

DEPARTMENT OF ADMINISTRATIVE SERVICES (DAS) FY2022 / 2023 BUDGET

House Finance Committee

Division 1

March 4, 2021

DAS FY22/23 Total Funds and GF Request*

	FY20	FY21	FY22 TOTAL REQUEST			FY23 TOTAL REQUEST		
	ACTUAL	ADJ AUTHORIZED	Governors Recommended	\$ Chg FY22 vs FY21	% Chg FY22 vs FY21	Governors Recommended	\$ Chg FY23 vs FY21	% Chg FY23 vs FY21
Total Funds	\$127.5 M	\$ 147.5 M	\$130.3 M	(\$17.2) M	-11.7%	\$137.7 M	(\$9.8) M	-6.6%
General Funds	\$54.5 M	\$ 63.1 M	\$53.8 M	(\$9.3) M	-14.7%	\$57.6 M	(\$5.5) M	-8.7%

**Only includes Agency 014 (DAS). Does not include the following administratively attached entities Commission on Aging, Child Advocate, Housing Appeals Board, Conservation Land Stewardship Program, Commission on Law Enforcement Accountability, Community and Transparency*

Prioritized Needs: we have bundled twenty (20) unfunded positions into service delivery categories

			General Funds	
	Priority Name	Short Description	FY22	FY23
Bundle 1	Additional Need	Administratively Attached Agencies- one additional staff for DAS' central Finance Office to support FIVE separate small, independent agencies that will be administratively attached DAS. The administrative efficiency of attachment is not without merit but neither is it without work.	\$ 87,397	\$ 93,864
Bundle 2	Personnel Management Responsiveness	Over the last two years, DAS has been working to modernize personal administration to enhance agency personnel management and ensure legal compliance while continuing to meet day-to-day personnel needs. The statewide personnel function is one of the more stressed areas of state government and a source of significant frustration for agencies. The unfunding of three full-time and one part-time position slows improvements in personnel administration, causing delays for agencies in achieving their personnel management goals.	\$ 261,072	\$ 281,950
Bundle 3	Financial Systems Upgrade	One position each in Comm. Office, Accounting Services, and FDM will support the cloud implementation that also involves the most significant changes to the state's financial system in a decade.	\$ 283,753	\$ 304,990
Bundle 4	Procurement and Support Services	Three full-time and one part-time position would have supported purchasing statewide and data control in a division that has seen 46% of its time re-purposed to the pandemic and continues to support pandemic purchasing, contract control, and statewide warehousing.	\$ 234,459	\$ 249,997
Bundle 5	Division of Public Works	Three project managers, accounting support, and two part-time construction clerks have been able to leave unfilled because of the capital budget freeze. Without a freeze more projects need to be managed with more construction oversight.	\$ 246,020	\$ 258,497
Bundle 6	Internal Audit	The department's internal audit function has been suspended since the last recession. An initiative to fill it four years ago was suspended because aggressive lapse targets required significant vacancies.	\$ 182,370	\$ 197,840
TOTAL GENERAL FUNDS			\$ 1,295,071	\$1,387,138

Commissioners Office (HB1 page 58-65)

- **What is budgeted in the Commissioner’s Office:**

- The State Budget Office builds the budget, manages the system, works with agency staff, reviews all fiscal committee items, and manages the Governor & Council process
- Cost Containment
- Administration of Rules and Procedures
- Central Finance Office -HR, Business Office, Payroll
- Deferred Compensation Program Administration

- **FY 22/23 does not include:**

- Bundle #1: Addition of staff to DAS central Finance Office to support 5 separate independent agencies that are administratively attached to DAS.
- Bundle #6: Internal Audit Bundle (2 positions)

GENERAL FUNDS	FY 21 ADJ AUTHORIZED	FY22 GOV RECOMMENDED	\$ Change FY22 vs FY21	FY23 GOV RECOMMENDED	\$ Change FY23 vs FY21
COMMISSIONERS OFFICE	3,846,744	\$3,507,403	\$ (339,341)	3,750,678	\$(96,066)

Division of Accounting Services (HB1 page 65-67)

- Accounting Services manages the state’s books including various accounting controls, produces the CAFR – the audited statement without which the state would cease to operate, processes payroll for more than 13,000 people every two weeks, and processes 192,000 audited payments each year.
- **FY 22/23 does not include:**
 - Bundle #3: Financial Systems Upgrade (3 positions)

GENERAL FUNDS	FY 21 ADJ AUTHORIZED	FY22 GOV RECOMMENDED	\$ Change FY22 vs FY21	FY23 GOV RECOMMENDED	\$ Change FY23 vs FY21
DIVISION OF ACCOUNTING	\$ 2,672,459	\$ 2,654,922	\$ (17,537)	\$ 2,802,179	\$129,720

Division of Personnel (DOP) (HB1 page 67-72)

- Statewide Personnel Office supports recruitment, hiring, and training for every agency; negotiates contracts with eleven employee unions; and runs the state’s Bureau of Education and Training. Over the last two years, DAS has been working to modernize personal administration to enhance agency personnel management and ensure legal compliance while continuing to meet day-to-day personnel needs.
- **FY22/23 includes:**
 - Bureau of Education and Training fully transitioned to an income-based model with no general fund appropriation.
- **FY 22/23 does not include:**
 - Bundle #2: Personnel Management Responsiveness (3 full-time positions and 1 part-time position)

GENERAL FUNDS	FY 21 ADJ AUTHORIZED	FY22 GOV RECOMMENDED	\$ Change FY22 vs FY21	FY23 GOV RECOMMENDED	\$ Change FY23 vs FY21
DOP	\$ 2,498,618	\$ 2,244,645	\$ (253,973)	\$ 2,353,271	\$(145,347)

Division of Plant & Property (HB1 page 72-105 and 106)

- Manages more than 4 million square feet of office space including the inside, outside, and underneath of 90 state-owned and more than 30 leased buildings. Also runs the statewide energy management office and state mail operation.
- Plant and Property budget is approx. 83% funded with transfers from other agencies

(in millions)	FY20 Actual	FY21 ADJ AUTH	FY22	FY23
General Funds	5	6.2	6.7	6.7
Other Funds	29.4	32.3	31.7	32.2
Total Funds	\$ 34.4 M	\$ 38.5 M	\$ 38.4 M	\$ 38.9M

Division of Plant & Property (HB1 page 72-105)

CONTINUED

- **FY22/23 includes:**

- Primarily flat funding from fiscal year 2021 for building operations
- Unexpended steam appropriations (steam savings)- we continue to transfer funds from the State Heating Steam Account to pay principal and interest on bonds issued to fund the Concord Steam capital project.
 - Approximately \$2.8M currently in savings account (from FY19 and FY20)
- Reduction to sheriff custody reimbursements – HB 2 defines method to prorate appropriated sheriff custody reimbursements. (HB1 – Page 76)
 - Reduction will be based on population of county vs. population of the state

GENERAL FUNDS	FY 21 ADJ AUTHORIZED	FY22 GOV RECOMMENDED	\$ Change FY22 vs FY21	FY23 GOV RECOMMENDED	\$ Change FY23 vs FY21
Plant & Property	\$ 6,203,717	\$ 6,736,008	\$ 532,291	\$ 6,712,619	\$508,902

Division of Procurement and Support Services (DPSS) (HB1 pages 106-119)

- Statewide procurement allows anyone to bid on state business and uses competitive bidding and post-bid negotiation to save millions each year. DPSS administers more than 850 contracts covering more than \$500 million in annual spend.
- Also, administers statewide Graphic Services, Procurement Cards, State Property Surplus, Federal Food Surplus Distribution, Fleet Management, State Merchant Cards, and Real Property and Asset Management
- **FY22/23 includes:**
 - P-Card revolving fund
 - Was previously an off-budget fund
 - Policy change to merge P-card and traditional purchasing into one operation. Small general fund savings from recognition that purchasing structures should not be separated simply by the means of payment.
 - Graphic Services established as a revolving fund (HB1 – page 110 to 112)

- **FY22/23 does not include:**

Bundle #4: Procurement and Support Services (3 full-time and 1 part-time position)

GF	FY 21 ADJ AUTHORIZED	FY22 GOV RECOMMENDED	\$ Change FY22 vs FY21	FY23 GOV RECOMMENDED	\$ Change FY23 vs FY21
DPSS	\$ 2,112,699	\$ 1,908,002	\$ (204,697)	\$ 2,011,545	\$ (101,154)

Division of Public Works (HB1 page 120)

- Manages design and construction of \$160 million of Public Works projects. Has 120 active projects in some stage of development
- Public Works is partially income-supported from design and construction management billing related to capital funds and non-general funds
 - Currently 63% GF / 37 % Agency Income
- **FY22/23 includes:**
 - Construction oversight (Clerk of the Works) positions largely income-supported
- **FY22/23 does not include:**
 - Bundle #5: Division of Public Works (4 full-time positions and 2 part-time positions)

GENERAL FUNDS	FY 21 ADJ AUTHORIZED	FY22 GOV RECOMMENDED	\$ Change FY22 vs FY21	FY23 GOV RECOMMENDED	\$ Change FY23 vs FY21
Public Works	\$2,038,461	\$ 1,875,454	\$ (163,007)	\$ 1,934,786	\$ (103,675)

Financial Data Management (FDM) (HB1 page 121-122)

- FDM manages more than financial data. It manages NHFIRST, the enterprise system that is the structural backbone of government, including HR, payroll, accounts payable and receivable, and financial reporting
- **FY22/23 includes:**
 - DAS' total funding of DOIT needs (Class 27) increased by \$221k
 - Increased overtime for FDM staff to support upgrading to the Cloud
 - \$5M Capital Project request for Cloud/Financial Upgrade
 - \$200k in FY22 to upgrade DAS desktop PCs to laptops with docking stations (Class 37)
 - Lessons learned from the pandemic
 - DOIT recommends every 4 years
 - Increase in class 38 – due to annual Infor maintenance increase (scheduling, strategic sourcing)
- **FY22/23 does not include:**
 - Bundle #3: presented as part of Accounting Services budget

GENERAL FUNDS	FY 21 ADJ AUTHORIZED	FY22 GOV RECOMMENDED	\$ Change FY22 vs FY21	FY23 GOV RECOMMENDED	\$ Change FY23 vs FY21
FDM	\$6,520,309	\$ 7,038,848	\$518,539	\$ 6,940,999	\$ 420,690

Division of Risk and Benefits (HB1 page 123 – 126)

- Administers a \$600 million/biennium health plan covering more than 37,000 retirees, workers, and family members.
- Secures property and casualty insurance for state agencies
- Administers the workers compensation program for state employees
- **FY22/23 request includes:**
 - Increase in Class 211 total funds (decrease in GF). Transfers from other agencies to Risk enable Risk to efficiently and timely pay carriers providing insurance coverage to the State and to collect agency income to fund the cost of insurance policies.
 - Cybersecurity Insurance (GF)
 - FY22 = \$306,722
 - FY23 = \$398,739

GENERAL FUNDS	FY 21 ADJ AUTHORIZED	FY22 GOV RECOMMENDED	\$ Change FY22 vs FY21	FY23 GOV RECOMMENDED	\$ Change FY23 vs FY21
Risk & Benefits	\$ 913,794	\$ 772,721	\$ (141,073)	\$ 888,184	\$ (25,610)

Retiree Health Savings (HB1 page 124)

	FY 20		FY21 Adj. Auth	FY22 Governors Recommended			FY23 Governors Recommended		
	Budgeted	Actual							
GF	33.7	30.7	36.3	27	-9.3	-26%	30.2	-6.1	-17%
Other Funds	41	37.2	43.4	35.1	-8.3	-19%	37.7	-5.7	-13%
Total Funds	\$74.7 M	\$68.0 M	\$79.70	\$62.10 M	-\$17.6 M	-22%	\$67.90 M	-\$11.8 M	-15%

- FY21 is estimated to lapse \$7M in GF, totaling approx. \$10M GF lapse for the biennium ending June 30, 2021. Lapse is based on savings achieved by moving to a Medicare Advantage plan and leveraging federal funds.
- Successful Medicare Advantage procurement in 2019 yielded **one-time** retiree health benefits plan savings in FY22/23

Questions?

Appendix

Technical Correction Summary

DAS requests a technical correction within the Division of Plant & Property. In FY21/22 DAS budgeted a class called Transfers to General Services (class 28) to allocate salary & benefit expenses within the Division to three Buildings the Division of Plant & Property, Bureau of General Services, maintains: State Library, Archives & Records Building, and the Department of Revenue Building. During the FY22/23 Governor's Phase DAS replaced class 28, with class 29 - intra agency transfers, to more accurately classify the Division expenses.

DAS requests a change to the funding from General Funds to Transfers From Other Agencies in accounting units 2145, 2146, and 2148 class 29. This change will reduce the General Funds in FY22 and FY23 by \$608,092 and \$631,894 and increase Transfers from Other Agencies by the same amount.

Summary of Change						
Revenue Source	FY2022			FY2023		
	Sum of FY22 Gov Rec	Technical Correction	REVISED FY22 Gov Rec.	Sum of FY23 Gov Rec	Technical Correction	REVISED FY23 Gov Rec.
000-Federal Funds	\$ 842,824		\$842,824	\$849,308		\$ 849,308
001-Transfer from Other Agencies	\$45,649,307	\$608,092	\$ 46,257,399	\$48,128,036	\$631,894	\$48,759,930
003-Revolving Funds	\$2,164,275		\$ 2,164,275	\$ 2,214,744		\$ 2,214,744
004-Intra-Agency Transfers	\$799,650		\$799,650	\$807,968		\$807,968
007-Agency Income	\$ 299,613		\$299,613	\$310,227		\$ 310,227
008-Agency Income	\$10,580,106		\$10,580,106	\$10,516,712		\$10,516,712
009-Agency Income	\$16,193,282		\$16,193,282	\$ 17,306,544		\$ 17,306,544
00S-State Share	\$53,775,803	\$ (608,092)	\$53,167,711	\$ 57,584,161	\$ (631,894)	\$ 56,952,267
Grand Total	\$ 130,304,860	\$ -	\$ 130,304,860	\$137,717,700	\$ -	\$137,717,700

Technical Correction Detail

									Technical Correction		
Activity	Acct Unit	Expense Class	Approp or Funding	Rev Class	Source of Funds	Class	FY22 Gov Rec	FY23 Gov Rec	Comments	Rev Class	Source of Funds
PPM141510-DIVISION OF PLANT & PROPERTY	21450000-STATE LIBRARY	029-Intra-Agency Transfers	APPROPRIATION			029-Intra-Agency Transfers	153,770	159,789			
PPM141510-DIVISION OF PLANT & PROPERTY	21450000-STATE LIBRARY	029-Intra-Agency Transfers	FUNDING	00S-State Share	000010-General Fund	00S-General Fund	-153,770	-159,789	Expense Class 029 should be funded 100% with Transfers from Other Agency Revenue from Natural & Cultural Resources	001-Transfer from Other Agencies	482835-Class 028 Interagency 035 rev
PPM141510-DIVISION OF PLANT & PROPERTY	21460000-ARCHIVES & RECORD MGMT BLDG	029-Intra-Agency Transfers	APPROPRIATION			029-Intra-Agency Transfers	139,791	145,263			
PPM141510-DIVISION OF PLANT & PROPERTY	21460000-ARCHIVES & RECORD MGMT BLDG	029-Intra-Agency Transfers	FUNDING	00S-State Share	000010-General Fund	00S-General Fund	-139,791	-145,263	Expense Class 029 should be funded 100% with Transfers from Other Agency Revenue from Records & Archives	001-Transfer from Other Agencies	482832-Class 028 Interagency 032 rev
PPM141510-DIVISION OF PLANT & PROPERTY	21480000-M&S BUILDING - DEPT OF REVENUE	029-Intra-Agency Transfers	APPROPRIATION			029-Intra-Agency Transfers	314,531	326,842			
PPM141510-DIVISION OF PLANT & PROPERTY	21480000-M&S BUILDING - DEPT OF REVENUE	029-Intra-Agency Transfers	FUNDING	00S-State Share	000010-General Fund	00S-General Fund	-314,531	-326,842	Expense Class 029 should be funded 100% with Transfers from Other Agency Revenue from Department of Revenue	001-Transfer from Other Agencies	482884-Class 028 Interagency 084 rev

Bundle	Bundle Title	Division/Activity	Pos#	Job Code	General Fund	402065-Plans/Maps-Gen Pub Works	TOTAL FY22	General Fund	402065-Plans/Maps-Gen Pub Works	TOTAL FY23
1	Additional Need	COM140010-COMMISSIONERS OFFICE	TBD	BUSINESS ADMINISTRATOR III	\$ 87,397		\$87,397	\$ 93,864		\$ 93,864
2	Personnel Management Responsiveness	PER141010-DIVISION OF PERSONNEL	10100	712500-PROGRAM SPECIALIST III	\$ 76,652		\$ 76,652	\$ 82,247		\$82,247
		PER141010-DIVISION OF PERSONNEL	18013	813100-SENIOR HUMAN RESOURCES TECH	\$ 68,027		\$ 68,027	\$ 72,833		\$ 72,833
		PER141010-DIVISION OF PERSONNEL	44529	513900-HUMAN RESOURCES SPECIALIST	\$ 87,397		\$ 87,397	\$ 93,864		\$ 93,864
		PER141010-DIVISION OF PERSONNEL	PT Position	HUMAN RESOURCES TECHNICIAN	\$ 28,995		\$ 28,995	\$ 33,007		\$ 33,007
3	Financial Systems Upgrade	ACC140510-DIVISION OF ACCOUNTING SVCS	44250	126800-BUSINESS SYSTEMS ANALYST I	\$ 90,328		\$90,328	\$ 97,044		\$97,044
		COM140010-COMMISSIONERS OFFICE	44350	126900-BUSINESS SYSTEMS ANALYST II	\$ 96,713		\$96,713	\$103,973		\$ 103,973
		FDM142010-FINANCIAL DATA MANAGEMENT	44531	442400-FINANCIAL DATA SPECIALIST II	\$ 96,713		\$ 96,713	\$ 103,973		\$ 103,973
4	Procurement and Support Services	PSS141710-DIV PROCUREMENT & SUPPORT SVCS	10084	007300-ADMINISTRATIVE SUPERVISOR	\$ 64,382		\$ 64,382	\$ 68,887		\$ 68,887
		PSS141710-DIV PROCUREMENT & SUPPORT SVCS	10159	728200-PURCHASING ASSISTANT	\$ 56,448		\$ 56,448	\$ 60,213		\$ 60,213
		PSS141710-DIV PROCUREMENT & SUPPORT SVCS	10160	856300-SUPERVISOR IV	\$81,774		\$81,774	\$ 87,819		\$ 87,819
		PSS141710-DIV PROCUREMENT & SUPPORT SVCS	PT Position	PURCHASING ASSISTANT	\$ 31,854		\$ 31,854	\$ 33,079		\$ 33,079
5	Division of Public Works	DPW141910-DIV PUBLIC WORKS	18260	725100-PUBLIC WORKS PROJECT MGR II	\$ 49,758	\$ 29,348	\$ 79,106	\$ 53,466	\$31,536	\$ 85,002
		DPW141910-DIV PUBLIC WORKS	20045	725000-PUBLIC WORKS PROJECT MGR I	\$ 45,412	\$ 26,785	\$ 72,197	\$ 48,607	\$ 28,670	\$ 77,277
		DPW141910-DIV PUBLIC WORKS	20143	006500-ACCOUNTING TECHNICIAN	\$ 35,506	\$ 20,942	\$ 56,448	\$37,874	\$ 22,339	\$ 60,213
		DPW141910-DIV PUBLIC WORKS	20406	725300-PUBLIC WORKS PROJECT MGR IV	\$ 60,832	\$35,880	\$96,713	\$ 65,399	\$ 38,574	\$ 103,973
		DPW141910-DIV PUBLIC WORKS	PT Position	CLERK OF THE WORKS II	\$ 27,256	\$ 16,313	\$ 43,569	\$ 26,576	\$ 15,928	\$ 42,503
		DPW141910-DIV PUBLIC WORKS	PT Position	CLERK OF THE WORKS II	\$ 27,256	\$ 16,313	\$ 43,569	\$ 26,576	\$ 15,928	\$ 42,503
6	Internal Audit	COM140010-COMMISSIONERS OFFICE	10089	008200-ADMINISTRATIVE ASSISTANT II	\$ 68,027		\$ 68,027	\$ 72,833		\$ 72,833
		COM140010-COMMISSIONERS OFFICE	9U628	9U7170-INTERNAL AUDITOR	\$ 114,343		\$114,343	\$ 125,008		\$ 125,008
		Grand Total		Total	\$ 1,295,071	\$ 145,581	\$ 1,440,652	\$ 1,387,138	\$ 152,973	\$ 1,540,111