

# Department of Administration

Governor's FY 2016 Revised, FY 2017 Budget and  
Capital Budget Recommendations  
House Finance Committee  
March 22, 2016

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# Department of Administration

- Overhead – Centralized/Statewide Functions:
  - Capital Asset Mngt. & Maintenance
    - Facilities Management & Capital Projects
  - Debt
  - Human Resources
  - Information Technology
  - Legal Services
  - Purchasing
  - Office of Internal Audit

# Department of Administration

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

# Department of Administration

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

# Article 4 – Government Organization

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

# FY 2017 Recommendation

	<b>FY 2016 Enacted</b>	<b>2017 Gov.</b>	<b>Diff.</b>
Library Aid	\$11.4	\$10.7	\$(0.8)
Energy Resources	10.6	14.7	4.1
Debt Service	150.3	181.8	31.5
HealthSource RI	30.9	12.4	(18.5)
Central Services*	96.9	100.4	3.5
All Other	67.9	77.8	9.9
<b>Total</b>	<b>\$368.0</b>	<b>\$397.7</b>	<b>\$29.7</b>

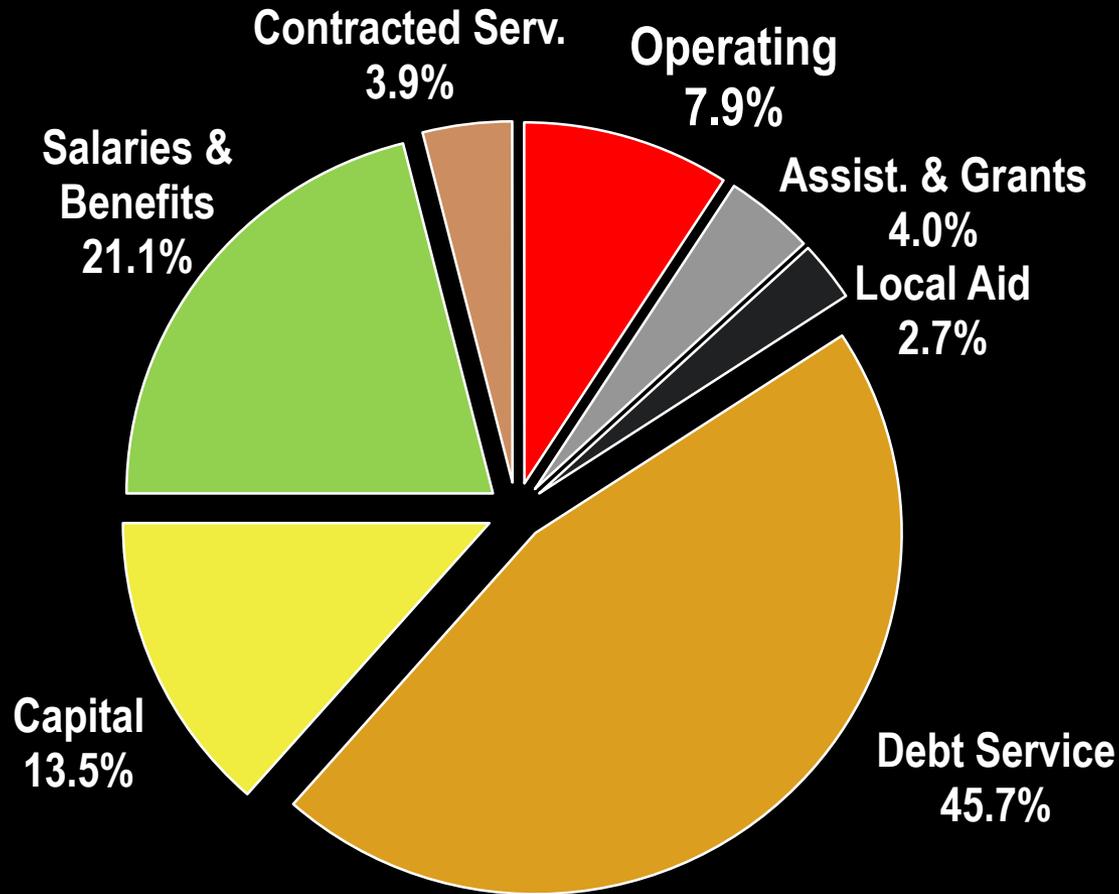
*\*Includes Human Resources, Info. Technology, Purchasing, Capital Asset Management and Maintenance, and Legal Services*

# FY 2017 Recommendation

	Gen. Rev.	Fed. Funds	RR	Other	Total
Enacted	\$197.5	\$43.3	\$28.9	\$98.4	\$368.0
Request	\$261.9	\$15.4	\$40.3	\$106.7	\$424.4
<b>Change</b>	<b>\$64.5</b>	<b>\$(27.9)</b>	<b>\$11.5</b>	<b>\$8.3</b>	<b>\$56.4</b>
Gov. Rec.	\$243.0	\$14.9	\$36.0	\$103.8	\$397.7
<b>Chg. Enact</b>	<b>\$45.5</b>	<b>\$(28.4)</b>	<b>\$7.1</b>	<b>\$5.4</b>	<b>\$29.7</b>
<b>Chg. Req.</b>	<b>\$(18.9)</b>	<b>\$(0.5)</b>	<b>\$(4.4)</b>	<b>\$(2.9)</b>	<b>\$(26.7)</b>

*(In millions)*

# Recommendation by Category



# Target Issues

- Budget Office provided a general revenue target of \$250.9 million
  - Includes current service adjustments totaling \$60.3 million
    - \$52.6 million for debt service adjustments
  - 7.5 percent reduction or \$6.9 million adjusted for certain exclusions
- Department's constrained request met target from implementation of several initiatives

# Target Issues – Proposals

<i>(In millions)</i>	<b>Department</b>	<b>Governor</b>
Fraud & Waste Rev. Enhancement	\$(3.5)	\$(3.5)
Staffing Initiatives	(2.3)	(2.3)
RIPTA Debt Service	(1.7)	-
Facilities Operations	(0.6)	(0.6)
Library Aid	(0.3)	(0.3)
Water Allocation Plan	(0.1)	(0.1)
HR Training Initiatives	(0.1)	-
All Other	(0.2)	(0.2)
<b>Total</b>	<b>\$(8.8)</b>	<b>\$(7.0)</b>

# FY 2016 Governor Revised

- FY 2016 revised budget is \$19.0 million more general revenues than enacted
- Major general revenue changes:
  - \$1.0 million reappropriated from FY 2015
  - \$6.2 million in distributed statewide savings
  - \$13.5 million in debt service adjustments
  - \$0.6 million more for snow removal and building maintenance costs
  - \$2.2 million less for utilities

# FY 2017 Recommended

- Governor's FY 2017 recommendation is \$45.5 million more general revenues than enacted
- Major general revenue changes:
  - \$34.2 million in debt service adjustments
  - \$8.2 million in distributed statewide savings
  - \$2.1 million for various initiatives
    - Electronic Permitting System, Parental Leave, Transition Employment Grants & others
  - \$1.5 million for new positions

# Staffing Recommendation

	FTE Changes
<b>Authorized Level</b>	<b>711.7</b>
Audit Consolidation Transfers	20.0
Capital Projects Consolidation Transfers	5.0
New Positions	14.0
Program Changes	(7.0)
Subtotal Changes	32.0
<b>FY 2017 Recommendation</b>	<b>743.7</b>
Filled as of March 5, 2016	634.5

# Department of Administration

<i>(In millions)</i>	<b>FY 2017 Gov. Rec.</b>	
	<b>Gen. Rev.</b>	<b>All Funds</b>
<b>Change to Enacted</b>		
<b><i>Statewide Savings</i></b>	<b><i>\$8.1</i></b>	<b><i>\$8.1</i></b>
One-Time Items	(2.8)	(2.8)
Library Aid	(0.8)	(0.8)
Energy Resources	-	4.1
HealthSource RI	-	(18.5)
Debt Service	34.2	31.5
All Other	6.8	8.1
<b>Total Changes</b>	<b>\$45.5</b>	<b>\$29.7</b>

# Statewide Savings

- FY 2016 enacted budget included \$8.2 million in undistributed savings in DOA for later distribution
  - \$5.0 million from personnel
    - Achieved medical benefit savings
  - \$1.0 million energy procurement
- FY 2016 revised budget
  - \$2.0 million in operational savings that have not been implemented

# Statewide Savings

- FY 2017 recommendation reflects distribution of \$8.2 million in savings
- New savings of \$0.1 million from an initiative to convert approx. 3,200 phone lines
  - Currently leased some lines from Verizon
  - Department would purchase required hardware
    - Using funds from Information Technology Investment Fund

# Department of Administration

<i>(In millions)</i>	<b>FY 2017 Gov. Rec.</b>	
<b>Change to Enacted</b>	<b>Gen. Rev.</b>	<b>All Funds</b>
Statewide Savings	\$8.1	\$8.1
<b>One-Time Items</b>	<b>(2.8)</b>	<b>(2.8)</b>
Library Aid	(0.8)	(0.8)
Energy Resources	-	4.1
HealthSource RI	-	(18.5)
Debt Service	34.2	31.5
All Other	6.8	8.1
<b>Total Changes</b>	<b>\$45.5</b>	<b>\$29.7</b>

# One-Time Items

- 2015 Assembly provided \$2.0 million from general revenues for one-time expenditures
  - Operating support for RI Public Transit Authority
- FY 2017 recommendation reflects removal
- Reflects removal of \$0.8 million for four community service grants

# Department of Administration

<i>(In millions)</i>	<b>FY 2017 Gov. Rec.</b>	
	<b>Gen. Rev.</b>	<b>All Funds</b>
<b>Change to Enacted</b>		
Statewide Savings	\$8.1	\$8.1
One-Time Items	(2.8)	(2.8)
<b>Library Aid</b>	<b>(0.8)</b>	<b>(0.8)</b>
Energy Resources	-	4.1
HealthSource RI	-	(18.5)
Debt Service	34.2	31.5
All Other	6.8	8.1
<b>Total Changes</b>	<b>\$45.5</b>	<b>\$29.7</b>

# Library Aid

- Governor recommends \$8.5 million for library aid
  - \$0.3 million less than enacted
  - Reduced grant to Reference Resource Center at Providence Public Library reduced
    - From \$1.0 million to \$0.7 million
    - Provides expertise in specialized areas, such as online reference service via email, live help via “AskRI.org”
- Grant-Aid- represents 84.7 percent of the potential 25 percent reimbursement
  - Full funding would cost \$9.1 million

# Library Aid

	FY 2016 Enacted	Gov. Rec.	Chng./ Enact	25.0% Full Funding	Diff.
Grant-In-Aid	\$7.7	\$7.7	\$-	\$9.1	\$1.4
Institutional Libraries	0.1	0.1	-	0.1	-
Reference Resource Center	1.0	0.7	(0.3)	Discretionary Funding	
<b>Total</b> <i>(in millions)</i>	<b>\$8.8</b>	<b>\$8.5</b>	<b>(\$0.3)</b>		

# Library Construction Aid

- \$2.2 million for library construction aid
  - \$0.4 million less 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 January 2016, has not received any

# Library & Information Services

- Oversee the development & admin. of state laws relating to libraries
- Administer state aid for public libraries
- Administer federal funding for libraries, including funding for library programs
- Areas of support include:
  - Children's and young adult services
  - Continuing ed. for RI library community
  - Literacy

# Library & Information Services

	16 Enact.	16 Gov. Rev.	17 Gov. Rec.	Chng./ Enact	Chng. / Req.
Gen. Rev.	\$1.2	\$1.2	\$1.3	\$0.1	\$(0.1)
Fed. Funds	1.2	1.3	1.2	-	-
<b>Total</b> <i>(in millions)</i>	<b>\$2.4</b>	<b>\$2.5</b>	<b>\$2.5</b>	<b>\$0.1</b>	<b>\$(0.1)</b>
<b>FTEs</b>	<b>13.0</b>	<b>13.0</b>	<b>13.0</b>	<b>-</b>	<b>-</b>

# Library & Information Services

- Recommendation includes \$0.8 million for interlibrary loan delivery
  - \$64,150 less than requested
    - Department had assumed loss of fed. funds
  - New contract eff. May 2015
- Delivery of books, audio/visual materials and other resources
- Shared among more than 180 public libraries

# Department of Administration

<i>(In millions)</i>	<b>FY 2017 Gov. Rec.</b>	
<b>Change to Enacted</b>	<b>Gen. Rev.</b>	<b>All Funds</b>
Statewide Savings	\$8.1	\$8.1
One-Time Items	(2.8)	(2.8)
Library Aid	(0.8)	(0.8)
<b>Energy Resources</b>	<b>-</b>	<b>4.1</b>
HealthSource RI	-	(18.5)
Debt Service	34.2	31.5
All Other	6.8	8.1
<b>Total Changes</b>	<b>\$45.5</b>	<b>\$29.7</b>

# Office of Energy Resources

	16 Enact.	16 Revised	17 Gov. Rec.	Chng./ Enact	Chng. / Req.
Fed. Funds	\$0.4	\$0.4	\$0.4	\$-	\$-
Restrict. Rec.	10.2	19.2	14.3	4.1	-
<b>Total</b> <i>(in millions)</i>	<b>\$10.6</b>	<b>\$19.6</b>	<b>\$14.7</b>	<b>\$4.1</b>	-
<b>FTEs</b>	<b>12.0</b>	<b>13.0</b>	<b>14.0</b>	<b>2.0</b>	-

# Office of Energy Resources

## 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
  - 30 auctions through Jan. 2016
  - \$48.0 million in revenues, deposited as restricted receipts

# Office of Energy Resources

## Regional Greenhouse Gas Initiative

- Proceeds are to be used to invest in projects that reduce long-term energy demands and costs
- End of FY 2015, fund balance was \$21.4 million
  - Adopted Allocation Plan in August 2015
- Enacted budget assume transfer of \$3.0 million to Infrastructure Bank
  - Finalizing agreement
- Recommendation includes funding for new positions

# Office of Energy Resources

## Delivered Fuels Energy Eff. Program

- 1/3 of homes in state use delivered fuels for heating
- Currently no program to provide consumers with assistance for energy efficiency
  - Would require a surcharge on delivered fuels
- Governor recommends \$1.5 million
  - \$1.4M to provide consumers with asst. for energy efficiency and \$0.1 million for new position to administer program
  - No legislation to establish program

# Office of Energy Resources

## Reconciliation Funding

- Office is currently funded with federal and restricted sources
- To obtain contracted services for consultant and legal for energy docket
- Funding mechanism would require a surcharge
- Governor's budget includes funding of \$150K but no legislation to establish

# Department of Administration

<i>(In millions)</i>	<b>FY 2017 Gov. Rec.</b>	
	<b>Gen. Rev.</b>	<b>All Funds</b>
<b>Change to Enacted</b>		
Statewide Savings	\$8.1	\$8.1
One-Time Items	(2.8)	(2.8)
Library Aid	(0.8)	(0.8)
Energy Resources	-	4.1
<b>HealthSource RI</b>	-	<b>(18.5)</b>
Debt Service	34.2	31.5
All Other	6.8	8.1
<b>Total Changes</b>	<b>\$45.5</b>	<b>\$29.7</b>

# HealthSource RI

- HealthSource RI received a total of \$152.6 million in federal funds
- Affordable Care Act requires exchanges be self-sustaining
- 2015 Assembly adopted health premium assessment
  - Based on premiums sold on exchange
  - Limited to amount that would be raised through federally facilitated marketplace

# Healthsource RI

SFY 2017	Exch. Projected Enrollment	Projected Avg. Mthly Premiums	Annual Premiums (in millions)
Ind. Group	34,724	\$380	\$158.4
Small Group	14,515	\$507	\$88.3
<b>Total</b>	<b>49,239</b>		<b>\$246.6</b>
Federal Facilitated Marketplace			
3.5% Equivalent			\$8.6 million

# HealthSource RI

	16 Enact.	16 Revised	17 Gov. Rec.	Chng./ Enact	Chng. / Req.
Gen. Rev.	\$2.6	\$2.6	\$2.6	\$-	\$-
Fed. Funds	24.7	25.6	1.2	(23.6)	-
Restrict. Rec.	3.6	3.5	8.6	5.0	-
<b>Total</b> (in millions)	<b>\$30.9</b>	<b>\$31.8</b>	<b>\$12.4</b>	<b>\$(18.5)</b>	-
<b>FTEs</b>	<b>16.0</b>	<b>16.0</b>	<b>16.0</b>	-	-

# HealthSource RI

- Recommended FY 2017 budget includes \$9.3 million for contracted services
  - \$4.9 million – Information technology
  - \$1.6 million – Contact Center
    - New contract eff. January 2016 through June 2017
  - \$0.8 million – SHOP (Small Business Health Options Program)
  - \$2.1 million – website, marketing, audit, legal and other costs

# Department of Administration

<i>(In millions)</i>	<b>FY 2017 Gov. Rec.</b>	
<b>Change to Enacted</b>	<b>Gen. Rev.</b>	<b>All Funds</b>
Statewide Savings	\$8.1	\$8.1
One-Time Items	(2.8)	(2.8)
Library Aid	(0.8)	(0.8)
Energy Resources	-	4.1
HealthSource RI	-	(18.5)
<b>Debt Service</b>	<b>34.2</b>	<b>31.5</b>
All Other	6.8	8.1
<b>Total Changes</b>	<b>\$45.5</b>	<b>\$29.7</b>

# Debt Service

- Debt Restructuring Initiative
- Total savings of \$83.9 million over 2 yrs.
  - Enacted budget assumed savings \$64.5M
  - \$19.4 million was anticipated for FY 2017
- Transaction occurred July 2015

<b>Fiscal Year</b>	<b>Projected</b>	<b>Actual</b>	<b>Difference</b>
2016	\$64.5	\$64.0	\$(0.4)
2017	\$19.4	\$36.2	\$16.8
<b>Total</b>	<b>\$83.9</b>	<b>\$100.2</b>	<b>\$16.3</b>

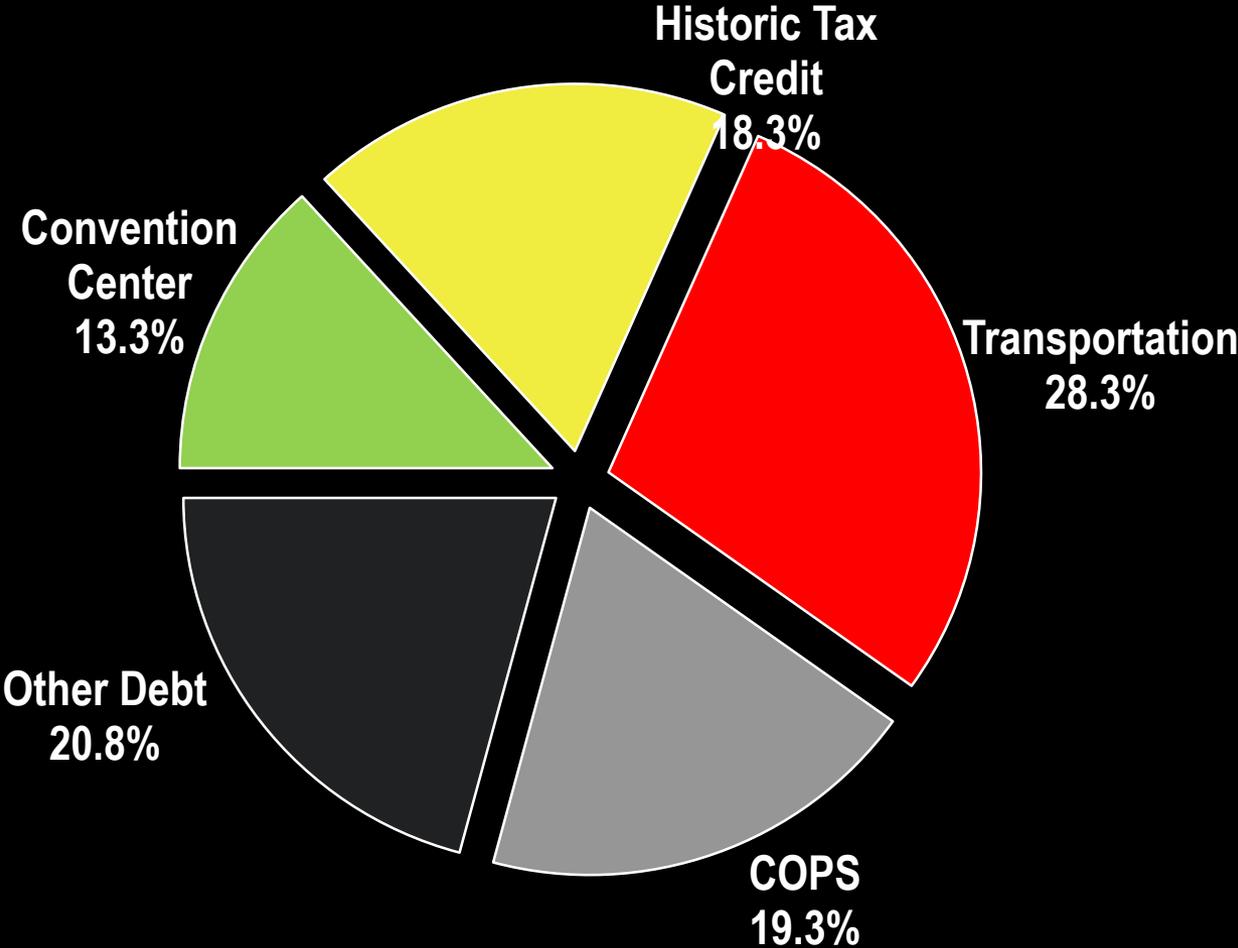
*In millions*

# Debt Service

	<b>Gen. Rev.</b>	<b>Fed. Funds</b>	<b>RR</b>	<b>Other</b>	<b>Total</b>
16 Enacted	\$99.1	\$2.7	\$2.1	\$46.4	\$150.3
16 Revised	\$112.6	\$2.7	\$3.4	\$46.4	\$165.1
<b>Change</b>	<b>\$13.5</b>	<b>-</b>	<b>\$1.3</b>	<b>-</b>	<b>\$14.8</b>
17 Gov.	\$133.3	\$2.2	\$0.1	\$46.2	\$181.8
<b>Change</b>	<b>\$34.2</b>	<b>\$(0.4)</b>	<b>\$(2.0)</b>	<b>\$(0.2)</b>	<b>\$31.5</b>

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

# FY 2017 Debt Service



# Debt – *Job Creation Guaranty*

- Allowed guaranty of loans not to exceed \$125.0 million
  - \$75.0 million was issued for 38 Studios
  - Annual debt service of \$12.5 million from FY 2018 to FY 2021 (\$12.3 million in last year)
- Governor recommends \$2.5 million
  - \$10.0 million reduction reflects settlement received in Oct. 2015

# Department of Administration

<i>(In millions)</i>	<b>FY 2017 Gov. Rec.</b>	
	<b>Gen. Rev.</b>	<b>All Funds</b>
<b>Change to Enacted</b>		
Statewide Savings	\$8.1	\$8.1
One-Time Items	(2.8)	(2.8)
Library Aid	(0.8)	(0.8)
Energy Resources	-	4.1
HealthSource RI	-	(18.5)
Debt Service	34.2	31.5
<b>All Other</b>	<b>6.8</b>	<b>8.1</b>
<b>Total Changes</b>	<b>\$45.5</b>	<b>\$29.7</b>

# Department of Administration

<b>All Other</b>	<b>Gen. Rev.</b>	<b>All Funds</b>
Audit Consolidation	\$0.8	\$2.4
Waste & Fraud Tools	1.5	1.5
Cybersecurity Unit	0.8	0.8
Electronic Permitting System	0.5	0.5
Transition Employment Grant	0.5	0.5
Parental Leave	0.8	0.8
Capital Asset Mngt. & Maint.	(0.2)	1.3
Other New Positions	0.8	0.8
SSBCI Federal Grant	-	(4.3)
Capital Projects	-	3.3
All Other Adjustments	1.3	0.5
<b>Total Changes (In Millions)</b>	<b>\$6.8</b>	<b>\$8.1</b>

# Office of Internal Audit

- Governor proposes legislation in Article 4 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
- House Finance Hearing on March 3<sup>rd</sup>

# 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

# Office of Internal Audit

- Budget reflects consolidation
  - Increase efficiency
  - Decrease fraud and waste
- Staff and funding were transferred from:

	Gov. Rec. Transfer	Program Reduction	Gov. Rec.
Bureau of Audits	12.0	-	12.0
Dept. of Transportation	8.0	(1.0)	7.0
Dept. of Human Services	10.0	(1.0)	9.0
Off. of Postsec. Comm.	1.0	-	1.0
URI	1.0	-	1.0
<b>Total</b>	<b>32.0</b>	<b>(2.0)</b>	<b>30.0</b>

# Waste & Fraud Revenue Enhancement

## Office of Management and Budget

- Governor recommends \$1.5 million
  - \$1.0 million to purchase fraud & waste data tool
  - \$0.5 million for annual service agreements
- Combine data across agencies (DLT, DOR and health and human services)
- To detect fraud and waste
- FY 2017 Budget assumes \$5.0 million in revenue from this initiative
  - Net \$3.5 million impact

# Information Technology

- Executive Order 04-06
  - To improve efficiency, effectiveness & 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
- Art. 4 replaces DoIT with Division of Enterprise Tech. Strategy & Services

# Enterprise Tech. Strategy & Services

- Division is headed by chief digital officer
  - 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

# Enterprise Tech. Strategy & Services

	16 Enacted	16 Gov. Rev.	17 Gov. Rec.	Chng./ Enact	Chng./ Req.
Gen. Rev.	\$20.2	\$20.1	\$22.2	\$2.0	\$0.4
Fed. Funds	\$6.7	\$6.8	\$6.8	\$-	\$-
Rest. Rec.	\$10.2	\$16.7	\$9.9	\$(0.3)	\$(2.4)
Other	2.8	2.7	2.8	\$(0.1)	\$-
<b>Total</b> <i>(in millions)</i>	<b>\$40.0</b>	<b>\$46.2</b>	<b>\$41.7</b>	<b>\$1.7</b>	<b>\$(2.0)</b>
<b>FTE</b>	<b>190.5</b>	<b>195.5</b>	<b>195.5</b>	<b>5.0</b>	<b>-</b>

# Cybersecurity Unit

- Governor issued ex. order in May 2015
- Established 15-member Cybersecurity Commission
- Tasked with:
  - Creating framework for coordinated response
  - Simulation testing
- Recommends \$0.8 million
  - \$0.3 million for director of cybersecurity
  - \$0.5 million for software, staff training & IT services

# Electronic Permitting System

- 2012 Assembly provided \$300K for purchase or lease and operation of web-accessible system
  - 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

# Electronic Permitting System

- Delays occur
  - Vendor selection and finalizing contract
- Gov. reappropriated \$0.5 million from FY 2014 to FY 2015 and again from FY 2015 to FY 2016
- Phase I – permits and bldg. fire code for 10 communities completed spring 2016
- Gov. recommends an additional \$0.5 million in FY 2017 to expand system
  - Add 25 communities by end of FY 2017

# Electronic Permitting System

Fiscal Year	General Revenue	IT Fund	Foundation Grant	Total Funding
2014	\$-	\$-	\$23,692	\$23,692
2015	-	-	-	-
2016	527,000	750,000	26,308	1,303,308
2017	500,000	500,000	-	1,000,000
2018	-	500,000	-	500,000
2019	-	500,000	-	500,000
2020	-	500,000	-	500,000
<b>Total</b>	<b>\$1,027,000</b>	<b>\$2,750,000</b>	<b>\$50,000</b>	<b>\$3,827,000</b>

# 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

# Technology Investment Fund

- 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
    - \$26.3 million was actual yield
  - 10% of \$1 surcharge on wireless & land lines to Fund
    - Effective, July 1, 2015

# Technology Investment Fund

- Governor assumes use of \$24.7 million in both FY 2016 revised and FY 2017 rec. budgets
  - Projects include:
    - DLT – Unemployment System
    - Judiciary – Case management
    - DEM – Digitize records
    - OHHS – Unified Health Infrastructure Project
- FY 2017 projected Fund balance \$8.8 million

# 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.

# 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 Chafee requested regulatory agencies to speed up process
- Office tasked with assisting & coordinating the agency review process

# Office of Regulatory Reform

	16 Enacted	16 Gov. Rev.	17 Gov. Rec.	Chng./ Enact	Chng./ Req.
Gen. Rev.	\$549,221	\$698,515	\$691,642	\$142,421	\$(1,995)
<b>Total</b>	\$549,221	\$698,515	\$691,642	\$142,421	\$(1,995)
<b>FTE</b>	<b>6.0</b>	<b>5.0</b>	<b>5.0</b>	<b>(1.0)</b>	<b>-</b>

# Human Resources

	16 Enacted	16 Gov. Rev.	17 Gov. Rec.	Chng./ Enact	Chng./ Req.
Gen. Rev.	\$7.7	\$7.4	\$8.1	\$0.4	\$-
Fed. Funds	\$0.8	\$0.8	\$0.8	\$-	\$-
Rest. Rec.	\$0.5	\$0.5	\$0.5	\$-	\$-
Other	\$1.4	\$1.4	\$1.5	\$0.1	\$-
<b>Total</b> <i>(in millions)</i>	<b>\$10.4</b>	<b>\$10.0</b>	<b>\$10.8</b>	<b>\$0.5</b>	<b>\$-</b>
<b>FTE</b>	<b>95.5</b>	<b>95.8</b>	<b>95.8</b>	<b>0.3</b>	<b>-</b>

# 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

# 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

# Human Resources

Redesign state's classification & compensation system

- Governor recommends \$1.2 million in both years
- Goals:
  - Increase flexibility within the classification and compensation systems
  - Increase the state's ability to attract and maintain workforce
  - Expected completion in spring 2016

# Human Resources

## On-Line Recruiting

- Governor recommends \$0.1 million in both years for software subscription
  - Purchased software with IT Fund
  - No more collecting/copying resumes

## Staff training Initiatives

- Governor recommends \$0.1 million in FY 2017
  - Develop training programs to be consistent with agencies' strategic goals

# 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

# Office of Diversity, Equity and Opportunity

- Article 4 adds 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
  - Outreach and Diversity Office
  - Office of Supplier Diversity

# 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

# Office of Diversity, Equity and Opportunity

- Governor recommends \$1.2 million for FY 2016 and \$1.4 million in FY 2017
  - Staffing of 9.0 positions in both years, consistent with authorized level
    - 2 vacancies on March 5
  - FY 2017 rec. is \$0.2 million more than enacted
    - Restores turnover savings of \$0.1 million
    - Adds \$0.1 million to centralize outreach advertising and conference/training related activities

# Office of Management & Budget

## Transition Employment Grant

- Pay for Service Pilot Program
  - Intended to increase employment and
  - Reduce recidivism of formerly incarcerated
  - Provide skills development and access to transitional jobs & permanent employment
- Governor recommends \$0.5 million from general revenues
  - Grant payments to service providers after outcomes have been achieved
    - For approx. 75-100 individuals

# Department of Administration

## Parental Leave

- Governor's budget includes \$750k from general revenues
- No further documentation for intended use has been provided

# 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

# 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

# Capital Asset Management & Maintenance

	16 Enacted	16 Gov. Rev.	17 Gov. Rec.	Chng./ Enact	Chng./ Req.
Gen. Rev.	\$35.1	\$34.7	\$35.0	\$(0.2)	\$(3.8)
Fed. Funds	\$1.2	\$1.2	\$1.3	\$0.1	\$(0.1)
Rest. Rec.	\$0.5	\$0.4	\$0.4	\$(0.1)	\$-
Other	\$4.4	\$3.8	\$5.7	\$1.3	\$1.4
<b>Total</b> <i>(in millions)</i>	<b>\$41.3</b>	<b>\$40.1</b>	<b>\$42.4</b>	<b>\$1.2</b>	<b>\$(2.4)</b>
<b>FTE</b>	<b>127.5</b>	<b>136.5</b>	<b>136.5</b>	<b>9.0</b>	<b>-</b>

# Capital Asset Management & Maintenance

- Governor recommends \$0.4 million in FY 2016 and \$0.7 million in FY 2017
- 4.0 new senior positions
  - Chief engineer
  - Chief planner
  - Chief of integrated facilities management
  - Chief of strategic planning, monitoring & evaluation
- Three have been filled; other will be filled within 2 wks.

# Capital Asset Management & Maintenance

## Staffing Cost Shift

- Constrained proposal shifts \$1.3 million for 10 positions to Capital Plan funds
  - Staffing entirely dedicated to development, oversight, and completion of capital projects
  - Would develop a system to capture time spent on projects
    - Methodology for billing individual projects

# Capital Asset Management & Maintenance

## Staffing Cost Shift

- Capital Plan funds limited used on physical assets
- Voters approved a const. amendment to allow solely used for capital projects
- Governor concurs with proposal
  - Methodology for charges has not been provided
  - Projects do not appear to have been increased to reflect staff time costs dedicated

# Capital Asset Management & Maintenance

- Responsible for 140 state buildings
  - Funding in division supports building operations, maintenance, and repairs for state properties, including the Pastore Campus
- Recommends \$2.2 million in FY 2016 & \$3.0 million for FY 2017 for bldg. maint.
  - FY 2016 revised is \$0.3 million more than enacted
  - FY 2017 rec. is \$1.0 million more than enacted

# Capital Asset Management & Maintenance

## Other Major Expenditures:

- Utilities
  - \$17.7 million in FY 2016 & \$18.2 million in FY 2017
- Snow removal
  - \$0.5 million each in both years
- Central Power Plant Operations
  - \$2.4 million in FY 2016 & \$2.5 million in FY 2017
- Janitorial Services
  - \$0.6 million in FY 2016 and \$0.5 million in FY 2017

# Capital Projects

- Recommends total project costs of \$323.4 million
- \$108.9 million will be used from FY 2017 - FY 2021
- Total 37 projects
  - Pastore Campus – 11
  - Other State Facilities – 21
  - Other projects – 5

# Capital Projects

## Pastore Campus Projects

- \$42.2 million will be used from FY 2017 – FY 2021
  - \$0.5 million for a new strategic plan
- Other projects include:
  - Roof replacement
  - Window replacement
  - Utilities upgrade
  - Parking improvements

# Capital Projects

## Virks Building Renovations

- \$21.0 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

# Capital Projects

## Other State Facilities Projects

- \$61.6 million will be used from FY 2017 – FY 2021
- Projects include:
  - State House Renovations
  - Cranston Street Armory
  - Convention Center Facility Renovations
  - Dunkin Donuts Center
  - Big River Management Area

# Capital Projects

## Accessibility Facilities Renovations

- \$7.6 million from Capital Plan funds
- Provide accessibility to state buildings
- Previously under purview of Governor's Commission on Disabilities
- Transferred to DOA in FY 2016
  - DOA - oversight of project
  - Commission - will continue to be responsible for project prioritization

# Capital Projects

## Cranston Street Armory

- Plan is to stabilize exterior of building & board up windows above ground level
- Recommends \$3.9 million from FY 2016 - FY 2018
  - Conducted feasibility study to determine a use plan for the facility
    - State lab., museum, archives/storage, office, rec./athletic, public school, apartments
    - Estimated costs between \$41 million - \$103 million

# Department of Administration

Governor's FY 2016 Revised, FY 2017 Budget and  
Capital Budget Recommendations  
House Finance Committee  
March 22, 2016

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