



# Department of Administration – Article 2

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*Senate Finance Committee*

*May 4, 2021*

**RHODE  
ISLAND**

# Agenda

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- DOA Overview and Accomplishments (Acting Director Thorsen)
- DOA Priorities (Acting Director Thorsen)
- Key Aspects of Article 2 (Deputy Budget Officer Joseph Codega Jr.)
- Pandemic Management (Acting Director Thorsen)

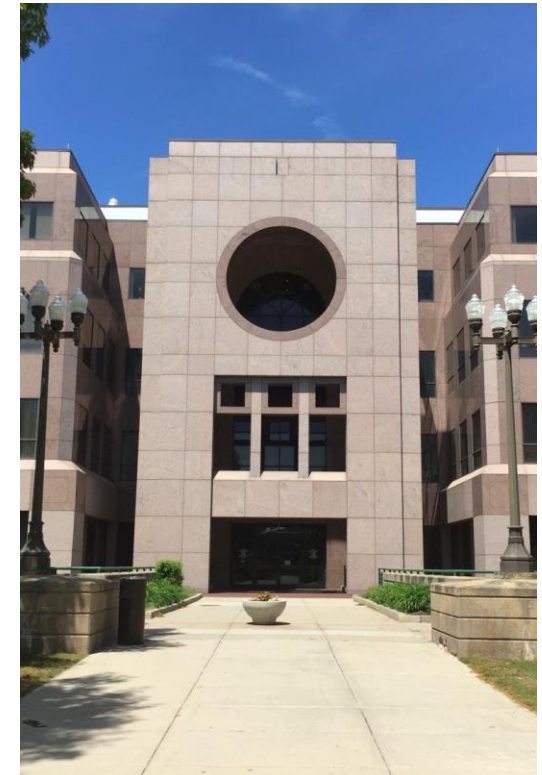
# DOA Overview and Accomplishments

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# Overview

- Divisions within DOA:
  - Central Business Office, DCAMM, DoIT, ODEO, OER, Accounts and Control, HSRI, HR, OMB, Purchases, Planning, and Legal
- **Mission:** Manage the State’s financial, human, and other resources in support of state agencies carrying out their responsibilities to provide citizens with the most responsive and cost-effective services possible
- **Principal responsibilities:** Developing and administering the state budget; determining and maintaining standard specifications for purchases, contracts, bids, and awards; maintaining facilities; providing IT infrastructure; administering statewide planning program and personnel; and negotiating state employee union contracts

Date	Actual FTEs	Authorized FTEs
April 2020	627.1	647.7
April 2021	616.1	647.7



# Accomplishments

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- Pre-ARPA money, DOA has managed financial compliance and governance functions to \$4 billion in federal funds directly related to COVID-relief efforts.
- The Division of Information Technology enabled nearly 3,000 state employees to telework at the beginning of the COVID-19 pandemic and assisted agencies in providing customer services online.
- Modernizing procurement via Ocean State Procures, enabling vendors to interact more efficiently with the State.
- The Office of Energy Resources is conducting an economic and energy market analysis and developing actionable policies and programs to help Rhode Island meet 100 percent of its electricity demand with renewables by 2030.
- Success of the State's health benefits exchange, HealthSource RI, has resulted in one of the lowest uninsured rates in the country at about 4 percent. Since its launch in 2013, the health exchange has improved and expanded access to coverage for Rhode Islanders while reducing its agency budget.

# DOA Priorities

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# DOA Division Priorities

- **DoIT**
  - ERP strategic plan
  - Remote work assessment and implementation
- **HR**
  - Modernizing the State's recruitment and hiring practices
  - Diversity, equity, and inclusion programs
  - ERP
- **Accounts and Control**
  - ERP
- **Purchases**
  - Continued implementation of Ocean State Procures
- **Legal**
  - COVID-19 response in reviewing agreements with AHS, testing resources, vaccination sites, leases, and other related contracts
- **Central Business Office**
  - Managing DOA CRF project funding
  - Ocean State Procures training and integration
- **OMB**
  - Pandemic response through budgetary assistance
  - Auditing programs created through COVID-19 response effort
- **Statewide Planning**
  - Land Use 2050
- **ODEO**
  - Disparity study
  - Affirmative action guidelines for state agencies
- **DCAMM**
  - Addressing deferred maintenance
- **OER**
  - RFP for scalable offshore wind resources
- **HealthSource RI**
  - Special enrollment per declaration of state of emergency, extending enrollment period
  - Sustain and improve value provided to small businesses to increase enrollments through HSRI for employers

# DOA Priorities

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- Continue management and oversight of federal stimulus funds for an effective and efficient pandemic response
- Invest in the technology that is the backbone of our payroll, financial management, and HRIS operations Promote the continued development of a diverse workforce, with ample opportunities for professional growth



# Enterprise Applications Strategic Plan

## SCOPE



HR Information Systems/Human Capital Management



Payroll



Enterprise Financial Applications



Enterprise Support Applications

## PURPOSE

1

Address manual processes that are more prone to errors

2

Enable business improvements, provide expanded functionality, and information for managing

3

Address repeated audit findings

# Enterprise Applications Strategic Plan (continued)



Decision-makers are unable to receive **accurate information** in a **timely** manner



Rhode Island's systems decades-old and are **outdated**—even in comparison to its state government peers



Current systems are susceptible to **single points of failure** and **security risk**



The **handful of experts** the State is reliant upon for existing systems are nearing retirement



Antiquated systems and processes make it difficult to attract and retain **talent**



**Rework** from **non-integrated systems** waste time and money



Existing enterprise technology has an impact on the State's **ability to serve** its residents

# Article 2

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# Article 2 Highlights

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1. Federal Grants Management System & Administration  
(Section 4)
2. Control of State Spending (Section 5)
3. Legislative Appropriation Authority and Restricted  
Receipt Creation (Section 6)

# Federal Grants Management System Administration

**The article (Section 4) creates a new restricted receipts account to provide a mechanism for the administration of the Grants Management System.**

- The Grants Management System will serve as a tool to support agencies who receive federal grant funding to comply with reporting requirements, overall federal grants administration, and approving agreements with federal agencies.
- As outlined in Article 2, this account will be funded by each agency that receives federal grant funding. The amount of funding deposited will be a percentage of the federal fund award
- The state controller will annually determine each agencies contribution
- In FY 2022, 50% of the salary and benefit costs of 4.0 FTEs in the DOA Grants Management unit will be allocated to this restricted receipts account. The shift would result in \$157,485 general revenue savings in FY 2022.

# Control of State Spending

**Article 2, Section 5 clarifies that reporting and corrective action plan requirements for agencies only apply to general revenue overspending and do not apply to non-general revenue appropriation and expenditures.**

- The General Assembly enacted in the FY 2020 budget new financial controls and reporting requirements for state agencies and the State Controller (RIGL 35-3-24).
- This amendment seeks to clarify that spending controls are targeted to **agency-wide general revenue appropriations**.
  - Includes a caveat that increased general revenue spending can occur if it is aligned with a corrective action plan, in concert with the OMB Budgetary Control Policy.
  - Spending can continue to be authorized if necessitated by immediate health and safety needs.
- Controller's authority is also modified; payments funded by general revenue shall only be disallowed when they can be categorized as follows:
  - In excess of the previous fiscal year's service levels;
  - One-time payments for equipment or supplies; or
  - Are consistent with an approved agency corrective action plan.

# Legislative Appropriation Authority & Restricted Receipts

**Article 2, section 6 amends the definition of appropriation and exempts additional restricted receipt accounts from the indirect cost recovery requirement.**

- Defines “appropriation” as an enactment by the General Assembly authorizing the withdrawal of money from the State treasury (within the Appropriations Act); and specifies that other GA enactments are not classified as such.
- Also provides that additional general revenue shall be deemed appropriated in the following circumstances:
  - To comply with a court order
  - Respond to a declared state of emergency
  - Finance programs subject to the CEC
- Adds several restricted receipt accounts to the list of accounts exempt from the 10% indirect cost recovery.
  - Adult Use Marijuana Program (EOHHS, BHDDH, Legislature, DPS, DBR)
  - Health Spending Transparency and Containment Account (EOHHS)
  - Grants Management System Administration (DOA)
  - Marijuana Cash Use Surcharge (Legislature)
  - Housing Protection Fund (EOC)
  - Health Insurance Regulation and System Planning Cost Recovery (DBR)
  - Governors’ Portrait Donation Fund (RISCA)

# Legislative Appropriation Authority & Restricted Receipts

**Article 2, Section 6 also grants the State Budget Officer the discretion to establish restricted receipt accounts in the following scenarios:**

- For the receipt and expenditure of privately donated funds, funds received from non-profit (“501(c)(3)”) organizations, multi-state settlement proceeds, and interstate agency contracts/memoranda of agreement subject to a specific and time-limited purpose.
- In the event that the State Controller, with the consent of the Auditor General, determines that an existing escrow liability account is better classified in the State’s chart of accounts as a restricted receipt account (several of these conversions were authorized in the FY 2021 final enacted budget, but for FY 2021 only).



# Pandemic Management

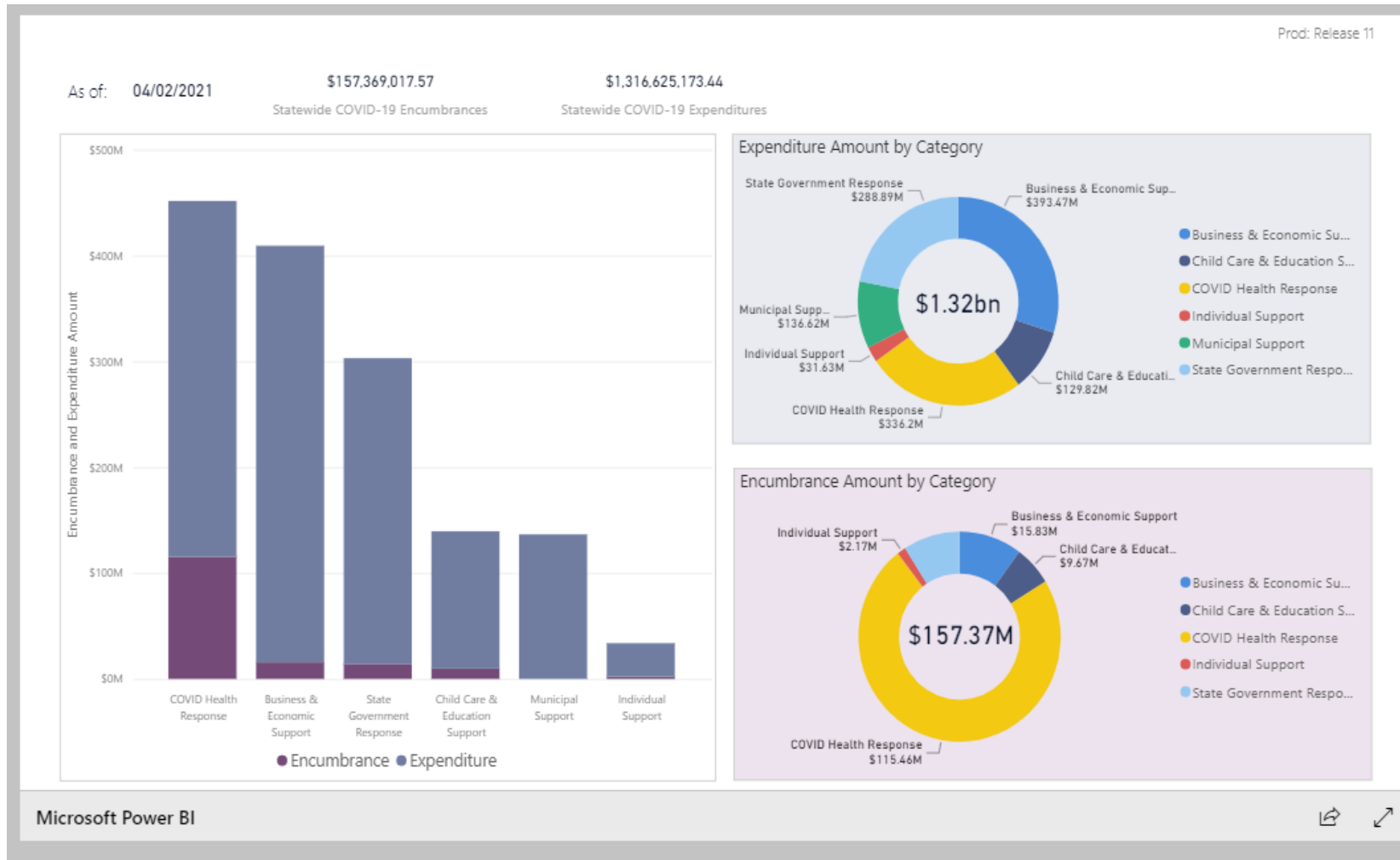
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# Pandemic Management

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- Coordination with DOA divisions, specifically OMB and Pandemic Recovery Office
- RIDOH/RIEMA logistics support and communications
- Interagency collaboration
  - Small business programs via Commerce & DOR

# COVID-19 Expenditures



**Thank you**

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