

Governor's FY 2017 Budget: Articles

Staff Presentation to the House Finance
Committee
March 3, 2016

Introduction

- Article 3 – Public Officers and Employees
- Article 4 – Government Organization

Article 3 – Public Officers and Employees

- Classification Issues
- Compensation for directors
- Personnel administration
 - Personnel Appeal Board
 - Probationary period
- Retiree Health Insurance

Divisions of State Service

- Classified
- Unclassified
 - Positions specifically established by RIGL 36-4-2 or other statutes
 - Employees of elected officials, courts, dept. directors, independent agencies, or public authorities
 - Employees involved in policy making
- Non-classified
 - Positions covered under Board of Education
 - Includes senior administrative staff & faculty

Divisions of State Service

- Classified Service
 - Competitive - civil service examinations
 - Non-Competitive
 - Positions include routine, laboring, custodial, or domestic tasks; subject to continuing supervision
 - Require licenses, certificates, or registrations

Article 3 – Classification Issues

- Current law requires all positions be classified unless they are specified in the general laws
- Article adds numerous positions to the unclassified service
 - Policy directors, chiefs of staff, legislative/policy director, public information officers, deputy directors and others
 - DBR, DCYF, DEM, DOC and others

Article 3 – Compensation for Directors

- Directors' salaries
 - Repeals legislation that requires Administration to refer proposed salaries for cabinet directors to Assembly by the last day in April following a March public hearing
 - If Assembly does not act, goes into effect
 - Would be determined similar to Governor Office Staff
 - Receive COLA

Article 3 – Directors' Salaries

- Last across-the-board raise that directors received was in June 2002
 - Governor Carcieri increased salaries for several directors between 2005 and 2008
- Governor Chafee withdrew 2013 proposal submitted to Assembly
 - 3% on June 1 and 3% on Dec. 29
- His FY 2015 budget proposed repealing legislative notification

Article 3 – Directors' Salaries

- FY 2016 proposal – not adopted
- Directors' salaries would be determined by the director of DOA
- Not approved by 2015 Assembly
 - Provided one-time extension
- July 2015 approved raises for 6 cabinet directors

Article 3 – Directors’ Salaries

Received Raises	No Raises
BHDDH	Administration
Business Regulation	Children, Youth & Families
Environmental Management	Corrections
Human Services	Emergency Management
Labor & Training	Health
Transportation	Health & Human Services
	Public Safety
	Revenue

Article 3 – Personnel Admin.

- Personnel Appeal Board
 - Holds hearings regarding state employees' personnel appeals
 - 5-member board
 - 6-year appointments by Governor
- Hearings generally cover 2 types of cases
 - Desk Audits
 - Disciplinary

Article 3 – Personnel Admin.

- Personnel administrator makes a decision on a desk audit or disciplinary matter
- Employee (typically non-union)
 - If desk audit, appeal to administrator of adjudication; next appeal is Personnel Appeal Board
 - If disciplinary matter, appeals to Personnel Appeal Board, next appeal is Courts

Article 3 – Personnel Admin.

- Personnel Appeal Board can:
 - Uphold personnel administrator's decision
 - Present a new ruling
- Article requires Personnel Appeal Board to give deference to the degree of discipline imposed upon employee
 - As long as degree of discipline imposed was not arbitrary, capricious or contrary to rule or law

Article 3 – Personnel Admin.

- Probation
 - Extends probationary period for certain positions from six months to 12 months
 - Effective July 1, 2016 or
 - Upon expiration of applicable labor contracts
 - Similar proposal included last year
 - Assembly did not adopt

Article 3 – Retiree Health Insurance

- Allows retired employees with state health insurance coverage to opt out and receive a cash payment in lieu of coverage
- Must have another form of insurance
- No limits on the number of times a retiree receives waiver
- Waiver amount is not specified
- DOA director to adopt rules and regulations

Article 3 – Retiree Health Insurance

- Current active employees waiver amount is \$1,001
- 1,941 active employees waived
- One lump sum payment in December
 - FY 2016 payment totaled \$1.9 million
- Two state employed spouses hired after June 29, 2014 are no longer eligible

Article 4 – Government Organization

- Office of Diversity, Equity & Opportunity
- Division of Enterprise Technology Strategy & Services
- Division of Capital Asset Management & Maintenance

Article 4 – Government Organization

- Office of Internal Audit
- Women, Infants, & Children Nutrition Assistance program
 - Transfer from DHS
- Office of Veterans' Affairs

Article 4 – Office of Diversity, Equity and Opportunity

- Created by an executive order in 2013
 - Required Department of Administration:
 - Review all divisions/offices charged with facilitating equal opportunity employment and to
 - Make recommendations to improve collaboration between divisions/offices
 - Office of Performance Management and the Office of Outreach and Diversity create a plan to improve minority hiring

Article 4 – Office of Diversity, Equity and Opportunity

- Article adds the Office of Diversity, Equity & Opportunity in statute
 - Division within DOA
 - Headed by associate director;
 - Appointed by the director of DOA
- Coordinates and works with:
 - Minority Business Enterprise Compliance Office
 - State Equal Opportunity Office
 - Office of Supplier Diversity

Article 4 – Office of Diversity, Equity and Opportunity

- Office is tasked with:
 - Providing leadership in development and coordination of activities to promote diversity
 - Building and maintaining effective outreach programs
 - Supporting growth and development of MBE programs

Article 4 – Enterprise Tech. Strategy & Services

- Division of Information Technology created by executive order in 2004
 - Improve efficiency, effectiveness and security of computer operations
 - Service desk
 - Network support
 - Mail
 - Telecommunications
- Replaces current division with Division of Enterprise Tech. Strategy & Services

Article 4 – Enterprise Tech. Strategy & Services

- Division is headed by chief of digital excellence
 - Appointed by DOA director
 - Position created by 2012 Assembly
- Oversee operations of the Office of Library and Information Services
- Division is tasked with
 - Managing technology infrastructure projects and upgrades
 - Large scale technology projects

Article 4 – Capital Asset Management & Maintenance

- Creates Division of Capital Asset Management and Maintenance
 - Assumes responsibilities of current divisions
 - Facilities Management
 - Oversees 140 buildings under DOA jurisdiction
 - Responsible for maintenance and snow removal
 - Capital Projects and Property Management
 - Inventory of state properties
 - Construction management of capital projects

Article 4 – Capital Asset Management & Maintenance

- Division headed by a division director
 - Appointed by DOA director
 - Reviews agency capital budget request to ensure consistent with strategic and master plans
- Division is tasked with:
 - Overseeing new construction
 - Inventory of state buildings & properties
 - Responding to facilities emergencies

Article 4 – Office of Internal Audit

- Amends current law to repeal the Bureau of Audits
- Establishes the Office of Internal Audit within the Office of Management and Budget
 - Headed by a chief of audits
 - DOA director appointee
 - Chief reports to OMB director

Article 4 – Office of Internal Audit

- Bureau of Audits performs auditing function for the executive branch
- Bureau is required to:
 - Audit financial records
 - Audit accounts of all state departments and agencies on a biennial basis
 - Audit human service providers
 - Conduct performance audits and special projects

Article 4 – Office of Internal Audit

- Office is tasked with
 - Evaluating efficiency of operations and internal controls, preventing and detecting fraud, waste, abuse or mismanagement of funds
- Public entities can request assistance from Office
- Maintains audits of quasi-public corporations every 5 years

Article 4 – Office of Internal Audit

- Budget reflects consolidation
 - Increase efficiency
 - Decrease fraud and waste
- Staff and funding were transferred from:
 - Department of Transportation
 - Department of Human Services
 - Office of Postsecondary Commissioner
 - University of Rhode Island
- Budget assumes savings of \$0.2 million from elimination of 2 positions

Article 4 – Women, Infants, & Children Nutrition Assistance

- Transfers program from DHS to DOH
- Health previously administered program
- 2009 Assembly transferred to DHS
 - Consolidate management of nutrition benefit
- Issues with U.S. Dept. of Agriculture regarding designation of the administering state agency
 - Health departments or comparable agency

Article 4 – Women, Infants, & Children Nutrition Assistance

- Provides supplemental foods, nutrition education and information
 - Eligible women and children under 5
- Budget includes \$26.1 million from federal funds and staffing of 13 full-time equivalent positions in Health

Article 4 – Office of Veterans' Affairs

- Creates an Office of Veterans' Affairs
 - Replaces Division of Veterans' Affairs (DHS)
- Director will be appointed by & report directly to the Governor
- Funding will stay in DHS – admin purposes
- Director responsible for necessary functions, apply for & award grants and promulgate rules & regulations necessary to accomplish the purposes of the Office

Article 4 – Office of Veterans' Affairs

- 2009 Assembly created Department of Veterans' Affairs effective 7/1/2010
- 2010 legislation delayed it one year
- 2011 Assembly maintained it as a Division in DHS and added director
 - Position has been included but not funded
 - FY 2016 enacted budget funds the position

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