



**Arizona Government Transformation Office
Fiscal Year 2023 Annual Report**

How to build an Arizona for everyone

The more than 34,000 public servants who make up state government share a passion for making Arizona the best place it can be to live, work and raise a family. The people who make the state run every day—from park rangers in Patagonia Lake to Motor Vehicle Division customer service representatives in Tuba City to biologists testing groundwater in Phoenix—everyone touches a service that is essential to the health and quality of life for Arizonans.

Using a people-centered approach, Gov. Katie Hobbs' administration is working to make state government services better, more transparent and more accessible to the people we serve. To be able to build an Arizona for everyone, public servants need to work together collectively and intentionally to focus on the governor's key priorities. The Arizona Management System is one set of tools that will help achieve these ambitious goals to improve our great state.

The Arizona Management System is an intentional, outcomes-driven approach for doing the work of state government so that every employee, at every level, is empowered to improve the lives of the people we serve through measurable improvement and sustainable progress.

For the past decade, GTO has been dedicated to supporting, leading and facilitating continuous improvement across all state agencies and the governor's office. As of fall 2023, the Government Transformation Office kicked off training modules and materials for an evolved and statewide management approach with people and service at its core.

The next step in maturity for the Arizona Management System involved reimagining the elements, approach and culture and harnessing the skill-building, transparency and efficacy of AMS to achieve the ambitious goals the governor's office has set. Measurable success in the governor's key priority areas means measurable improvement in the quality of life for Arizonans.

In fiscal year 2023, the professionals at the Government Transformation Office have been leading and coaching agencies and offices of the governor to support the transition of operations and priorities of the Hobbs administration. GTO has long been a source of support and coaching for cabinet agency implementation of improvement projects, and GTO pivoted in FY23 to bring agencies up to speed on the collective impact approach to government. This approach means that, for the first time, public servants are harnessing the full collaborative power of the state's resources, in coordination with external stakeholders, in a cohesive vision of how to build an Arizona for everyone. This includes meaningful metrics, inclusive planning and implementation and a more transparent, effective and accessible state government. GTO is honored to do this work and proud to share it in this annual report.

Strategic focus 1: Drive improvement for strategically critical initiatives statewide. We achieve this by facilitating collaboration and leveraging improvement of common processes across agencies to maximize improvement efforts and develop problem solvers.

Key initiatives

1. Developing Blueprints outlining the long-term outcomes needed to achieve an Arizona for everyone
2. Providing transition support for agencies and offices of the governor
3. Developing the next generation of Arizona leaders

Developing Blueprints outlining the long-term outcomes needed to achieve an Arizona for everyone

State employees at all levels find ourselves serving Arizona at a critical juncture. The challenges that Arizonans face are environmental, educational, economic and cultural. The issues can feel like life or death—and sometimes they are.

The Hobbs administration is harnessing the talent and coordination of all state agencies, as well as community stakeholders, to draw up Blueprints to move the needle on seven priority issues:

- Improving education
- Housing and human services
- Health and reproductive freedom
- Resilience, water and the environment
- Public safety, border security and corrections reform
- An affordable and thriving economy
- Infrastructure

In fiscal year 2023, the Government Transformation Office has worked closely with various teams within the Governor's Office to support drafting the Blueprints that will map out a path to success on the ambitious goals that the Hobbs administration is setting to improve the lives of Arizonans.

Blueprints include an overview of the issue, the priority desired outcomes, the accomplishments that help achieve those outcomes, priority legislation, priority budget items, lead measures, operational breakthroughs and more.

GTO helped research, draft and review the initial planning documents, facilitated initial meetings with agency leaders and continues to support the process directly, including mapping out how to connect employees' daily work to the larger goals and providing guidance on what data, metrics and tracking are best suited to make sure the progress on these goals is transparent to the public and to state leaders.

As of October 2023, the priority area Blueprints are still being finalized and planned to be available to agencies in early 2024.

Providing transition support for agencies and offices of the governor

The Government Transformation Office has long supported agencies and offices of the governor with process improvement. This fiscal year, GTO supported several key offices during an administration transition to help align, support and onboard leaders of all levels.

GTO coaches supported the state's new Diversity, Equity and Inclusion director, Constituent Services, the Operations team, the Department of Administration, the Department of Land, the Game and Fish Department and the Department of Revenue, among others.

In FY23 GTO also supported the Office of Strategic Planning and Budgeting by co-leading the monthly Community of Practice meetings for most of the fiscal year, assisting in developing materials and providing training and

guidance to support agencies in the strategic planning process.

Feedback from strategic planners within agencies was that the resources that GTO supported in FY23 were invaluable opportunities to

- Build relationships across agencies
- Keep progress going through the administration change
- Share best practices across agencies
- Standardize current strategic planning processes through collaboration

Developing the next generation of Arizona leaders

In two-and-a-half days of master classes, 31 public servants representing 22 agencies met as the third cohort of the State of Arizona Leaders Connect program (SALC) in August. The program's mission is to equip future state leaders for the challenges of tomorrow with resources, training and networking to foster a deeper understanding of the policies and issues affecting Arizona.

Participants heard from directors, current and former chiefs of staff, the director of operations

and even Governor Hobbs herself during sessions that covered people-first leadership, problem solving, the complexities of water management and affordable housing, media training, diversity, equity, inclusion and accessibility and more.

Survey results showed that SALC left participants more confident in their own leadership abilities and more inspired about their future in leadership. Testimonials included the following:

"It was an honor participating in the SALC program. The speakers were inspiring and are authentic leaders dedicated to ensuring Arizona remains a wonderful state to work, live and raise a family in. Every state employee who wants to be a leader in their respective agency should participate in this life-changing training! Thank you!"

SALC launched in 2022 as a collaborative effort of the Arizona Department of Administration, the Governor's Office and GTO. If you're interested in applying for a future cohort, please contact your supervisor for a nomination.

Strategic focus 2: Develop the skills and technical infrastructure needed to support data-driven decision making. We achieve this by maturing our data processes, practitioners and analytic capabilities while improving user-friendly statewide access to Arizona Management System and continuous improvement materials.

Key initiatives

1. Better data tools to track progress
2. Constituent engagement migration
3. An improved assessment for agency culture
4. A faster, more transparent permitting process for complex infrastructure

Better data and tools to track progress

To build an Arizona for everyone, agencies need the data and metric tools to know if the tactics they're using are contributing to statewide goals. The collective impact framework that the Hobbs administration is utilizing focuses on the meaningful, long-term outcomes that agencies and stakeholders can collaborate on to achieve together—the goals that will serve Arizona today and many generations into the future. Collective impact is based upon the understanding that no single policy, government entity, or organization can solve the deeply entrenched problems we face alone.

It's imperative to understand your part of the puzzle, and in FY23 the Government Transformation Office made advancements to the systems that help track and visualize progress, Quickbase and Tableau.

Building off the progress made in 2022 using pipelines in Quickbase to move data into the state's MySQL database, agencies now have access to live dashboards in Tableau using their agency's metric data. The Tableau

dashboards are the Scorecard metric insight tool and Assessment dashboard, and even more dashboards will be available in the coming months.

With these dashboards, end users have easier access to see their metric data to help gain insights and perform outcome-based reporting. Additionally, agencies now have the ability to navigate directly to their respective agency's dashboard directly through Quickbase and can share a link to a dashboard with data owners or users in their agency.

Constituent engagement migration

Under new leadership and with a new focus on outreach and connection throughout the state, the office of Constituent Engagement has been updating and improving their services and processes. When improving their constituent tracker and proclamations database proved to be too costly, the agency opted to work with GTO to migrate their system to an existing platform, Quickbase. As a result, 43 crucial API pipelines were migrated to the new applications, and 113 new users were migrated at no additional cost to taxpayers. The monthslong process means that \$60,000 a year in savings can be redirected to higher value activities; another key benefit is the improved systems' functionality for the public servants who assist constituents reaching out about state services.

This project also included building a brand-new application for tracking the outreach activities that the Constituent Engagement team has launched statewide, building connections

between state government and local communities.

GTO coordinated the migration and improvements and will continue to serve as an ongoing administrator to ensure that the Constituent Engagement team receives the technical support they need from Quickbase developers and applications.

An improved assessment for agency culture

As the state's approach to setting goals and tracking progress has evolved in FY23, so have the ways state leaders and teams check in on their own behaviors and cultures.

The Agency Assessment provides insight into the application of fundamental continuous improvement practices, allows agency leaders and agency teams to better understand strengths and improvement opportunities and enables teams to set targets and develop improvement plans. Agencies conduct the assessment at minimum every six months; it is utilized by nearly all cabinet agencies and was presented to glowing feedback at the 2023 Lean Six Sigma Conference.

Improvements to the Agency Assessment in FY23 were directed by an eight-member working group and led by GTO. Updates include newly clarified questions, updated training for teams and coaches, more guidance for answering assessment questions and an improved app with more options for who can enter data.

The new dashboard allows teams to see historical data and to see opportunities to improve across elements, across question types and over time. Anyone can now complete

the team assessment in Quickbase and access scoring guides and training.

The ongoing work on the Agency Assessment makes it easier for managers and coaches to get insights across teams: looking for bright spots and opportunities to improve in achieving statewide and agency goals.

A faster, more transparent permitting process for complex infrastructure

The State Permitting Dashboard is an online tool that was developed in FY23 for state agencies, project developers and the public to track required state permits and authorizations for large and complex infrastructure projects across Arizona. This tool was intended to improve coordination, transparency and accountability of involved agencies to support infrastructure development within our state.

Arizona's Permitting Dashboard provides a single location for owners of large, complex infrastructure projects to submit their projects for permitting considerations, collaborate with the state in identifying required permits and track the progress of each permit required for their projects. The voluntary system provides transparency into the permitting process to improve coordination between project owners, state agencies and stakeholders, streamlining the process so that projects can complete their permitting and launch.

To be eligible for the dashboard, a project must meet certain criteria, including requiring a total construction investment of more than \$25 million or require substantial agency coordination. The next step is identifying pilot projects to test out the tool.

Strategic focus 3: Refresh, mature and sustain Arizona’s continuous improvement culture and practices to create a more accessible and transparent state government. We achieve this through cross-agency collaboration, developing guidance and training that leverages agency learning and partnering with agencies to deliver more efficient and effective operations.

Key initiatives

1. Evaluating Arizona’s progress in continuous improvement
2. The evolution of the Arizona Management System
3. A thriving set of training and development resources
4. Expanding internal and external communication

Evaluating Arizona’s progress in continuous improvement

To prepare for the future, it’s necessary to reflect on what has been done. In December 2022, the Government Transformation Office published “The Arizona Management System: An Evaluation of Continuous Improvement in State Government” to assess the progress from 2012 to 2022 of Arizona’s approach and what could be improved upon as the state prepared to welcome a new administration in the Governor’s Office. Specifically, the report sought to

- Assess the adoption and impact of the statewide implementation of continuous improvement
- Identify areas for advancement
- Pinpoint how to sustain the value-added aspects of the Arizona Management System approach

Through more than 30 in-depth interviews, Gemba walks, a survey of 220 AMS practitioners and a review of historical data, the assessment laid the groundwork for the evolution to continuous improvement in the Hobbs administration. Major themes from the findings included

- The importance of performance metrics in focusing on what really matters and what affects mission outcomes
- The increased need of collaboration and alignment of strategic plans among agencies
- The potential for building on state capabilities through Lean coaching

Change is inevitable in state government, but what can stay constant is a dedication to improving upon the systems that serve the diverse populations who live here. This evaluation was a foundational step in the change management that has been central to progress in the first year of the Hobbs administration and will continue to be in FY24.

The evolution of the Arizona Management System

Quarters one and two were spent preparing for the next steps in the evolution of the Arizona Management System. A revised approach of a people-centered government and new elements and trainings began rollout this fall. Trainings will continue into spring 2024.

GTO-led trainings about the new approach to AMS outlines the elements, behaviors and resources that state agencies can leverage to drive transformational change in Arizona. Statewide tools and training will be available as agencies adopt and align to the standardized elements and expectations.

The Arizona Management System is centered around three focus areas.

1. Investment in, development of and support for our people as we build a sustainable and productive culture.

People are the most important part of any organization. Investing in our employees, understanding their potential and determining what motivates them is key to building an enriching, sustainable and productive culture. Removing barriers for our staff—while helping to harness their strengths—does right by them and ultimately enables us to accomplish our goals and make Arizona better for those who live here.

2. Setting a bold vision with ambitious goals for Arizona while measuring our performance and progress.

The people of Arizona expect their tax dollars to be making Arizona a better state to live, work and raise a family in. Whether it is making our air cleaner, our communities safer or our families healthier, we have an obligation to fulfill our mission and improve outcomes for all who call our great state home. Establishing and focusing our efforts on strategic, targeted goals across the enterprise—and building in accountability—are essential to making government work accessibly, effectively and efficiently.

3. Challenging ourselves to make tomorrow a little better than today, using continuous improvement best practices.

Transformational change comes from breaking down our big goals into intentional incremental tasks, while using best practices to improve and optimize our work along the way. Agencies

should always be looking for new ways of thinking, new solutions and tools, and should be challenging themselves to make tomorrow a little bit better than today.

Agencies can find more details about training, elements and expectations on the GTO Hub.

A thriving set of training and development resources

In the first full fiscal year of the Government Transformation Office's events calendar, more than 80 events were hosted reaching 1,755 people covering topics such as change management, how to give effective feedback, humble inquiry tips, establishing meaningful metrics and much more.

In July 2022, the Government Transformation Office launched a shared calendar of continuous improvement virtual training events that are available to colleagues statewide. The events offer resources and inspiration for both continuous improvement professionals and for anyone interested in professional development.

The events in FY23 covered continuous improvement basics and also offered opportunities for sharing stumbling blocks and best practices. The new Leadership Experience Exchange events featured agency directors and other executive leaders in panel discussions on time management, building psychological safety and more—offering not only trenchant insight but a valuable networking opportunity with state leaders. The GTO team built a process for event development and has now reached thousands of state employees with opportunities to learn, apply best practices and reflect on them at brown bag events and water cooler discussions.

The Government Transformation Office's expert coaches adapt training offerings based on participant and leadership feedback and in FY24 are focused on teaching and coaching alignment with the updated AMS elements. GTO events continue to offer chances for all

Arizona public servants to hone their skills to benefit their agencies' missions and contribute to statewide goals.

Expanding internal and external communication

In August 2022, GTO launched two publications to communicate about the great work Arizona public servants are doing to build an Arizona for Everyone. The first was an outcomes-focused website, Results.az.gov, to showcase agency problem solving successes and how they impact Arizonans. The second was the monthly GTO newsletter, an internal communication tool that has been key to communication from the governor's office to state employees about the future of operations, Lean and continuous improvement in the state of Arizona.

Because of the tools and content development of Results.az.gov this fiscal year, customers and constituents can learn more about state agencies' work that improves the quality of life in Arizona, including

- How the Arizona Health Care Cost Containment System helped counteract rising fentanyl and counterfeit pill deaths by increasing naloxone distribution by 18% through State Opioid Response Grants
- How the Arizona Department of Environmental Quality dramatically accelerated hazardous waste site cleanups, including reducing the time

for remedial investigations from 8-10 years down to two years

- How the Department of Veterans' Services provided computer access for senior veterans while saving 82% on the initial estimated cost
- How the Department of Housing reduced block grant application time by more than 50%, streamlining the process for rural counties applying for a wide range of infrastructure, housing and community health projects

Results.az.gov is in the process of being updated to reflect the evolution of the Arizona Management System and Hobbs administration priorities. Given the administration transition, a full launch of the site was put on hold until the updates to AMS were rolled out. After revised content is published, a full launch of the site is expected in FY24 in conjunction with statewide communication goals.

GTO's monthly newsletter also features success stories but focuses on communicating internally to agency employees and executive leaders about Governor's Office priorities and guidance when it comes to connecting daily agency work to statewide outcomes and operations. The GTO newsletter delivers upcoming training opportunities, Q&As to get to know governor's office leaders, scorecard and strategic planning guidance and more to the audience of more than 1,600 (and growing).

“It’s empowering state employees to have agency over their work. To measure their impact and how what they do every day affects outputs.”

— *Interview response from “The Arizona Management System: An Evaluation of Continuous Improvement in State Government”*

FY24 expectations

We can and will build an Arizona for everyone; systemic and transformational progress is possible when we work together. How that happens can be complex, but digging into the tools, processes, practices and behaviors that make success attainable and sustainable is the bread and butter of the Government Transformation Office’s work.

FY23 was a time of transition and alignment to bring the Arizona Management System into focus under a collective impact framework to pivot to the meaningful, long-term outcomes that will serve Arizona today and many generations into the future. Collective impact is based upon the understanding that no single policy, government entity or organization can solve the deeply entrenched problems we face alone.

By establishing ambitious priorities and sharing the work across agencies, stakeholders and partner organizations, every state employee plays their own part in creating seismic change for Arizona. Working together as a cohesive enterprise, we can align and focus our efforts on a common approach to governing and management.

FY24 will be a year of building on the new vision of AMS, supporting the next steps in development and implementation of Blueprint goals, zeroing in on process improvement opportunities across agencies and the Governor’s Office and telling the story of how this work is making government services more accessible and transparent for Arizonans.

In the coming months, the Government Transformation Office will be laser focused on helping our state government serve Arizonans better. Here’s to building an Arizona for Everyone in FY24 and beyond.

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