

# Department of Administration

Staff Presentation to the House Finance  
Committee  
April 28, 2015

# 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

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- Overhead:
  - Accounts and Control
  - Bureau of Audits
  - Central Management
  - Office of Management and Budget

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## Department of Administration

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- Other programs:
  - Office of Energy Resources
  - Office of Library and Information Services
  - Statewide Planning
  - Personnel Appeal Board
  - Construction Permitting, Approval and Licensing
  - HealthSource RI
  - Office of Diversity, Equity & Opportunity

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## FY 2016 Recommendation

	15 Enacted	16 Gov.	Diff.
Commerce Corporation	\$13.0	\$4.3	(\$8.7)
Energy Resources	5.7	10.6	4.9
Debt Service	219.3	149.1	(70.2)
HealthSource	23.4	30.9	7.5
Central Services*	96.4	95.8	9.4
All Other	78.0	48.4	(29.6)
<b>Total</b>	<b>\$425.8</b>	<b>\$339.1</b>	<b>(\$86.7)</b>

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

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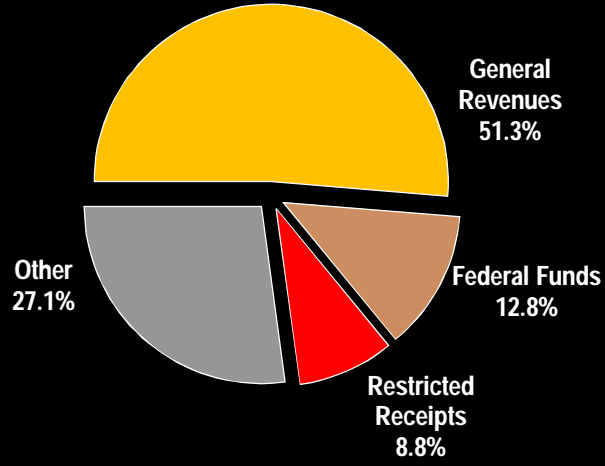
## FY 2016 Recommendation

	Gen. Rev.	Fed. Funds	RR	Other	Total
Enacted	\$268.8	\$51.5	\$36.4	\$69.0	\$425.8
16 Request	\$283.0	\$39.1	\$46.3	\$75.7	\$444.0
<b>Change</b>	<b>\$14.1</b>	<b>(\$12.4)</b>	<b>\$9.9</b>	<b>\$6.7</b>	<b>\$18.2</b>
Gov. Rec.	\$173.9	\$43.3	\$29.8	\$92.0	\$339.1
<b>Chg. Enact</b>	<b>(\$94.9)</b>	<b>(\$8.2)</b>	<b>(\$6.6)</b>	<b>\$23.0</b>	<b>(\$86.7)</b>
<b>Chg. Req.</b>	<b>(\$109.0)</b>	<b>\$4.2</b>	<b>(\$16.5)</b>	<b>\$16.3</b>	<b>(\$104.9)</b>

(In millions)

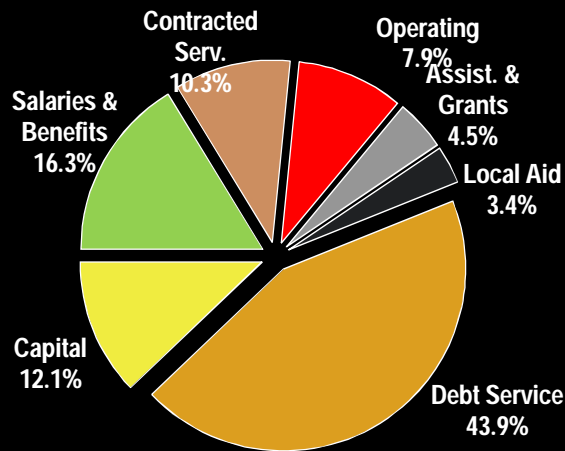
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# Recommendation by Source



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# Recommendation by Category



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## Target Issues

- Budget Office provided a general revenue target of \$273.6 million
  - Includes current service adjustments totaling \$11.6 million
    - \$4.0 million for debt service
    - 7.5 percent reduction or \$6.8 million adjusted for certain exclusions
- Department's constrained request met target from implementation of several initiatives

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## Target Issues

<i>(In millions)</i>	Department	Governor
Staffing Initiatives	(\$3.8)	(\$0.4)
Unidentified Savings	(1.5)	-
Medical Related Cost Shift	(0.8)	(0.8)
CurrentCare	(0.2)	(0.2)
Commerce Corp. Reduction	(0.3)	-
All Other	(0.6)	(0.3)
<b>Total Changes</b>	<b>(\$7.2)</b>	<b>(\$1.7)</b>

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## Target Issues

- Department included two revenue proposals in FY 2016
  - Energy efficiency rebates from National Grid - \$1.6 million
    - Funds came in FY 2015
    - Governor's revised budget assumes \$1.3 million
  - Building Permits-State Properties fee increase \$0.6 million
    - Current fee of 0.5% of total project cost to 1.0%
    - No statutory change is required

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## FY 2015 Governor Revised

- FY 2015 revised recommendation is \$18.5 million less general revenues than enacted
- Major general revenue changes:
  - \$1.6 million reappropriated
  - \$3.4 million to distribute statewide savings
  - \$25.0 million in debt service savings
  - \$2.0 million more for utility and building maintenance costs

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## FY 2016 Recommended

- Governor's FY 2016 recommendation is \$94.9 million less general revenues than enacted
- Major general revenue changes:
  - \$70.1 million debt service savings
    - \$64.5 million from restructuring
  - \$22.0 million in statewide personnel savings
  - \$3.3 million other statewide savings

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## Staffing Recommendation

Programs	FTE Changes
<b>Authorized Level</b>	<b>710.7</b>
HealthSource RI	7.0
Transfer to Ex. Office of Commerce	(13.6)
Central Management	1.0
Off. of Diversity, Equity & Opportunity	2.0
Construction, Permitting	1.0
Energy Resources	1.0
All other adjustments	1.6
Subtotal Changes	-
<b>FY 2016 Recommendation</b>	<b>710.7</b>

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## Department of Administration

<i>(In millions)</i>	<b>FY 2016 Gov. Rec</b>	
	<b>Gen. Rev.</b>	<b>All Funds</b>
<b>Change to Enacted</b>		
<b>Statewide Savings</b>	<b>(\$22.1)</b>	<b>(\$17.3)</b>
Transfer to Ex. Office of Commerce	(9.6)	(24.4)
Library Aid	0.3	0.3
Energy Resources	-	4.9
HealthSource RI	-	7.5
Debt Service	(70.1)	(70.2)
All Other	6.6	12.5
<b>Total Changes</b>	<b>(\$94.9)</b>	<b>(\$86.7)</b>

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## Statewide Savings

- FY 2015 enacted budget includes \$8.3 million in undistributed medical benefit savings in DOA for later distribution
- Recommendation reflects distribution in both years
- FY 2015 revised reflects additional savings

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## Statewide Savings

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- FY 2016 Governor recommends \$25.3 million in new savings initiatives
  - \$22.0 million from personnel reform
  - Article 22
    - Hearing held April 16
  - Administration has indicated its plans to negotiate with labor to achieve savings in addition to any savings changes derived from changes included in the article

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## Statewide Savings

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- Operational savings - \$2.0 million
  - Purchasing and Audits will review recent state commodity and deliverable based contracts to ensure that the state has achieved all attainable savings
  - Will also obtain outside services to identify the savings

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## Statewide Savings

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- Energy Procurement - \$1.0 million
  - Office of Energy will establish a competitive procurement program for the state's electricity supply
  - Expects additional savings may be attained through energy efficiency efforts

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## Statewide Savings

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- Telephone and printing savings - \$0.2 million
  - Eliminates unused lines
- Legal notice posting requirement - \$0.1 million savings
  - Article 27
  - Governor requested article be rescinded

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## Department of Administration

<i>(In millions)</i>	<b>FY 2016 Gov. Rec</b>	
	<b>Gen. Rev.</b>	<b>All Funds</b>
<b>Change to Enacted</b>		
Statewide Savings	(\$22.1)	(\$17.3)
<b>Transfer to Ex. Office of Commerce</b>	<b>(9.6)</b>	<b>(24.4)</b>
Library Aid	0.3	0.3
Energy Resources	-	4.9
HealthSource RI	-	7.5
Debt Service	(70.1)	(70.2)
All Other	6.6	12.5
<b>Total Changes</b>	<b>(\$94.9)</b>	<b>(\$86.7)</b>

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## Commerce

- Executive Office of Commerce
  - Pursuant to 2013-H 6063, Substitute B, on or about Feb. 1, 2015
  - Powers to operate functions from the Department of Business Regulation
    - Recommendation maintains stand-alone agency
  - Other functions from Department of Administration

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## Commerce

- Recommendation reflects transfer of funding and functions to Executive Office of Commerce
  - Commerce Corporation
  - Appropriations for several programs: Airport Impact Aid, I-195 Commission & others
  - RI Television and Film Office
  - Housing and Community Development

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## Department of Administration

<i>(In millions)</i>	<b>FY 2016 Gov. Rec</b>	
<b>Change to Enacted</b>	<b>Gen. Rev.</b>	<b>All Funds</b>
Statewide Savings	(\$22.1)	(\$17.3)
Transfer to Ex. Office of Commerce	(9.6)	(24.4)
<b>Library Aid</b>	<b>0.3</b>	<b>0.3</b>
Energy Resources	-	4.9
HealthSource RI	-	7.5
Debt Service	(70.1)	(70.2)
All Other	6.6	12.5
<b>Total Changes</b>	<b>(\$94.9)</b>	<b>(\$86.7)</b>

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## Library Aid

- Governor recommends \$8.8 million for library aid
  - Level funds total at FY 2015 amount
- Law provides 25% reimbursement of second prior year expenditures
  - \$1.1 million less than current law
  - Ratable reduction to appropriation
- Distribution reflects updated data

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## Library Construction Aid

- \$2.7 million for library construction aid
  - \$0.3 million more than enacted
  - Based on updated cost and construction schedules for approved projects
- State reimburses libraries up to ½ of total cost on an installment basis up to 20 yrs.
  - 3-year moratorium on acceptance of applications ended July 1, 2014
  - As of December, has not received any

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## Library & Information Services

	15 Enact.	15 Revised	16 Gov. Rec.	Chng./ Enact	Chng. / Req.
General Rev.	\$0.9	\$0.9	\$0.9	\$-	(\$0.3)
Fed. Funds	1.2	1.3	1.2	-	-
<b>Total (in millions)</b>	<b>\$2.1</b>	<b>\$2.1</b>	<b>\$2.1</b>	<b>\$-</b>	<b>(\$0.3)</b>
<b>FTEs</b>	<b>13.0</b>	<b>13.0</b>	<b>13.0</b>	<b>-</b>	<b>-</b>

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## Library & Information Services

- Recommendation is \$0.3 million less than requested
  - Assumes \$143K from turnover savings
  - Recommends \$0.1 million less than requested for interlibrary loan delivery
    - Delivery of books, audio/visual materials and other resources
    - Shared between and among more than 180 public libraries

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## Department of Administration

<i>(In millions)</i>	<b>FY 2016 Gov. Rec</b>	
	<b>Gen. Rev.</b>	<b>All Funds</b>
<b>Change to Enacted</b>		
Statewide Savings	(\$22.1)	(\$17.3)
Transfer to Ex. Office of Commerce	(9.6)	(24.4)
Library Aid	0.3	0.3
<b>Energy Resources</b>	<b>-</b>	<b>4.9</b>
HealthSource RI	-	7.5
Debt Service	(70.1)	(70.2)
All Other	6.6	12.5
<b>Total Changes</b>	<b>(\$94.9)</b>	<b>(\$86.7)</b>

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## Office of Energy Resources

	<b>15 Enact.</b>	<b>15 Revised</b>	<b>16 Gov. Rec.</b>	<b>Chng./ Enact</b>	<b>Chng. / Req.</b>
Fed. Funds	\$0.5	\$0.6	\$0.4	(\$0.1)	\$-
Restrict. Rec.	5.2	10.2	10.2	5.0	-
<b>Total (in millions)</b>	<b>\$5.7</b>	<b>\$10.8</b>	<b>\$10.6</b>	<b>\$4.9</b>	<b>-</b>
<b>FTEs</b>	<b>10.0</b>	<b>10.0</b>	<b>11.0</b>	<b>1.0</b>	<b>-</b>

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## Office of Energy Resources

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### Regional Greenhouse Gas Initiative

- A cooperative effort by Northeastern and Mid-Atlantic states to reduce carbon dioxide emissions
- Fund is supported by receipts from the sale of emission allowances
  - 26 auctions through Dec. 2014
  - \$35.7 million in revenues, deposited as restricted receipts

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## Office of Energy Resources

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### Regional Greenhouse Gas Initiative

- Proceeds are to be used to invest in projects that reduce long-term energy demands and costs
- End of FY 2014, fund balance was \$15.9 million
  - Delay in grant projects disbursement
- Article 24 – RI Infrastructure Bank
  - Assumes use of \$3.0 million

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## Department of Administration

<i>(In millions)</i>	<b>FY 2016 Gov. Rec</b>	
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<b>Change to Enacted</b>		
Statewide Savings	(\$22.1)	(\$17.3)
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<b>HealthSource RI</b>	<b>-</b>	<b>7.5</b>
Debt Service	(70.1)	(70.2)
All Other	6.6	12.5
<b>Total Changes</b>	<b>(\$94.9)</b>	<b>(\$86.7)</b>

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## HealthSource RI

- HealthSource received \$152.6 million in federal funds to date
  - Affordable Care Act requires exchanges be self-sustaining
- Governor's Article 28 – Hearing April 29
  - Establishes a health reform assessment
    - Support operations of HealthSource
    - Assessment is on all premiums sold inside/outside of exchange
    - Small group and individual markets

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## HealthSource RI

	15 Enact.	15 Revised	16 Gov. Rec.	Chng./ Enact
Fed. Funds	\$23.4	\$52.5	\$24.7	\$1.3
Restrict. Rec.	-	-	6.2	6.2
<b>Total (in millions)</b>	<b>\$23.4</b>	<b>\$52.5</b>	<b>\$30.9</b>	<b>\$7.5</b>
<b>FTEs*</b>	<b>9.0</b>	<b>9.0</b>	<b>16.0</b>	<b>7.0</b>

\*Reflects the transfer of 6.0 positions from Office of the Governor

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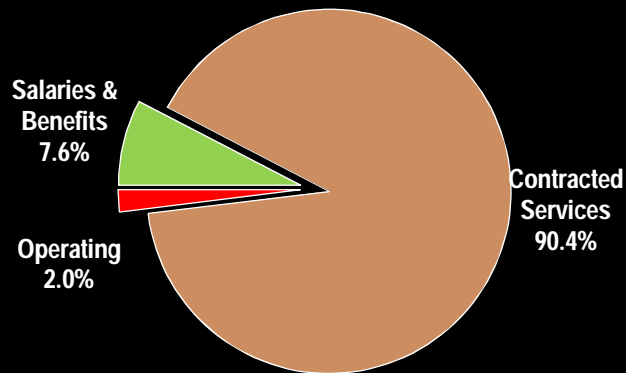
## HealthSource RI

- Health Reform Assessment funds - \$6.2 million in FY 2016
  - UHIP costs - \$2.3 million
  - Contact center - \$0.8 million
  - Audit/legal costs - \$0.7 million
  - Technical assistance cost - \$0.4 million
  - Staffing and operating costs - \$2.0 million

	FY 2016	FY 2017	FY 2018	Total
2016	\$6.2	\$5.6		\$11.8
2017		\$5.6	\$5.6	\$11.2

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## Recommendation by Category



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## HealthSource RI

	Gov. Rec	
	FY 2015	FY 2016
<b>Contracted Services</b>		
Technology Services	\$24.6	\$15.6
<i>Deloitte, Website, CSG</i>		
Contact Center - Optum	9.4	2.1
Data and Analytics	3.1	1.4
Communications/Media	5.3	1.1
Other services (audit, legal)	8.0	7.7
<b>Total</b>	<b>\$50.4</b>	<b>\$27.9</b>

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## HealthSource RI – UHIP

- In coordination with OHHS
- System to implement ACA
- Eventually one system to apply for medical and cash assistance benefits
  - Opportunity to build a new system with federal match
  - Replace decades old systems that did not “talk” to each other

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## HealthSource RI – UHIP

- HealthSource is responsible for \$101.6 million of the project costs
  - Spent \$43.4 million through FY 2014
- UHIP Plan
  - FY 2015 total costs of \$88.1 million
    - HealthSource is responsible for \$34.1 million
  - FY 2016 total costs of \$56.8 million
    - HealthSource is responsible for \$18.0 million

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## HealthSource RI

- Executive Order 11-09
  - Prohibits use of gen. rev. for the Exchange
- FY 2015 revised recommendation
  - Changes in costs allocated between OHHS and HealthSource for shared components (UHIP)
  - It appears HealthSource needs non-federal sources for FY 2015 operations
    - No specific detail provided

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## HealthSource RI

- Projected FY 2017 budget of \$11.2 million
  - \$2.4 million for salaries and benefits
  - \$8.3 million for contracted Services
    - UHIP maintenance - \$4.2 million
    - Contact center - \$1.6 million
    - Outreach and enrollment efforts - \$1.5 million
    - Audit and legal costs - \$0.6 million
  - \$0.5 million for operations – rent, printing, etc.

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## Department of Administration

<i>(In millions)</i>	<b>FY 2016 Gov. Rec</b>	
	<b>Gen. Rev.</b>	<b>All Funds</b>
<b>Change to Enacted</b>		
Statewide Savings	(\$22.1)	(\$17.3)
Transfer to Ex. Office of Commerce	(9.6)	(24.4)
Library Aid	0.3	0.3
Energy Resources	-	4.9
HealthSource RI	-	7.5
<b>Debt Service</b>	<b>(70.1)</b>	<b>(70.2)</b>
All Other	6.6	12.5
<b>Total Changes</b>	<b>(\$94.9)</b>	<b>(\$86.7)</b>

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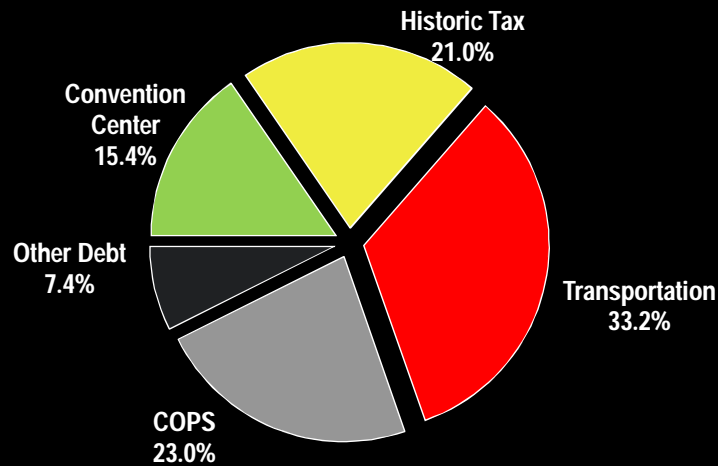
## Debt Service

	<b>Gen. Rev.</b>	<b>Fed. Funds</b>	<b>RR</b>	<b>Other</b>	<b>Total</b>
15 Enacted	\$168.1	\$2.7	\$21.3	\$27.2	\$219.3
15 Revised	\$143.1	\$2.7	\$2.1	\$46.6	\$194.3
<b>Change</b>	<b>(\$25.0)</b>	<b>-</b>	<b>(\$19.3)</b>	<b>\$19.4</b>	<b>(\$24.9)</b>
16 Gov.	\$98.0	\$2.7	\$2.1	\$46.4	\$149.1
<b>Change</b>	<b>(\$70.1)</b>	<b>\$-</b>	<b>(\$19.3)</b>	<b>\$19.2</b>	<b>(\$70.2)</b>

- Dept. of Administration's budget includes most debt service costs
- Excludes all for higher education and some DOT

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## FY 2016 Debt Service



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## Debt Service

### Convention Center

- When Authority runs an operating deficit, state is responsible for covering shortfall
  - Manages & operates Convention Center, Dunkin' Donuts Center & Vet. Aud.
  - Governor recommends \$23.0 million for debt service in FY 2016
  - Recommends \$21.0 million in FY 2015
    - Savings of \$2.0 million in the current year

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## Debt – Transportation

### Department of Transportation

- Recommends \$47.9 million
  - Consistent with the current service estimate and the enacted budget
    - Includes \$19.3 million from the Highway Maintenance Fund
    - \$1.9 million from federal funds and
    - \$26.8 million from gasoline tax proceeds

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## Debt – Transportation

### Public Transit Authority

- Recommends \$1.7 million from general revenues for RIPTA debt service in lieu of Authority sources
  - Initially, state support was for two years (FY 2013 and FY 2014)
  - FY 2016 reflects 4th year payment
  - Help reduce the Authority operation shortfalls

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## Debt – *Historic Tax Credit*

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- 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

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## Debt – *Historic Tax Credit*

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- Recommends \$21.4 million in FY 2015
  - Savings of \$10.3 million to reflect a delay in issuance based on project completion and available funds in the Trust Fund
- Recommends \$31.3 million in FY 2016
  - \$0.3 million less than enacted
  - Outyear debt: \$31.5M in FY 2017 to \$31.6M in FY 2018

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## Debt – I-195

- 2011 Assembly's debt authorization stipulated proceeds from sale of land parcels would be used for debt
  - Legislation assumed up to \$42 million of rev. bonds would be issued by EDC/CC to purchase land from DOT
  - \$0.5 million in FY 2015 and FY 2016 general revenues for debt service on \$38.4 million
  - Interest only payments through FY 2018

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## Department of Administration

<i>(In millions)</i>	<b>FY 2016 Gov. Rec</b>	
<b>Change to Enacted</b>	<b>Gen. Rev.</b>	<b>All Funds</b>
Statewide Savings	(\$22.1)	(\$17.3)
Transfer to Ex. Office of Commerce	(9.6)	(24.4)
Library Aid	0.3	0.3
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HealthSource RI	-	7.5
Debt Service	(70.1)	(70.2)
<b>All Other</b>	<b>6.6</b>	<b>12.5</b>
<b>Total Changes</b>	<b>(\$94.9)</b>	<b>(\$86.7)</b>

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## Department of Administration

<i>(In millions)</i>	<b>FY 2016 Gov. Rec</b>	
	<b>Gen. Rev.</b>	<b>All Funds</b>
<b>All Other</b>		
Salary & Benefit Adj.	\$3.9	\$4.5
Utilities/Bldg. Maintenance	2.3	2.8
IT Investment Fund	-	4.4
Personnel Reform Study	0.5	0.5
E-Permitting	(0.3)	(0.3)
Lean Process Initiative	0.1	0.1
Capital Projects	-	0.8
Other Adjustments	0.1	(0.3)
<b>Total Changes</b>	<b>\$6.6</b>	<b>\$12.5</b>

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## Information Technology

### Division of Information Technology

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

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## Information Technology

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

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## Information Technology

<i>(In millions)</i>	Gen. Rev.	Fed. Funds	RR	Other	Total
15 Enacted	\$19.4	\$6.6	\$4.1	\$3.7	\$33.8
FY 2015 Rev.	\$19.5	\$6.5	\$13.6	\$2.7	\$42.4
<b>15 Change</b>	<b>\$0.1</b>	<b>(\$0.1)</b>	<b>\$9.5</b>	<b>(\$1.0)</b>	<b>\$8.6</b>
FY 2016 Rec.	\$20.2	\$6.7	\$8.5	\$2.8	\$38.3
<b>16 Change</b>	<b>\$0.8</b>	<b>\$0.1</b>	<b>\$4.4</b>	<b>(\$0.9)</b>	<b>\$4.4</b>

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## Information Technology

- \$23.0 million in FY 2015 & \$24.1 million in FY 2016 & staffing of 190.5 in both yrs.
  - FY 2015 is \$0.1 million less than enacted
    - Statewide medical benefit savings
- FY 2016 rec. is \$1.0 million more than enacted
  - \$0.8 million current service adjustments including COLA
  - \$0.2 million less turnover savings

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## Information Technology

- Internal Service Fund
  - Often called rotary accounts
  - Established to finance & account for operations of certain overhead programs
  - Provide services to other state agencies on a charge for services basis
- Leg. in Article 1 to allow DOA to establish an internal service fund for IT service
  - Would be reflected in FY 2016 rev. budget

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## Information Technology

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- Internal Service Fund
- Governor Carcieri's proposed this as part of FY 2007 budget
- Assembly did not concur
  - Lack transparency of direct appropriations
  - Difficulty to exercise same level of scrutiny as direct appropriations

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## Electronic Local Permitting

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- 2012 Assembly provided \$300K for purchase or lease and operation of web-accessible
  - Plan review management and inspection software system
  - Create standardized system available to State Building Code Commission & muni.
  - Staff from Building Code investigate other similar systems

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## Electronic Local Permitting

- Delays occur
  - Vendor selection
  - Finalizing contract
- Gov. reappropriated \$0.5 million from FY 2014 to FY 2015
  - Department's corrective action plan assumes use of IT Funds in lieu of gen. rev.
  - Governor concurs
- Department hopes to have phase I completed by the fall of 2015

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## Technology Investment Fund

- Info. Technology & Investment Fund
  - Created by 2011 Assembly for acquiring IT improvements
    - Hardware
    - Software
    - Maintenance
  - Designed to create pool of resources for projects instead of borrowing

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## Technology Investment Fund

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- 2011 Assembly dedicated land sale revenue to fund
- 2012 Assembly transferred \$9.0 million
- 2014 Assembly
  - Transferred no less than \$10.0 million from tobacco refinancing
  - 10% of \$1 surcharge on wireless & land lines to Fund
    - Effective, July 1, 2015

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## Technology Investment Fund

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- 2014 Assembly authorized the Tobacco Settlement Financing Corporation to raise additional funds
  - Not less than \$20.0 million through refunding of bonds
    - \$5.0 million each to General Fund and Municipal Road & Bridge Revolving Fund
    - Remaining would go into Info. Tech. Fund
  - Final yield: \$36.3 million, \$16.3 million more than minimum

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## Technology Investment Fund

Tobacco Proceeds	Current Law	Art. 12	Diff.
General Fund	\$5.0	\$24.0	\$19.0
Road & Bridge	5.0	5.0	-
IT Investment	26.3	7.3	(19.0)
<b>Total</b>	<b>\$36.3</b>	<b>\$36.3</b>	<b>\$-</b>

*In millions*

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## Office of Regulatory Reform

- Created by 2010 Assembly
  - Aims to improve the state's business climate
  - Helps businesses to navigate through state and municipal permitting & regulatory affairs
- 2012 Assembly transferred the Office from EDC/Commerce Corp.

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## Office of Regulatory Reform

- 2012 legislation requires agencies to periodically evaluate all existing regs. for adverse impact on small businesses
  - 25% each yr. – beginning in 2012 for a total of 4 yrs.
  - Governor requested regulatory agencies to speed up process
- Office tasked with assisting & coordinating the agency review process

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## Office of Regulatory Reform

### Occupational Licensing

- Proposal in Article 20 to repeal some licensing (DBR, Health, ELSEC & DEM)
- Governor recommends \$0.4 million in FY 2016 to support 4.0 positions
  - FY 2016 recommendation transfers ombudsman's position to DBR
- FY 2015 enacted budget had 6 positions
  - One position transferred elsewhere

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## Human Resources

(In millions)	Gen. Rev.	Fed. Funds	RR	Other	Total
15 Enacted	\$7.8	\$0.8	\$0.5	\$1.5	\$10.6
FY 2015 Rev.	\$7.4	\$0.7	\$0.4	\$1.5	\$10.2
<b>15 Change</b>	<b>(\$0.4)</b>	<b>\$-</b>	<b>\$-</b>	<b>\$1</b>	<b>(\$0.5)</b>
FY 2016 Rec.	\$7.7	\$0.8	\$0.5	\$1.4	\$10.4
<b>16 Change</b>	<b>(\$0.2)</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>(\$0.2)</b>

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## Human Resources

- Personnel Reform Study
  - Current system was designed and implemented more than 50 yrs. ago
    - Few amendments have been made to it since
    - Has over 1,000 position classifications
  - In 2012, Administration hired Segal to conduct a comprehensive personnel study
- Completed in Jan. 2013

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## Human Resources

- 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 based
    - Filling a position can take up to 6 months from the time it is requested
  - Provided a total of 16 recommendations
    - Restructure HR – will be implementing
    - Online application system - implemented
    - Update position classifications – study in process

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## Human Resources

Redesign state's classification & compensation system

- Recommends \$1.0 million, \$0.5 million in both years
  - Estimated project cost \$0.8 million
- Goals:
  - Increase flexibility within the classification and compensation systems
  - Increase the state's ability to attract and maintain workforce

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## Human Resources

- Recommends \$9.9 million for salaries and benefits
  - FY 2015 is \$0.3 million less than enacted
    - Turnover and statewide medical benefit savings
  - Recommends staffing of 100.5 positions in FY 2015 and 102.5 positions in FY 2016
  - As of pay period ending April 18, 86.5 positions filled
    - 15 vacancies

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## Human Resources

- FY 2016 recommendation shifts \$1.0 million of gen. rev. expenditures to internal service funds
  - Expenditures will now be reflected in working rates for medical benefit costs
  - Employees responsible for 15-25% and state responsible for 85-75%
    - \$0.8 million from salaries and benefits for 7.0 positions
    - Health benefit analyses - \$0.1 million
    - Worksite Wellness Program - \$0.1 million

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## Health Information Exchange

- Electronic network
  - Provides medical professionals access to patients' health information
  - State pays \$1 per member per month fee for state employees
    - Enacted budget included funding of \$225k
  - Contract ends December 31, 2014
- Governor does not recommend funding in FY 2016 – state employees
- State participates for its Medicaid enrollees

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## Off. of Diversity, Equity & Opportunity

- May 2013 Gov. Chafee Ex. Order
  - Dept. review all divisions and offices that are charged with facilitating equal opportunity employment
  - Make recommendations to improve collaboration
- Created in FY 2015 from transfers of:
  - Minority Business Enterprise from Div. of Purchasing
  - Outreach & Diversity Office from Human Resources

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## Off. of Diversity, Equity & Opportunity

- Enacted budget includes staffing of 7.0 positions and funding of \$0.9 million
- Governor recommends \$1.2 million for FY 2016 and 9.0 positions
  - \$0.3 million more than enacted
  - 2.0 more positions
    - Program services officer
    - Administrative support staff

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## Office of Management & Budget

- Lean Processes Grant Program
  - Recommends \$0.1 million from general revenues in FY 2016
  - Administered by Office of Management and Budget
  - Agencies will submit applications
  - Agencies will be able to use these funds to conduct lean government processes

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## Facilities Management

<i>(In millions)</i>	Gen. Rev.	Fed. Funds	RR	Other	Total
15 Enacted	\$30.8	\$1.2	\$0.5	\$3.3	\$35.7
FY 2015 Rev.	\$32.6	\$1.2	\$0.4	\$3.9	\$38.1
<b>15 Change</b>	<b>\$1.8</b>	<b>\$0.1</b>	<b>(\$0.1)</b>	<b>\$0.6</b>	<b>\$2.4</b>
FY 2016 Rec.	\$32.2	\$1.2	\$0.4	\$3.9	\$37.7
<b>16 Change</b>	<b>\$1.4</b>	<b>\$0.1</b>	<b>(\$0.1)</b>	<b>\$0.6</b>	<b>\$2.0</b>

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## 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 \$38.1 million in FY 2015 and \$37.8 million in FY 2016
  - Utility costs account for more than 50%

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## Facilities Management

- Recommends \$2.4 million more in FY 2015 and \$2.0 million more in FY 2016 than enacted
  - Primarily for utilities
    - Reflects two rate increases
  - Additional expenditures for:
    - Building maintenance
    - Janitorial services
  - Recommendations include \$0.1 million each year for snow removal

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## Capital Consolidation

- Recommendation consolidates construction property & asset management functions into DOA
  - Staff from BHDDH, DEM and DOT
- Prevent delays in capital project management
- Provide greater oversight of capital assets and projects

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## Capital Projects

- Recommends total project costs of \$375.2 million
- \$121.8 million will be used from FY 2016-FY 2020
- Total 39 projects
  - Pastore Campus – 10
  - Other State Facilities – 21
  - Other projects – 8

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## Capital Projects

	5 Yr. Total	Project Total
Pastore Center	\$46.5	\$103.0
Other State Facilities	48.8	119.1
Other Projects	26.5	153.1
<b>Total</b>	<b>\$121.8</b>	<b>\$375.2</b>
<b>By Sources</b>		
Cert. of Participation	\$-	\$83.1
Federal Funds	-	0.3
GO Bonds	23.8	93.5
Restricted Receipts	0.1	0.1
RI Capital Plan Funds	97.9	198.3
<b>Total</b>	<b>\$121.8</b>	<b>\$375.2</b>

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## Capital Projects

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### Pastore Campus Projects

- \$46.5 million will be used from FY 2016 – FY 2020
- Projects include:
  - Roof replacement
  - Window replacement
  - Utilities upgrade
  - Parking improvements
  - Buildings demolition

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## Capital Projects

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### Virks Building Renovations

- \$14.0 million from Capital Plan funds
- Interior renovations, including HVAC and roof replacement
- Once renovated, building could accommodate 200 to 225 employees
- Office of Health and Human Services staff
  - Billing Medicaid – recover half through lease

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## Capital Projects

### Other State Facilities Projects

- \$48.8 million will be used from FY 2016 – FY 2020
- Projects include:
  - State House Renovations
  - Cranston Street Armory
  - Ladd Center Buildings Demolition
  - Convention Center Facility Renovations
  - Big River Management Area

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## Capital Projects

### State House Energy Management Improvement

- DOA requested \$48.1 million to renovate HVAC throughout the State House
- Recommends \$0.4 million from RI Capital plan funds for architectural and engineering services
  - Based on the outcome of design work, a decision will be made as to how the project will be funded

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## Capital Projects

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### Accessibility Facilities Renovations

- Provide accessibility to state buildings
- Previously under purview of Governor's Commission on Disabilities
- Transferred to Dept. of Administration
  - DOA - oversight of project
  - Commission - will continue to be responsible for project prioritization

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## Capital Projects

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### Cranston Street Armory

- Plan is to stabilize exterior of the building and board up all windows above the ground level
- Recommends \$2.0 million in FY 2015 and FY 2016
  - FY 2015 - \$0.2 million for a feasibility study to determine a use plan for the facility

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## Capital Projects

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### McCoy Stadium Repairs

- \$150K in current year to perform a building study
  - Develop a long term asset management plan for the facility
- \$750K will be used in FY 2016 & FY 2017
- Lease expires Jan. 2016

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## Capital Projects

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### All Other Projects

- \$26.5 million will be used from FY 2016 – FY 2020
- Projects include:
  - Affordable Housing
  - Environmental compliance
  - Bristol County Water Treatment Facilities

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# Department of Administration

Staff Presentation to the House Finance  
Committee  
April 28, 2015

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