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Application for Innovation Award, 2008

State: **Arizona**

Application category: ***Human Resources/Education focusing on Training and Development***

1. Program Name	Arizona Government University (AZGU)
2. Administering Agency	Arizona Department of Administration
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9. Please provide a two-sentence description of the program.	<p>Arizona Government University is a public learning entity, committed to effective, efficient and excellent training of public employees through common core courses that cross agency lines and enable agencies to meet their employee and business needs.</p> <p>Governor Napolitano's Efficiency Review initiative recognized Arizona Government University as a means to improve the performance of state government and save money.</p>
10. How long has this program been operational (month and year)? Note: the program must be between 9 months and 5 years old on March	<p>While the concept and a variation of Arizona Government University had been established in Fiscal year 2003, it was simply a shell for centralization and a focus on creating a database to centralize employees' training records.</p> <p>Fiscal Year 2006 was a year of growth and stabilization for Arizona Government University (AZGU). The new direction determined by the AZGU Governing Board and outlined by</p>

<p>1, 2008 to be considered.</p>	<p>Executive Order 2005-06 required a new infrastructure, financial model, and updated products and services. Thus, the new AZGU. Same name; new governing board, new director, new vision and new organization.</p>
<p>11. Why was the program created? What problem[s] or issue[s] was it designed to address?</p>	<p>Governor Napolitano has focused on creating efficiencies in government. One area investigated was to eliminate duplications in training efforts across the state government agencies. Each of the large agencies had its own training departments.</p> <p>Well-intentioned, while not always formally trained, trainers were teaching variations on the same themes in each agency. The class sizes were often very small (inefficient and ineffective) and each agency employed someone to create and change the content at will.</p> <p>Even more insidious was the situation where an employee would attend a 10-day leadership course in one agency, get hired by another agency (that's how people get promoted) and then have to take the leadership course of the new agency where 70% of the content was the same.</p> <p>Finally, there was no common way to determine what training state employees had taken other than certificates the employees could produce to show their accomplishments. As employees moved from department to department within agencies or from agency to agency, there was no centralized system that allowed supervisors to see past training history.</p>
<p>12. Describe the specific activities and operations of the program in chronological order.</p>	<p>In fiscal year 2004, a curriculum committee was formed with instructional designers from the various large agencies. Nineteen courses were identified where there was clear duplication. Courses were developed by committee with the intent that they would be consistently delivered by the agency trainers. Arizona Government University's role was to oversee this process.</p> <p>The beginning of fiscal year 2005 was designated as the start date for the standardized version. The former Arizona Government University Director had resigned and the current director was hired.</p> <p>It quickly became clear there was no communication to or buy-in with the trainers in the agencies. They continued</p>

doing what they had always done with their own materials. Furthermore, the curriculum committee was chaired by a very commanding training manager from one of the agencies who insisted on using the curriculum from that agency as the standard. Thus, the committee ultimately felt disenfranchised.

With a new Arizona Government University director and renewed interest in demonstrating training efficiencies, Governor Napolitano signed Executive Order 2005-06 establishing an Arizona Government University Governing Board. She appointed the Directors of the large agencies to the Board and chartered them with establishing and implementing an AZGU business model and business plan, making state-wide decisions regarding state employee training and development, and overseeing AZGU's operating budget, financial management, and any rate setting.

The Governing Board set out to figure out what the products and services from AZGU would be, how employees would register and track their training since not everyone was on the common AZGU system, and how the agencies would pay for AZGU, now an unfunded mandate. The Governing Board quickly realized changes needed to be made. The most far reaching one was to declare no duplication of effort with AZGU's products and services.

This effort was the most difficult because it involved significant change within agencies. It required eliminating training units that had been in existence for decades and either redeploying the personnel, refocusing job duties, leaving positions unfilled or creating a reduction-in-force situation.

The training units in most agencies were operating with a fraction of their normal employees due to budget cuts previous years. Nonetheless, there were 17 positions that were affected to create yet additional efficiencies. At different times throughout FY06, agencies reorganized their training units. This resulted in either more organizational development support or personnel savings for the enterprise to be realized in FY07.

Specific agency changes include:

Arizona Health Care Cost Containment System (AHCCCS) disbanded its agency-wide mandatory training unit in October, 2005. The training manager and one trainer found another position within the agency and a second trainer chose to leave state service.

Department of Administration (DOA) consolidated its Risk Management training unit into AZGU in October, 2005. In this process, DOA eliminated one administrative support position and a supervisor position.

Also within DOA, action was taken resulting in annual cost savings of \$180,000. AZGU reorganized by securing an agreement with DOA Information Systems Department in October, 2005, to absorb the five technical employees with the diverse skills needed to maintain and enhance the Statewide Training and Registration System (STARS) as well as other statewide technical systems. AZGU agreed to pay half their salaries for assurance that half their time would be spent on STARS-related development and maintenance.

Department of Economic Security (DES) was able to focus the activities of their training staff on important DES specific needs, as the development and the delivery of training of generic items were transferred to Arizona Government University.

Department of Health Services (DHS) had one of two training employees leave the agency and did not fill that position. The remaining employee was redirected from duplicating training efforts to an AZGU liaison and agency-specific training role.

Department of Revenue (DOR) had two employees find other positions within state service and did not replace those positions.

Department of Transportation (DOT) reorganized its training unit in May, 2006 resulting in redeployment or retirement of its trainers.

<p>13. Why is the program a new and creative approach or method?</p>	<p>FY06 was a year of refining how the AZGU Governing Board would operate and how AZGU training would interface with the remaining agency training.</p> <p>The AZGU Governing Board initiated the process of creating the infrastructure by establishing a set of by laws that helped the Board govern itself.</p> <p>To provide the framework for AZGU operations, the Governing Board set the following stretch goals and objectives with a related, but under funded, budget for FY06.</p> <p>Goal 1: Increase the efficiency of training in Arizona State government</p> <ul style="list-style-type: none"> Obj. 1.1 Deliver training with an average cost of no more than \$10.50 per hour Obj. 1.2 Deliver no less than 81,000 hours of training Obj. 1.3 Generate at least \$854,000 in revenue through training delivery Obj. 1.4 Convert all Board agencies to STARS by June 30, 2006 Obj. 1.5 Deliver classroom training with an average of no less than 16 participants per class <p>Goal 2: Increase the quality of Arizona Government training</p> <ul style="list-style-type: none"> Obj. 2.1 Achieve average training evaluation scores of no less than 4.5 on a 5 point scale. Obj. 2.2 Receive at least 70% return of end of course evaluations Obj. 2.3 Receive at least 10% return of follow-up evaluations Obj. 2.4 Achieve follow-up evaluations where at least 70% of respondents either agree or strongly agree that the training was worthwhile for employees Obj. 2.5 Ensure tests are in place for the 17 initial course offerings by June 30, 2006 <p>Goal 3: Increase the availability of training to Arizona government employees</p> <ul style="list-style-type: none"> Obj. 3.1 Convert at least 20 hours of classroom curriculum to distance learning format by June 30, 2006 Obj. 3.2 Deliver at least 10% of AZGU's classroom training outside of Maricopa County <p>Goal 4: Decrease the dependency of AZGU on Board member funding</p> <ul style="list-style-type: none"> Obj. 4.1 Achieve at least 10% participation in AZGU training by non-board participants by June 30, 2006
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Obj. 4.2 Submit legislation that would allow AZGU to have an Enterprise fund or legislative funding

In addition to innovations in the business model, Arizona Government University began innovations in products and services.

The first focus was to standardized the training across the enterprise and then innovate. In standardizing the leadership training, for example, AZGU incorporated fresh approaches to make the training relevant and applicable.

AZGU conducted a needs analysis for leadership training across the enterprise through focus groups, surveys with over 1700 responses, and research into best practices. The results provided a framework for a Supervisor Academy that became the mandated training to meet the requirements of ARS 41-763. The results also indicated a need for additional training that became the Advanced Supervisor Certificate Program in FY07. A Managers' Institute is anticipated in FY08 although may need to be postponed due to severe budget constraints.

Validation of current content was also a concern. In FY06 AZGU began an intensive campaign to verify the accuracy of legal content in AZGU courses. Throughout the year AZGU has worked extensively with DOA Human Resources and the Attorney General's Office to review courses involving Americans with Disabilities Act, Family Medical Leave Act, sexual and workplace harassment, fair employment laws and ethics. AZGU also worked to improve its remaining products by piloting and then gathering extensive customer feedback. Because of the cost of developing distance learning format courseware, AZGU has the adage "standardize first, innovate second." Content is refined in classroom format before it is converted to distance learning. By the end of FY06, AZGU had 20 hours of curriculum in alternative delivery format.

AZGU also standardized the look of its training products using a template for participant materials and facilitator guides. The template automatically formats standard components of each product for easier use by facilitators and a more professional appearance to trainees.

Another innovation is that AZGU adopted a system of modularizing its training content into segments of less than

	<p>4 classroom hours. Modularization enabled a “mix-and-match” approach to building customized programs from a menu of modules. Previous programs were highly duplicative in content; each program being developed and delivered separately.</p> <p>All AZGU courses are developed in a “competency-based” structure. By the end of FY06 all courses had specific behavioral learning objectives and a means to measure whether participants have achieved them. Also, AZGU conducts follow-up assessments. Trainees are asked for feedback at the end of each course. Thirty days and 90 days after training, participants and their supervisors are asked to assess the impact of the training.</p>
<p>14. What were the program’s start-up costs? (Provide details about specific purchases for this program, staffing needs and other financial expenditures, as well as existing materials, technology and staff already in place.)</p>	<p>In July, 2004, Arizona Government University had two administrators, two registrars, five computer programmers, and three instructors. One instructor focused entirely on technical training for the Arizona Financial Information System (AFIS) often with only 2 or 3 people in a class. As the focus shifted from being a central coordinating function, to the new Arizona Government University, the composite of employees needed to change. AZGU did not need the computer programmers but instead needed instructional designers, a business/operations manager, and facilitators (versus instructors). The plan was to have AZGU change and slowly ramp up products and services while the agencies ramped down any training that was a duplication of effort.</p> <p>The initial budget for FY05 was \$1.2 million. The computers and phone lines were all salvaged materials. AZGU had 3 training rooms and cubicles for employees’ workspace. Two projectors and laptops had been purchased for training at the agencies’ site.</p>
<p>15. What are the program’s annual operational costs?</p>	<p>The operational costs fluctuate with the demand for training and the move toward technology-based learning.</p> <p>In FY05, Arizona Government University trained less than 3,000 trainee hours per month. As the products and services improved and expanded, the trainee hours increased and so did the costs. In FY06, the trainee hours began at 3,000 per month and slowly moved to 5,000. In FY07, the trainee hours fluctuated around 5,000, but as word spread about AZGU being the best training deal in</p>

	<p>town (high quality but low cost) the trainee numbers soared to around 10,000 trainee hours per month and has hovered in that area for 14 months.</p> <p>As the program expanded, the operational costs expanded. The budget for FY06 was \$1.57 million, FY07 was \$1.6 million, and FY08 was \$1.71 million. In FY08, the team was fully staffed with 2 administrators, 4 registrars, 2 curriculum designers, and 8 facilitators who covered training for all state government statewide. A 9th facilitator trains only Risk Management content and is paid for by Risk Management since AZGU does not charge for Risk Management classes.</p> <p>Arizona state government is facing critical budget issues, and it is anticipated the budget will need to be trimmed significantly for FY09.</p>
<p>16. How is the program funded?</p>	<p>Prior to Executive Order 2005-06, funding for Arizona Government University was intermittent. The agencies were charged \$25 per full time employee to support AZGU. Some agencies paid in full, some negotiated partial settlements, and some just ignored the bill.</p> <p>The AZGU Governing Board approved a model of funding that it named the V-Cap (variable-capitated) model.</p> <p>Part of AZGU's funding is based on a capitated amount of \$8 for each employee in the agency as of July 1 of each fiscal year. The capitated funds gave AZGU its first quarter's "start-up" revenue and was based on projected curriculum development costs for each year.</p> <p>The remainder of the funding is based on a variable amount paid by each agency depending on the amount of training actually used. The variable amount was based on a charge of \$10.50 per trainee hour that was the target cost per hour to deliver training.</p> <p>Included in the budget is a small amount of Human Resources' pro rata funding assigned in state statute to provide training mandated by statute.</p> <p>Board agencies showed their commitment to AZGU by prepaying their estimated amount of usage at the beginning of each fiscal year to ensure AZGU's financial stability for the year. Two agencies, DES and ADOT, committed to</p>

	<p>sufficient hours that enabled them to have volume discount trainee hourly costs.</p> <p>This funding model requires Interagency Service Agreements to exchange funds between agencies and a sophisticated billing system. Throughout FY06 and FY07, ADOA Director (and AZGU Board Chairperson) has actively pursued more efficient funding models for AZGU. In FY08, budget constraints impeded further efforts on this.</p>
<p>17. Did this program require the passage of legislation, executive order or regulations? If YES, please indicate the citation number.</p>	<p>Yes. Executive Order 2005-06 was the foundation, refocus, and rebirth of Arizona Government University. Creating the Governing Board and including the roles and responsibilities of this Board along with the Governor's personal commitment by attending the first Governing Board meeting launched this initiative officially on April 20, 2005, the day of the kick off Board meeting.</p>
<p>18. What equipment, technology and software are used to operate and administer this program?</p>	<p>There are three major pieces of technology used to run AZGU. First and foremost is the homegrown learning management system called STARS (Statewide Training and Registration System). Most agencies use the system for their own training. In FY07, over 2 million trainee hours were recorded within STARS; only 100,000 of those hours were from AZGU's training. Related software built internally includes a billing system, an activity-based costing system, and a reporting system.</p> <p>The second piece of critical software is Knowledge Presenter. To increase the cycle time for developing training online, AZGU purchased Knowledge Presenter course development software. This permitted rapid development of learning content and created efficiencies in design and development time. AZGU had formerly used course development software called Authorware. While more robust in format, it was extremely difficult to learn and implement. Efficiencies were immediately realized. The cost for training users and user licenses were a fraction of the former cost and the learning curve to use Knowledge Presenter was about 8 hours versus 80+ hours for Authorware.</p> <p>AZGU worked with DES, AHCCCS, ADC, and other DOA divisions to select and purchase Knowledge Presenter</p>

	<p>software. This creates three more efficiencies. By having one type of software used by designers throughout the state, the technical interfaces to link courses to STARS only have to be built once for everyone; Using one software permit some content to be easily shared or modified across agencies. Finally, a user's group has been formed to share best practices in development and leveraging the software functionality that should decrease time to market for everyone.</p> <p>The final critical software is iLinc. At the end of FY07, AZGU purchased 25 iLinc licenses to enable providing synchronous (instructor-led) distance learning. The iLinc sessions are also recordable for playback on demand at a later time.</p> <p>The web conferencing licenses are available to all agencies to use for training or meetings. AZGU will recommend an additional FY08 performance measure to deliver 8-10 hours of training per month. This ensures AZGU leverages the medium and begins to educate employees about the effectiveness of learning in this mode. Obvious efficiencies include reduced travel costs and carbon dioxide emissions that support the Governor's Green Arizona initiative.</p>
<p>19. To the best of your knowledge, did this program originate in your state? If YES, please indicate the innovator's name, present address, telephone number and e-mail address.</p>	<p>This program evolved from efficiency studies over several administrations and across party lines.</p> <p>The current AZGU director benchmarked through Corporate University Week contacts to find only Chesterfield University in Chesterfield County, Virginia. The leader of that organization was very helpful in sharing what they were doing. AZGU's organizational and financial structure is significantly different, but the benchmark was important. There are corporate universities in private business. Most are not self-funding. AZGU needed to find its own way with the financial model.</p> <p>AZGU has had employees from other states and counties call to benchmark some of its processes. Team members are always willing to help.</p> <p>AZGU's contact and information is the same as that at the beginning of this application.</p>

<p>20. Are you aware of similar programs in other states? If YES, which ones and how does this program differ?</p>	<p>AZGU has been unsuccessful finding a similar program in another state.</p>
<p>21. Has the program been fully implemented? If NO, what actions remain to be taken?</p>	<p>The program is fully implemented but continues to evolve. AZGU is focusing on providing training to growing virtual work environments through computer-based training and web-conferencing learning opportunities. Slowly, emphasis is shifting from the classroom to these alternative delivery techniques.</p> <p>With the severe budget cuts and a hiring freeze, AZGU will continue to demonstrate being nimble and creating relevant, just-in-time training. It is expected that the focus will shift from employee development to cross-training opportunities and competencies such as keyboarding, MS Office, and communication skills will take precedence over other courses in the past.</p>
<p>22. Briefly evaluate (pro and con) the program's effectiveness in addressing the defined problem[s] or issue[s]. Provide tangible examples.</p>	<p>The new Arizona Government University has been more successful than anyone imagined. AZGU stayed maniacally focused on providing interactive, applicable training for identified skills and competencies.</p> <p>The only negative aspects of this initiative are that funding is always a challenge in an unfunded mandate with budget downturns and the leveraging of technology is complicated with so many independent agencies' protocols.</p> <p>Some high level benefits include</p> <ul style="list-style-type: none"> • No agencies have filled the training positions eliminated by this initiative in FY05; thus, the savings were realized. • Training dollars are now tracked and reported. • Monthly reports keep the agencies informed of the number of training hours they have used against their initial commitment to allow them to better manage their training dollars. • Employees are getting the training mandated by state statute. • Some agency training departments, most notably DES, recognize when a training need could best be

met at the enterprise level and offer AZGU the right of first refusal in developing and delivering the training. It's a start in this big paradigm shift to think at the enterprise level.

- The AZGU Supervisor Academy has been extremely well received by all agencies so there is no need to duplicate efforts in this area.

There are several specific best practices.

The Director of Revenue saw an opportunity to leverage AZGU with a high profile training need by suggesting that AZGU partner with the Governor's Efficiency Review Office to lead the training for Plain Talk. This training was modeled after a program in the State of Washington. By revising all correspondence and written instructions to a level of simple, highly readable English focused on driving business results, Washington State showed considerable savings from reduced phone calls, customer errors, and rework. The Arizona Department of Revenue implemented the program last year and served as a model for training for other state agencies.

A Plain Talk kickoff for the Public Information Officers from all 40 agencies was held early February, 2007. This provided them an overview of the key concepts and implementation recommendations. From March through April, 2007, 273 employees representing 17 agencies attended Plain Talk training in agency teams. These were working sessions where participants applied the key concepts to actual documents needing revision in their agency. The expectations of the Governor's Efficiency Review team were for agencies to come back and report business results based upon improved communications. Some of the savings by the agencies is impressive.

AZGU made beginning strides in becoming strategically linked with the agencies. Two distinct initiatives occurred that demonstrate the value AZGU can contribute when an initiative requires training as part of the solution.

Most outstanding is the strategic partnership with Department of Public Safety (DPS). DPS has had mandated training in place for sworn officers in accordance with POST requirements. Nothing was required of the civilian employees, so DPS created an Annual Civilian

	<p>Training (ACT) program to raise the core competencies of their civilian employees as well. They looked at their human resources issues and determined where training could be a part of the solution. For FY07, all 800 civilian employees completed training in ADA/FMLA policies and Preventing Inappropriate Behavior and Workplace Harassment. For FY08, the civilian employees are receiving Diversity and Cultural Competency as well as an elective. This is a best practice other agencies might want to emulate to leverage training to address potential agency issues.</p> <p>The Corporation Division of the Corporation Commission provides another example of effectively leveraging independent modules to shape the culture of their agency. They implemented the <i>Being Accountable</i> training module in a top-down cascade implementation. Twenty division leaders and supervisors were trained first. Then, systematically all the employees in both Phoenix and Tucson were trained resulting in everyone having the same competencies, expectations, and communication skills. This began to build a culture of accountability.</p>
<p>23. How has the program grown and/or changed since its inception?</p>	<p>Agencies use AZGU exclusively for a new employee series of courses and the beginning level of leadership training (Supervisor Academy). This provides a baseline across all agencies through standardized training.</p> <p>Volumes have steadily increased as agencies leverage AZGU more consistently. Volumes soared from about 3,000 trainee hours at the beginning of this initiative in July, 2005, to hovering around 10,000 trainee hours for the last 14 months. Evaluations of AZGU's products and services are consistently very high.</p> <p>AZGU strives to be considered "business as usual." Most of the pockets of resistance have been addressed, and the outlandish rumors and accusations associated with this initiative have subsided.</p> <p>In accordance with the Executive Order 2005-06, an annual report is required each year to be sent to the Governor's Office. Those two reports have been sent along with this application for reference and further detail on performance against the goals set each year by the Governing Board.</p>

<p>24. What limitations or obstacles might other states expect to encounter if they attempt to adopt this program?</p>	<p>The only way an initiative of this magnitude can succeed is with the insistence and support of the Governor. Well-meaning attempts to save training costs had happened numerous times over numerous administrations, both Republican and Democrat. Until Governor Napolitano signed the Executive Order 2005-06 and then insisted on attending the kick off meeting (held 10 weeks later to accommodate her schedule), the agencies did not recognize the Governor's commitment behind this initiative.</p> <p>The second element is the need for unwavering leadership in the agencies. The initial change is difficult enough, but it also requires ongoing commitment to not allow the agency to fall back into old habits and duplications.</p> <p>The final guiding factor is to hire personnel who are experts in the field. Training is an art and a science. Until relevant, high quality, instructionally sound training is provided, the customers will find reasons and ways to avoid complying with adherence to the mandate.</p>
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