

DEPARTMENT OF ADMINISTRATION
DIRECTOR'S OFFICE

SENATE STATE ADMIN. 6

EXHIBIT NO.

DATE

1-28-05
MITCHELL BUILDING

FILE NO.



BRIAN SCHWEITZER, GOVERNOR

STATE OF MONTANA

(406) 444-2032
FAX 444-2812

PO BOX 200101
HELENA, MONTANA 59620-0101

January 29, 2005

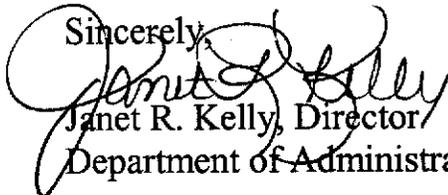
Honorable Carolyn Squires, Chair
Senate State Administration Committee
State Capitol, Office 325

Dear Chairman Squires:

Attached is a copy of my testimony that I did not present at my Confirmation Hearing yesterday afternoon.

I had planned to talk about working with the members of the Legislature to come up with a plan to address the deferred maintenance backlog of state buildings. My comments appear on page three of my testimony.

Sincerely,


Janet R. Kelly, Director
Department of Administration

Attachment

Testimony by Janet R. Kelly, Director
Department of Administration
Before the Senate State Administration Committee,
January 28, 2005

Chairman Squires and Members of the Committee

It is an honor for me to appear before you as Governor Schweitzer's nominee for the position of Director of the Department of Administration. I am grateful to this Committee for scheduling this hearing today, in light of the tremendous amount of business before you during this legislative session.

If confirmed by this body, and given the opportunity to serve the people of this great state, I will work hard to assist the Governor Schweitzer and his Administration in achieving its goal of moving Montana forward, by bringing good paying jobs into our state and revitalizing the economy.

I join the Governor in his pledge to run state government as free of waste as possible, to ensure that every dollar is used wisely, and to preserve to public's trust. I intend to do this by living up to the mission of the Department of Administration, and provide superior and responsive services to other state agencies and their employees, and the citizens of this state, in the most efficient and cost effective manner as possible

I am fortunate to take over as Director at a time when this Department has a solid foundation. My brief time at the Department has confirmed that the DOA employees are first-rate professionals, who work together as an effective team in providing services to our sister agencies, as well as the general public.

The DOA currently provides a number of centralized services for state agencies. My overall goal for the DOA is to continue to improve customer service. I believe we will be able to achieve this goal by improving communications with the other agencies, and find out if they are satisfied with our services, if there are any existing problems with the work we are doing, and if there are additional services they would like us to provide. I plan on meeting with all of the department directors and find out what changes our Department needs to make. These meeting should identify

areas where we can eliminate duplication of services, and save time and money. Improving communications with our customers will remain our long-term goal. We want to be considered the solution, not the problem for state agencies.

I have identified three areas where I would like to make some improvements.

1. I would like the Department of Administration to take the lead and work with our fellow agencies to develop a Workforce Planning Model for the State of Montana that will assist all state departments with recruitment, retention and retirement of state employees. We need a plan that will assist state agencies in finding and hiring the best and the brightest people to work for the State of Montana. Simply put, workforce planning is "getting the right number of people, with the right skills and competencies in the right jobs at the right time."

This Workforce Planning Model will also establish a plan for replacing retiring employees. The average age of a state employee is 46--this is the bubble of the baby boomers we've heard so much about. Currently 36% of State Employees are eligible for service or early retirement. In five years, that number skyrockets to 61% of all state employees who will be eligible for early or service retirement.

I believe our department can assist agencies by:

- Getting the word out about the necessity for workforce and succession planning.
- Forming a committee or commission to develop a model for workforce planning.
- Working on streamlining recruitment and compensation processes to facilitate replacing or retaining employees.
- Exploring options to help retain experienced workers, such as scheduling flexibility, telecommuting, leave options, and assignment or career changes.
- Hiring retirees as a source of experienced workers.
- Providing other technical resources and tools for agencies
- Providing training through the Department's Professional Development Center so current employees can develop management skills so they will be able to replace retiring managers and other key employees.

2. I would like to work toward greater involvement and commitment from my fellow agency directors in developing the State's Strategic Plan for Information Technology. Strategic planning is an ongoing process that requires the involvement of all state agencies, to insure the plan continues to meet all agencies needs, and that we are moving in the right direction

I am looking forward to working with the Administration in selecting a new CIO and determining the role this person will play in implementing the goals that have been set forth by the Information Technology Board in developing our strategic information technology plan.

3. Finally, I would like to work with the Legislature and the current Administration to develop plan that will address the deferred maintenance backlog of state buildings. As buildings age, they require maintenance. The recommended amount of money to set aside for annual maintenance is about 1% of the total buildings' replacement value. Currently all state buildings have an estimated replacement value of \$1.7 billion. It is important to point out that the only source of money for the repair and maintenance of the State buildings with a replacement value of \$1.1 billion is the long range building program, unless there is a general fund appropriation. One percent of this amount is approximately \$11 million per year or \$22 million for a biennium. Since the 1992-1993 biennium, the money budgeted for repair and maintenance has averaged \$5 million. This year the total is \$35 million because of a one-time general fund appropriation of \$30 million. I would like the opportunity to work with you to develop a long-term plan that will move us closer to a solution for adequately maintaining our buildings.

Chairman Squires, I appreciated the opportunity to appear before you, and I would be happy to answer any questions.