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

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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
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
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
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
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
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
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 administrating 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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