ modifications contemplated after ERP implementation
- By December 30, 2016 establish reporting functionality, training material, and archival policies in ProcureAZ
- By December 30, 2017 implement a multi-platform program for training to include remote, in person, and web based training delivery to be available for use by end users in calendar year 2018

Strategies:
- Establish a change control process for ProcureAZ modifications
- Develop standardized reporting documents and storage procedures for ease of use
- Use data analytics to identify trends
- Conduct ProcureAZ training via multiple methods to increase understanding of system use

Performance Measures:

- Feedback and surveys of ProcureAZ users
- Number of classes and number of attendees conducted by each training platform
- Processing times for competitive solicitations

Strategic Issue 6: Development of Knowledgeable and Skilled Public Procurement Professionals

Description: The state is experiencing a challenge in promoting qualified procurement staff. This issue can be related to a lack of a consistent baseline training program for all state procurement employees to have as a knowledge base. ADOA's State Procurement Office shall provide a professional development program for State of Arizona employees to promote an understanding of the body of knowledge surrounding public procurement, ensure professional competence, and foster consistency in practice.

Objective(s):

- By June 30, 2015 conduct a training needs assessment with all delegated agencies to identify gaps in knowledge, skills and abilities of procurement staff
- By December 30, 2015 establish a professional development plan encompassing the baseline procurement training requirements for state procurement professionals
- By June 30, 2016 identify 3 additional relevant training classes recommended for procurement staff available outside of the procurement training program and have 50% of chief procurement officers completing these classes
- By December 31, 2016 50% of state procurement employees will have successfully completed the training program
- By December 31, 2017 develop 2 additional training classes to augment current procurement training program

Strategies:

- Create and implement a training plan for professional development
- Establish CBT and classroom training for the new procurement certification program
- Through evaluation and assessment, ensure our program is effective

Performance Measures:

- Completion of the training by a percentage of state public procurement professionals
- Completion of the development of the baseline procurement training requirements
- Feedback received from procurement training attendees

Strategic Issue 7: Enhance Capitol Mall/Tucson Office Complex Physical Security

Description: ADOA's current electronic command and control security system, which controls facility badge access and monitors alarms of a variety of types, is over 25 years old, obsolete, in chronic repair-mode, unsupported by current technology, and does not meet ADOA's current needs. Replacing the existing access control system, selecting a new access control card; and integrating the new system with HRIS, including design and engineering fees and any new door hardware (e.g. locks, strikes, handles, etc.) will facilitate future expansion of the system and integration of additional building components as funding becomes available.

Objective(s):

- By September 30, 2015, successfully and completely implement the new security access system for State-owned buildings

Strategies:

- Successfully identify pertinent information within existing system and migrate the information into the new database.   Develop and implement new badging policies and procedures relating to new system and system interface with HRIS
- Provide "roadshows" or informing demonstrations to ADOA customer agencies to explain changes in system and procedures
- Work towards a seamless transition between systems, while ensuring minimal impact to ADOA customer agencies

Performance Measures:

- By March 1, 2015, complete migration of pertinent data from existing database to new system
- By August 30, 2015, achieve substantial completion of construction and installation of new access system in 100% of ADOA-owned and managed buildings
- By September 30, 2015, completely implement new access system throughout ADOA-owned and managed buildings
- By June 30, 2016, attain a score of 6.50 on the ADOA External Customer Satisfaction Survey

Strategic Issue 8: Building Renewal

Description: As a result of nearly thirty-years of funding shortfalls carried forward year after year, the Building System has amassed $459.5 million (adjusted for inflation) of deferred capital maintenance. The real significance of the Building System's deferred maintenance is not its estimated value; it is its potential liability. Major equipment breakdowns, system failures, physical plant shutdowns, and building finishes and contents damage are increasingly more common. The difficulty in predicting and preventing a major equipment or system failure in the ADOA Building System's aging facilities without proper funding is surpassed only by the difficulty in dealing with these occurrences both physically and financially once they have occurred. Failure to address these issues with appropriate funding creates scenarios for undesirable environmental exposures, causes losses of productivity and inventory, increases expenditures in labor and mobilization fees, and further broadens the spectrum of accountability.

Objective(s):

- By October 15th, submit the annual ADOA Capital Improvement Plan (CIP) to the Governor's Office
- To encumber all Building Renewal monies prior to reversion of funds
- By September 30, 2015, Building and Planning Services achieve a score of 6.5 on the ADOA Partner Survey

Strategies:

- Arizona Revised Statutes mandate that priority funding consideration should be given to projects affecting fire and life safety. The Department of Administration, for the preparation of each year's ADOA Building System building renewal allocation plans will engage and educate ADOA Building System agencies and budget offices to appropriately identify and justify priorities and validate scope and budget of proposed projects

- Engage and educate ADOA Building System agencies and the legislature to better identify priorities and validate scope and budget of proposed projects

Performance Measures:

- Each fiscal year, maintain the safety and operational capabilities of State-owned buildings with minimum interruptions despite the aging building infrastructure and improve the quality of analysis of capital budgeting issues

Strategic Issue 9: Develop Certificate of Insurance Tracking System

Description: Contractors and Lessees are required to provide proof of insurance coverage as part of contracts and lease agreements entered into with State Agencies. This proof is received via a Certificate of Insurance (COI). The COI must be reviewed and compared to the insurance requirements in the contract/lease. The COI's have various expiration dates for the insurance policies represented and must be tracked in order to obtain updated COIs.

Currently this is a manual process that can be automated and web based to meet the specific needs of the State.

Objective(s):

- By June 2018 implement a Certificate of Insurance Tracking System

Strategies:

- Utilize ASET resources to develop COI application. Interface with existing documents in Procure AZ or other document management systems(s).

Performance Measures:

- Reduce the time necessary to process, review, update and maintain COIs
- Improve document access
- Improve contractor compliance
- Implement at two large agencies
- Make system available statewide to all state agencies

Strategic Issue 10: Improve the Delivery of Medical Care for Injured State Employees and Contain Costs to the State

Description: The Risk Management Workers' Compensation Section performs many cost containment tasks necessary to process medical claims. Many of these tasks are retained in-house while many tasks are subcontracted. These tasks include; nurse triage, independent medical exams, nurse case management, utilization review services, and payment processing. The workers' compensation industry is moving towards achieving economies by bundling these tasks and outsourcing to one administrator. In addition to receiving economies, bundling of services moves medical decision making from claims adjusters to medical personnel and will shift focus to adjusting based on evidence based medical guidelines.

Objective(s):
- By June 30, 2016 consolidate worker's compensation medical cost containment systems.

Strategies:

- Engage a consultant to contact Worker's Compensation Third Party Administrators and determine scope and design of a comprehensive program

- Engage an actuary to perform an independent cost/benefit analysis

- Issue an RFP

- Perform agency outreach and training

Performance Measures:

- Improve injured employees return to work timing
- Reduce medical utilization
- Reduce costs (TBD by 12/18/2014) to the State

Strategic Issue 11: Expand Enterprise Capabilities

Description: In order to keep up with the demands of Arizona citizens and businesses, the state must leverage modern platform technologies to increase the quality and speed at which it provides services. ADOA has recently launched the Arizona Enterprise Services Platform (AESP) which will provide state agencies with enterprise capabilities on which they can build their line-of-business applications.

Having an enterprise platform will provide agencies with the ability to deploy applications more rapidly due to the fact that specific capabilities will be provided as a shared service. Instead of building applications from scratch, agencies will be able to leverage functionality that already exists on the platform. Leveraging these shared service capabilities will provide the State with more viable, sustainable, scalable and cost-effective options. Ultimately, this will enable greater flexibility in delivering services while reducing overhead costs statewide.

ADOA will continue building additional enterprise capabilities including identity management, payment processing, workflow management and digital signature as part of the shared platform. In addition, the platform will include an Application Programming Interface (API) store so agencies can easily and securely share their data, either privately with other agencies or with the public.

ADOA has also built new, mobile-capable website templates and has begun migrating agencies to this new platform. As a result, the new public websites provide Arizona citizens increased ability to access state services anywhere, any time. Leveraging the same technologies, ADOA will build a private portal for citizens, business and employees called MyAZ. As an aggregator of information, MyAZ will be a secure website for citizens, businesses and employees to interact with the state, get the status of service requests, and receive alerts as requests are processed.

Objective(s):
- Five agency applications built on the AESP by the end of FY2016
- 20 APIs in the API store by the end of FY2016

Strategies:
- Provide agencies with enterprise capabilities on which they can build their line-of-business applications more rapidly. Instead of building applications from scratch, agencies will be able to leverage functionality that already exists on the platform
- Continue to work with agency leadership to identify data sources that could be shared as part of the API store.

Performance Measures:

- Improve the quality, capacity and velocity of statewide business services by maintaining a shared enterprise services platform
- Increase secure, statewide data sharing by maintaining an API store

Strategic Issue 12: Proactively Manage Enterprise Risk

Description: Over the course of the past year, ADOA has strengthened cybersecurity and privacy operations to reduce enterprise risk. Employees participated in statewide training sessions and exercises to increase the awareness of cybersecurity threats, as well as to share best practices in preventing security or privacy incidents. ADOA leadership also established and strengthened cyber-relationships with critical infrastructure partners for collaboration regarding the state of cybersecurity at all levels of government.

In addition to education and outreach, the ADOA will continue to invest in multiple layers of security to detect potential vulnerabilities in state technology systems and implement solutions to prevent intrusions. With cybersecurity activity increasing at an alarming pace, ADOA will expand even further its capabilities to identify and mitigate malicious activities. Finally, through the adoption of security policies and standards, such as those outlined by the National Institute of Standards and Technology (NIST), ADOA will strive for the highest level of recommended technology security and privacy controls across all systems.

Objective:

- 16 additional enterprise cybersecurity services operationally ready by end of FY2016
- 10 additional cybersecurity training offerings available by end of FY2015

Strategies:

- Provide agencies with centralized Security services
- Continue to monitor and leverage the NIST framework for technology controls

Performance Measures:

- Expand statewide Data Loss Prevention, Multi-Factor Authentication, and Web Content filtering solutions
- Identify and implement additional security protections and management services in the Cloud

Strategic Issue 13: Implement and Continuously Develop the Statewide Enterprise Resource Planning Solution

Description: The ERP Project involves the replacement of the State's accounting system and includes the addition of other new modules/systems. These new systems will be integrated with other financial sub-systems in the State to provide a comprehensive expanded view of State financial operations. The implementation of the ERP does not stop on the go-live date of July 1, 2015. Some functionality will be implemented after go-live. Additionally, use of infoAdvantage, the data warehouse, will increase as we become more mature users of the system. The Project concludes with the completion of a scheduled upgrade in FY 2019.

Objective(s):
- Implement planned functionality at the July 1, 2015 go-live
- Complete Project within budget and consistent with scope by June 30, 2019

Strategies:
- Manage scope and budget parameters
- Standardize business processes
- Continue to partner with State agencies to ensure a successful implementation
- Continue to leverage the expertise of our integrator (CGI) and oversight (ISG) consultants
- Leverage technology and best practices
- Enhance reporting capabilities

Performance Measures:
Increase financial and accounting efficiency and effectiveness by:
- Facilitating standardization of processes
- Streamlining and enhancing financial reporting and access to data
- Mitigate the risk to ongoing financial operations given the potential failure of the current accounting system
- Leveraging new functionality to drive productivity
- Improving data consistency

Strategic Issue 14: Increase the Office of Employment and Population Statistics Participation in the Workforce Investment Community

Description: The Office of Employment and Population Statistics (EPS) provides support to the workforce investment community by assisting job seekers in finding employers and employers with finding employees. The EPS Economic Analysis staff is charged with providing the workforce development community with:

- Information and resources that enable job seekers, employers, staff in American Job Centers, policy makers, and the workforce investment system to make informed decisions about the services, training, and career paths
- Studies of topics of continuing interest such as labor or skill shortages, mismatches, and deficiencies; and reviews of studies provided by others.
- Information that better identifies and rigorously reports when participants receive workforce information services, to ensure that performance reports measure the value and impact of Labor Market Information (LMI).

While EPS delivers large amounts of LMI on a regular basis, there are further opportunities to expand its role by locating and disseminating actionable and rigorous support to job seekers, employers and staff of American Job Centers.

Objective(s):
- By December 31, 2015 establish consistent and robust relationships with the Workforce Investment community, including the staff at the American Job Centers, the Department of Economic Security and the Arizona Commerce Authority

Strategies:
- Create additional responsibilities in the office for specific regions of the state
- Create a curriculum for training job center staff in the use of real time LMI both for macro trend data and for individual job postings
- Secure the appropriate resources and hire a regional economist to better understand the local economies that we serve

Performance Measures:

- Increase LMI trainings and briefings to two per month, not including press release activities
- Provide three Real Time trainings per year