Rhode Island Commission on Government Efficiency

Final Report

Submitted to Governor Gina M. Raimondo

May 3, 2019

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Rhode Island Commission on Government Efficiency

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Mission, Activities and Findings

The Commission on Government Efficiency was established pursuant to Executive Order 19-04 by Governor Gina M. Raimondo on February 21, 2019. The executive order directed the Commission to conduct a "a comprehensive review of Rhode Island government to identify potential opportunities for increased efficiencies and savings." The Commission set a target for savings generated by its recommendations of $10 million of general revenue in fiscal year 2020.

The executive order established two parallel tracks for the Commission to pursue in developing efficiency recommendations:

- Re-organization and consolidation of agencies, divisions, and programs within and across state government; and
- Making more efficient and effective use of the state real estate, leases, assets and resources.

To that end, the Department of Administration organized two staff working groups to conduct research and analysis in support of the Commission:

- "Organizational Efficiencies" Working Group: A working group primarily comprised of Office of Management and Budget Staff with assistance from state agencies and the Governor's Office as necessary; and
- "Real Estate and Space Utilization Strategy" Working Group: A working group comprised of Department of Administration staff working in conjunction with an outside consultant, Cushman & Wakefield.

The Commission convened in five public meetings. At the first meeting on March 4, the staff working groups and Cushman & Wakefield each made introductory presentations.

At the second meeting on March 18, the Organizational Efficiencies Working Group presented a benchmarking exercise comparing Rhode Island to other states in several focus areas. The Real Estate and Space Utilization Strategy Working Group described the initial activities of the subcommittees. Cushman & Wakefield outlined their facility tours and agency interviews. A public comment period was provided.

At the third meeting on April 8, the Organizational Efficiencies Working Group and the Real Estate and Space Utilization Strategy Working Group each presented preliminary proposals for consideration by Commission members. Cushman & Wakefield presented additional analysis.

At the fourth meeting on April 29, staff presented revised proposals for consideration by Commission members.

At the fifth meeting on May 2, public comment was heard and the final report was adopted by the Commission.

Recommendations List: Organizational Efficiencies

(See Appendix for proposal details)

Proposal	FY 2020 General Revenue Savings	FY 2021 General Revenue Savings
1. Consolidate lead paint regulation in the Department of Health, shift two positions out of the Office of Housing and Community Development and into the Rhode Island Housing and Mortgage Finance Corporation	$114,338	$151,123
2. Consolidate the Building Code Commission, the Contractors' Registration and Licensing Board and the Design Professionals Group into the Office of the State Building Department.	$125,839	$257,718
3. Consolidate adult education at the Department of Labor and Training	$50,000	$102,000
4. Consolidation of the RI School for the Deaf audiology program	$231,676	$237,236
5. Office of the Postsecondary Commissioner/ Department of Elementary and Secondary Education co-location and coordination	$850,000 - $1,000,000	$850,000 - $1,000,000
6. Incorporate the Department of Children, Youth and Families local education agency group home and residential facilities billing into the school funding distribution process	$2,086,632	$639,870
7. Move HealthSource RI to the Executive Office of Health and Human Services from the Department of Administration	$240,251	$246,978
8. Align staffing at the Rhode Island Training School to reflect reduced student count	$230,000	$297,000
9. Expand regulatory responsibility of Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals to include licensing of children's behavioral health organizations	$46,112	$47,218
10. Consolidate the Department of Corrections and Eleanor Slater Hospital medical laboratory testing services	$110,000 - $156,000	$110,000 - $327,000
11. Telecommunications: VoIP and unutilized lines	$219,000	$313,000
Total	**$4,499,848**	**$3,619,143**

Recommendations Summary: Real Estate

(See Appendix for more details)

The Real Estate and Space Utilization Strategy Working Group identified $1,507,068 in all funds operational savings, including $807,157 in general revenue. Additionally, the Working Group marked $6 - $10 million in potential revenue from the sale of surplus property for FY 2020 based on a strategic assessment of the State's owned and leased real estate portfolio. The Department of Administration, Division of Capital Asset Management and Maintenance (DCAMM) with the support of real estate consultants Andre Porter and the firm of Cushman & Wakefield explored several strategies in making these recommendations, including:

- Moving operations out of aging and inefficient building;
- Moving employees from leased space to owned space;
- Ensuring efficient space utilization; and
- Selling surplus and other properties that no longer fit into the State's long-term strategic vision.

The Working Group recommends:

I. Selling surplus properties that are no longer in use to reduce operating costs and deferred maintenance expenses. Specifically, it is recommended to sell several vacant buildings including the Price Correctional Facility, a Department of Children Youth and Families (DCYF) youth correctional facility, a Department of Behavioral Healthcare, Developmental Disabilities and Hospitals (BHDDH) medical office building, a Department of Transportation (DOT) office/industrial building, and six residential group homes in FY 2020. Additional properties could be sold in FY 2021 for further savings.

II. Non-renewal of expiring lease agreements to generate general revenue savings. The State has terminated 31 leases over the past eight years, and there are still options available. Most notably, moving Department of Human Services (DHS) back-office operations into owned space and consolidating Providence parking leases are recommended for FY 2020.

III. Achieving efficiencies related to improved space utilization driven by implementing industry standards of office design and minimizing the office space currently used to store files, records and surplus furnishings, fixtures, and equipment. In particular, the Powers building could accommodate an additional 180 workstations that can be filled by eliminating existing leases. Other buildings that can absorb additional capacity include Barry Hall, Simpson Hall, Benjamin Rush, Louis Pasteur, and The Foundry.

In addition to implementing these real estate recommendations, the Working Group supports organizational improvements including standardized asset management and occupancy strategies to generate greater efficiencies in the future. These efforts include:

- Authorizing DCAMM as the central clearing house for all space planning initiatives;
- Establishing a Facilities Management Review Committee to evaluate all real estate requests;
- Upgrading DCAMM's Computer Aided Facility Management Software; and
- Requiring all executive branch agencies to provide long-term strategic plans for program and staff needs.

Appendix

Appendix A: Executive Order 19-04

State of Rhode Island and Providence Plantations

2019 FEB 21 PM 1:00

Gina M. Raimondo
Governor

EXECUTIVE ORDER

19-04

February 21, 2019

ESTABLISHING A COMMISSION ON GOVERNMENT EFFICIENCY

WHEREAS, many state buildings are over 75 years old and have significant deferred maintenance with outdated workspaces that are not consistent with current needs;

WHEREAS, the State's use of real estate and lease holdings has not undergone a comprehensive analysis in recent history and would benefit from a strategic assessment;

WHEREAS, government programs change over time, as do the needs of the citizens government serves;

WHEREAS, the State must limit the costs of its services while continuously improving service delivery; and

WHEREAS, the Executive should periodically review the organization of its agencies, its programs and its facilities to address the changing needs of the State and to seek organizational efficiencies.

NOW, THEREFORE, I, Gina M. Raimondo, by virtue of the authority vested in me as Governor of the State of Rhode Island and Providence Plantations, do hereby order and direct the following:

1. There is hereby established a Commission on Government Efficiency ("Commission") that shall exist for the purpose of advising the Governor.

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February 21, 2019
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2. The Commission shall undertake a comprehensive review of Rhode Island government to identify potential opportunities for increased efficiencies and savings. The Commission shall focus on developing efficiency recommendations that further the following goals:

    a. Re-organization and consolidation of agencies, divisions, and programs within and across state government; and
    b. Making more efficient and effective use of the state real estate, leases, assets and resources.

3. The Commission shall consist of members appointed by the Governor and shall serve at the pleasure of the Governor. The Governor shall designate a chairperson of the Commission, and the Commission's members shall include, but not be limited to, the following:

    a. The Directors of the Department of Administration and the Office of Management and Budget;
    b. Representative of municipal government; and
    c. Representatives of the public and private sectors with experience in real estate and asset management, program administration and performance management.

4. All departments, offices, boards, and agencies shall cooperate with the Commission, including the use of State facilities, which may be necessary to fulfill the purposes of this Executive Order.

5. All departments, offices, boards, and agencies shall provide staff support as required by the Commission. This will include an efficiency commission liaison in each agency to act as a designated point person to the Commission's associated working groups.

6. The Commission shall convene at least four public forums during the months of March and April to engage and solicit input throughout Rhode Island.

7. The Commission shall recommend executive, legislative, and programmatic changes that will advance the above-mentioned efficiencies and savings goals. The Commission shall produce a final report containing the Commission's findings and recommendations to the Governor no later than May 3, 2019.

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8. The Commission shall dissolve at the end of the 2019 legislative session, unless further extended by the Governor.

This Executive Order shall take effect immediately.

So Ordered:

Gina M. Raimondo
Governor

Dated: February 21, 2019

Appendix B: Commission on Government Efficiency Charter

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF ADMINISTRATION

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COMMISSION ON GOVERNMENT EFFICIENCY CHARTER

The Commission on Government Efficiency has been established pursuant to Executive Order 19-04 by Governor Gina M. Raimondo. The members of the Commission, consisting of members appointed by the Governor and serving at the pleasure of the Governor, adopt the following charter to guide their activities:

I. **Objectives**
   a. The Commission Shall undertake a comprehensive review of Rhode Island government to identify potential opportunities for increased efficiencies and savings. The Commission shall focus on developing efficiency recommendations that further the following goals:
      i. Re-organization and consolidation of agencies, divisions, and programs within and across state government; and
      ii. Making more efficient and effective use of the state real estate, leases, assets and resources
   b. The Commission has set a target for savings generated by its recommendations of $10 million of general revenue to be realized in through FY 2020.
   c. The final work product of the Commission shall be a written report issued to the Governor on or before May 3, 2019
      i. The report shall be adopted in its entirety by a majority of the Commission members

II. **Timeline and Schedule of Meetings**
   a. The Commission shall convene in four public meetings to take place from 4:00 PM to 6:00 PM in an appropriate meeting space located in the Capitol Hill campus:
      i. *Meeting #1:* March 4, 2019
         1. Purpose of Meeting: Introduction, discussion of charter, introductory presentation by staff working groups
      ii. *Meeting #2:* March 18, 2019
         1. Purpose of Meeting: Staff presentation on benchmarking, identification of focus areas, suggestions and direction for further study Commission members, and public comment
      iii. *Meeting #3:* April 8, 2019
         1. Purpose of Meeting: Presentation of preliminary efficiencies recommendations with discussion, feedback, and critique from Commission members
      iv. *Meeting #4:* April 29, 2019
         1. Purpose of Meeting: Presentation of final report for consideration and adoption by Commission members

III. **Roles and Responsibilities of Commission Members and Supporting Staff**
   a. Commission member participation expectations:
      i. In the event that a Commission member is unable to attend a meeting due to unforeseen circumstances, a majority of the membership shall be considered a quorum.
      ii. In the event that a quorum is not established, Department of Administration staff shall make their best efforts to coordinate rescheduling the meeting at mutually agreeable time.

    iii. It is not allowable for members to send a proxy representative or to remotely participate via conference call.

b. Commission members are neither required nor expected to dedicate personal or staff resources to the work of the Commission.
c. Given the time constraints faced by the Commission and supporting staff, it is essential that the Commission define the scope and scale of its recommendations as early in the work process as possible. This is essential to provide staff with sufficient time to conduct supporting research and formulate detailed recommendations in the latter meetings.
    i. Commission members are encouraged to provide directional feedback and suggestions for areas of study at the first and second meetings of the Commission.
    ii. Commission members are encouraged to provide critique and engage in discussion of the relative merits of various policy proposals in the latter meetings.
d. The Department of Administration will organize two staff working groups to support the Commission. These working groups shall report on the results of their research and analysis conducted at the direction of the Commission at each public meeting:
    i. "Real Estate and Space Utilization Strategy" Working Group: A working group comprised of Department of Administration staff working in conjunction with an outside consultant, Cushman & Wakefield.
    ii. "Organizational Efficiencies" Working Group: A working group primarily comprised of Office of Management and Budget Staff with assistance from state agencies and the Governor's Office as necessary.

Resolved by the following members of the Commission of Statewide Efficiencies on March 4, 2019.

Appendix C: Summary of Outreach

In addition to conducting 25 informational interviews with 37 representatives from major executive branch agencies, the Office of Management and Budget undertook two surveys to solicit recommendations. One targeted state employees, and the other was open to all members of the public.

The following is a summary by focus area of the 321 responses submitted by state employees:

General Government and Public Safety

- **Consolidation.** Streamline duplicative administrative functions.
- **Telecommunications infrastructure.** Staff suggest optimizing these resources, particularly through revisions to mobile-device policies.

Health and Human Services

- **Program overlap.** Health and Human Services staff provided examples of programs with similar goals that are housed in multiple agencies. Specifically, they suggest exploring overlap between the Department of Behavioral Healthcare, Development Disabilities and Hospitals (BHDDH) and the Department of Children, Youth and Families; the Division of Elderly Affairs and the Executive Office of Health and Human Services (EOHHS); the Department of Health (RIDOH) and EOHHS; and BHDDH and RIDOH.
- **Mission alignment.** HHS staff identified some operations that may not be performed by the agency with the most subject matter expertise.
- **EOHHS skills and responsibilities.** HHS staff often reference potential improvement in EOHHS. However, there is not a consensus opinion of how to improve. Some agency staff believe EOHHS should assume more responsibility, while others prefer that more responsibility be delegated to the departments.

Commerce and Environment

- **Fragmentation.** DEM staff are concerned with the coordination of state resources devoted to environmental and health policy.

Real Estate and General Proposals

- **Physical improvements.** Improve utilization of state-owned property, especially for underused locations, and consider selling off buildings where repair costs would be too excessive.
- **Flexible workspace.** Expand telecommuting capabilities, improve office technology, digitize timesheets, and increase retirement incentives including a buy-out option.
- **Cross-agency systems.** Enhance project management systems and improve Human Resources and Purchasing processes to be more user friendly.

Appendix D: Organizational Efficiency Proposal Details

1. Consolidate healthy home policy in the Department of Health and streamline affordable housing functions between the Office of Housing and Community Development and RI Housing

Description of Recommendation:

There is currently 1.0 FTE (with the title of Housing Commission Coordinator) at Office of Housing and Community Development (OHCD) devoted to healthy homes. This position supports efforts by the Housing Resources Commission (HRC) pertaining to lead hazard mitigation. This position would be removed from under OHCD.

This proposal also recommends adding general revenue resources to RIDOH's Center for Healthy Homes and Environment. This center contains the Environmental Lead Program, which licenses lead professionals, oversees lead testing, and enforces healthy homes regulations. Taken together, these items are not expected to yield any general revenue savings. This proposal maintains the state's current level of funding for healthy homes while streamlining resources devoted to this effort.

Additionally, there would be a net reduction of 1.0 FTE at OHCD. Currently, there are two personnel (with the title of Housing Commission Coordinator) who handle applications and funding from the state's 2016 affordable housing bond, along with other customer service and administrative tasks related to the HRC. This proposal would consolidate affordable housing functions in RI Housing, the state's quasi-public housing finance agency. Currently, while OHCD handles the applications for bond funding, RI Housing undertakes the underwriting analysis and contracting associated with those applications. RI Housing currently has around 250 employees, compared to 11 for OHCD (including the positions discussed in this proposal). To ensure that the HRC itself continues to have administrative support, this proposal would backfill one of these positions with a lower-salaried office manager. This would better align the current duties of this position with the job classification.

Savings Estimate	FY 2020	FY 2021
General Revenue:	**$114,338**	**$151,123**
All Funds:	**$114,338**	**$151,123**

Timetable:

This recommendation assumes the shifting of positions would occur by October 2019.

Background Information:

Lead paint mitigation, licensing, and regulation is mostly overseen by RIDOH. However, the Lead Hazard Mitigation Act of 2004 established different standards for rental properties and gave the HRC (which is staffed by OHCD) oversight over those standards. HRC and RIDOH have been in ongoing negotiations about delegating some responsibilities and funding to RIDOH under this act. This proposal is meant to complement and not replace those efforts.

The 2013 statute that creates the Executive Office of Commerce (EOC) establishes that agency as having a leading role in shaping housing policy in the state. Currently, housing and community development policy is split between OHCD (which is part of EOC) and RI Housing.

In 2016, the voters approved $50 million in housing development bonds. The ballot measure earmarked $40 million of that money for affordable housing development under the Housing Resources Commission. The remaining $10 million was targeted at urban revitalization and blight remediation.

Impacted Agencies:

EOC, OHCD, RI Housing, RIDOH

FTE Change:

No net change

Revenue/Expenditure Impact Calculation Methodology:

Assume general revenue savings of three-quarters of the salary and benefits for two Housing Commission Coordinators in the Governor's FY 2020 recommended budget. The FY 2021 estimate grows the FY 2020 full-year estimate by CPI.

Federal Change Impact:

There are federal match requirements related to OHCD's federal grants (such as the Community Development Block Grant). OHCD has indicated it should have enough flexibility to keep meeting these requirements under this proposal.

Authority Required to Implement:

This proposal would be accomplished through memoranda of understanding.

2. Consolidate the Building Code Commission, the Contractors' Registration and Licensing Board and the Design Professionals Group into the new Office of the State Building Department

Description of Recommendation:

The FY 2019 budget created the new Division of Building, Design and Fire Professionals under the Department of Business Regulation (DBR), which consolidated the Building Code Commission (BCC), the Contractors' Registration and Licensing Board (CRLB), and the Design Professionals Group (DPG), along with the Office of the State Fire Marshal and the Fire Safety Code Board of Appeal & Review. This proposal would streamline the building and design functions of this division and remove redundant administrative staff. Instead of the current fragmented structure, the Building Code Commissioner (reporting to a Deputy Director) would head this new office and have oversight over all building and design functions.

Under this new structure, the division would no longer utilize the Implementation Aide job classification (of which there are four currently). The reorganization would also eliminate usage of the following job classifications: Enforcement Aide, Programming Services Officer, and Senior State Building Official. These positions would be backfilled with administrative and inspection staff who will better align with the mission of the restructured office. Some of these new positions would be at lower salary grades, which (along with the FTE reduction) contributes to the savings estimate.

Current Staffing (Across CRLB and BCC)		**Proposed Consolidated Office**	
Position	*FTEs*	*Position*	*FTEs*
Deputy Director	1.0	Deputy Director	1.0
Building Code Commissioner	1.0	Building Code Commissioner	1.0
Inspections/Operational	12.0	Inspections/Operational	12.0
Hearing Officer	1.0	Hearing Officer	1.0
Administrative	8.0	Administrative	6.0
Total	**23.0**	**Total**	**21.0**

Savings Estimate	**FY 2020**	**FY 2021**
General Revenue:	**$125,839**	**$257,718**
All Funds:	**$125,839**	**$257,718**

Timetable:

This recommendation assumes staffing changes would be implemented by January 2020.

Background Information:

In addition to consolidation of functions in FY 2019, many of the permitting processes overseen by these offices have been digitized. This move to e-permitting, which will be accompanied by online licensing/registration by the end of FY 2019, has lessened the need for administrative staff.

Impacted Agencies:

DBR

FTE Change:

A reduction of 2.0 FTEs associated with administrative functions.

Revenue/Expenditure Impact Calculation Methodology:

Personnel savings were calculated using the FY 2020 Governor's recommended budget. Three Implementation Aides, the Enforcement Aide, and the Senior State Building Code Official are currently paid using restricted receipt revenue in the form of fees collected by the CRLB. This proposal assumes that restricted receipt revenue freed up by this staffing reduction will be allocated to other FTEs, thus removing 2.0 FTEs from the general revenue payroll. The FY 2021 estimate grows the FY 2020 full-year estimate by CPI.

Federal Change Impact:

Not applicable

Authority Required to Implement:

BCC, CRLB and the DPG are defined separately in statute (R.I. Gen. Laws Chapters 23-27.3, 5-65, and 5-84, respectively). The Office of the State Building Department would be established in statute and given authority over these three functions.

3. Consolidate adult education at Department of Labor and Training

Description of Recommendation:

Following the Rhode Island Senate study commission's recommendations, move adult education from the Department of Elementary and Secondary Education (RIDE) to the Governor's Workforce Board (GWB) within the Department of Labor and Training (DLT).

The proposal assumes that current staff (4.0 FTEs) dedicated to adult education at RIDE and the Office of the Postsecondary Commissioner (OPC) will transition into three positions dedicated to adult education at GWB on or before January 1, 2020.

Savings Estimate	FY 2020	FY 2021
General Revenue:	**$50,000**	**$102,000**
All Funds:	**$50,000**	**$102,000**

Timetable:

Assumed implementation date of January 1, 2020.

Background Information:

RIDE and GWB collaborate to target Rhode Island's adult learners who lack adult basic education as well as work readiness skills through its overlapping mission of supporting Rhode Island adults in obtaining skills and credentials for employment. Currently, RIDE and GWB fund overlapping programs, and the current RIDE program is funded, in part, with GWB funds. The Senate studied this issue over a period of several months and issued a report that further describes this recommendation.[1]

Impacted Agencies:

RIDE, OPC, DLT

FTE Change:

Reduction of 1.0 funded FTE (4.0 FTEs to 3.0 FTEs) and alignment of pay grades for any new adult education employees to match current GWB/ DLT pay grades.

Revenue/Expenditure Impact Calculation Methodology:

The cost savings is assumed utilizing an average salary and allocation percentage. The FY 2021 estimate grows the FY 2020 full-year estimate by CPI.

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[1] Full text of Senate Special Legislative Commission to Conduct a Comprehensive Review and Make Recommendations Regarding the Appropriate State Agency to House Adult Education report available: www.rilin.state.ri.us/commissions/adulteducation/commdocs/Adult%20Education%20Commission%20Final%20Report%202019.pdf

Federal Change Impact:

Not applicable

Authority Required to Implement:

Legislation will be submitted consistent with the Senate report and recommendations.

4. Consolidation of Rhode Island School for the deaf audiology program

Description of Recommendation:

Transfer the responsibility for conducting hearing screenings from the Rhode Island School for the Deaf (RISD) staff to school nurses, as currently allowed by regulation from the Department of Health (RIDOH). Expand RISD's ability to engage in fee-for-service activities with local school districts and members of the public.

Savings Estimate	FY 2020	FY 2021
General Revenue:	**$231,676**	**$237,236**
All Funds:	**$231,676**	**$237,236**

Timetable:

Assumed implementation date of July 1, 2019.

Background Information:

RISD currently has five FTEs performing audiology services comprised of two audiologists and three audio test technicians. The total compensation of these FTEs in FY 2020 is $583,953. This staff meets the audiology needs of the school in addition to providing audiology services to the community at no charge and performing audiology screenings for 58,000 students statewide. Two licensed audiologists provide community services at the audiology clinic located on the premises of RISD. They are fully funded by the state and serve low-income clients who might not otherwise have access to audiology services. Three audio test technicians are primarily dedicated to providing in-school audiology screenings.

R.I. Gen. Laws § 16-21-14 requires the Department of Elementary and Secondary Education to administer a statewide hearing screening program but allows the Commissioner of Elementary and Secondary Education to grant the local education agency (LEA) permission to conduct its own program upon request. § 4.14.3(B) of the current RIDOH School Health Programs regulation (216-RICR-20-10-4) allows hearing screenings to be performed by school nurses and exempts students whose parents provide documentation from a parent that a hearing screening has been performed (§ 4.14.1(E)).

Most New England states, including Connecticut, Maine, Massachusetts and Vermont, that require schools to provide hearing screenings also regulate that school nurses are to perform the hearing screenings. Furthermore, Massachusetts allows documentation from a primary care physician to substitute for an in-school screening.

An analysis of 56 Rhode Island LEAs and charter schools revealed that 296 school nurses were employed across 299 school buildings. Approximately 82 percent of LEAs and charters identified had a district-wide average of at least one school nurse per school building.

Impacted Agencies:

Rhode Island School for the Deaf (RISD)

FTE Change:

This proposal assumes that the two audiologists will continue providing services in the RISD audiology clinic. The proposal is to eliminate general revenue funding for 3 audio test technicians.

This proposal would allow local school districts to enter into fee-for-service arrangements with RISD if they wished to contract with the school for audiology screening services. For this reason, in addition to the two funded FTEs, this proposal retains an additional 3.0 authorized but unfunded FTEs which would be funded by fee-for-service revenue in the case that enough demand for RISD services exists.

Revenue/Expenditure Impact Calculation Methodology:

Total compensation with benefits for three audio technician FTEs in FY 2020 is $231,676. Eliminating general revenue funding for these positions would result in $231,676 in FTE cost savings. The FY 2021 estimate grows the FY 2020 estimate by CPI.

RISD is encouraged to explore alternative sources of revenue such as fee-for-service arrangements, federal or insurance reimbursement for services, and expanding target population to non-youth populations. Current barriers to engaging in additional revenue generating services include physical plant considerations and legal barriers. RISD is encouraged to utilize an upcoming capital feasibility study to consider security improvements to RISD facilities that would facilitate expanded community access to the RISD audiology clinic necessary for engaging in revenue generating activities.

Federal Change Impact:

Not applicable

Authority Required to Implement:

Because current regulation allows school nurses to perform hearing screenings, the school administration needs to ensure that their nurses not only schedule but also perform these screenings or accept notes from the parents for students who were tested by other means. To facilitate the screening process, an appropriate state agency (i.e., the Department of Elementary and Secondary Education or the Department of Health) can issue appropriate standard guidance for school nurses performing the hearing screening.[1] Such guidance could be aligned with the reporting of vision screenings per R.I. Gen. Laws § 16-21-14.1.

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[1] Similar guidance from Massachusetts is available here: https://d2rw76b9nsxu2w.cloudfront.net/nodes/1098/images/Pure_Tone_Audiometer_protocol.pdf

Amendments to R.I. Gen. Laws § 16-21-14 are required to assign the responsibility for hearing screenings to LEAs and, if desired, allow LEAs to enter into a fee-for-service agreements with the RISD and other revenue-generating activities.

5. Office of the Postsecondary Commissioner/ Department of Elementary and Secondary Education co-location and coordination

Description of Recommendation:

Co-locate the Office of the Postsecondary Commissioner (OPC) with the Rhode Island Department of Elementary and Secondary Education (RIDE) to allow for shared administrative support and allowing for closer collaboration between the two entities. Currently, the two offices have duplicative administrative roles and staffing that could be shared.

A potential vision for OPC would focus on strategy, policy, and planning support to the Council on Postsecondary Education. Administrative support for the Council could be achieved in cooperation with RIDE. Some oversight and management functions might be absorbed by the state's institutions of higher education. Back office legal, finance, and support functions may be more efficiently accomplished in cooperation with RIDE.

Savings Estimate	FY 2020	FY 2021
General Revenue:	**\$850,000 - \$1,000,000**	**\$850,000 - \$1,000,000**
DHEA Reserves:	**\$0 - \$200,000**	**\$0**

Timetable:

Assumed implementation date of July 1, 2019.

Background Information:

The following table provides an estimate of the general revenue costs to staff and operate the Commissioner's Office, which supports approximately 13.5 funded FTE positions. Note, these 13.5 FTEs represent approximately 16 individuals with three being partially financed through the Division of Higher Education Assistance (DHEA) reserves.

OPC is responsible for the administration of the RI Nursing, Westerly, and Northern Education Centers, all of which are self-financed. The Efficiency Commission does not recommend any changes as to where to house these entities.

Commissioner's Office General Revenue		
	FY 2019	FY 2020
Expenditure Category	**Gov. Rec.**	**Gov. Rec.**
Personnel	1,949,507	1,962,797
Contract Services	158,000	229,000
Operating Expenses	112,298	112,473
Total	**$ 2,219,805**	**$ 2,304,270**

Impacted Agencies/Stakeholders:

RIDE, OPC and state institutions of higher education

Revenue/Expenditure Impact Calculation:

All general revenue savings are attributable to personnel consolidation or salary realignments in response to duplicative responsibilities already provided by RIDE staff. These duties include, but are not limited to, financial and administrative management, information technology, clerical, legislative liaising, and communications. A current estimate of savings is between $850,000 and $1.0 million general revenues, which reflects an office of 6 – 8 FTE positions. This estimate can be reached by augmenting different staff combinations, including appropriate salary downgrades when necessary.

An additional $200,000 of DHEA reserves can also be made available if staff consolidations impact personnel currently being allocated to DHEA proceeds. These funds could be used for additional scholarships, or by reallocating the remaining general revenue employees can lead to additional general revenue savings. The following table illustrates the FY 2020 funded positions budgeted in the Commissioner's Office, including employees allocated to DHEA reserves.

FY 2020 Budgeted Position Titles*	Commissioner's Office (Gen. Rev.)	DHEA Reserves	Total Personnel Cost
Commissioner	245,150	-	245,150
Legislative Advisor	48,545	48,545	97,089
Network Technician III	39,848	119,543	159,390
Communications Dir.	182,413	-	182,413
Associate Com. Planning	209,201	-	209,201
Chief Financial Officer	261,110	-	261,110
Executive Assistant	98,854	-	98,854
Policy Analyst	67,722	-	67,722
Research Associate	128,338	-	128,338
Director of Strategy	160,740	-	160,740
Chief of Staff	191,162	-	191,162
Storekeeper	89,698	-	89,698
Director of Program (RIHEA)	113,407	37,802	151,209
Senior Business Analyst	90,062	-	90,062
Spec. Proprietary Schools	112,085	-	112,085
Dir. of Adult Prog. / Policy	-	113,826	113,826
Total Turnover	(75,537)	-	(75,537)
Total	**$ 1,962,797**	**$ 319,716**	**$ 2,282,512**
Exclusive of RI Nursing Education, Westerly Education , and Northern Education Center employees.			

FTE Change:

A reduction of between 6-8 FTE positions, accompanied by salary downgrades specific to assignment (i.e., reduced administrative responsibility) is required to reach savings targets.

Federal Change Impact:

Not applicable

Authority Required to Implement:

R.I. Gen. Laws Chapter 16-59, entitled “Council on Postsecondary Education,” establishes the Council on Postsecondary Education and the Office of the Postsecondary Commissioner. This proposal envisions that OPC will remain a distinct entity co-located with RIDE.

6. Incorporate Department of Children, Youth and Families local education agency group home and residential facilities billing into the school funding distribution process

Description of Recommendation:

Reimburse the Department of Children, Youth and Families (DCYF) directly from school funding formula aid for students in group homes and residential facilities that are receiving educational services provided by the facility. This would be done in concurrence with the Department of Elementary and Secondary Education's (RIDE) funding projection schedule. Under the current process, students attending out-of-district residential placements generate additional state aid for the local education agency (LEA) because they are counted in enrollment calculations utilized in the school funding formula. In this way, RIDE provides funding formula aid to school districts (even when DCYF is providing the education services and not the home LEA) and then requires DCYF to invoice each school district separately. This proposal would streamline the billing process by allowing DCYF to provide satisfactory documentation to RIDE in order to have amounts withheld from funding formula aid. DCYF will need to improve its process for clearly documenting the residency of children under their care prior to a withholding of funds thereby potentially decreasing the need for RIDE hearings. The intent of this recommendation is for LEAs to retain the same rights of appeal and due process pursuant to R.I. Gen. Laws §§ 16-64-6 and 16-64-1.2.

Savings Estimate	FY 2020	FY 2021
General Revenue:	**$2,086,632**	**$639,870**
All Funds:	**$2,086,632**	**$639,870**

Timetable:

Currently, DCYF is owed $3.0 million in reimbursement from school districts. This proposal assumes the current receivable from FY 2019 of $1.55 million will be collected in FY 2020 at an assumed collectible rate of 75 percent while the FY 2018 and FY 2017 receivables will be collected in FY 2020 at an assumed collectible rate of 25 percent. This will be deducted from each LEA's funding formula distribution. If a LEA wishes to protest a child's residency they may do so through the current practice of participating in a residency hearing at RIDE. If they are found to be correct and that child was not in their residency, the funding will be reimbursed, and the proper LEA in which the child resides will have funding withheld in the June adjustment.

Background Information:

Currently, group homes and residential facilities that provide education on the premises are responsible for billing the student's responsible LEA for the cost of educating that student. The cost of educating the student is established by law (RI Gen. Laws § 16-64-1.2) as the special education per pupil rate of the responsible LEA.

When an LEA refuses to pay DCYF, and/or the LEA challenges the designation of the student's residence within the LEA by DCYF the parties must seek redress before RIDE in an administrative hearing. This process has created a backlog of cases, creating a payable of approximately $1.5 million dollars prior to FY 2019. In FY 2019 alone that payable is estimated to be $1.5 million (estimated $0.5 million for remainder of FY 2019).

LEAs are entitled under RI Gen. Laws Chapter 16-64 to due process and the ability for an administrative hearing to determine a student's responsible LEA. The recent filing of a backlog of cases by DCYF with RIDE has caused a large number of LEAs to dispute their designation by DCYF as responsible. This has resulted in an increase in administrative hearings at RIDE and an undue burden on the legal and financial staff at both RIDE and DCYF, as they try to establish the educational and financial responsibility to these students. LEAs, as well as DCYF, also have a right to appeal decisions of the Commissioner of Elementary and Secondary Education. This right of appeal of administrative decisions must also be taken into account regarding timing.

Impacted Agencies:

RIDE, DCYF

FTE Change:

Not applicable

Revenue/Expenditure Impact Calculation Methodology:

If the cost of providing education for students in group home and residential facility settings is withheld from a LEA's funding formula distribution, anticipated annual savings are $0.6 million. This is the result of RIDE no longer sending the funding for the student to the LEA that is not actually providing educational services to the student.

Federal Change Impact:

Not applicable

Authority Required to Implement:

R.I. Gen. Law will need to be amended to allow for the funding of the group home and residential education programs as part of the school funding formula.

- R.I. Gen. Laws § 16-64-1.1 – Establishes the process for group home educational billing
- R.I. Gen. Laws § 16-64-6 – Describes the process by which RIDE shall moderate disputes when a school district or state agency denies educational responsibility on the grounds of residency.
- R.I. Gen. Laws § 16-64-1.2 – Establishes the process for designating a child's place of residence
- R.I. Gen. Laws Chapter 16-7.2 – Establishes the funding formula

7. Move HealthSource RI to the Executive Office of Health and Human Services from the Department of Administration

Description of Recommendation:

Achieve approximately $240,000 in FY 2020 savings by restructuring HealthSource RI (HSRI) so that it resides within the Executive Office of Health and Human Services (EOHHS). EOHHS consolidated legal and financial resources will decrease the back-office functions needed by HSRI, resulting in increased staffing efficiencies.

Savings Estimate	FY 2020	FY 2021
General Revenue:	**$240,251**	**$246,017**
All Funds:	**$240,251**	**$246,017**

Savings would accrue to the program's restricted receipt account. Though these are not immediately general revenue savings, there are no statutory limitations to shifting some costs, which are currently general revenue funded, to the restricted receipt account.[1]

Timetable:

Assumed implementation date of July 1, 2019.

Background Information:

HSRI's mission is not in alignment with the mission of its parent agency, the Department of Administration (DOA). HSRI is the Rhode Island health insurance exchange. The organization provides services to individuals without employer provided health insurance and to small business seeking to provide plans. Many states simply rely on the federal exchange for these services. Of the states that do maintain a state-based exchange, the exchanges are typically organized within a larger health-focused agency or are independent agencies/ public-private partnerships. DOA is not a public facing agency, nor one with concentrated health policy responsibilities or expertise. The agency serves other state agencies by providing financial, human resources, information technology, procurement, and other services. This mission is largely unrelated to HSRI's mission of facilitating health insurance enrollment for Rhode Islanders.

EOHHS, the administrative body which oversees health policy in Rhode Island, has a mission more aligned with that of HSRI. EOHHS oversees an assortment of health agencies and Medicaid funding across these agencies. HSRI serves as an "open door" for constituents seeking health insurance and often directs constituents to EOHHS agency services. HSRI and EOHHS interact with the same federal funding streams, software, government entities, and constituents.

Moving HSRI into EOHHS could result in defragmentation of health insurance policy bodies within the state and increased staffing efficiency. EOHHS has concentrated expertise in health policy including Medicaid administration and consolidated legal and

[1] R.I. Gen. Laws § 42-157-4

financial staffs which could absorb some of HSRI's legal and finance needs. HSRI has a finance team that fulfills financial management and oversight functions. In addition to standard operations, HSRI issues hundreds of customer refunds a month and is responsible for over 200,000 financial transactions each year. The finance team works through a yearly financial and programmatic audit. HSRI is allocated three finance positions for FY 2020: two assistant financial administrators and one chief financial officer. It is essential that HSRI retains a strong financial team to fulfill these obligations, but also essential that HSRI appropriately leverages the other financial resources in the state.

Potential Savings

In this estimate, approximately $240,251 in savings could be generated by moving HSRI to EOHHS, allowing HSRI to capitalize on the centralized administration and legal expertise within EOHHS. This estimate entails eliminating a vacant legal, and a vacant financial position from HSRI's FY 2020 budget allocation. Though these cuts were assumed for estimating purposes, HSRI management could choose to implement this personnel reduction in whatever way they find to be most efficient. No additional personnel cuts are recommended at this time because eliminating more positions would require reducing HSRI's core policy analysis staff who have the necessary expertise to navigate the volatile regulatory framework of the Affordable Care Act.

This proposal would retain some legal and analytical resources from HSRI to ensure that subject matter expertise is not compromised by the transition. One legal position and two financial positions will be retained. Both positions proposed for elimination are currently vacant. The finance position has recently become vacant, while the legal position has been unfilled for an extended period of time.

There is some risk associated with reducing HSRI's budget in the current period, but these risks are not directly attributable to or worsened by the proposed changes. Upcoming contractor payments and project costs are unclear until the state share of these costs is finalized with the federal government. The elimination of these vacant positions does not increase the likelihood that HSRI will face increased costs nor does retaining these two vacant positions ensure that HSRI could cover potential increased costs. An additional implementation risk is resolving any cost allocation implications related to this move.

Impacted Agencies:

HSRI, DOA, EOHHS

FTE Change:

A reduction of 2.0 FTE positions associated with legal and financial functions within HSRI.

Revenue/Expenditure Impact Calculation Methodology:

Eliminating the FY 2020 expenditure for 2.0 budgeted FTEs and assuming $90,000 of associated turnover costs. The FY 2021 estimate grows the FY 2020 estimate by CPI.

Federal Change Impact:

Not applicable

Authority Required to Implement:

Statutory changes to RI Gen. Laws Chapter 42-157 required.

8. Align staffing at the Training School to reflect reduced student count

Description of Recommendation:

In FY 2020 approximately $200,000 in general revenue savings could be achieved by aligning staffing of the education program at the Rhode Island Training School (RITS) to match the current student count. This would result in RITS having one teacher in each of the core subjects and culinary arts.

Savings Estimate	FY 2020	FY 2021
General Revenue:	**$230,000**	**$297,000**
All Funds:	**$230,000**	**$297,000**

Timetable:

This proposal assumes that the reduced staffing plan is implemented for the start of the 2019 – 2020 school year. Rhode Island General Laws require teachers to be notified by June 1 of any impending layoffs for the following school year.

Background Information:

The Department of Children, Youth and Families (DCYF) operates RITS which services high-risk youth that are awaiting court action or have been sentenced to a period of confinement. Education is a critical part of youth rehabilitation and appropriate level of education is provided by a staff of certified teachers, working under the employment of DCYF. The FY 2020 budget includes a reduction of staff from 14 full-time teachers to 11.

This recommendation includes the additional reduction of 2.0 FTEs. Currently there are two teachers for each of the core subjects: English, Math, Science and History. This recommendation will require the training school to reduce that number to one teacher for each core subject. On average, the salary for a teacher of any subject matter at RITS is $86,000 not including longevity or supplemental benefits. Most of the teachers receive longevity bonuses and additional supplements for having advanced degrees.

The RITS operates on a five-period day with eight sections of each of the core subjects offered each day. With an average population of 55, the average class size is seven. RITS could accomplish this savings by switching to a six-period day, with five sections of the core subjects offered daily with an average class size of 11. The collective bargaining agreement with the RITS teachers' union sets the maximum class size at 12.

DCYF is currently in the process of examining the RITS organization with a goal of more closely aligning it to the needs of the state youth population. The preliminary plan is to conduct a feasibility study, such that RITS can be redesigned. This redesign will likely allow for a portion of the facility to be used for a psychiatric residential treatment facility, thus allowing for further reductions in the educational program at RITS.

This initiative addresses the education staff only. There is no proposed reduction in security staff assigned to classrooms.

Impacted Agencies:

DCYF

FTE Change:

A reduction of 2.0 FTEs associated with a reduction in full-time teaching staff.

Revenue/Expenditure Impact Calculation Methodology:

Eliminating the FY 2020 expenditure for 2 budgeted FTEs and assuming $60,000 of associated turnover costs. The FY 2021 estimate grows the FY 2020 full-year estimate by CPI.

Federal Change Impact:

Not applicable

Authority Required to Implement:

Management decision

9. Expand the regulatory responsibility of the Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals to include licensing and oversight of children’s behavioral health organizations

Description of Recommendation:

Expand the regulatory responsibility of the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals (BHDDH) to include licensing and oversight of children’s behavioral health organizations (BHOs). The Department of Children, Youth, and Families (DCYF) is currently responsible for this oversight. Amend the oversight responsibilities of DCYF to sub-license child specific programs performed at BHOs.

Savings Estimate	FY 2020	FY 2021
General Revenue:	**$46,112**	**$47,218**
All Funds:	**$74,374**	**$76,159**

Timetable:

This proposal assumes that the staffing reduction occurs by July 1, 2019.

Background Information:

This initiative entails expanding BHDHH’s licensing authority and amending DCYF’s oversight authority to reduce personnel costs by approximately $74,000 and decrease the oversight fragmentation that currently exists. Amending DCYF’s oversight responsibilities to prioritize the regulation of child-based programs maintains alignment with DCYF’s core function as the state’s child welfare agency, while eliminating inefficiencies caused by splitting licensure based upon constituent age. The Department of Health (RIDOH) will continue to license the individual care providers (therapists, etc.) that work at the BHOs.

Current Inefficiency

Currently, the licensing and oversight of behavioral healthcare services is inefficiently split across three departments which struggle to meet their service demands. DCYF is responsible for the licensing of child behavioral healthcare organizations. DCYF faces many challenges (rising service demand, etc.) that have led to the de-prioritization of their facility licensing functions. BHDDH is responsible for the licensing of adult behavioral healthcare organizations. Many behavioral healthcare organizations provide care to both children and adults. RIDOH licenses the individual practitioners that provide services at these organizations. This fragmentation is difficult to navigate for BHOs and their Medicaid billing options are impacted based upon the type of license issued. The Medicaid billing options available for providers with only individual (not facility) licenses are more limited than facility licenses and not preferable for the billing structures of BHOs.

Current Resource Allocation

DCYF maintains a licensing staff for a variety of functions and will need to maintain some resources despite the proposed changes to the department's responsibilities. DCYF is allocated 6.0 licensing aid FTEs in FY 2020 and has one licensing chief on staff. DCYF's licensing staff is not responsible solely for the licensing of children's BHOs. DCYF serves approximately 45 children-centric BHOs. The department also licenses residential treatment centers, foster care and adoptive homes, child placing agencies, and others.

BHDDH currently retains staff responsible for the licensing and oversight of adult BHOs which will be able to absorb the marginal increase in work associated with the oversight of children's BHOs. BHDDH currently licenses 33 adult BHOs. Many of the BHOs serve both adults and children, so there is not an anticipated large increase in work-capacity that BHDDH would need to assume. Informally, BHDDH staff has been working with DCYF to improve DCYF's licensing capabilities; BHDDH currently possesses the staff and expertise needed to regulate these organizations.

RIDOH licenses and regulates some facilities and most individual care providers. RIDOH is supportive of combining BHDDH and DCYF facility licensing resources.

Impacted Agencies:

DCYF, BHDDH

FTE Change:

A reduction in DCYF's staffing allocation by 1.0 FTE.

Revenue/Expenditure Impact Calculation Methodology:

Expanding BHDDH's oversight authority to include organizations that service children will improve the oversight fragmentation of BHOs and result in personnel savings. Two of the DCYF licensing aid positions are currently vacant. Reducing DCYF's staffing allocation by 1.0 FTE would save approximately $74,000 of all funds in FY 2020, including $46,000 of general revenue. The FY 2021 estimate grows the FY 2020 estimate by CPI.

Federal Change Impact:

Not applicable

Authority Required to Implement:

- R.I. Gen. Laws Chapter 42-72.5
- R.I. Gen. Laws Chapter 40-1.1

10. Consolidate the Department of Corrections and Eleanor Slater Hospital medical laboratory testing services

This efficiency proposal is presented with two options.

Option A

Description of Recommendation:

In FY 2020 approximately $332,000 in all funds, including $156,000 in general revenue savings, could be achieved by using the current medical laboratory vendor in lieu of staffing a medical laboratory at the Eleanor Slater Hospital. A contingency of $200,000 per year has been deducted from the saving estimate to account for unforeseen expenses.

Savings Estimate	FY 2020	FY 2021
General Revenue:	$156,000	$327,000
All Funds:	$332,000	$695,000

Timetable:

This proposal assumes that a full transition is completed by January 1, 2020.

Background Information:

The Eleanor Slater Hospital staffs a medical laboratory for the performance of routine medical tests as required by the hospital's patients. The Eleanor Slater laboratory performs approximately 34,000 tests per year. The Medicaid reimbursement value of the service provided by the Eleanor Slater Hospital for FY 2018 was $314,000. The cost of operating the Eleanor Slater medical laboratory is $1.322 million; these costs include personnel and supplies directly attributable to the operation of the laboratory.

The state's medical laboratory service provider charges the Medicaid reimbursement rate plus an administrative fee of 36 percent. The cost of the tests perform at the Eleanor Slater lab in FY 2018 would have been $427,000 if performed by the laboratory service provider.

Impacted Agencies:

Department of Behavioral Healthcare, Developmental Disabilities and Hospitals (BHDDH)

FTE Change (if applicable):

A reduction of 7.0 FTE positions associated with the Eleanor Slater Hospital medical laboratory.

Revenue/Expenditure Impact Calculation Methodology (if applicable):

The direct cost of operating the lab at Eleanor Slater Hospital was compared to the cost of obtaining the laboratory services from the state's medical testing service provider. Costs at Eleanor Slater Hospital are reimbursed by Medicaid at a rate of 53 percent. The FY 2021 estimate grows the FY 2020 full-year estimate by CPI.

Federal Change Impact (if applicable):

Laboratory expenses will decrease and therefore the federal match for these expenses will also decrease.

Authority Required to Implement:

Current Department of Health (RIDOH) regulations require a hospital to have an onsite laboratory for the performance of certain kinds of tests. RIDOH regulations would need to be changed to reflect CMS rules that allow laboratory services to be performed offsite.

This initiative may require the state to comply with RI Gen. Laws Chapter 42-128, privatization of state services.

Option B

Description of Recommendation:

In FY 2020 approximately $110,000 in savings could be achieved by requiring the Department of Corrections (RIDOC) to process most of its lab work using the Eleanor Slater Hospital laboratory.

Savings Estimate	FY 2020	FY 2021
General Revenue:	**$110,000**	**$110,000**
All Funds:	**$110,000**	**$110,000**

Timetable:

This proposal assumes that a full transition is completed by July 1 ,2019.

Background Information:

The Eleanor Slater Hospital staffs a medical laboratory for the performance of routine medical tests as required by the hospital's patients. Until 2016 the laboratory also provided service to RIDOC at no cost. The Eleanor Slater laboratory has the capacity to perform RIDOC work with little or no additional expenditure. Eleanor Slater laboratory staff estimates the facility can meet 80 percent of RIDOC testing needs with in-house staff. The remaining 20 percent of lab tests represent tests that are routinely sent to reference laboratories. Coordination with RIDOC is dependent upon the Eleanor Slater laboratory providing results in an acceptable electronic format.

Impacted Agencies:

DOC and BHDDH

FTE Change:

None

Revenue/Expenditure Impact Calculation Methodology:

Eliminating the FY 2020 expenditure with a private vendor of $110,000 for medical laboratory tests that can be performed in house at the Eleanor Slater Lab.

Federal Change Impact:

None anticipated

Authority Required to Implement:

None anticipated

11. Statewide telecommunications: voice over internet protocol (VoIP) implementation and non-utilized phone line reduction

Description of Recommendation:

Transition the state's telecommunication system from Centrex phone systems to Voice over Internet Protocol (VoIP). VoIP allows both voice and data communications to be run over a single network which can significantly reduce maintenance expenses and monthly leasing costs. Compared to the costs associated with Centrex and PBX systems, which are subject to greater variability, the costs of a VoIP system are more consistent and easier to budget. The proposal includes initiation of Skype for Business to replace the conference lines in FY 2020 as the Division of Information Technology (DoIT) implements a staged rollout of collaboration tools across agencies.

In addition, this proposal would end service for non-essential telephone lines not currently used. Savings may be achieved because there are lines that are no longer actively used but are still being paid for each month. Furthermore, this proposal would also end service for some telephone lines assigned to employees that currently use state-issued mobile devices and have no need for a landline as well.

Savings Estimate	FY 2020	FY 2021
General Revenue:	$219,000	$313,000
All Funds:	$475,000	$652,000

Timetable:

VoIP

The FY 2020 savings estimate includes the cost of installing necessary infrastructure and will persist for three years at which point the vendor contract will be renegotiated at a lower monthly rate, leading to higher savings in subsequent years. The current long-term strategy set by the division is to roll out VoIP statewide in a phased approach. An RFP has been issued, and as of April 2, 2019, the Division of Purchases has requested a narrative from each vendor (costs have not been received). The right vendor would need to be selected to guide the State through the upfront steps needed prior to VoIP implementation (including an evaluation of current infrastructure). Input from DoIT should be obtained regarding the type of VoIP system best suited for the State. Additionally, current telecommunications staff may need to be trained for the new system.

It should be noted that the Department of Transportation (RIDOT) recently transitioned to VoIP. The implementation process began in April 2018, with physical installation beginning in November 2018 at their 360 Lincoln Ave location and was fully implemented by February 2019 at Two Capitol Hill and all maintenance facility locations. The number of VoIP lines implemented by RIDOT was based upon where lines were desired to be placed in the buildings, not based upon active employees.

Non-Utilized Phone Line Reduction

Achieving the reduction rates in non-utilized lines would require a concerted effort across agencies/departments to determine which lines are needed and which lines are no longer in use.

Background Information:

VoIP

The State of Rhode Island currently leases 13,968 Centrex lines and extensions through Verizon and 1,402 VoIP Centrex lines through Cox. On average, the costs to the State are:

- A current Centrex phone line costs on average $23.76 per line each month[1]
- A VoIP line costs on average $20 per line each month

In contrast, extensions are billed per call rather than per line, so the monthly price of an extension varies widely depending on local usage rates and the number of features included with prices typically hovering around $12 per month. As such, most savings will come from transitioning physical lines to VoIP lines, and it is assumed that the cost per extension will be roughly unchanged since local use is charged at a similar rate regardless of vendor. The FY 2020 savings estimate is less than FY 2021 since that estimate accounts for the implementation time needed for VoIP which will extend partway into FY 2020.

Non-Utilized Phone Line Reduction

A recent evaluation of non-essential telephone numbers for which centralized billing data were available revealed 1,394 lines which were not utilized in the prior month. However, each applicable department must confirm that each of these lines is not required for their operations prior to ceasing service. Furthermore, other phone lines that are billed directly to each agency/department may also be non-utilized, increasing the number of lines that could potentially be cut.

Conference Line Replacement with Virtual Meeting Platform

The state currently owns 100 conference lines, at an annual expense of $50,530. DoIT is in the process of evaluating Skype for Business production tools, including virtual meeting capabilities. However, there is an associated per user cost. Further time is required to determine if the cost of this virtual meeting platform will be lower than the current expenditures for the conference lines.

Fax Line Reduction

There are several business processes in the state which rely on faxing. To eliminate fax lines these processes would need to be addressed. Several business processes require fax lines are processes in which faxing is dedicated transmission that in some instances includes PII and PHI data that is going to secure and known sources. Further analysis of this impact would be necessary before recommending changes. Furthermore, the state does not currently have a digital document signature process in place, which would be a

[1] General revenue for Centrex phone line expenditures in the enacted FY19 budget was 44 percent of all funds.

prerequisite for several business processes. After a review of all processes and a digital signature process is in place, fax lines could be reduced.

Impacted Agencies:

All state agencies/departments will be impacted by changes in telecommunications technology and a reduction in non-utilized phone lines.

Revenue Impact Calculation Methodology:

VoIP

By comparing the average cost for a telephone line at RIDOT before and after their recent VoIP transition, the cost savings per phone line was calculated which was then scaled to the entire state government using the total number of telephone lines enterprise-wide. In addition, this estimate assumes reduced maintenance costs based upon calculations of the total prior maintenance costs each year at RIDOT; therefore, the estimate also assumes the total savings from estimated reduced maintenance costs enterprise-wide.

The estimate assumes VoIP installation costs are included in the price per VoIP line[2]. The vendor would assume the cost of installation and any other necessary upgrades such as bandwidth and increase monthly billing until it is recouped from the state. Installation costs are assumed to be included in the monthly billings for the first three years of the contract following the transition, at which point the monthly costs would be negotiated to a lower rate. This methodology follows the RIDOT conversion and assumes the building infrastructure can accommodate the necessary wiring.

Non-Utilized Phone Line Reduction

To inform the estimate for this savings recommendation, OMB has already begun the process of examining phone records for unutilized lines and terminating those for which the owner has been unable to justify a business need for a small sample of lines. In this initial sample, the owner was unable to identify a compelling business need for approximately 60 percent of unutilized phone lines and service was terminated. Therefore, this estimate assumes that 60 percent of the 1,394 unutilized lines would be eliminated through this review. Additionally, this estimate assumes an average baseline cost per line ($15 per month). The baseline cost utilized represents the average cost per line (analog and digital), which has few additional features. The overhead cost from the telecommunication's unit of DoIT was not factored in the savings as they would be redistributed to remaining active lines.

The estimate also includes savings from reducing the number of landlines for employees with state-issued mobile devices. The estimate assumes an average baseline cost per line ($23.76 per month), identical to the VoIP estimate, since these lines are actively being used and are likely to include additional features. The forecast also assumes that 50 percent of

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[2] DOT recently converted to VoIP, and their contract is for three years. The pricing remains constant throughout the entire period and considers implementation costs. After this period, the future cost of VoIP lines will have to be negotiated with the vendor.

the landlines currently active for the users of the 1,808 state-issued mobile devices would be eliminated. The remainder are assumed to be necessary for daily work functions.

Conference Line Replacement with Virtual Meeting Platform

The proposal assumes a $25,000 savings in FY 2020 and $50,000 following full implementation in FY 2021.

Fax Line Reduction

Not applicable

Authority Required to Implement:

Management decision

Appendix E: Real Estate Proposal Details

Commission on Government Efficiency: Real Estate Strategy & Space Utilization Plan

May 3, 2019

Executive Summary

In January 2019, the Director of Administration established a Real Estate Working Group in anticipation of the Governor's Executive Order on government efficiency comprising of DOA leadership and senior staff. Following the EO, the Division of Capital Asset Management and Maintenance (DCAMM) engaged real estate consultants Andre Porter and Cushman & Wakefield to support staff in conducting a wide-ranging assessment of the State's real estate portfolio.

Through analysis of portfolio metrics, industry benchmarking, agency interviews, and facility tours the Real Estate Working Group of the Efficiency Commission identified operational savings of **$1,507,068 (all funds) and $807,157 (general revenue),** and **$6-$10 million in potential revenue** from the sale of surplus property for FY 2020.

This process was driven by two main objectives:
- Make a strategic assessment of the State's real estate and lease holdings.
- Deliver recommendations that make more efficient and effective use of State real estate assets, and leases.

The Real Estate Working Group focused on four core areas:
- Moving operations out of aging, inefficient buildings.
- Relocating employees from leased space to owned space.
- Ensuring space optimization across the State's real estate portfolio.
- Selling surplus and other properties that no longer fit into the State's long-term strategic vision.

Executive Summary – Recommendations

PROPERTY SALES

- Reduce overall operating costs and deferred maintenance expenses by selling surplus, obsolete, and inefficient properties.

LEASE REDUCTIONS

- Reduce the number of leases by restacking existing, owned office space for more efficient use.

OPERATIONAL IMPROVEMENTS

- Adopt industry standards of office design to achieve improved efficiency in work space utilization.
- Reduce building space used to store files, records, and miscellaneous items.
- Streamline process and policies for disposal of surplus furnishings, equipment and fixtures.

Executive Summary – Recommendations

ORGANIZATIONAL IMPROVEMENTS

- Authorize DCAMM as the central clearinghouse for all real estate decisions and implementation.
- Establish a Facilities Management Review Committee to evaluate all space planning and utilization recommendations for Executive Branch agencies.

LONG-TERM PLANNING

Develop long-term real estate plans for:

- Zambarano campus
- Chapin Laboratory
- Medical Examiner's Office
- Board of Elections

SAVINGS IMPACT SUMMARY – FY20

RECOMMENDED ACTION	PROPERTY / LOCATION	GR Operating Savings	All Funds Operating Savings
SELL	Medical Office Building, Pawtucket	$0	$0
SELL	Price Correctional Facility, Cranston	$358,409	$490,971
SELL	Office/Industrial Building, Warwick	$0	$34,387
SELL	Youth Correctional Facility, Ace Building, Cranston	$0	$0
SELL	Vacant Group Homes (6)	*de minimis*	*de minimis*
LEASE NON-RENEWAL	DHS back office function from Elmwood (move into State-owned property – Powers building)	$296,337	$779,835
LEASE CONSOLI-DATION	Providence parking leases	$78,940	$128,404
RESTACKING / RELOCATION	Powers building – increase occupancy from 722 to 900 (restack RIDE + OPC into Powers)	$73,471	$73,471
RESTACKING / RELOCATION	Pastore: Barry Hall – increase occupancy from 105 to 163 Simpson Hall – increase occupancy from 105 to 162 *(to absorb DHS lease)*	N/A	N/A
RESTACKING / RELOCATION	Pastore: Benjamin Rush – increase occupancy from 100 to 150 *(DHS lease)* Louis Pasteur – increase occupancy from 75 to 83	N/A	N/A
RELOCATION	The Foundry – move Division of Planning from Powers building to the Foundry to increase space utilization efficiency at a leased property.	N/A	N/A
	FY2020 Totals	**$807,157**	**$1,507,068**

PROPERTY SALES – FY20 / FY21

Total estimated revenue from all potential sales:
FY20 ($6M - $10M)/FY21 ($10M-$15M)

#	LOCATION	PROPERTY	GR Operating Costs	All Funds Operating Costs	Deferred Maintenance (Year 1 estimate) *per FCA
1	160 Beechwood Ave., Pawtucket	Medical Office Building	$0	$0	$104,341
2	Goddard Rd., Cranston	Price Correctional Facility	$358,409	$490,971	$2,884,797
3	55 Colorado Ave., Warwick	Office/Industrial Building	$0	$34,387	$28,208
4	New London Ave., Cranston	Youth Correctional Facility, Ace Building	$0	$0	$96,489
5	Vacant Group Homes (6)	Residential	$10,000	$10,000	$318,908
	FY2020 Totals		**$368,409**	**$535,358**	**$3,432,743**
6	662 Hartford Ave., Providence	Commercial Building	$0	$0	$142,178
7	16 Mapledale St., Coventry	Storage Facility	$0	$0	$281,004
8	50 Branch Ave., Providence	Board of Elections	$85,271	$85,271	$313,594
9	50 Orms St., Providence	Chapin Lab	$425,562	$582,961	$903,017
10	259 Westminister St., Providence	Shepard Building	$1,399,443	$1,399,443	$1,669,431
	FY2021 Totals		**$1,910,276**	**$2,067,675**	**$3,309,224**

LEASE REDUCTIONS

Recommendations

The State has terminated 31 leases over the past 8 years, resulting in a reduction of **360,978 sq. ft.** and **$54M** in lease payment savings.

Recommendations:

Move DHS back-office into owned space in FY20

Annual Savings: General Revenue: **$296,337**

All Funds (includes GR): **$779,835**

Consolidate Providence parking leases

Annual Savings: **$513,618** All Funds / **$316,210** GR

Implementation in Q4 FY2020 savings: **$128,404** All Funds / **$78,940** GR

LEASE REDUCTIONS

Opportunities

State will continue to explore lease payment savings in FY20 and beyond:

	Lease End	Agency	Square Footage
1	August 31, 2020	DHS/Child Support Enforcement	25,812 sf
2	August 31, 2020	Secretary of State	8,000 sf
3	December 31, 2020	DOA/HealthsourceRI	6,378 sf
4	January 31, 2021	DCYF	13,153 sf
5	August 31, 2021	Commission For Human Rights	9,912 sf
6	November 30, 2021	DHS/ORS	27,680 sf
7	November 30, 2021	DHS/DDS	16,024 sf
8	November 30, 2021	Ethics Comm.	4,535 sf
9	March 31, 2022	Executive Office of Commerce	2,983 sf

OPERATIONAL IMPROVEMENTS

Proposed Restacking Plan

Pastore Campus				
Building	**Existing Capacity**	**Restacked Capacity***	**Agency 1**	**Agency 2**
Barry	105	163	74 (BHDDH)	89 (DHS-Elmwood)
Simpson	105	162	162 (BHDDH)	
Benjamin Rush (BR)	100	150	121 (DHS-Elmwood)	29 (DHS – from LP)
Louis Pasteur (LP)	75	83	54 (Mental Health Advocate and DEA)	29 (vacant)
Capitol Hill Campus				
Powers	722	900	722 (existing) - 27 (Planning) + 27 (HR from BR)	160 (RIDE) 16 (OPC)
Foundry *(leased space)*	(5,500sf)		27 (Division of Planning – from Powers) + *Additional library and map space requirements*	

Total estimated restacking + relocation costs: $2M

***Pending State Fire Marshal Review**

OPERATIONAL IMPROVEMENTS

Selected sub-committee recommendations

The Real Estate Working Group established 5 sub-committees to examine operational strategies that improve space efficiency along a 1,3, & 5 year timeline.

RECORDS RETENTION:

Y1: Implement a pilot program to reduce the storage of inactive files with the goal of reducing in-office storage space by an average of 20%.

Y3: Implement a financial chargeback for Agencies that exceed the allotted space for records storage.

Y5: Reduce on-site paper files' storage through strategic digitization initiatives and more effective use of off-site storage.

FURNISHING, FIXTURES, & EQUIPMENTS:

Y1: Authorize DCAMM to utilize web-based sites for the resale of surplus furnishings, fixtures and equipment.

Y3: Implement a financial chargeback for Agencies that exceed its allotted space for surplus fixtures, furnishings and equipment.

OPERATIONAL IMPROVEMENTS

Selected sub-committee recommendations

WORKSPACE INNOVATION:

Y1: Implement a pilot program using alternative concepts such as hoteling & hot-desking.

Create an online portal of meeting spaces in State facilities that can be reserved for agency needs.

LEASING & ACQUISITION:

Y3: Require each Executive Branch agency to complete a standardized long-term strategic plan that shall become the basis for any decisions on the State's future real estate needs.

Create an advisory board of independent real estate experts that do not bid on state leases or property.

GROUP HOMES:

Y1: Sell all vacant group homes and community facilities that are no longer functionally useful.

Y3: Sell, with use restrictions, functioning group homes to private providers.

Y5: Reduce the State's portfolio of group homes by 30% through the sale of properties and moving more clients to a community-based model of services.

ORGANIZATIONAL IMPROVEMENTS

- Authorize DCAMM as the **central clearinghouse** for all real estate decisions and implementation.

- Require all Executive Branch agencies to provide **5yr strategic plans** for program and staff needs.

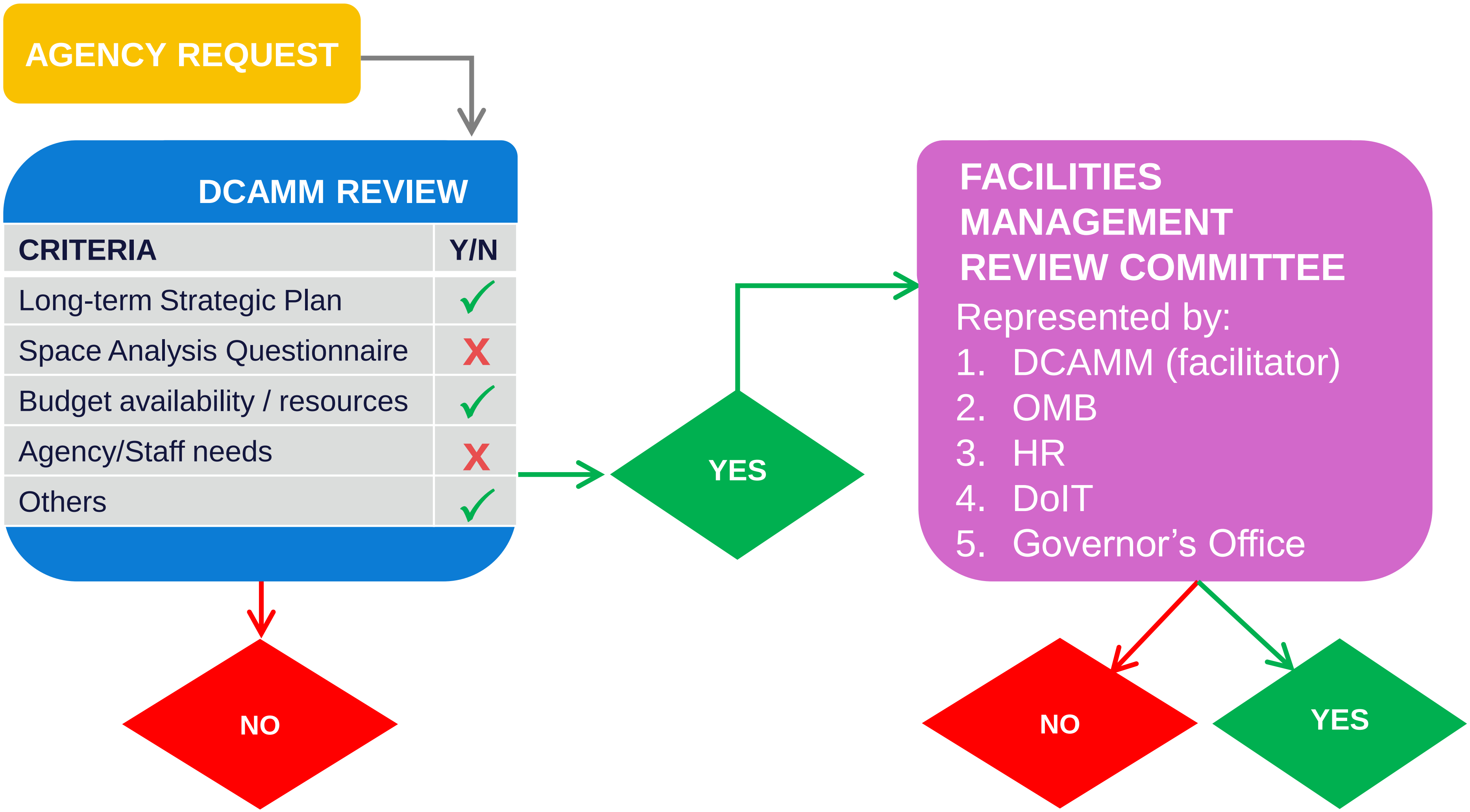
- Establish a **Facilities Management Review Committee** to oversee all space planning and utilization activities for Executive Branch agencies. The Committee could be supported by an advisory group of real estate professionals who do not bid on state leases or properties.

- Implement **standard procedures** for assessing and planning real estate needs by implementing recommendations made by Cushman & Wakefield and the Real Estate Strategy Working Group.

- Upgrade DCAMM's Computer Aided Facility Management (CAFM) Software to maximize its usage of **real time analytics** in future space management.

ORGANIZATIONAL IMPROVEMENTS

Governance



CRITERIA	Y/N
Long-term Strategic Plan	✓
Space Analysis Questionnaire	X
Budget availability / resources	✓
Agency/Staff needs	X
Others	✓

LONG-TERM PLANNING

Some key State programs require specialized facilities due to the nature of their operations. Typically these programs are expensive and challenging for government to build and/or own. In Rhode Island, this challenge is compounded by our aging and chronically failing building stock.

Long term real estate planning will facilitate the efficient and cost-effective delivery of these services. The State must explore creative financing tools to meet this goal.

The following exemplify this critical need:

- **Zambarano campus**
- **Chapin Laboratory**
- **Medical Examiner's Office**
- **Board of Elections**

LONG TERM PLANNING

Zambarano Campus

Efficiency Value

Reduce footprint of Zambarano campus to essential operational needs of Eleanor Slater Hospital (ESH)

Take a holistic look at how the campus and hospital fit into ESH's strategic plan.

Overview

Address: 2090 Wallum Lake Rd, Pascoag, RI 02859
Agencies/State Entities: BHDDH – Eleanor Slater Hospital

Zambarano Campus Background Information:

- **Size:** 460 acres with 32 buildings, totaling 307,000 sq. ft.
- **Age:** 80+ years old
- **Description:** Buildings have significant envelope and mechanical systems' challenges that need constant upgrades and repairs. The campus operates its own water and waste-water treatment plant and a power plant, which all need constant and major upgrades and repairs.

Hospital (Beazley Building) Considerations:

- 94 patients
- 147,000 sq. ft.
- **Average Annual Operating Costs:** $1.1 million
- **Deferred Maintenance Over Five Years:** $5,576,694
- **Description:** The hospital provides long-term acute and post-acute hospital level of care to patients with complex medical and psychiatric needs.

Authority Required to Implement: Management decision.

Implementation Considerations: Develop a long-term strategic plan to reduce the footprint of the Zambarano campus to the essential operational needs of the Eleanor Slater Hospital and eliminate operating costs for the surplus buildings and land.

Long-term Planning: Chapin Laboratory

Efficiency Value

Moves State Lab out of inefficient space

Overview

Address: 50 Orms St, Providence
Agencies/State Entities: DOH State Lab, Medical Examiner's Office

Background Information:

- **Size:** 62,639 sq. ft.
- **Age of Building:** 42 years old
- **Deferred Maintenance Over Five Years:** $3,817,368
- **Description:** The building is in fair condition but it has chronic envelope and mechanical system challenges. The Medical Examiner's office also needs room to expand.

Estimated Savings:

	Annual General Revenue Savings	Annual All Funds Savings (includes GR)
Operations	$425,562	$582,961
RICAP	N/A	$275,000

Authority Required to Implement: Management decision.

Implementation Considerations: Develop a long-term strategic plan to replace outdated Chapin Lab with a more cost-effective workspace. In addition, space for the relocation of the only State Medical Examiners' Office will also need to be identified as part of this plan.

APPENDIX

A. Lease Portfolio
B. Subcommittee Recommendations

APPENDIX A

LEASE PORTFOLIO

	Agency	Sq. Ft.	Start Date	Rent	Parking	Lease End
1	DCYF	1,565	8/1/2011	$30,792.00	In Rent / 7 spaces	March 31, 2019
2	DHS	10,380	4/1/2017	$103,800.00	In Rent / 35 spaces	March 31, 2019
3	Corrections	4,700	5/1/2014	$99,734.00	In Rent / 20 spaces	April 30, 2019
4	DHS/Veterans Affairs	1,428	5/1/2016	$28,203.00	In Rent / 8 spaces	April 30, 2019
5	DHS	75,000	1/1/1999	$2,006,250.00	In Rent / 300 spaces	June 30,2019
6	Revenue/DMV	15,874	7/1/2018	$48,415.70	In Rent / 40 spaces	June 30, 2019
7	DHS	24,400	1/1/2019	$426,250.00	In Rent / 193 spaces	June 30, 2019
8	DHS	2,061	9/1/2016	$53,389.00	In Rent / 35 spaces	August 31, 2019
9	Secretary Of State	8,000	2/1/2016	$160,960.00	In Rent / 10 spaces	August 31, 2019
10	Attorney General	10,795	12/1/2017	$221,297.37	In Rent / 2 spaces	November 30, 2019
11	Public Safety / RISP	1,487	12/1/2018	$23,280.00	In Rent / 4 spaces	November 30, 2019
12	Administration (FM & BCC)	6,839	2/1/2017	$135,070.25	In Rent / 55 spaces	January 31, 2020
13	Revenue/DMV	300	5/1/2014	$1.00	In Rent / 5 spaces	April 30, 2020
14	DHS/Child Support Enf.	25,812	9/1/2015	$374,274.00	$122,640 / 73 spaces	August 31, 2020
15	Revenue/DMV	925	12/1/2017	$11,289.84	In Rent / 15 spaces	November 30, 2020
16	DOA/HealthsourceRI	6,378	1/1/2018	$119,523.72	In Rent / 24 spaces	December 31, 2020
17	DCYF	13,153	2/1/2019	$305,340.84	In Rent / 34 spaces	January 31, 2021
18	Corrections	5,086	2/1/2017	$99,939.90	In Rent / 25 spaces	January 31, 2021
19	Revenue/DMV	450	5/1/2018	$1.00	In Rent / 10 spaces	April 30, 2021
20	Comm. - Human Rights	9,912	9/1/2016	$175,938.00	$18,000 /12 spaces	August 31, 2021
21	Revenue/DMV	4,200	11/1/2016	$82,026.00	In Rent / 43 spaces	October 31, 2021
22	DHS/ORS	27,680	11/1/2011	$434,576.00	$152,880 / 98 spaces	November 30, 2021
23	DHS/DDS	16,024	11/1/2011	$237,900.00	$78,000 / 50 spaces	November 30, 2021
24	Ethics Comm.	4,535	11/1/2011	$71,200.00	$18,720 / 12 spaces	November 30, 2021
25	Exec. Office of Commerce	2,983	4/1/2017	$71,234.04	In Rent / 12 spaces	March 31, 2022
26	DLT	25,000	7/1/2013	$525,250.00	In Rent / 115 spaces	June 30, 2023
27	Judiciary	39,043	7/1/2013	$234,539.28	In Rent / 16 spaces	June 30, 2023
28	Revenue/DMV	4,877	12/1/2018	$70,000.00	In Rent / 55 spaces	November 30,2024
29	DHS	4,400	12/1/2018	$80,872.00	In Rent / 30 spaces	November 30, 2024
30	DCYF	99,500	12/1/2015	$1,975,075.00	$269,40 /330 spaces	November 30, 2025
31	Secretary Of State	12,152	1/1/2016	$229,672.80	In Rent / 50 spaces	December 31,2025
32	Public Defender	19,777	4/1/2016	$365,874.50	$111,000 / 66 spaces	March 31, 2026
33	DEM	126,184	7/7/2016	2,447,969.60	In Rent / 435 spaces	July 6, 2026
	TOTAL	**610,900**		**$11,249,938.84**		

APPENDIX B

Subcommittee Recommendations

- Group Homes
- Leasing & Acquisition
- FF&E (furniture, fixtures, and equipment)
- Records Storage
- Workspace Innovation

APPENDIX B

The Group Home Sub-Committee analyzed the full costs of operating and maintaining State-owned facilities and made recommendations for achieving a more cost-effective service delivery system; disposing of vacant facilities; and implementing industry-based best practices.

Problem Statements:

- Rhode Islanders who live with mental illness, substance use disorder and/or a developmental disability have historically relied on the State to operate and maintain a system of coordinated care across the spectrum of behavioral health care services. The State currently owns 189 such facilities. Many of these facilities are more than 25 years old and do not meet current health and safety codes. Many years of deferred maintenance add increased costs to maintaining these facilities.
- Many facilities have outlived their useful life and have questionable market value. Can lessons can be learned from market trend analyses and available research on new and innovative direct care service delivery systems?

Recommendations:

Y1: Immediately sell all vacant group homes and community facilities that are functionally obsolete.

Designate net proceeds from the sale of vacant group homes to incentivize the development of new and more efficient housing that will better serve individuals receiving BHDDH services and fund deferred maintenance costs. *(Legislative change needed.)*

Y3: Sell, with use restrictions, functioning group homes to private providers.

Y5: Reduce the State's portfolio of group homes by **30%** through the sale of properties and moving more clients to a community-based model of services.

APPENDIX B

<u>The Records Retention Sub-Committee</u> focused on the development of a comprehensive policy for records retention and disposition across the Executive Branch of State government. The goal is to reduce the amount of space currently used for storage of files and records by no less than 20% by the end of FY2021.

<u>Problem Statements</u>:

- Across multiple State-owned properties, ad-hoc records storage and filing systems areas have been created without any oversight or standardization. This also contains files/records equipment that pose potential health and safety concerns.
- Many agencies across State government have their own individual policies for records retention and storage without a central documentation of the standard policies and practices.

<u>Recommendations:</u>

Y1: In compliance with RIGL 42-8.1 – 17 (5), each Executive Branch Agency shall designate an agency records officer for the management of public records. All Designees shall be required to attend the annual Records Management Workshop held by the Secretary of State's Office.

No less than 120 days prior to an office lease expiration, the agency's records officer shall measure the current cubic footage used for records; and identify inactive records to be stored at the State Records Center.

Implement a pilot program to reduce inactive files' storage with the Department of Human Services, Human Resources, and Behavioral Healthcare, Development Disabilities and Hospitals, with the goal of reducing in-office storage space by an average of 20%.

Y3: All Executive Branch agencies will have an updated Records Retention Schedule reviewed or developed. The Department of Administration, with DCAMM, the Secretary of State's office, the Auditor General and the Attorney General will develop a framework to ensure compliance.

Reduce on-site paper files' storage through strategic digitization initiatives and more effective use of off-site storage.

Implement a financial chargeback for any Agency that exceed its allotted space for records storage.

APPENDIX B

The Fixtures, Furnishing & Equipment (FF&E) Sub-Committee focused on the development of a comprehensive policy for the disposition of State-owned surplus furniture and equipment. The goal is to reduce the amount of unutilized surplus inventory by no less than 50% by the end of FY2021.

Problem Statements:

- Across multiple State-owned properties, ad-hoc storage areas have been created without any oversight or standardization. These also contain supplies and equipment that pose potential health and safety hazards.
- Many agencies across State government have their own individual policies for surplus FF&E however there does not appear to be a central inventory data base.

Recommendations:

Y1: Each Executive Branch agency should designate an Operations Manager to oversee its inventory of FF&E and work with DCAMM to facilitating the disposition of surplus property.

DOA should promulgate an Abandoned State Property Policy to facilitate the disposal of surplus FF&E with a provision that gives DCAMM automatic ownership of surplus property that remains unclaimed after a set period.

Authorize DCAMM to utilize web-based sites for the resale of surplus furnishings, fixtures and equipment.

Y3: The State should provide a centralized storage facility for surplus property accessible to major roads and compatible with standard moving equipment.

Implement a financial chargeback for any Agency that exceed its allotted space for surplus FF&E.

Designate DCAMM as the sole State agency for contracting with approved landfill sites for the disposition of surplus property deemed to be of no value.

APPENDIX B

The Leasing and Acquisition Sub-Committee focused on developing of State policies and analytical tools to identify cost-effective option(s) when a need for additional office/program space has been determined.

Problem Statements:

- Many agencies across State government have their own individual methods for acquiring needed office or service delivery space. In many cases, there does not appear to be documentation of any standardized cost-benefit analysis for determining how that space should be acquired.
- Given long term staffing trends and needs, can the State forecast its future space needs and determine a long-term strategy that will be the most cost-effective?

Recommendations:

Y1: The State shall complete and maintain a central database for current space utilization in its portfolio of owned and leased properties.

A Facilities Management Review Committee shall be established to put in place protocols for analyzing and validating space requests from all Executive Branch agencies. The Commission shall be staffed by DCAMM and will include designees from other Executive agencies.

DCAMM will implement industry best practices tools to complete a cost-benefit analysis of work space needs.

Y3: With guidance and support from DCAMM, each Executive Branch agency shall complete a standardized long-term strategic plan for both its program and staffing needs. These strategic plans shall become the basis for any decisions on the State's future real estate needs. Strategic plans will be evaluated every three (3) years.

APPENDIX B

<u>The Work Space Innovation Sub-Committee</u> focused on developing a framework for incorporating innovative and efficient space utilization in the strategic planning process for long term office space needs.

<u>Problem Statements</u>:

- There are various new trends in work space options, coupled with technology, that are currently extant in both the public and private sectors. What best practices should the State consider in its long-term plan for space utilization?
- Across State government there is often a need for more flexible office space utilization. Can there be a pilot program to test various options as we work with agencies to address their evolving operational needs?

<u>Recommendations:</u>

Y1: Reduce occupancy costs and space needs by implementing a pilot program that utilizes alternative approaches to the more traditional method of permanently assigned seating. Alternative office management concepts such as hoteling (which allows a more dynamic scheduling of workspaces such as desks, cubicles, and offices) and hot desking (which allocates desks to workers when they are required or on a rotating system, rather than giving each worker their own desk) are two examples of current industry trends.

The State should reduce its reliance on desktop computers and increase the use of mobile computer devices to facilitate more flexible and efficient workspace.

The State should reduce the number of landlines given the increased usage amongst staff of smart phones to complete work-related duties.

To reduce the costs of renting meeting/training spaces, DCAMM should create an online portal of meeting spaces in State facilities that can be reserved for agency needs.