



October 25, 2006

Introduction

Pursuant to the Executive Reorganization Act, 15 ILCS 15/11, CMS respectfully submits this third annual report that summarizes the consolidation and reorganization activities, status and results of facilities management pursuant to Executive Order 2003-10.

Progress and Results of Consolidation Activities

As part of the Governor’s continuing effort to streamline state government, eliminate duplicative work and unnecessary costs in order to increase efficiencies, Executive Order 2003-10 authorized the consolidation of facilities management for agencies, offices, divisions, departments, bureaus, boards and commissions directly responsible to the Governor into the Department of Central Management Services (“CMS”). Facilities management functions include the operation and maintenance of state-owned or state-leased facilities. The purpose of the consolidation of facilities management was to increase efficiency and produce cost savings in the administration of state government; coordinate certain common real estate, lease and contract management functions, and establish statewide policies or procedures that coordinate the facilities management of differing agencies.

The consolidation planning began in July 2003 and accelerated in January 2004 when a Request for Proposal was awarded to provide oversight and professional asset management services for all State owned and leased real estate. As part of the consolidation specific key benefits and economies have been accomplished as follows:

- Facility Condition Assessment review of 10 million square feet of state-owned space providing data to be used in strategic budgeting and long-term capital planning.
- Life cycle assessment of buildings, permanent fixtures and mechanical systems for 50 million square feet of state-owned space providing the foundation to determine deferred maintenance needs and plan for long-term utilization needs.
- Facility utilization and standards development allowing for standardized space use policies and master plan development.
- Organization development, design and management including organization, communications and budget consolidation implementation allowing CMS to provide necessary services with reduced workforce costs.
- Occupancy data and operations management including lease data collection and abstractions, operations data collection and establishment of a statewide call-center for reporting work orders. As a result of this data a statewide leasing strategy has been developed and strategic sourcing opportunities and center-leading strategies will be developed to leverage additional savings statewide.
- Technology audit and assessment developed a strategy for technology improvements necessary to further streamline processes such as purchasing, budgeting, accounting and federal reimbursement tracking to become more cost-efficient and provide better service.

CONSOLIDATED AGENCIES:

Agency Name	Consolidation Date
Illinois Department of Aging	02/01/2004
Deaf and Hard of Hearing Commission	02/01/2004
Guardianship and Advocacy Commission	02/01/2004
Illinois Criminal Justice Information Authority	02/01/2004
Illinois Educational Labor Relations Board	02/01/2004
Illinois Labor Relations Board	02/01/2004
Illinois Law Enforcement Training & Standards Board	02/01/2004

Illinois Violence Prevention	02/01/2004
Illinois Department of Labor	02/01/2004
Office of State Fire Marshal	02/01/2004
Commerce and Economic Opportunity	02/01/2004
Capital Development Board	02/01/2004
Arts Council	08/01/2004
Environmental Protection Agency	08/01/2004
Illinois Department of Human Rights	08/01/2004
Prisoner Review Board	08/01/2004
Property Tax Appeal Board	08/01/2004
Illinois Department of Public Health	08/01/2004
Human Rights Commission	08/01/2004
Emergency Management Agency	08/01/2004
Employment Security	08/01/2004
Children and Family Services	08/01/2004
Financial and Professional Regulation	08/01/2004
Public Aid	08/01/2004
Revenue	08/01/2004
Human Services	11/01/2004
Agriculture	03/01/2005
Illinois Council on Developmental Disabilities	03/01/2005
Natural Resources	03/01/2005
Transportation	03/01/2005
Illinois Department of Veterans' Affairs	03/01/2005
Corrections	07/01/2005
Historic Preservation Agency	07/01/2005
Military Affairs	07/01/2005
State Police	07/01/2005

Through the administration's combined actions of consolidating, center leading, reducing appropriations, reorganizing and eliminating personnel and related costs, spending for facilities across the state has been reduced by approximately \$30 million as a recurring annual savings since fiscal year 2003 as determined through the savings validation process.

Recommendations for Future Legislation

CMS has no recommendations at the present time for future legislation. Should additional statutory changes become necessary to fully implement the consolidation of facilities management; CMS will make those recommendations through appropriate channels.

Respectfully submitted,
Paul Campbell
Director