

# Department of Administration

Staff Presentation

FY 2013 Revised, FY 2014 Recommended  
and Capital Budgets

March 19, 2013

# Department of Administration

- Overhead – Centralized/Statewide Functions:
  - ❖ Capital Projects and Property Management
  - ❖ Debt
  - ❖ Facilities Management
  - ❖ Human Resources
  - ❖ Information Technology
  - ❖ Legal Services
  - ❖ Purchasing

# Department of Administration

## ➤ Overhead – Other Programs:

- ❖ Accounts and Control
- ❖ Bureau of Audits
- ❖ Central Management
- ❖ Office of Energy Resources
- ❖ Office of Library Services
- ❖ Office of Management and Budget
- ❖ Planning
- ❖ Personnel Appeal Board
- ❖ Rhode Island Health Benefits Exchange

# FY 2014 Recommendation

	<b>EDC</b>	<b>Energy</b>	<b>Debt</b>	<b>RIHBE</b>	<b>Central Services*</b>	<b>All Other</b>	<b>Total</b>
<i>(In millions)</i>							
Enacted	\$16.6	\$5.3	\$203.4	\$-	\$85.9	\$78.7	\$389.9
FY 2014 Gov.	13.3	8.8	194.4	28.3	89.4	91.6	425.8
<b>Change</b>	<b>(\$3.3)</b>	<b>\$3.4</b>	<b>(\$8.9)</b>	<b>\$28.3</b>	<b>\$3.5</b>	<b>\$12.9</b>	<b>\$35.9</b>

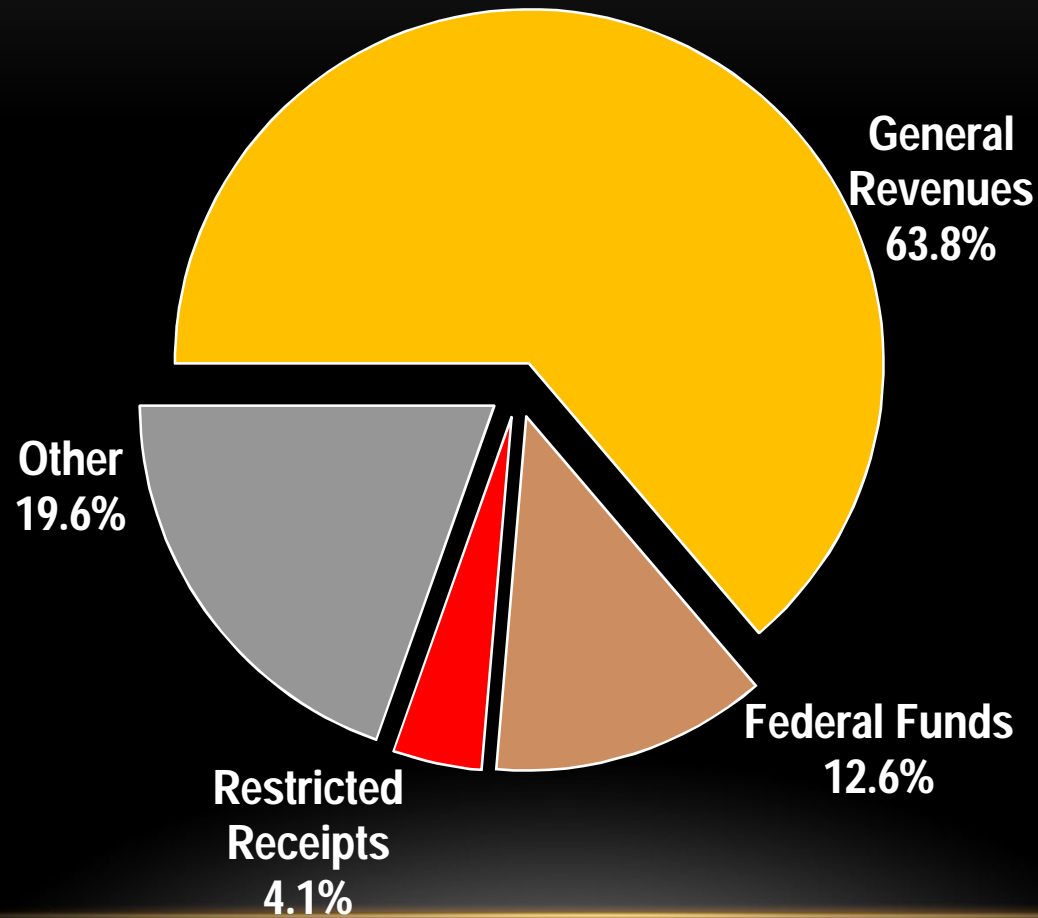
*\*Includes Human Resources, Facilities, Info. Technology, Purchasing, and Legal Services*

# Recommendations by Fund Sources

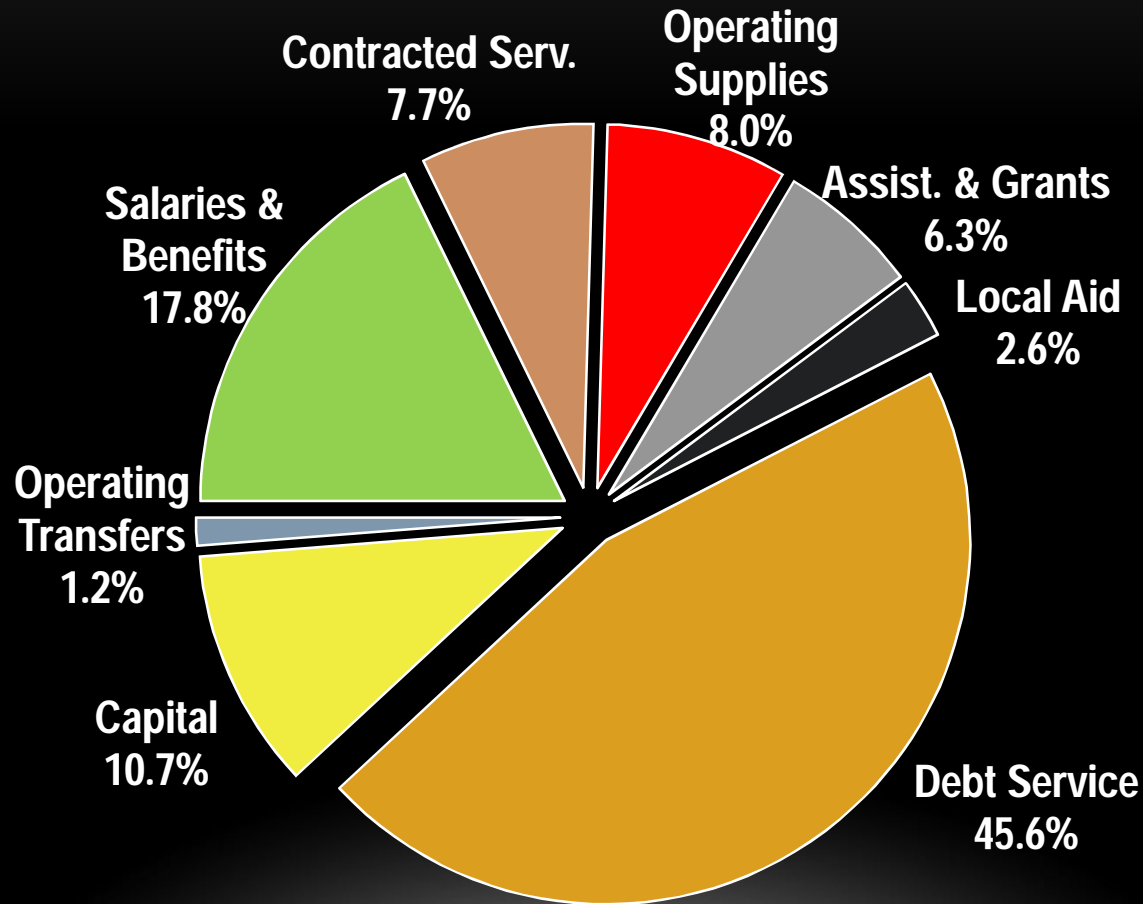
<b>Fiscal Year</b>	<b>Gen. Rev.</b>	<b>Fed Funds</b>	<b>RR</b>	<b>Other</b>	<b>Total</b>
13 Enacted	\$272.5	\$25.6	\$16.3	\$75.5	\$389.9
14 Request	\$278.4	\$24.8	\$17.1	\$83.9	\$404.2
<b><i>Change</i></b>	<b><i>\$5.9</i></b>	<b><i>(\$0.8)</i></b>	<b><i>\$0.9</i></b>	<b><i>\$8.4</i></b>	<b><i>\$14.3</i></b>
14 Gov. Rec.	\$271.5	\$53.6	\$17.3	\$83.5	\$425.8
<b><i>Chg. Enact</i></b>	<b><i>(\$1.1)</i></b>	<b><i>\$28.0</i></b>	<b><i>\$1.0</i></b>	<b><i>\$7.9</i></b>	<b><i>\$35.9</i></b>
<b><i>Chg. Req.</i></b>	<b><i>(\$6.9)</i></b>	<b><i>\$28.8</i></b>	<b><i>\$0.1</i></b>	<b><i>(\$0.4)</i></b>	<b><i>\$21.6</i></b>

*(In millions)*

# FY 2014 Recommended by Fund Sources



# FY 2014 Recommended by Category



# Target Issues

- Budget Office provided a general revenue target of \$271.8 million
  - ❖ Included current service adjustments totaling \$5.6 million
  - ❖ 7.0 percent reduction or \$6.4 million adjusted for certain exclusions
- Department's constrained request met target from implementation of several initiatives



# Target Issues

- Department Proposals and Recommended:
  - ❖ Coverage for divorced spouse - \$0.9 million (Art. 3)
  - ❖ Medicare Exchange for Post Retirees – \$0.7 million (Art. 2)
  - ❖ Exclude Nexium – \$0.7 million
  - ❖ Vehicle insurance rebate - \$0.4 million
  - ❖ FICA Alternative Plan - \$0.3 million (Art. 4)
  - ❖ Dental savings - \$0.2 million

# Target Issues

## ➤ Proposed but not recommended:

- ❖ Staffing costs to RI Capital Fund - \$0.5 million
- ❖ Layoffs and staffing reductions - \$1.7 million
- ❖ Unidentified budget initiative - \$1.4 million
- ❖ Program operating reductions - \$0.3 million (primarily from the Office of Library and Information Services)

# Target Issues

<i>(In millions)</i>	<b>Department</b>	<b>Governor*</b>
Staffing Initiatives	(\$2.2)	\$-
Unidentified Initiative	(1.4)	-
FICA Alternative Plan	(0.3)	(0.3)
Dental*	(0.2)	(0.2)
Nexium & Divorced Spouse*	(1.4)	(1.4)
Exchange for Post Retirees*	(0.7)	(0.7)
Vehicle Rebate*	(0.2)	(0.2)
Program Reductions	(0.3)	-
<b>Total Changes</b>	<b>(\$6.6)</b>	<b>(\$2.8)</b>

*\*All agency budgets*

# FY 2013 Revised Recommendation

- Governor's FY 2013 recommendation is \$3.3 million less general revenues than enacted
- Major general revenue changes:
  - ❖ \$146,432 reappropriated
  - ❖ \$3.9 million in debt service savings
  - ❖ \$0.5 million for DCYF legal costs
  - ❖ \$0.5 million for state job classification study
  - ❖ \$150,000 for labor contract negotiations

# FY 2014 Recommended

- Governor's FY 2014 recommendation is \$1.1 million less general revenues than enacted
- Major general revenue changes:
  - ❖ \$3.3 million less for I-195 Redevelopment District
  - ❖ \$4.2 million in debt service for RIPTA and 38 Studios
  - ❖ \$2.0 million more for information technology related
  - ❖ \$0.5 million for state job classification study

# Sequestration

- Almost all federal programs are included
  - ❖ Budgets include expenditures of \$66.0 million in FY 2013 and \$53.6 million in FY 2014 from federal sources
  - ❖ More than half of federal funds is for the RI Health Benefits Exchange
  - ❖ Will impact:
    - DoIT, HR and Facilities – reimbursements for services provided to Health, DHS, BHDDH, DLT and others
    - Office of Library & Information Services, Planning and Office of Energy Resources

# Staffing Recommendation

## *Full-Time Equivalent Positions*

Full-Time Positions	FTEs	Chg. To Enacted
Enacted Authorized	687.2	-
FY 2014 Request	701.7	14.5
FY 2014 Governor	727.7	40.5
FY 2012 Average Filled	628.4	(58.8)
Filled as of March 9	639.2	(48.0)

# Staffing Recommendation

<b>Programs</b>	<b>FTE Changes</b>
RI Health Exchange (6.0 transfers)	15.0
Info. Technology & ODE	14.6
Energy Res. & OMB (transfers)	4.0
Human Resources	3.5
Purchasing	1.0
Planning	1.0
Capital Projects	1.0
All Other	0.4
<b>Total</b>	<b>40.5</b>



# Staffing Recommendation

<b>Programs</b>	<b>Gen. Rev.</b>	<b>All Funds</b>
RI Health Exchange	\$ -	\$2,295,989
Info. Technology & ODE	1,169,501	1,318,391
Human Resources	468,705	480,794
Energy Res. & OMB	126,507	360,208
Purchasing	132,594	132,594
Planning	-	83,417
Capital Projects	100,000	100,000
<b>Total</b>	<b>\$1,997,307</b>	<b>\$4,771,393</b>

# Department of Administration

<i>(In millions)</i>	<b><i>FY 2014 Recommendation</i></b>	
<b>Change to Enacted</b>	<b>General Rev.</b>	<b>All Funds</b>
<b><i>Statewide Savings</i></b>	<b><i>(\$0.9)</i></b>	<b><i>(\$1.4)</i></b>
Library Aid	0.03	0.03
Energy Resources	-	3.4
Economic Dev. Corporation	(3.4)	(3.4)
RI Health Exchange	-	28.3
Debt Service	(0.3)	(9.0)
Overhead Functions	3.4	17.9
<b><i>Total Changes</i></b>	<b><i>(\$1.1)</i></b>	<b><i>\$35.9</i></b>

# Statewide Savings – *Supplemental Retirement Payments*

- FY 2013 enacted budget includes \$1.0 million provided to fund the required supplemental retirement contribution for the share of state employees
  - ❖ Request and recommendation excluded this one time payment

# Statewide Savings – *FICA Alternative Plan*

- Article 4 – Feb. 12
- Savings of \$0.4 million are included in DOA's budget
  - ❖ Part-time employees – works less than 20 hours/week
  - ❖ Seasonal – less than 120 days (DEM, Taxation)
  - ❖ Those not eligible for state retirement system
  - ❖ Current employees may opt out
  - ❖ New employees automatically enroll

# Department of Administration

<i>(In millions)</i>	<b><i>FY 2014 Recommendation</i></b>	
	<b>Change to Enacted</b>	<b>General Rev.      All Funds</b>
Statewide Savings	(\$0.9)	(\$1.4)
<b><i>Library Aid</i></b>	<b><i>0.03</i></b>	<b><i>0.03</i></b>
Energy Resources	-	3.4
Economic Dev. Corporation	(3.4)	(3.4)
RI Health Exchange	-	28.3
Debt Service	(0.3)	(9.0)
Overhead Functions	3.4	17.9
<b><i>Total Changes</i></b>	<b><i>(\$1.1)</i></b>	<b><i>\$35.9</i></b>

# Library Aid

- Governor recommends \$8.8 million for library aid
  - ❖ Level funds total at FY 2013 amount
- Law provides 25% reimbursement of second prior year expenditures
  - ❖ \$1.3 million less than current law
  - ❖ Ratable reduction to appropriation
- Distribution reflects updated data

# Library Construction Aid

- Recommends \$2.5 million for library construction aid
  - ❖ \$28,952 more than enacted
  - ❖ Based on updated cost information and construction schedules for approved projects
- State reimburses libraries up to ½ of total cost for eligible projects on an installment basis up to 20 years
- 2011 Assembly set a 3-year moratorium on acceptance of applications

# Office of Library & Information Services

	FY 2013 Enacted	FY 2013 Gov. Rev.	FY 2014 Gov. Rec.	Change to Enacted
General Rev.	\$0.9	\$1.0	\$1.0	\$0.1
Federal Funds	1.3	1.2	1.2	(0.1)
<b>Total</b> <i>(in millions)</i>	<b>\$2.2</b>	<b>\$2.1</b>	<b>\$2.2</b>	<b>(\$0.02)</b>
<b>FTEs</b>	<b>13.0</b>	<b>13.0</b>	<b>13.0</b>	<b>-</b>

- ❖ Federal funds account for more than 53% of FY 2014 recommended budget
- ❖ Impacted by sequester –10% reduction equates to \$0.1 million, would have to hold vacancy or program reduction



# Department of Administration

<i>(In millions)</i>	<b><i>FY 2014 Recommendation</i></b>	
<b>Change to Enacted</b>	<b>General Rev.</b>	<b>All Funds</b>
Statewide Savings	(\$0.9)	(\$1.4)
Library Aid	0.03	0.03
<b><i>Energy Resources</i></b>	<b>-</b>	<b>3.4</b>
Economic Dev. Corporation	(3.4)	(3.4)
RI Health Exchange	-	28.3
Debt Service	(0.3)	(9.0)
Overhead Functions	3.4	17.9
<b><i>Total Changes</i></b>	<b>(\$1.1)</b>	<b>\$35.9</b>

# Office of Energy Resources

	FY 2013 Enacted	FY 2013 Gov. Rev.	FY 2014 Gov. Rec.	Change to Enacted
Federal Funds	\$0.6	\$10.1	\$0.8	\$0.3
Restrict. Rec.	4.8	4.9	8.0	3.1
<b>Total</b> <i>(in millions)</i>	<b>\$5.4</b>	<b>\$15.0</b>	<b>\$8.8</b>	<b>\$3.4</b>
<b>FTEs</b>	<b>10.0</b>	<b>10.0</b>	<b>12.0</b>	<b>2.0</b>

# Office of Energy Resources

- Federal fund adjustments of \$9.2 million in current year
  - ❖ ARRA projects received extensions
  - ❖ State Energy Plan - \$7.2 million
  - ❖ Energy and Conservation - \$1.2 million
  - ❖ Weatherization Assistance - \$0.8 million
- Funds are obligated; not impacted by sequestration

# Office of Energy Resources

<b>Projects</b>	<b>Total Award</b>	<b>Spent as of 3/8/13</b>	<b>Balance</b>
State Energy Program	\$24.0	\$16.2	\$7.8
Weatherization Asst. Program	20.1	19.9	0.2
Energy & Conservation Grant	9.6	9.6	-
Energy Appliance Rebate	1.0	1.0	-
Energy Assurance Plan	0.3	0.3	-
<b>Total</b> <i>(in millions)</i>	<b>\$54.9</b>	<b>\$47.0</b>	<b>\$8.0</b>
<b>Percentage</b>		<b>85.6%</b>	<b>14.4%</b>

# Office of Energy Resources

- Article 8 – Feb. 26
- Transfers Renewable Energy Program from EDC to Office of Energy Resources
  - ❖ Office previously managed the Fund
- 2007 Assembly enacted legislation to transfer the Fund to the Corporation, effective July 2008
- Governor proposed transfer last year with other changes; Assembly did not concur with transfer

# Office of Energy Resources

- Fund is supported by a surcharge of 0.3 mills per kilowatt-hour on electricity, generates \$2.4M annually
- Current law allows up to 10% for administrative costs
- FY 2014 Budget includes \$2.5 million
  - ❖ \$2.3 million in grants
  - ❖ \$235K to support 2 positions transferred from the Corporation and operating costs

# Department of Administration

<i>(In millions)</i>	<b><i>FY 2014 Recommendation</i></b>	
<b>Change to Enacted</b>	<b>General Rev.</b>	<b>All Funds</b>
Statewide Savings	(\$0.9)	(\$1.4)
Library Aid	0.03	0.03
Energy Resources	-	3.4
<b><i>Economic Dev. Corporation</i></b>	<b><i>(3.4)</i></b>	<b><i>(3.4)</i></b>
RI Health Exchange	-	28.3
Debt Service	(0.3)	(9.0)
Overhead Functions	3.4	17.9
<b><i>Total Changes</i></b>	<b><i>(\$1.1)</i></b>	<b><i>\$35.9</i></b>

# Economic Development Corporation

- The Corporation is organized as a quasi-public entity
- Consolidates all economic development activities into a single entity
- Formed from merger of Department of Economic Development (state agency) and the Rhode Island Port Authority (quasi-public agency) in 1995



# Economic Development Corporation

- Economic Development Corporation Board
  - ❖ Corporation's board of directors consists of 13 members, including the Governor, who serves as chair
  - ❖ Governor appoints all 12 members
  - ❖ Board oversees implementation of all state-level economic development programs
  - ❖ Current vacancies
    - Some nominated are not confirmed

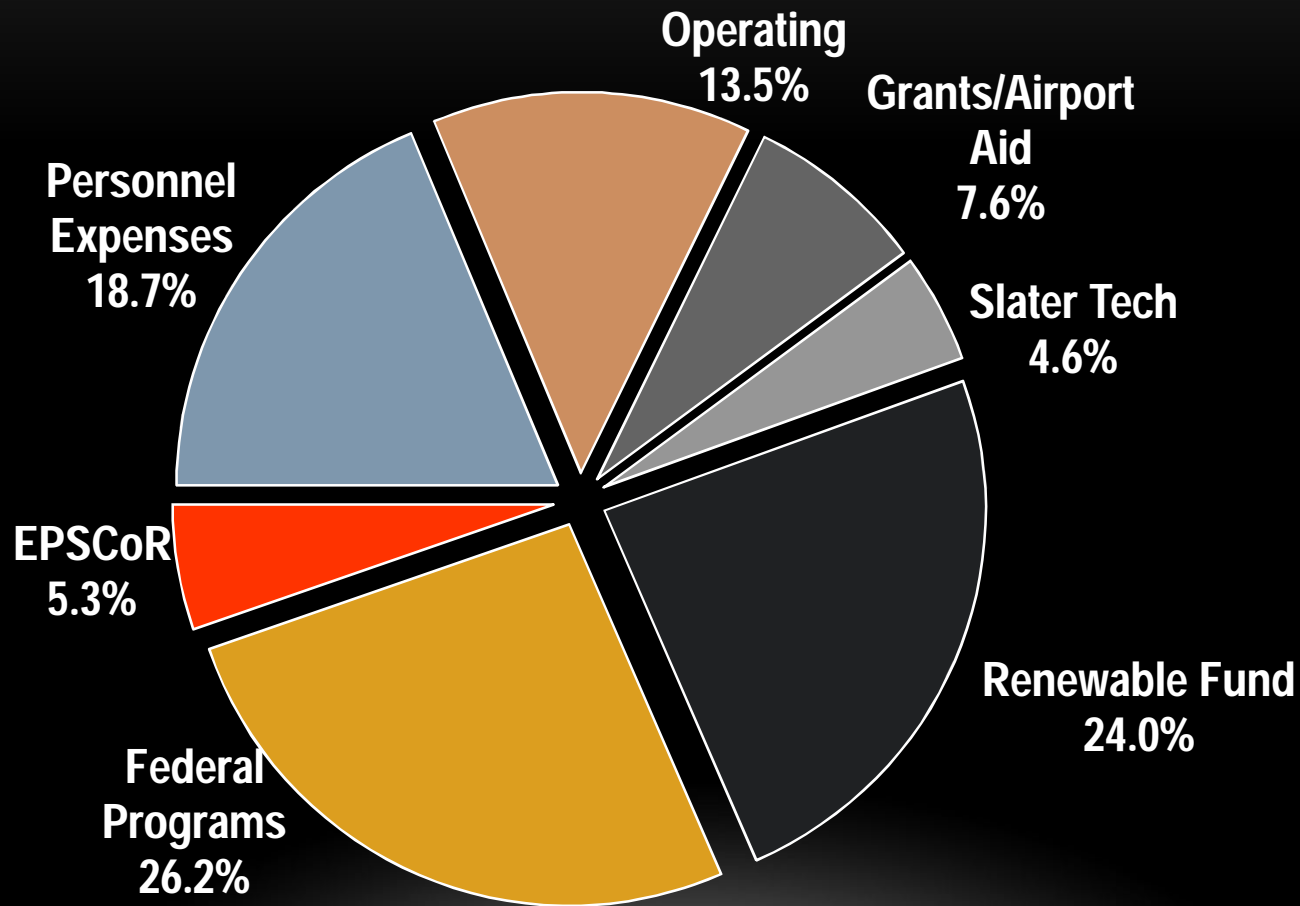
# Economic Development Corporation

- Corporation has four subsidiaries
  - ❖ Small Business Loan Fund Corporation
  - ❖ Airport Corporation
  - ❖ Quonset Development Corporation
  - ❖ I-195 Redevelopment District
- HFC to hear presentation from RIPEC on its study –  
Wednesday, March 20 at the rise

# Economic Dev. Corp. – State Sources

<i>(in millions)</i>	FY 2013 Enacted	FY 2013 Gov. Rev.	FY 2014 Gov. Rec.	Change to Enacted
EDC Op./Grants	\$4.7	\$4.6	\$5.2	\$0.5
I-195 Commission	3.9	3.9	0.5	(3.4)
Slater Tech. Fund	1.5	1.5	1.0	(0.5)
EPSCoR	1.15	1.15	1.15	-
Coll./Univ. Research	-	0.1	0.1	0.1
Small Business Initiative	4.3	4.3	4.3	-
Airport Aid	1.025	1.025	1.025	-
<b>Total</b>	<b>\$16.6</b>	<b>\$16.5</b>	<b>\$13.3</b>	<b>(\$3.3)</b>

# Economic Dev. Corp. – Category



# Economic Development Corporation

## ➤ Staffing Expenditures:

- ❖ Budgeted \$4.1 million to fund 44.0 positions in FY 2014
- ❖ 28.0 positions are supported from state appropriation – \$2.7 million
- ❖ 16.0 positions are funded from other sources – \$1.4 million
- ❖ 37.0 positions were filled as of March 4
  - Not state employees

# Economic Development Corporation

## Health Benefits

- Effective January 1, 2006 UHC Health
  - ❖ Employee pays medical cost: first \$2,000 for individual plan and \$4,000 for family plan out-of-pocket expense
  - ❖ Employee contributes 5% of the cost of the premium – medical and dental
  - ❖ \$12,000 family plan – employee pays \$600
  - ❖ Vision – employee pays 100%

# Economic Development Corporation

- Operating expenses totaling \$2.9 million – \$1.9 million is from state general revenues
- Tourism \$1.0 million - primarily for “Branding” Initiative, \$0.6 million more than enacted
- College/University Collaborative - \$0.1 million
- Program Expenditures - \$0.7 million
  - ❖ Procurement Technical Assistance Center (PTAC)
  - ❖ Export Assistance
  - ❖ Science and Technology Advisory Council (STAC)

# Aid/Grants

## Airport Impact Aid - \$1.025 million

- Provides aid payments to the seven communities that host the six state airports
- Payments are made proportionally based on the number of total landings and takeoffs
- Includes \$0.6 million for 17 community service grants



# Slater Technology Fund

Slater Technology Fund - \$1.0 million, \$0.5 million less than enacted

- A state-backed venture capital fund that invests in new ventures
  - ❖ Has a 15-year history
  - ❖ Intent that eventually it would be self-sustaining through returns on investment
  - ❖ \$44.2 million total fund to date

# EPSCoR

EPSCoR - \$1.15 million

- In support for state's participation in National Science Foundation's Experimental Program to Stimulate Competitive Research (EPSCoR)
  - ❖ FY 2014 is level funded with FY 2013 – prior years had been \$1.5 million
  - ❖ 8<sup>th</sup> installment bringing total to \$11.7 million
  - ❖ Initially, this was a three-year commitment

# Department of Administration

<i>(In millions)</i>	<b><i>FY 2014 Recommendation</i></b>	
<b>Change to Enacted</b>	<b>General Rev.</b>	<b>All Funds</b>
Statewide Savings	(\$0.9)	(\$1.4)
Library Aid	0.03	0.03
Energy Resources	-	3.4
Economic Dev. Corporation	(3.4)	(3.4)
<b><i>RI Health Exchange</i></b>	<b>-</b>	<b><i>28.3</i></b>
Debt Service	(0.3)	(9.0)
Overhead Functions	3.4	17.9
<b><i>Total Changes</i></b>	<b><i>(\$1.1)</i></b>	<b><i>\$35.9</i></b>

# RI Health Benefits Exchange

- Patient Protection and Affordable Care Act of 2010
- Aims at decreasing the number of uninsured individuals
- Requires that all individuals have medical coverage or pay a penalty

# RI Health Benefits Exchange

## ➤ Affordable Care Act key provisions:

- ❖ Insurers are prohibited from imposing dollar limits on benefits, like hospital stays
- ❖ Dependents can remain on parents' plans until 26<sup>th</sup> birthday
- ❖ Insurers are prohibited from dropping policyholders when they get sick
- ❖ Insurers are prohibited from excluding pre-existing medical conditions
- ❖ New plans must cover preventive care and medical screening

# RI Health Benefits Exchange

## ➤ State-Based Exchange

- ❖ Operate its own health exchange and perform all related activities – 18 states including Washington D.C.

## ➤ State-Federal Partnership

- ❖ Shared responsibilities and states will manage certain aspects – 7 states

## ➤ Federally-Facilitated Exchange

- ❖ HHS will assume primary responsibilities – 26 states

# RI Health Benefits Exchange

- Marketplace for individuals and small businesses can compare policies and premiums, and purchase health insurance
- Must be in place and ready to function on January 1, 2014
  - ❖ Ready to begin accepting application in October
- Full HFC Hearing on this issue, March 27 at the rise

# RI Health Benefits Exchange

	FY 2013 Enacted*	FY 2013 Gov. Rev.	FY 2014 Gov. Rec.	Change to Enacted
Salaries & Benefits	\$1.0	\$1.5	\$2.3	\$1.3
Cont. Services	20.7	26.8	25.5	4.8
Operating	0.4	0.6	0.6	0.2
<b>Total (in millions)</b>	<b>\$22.2</b>	<b>\$28.9</b>	<b>\$28.3</b>	<b>\$6.2</b>
<b>FTEs</b>	<b>6.0</b>	<b>15.0</b>	<b>15.0</b>	<b>9.0</b>

*\*In Office of the Governor*



# Department of Administration

<i>(In millions)</i>	<b><i>FY 2014 Recommendation</i></b>	
<b>Change to Enacted</b>	<b>General Rev.</b>	<b>All Funds</b>
Statewide Savings	(\$0.9)	(\$1.4)
Library Aid	0.03	0.03
Energy Resources	-	3.4
Economic Dev. Corporation	(3.4)	(3.4)
RI Health Exchange	-	28.3
<b><i>Debt Service</i></b>	<b><i>(0.3)</i></b>	<b><i>(9.0)</i></b>
Overhead Functions	3.4	17.9
<b><i>Total Changes</i></b>	<b><i>(\$1.1)</i></b>	<b><i>\$35.9</i></b>

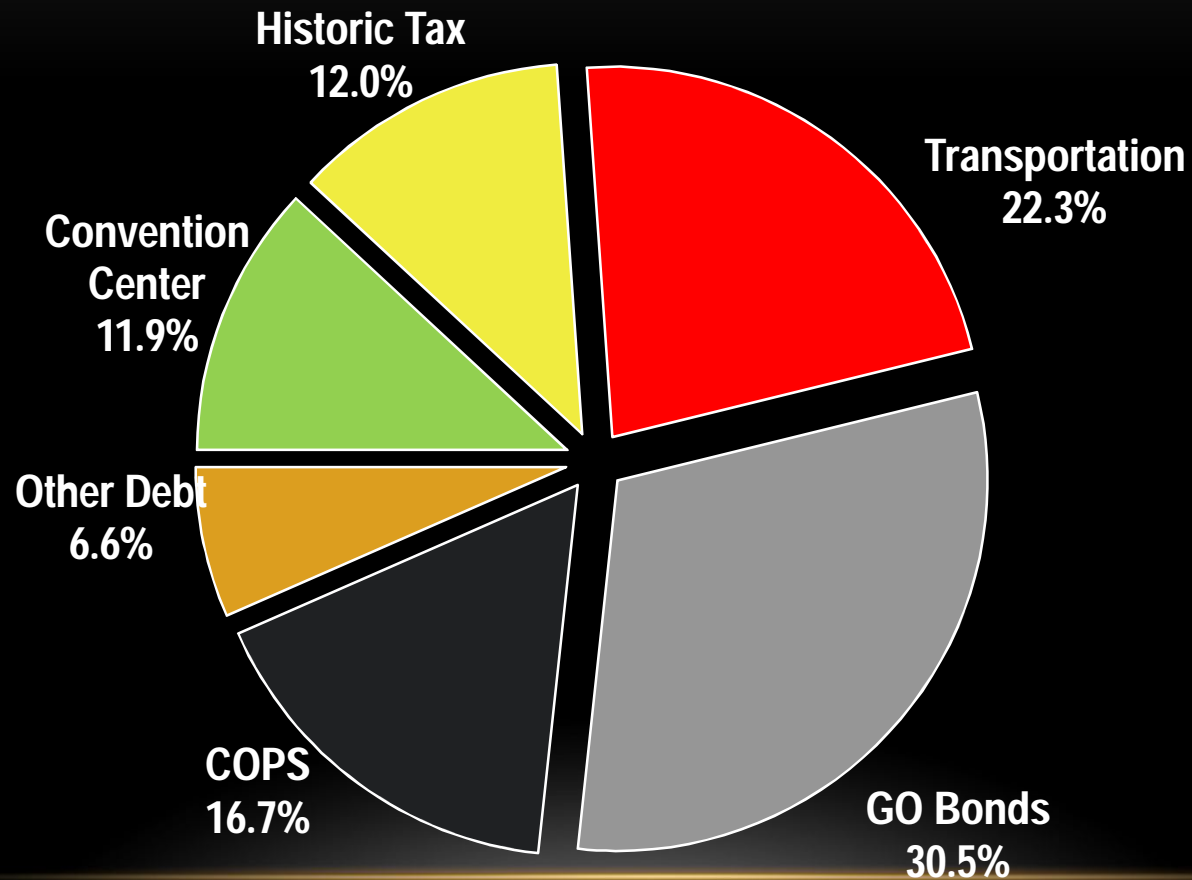
# Debt Service

	General Revenues	Federal Funds	Restricted Receipts	Other	Total
FY 2013 Enacted	\$159.8	\$2.8	\$4.5	\$36.4	\$203.4
FY 2013 Rev.	\$155.9	\$2.8	\$2.1	\$34.8	\$195.6
FY 2014 Rec.	\$159.5	\$2.8	\$2.1	\$30.	\$194.4
<i>Change (in millions)</i>	<i>(\$0.3)</i>	<i>\$-</i>	<i>(\$2.3)</i>	<i>(\$6.4)</i>	<i>(\$9.0)</i>

➤ Department of Administration's budget include most debt service costs

❖ Excludes all for higher education and some DOT

# FY 2014 Debt Service



# Debt Service – *Historic Tax Credit*

- Recommends \$23.3 million from general revenues in FY 2014 for Historic Tax Credit debt service
- 2008 Assembly adopted legislation to significantly modify the program
  - ❖ Placed a moratorium on new projects
  - ❖ Required upfront processing fees, reducing overall effective credit from 27.75% to 22.0% and
  - ❖ Authorized borrowing to cash out all credits
  - ❖ Outyear debt: \$31.7M in FY 2015 to \$42.3M in FY 2018

# Debt Service – *Convention Center*

- Recommends \$23.1 million for debt service for Convention Center Authority
  - ❖ In the event that the Authority is running an operating deficit, the state would be responsible for covering this shortfall
  - ❖ Manages and operates the Convention Center, Dunkin' Donuts Center and Veterans Memorial Auditorium
- Also recommends \$0.9 million from RI Capital Plan funds to free up operating funds for the Authority
  - ❖ This reduces the Authority's projected shortfall and lowers general revenues for debt

# Debt Service – *Dept. of Transportation*

## Department of Transportation

- Recommends \$44.4 million in FY 2013 and \$41.6 million in FY 2014, including \$10.0 million from general revenues
  - ❖ Consistent with proposal to increase state support for transportation debt

# Debt Service – *RI Public Transit Authority*

## Rhode Island Public Transit Authority

- Recommends the Authority's debt service payments be made with general revenue in lieu of Authority sources in order to reduce the projected operating shortfalls
  - ❖ Includes \$1.6 million in FY 2013 and \$1.7 million in FY 2014 from general revenues

# Debt Service – 38 Studios

- Job Creation Guaranty Program – allows guaranteed loans not to exceed \$125.0 million
- Debt service would be paid by revenues from financed projects
- Used \$80.5 million; \$44.5 million available
  - ❖ 38 Studios - \$75.0 million - Defaulted
  - ❖ *Includes \$2.5 million from general revenues for debt service*
  - ❖ *Outyear assumes \$12.5 million each year*



# Debt Service – I-195

## ➤ I-195 Land Purchase

- ❖ 2011 Assembly's debt authorization stipulated that proceeds from eventual sale of the land parcels would be used for debt service costs
- ❖ Legislation assumed \$42 million of revenue bonds would be issued by EDC to purchase land made available through the relocation of Interstate 195 from DOT

## ➤ Recommends \$0.5 million in FY 2013 and \$1.2 million in FY 2014 from general revenues for debt service

- ❖ FY 2013 recommendation is \$1.0 million less to reflect delay in issuance

# *I-195 Redevelopment Commission*

## I-195 Redevelopment Commission

- 2012 Assembly provided \$3.9 million for a one-time expense for the completion of land sales, including \$0.9 million to support 2-3 years staffing and operating costs
- Commission submitted a budget requesting \$0.6 million from general revenues for FY 2014 – based on more updated projections
- Governor recommends \$0.5 million for operating costs

# Department of Administration

<i>(In millions)</i>	<b><i>FY 2014 Recommendation</i></b>	
<b>Change to Enacted</b>	<b>General Rev.</b>	<b>All Funds</b>
Statewide Savings	(\$0.9)	(\$1.4)
Library Aid	0.03	0.03
Energy Resources	-	3.4
Economic Dev. Corporation	(3.4)	(3.4)
RI Health Exchange	-	28.3
Debt Service	(0.3)	(9.0)
<b><i>Overhead Functions</i></b>	<b><i>3.4</i></b>	<b><i>17.9</i></b>
<b><i>Total Changes</i></b>	<b><i>(\$1.1)</i></b>	<b><i>\$35.9</i></b>

# Department of Administration

## ➤ Items of Interest:

- ❖ Office of Digital Excellence
- ❖ Division of Information Technology
- ❖ Division of Human Resources
- ❖ Office of Regulatory Reform
- ❖ Electronic Local Permitting
- ❖ Purchasing
- ❖ Statewide Planning
- ❖ Facilities Management
- ❖ Capital Projects

# Office of Digital Excellence

- 2012 Assembly created Office of Digital Excellence to ensure projects are well coordinated and properly implemented
  - ❖ Provided \$0.3 million and authorized two positions, including a chief digital officer
- Governor recommends \$1.0 million and 7.0 positions
  - ❖ Two positions are filled
  - ❖ Remaining positions would be filled mid-February
  - ❖ Department is in the hiring process

# Division of Information Technology

## Division of Information Technology

- Executive Order 04-06 created the new division to improve efficiency, effectiveness and security of computer operations and management under the control of a Chief Information Officer
- Responsible for oversight, coordination and development of all computer resources within the Executive Branch

# Division of Information Technology

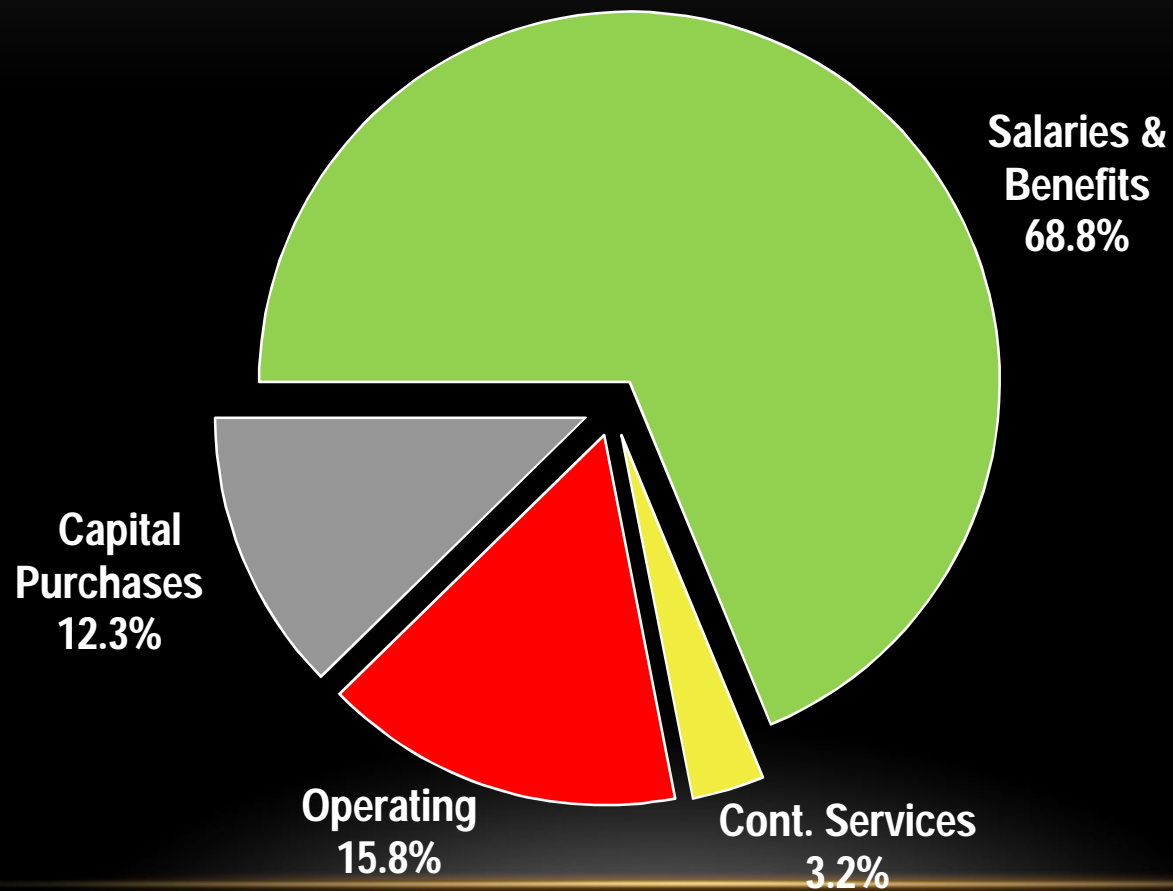
- Services provided:
  - ❖ Desk Support
  - ❖ Network Support
  - ❖ Telecommunications
  - ❖ Central Mail

# Division of Information Technology

<i>(In millions)</i>	General Revenues	Federal Funds	Restricted Receipts	Other	Total
FY 2013 Enacted	\$20.2	\$5.8	\$3.8	\$2.1	\$31.9
FY 2013 Rev.	\$21.1	\$6.9	\$5.1	\$2.1	\$35.3
<b>13 Change</b>	<b>\$0.9</b>	<b>\$1.1</b>	<b>\$1.3</b>	<b>\$-</b>	<b>\$3.4</b>
FY 2014 Rec.	\$21.7	\$7.1	\$3.8	\$2.2	\$34.8
<b>14 Change</b>	<b>\$1.5</b>	<b>\$1.4</b>	<b>\$-</b>	<b>\$0.1</b>	<b>\$3.0</b>



# Division of Information Technology



# Division of Information Technology

- 2012 Assembly authorized 184.9 positions
  - ❖ Eliminated 5.6 vacancies
- Governor recommends 194.4 positions in both years
  - ❖ Restores the eliminated positions adds 3.0 positions to help support state's financial accounting system
    - An Oracle database administrator
    - An Oracle programmer and
    - A programmer/analyst

## Div. of IT – *Technology Investment Fund*

- 2011 Assembly enacted legislation to create an Information Technology Investment Fund
  - ❖ To be supported from land sales proceeds
  - ❖ 2012 Assembly also transferred \$9.0 million from general revenues
  - ❖ Funds would be use for acquiring information technology improvements, including, but not limited to, hardware, software, and ongoing maintenance
- Budgets assume use of \$7.3 million, including \$4.3 million in current year

# Div. of IT – *RIFANS*

## RI Financial Accounting Network System:

- Involves installation of a series of modules for each particular service that will form the integrated system
  - ❖ Modules were purchased in 2007 – not all have been implemented
  - ❖ \$12.4 million to implement remaining modules (HR, projects and grants, cash management and asset management)
- Recommends \$1.1 million in FY 2013 and \$1.2 million in FY 2014 for maintenance contracts

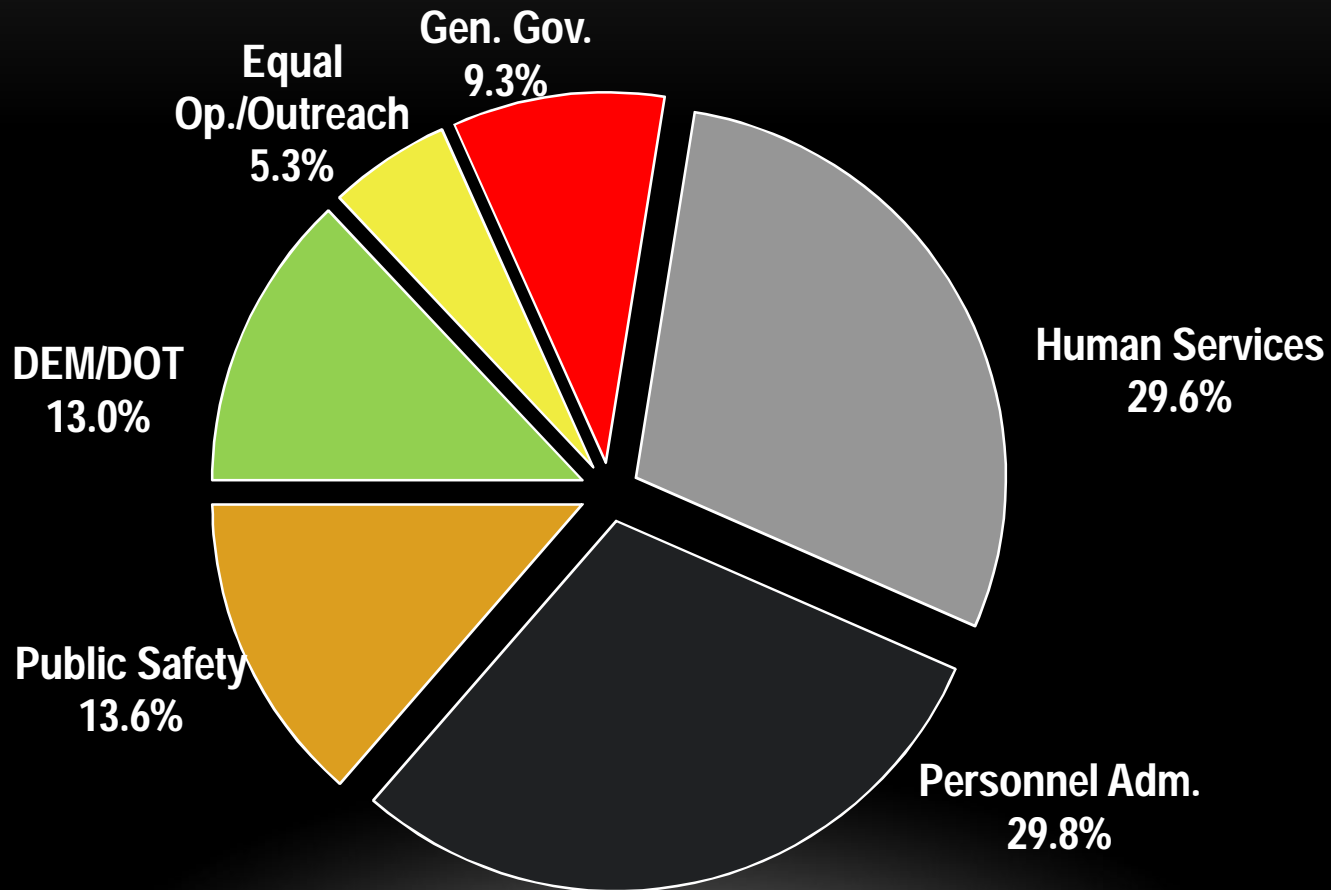
# Division of Human Resources

- Executive Order 05-11 centralized human resources functions statewide
- Created four service centers
  - DEM/DOT
  - General Government
  - Public Safety
  - Health and Human Services

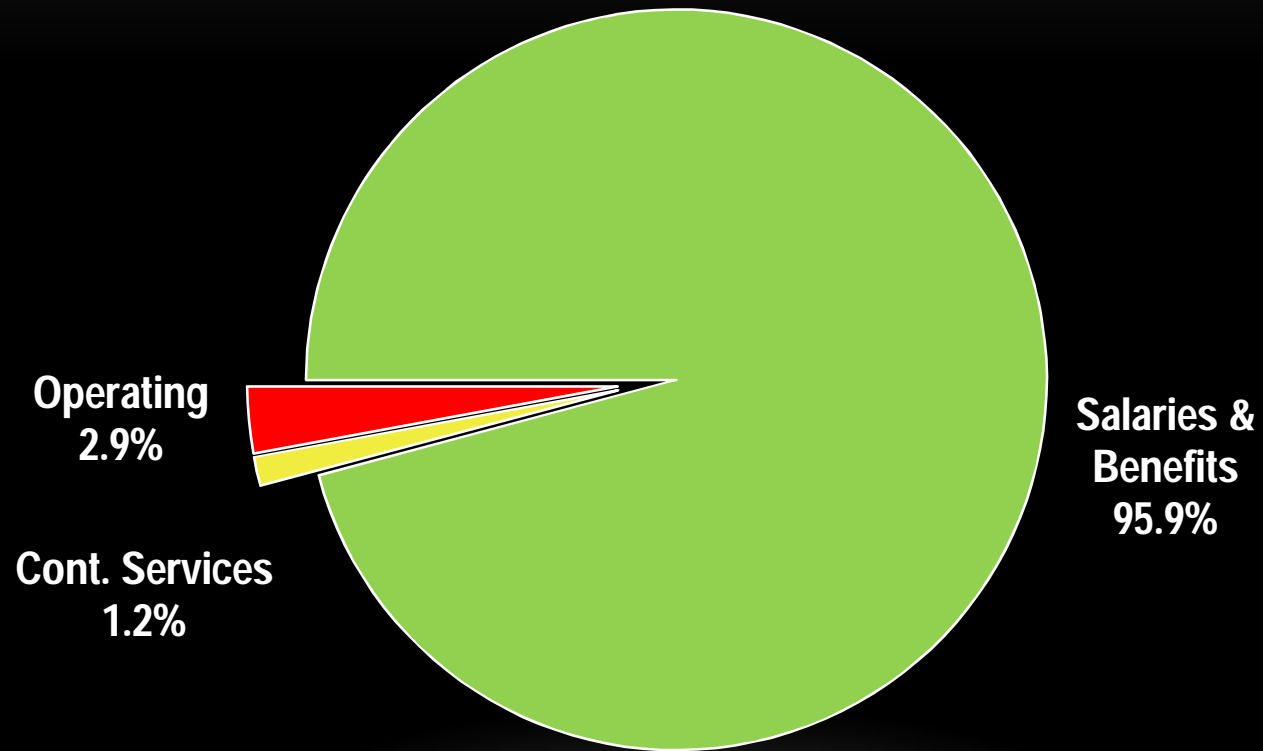
# Division of Human Resources

<i>(In millions)</i>	<b>General Revenues</b>	<b>Federal Funds</b>	<b>Restricted Receipts</b>	<b>Other</b>	<b>Total</b>
FY 2013 Enacted	\$8.4	\$0.8	\$0.4	\$1.3	\$10.9
FY 2013 Rev.	\$8.1	\$0.7	\$0.4	\$1.5	\$10.7
<b>13 Change</b>	<b>(\$0.3)</b>	<b>(\$0.02)</b>	<b>(\$0.01)</b>	<b>\$0.1</b>	<b>(\$0.2)</b>
FY 2014 Rec.	\$8.7	\$0.8	\$0.5	\$1.6	\$11.5
<b>14 Change</b>	<b>(\$0.2)</b>	<b>\$0.04</b>	<b>\$0.04</b>	<b>\$0.2</b>	<b>\$0.2</b>

# Division of Human Resources



# Division of Human Resources





# Division of Human Resources

- Recommendation adds 3.5 new positions:
  - ❖ 1.0 executive director of human resources
  - ❖ 2.0 HR coordinator positions (Division of Motor Vehicles and Department of Public Safety)
  - ❖ 0.5 data entry specialist
- Enacted budget eliminated 12 positions in anticipation of personnel reform study

# Div. of HR – *Personnel Reform Study*

- Current system was designed and implemented more than 50 years ago
  - ❖ Few amendments have been made to it since
  - ❖ Has over 1,000 position classifications
- 2012 Assembly provided \$250,000 from general revenues for a study and review of the state's personnel system
  - ❖ Study completed in January 2013

# Div. of HR – *Personnel Reform Study*

Study found that:

- Current structure, organization and staffing of HR division is not sufficient to support the state's need
- Recruiting process is highly paper-base
  - ❖ Filling a position can take up to six months from the time it is requested
- Job classification structures do not reflect qualifications to deliver the services
- Compensation structures are non-competitive

# Div. of HR – *Personnel Reform Study*

A total of 16 actions were recommended, including

- Restructure - headed by a new chief of human resources, which will be dedicated to establishing strategic direction, developing policies
  - ❖ Governor includes funding for this position in FY 2013
- Online application system
- Update position classifications
- Eliminate public hearing process, when making changes to classification structure

# Div. of HR – *Personnel Reform Study*

- As a result of study:
- Governor recommends \$1.0 million over two years
- Review of the state's classification system and to make recommendations to streamline

# Office of Regulatory Reform

- Office of Regulatory Reform created by 2010 Assembly
  - ❖ Aims to improve the state's business climate
  - ❖ Help businesses to navigate through state and municipal permitting and regulatory affairs
- 2012 Assembly transferred from the Economic Development Corporation to Office of Management and Budget

# Office of Regulatory Reform

- 2012 legislation requires agencies to periodically evaluate of all existing regulation for adverse impact on small business
  - ❖ 25% each year – beginning 2012 for a total of four years (Governor requested regulatory agencies to speed up process)
  - ❖ Office is tasked with assisting and coordinating the agency review process
  - ❖ First review is done and Office will submit report in April 2013

# Electronic Local Permitting

- 2012 Assembly provided \$0.3 million for the purchase or lease and operation of a web-accessible plan review management and inspection software system
- Create a standardized system available to the State Building Code Commission and all municipalities
- Legislation requires State Building Commissioner to report the status and any recommendations for improving the system on April 1



# Electronic Local Permitting

- Staff from the Building Code Commission investigated other similar systems around the country and is working on how it would like the software system to work for impacted agencies
- Develop standard for statewide process for electronic plan review, permit management and inspection – July 2013
- Implement – Dec. 2013

# Statewide Planning

	FY 2013 Enacted	FY 2013 Gov. Rev.	FY 2014 Gov. Rec.	Change to Enacted
General Rev.	\$4.0	\$3.9	\$4.4	\$0.4
Federal Funds	8.7	9.6	6.9	(1.7)
Other	4.8	5.3	5.0	0.2
<b>Total</b> (in millions)	<b>\$17.5</b>	<b>\$18.8</b>	<b>\$16.4</b>	<b>(\$1.1)</b>
<b>FTEs</b>	<b>37.0</b>	<b>38.0</b>	<b>38.0</b>	<b>1.0</b>

- Federal funds account for more than 42% of FY 2014 recommended budget
- Impacted by sequester

# Purchasing

	FY 2013 Enacted	FY 2013 Gov. Rev.	FY 2014 Gov. Rec.	Change to Enacted
General Rev.	\$2.7	\$2.6	\$2.9	\$0.1
Federal Funds	0.1	0.2	0.2	0.1
<i>Other</i>	<b>0.3</b>	<b>0.3</b>	<b>0.4</b>	<b>0.1</b>
<b>Total</b> (in millions)	<b>\$3.1</b>	<b>\$3.0</b>	<b>\$3.4</b>	<b>\$0.3</b>
<b>FTEs</b>	<b>32.0</b>	<b>33.0</b>	<b>34.0</b>	<b>2.0</b>

- Staffing costs account for more than 98 percent of budget

# Purchasing

- Governor adds two positions, including a deputy director and a restored position
- 2012 Assembly provided \$0.3 million to fund 3 positions to expedite capital projects
  - ❖ Two positions are currently filled
  - ❖ 3<sup>rd</sup> will be filled in April

# Facilities Management

- Responsible for 140 state buildings
- Funding in Division supports building operations, maintenance and repairs for state properties, including the Pastore Campus
- Recommends expenditures of \$36.7 million in FY 2013 and \$37.5 million in FY 2014 from all funds
  - ❖ \$19.3 million or 51.5% is for utility expenses

# Facilities Management

- Recommends FY 2014 expenditures of \$10.3 million for staffing of 116.5 positions, \$0.3 million more than enacted
- Represents 27.4% of recommendation
- Includes turnover savings of \$0.4 million in FY 2013 and \$0.3 million in FY 2013
  - ❖ 15.0 vacancies on February 23

# Capital Projects

- Recommends total project costs of \$350.6 million
- \$145.5 million will be used from FY 2014-FY 2018
- Total 39 projects
  - ❖ Pastore Campus – 8
  - ❖ Other State Facilities – 21
  - ❖ Other Projects – 10

# Capital Projects

## Pastore Campus Projects

- \$22.4 million will be used from FY 2014 – FY 2018
- Projects include:
  - ❖ Fire code compliance
  - ❖ Utilities upgrade
  - ❖ Buildings demolition
  - ❖ Parking



# Capital Projects

## Other State Facilities Projects

➤ \$76.6 million will be used from FY 2014 – FY 2018

➤ Projects include:

- ❖ Veterans Memorial Auditorium
- ❖ State House Renovations
- ❖ Cranston Street Armory
- ❖ Ladd Center Buildings Demolition

# Capital Projects

## All Other Projects

- \$46.5 million will be used from FY 2014 – FY 2018
- Projects include:
  - ❖ Energy Conservation
  - ❖ Affordable Housing
  - ❖ Water Allocation Plan

# Capital Projects

- Capital budget includes a total of \$12.0 million for two new projects
  - ❖ Convention Center Facilities Renovations - \$5.5 million, including \$0.5 million in the current year
  - ❖ Dunkin Donuts Center - \$6.5 million

# Capital Projects

- Includes \$3.5 million to purchase the property adjacent to the Veterans Auditorium and \$1.0 million for site improvement costs
- Would be purchased for future development
- Administration has suggested it be used as parking for Capitol Hill during the day and perhaps the Renaissance Hotel could use it at night

# Department of Administration

Staff Presentation

FY 2013 Revised, FY 2014 Recommended  
and Capital Budgets

March 19, 2013