



Commissioner Kirsten LC Figueroa

# **2019 Government Evaluation Act Report**

Submitted to:

The Joint Standing Committee on State and Local Government  
Chairs, Sen. Ned Claxton & Rep. Roland "Danny" Martin



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## **DEPARTMENT EXECUTIVE SUMMARY**

The modern-day Department of Administrative and Financial Services (DAFS) was established when *P.L. 1991, ch. 780* merged the Department of Administration and the Department of Finance, which five years earlier had been organized as autonomous departments. Since then, the prudence of consolidating administrative and financial services, including human resources, revenue collection, and technology services, under one department has become widely accepted across state government.

DAFS is a large and wide-reaching department: we consist of 9 divisions; are comprised of more than 1,300 positions; and our work intersects with every department and agency of state government.

The following seven divisions fall under the jurisdiction of the Joint Standing Committee on State and Local Government and their operations are detailed in this report:

- State Economist, *part of the Office of the Commissioner*
- Bureau of the Budget
- Office of the State Controller
- Division of Financial and Personnel Services (Financial and Human Resource Service Centers)
- Bureau of Human Resources, *excluding the Office of Employee Health and Benefits, the Office of Workers' Compensation*
- Bureau of General Services
- Office of Information Technology

The remaining three divisions, as well as the Offices of Employee Health and Benefits and Workers' Compensation within the Bureau of Human Resources, fall under the jurisdictions of other joint standing committees and are therefore not included in this report.

- Maine Revenue Service (TAX)
- Bureau of Alcoholic Beverages and Lottery Operations (VLA)
- Office of Marijuana Policy (VLA – Adult Use, HHS - Medical)
- Office of Employee Health and Benefits (HCIFS)
- Office of Workers' Compensation (LBHS)

### **The Lynchpin of State Government**

DAFS is a professional services organization focused on the development, delivery, and maintenance of centralized government systems that sustainably support the financial, technological, human resource, environmental and infrastructure health of state government for the benefit of the public and our fellow state agencies and employees.

The Department's mission is to serve the public and deliver quality essential services to state government by providing leadership and accountability and performing with the highest level of collaboration and confidence. In alignment with Governor Mills, in our daily interactions people will find an open door, an open mind, and an open heart.

DAFS serves as the principal fiscal advisor to the Governor; provides statewide economic forecasting, revenue projections, and demographic analyses; prepares the Governor's budgets, informs the Legislature's appropriation deliberations, and implements the enacted budget. For all Executive Branch departments and agencies, we provide financial management and accounting services, including payroll, processing transactions, grant management and reporting, financial reporting and analysis, review of internal controls and internal audit services, establishing uniform processes and adherence to best practices across state government, thereby eliminating the need for each department and agency to maintain their own internal accounting expertise.

We are responsible for: oversight of all aspects of the civil service system; workforce recruitment, development, and retention; adherence to personnel policies and administration of the classification and compensation system; negotiation of collective bargaining agreements and employee relations policy; and employee health and wellness.

We maintain all State-owned buildings and grounds; manage new construction, renovations and repairs, and procurement of leased space; provide centralized purchasing of services, supplies, materials, and equipment for departments and agencies; oversee the State's fleet of passenger and light truck vehicles; attend to the disposition of surplus property; and ensure mail delivery to all of state government.

We furnish over 12,000 State employees with the computers, software, email and IT support services that enable them to do their jobs; protect the State's networks, services, application systems, and end-user computers from cybersecurity threats; develop custom applications to meet agencies unique needs; and provide local and cloud hosted data storage and management that protects the confidential information citizens have entrusted to their government.

DAFS employees are respected as conscientious stewards of the State's assets—financial, technological, human, natural and physical—and valued for the professional expertise and cooperative support they bring in assisting State departments and agencies to efficiently, effectively, and economically fulfill their important missions.

DAFS sees to the many components of state government that go unnoticed most days, but without which the State's business would grind to a halt.

### **Foundation Built on Values**

DAFS' leadership recognizes our responsibility, as a Department that touches all others and provides essential central services upon which they all rely, to set the tone throughout state government. Internally we are focused on building trust between staff, managers, and leadership, and demonstrating to those we serve that DAFS is more than a department of rules, procedures, and budgets, but also a resource of knowledgeable, helpful, and innovative professionals. We are dedicated to elevating state government through our example and positive attitude.

DAFS values excellence, teamwork, and innovation; open and continuous communication; integrity, dependability, flexibility and humor; a helpful, courteous, and positive attitude; personal and professional growth; pride in our work; respect for our fellow State employees and the citizens we serve; diversity, empowerment and open-mindedness; and creative solutions originating from every level of the organization.

DAFS recognizes and honors the strong character attributes, abilities and achievements of State employees.

### **Leading by Example**

DAFS is uniquely poised, given our core functions, to play a principal role fulfilling Governor Mills' charge to state government to lead by example in investing in energy efficiency, renewable energy and emissions reductions; promoting health and sustainability in the workplace; and building infrastructure with greater resilience to new climate conditions.

DAFS will have primary operational responsibility for:

- Prioritizing energy and fuel efficiency when upgrading building systems (e.g. lighting, HVAC, water, IT), appliances, and vehicle fleets;
- Installing renewable energy generation and energy storage on state property or procuring energy from low-carbon sources;
- Promoting electric vehicle adoption by state agencies and installing electric vehicle charging stations on state property; and
- Reducing employees' vehicle mileage and carbon emissions by encouraging video conferencing; commuting by carpool, public transit, bike and foot; and studying where state government can feasibly offer telework options.

DAFS will work together with state agencies to help them reduce their impact on the environment and enhance public health by procuring environmentally preferable products and services whenever such products and services are readily available, perform to satisfactory standards, and represent the best value to the State.

DAFS will update the Master Plan for state facilities to address the transition to renewable energy, reduce energy consumption, and reduce carbon emissions. The new Master Plan will promote sustainability in all aspects of facility construction, maintenance and use by state agencies as part of the state's responsibility to steward the natural environment and provide a healthy environment for state employees and the public. We will account for climate change projections including, but not limited to sea level rise and increased precipitation and temperature, when siting and designing new state facilities. We will also make every effort to procure leased space that aligns with these objectives.

We are excited about the leadership DAFS will provide to ensure that state government does its part to preserve Maine for future generations.

### **Acknowledging the Challenges We Face**

In this report, each Division thoughtfully reflects on their responsibilities to the citizens of Maine and their fellow State employees, shares the accomplishments they are most proud of, and rededicates to continued improvement, innovation, and future results.

We are forthcoming about the challenges—some new, some longstanding—that compromise our ability to accomplish our objectives, and which require many employees to perform more work than should reasonably be expected of one person, and how over time these conditions have

eroded our infrastructure and our morale. We are optimistic that our honesty will be appreciated and that readers of this report will partner with us to assuage these challenges.

To underscore the systemic challenges currently facing state government as an institution we're borrowing the concept of technical debt from the software development industry. Technical debt reflects the implied cost of ignoring deficiencies or electing short-term fixes, rather than addressing problems at their root and investing in long-term solutions. Technical debt inevitably translates into a very real financial liability on which interest accrues.

Across the state's information technology infrastructure, we've incurred technical debt in the purest sense.

- In the Spring of 2020 we will deploy WorkDay, the State of Maine's new Human Resource Management System (HRMS), but in the meantime the state's largest employer has been operating on a 1980's mainframe based HRMS.
- Overall, the lack of technology upgrades, security enhancements, software solutions, as well as the dissolution of coordinated project management has resulted in systems that are outdated, out of alignment with supporting systems, no longer supported by the vendor who created them, and on platforms no longer taught in technology courses. This leads to reactive rather than proactive fixes that are inevitably more costly and less thoughtful resulting in vulnerability of getting the work of the state done as well as the data we use, store and access for our 1.3 million citizens.
- The Office of Information Technology just successfully detected and fought off a sustained cyberattack in October, but in many ways, we were lucky to escape relatively unharmed. Recent news reports about cyberattacks targeting state and local governments reveal we're not unique in our failure to keep up with technology, but that we need to become significantly more vigilant.

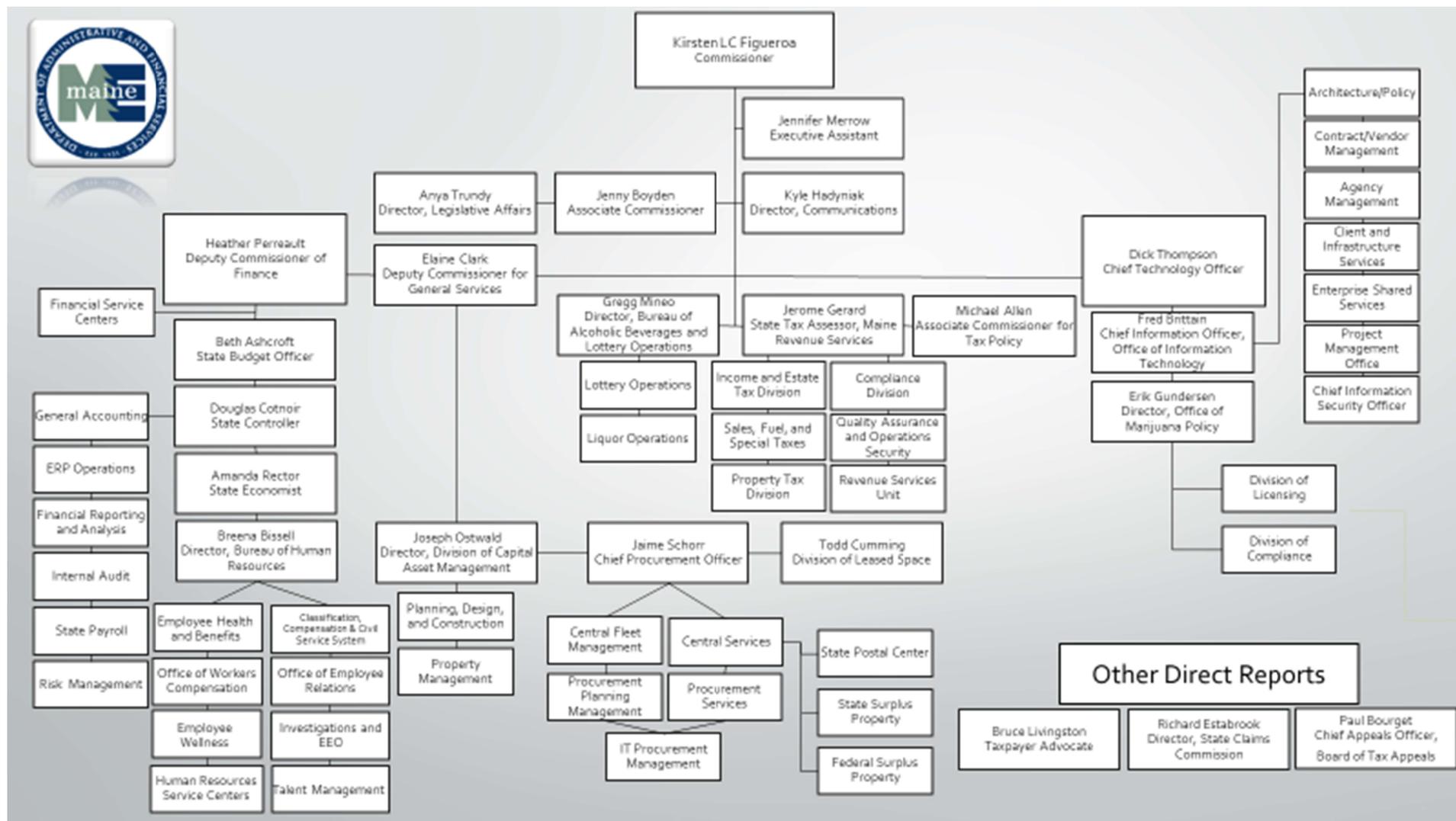
We are also generating technical debt regarding our human resources and fixed assets.

- Vacant positions have been left unfilled to achieve cost savings, but as a result have also impaired state government's ability to operate as efficiently and effectively as possible as well as demoralized workers who struggle to complete the workload. Compounding matters, the compensation and classification system hasn't been reformed in 40 years; state government wages are not competitive with the private sector, in some areas up to 45% below market. This has made it exceedingly difficult to recruit and retain workers.
- OIT is unable to hire directly into state positions and has become dependent upon more costly, less predictable contractors in order to meet objectives.
- Routine maintenance and capital improvements to the state's owned properties (including office buildings, armories, state parks, and dams) have been repeatedly delayed or put-off indefinitely. Allowed to deteriorate, the value of these significant state assets declines, and the cost of repairs compounds. In some instances, continued neglect can pose risks to our employees' and the public's health and safety.

As the Department responsible for oversight and operation of the civil service system and state government infrastructure, we see it as our duty to study these issues and generate creative solutions for improvement. We are currently contracting to inventory our state office buildings

(owned and leased) for “catch-up, keep-up, build-up” maintenance, repairs, renovations, and new building requirements. Similarly, we are completing a statewide inventory of computer systems and applications. We are evaluating our wellness initiative opportunities knowing that as the state’s second largest workforce the health of our state employees and their families creates a ripple that is felt in all areas of our state. Likewise, we are evaluating training opportunities and systems to ensure state employees have the most current knowledge and skills to provide the best information and service to the public.

It is imperative—across all branches of government—to ensure stewardship of state government resources—fiscal, human, physical, and technical. DAFS intends to lead the way, collaboratively across state government, to evaluate, design and implement approaches for sustainable, efficient, effective and responsible long-term solutions.



## OFFICE OF THE COMMISSIONER

### Financial Summary 2010-2019

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Office of the Commissioner										
0718 - OFFICE OF THE COMMISSIONER - ADMINISTRATIVE & FINANCIAL SERVICES										
General Fund	\$ 397,313	\$ 396,895	\$ 425,776	\$ 414,235	\$ 686,925	\$ 695,100	\$ 819,714	\$ 803,596	\$ 1,132,462	\$ 1,158,901
Other Special Revenue	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Federal Expend. Fund - ARRA	125,000	125,000	-	-	-	-	-	-	-	-
<b>Total Appropriations/Allocation:</b>	<b>\$ 527,313</b>	<b>\$ 526,895</b>	<b>\$ 430,776</b>	<b>\$ 419,235</b>	<b>\$ 691,925</b>	<b>\$ 700,100</b>	<b>\$ 824,714</b>	<b>\$ 808,596</b>	<b>\$ 1,137,462</b>	<b>\$ 1,163,901</b>
Positions	4,000	4,000	4,000	4,000	6,000	6,000	6,000	6,000	8,000	8,000
Personnel Services	\$ 518,128	\$ 472,988	\$ 384,269	\$ 376,303	\$ 593,237	\$ 530,713	\$ 573,925	\$ 690,342	\$ 887,584	\$ 1,153,812
All Other	397,819	87,731	19,367	33,748	43,851	44,087	44,086	34,893	115,960	171,945
Capital	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 915,948</b>	<b>\$ 560,719</b>	<b>\$ 403,636</b>	<b>\$ 410,051</b>	<b>\$ 637,089</b>	<b>\$ 574,800</b>	<b>\$ 618,011</b>	<b>\$ 725,235</b>	<b>\$ 1,003,544</b>	<b>\$ 1,325,758</b>

Figures are legislatively authorized appropriations/allocations and actual expenditures. Expenditures may exceed legislative authorizations due to prior year encumbrances or financial order adjustments.

# STATE ECONOMIST

## ➤ **Statutory Authority & Overview**

The State Economist's responsibilities for economic projections and analyses are described in 5 *M.R.S. § 282, sub-§§ 10-11*. At the time of DAFS' last GEA Report, the State Economist still resided within the State Planning Office. *P.L. 2011, ch. 655* dissolved the State Planning Office and established the Governor's Office of Management and Policy where the State Economist was in the interim.

## ➤ **Major Functions & Responsibilities**

The State Economist has primary responsibility for tracking and analyzing economic and demographic trends essential to the development of informed policy. We maintain various modeling and analytical tools that enable us to provide economic impact analysis, demographic projections, long and short-term economic forecasting, and statistical analyses. Additionally, we serve as the State's liaison to the U.S. Census Bureau, including designation as the State Data Center lead agency for Maine.

By statute, the State Economist is a member of the Revenue Forecasting Committee and our office provides staff support for both that committee and the Consensus Economic Forecasting Commission.

## ➤ **Organizational Structure**

The Office of the State Economist is comprised of the State Economist and an Economic Analyst. Both positions are funded by the General Fund.

## ➤ **Established Priorities**

The main priority of the Office of the State Economist is to provide timely, objective economic and demographic data and analyses to policymakers and the public. Understanding economic and demographic conditions and having access to reliable, current data and analyses related to these conditions is critical for making all variety of decisions daily across the state.

- ▶ **Accessibility of Economic Data** – We maintain [Econ.Maine.gov](http://Econ.Maine.gov) to make it easy for anyone to access commonly requested economic and demographic data for themselves. Data is available about population, demographics, income, employment, housing, and retail sales by geography and time period. This information has been curated from public sources including the U.S. Census Bureau, U.S. Bureau of Economic Analysis, Maine Revenue Services, Maine Department of Labor, Maine Housing, and the Maine Office of Data, Research and Vital Statistics. Our staff provides users with technical assistance using this tool. When the data sought can't be obtained using [Econ.Maine.gov](http://Econ.Maine.gov), we are available to fulfill unique requests. Additionally, our office publishes the Maine Economic Indicators report that provides interested parties with a synopsis of current trends indicative of Maine's economic condition in comparison to New England and the United States.

- ▶ **Public Engagement** – The State Economist is frequently invited to speak to groups throughout the state, including local Chambers of Commerce, advocacy and professional organizations, and higher-education institutions. These presentations provide an opportunity for us to disseminate current economic and demographic trends to engaged and influential audiences whose thinking and work it can inform. Media requests are also common, particularly around key economic data releases such as population and personal income. Engagement with the public spreads greater understanding of economic and demographic conditions of Maine.
- ▶ **Demographic Projections** – Our office produces Maine’s only publicly available demographic projections broken-out at the county and municipal level. Numerous and varied organizations rely upon their projections. They are utilized by the Maine Department of Labor in their employment outlook and by the Consensus Economic Forecasting Commission in their evaluation of economic indicators and trends.

## ➤ **Coordination Efforts**

The State Economist currently serves as the Governor’s liaison to the U.S. Census Bureau, the U.S. Census Bureau’s Redistricting Liaison for Maine, and the primary contact for state-level Census 2020 activities, including heading up the Maine Complete Count Committee. Our office manages Maine’s State Data Center through a partnership with the U.S. Census Bureau. The State Data Center program, which is active in every state, works to disseminate Census data broadly by maintaining relationships with a network of state agencies, universities, libraries, and local and regional entities to make census data locally available to the public.

Our office coordinates closely with other state agencies on a variety of issues. The State Economist is a member of the steering committee for the Governor’s 10-Year Economic Strategic Planning Initiative and we’ve provided staff support to this effort throughout the plan’s development. We are in close communications with the Maine Department of Labor’s Center for Workforce Research and Information as well as the Bureau of the Budget and Maine Revenue Services within our own department. The State Economist also participates in the State Treasurer’s presentations to the bond rating agencies. Other recent collaborations have included the Governor’s Office of Policy Innovation and the Future, the Department of Economic and Community Development, the Department of Transportation, the Department of Health and Human Services, and the Maine Emergency Management Agency. Other agencies frequently consult with our office when analytical expertise on economic issues is needed.

We also have working relationships with economists in the University of Maine system – primarily at University of Maine and University of Southern Maine. We are currently partnering with the School of Economics at UMaine to develop an economic index for the state that would provide a timelier gauge of overall economic activity.

## ➤ **Constituencies & Stakeholders**

Our office serves a broad constituency. The Governor, legislators, departments and agencies regularly turn to us for data and analyses to shape the opinions and guide decision making. The press and public also take considerable interest in the information our office disseminates.

## ➤ **Emerging Issues & Goals**

- ▶ The upcoming deployment of the 10-Year Economic Strategic Plan will require ongoing economic tracking and analysis, a task that will likely demand continued involvement by our office. Additionally, there is a recent increased need for economic research and analyses from entities such as the Climate Council and Children’s Cabinet.
- ▶ The State Economist will serve as the point person and primary staff support for the Census 2020 Maine Complete Count Committee. This committee will develop strategies to help ensure every Maine resident is counted in the upcoming 2020 decennial census.
- ▶ There is a need to re-examine *30-A M.R.S. § 706-A and § 5721-A* pertaining to limitations on county and municipal property tax levies create by 2005’s LD 1. The intent of LD 1 was to prevent unusually high increases on property tax levies and overall reduce the property tax burden, but the current process does not produce the intended results and creates considerable work for counties and municipalities. The State Economist was previously responsible for reporting the progress being made toward the tax burden reduction goals. Although that requirement was repealed in 2017, our office remains the de facto State point of contact for counties and municipalities’ questions pertaining to the calculation of tax levy limits.

## ➤ **Protection of Personal Information**

Any personnel-related files are secured in locking file drawers. In cases where personally identifiable information is handled for purposes of economic or policy analysis, confidentiality agreements are signed by the appropriate parties and digital files are password-protected. Any results are aggregated to a level that ensures no individual can be identified.

## ➤ **Required Reporting**

- ▶ **Consensus Revenue Forecasting (*5 M.R.S. §§ 1710-1710-J*)** – Our office provides staff support to the Consensus Economic Forecasting Commission and the State Economist is a member of the Revenue Forecasting Committee. The consensus revenue forecasting process is laid out in statute; both groups meet biannually to update the forecasts. Our office ensures that the Consensus Economic Forecasting Commission report is completed and distributed on time. In even-numbered years, the committees produce a stress-test report of State revenues and the Budget Stabilization Fund; 2018 was the first year this report was required by statute.
- ▶ **Annual Average Personal Income Growth (*5 M.R.S. § 1531, sub-§ 2*)** – Statute requires that each year the average personal income growth is calculated. This figure is used in the General Fund appropriation limitation calculation as well as the tax levy limits for counties and municipalities.
- ▶ **Job Creation Through Educational Opportunity Program (*20-A M.R.S. § 12545*)** – By March 1, 2021, the Office of Tax Policy within Maine Revenue Services is required to produce a report in conjunction with the Maine Department of Labor and the State Economist that analyzes the costs of the credits claimed under the program and the impact on the state’s labor force.

# BUREAU OF THE BUDGET

## ➤ **Statutory Authority & Overview**

The powers and duties of the Bureau of the Budget are detailed in *5 M.R.S. § 1662 et seq.* The Bureau provides central budget and position planning and control in support of gubernatorial objectives and legislative intent. The Bureau's professional services work involves: preparing budget documents; analyzing and implementing department and agency annual work programs and change requests; administering position actions; and developing financial forecasts and special analyses. Through these activities, the Bureau can review the administrative activities of departments and agencies, study organization and administration, identify duplication of work, and propose efficiencies.

## ➤ **Major Functions & Responsibilities**

- ▶ Ensure compliance with all requirements reflected in *5 M.R.S. §§ 1581-1591 and §§ 1661-1677*, as well as numerous other sections of law that require the State Budget Officer to make recommendations or take other action, or govern funding associated with particular state programs and accounts.
- ▶ Coordinate the State's budget processes and prepare the biennial State Budget and any subsequent supplemental budgets for submission to the Governor or Governor-Elect in accordance with *5 M.R.S. § 1664 and § 1666*. During this process, we review and evaluate budget submissions from departments and agencies—including the establishment, elimination, reallocation and/or reclassification of positions—to ensure initiatives are appropriate and accurate. At the direction of the Governor, the Bureau adjusts the budget and finalizes the budget bills that the Governor submits to the Legislature.
- ▶ Examine and recommend the work program and quarterly allotments that implement the legislatively authorized funding for each department and agency. Allotments must be established before a department or agency can spend the appropriations or other funds that the Legislature has approved in enacted budgets or other laws.
- ▶ Examine and recommend changes to work programs and quarterly allotments during the fiscal year that occur through financial orders and other transactions.
- ▶ Perform administrative functions necessary to implement position actions the Legislature authorized in enacted budgets and other laws.
- ▶ Evaluate, authorize, and implement department and agency requests for position actions during the fiscal year. We ensure the actions taken are financially viable and comply with state budgetary laws, rules, and procedures. The Bureau analyzes the proposed means of funding these actions and may approve or deny requests based on availability of funding.
- ▶ When necessary administer temporary curtailments of allotments in accordance with *5 M.R.S. § 1668*.

- ▶ Respond to technical and procedural questions related to budgetary and position control matters from within state government, the press, and the public.
- ▶ Prepare forecasts for financial planning and analysis. This includes a 4-year forecast of revenues and expenditures produced in even years pursuant to *5 M.R.S. § 1665, sub-§ 7*.
- ▶ The State Budget Officer serves as a member of the Revenue Forecasting Committee pursuant to *5 M.R.S. § 1710-E* and prepares General Fund and Highway Fund revenue forecasts through consensus forecasting pursuant to *5 M.R.S. §§ 1710-1710-J*.
- ▶ Conduct research on state laws and ad hoc data analysis to provide information to inform policy and decision-making at executive levels.

## ➤ **Organizational Structure**

The Bureau is under the direction of the State Budget Officer, who is appointed by the Commissioner. The Bureau has a legislative headcount of 13, with 12 position funded by the General Fund and one by the Highway Fund. The Deputy State Budget Officer supervises the eight budget analysts and two position control analysts. The Bureau is supported by a part-time administrative assistant.

## ➤ **Established Priorities**

The priorities of the Bureau primarily involve the State's budgetary processes with a focus on three primary responsibilities: budget planning and control; revenue forecasting; and position planning and control. Biennial budgets are analyzed, planned, controlled and submitted to the Legislature for appropriation or allocation by three line categories: Personal Services, All Other, and Capital Expenditures. Approved budgets are controlled on a fiscal year basis through quarterly allotments in accordance with the line category appropriation or allocation. Allotment revisions occur throughout the year by budget order or financial order. We examine these transactions and make recommendations on financial order requests for the Governor's consideration and approval. Expenditure and revenue forecasting are carried out through the State Budget Officer and as a result of analysis from Bureau staff. The Position Control Unit is responsible for reviewing and implementing all position actions for all state government (approximately 14,000 positions). Positions are controlled according to legislatively authorized head count, appropriations and allocations, and limitations on the use of salary savings during a fiscal year.

## ➤ **Selected Accomplishments**

During FY19, the Bureau of the Budget:

- ▶ produced and submitted to the Governor the Supplemental Budget for the Fiscal Year Ending June 30, 2019;
- ▶ produced and submitted to the Governor the Biennial Budgets for the General Fund and Highway Fund for Fiscal Years Ending June 30, 2020 and June 30, 2021;
- ▶ worked with departments and agencies to implement the enacted Supplemental Budget, as well as temporary and then subsequent permanent work programs (allotments) for the enacted General Fund and Highway Fund Biennial Budgets;

- ▶ processed position actions and related funding associated with 212 initiatives approved in the Biennial Budget, many of which involved multiple positions and included one initiative that affected approximately 900 positions;
- ▶ reviewed 650 laws and resolves enacted during the First Regular Session of the 129<sup>th</sup> Legislature to identify those with fiscal impact requiring budgetary actions and then took the budgetary actions necessary to implement those laws; and
- ▶ reviewed and processed 714 budget orders and 723 financial orders, with the number of budget orders closely tracking the annual average over the prior two fiscal years, and the number of financial orders increasing by 12% over the average for the prior two fiscal years.

## ➤ **Coordination Efforts**

The work of the Bureau of the Budget requires continual coordination, interaction and information sharing with all state government entities as well as other entities receiving, or desiring to receive, state funds as provided for in law, including:

- ▶ executives and staff of all Executive Branch departments and agencies, and the financial and human resource service centers that support them;
- ▶ representatives of the Judicial and Legislative Branches; and
- ▶ representatives of quasi-independent state agencies, and boards, commissions, and committees created by the Legislature.

The Bureau also coordinates with the legislative Office of Fiscal and Program Review (OFPR) to:

- ▶ provide budget data in an electronic format for upload to a legislative database used to produce budget bills and other reports containing budget data provided to the various legislative committees;
- ▶ monitor and agree upon General Fund and Highway Fund balances; and
- ▶ collaborate on revenue forecasting as member of the Revenue Forecasting Committee.

The Bureau has been a major partner in the implementation of two recent enterprise-wide system developments. The benefits of the new human resources management system (WorkDay) and data warehouse (DAFS Analytics) will be enjoyed across DAFS. These systems will provide the Bureau of the Budget with quicker, easier access to more detailed, ad hoc human resource and budget information essential to the analyses we perform, and others turn to us for.

## ➤ **Constituencies & Stakeholders**

The Governor's Office and all Executive Branch departments and agencies, quasi-independent state agencies, and boards and commissions; all offices of the Legislative Branch, including but not limited to the Office of Fiscal and Program Review and the Office of the Revisor of Statutes; all agencies of the Judicial Branch; the public; and the National Association of State Budget Officers.

## ➤ **Alternative Service Delivery Efforts**

The Bureau continues efforts to reduce the cost and effort of producing and distributing printed publications by making them available in electronic format. This includes extracting and electronically transmitting data for each baseline and budget initiative package to legislative fiscal staff and posting budget documents and the Maine State Government Annual Report on the Bureau's website where they can be easily accessed by departments, agencies and the public.

## ➤ **Emerging Issues & Goals**

- ▶ **Staff Resources** – Over the past two years, the Bureau has been significantly impacted by staff turnover, including retirements and resignations of long-time staff members with considerable historical and technical knowledge of budget and position control processes and the Budget and Financial Management System (BFMS). Extended vacant positions for three budget analysts and two position control analysts have resulted in a prolonged period of increased workload and pressure on the remaining staff. Additionally, in 2019, there has been turnover in the Bureau management. A new State Budget Officer was appointed in May 2019 and a new Deputy State Budget Officer was hired in September following the resignation of the former deputy in August. Along with impacts on the regular work of the Bureau, the considerable turnover has limited the Bureau's ability to fully and knowledgeably participate in the DAFS enterprise-wide system developments and implementations for the new human resources management system (WorkDay) and data warehouse (DAFS Analytics). Since May two of the analyst vacancies have been filled and recruitment efforts to fill the remaining three vacancies continue. Even once fully staffed, the Bureau will continue to experience the inherent pressures and challenges associated with onboarding new staff and moving them along the learning curve.
- ▶ **Process Improvements** – While the newness of management and staff may present challenges, the situation also presents opportunities for the Bureau to reassess how we do our work and modernize and improve efficiency where appropriate. The Bureau is taking advantage of these opportunities and reviewing our processes to identify efficiencies and establish consistent practices. These process improvement efforts will also be used as a foundation for establishing agreed upon roles, responsibilities, and expectations with the various service centers, departments and agencies that participate in these processes. The Bureau is nearing completion of our internal review of the financial order process and beginning efforts to educate service centers and departments on the Bureau's portion of that process, as well as, engage them in discussing possible improvement of their portions of the process tool.
- ▶ **Budget and Financial Management System Replacement** – The BFMS currently in use was designed specifically for the State of Maine and implemented in 2004. OIT has advised us that the system is running on outdated technology and is nearing the end of its useful life. Given the outdated technology, OIT is also concerned about their ability to continue to retain or replace staff with the background and knowledge required to effectively support BFMS. Additionally, while BFMS currently meets the business needs and includes much functionality that is beneficial to effective budgeting and control, it could be more user-friendly for the departments and agencies that use it. Bureau staff turnover has meant a loss of technical knowledge necessary to administer the system. Finally, the system has limited functionality for ad hoc querying of budget data.

Consequently, the Bureau and OIT have begun the research and planning necessary for ultimate replacement of BFMS—ideally no later than mid-2022.

## ➤ **Protection of Personal Information**

- ▶ **Internet/Non-electronic** – The Bureau makes every effort to safeguard the use, dissemination, and disposal of personally identifiable information. The Position Control Unit is currently the only unit within the Bureau that utilizes materials containing personally identifiable information, including employee Social Security numbers, on a regular basis. The information is kept in secure files and outdated reports are shredded.
- ▶ **Information Technology** – With the exception of employee name, no personally identifiable information is contained in BFMS.

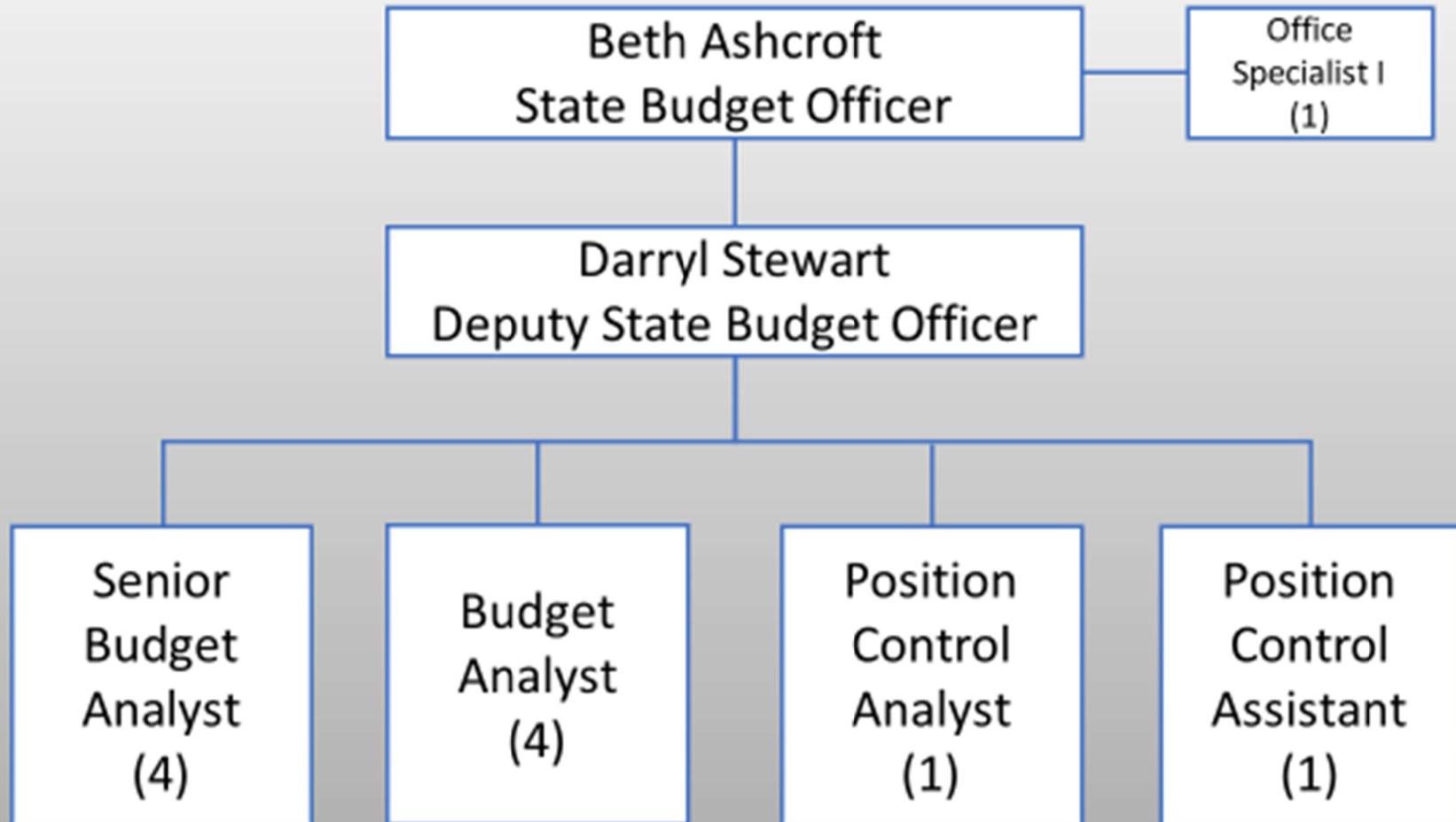
## ➤ **Required Reporting**

- ▶ **Maine State Government Report (5 M.R.S. §§ 43–46)** – This report, required by December 31<sup>st</sup> of each year, documents the administrative and financial structure, activities and accomplishments of the agencies of state government and replaces a profusion of costly annual or biennial reports independently published by departments and agencies.
- ▶ Prepare and deliver a report by September 30th of even-numbered years containing a forecast of revenue and expenditures for the following biennium in accordance with 5 M.R.S. § 1665, sub-§7. The forecast assumes the continuation of current laws and includes reasonable and predictable estimates of growth in revenues and expenditures based on national and local trends and program operations.
- ▶ Report biennially to the Legislative Council on rules and regulations adopted by State departments and agencies related to the provision of housing, food and food supplies in accordance with 5 M.R.S. § 8-B – F.
- ▶ Report on federal mandates to each member of the Legislature and to the Director of the Office of Fiscal and Program Review by January 1 of each year in accordance with 5 M.R.S. § 1670.
- ▶ Pursuant to 22 M.R.S. § 1668, report annually by May 15th to the Committee on Appropriations and Financial Affairs on allocation adjustments to programs that receive funds from the Fund for a Healthy Maine.
- ▶ Provide other reports to the Legislature as required in various laws (e.g. reports transferred amounts related to various savings initiatives).

**Bureau of the Budget**

Organizational Chart

December 2019



## BUREAU OF THE BUDGET

### Financial Summary 2010-2019

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Bureau of the Budget										
0055 - BUDGET - BUREAU OF THE										
General Fund	\$ 1,089,234	\$ 1,114,117	\$ 1,194,614	\$ 1,100,819	\$ 1,213,010	\$ 1,232,311	\$ 1,346,022	\$ 1,330,278	\$ 1,485,801	\$ 1,508,949
Highway Fund	100,649	98,293	87,850	87,003	107,256	110,005	119,188	117,064	117,576	122,269
<b>Total Appropriations/Allocation:</b>	<b>\$ 1,189,883</b>	<b>\$ 1,212,410</b>	<b>\$ 1,282,464</b>	<b>\$ 1,187,822</b>	<b>\$ 1,320,266</b>	<b>\$ 1,342,316</b>	<b>\$ 1,465,210</b>	<b>\$ 1,447,342</b>	<b>\$ 1,603,377</b>	<b>\$ 1,631,218</b>
Positions	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000
Personnel Services	\$ 1,011,999	\$ 965,726	\$ 938,453	\$ 928,494	\$ 1,075,617	\$ 1,046,114	\$ 1,168,120	\$ 1,302,156	\$ 1,510,144	\$ 1,325,523
All Other	74,413	69,771	62,398	77,871	61,316	61,047	67,096	71,562	71,522	71,573
Capital	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 1,086,412</b>	<b>\$ 1,035,497</b>	<b>\$ 1,000,851</b>	<b>\$ 1,006,366</b>	<b>\$ 1,136,933</b>	<b>\$ 1,107,161</b>	<b>\$ 1,235,216</b>	<b>\$ 1,373,718</b>	<b>\$ 1,581,666</b>	<b>\$ 1,397,096</b>

Figures are legislatively authorized appropriations/allocations and actual expenditures. Expenditures may exceed legislative authorizations due to prior year encumbrances or financial order adjustments.

# OFFICE OF THE STATE CONTROLLER

## ➤ **Statutory Authority & Overview**

The powers and duties of the Office of the State Controller (OSC) are detailed in *5 M.R.S. § 1541 and § 1728-A*. OSC maintains accounting policy and records according to Government Accounting Standards Board (GASB) rules. OSC is responsible for financial administration and general accounting control of state government, keeping of general accounts, auditing before payment of bills or vouchers, and authorizing all claims against the State for which appropriations have been made. Additionally, OSC provides insurance advice and services for all forms of insurance for state government.

## ➤ **Major Functions & Responsibilities**

OSC staff administer official financial records for all state agencies and programs. OSC maintains and reports all state financial transactions, including accounting and payroll functions. Staff analyze fiscal transactions and payrolls to ensure legality and correctness.

Furthermore, OSC provides internal audit support for state government. The Financial Reporting Division prepares and publishes the state's Comprehensive Annual Financial Report (CAFR), which includes all agencies of state government as well as both blended and discretely presented component units. The Risk Management Division provides insurance services and loss control services to state agencies and other quasi-state agencies.

Maintaining the State's central systems related to accounting and human resources and payroll is a primary responsibility of the Office. Soon OSC will provide a data warehouse (DAFS Analytics) for all production systems for statewide budget, accounting, human resources, and payroll data. Queries to the warehouses can provide ad hoc or regular management reports, dashboards, valuable data sorts, or specific data required to complete fiscal work.

OCS's operating budget is funded through the General Fund, except for the Risk Management Division which is funded through the State's self-insurance internal service fund. The annual OSC General Fund budget is approximately \$2.9M, of which personnel services represents 92%. OSC recovers approximately \$18-20M annually in general fund revenue by developing, negotiating and administering the Statewide Cost Allocation Plan (STACAP). STACAP is the allocation of certain central services costs that are initially funded by the General Fund. These central services costs are allocated and recovered through STACAP to ensure other funds, particularly federal funds, pay their fair share of costs. Approximately 50% of OSC's General Fund expenditures are recovered through STACAP. Risk Management's annual expenditures, including claims, total approximately \$4.3M.

## ➤ **Organizational Structure**

OSC has seven divisions with authority for 32 positions:

1. Administration - 3 positions
2. Accounting - 6 positions
3. Enterprise Resource Planning (ERP) Operations - 3 positions
4. Financial Reporting and Analysis - 5 positions

5. Internal Audit - 4 positions
6. Payroll - 6 positions
7. Risk Management - 5 positions

## ❖ **ADMINISTRATION DIVISION**

The Bureau of Accounts and Control was created in 1931 as an organizational unit of the Department of Administrative and Financial Services. The Bureau was renamed the Office of the State Controller in 2003. The Office is under the direction of the State Controller who is appointed by the Commissioner of DAFS, subject to the approval of the Governor.

Consistent with statute, the Controller exercises the following authority to:

- ♦ maintain an official system of general accounts, unless otherwise provided by law, embracing all the financial transactions and assets of state government;
- ♦ report monthly on all receipts, expenditures, appropriations, allotments and encumbrances of state government to the Governor, the State Auditor, and the heads of all departments and agencies directly concerned;
- ♦ prescribe the forms for receipts, vouchers, bills, or claims filed by departments and agencies;
- ♦ examine the accounts of every department and agency receiving appropriations;
- ♦ report to the Attorney General all facts showing illegality in the expenditure of public monies or the misappropriation of public properties;
- ♦ implement internal control standards that define the minimum level of quality acceptable for internal control systems throughout state departments and agencies;
- ♦ establish policies for travel expense reimbursement, determine which expenses are reimbursable and the appropriate level of reimbursement;
- ♦ develop a financial management and accounting practices manual for promulgating uniform financial management practices across state departments and agencies;
- ♦ develop and implement a program to provide continuing professional training on uniform financial management and accounting practices to appropriate financial and accounting personnel across state departments and agencies; and,
- ♦ recommend to the Commissioner of DAFS level of insurance protection necessary or desirable for the protection of all state property, activities, or other insureds.

## ❖ **ACCOUNTING DIVISION**

The Accounting Division applies Generally Accepted Accounting Practices ("GAAP") and Government Accounting Standards Board ("GASB") guidelines in maintaining complex accounts within established accounting systems. The Division interprets and applies accounting principles, develops procedures and provides reporting to ensure compliance with governing laws, rules, regulations, policies, and procedures.

Managing the financial systems, information, and business processes enhances government accountability and credibility. The Division provides statewide support in all areas of responsibility. The Division staff reviews, approves and consolidates all accounting

transactions for all agencies within the Executive, Legislative and Judicial branches of government.

Staff reconcile complex accounts, formulate corrections, and make adjusting entries; they work closely with both functional and technical staff to recommend system and process changes through evaluation, analysis, and application of accounting theory.

Additionally, staff review payment voucher documentation for evidence of proper accounting, procurement treatment, and other control concerns; audit checks printed in the statewide accounting system to ensure accuracy; and, verify and approve all electronic payments daily.

The Division is responsible for statewide vendor maintenance and electronic funds transfers. This gives the accounting division greater control of vendors used, purchases made, consistency and quality of purchases by maintaining authorized vendor lists that ease reporting and payment processing at the end of the accounting period.

### ❖ **ENTERPRISE RESOURCE PLANNING OPERATIONS DIVISION**

The Enterprise Resource Planning Operations Division is responsible for the day-to-day business operations, functional development, and support of OSC enterprise systems, including the Advantage financial system and data warehouse systems.

The Division is also responsible for researching and analyzing business needs, formulating and defining scope, objectives and enhancements to existing OSC systems to meet the business needs of all departments using those enterprise systems. Important aspects of this work are the application of system analysis skills to formulate solutions to complex business problems using automation technology and facilitating the development, implementation and management of those solutions.

### ❖ **FINANCIAL REPORTING AND ANALYSIS DIVISION**

Our Financial Reporting and Analysis Division prepares and distributes numerous financial reports, including:

- ◆ Maine's Comprehensive Annual Financial Report (CAFR), prepared in accordance with GAAP;
- ◆ Maine's annual Schedule of Expenditures of Financial Awards (SEFA), prepared in accordance with the U.S. Code of Federal Regulations, Uniform Administrative Requirements Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance);
- ◆ Monthly Undedicated Revenue Reports for the General and Highway Funds; and,
- ◆ Select budgetary financial information, prepared on the State's modified cash basis of accounting.

This Division is responsible for coordinating the annual fiscal year-end closing process with all state departments and agencies and component units and coordinating the annual financial audit with the Office of the State Auditor.

Staff of the Division act as agency liaisons to provide technical assistance, training and information to CFOs and other financial personnel statewide. Our continuing goal is to help state agencies develop sound internal controls, properly record financial transactions, and comply with all applicable laws and rules relating to financial matters.

## ❖ INTERNAL AUDIT DIVISION

The Internal Audit Division reviews statewide and agency level internal controls to manage risk of loss or misuse of assets, risk of inaccurate financial reporting, and risk of non-compliance with applicable laws and regulations.

Division personnel assist state agencies in the implementation of the internal control law, *5 M.R.S. § 1541, sub-§ 10-A* and monitor for continued compliance. Internal audit staff train DAFS Service Center staff and others on risk assessment, risk management and the elements of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control Framework.

The Division follows up on all findings resulting from internal and external audits to ensure that appropriate corrective action has been planned and implemented. The Division also pursues matters of potential financial impropriety and associated internal control implications. Acting as liaison, division personnel communicate with the federal government and other external entities, while maintaining objectivity.

## ❖ PAYROLL DIVISION

The Payroll Division works with state personnel officers and fiscal officers to ensure the integrity, accountability and efficiency of state payroll operations. The Division provides policy and procedures necessary to effectively administer and monitor payroll and related personnel transactions to ensure that all civil service rules, laws and contractual agreements have been met to maintain appropriate and accurate employee pay records.

The Division ensures employees are paid correctly with salaries calculated properly and in compliance with applicable laws, rules, regulations and contractual agreements. Division staff examine and audit all state payrolls; review and reconcile all payroll deduction accounts; process all garnishments and court ordered payments; and, process all special payroll and retroactive payments to employees.

To achieve its primary objectives, the Division administers the Maine Financial Accounting Statewide Information System (MFASIS) HR/Payroll System and the Maine State Time and Attendance System (MS-TAMS). This includes programming, testing, development of reports and functional requirements. MFASIS is the system of record enabling the Division to communicate accurate payroll financial information to the Internal Revenue Service (IRS), financial institutions, Maine Revenue Service (MRS), state agencies and employees.

## ❖ RISK MANAGEMENT DIVISION

The Risk Management Division acquires and administers all insurance purchased or provided by the State. Division staff provide insurance and loss control services to state agencies and other quasi-state agencies using both self-insurance and commercial insurance policies to insure the State's risk of loss.

By utilizing self-insurance whenever possible, the State has greater control over managing its losses and related program expenses. Self-insurance allows the State to provide coverage for its unique risks in a manner that is predictably available and not subject to commercial insurance market cycles, which often result in large price fluctuations.

The State purchases commercial insurance to cover activities that are not prudent to self-insure and as excess coverage to make the financial impact of events more predictable.

The Division provides several standard insurance products and services that include but are not limited to: Aircraft; Boats and Watercraft; Boilers and Pressure Vessels; Cyber Security; Employee Bonding; Foster Parents; Miscellaneous Specialty Policies; Police Professional Liability; Property; Tort Liability including General, Professional, Directors and Officers; and Vehicle.

## ➤ **Selected Accomplishments**

- ▶ For the 12<sup>th</sup> year in a row, Maine's FY18 CAFR received the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting.
- ▶ Implemented new CAFR software to streamline the compilation of financial statements, adjustments, notes and related schedules culminating in a fully-formatted, published report, reducing the time to completion by more than three weeks in the last two years.
- ▶ Automated production of the monthly revenue report, essentially eliminating all manual entry, reducing preparation time and the chance for error.
- ▶ Implemented payment intercept functionality to automate IRS and MRS tax levies, with recoveries exceeding the cost of this functionality in less than one year.
- ▶ Transitioned the State's data warehouse database repositories for financial, human resources, payroll and budget data to a cloud-hosted solution, reducing overall total cost of ownership, increasing security, and adding Business Continuity/Disaster Recovery (BC/DR) capability.
- ▶ Provided flexible and tailored insurance products and services that balance sustaining the self-insurance fund amid loss payouts while controlling insurance costs across biennium. This is accomplished by employing loss prevention strategies.
- ▶ Sponsored annual accounting and auditing update, with two days of continuing professional education for more than 100 government financial professionals and auditors.
- ▶ Processed more than 1.3M disbursement transactions annually, more than 50% of which are paid electronically reducing cost of check processing and issuance.
- ▶ Processed more than 1.5M other accounting transactions annually.
- ▶ Processed more than 338,000 payroll transactions annually, approximately 99% of which are paid electronically reducing cost of check processing and issuance.
- ▶ Prepared/published monthly Undedicated Revenue Reports for the General and Highway Funds.
- ▶ Issued approximately 11,000 Form 1099-MISC to state vendors and approximately 15,000 W-2 and Form 1095 to State employees annually.

## ➤ **Emerging Issues & Goals**

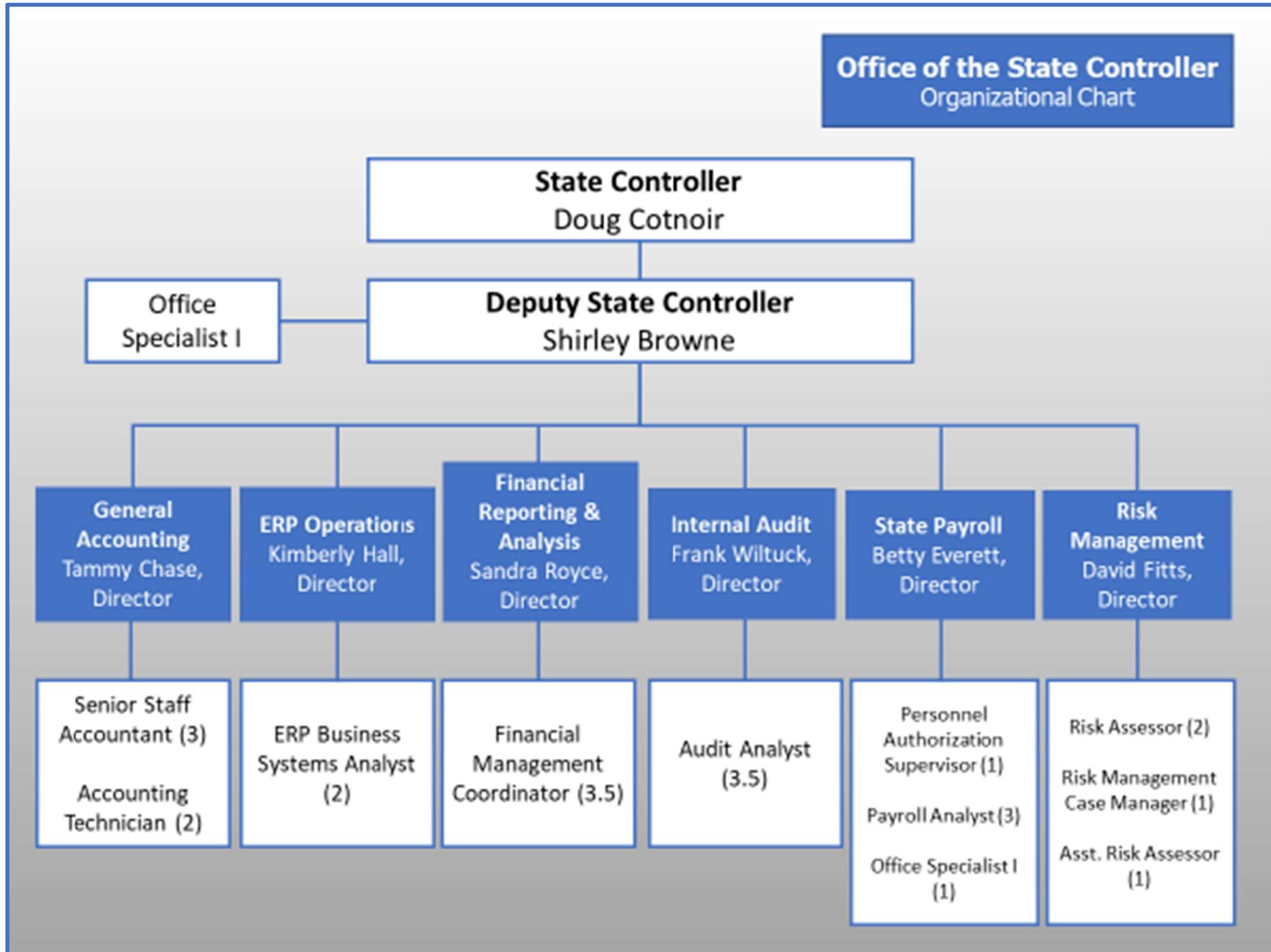
- ▶ Finalize implementing Oracle Analytics Cloud Services (OACS) data analytics tool, also known as DAFS Analytics, to provide comprehensive data querying, reporting and analytics for the State's financial, human resources, payroll, and budget data. Train and

transition all end users from current data warehouse (GQL) enabling the State to decommission this non-secure legacy application.

- ▶ Implement Workday Human Resources Management and Payroll System, a software as a service (SAAS) solution reducing risk through more secure, reliable payroll data and improved internal controls.
- ▶ Implement technologies and provide tools to improve efficiencies, reduce paper and automate routine, repetitive activities providing better opportunities for collaboration.
- ▶ Implement Origami Risk Management Information System providing insurance policy underwriting and issuance, rate calculation, claims processing, billing, and invoicing.
- ▶ Expand loss prevention program to reduce risk exposure and mitigate future losses statewide.
- ▶ Implement automated travel request and expense reimbursement system; including "How To & General Rules" one-pager for new employees
- ▶ Finalize Continuity of Operations Plan (COOP) for all mission essential functions, train employees and test readiness and preparedness.

## ➤ **Required Reporting**

- ▶ **Comprehensive Annual Financial Report (*5 M.R.S. § 1547*)**
- ▶ **Annual Report of the Retiree Health Insurance Irrevocable Trust Fund (*5 M.R.S. § 286-B*)**
- ▶ **Report on Audit Recovery Activities (*5 M.R.S. § 1622*)**



# OFFICE OF THE STATE CONTROLLER

## Financial Summary 2010-2019

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Office of the State Controller										
0056 - STATE CONTROLLER - OFFICE OF THE										
General Fund	\$ 2,325,301	\$ 2,313,197	\$ 2,226,916	\$ 2,185,103	\$ 2,286,188	\$ 2,333,261	\$ 2,798,262	\$ 2,768,044	\$ 2,898,525	\$ 2,943,195
Other Special Revenue	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	11,000	1,000
<b>Total Appropriations/Allocation:</b>	<b>\$ 2,326,301</b>	<b>\$ 2,314,197</b>	<b>\$ 2,227,916</b>	<b>\$ 2,186,103</b>	<b>\$ 2,287,188</b>	<b>\$ 2,334,261</b>	<b>\$ 2,799,262</b>	<b>\$ 2,769,044</b>	<b>\$ 2,909,525</b>	<b>\$ 2,944,195</b>
Positions	26,000	26,000	26,000	26,000	26,000	26,000	28,000	28,000	28,000	28,000
Personnel Services	\$ 2,037,573	\$ 1,922,318	\$ 1,910,858	\$ 1,944,451	\$ 2,087,638	\$ 2,218,690	\$ 2,509,961	\$ 2,568,054	\$ 2,678,835	\$ 2,781,752
All Other	204,269	80,099	182,126	129,312	132,407	137,804	361,969	86,498	249,957	170,685
Capital	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 2,241,842</b>	<b>\$ 2,002,417</b>	<b>\$ 2,092,983</b>	<b>\$ 2,073,763</b>	<b>\$ 2,220,045</b>	<b>\$ 2,356,493</b>	<b>\$ 2,871,930</b>	<b>\$ 2,654,552</b>	<b>\$ 2,928,792</b>	<b>\$ 2,952,437</b>
0008 - RISK MANAGEMENT - CLAIMS										
Risk Management Fund	\$ 3,944,877	\$ 3,955,266	\$ 3,907,980	\$ 3,908,503	\$ 3,934,713	\$ 3,946,420	\$ 3,958,504	\$ 3,953,104	\$ 3,963,255	\$ 3,975,481
State Administered Fund	2,043,128	2,043,128	2,043,069	2,043,069	2,042,515	2,042,515	2,042,515	2,042,515	2,042,515	2,042,515
<b>Total Appropriations/Allocation:</b>	<b>\$ 5,988,005</b>	<b>\$ 5,998,394</b>	<b>\$ 5,951,049</b>	<b>\$ 5,951,572</b>	<b>\$ 5,977,228</b>	<b>\$ 5,988,935</b>	<b>\$ 6,001,019</b>	<b>\$ 5,995,619</b>	<b>\$ 6,005,770</b>	<b>\$ 6,017,996</b>
Positions	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Personnel Services	\$ 397,231	\$ 380,631	\$ 370,884	\$ 372,675	\$ 397,898	\$ 386,769	\$ 348,414	\$ 419,350	\$ 424,011	\$ 407,395
All Other	4,325,334	3,255,918	3,731,994	3,239,765	3,976,841	5,100,736	4,093,016	5,632,372	5,218,210	5,548,495
Capital	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 4,722,565</b>	<b>\$ 3,636,549</b>	<b>\$ 4,102,878</b>	<b>\$ 3,612,439</b>	<b>\$ 4,374,739</b>	<b>\$ 5,487,505</b>	<b>\$ 4,441,430</b>	<b>\$ 6,051,722</b>	<b>\$ 5,642,221</b>	<b>\$ 5,955,890</b>
Z234 - CENTRAL ADMINISTRATIVE APPLICATIONS										
General Fund	-	-	-	-	-	-	-	-	\$ 13,583,126	\$ 13,799,293
<b>Total Appropriations/Allocation:</b>	<b>-</b>	<b>\$ 13,583,126</b>	<b>\$ 13,799,293</b>							
Positions	-	-	-	-	-	-	-	-	-	-
Personnel Services	-	-	-	-	-	-	-	-	-	-
All Other	-	-	-	-	-	-	-	-	\$ 10,482,912	\$ 20,069,870
Capital	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>\$ 10,482,912</b>	<b>\$ 20,069,870</b>							

Figures are legislatively authorized appropriations/allocations and actual expenditures. Expenditures may exceed legislative authorizations due to prior year encumbrances or financial order adjustments.

# BUREAU OF HUMAN RESOURCES

## ➤ **Statutory Authority & Overview**

In 1985 the Legislature acknowledged that state government, as Maine's largest single employer at the time, has a substantial impact not only on the growth and development of the State, but also on policies that directly affect Maine citizens. They concluded that it was essential to the efficient and effective operation of state government that all citizens of Maine have a fair and equal opportunity to enter and remain in the service of state government on the basis of merit.

To that end, the Legislature enacted *5 M.R.S. §§ 7031-7085*, establishing the State Civil Service System to ensure that State employees are hired and retained solely based upon their skills, qualifications and contributions to public service. The Bureau of Human Resources (BHR) was established as the personnel administrative organization necessary to ensure these "merit system" principles in hiring and retention practices.

In 1991, State Employee Health Insurance, Health and Wellness Programs, and Workers' Compensation were placed under BHR's management.

In 2007, the Bureau of Employee Relations, which was responsible for all matters concerning the collective bargaining process and development and implementation of employee relations policies for all Executive Branch departments and agencies, was reorganized as an office within BHR.

Today, the Bureau of Human Resources is organized into four divisions with 107 positions responsible for the administration of Maine State Government's civil service system, statewide human resources programs, recruitment of State employees, workforce development, performance management, collective bargaining, employee relations activities, classification and compensation, equal employment opportunity policies and practices, the State employee benefits package and deferred compensation plan, and the State's workers' compensation plan. The content of this section focuses on the 23 positions that make up Bureau management and the Divisions of Talent Management, Compliance, and Field Services. The 59 human resource positions embedded in agencies through Service Centers are covered in the Division of Financial and Personal Services section. The 25 positions in the Division of Employee Health and Wellness have been excluded from this report because they fall under the jurisdiction of other committees.

## ➤ **Major Functions & Responsibilities**

BHR's statutory mission is to establish within state government a high concern for State employees as people, to increase the quality of service to Maine citizens by encouraging and motivating employees to excel, to provide managers and employees with necessary skills and qualifications to conscientiously perform their work, and to promote effective labor relations.

BHR's objective is to ensure department and agency managers successfully navigate within the boundaries of the merit system's principles, contractual obligations, and federal and state employment laws; and effectively manage their most valuable resource—their employees—to accomplish their charge. This requires BHR to transform from a transactional-oriented organization (i.e. entering data into payroll records, manually processing applications and other necessary paperwork) to a strategic leadership organization.

## ➤ **Organizational Structure**

BHR is organized into four functional divisions: Talent Management, Compliance, Field Services, and Employee Health and Wellness. The Division of Talent Management has the dual responsibilities of talent acquisition and workforce development; the Division of Compliance includes the units of Classification and Compensation, Civil Service Systems, Investigations and Equal Employment Opportunity, and the Office of Employee Relations; the Division of Field Services provides functional oversight, coordination and development of the human resource professionals embedded in the State agency services centers; and the Division of Employee Health and Wellness includes the Offices of Employee Health and Benefits and Workers' Compensation.

### ❖ **DIVISION OF TALENT MANAGEMENT**

This office provides leadership in the State's recruitment and retention of highly qualified and motivated employees. It is also tasked with workforce development, accomplished through in-person, electronic, and contracted training services. The State's ability to maintain a stable, productive and content workforce is a critical challenge given the wave of knowledgeable employees' retirements experienced and anticipated. Near historically-low unemployment makes it especially difficult for the State to attract and acquire the best and brightest. Most departments report difficulty in filling positions due to wages that aren't competitive with the private sector. Employees who leave positions often report ineffective supervision as a contributing factor. Development of supervisors and managers is key to a positive and healthy workplace. BHR must approach these recruitment, retention and development issues with innovation and due diligence.

#### ➤ **Major Functions & Responsibilities**

- ▶ Talent acquisition strategies, protocols and innovation.
- ▶ Recruitment and application processes.
- ▶ Organizing annual statewide employee recognition ceremonies.
- ▶ Workforce development.
- ▶ Providing outsourcing services to State employees who are laid-off.

#### ➤ **Established Priorities & Accomplishments**

- ▶ Upgraded BHR website with fresh and engaging look and feel, capacity for real-time updates, more intuitive organization, and easier to find answers.
- ▶ Successful, first-ever State Government Career Fair.
- ▶ Simplification of direct hire application.
- ▶ Deployment of online applications and cloud-based applicant tracking system that automatically posts job listings to a variety of internet job boards.
- ▶ Increased social media footprint, making careers in Maine State Government more visible to the public.
- ▶ Purchased one-year subscription to Live + Work in Maine job board which allows all departments to post vacancies on a highly visible website at no cost to them.

- ▶ The State of Maine was recognized by veterans' organizations again in 2018 for participation in hiring fairs and our continued focus on this population.
- ▶ Encouraged and approved pilot projects at DHHS and OIT for recruitment efforts that allow on-site job offers at job fairs and waive certain other process-driven requirements.
- ▶ Entered into a contractual partnership with the Maine Community College System to offer classes to managers, fulfilling the vision of delivering management training at no cost to departments. This contract has served as a pilot for future partnerships with the Community College System.
- ▶ Conducted successful Maine Management Service Summit and "Bite Size Learning" programs for managers throughout the year.
- ▶ Creation of OIT internship program to attract and grow talent in partnership with colleges and universities. This success can be expanded to other agencies in the future.

➤ **Constituencies**

Human Resources, state managers and employees. It also serves as an access point for members of the public seeking state employment.

❖ **DIVISION OF COMPLIANCE**

This division ensures human resource professionals, supervisors and managers comply with applicable laws, rules, policies and practices, as well as the provisions of the bargaining unit agreements in carrying out their duties to manage the State's workforce.

◆ **CLASSIFICATION, COMPENSATION AND CIVIL SERVICE SYSTEM**

This unit is responsible for the statewide administration of the Civil Service System and the classification and compensation of state positions.

➤ **Major Functions and Responsibilities**

- ▶ Develop statewide personnel policies.
- ▶ Statewide classification system.
- ▶ Statewide compensation system.
- ▶ Interpretation of Civil Service Law and Rules and issuance of guidelines, bulletins and memoranda to human resource professionals and managers across state government.
- ▶ Assist department and agency managers in efforts to reorganize and realign workforces for improved efficiency and modern workforce changes (e.g. technology, generational differences, etc.).
- ▶ Respond to public requests for information related to these systems.

➤ **Established Priorities**

- ▶ Develop collaborative working relationships with human resource professionals in the Service Centers and across state government and senior managers in all departments and agencies.
- ▶ Centralize operations where efficiencies of scale make sense and decentralize decision-making where flexibility and quick response times are necessary.
- ▶ Advocate for modern human resource practices.
- ▶ Recommend automated information systems and applications to support efficient human resource administration.

➤ **Selected Accomplishments**

- ▶ Significantly reduced the number of pending reclassification petitions (avoiding future financial liability for the State in retroactive wages and interest) by working with the unions to streamline the appeal process.
- ▶ Worked collaboratively with the unions on classification and pay studies involving administrative employees, operational and maintenance employees, and supervisory employees.
- ▶ Implemented minimum wage changes. Further implementation of *26 M.R.S. §664* will occur January 1, 2020 when the minimum hourly wage increases to \$12/hr. The salary schedules published in January 2019 reflect the \$11/hr for each step that was below the minimum wage after any negotiated increases. As a result, the starting wage for 142 positions increased to \$11/hr. In January 2020, the starting wage for 610 positions will need to be increased to \$12/hr. BHR is working with the Bureau of the Budget, Office of Employee Relations, and OIT for a more workable solution moving forward.
- ▶ Reform of Civil Service Rules have languished since the 1980's, as a result some rules conflict with modern-day best practices and some have become obsolete. Proposed updates have been reviewed and additional changes and recommendations have been made based on new and ongoing issues, policy shifts, and procedural changes.

➤ **Constituencies**

This unit of BHR provides state departments and agencies, and State employees with advice and assistance. It also serves as an access point for members of the public seeking information about the state classification and compensation systems, and civil service laws, rules, policies and practices.

◆ **OFFICE OF EMPLOYEE RELATIONS**

This office is responsible for matters concerning the collective bargaining process; development and implementation of employee relations policies; and administration of the collective bargaining agreements for Executive Branch employees.

➤ **Major Functions and Responsibilities**

- ▶ Negotiate seven collective bargaining agreements every two years on behalf of the Governor.
- ▶ Develop employee relations policies, objectives, and strategies consistent with the Administration's overall objectives.
- ▶ Administrate and interpret collective bargaining agreements for state departments and agencies.
- ▶ Represent departments and agencies in grievance arbitrations, bargaining unit determinations, prohibited practice complaints, and court appeals arising therefrom.
- ▶ Consult with human resource professionals and managers on employee misconduct and performance issues to provide guidance on the best course of action.
- ▶ Provide technical advice and training to state agencies to ensure compliance with collective bargaining agreements.

➤ **Established Priorities**

- ▶ Maintain effective labor relations with state employee unions.
- ▶ Provide top-notch representation of state managers in grievances.
- ▶ Maintain a collaborative working relationship with human resource professionals.
- ▶ Advise and train human resource professionals and department and agency senior management on contract compliance issues in the workplace.

➤ **Selected Accomplishments**

- ▶ Negotiated and implemented successor collective bargaining agreements across all seven bargaining units.
- ▶ Successfully resolved through arbitration, mediation, and negotiations most disciplinary discharges.
- ▶ Improved the grievance process by streamlining procedures, adding a mediation step, reducing the length of arbitrations, and eliminating briefs.
- ▶ Expanded the expedited mediation and arbitration process to AFSCME, the State's second largest union.

➤ **Constituencies**

OER is the Governor's designee in negotiations; advises and represents managers and supervisors on labor relations matters; and provides counsel and training to State human resource professionals.

## ◆ **INVESTIGATIONS AND EQUAL EMPLOYMENT OPPORTUNITY**

### ➤ **Major Functions and Responsibilities**

This Division is responsible for statewide policy implementation for employment laws, investigating the more serious allegations of misconduct, advising human resource staff on investigations, and conducting management reviews in situations that warrant them. The Division also provides EEO/investigation support to the Department of Corrections.

### ➤ **Established Priorities**

- ▶ Advise and provide training for human resource professionals and managers on Equal Employment Opportunity (EEO), the Americans with Disabilities Act (ADA), Family Medical Leave (FML) and investigations.
- ▶ Review and oversight of related policies and practices.
- ▶ Prepare statewide EEO report and advise EEO Coordinators in the Human Resource Service Centers and agencies.

### ➤ **Selected Accomplishments**

- ▶ Sponsored and conducted personnel investigation workshop. Thorough and procedurally-sound investigations are key to upholding serious discipline. OER conducted its third, three-day intensive workshop for human resource professionals and others involved in personnel investigations.

- **Constituencies:** State employees and employment applicants.

## ❖ **DIVISION OF FIELD SERVICES**

This division is responsible for functional oversight and development of the human resource professionals embedded in departments and agencies through the Service Centers and for coordination and implementation of initiatives and projects across the Service Centers and Human Resources Offices statewide in order to meet the goals and objectives of the Director of the Bureau of Human Resources and the Commissioner of DAFS.

### ➤ **Major Functions and Responsibilities**

- ▶ Maintain personnel records.
- ▶ Coordinate briefings for human resource professionals in the State human resource community.
- ▶ Support the human resource management community in professional growth and development as they transition into a new role as strategic partner to senior management team.

### ➤ **Established Priorities**

- ▶ Liaise between the Bureau of Human Resources and Workday Maine project, to ensure that business processes being developed within the new HRMS are in line

with priorities and meet the business needs of the human resource community serving Executive Branch departments and agencies.

- ▶ Work with human resources employees statewide to improve and develop skills, and foster collaboration between the Human Resources Service Centers, to improve consistency of processes, increase efficiency, and ensure information and resource sharing.
- ▶ Determine and implement methods to address major challenges facing employers today, including workplace violence and threats, succession planning/organizational structure, and recruitment and retention.

#### ➤ **Selected Accomplishments**

- ▶ Improved across agency consistency of processes for personnel actions and responsibilities throughout the lifecycle of an employee, including recruitment, onboarding, and offboarding.
- ▶ Created a handbook and resource guide for new and tenured human resources staff on general guidelines and sources for information on human resource laws, rules, policies, and practices, to ensure accurate up-to-date information is maintained and to provide training assistance for employees entering the human resource field.
- ▶ Introduced WAVR-21 (Workplace Assessment of Violence) tool to Maine State Government Human Resource Service Centers. This tool is designed to help assess the risk posed by an employee and allow for development of a safety plan if appropriate.

- **Constituencies:** Human Resource Service Centers and other State human resource professionals.

- ❖ **Division of Employee Health and Wellness** which includes the Office of Employee Health and Benefits and the Office of Workers' Compensation are under the jurisdiction of the Joint Standing Committee on Insurance and Financial Service and Joint Standing Committee on Labor and Housing, respectively, and therefore is not addressed in this report.

#### ➤ **Emerging Issues & Goals**

- ▶ **Classification and Compensation Study** – During recent collective bargaining negotiations the State committed to a comprehensive classification and compensation review to be conducted of Executive Branch positions. A consultant to perform the review is to be commissioned through the RFP process. A good faith effort shall be made to have the study completed by August 1, 2020, and the findings of the study and any recommendations will be reported to the Joint Standing Committee on State and Local Government.
- ▶ **Telecommuting Study** – *Resolves 2019, ch. 37* calls for DAFS to study the costs and benefits of telework to the State and its employees. This resolve requires the Department to report its findings from the study, including recommendations and recommended

legislation, to the Joint Standing Committee on State and Local Government by October 1, 2020. We intend to conduct this study in conjunction with the Classification and Compensation Study.

- ▶ **Technology Modernization** – Implementation of Workday Maine, a new, upgraded Human Resources Management System (HRMS). The State’s current HRMS is a 1980s mainframe system that is outdated and expensive to maintain. Not only is it paper-driven and costly to upgrade, but also lacks required functionality in critical areas: talent management, performance management, benefits management, training delivery, employee self-service, and mobile functionality. Currently, employee information is fragmented across multiple programs, and management reporting is difficult simply because data is unavailable. Additionally, processes are mostly paper driven. Human Resources lacks the ability to provide timely and accurate data to departments and agencies in partnering with them to meet their goals. The State of Maine is in the process of transitioning to a new HRMS product with modern technology that is already being used by several other states, and in Maine at Unum, L.L. Bean, IDEXX, and Bowdoin College. This upgrade is critical to human resource modernization efforts and operating efficiency. From an information technology perspective, it will be more secure and maintainable going forward. BHR continues to work with and provide support for the Workday HRMS project for a 2020 deployment. While several human resource employees work at the project full time, all the human resource teams are fully committed to assisting the Workday project and respond to regular inquiries by the Workday team. Among many benefits, it is anticipated that the implementation of this system will assist in transparency and the standardization and streamlining of human resource processes statewide.
- ▶ **Effective Recruitment** – To remain competitive in a job market in which the unemployment rate has been at or below 4% for more than three years, the Bureau continues to implement innovative and strategic initiatives to recruit the best and the brightest to work for Maine State Government, with added focus on positions that are difficult to fill, such as IT positions, nurses, etc. Recent collective bargaining negotiations included increased benefits such as salary increases, paid parental leave and increased vacation for new hires as incentives for job seekers to consider Maine State Government a preferred employer. The State has upgraded from a lengthy, paper driven application process to an online applicant tracking system (RecruiterBox), creating both an easier experience for applicants as well as more visibility when advertising state jobs. Current recruitment efforts include increasing BHR’s social media footprint to bring more awareness to state government careers; filming and promoting testimonial videos of State employees from a variety of departments discussing why they choose to work in state government; and partnering with agencies to create programs, including internships, to foster relationships with the new generation entering the workforce.
- ▶ **Employee Wellness** – Claims data from both health insurance and workers’ compensation indicate increases in stress, depression, and mental illness. Employee wellness initiatives are being developed to address these statistical concerns, promote work/life balance, and enhance the employee experience.
- ▶ **Training and Development** – A critical element of enhancing the employee experience is ensuring employees and managers have the tools to succeed. One of BHR’s primary statutory duties is to ensure that the State’s managers are provided with the skills and knowledge needed to manage people effectively. In early 2011, BHR’s Training and Organizational Development Unit (of six employees) was disbanded due to

severe budgetary shortfalls. The dedicated revenue account established by the Legislature to fund the Unit experienced continual and sustained shortfalls as departments experienced cuts to their training budgets over the most recent fiscal years. BHR needs to develop an entirely new training delivery model within its current resources that will provide this critical training at little or no cost to departments and agencies. BHR is producing a training menu of available training opportunities and resources through BHR, Living Resources, on-line tools, and contracted resources. The Bureau also plans to develop a training cadre for increased delivery of in-house development courses.

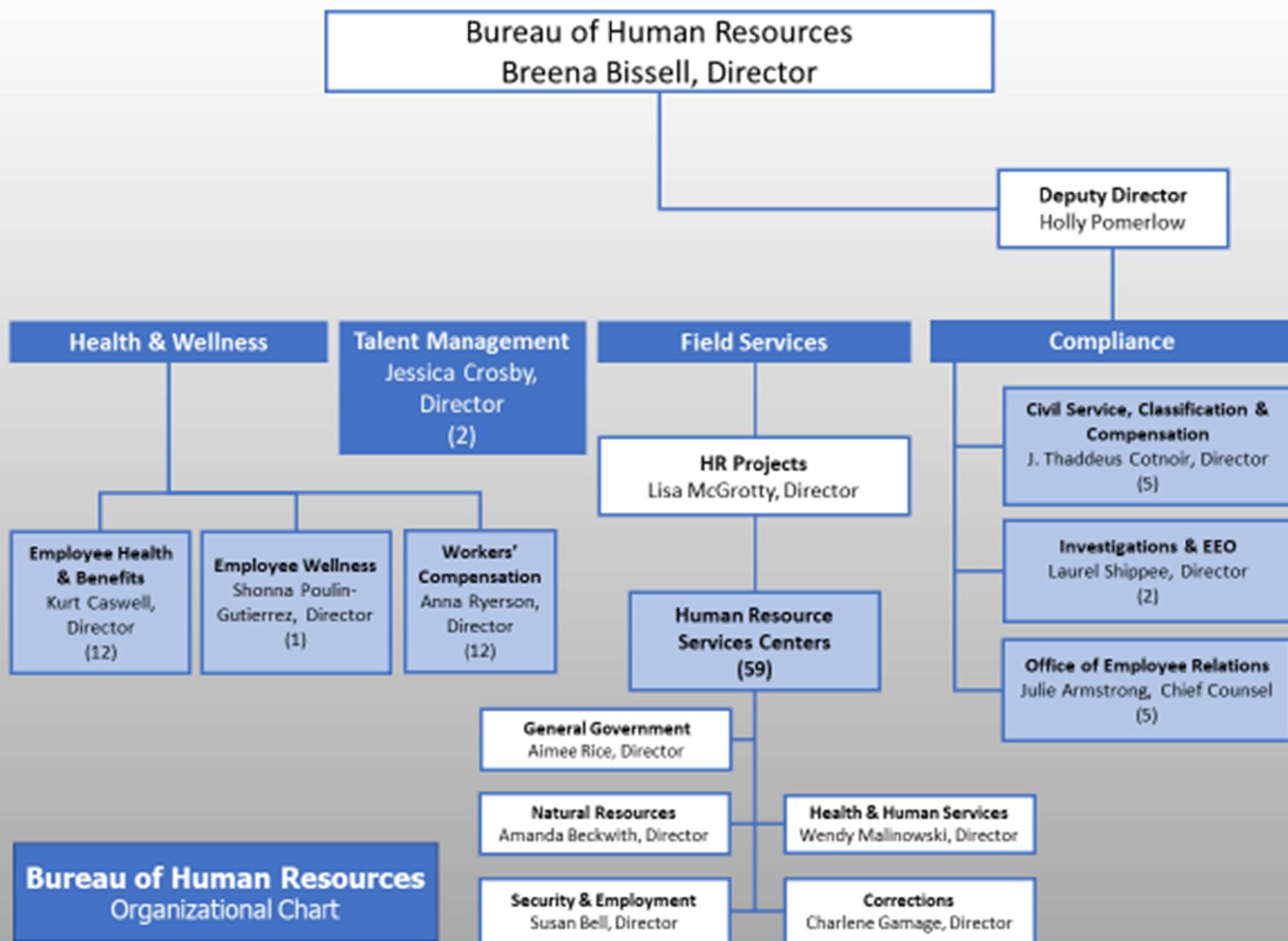
## ➤ **Protection of Personal Information**

BHR adheres to OIT's Information Privacy Policy, Information Security Policy, and Security Awareness and Training Policy and Procedures for collecting, managing and using personal information over the internet and nonelectronically, and evaluating of the Bureau's adherence to the fair information practice principles of notice, choice, access, integrity, and enforcement. The Bureau of Human Resources Employee Handbook states the expectations regarding employee confidentiality.

## ➤ **Reporting Requirements**

- ▶ **State Job Application Forms (*Civil Services Rules, 18-389, ch. 6, § 3*)** – From May 2018 to present the State of Maine has received 54,982 employment applications. Future application volume is expected to remain approximately the same or increase in proportion to the number of vacancies.

In the last year, these forms have been reduced from a nine-page document to a short electronic application using the new online platform Recruiterbox. The upcoming implementation of Workday Maine will replace Recruiterbox but will serve the same purpose. Short paper forms are still available upon request for accommodation and other purposes. This transformation has drastically reduced the use of paper, redundant form completion, and time invested. Additionally, applicants can apply their applications toward several job openings.



## BUREAU OF HUMAN RESOURCES

### Financial Summary 2010-2019

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Bureau of Human Resources										
0038 - ADMINISTRATION - HUMAN RESOURCES										
General Fund	\$ 1,940,287	\$ 1,903,455	\$ 1,908,580	\$ 1,847,247	\$ 1,964,580	\$ 1,993,239	\$ 2,111,926	\$ 2,143,287	\$ 2,550,205	\$ 2,596,300
Other Special Revenue	493,329	501,304	255,880	255,880	256,285	256,285	5,000	5,000	5,000	5,000
<b>Total Appropriations/Allocation:</b>	<b>\$ 2,433,616</b>	<b>\$ 2,404,759</b>	<b>\$ 2,164,460</b>	<b>\$ 2,103,127</b>	<b>\$ 2,220,865</b>	<b>\$ 2,249,524</b>	<b>\$ 2,116,926</b>	<b>\$ 2,148,287</b>	<b>\$ 2,555,205</b>	<b>\$ 2,601,300</b>
Positions	24,000	24,000	20,000	20,000	18,500	18,500	18,500	19,500	22,000	22,000
Personnel Services	\$ 1,927,940	\$ 1,740,846	\$ 1,518,400	\$ 1,540,366	\$ 1,596,659	\$ 1,686,734	\$ 1,776,961	\$ 1,788,887	\$ 2,141,915	\$ 2,145,273
All Other	548,195	584,276	333,020	229,444	200,570	295,577	192,790	336,809	341,928	261,332
Capital	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 2,476,135</b>	<b>\$ 2,325,122</b>	<b>\$ 1,851,420</b>	<b>\$ 1,769,811</b>	<b>\$ 1,797,229</b>	<b>\$ 1,982,310</b>	<b>\$ 1,969,751</b>	<b>\$ 2,125,696</b>	<b>\$ 2,483,842</b>	<b>\$ 2,406,605</b>

Figures are legislatively authorized appropriations/allocations and actual expenditures. Expenditures may exceed legislative authorizations due to prior year encumbrances or financial order adjustments.

## **DIVISION OF FINANCIAL AND PERSONNEL SERVICES**

### ➤ **Statutory Authority & Overview**

The Division of Financial and Personnel Services (DFPS) was established in 1992 under *5 M.R.S. §284. P.L. 2005, ch. 12, pts. K-4, G-2 and G-3* expanded the agencies served by DFPS's Service Centers to improve organizational efficiency and effectiveness. When the expanded service centers were implemented in FY06 they generated over \$2.6M in General Fund savings and eliminated more than 30 positions through consolidation.

### ➤ **Major Functions & Responsibilities**

DFPS provides professional financial and human resources expertise to departments and agencies across Maine State Government. These centralized services give agencies access to experienced staff with specialized knowledge who provide technical guidance, problem-solving, and management services. This allows agencies to focus on their core mission and rely on these specialists to remain in compliance with complex and rapidly changing laws, regulations, and reporting requirements.

The objective of the DFPS Service Centers is to coordinate financial and human resources operations across state government. This is accomplished by working collaboratively with departments' and agencies' senior leadership and across service centers. Using an enterprise approach, the Service Centers provide consistent application and interpretation across departments and agencies of statutory requirements, budgetary policy, generally accepted accounting practices, human resources policy, and collective bargaining agreements.

### ➤ **Organizational Structure**

Each service center has a finance unit and a human resources unit. Finance service center units are under the direction of the DAFS Deputy Commissioner of Finance. Human resource service center units are overseen by the Director of the Bureau of Human Resources.

The Service Centers provide highly experienced and technically trained staff to the departments and agencies they serve. Prior to the development of the Service Centers, departments and agencies struggled to maintain adequate technical knowledge due to the siloed nature of financial and human resource operations. Lack of centralized operations and inequity in resources resulted in significant differences, and sometimes deficiencies, in application of accounting, budgetary, and personnel standards. The Service Centers can take advantage of economies of scale and avoid duplication of effort, delivering these important administrative services with higher competence and at a lower cost.

As an internal service fund, separate from the departments and agencies they serve, the Service Centers create a system of checks and balances based on segregation of functional responsibilities. This configuration allows for independent review of transactions, processes and policies, and assures that state resources are expended in compliance with laws, regulations and approved programmatic priorities.

State agencies pay Service Center costs through the All Other portion of their operating budgets. Rates are intended to recover the full cost of providing services to client agencies. Due to the

centralized nature of the service centers, they can reallocate appropriate costs from the General Fund to the correct Federal or Other Special Revenue accounts.

Annually, the finance service center units manage 892 accounts totaling over \$7.6B in funds. Collectively, the human resource service center units process payroll and provide human resource services to over 8,000 State employees. In FY19 the budget for the Service Centers totaled \$25M, supporting 285 full-time equivalent positions.

<b>Service Center</b>	<b>Departments/Agencies Served</b>
General Government	Department of Administrative and Financial Services Department of Education Department of Economic and Community Development Maine State Library, Maine State Museum, other cultural agencies Governor’s Office, Blaine House Miscellaneous Commissions, Boards and Authorities
Natural Resources	Department of Agriculture, Conservation and Forestry Department of Inland Fish and Wildlife Department of Environmental Protection Department of Marine Resources
Security & Employment	Department of Labor Department of Professional and Financial Regulation Department of Public Safety Department of Defense, Veterans and Emergency Management Miscellaneous Boards and Authorities
Health & Human Services	Department of Health and Human Services
Corrections	Department of Corrections

### **Financial Services**

- Compliance with State and Federal laws and regulations
- Budget analysis, development and management
- Application of generally accepted accounting and financial practices
- Grant management and reporting
- Financial reporting and analysis
- Cash management
- Accounting and financial processing

### **Human Resources Services**

- Compliance with State and Federal laws and regulations
- Compliance with collective bargaining agreements
- Personnel management
- Recruitment and hiring
- Employee relations
- Investigations and arbitrations
- Payroll processing
- Benefits administration
- Workforce training and development

## ➤ **Established Priorities**

- ▶ Work collaboratively with senior leadership and managers of client agencies to gain understanding of their programs and priorities. This enables Service Center staff to more insightfully evaluate and make recommendations regarding financial processes, human resource needs, and business decisions.
- ▶ Provide excellent customer service through timely, reliable and relevant strategic information, analysis, reporting, and guidance. Work with client agencies to identify potential issues and develop solutions. Anticipate customer needs, continuously searching for ways to provide added value. Serve as liaison between client agencies and central DAFS services (including Bureau of the Budget, Office of the State Controller, Bureau of Human Resources, Division of Procurement Services, and others).
- ▶ Develop highly skilled, experienced finance and human resource professionals. Mentor and develop staff, provide training and cross-training, and establish succession planning. This provides a clear career path and ensures that critical institutional knowledge is not lost to staff turn-over.
- ▶ Provide technical expertise through knowledge of applicable laws, regulations, professional standards, and best practices that is continually updated for new developments. Ensure that internal controls are in place and operating effectively to provide reliable and accurate processing and reporting.

## ➤ **Selected Accomplishments**

- ▶ The Corrections Finance Service Center developed a paperless document workflow called MainePays to streamline the processing of accounts payable. Subsequent to implementation for the Department of Corrections, MainePays was expanded for use by the Health and Human Services Finance Service Center. Both units have gained significant efficiencies in the accounts payable process, primarily due to the decentralized nature of their Departments' operations. MainePays has been implemented on a smaller scale in other finance service center units for select agencies. We continue to evaluate other client agencies that could benefit from this tool and will expand its use where beneficial.
- ▶ In addition to MainePays, another paperless workflow called TravelApp was developed. TravelApp is being used primarily by the Department of Health and Human Services for case workers and other staff who spend a significant amount of their time traveling to visit clients. This tool has significantly streamlined the travel reimbursement process for employees, reducing its timeline from several weeks to just one.
- ▶ To streamline use of budget data from disparate tools, the Security and Employment Finance Service Center developed their own database that pulls information from several existing databases to improve reporting and analysis capabilities. Prior to development of this system, financial data had to be entered into two separate systems for Department of Labor reporting. In the past there were many audit findings resulting from difficulty reconciling the two systems. Implementation of the new reporting tool eliminated those audit findings and earned a "Best Practices" citation from the U.S. Department of Labor, Region 1. Other finance service center units have implemented this reporting tool and improved their analysis abilities and communication with client agencies.

- ▶ In FY16, the Health and Human Services Finance Service Center formed a Recovery Division. The division has been instrumental in reducing the number of audit findings associated with DHHS programs. Since the Division's founding, there have been zero audit findings related to Medicaid overpayments; previously this area received an average of seven audit findings per year. On the member-benefit side, even though the division has only been involved for two years, audit findings dropped to just one during the last Federal engagement from more than 15 per year in previous engagements.

## ➤ **Emerging Issues & Goals**

- ▶ An aging State workforce, historically low unemployment rate, and lack of competitive wages have created significant staffing challenges. Service Center directors and managers spend substantial time interviewing, hiring, and training new employees. Hiring talented young professionals into State service and retaining them is difficult when higher compensation can be attained elsewhere.
- ▶ Ongoing modernization of technology is critical to providing the best services possible to client agencies. However, development and implementation of new software tools has put significant strain on Service Center resources, as these personnel are frequently called upon to provide subject matter expertise and guidance. Recent projects have included development of a new Human Resources Management System (Workday) and implementation of a new data management tool (Oracle Analytics Cloud System (OACS)). Both projects have required finance and human resource specialists to dedicate significant time to these competing priorities, pulling them away from their work in the Service Centers. Responsibilities have been back-filled as much as possible, but the added stress has contributed to staff turnover and hiring difficulties.
- ▶ As noted in the section for the Office of the State Controller, we are deploying OACS, replaces a legacy query tool system. OACS has dramatically improved reporting and communication abilities and we intend to use this tool to create various "dashboards" for client agencies around financial, budgetary, and human resources data. The system will not require agency staff to be knowledgeable about building data queries and will allow them to pull their own up-to-date reports and information when needed.
- ▶ Collaboration across Service Centers creates efficiencies by eliminating the development of "one-off" solutions. It is our goal to grow this collaboration and dialogue between different finance and human resources units to reduce duplication of effort and make pre-existing tools available to all staff. This enhances problem-solving and makes more resources available for these professionals to use with their client agencies.
- ▶ Consistency in policies and processes across Service Centers is being evaluated to better allow for movement of personnel between the different units. Having this consistency will reduce the learning curve that currently exists and will allow for more flexible allocation of staff where they are most needed, especially to cover short-term needs.

**Deputy Commissioner of Finance**  
Heather Perreault

**Bureau of Human Resources**  
Breena Bissell, Director

**HR Projects**  
Lisa McGrotty

**Financial Service Centers**

**General Government**  
Janre Mullins, Director

**Natural Resources**  
Gilbert Bilodeau, Director

**Security & Employment**  
Marilyn Leimbach, Acting Director

**Health & Human Services**  
Sarah Gove, Director

**Corrections**  
Scott Ferguson, Director

**Information Technology**  
Kendra Coates, Director

**Human Resource Service Centers**

**General Government**  
Aimee Rice, Director

**Natural Resources**  
Amanda Beckwith, Director

**Security & Employment**  
Susan Bell, Director

**Health & Human Services**  
Wendy Malinowski, Director

**Corrections**  
Charlene Gamage, Director

**Division of Financial and Personnel Services**  
Organizational Chart

## DIVISION OF FINANCIAL AND PERSONAL SERVICES

### Financial Summary 2010-2019

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Service Centers										
0713 - FINANCIAL AND PERSONNEL SERVICES - DIVISION OF										
Federal Expend. Fund	\$ 497,302	\$ 497,302	\$ 497,302	\$ 497,302	\$ 497,302	\$ 497,302	\$ -	\$ -	\$ -	\$ -
Other Special Revenue	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Fin & Personnel Service Fund	22,857,441	23,413,978	21,073,861	21,304,740	19,773,366	20,567,542	21,101,772	21,037,055	24,369,436	24,951,542
<b>Total Appropriations/Allocation:</b>	<b>\$ 23,384,743</b>	<b>\$ 23,941,280</b>	<b>\$ 21,601,163</b>	<b>\$ 21,832,042</b>	<b>\$ 20,300,668</b>	<b>\$ 21,094,844</b>	<b>\$ 21,131,772</b>	<b>\$ 21,067,055</b>	<b>\$ 24,399,436</b>	<b>\$ 24,981,542</b>
Positions	301.500	300.500	298.000	300.000	267.346	267.346	258.000	258.000	285.000	285.000
Personnel Services	\$ 18,883,977	\$ 19,116,260	\$ 17,325,171	\$ 17,624,278	\$ 16,215,309	\$ 17,281,344	\$ 17,624,715	\$ 18,597,327	\$ 20,539,574	\$ 20,725,500
All Other	2,268,216	2,149,697	2,173,904	2,421,341	1,739,155	1,802,965	1,616,079	1,685,847	1,704,853	1,845,527
Capital	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 21,152,193</b>	<b>\$ 21,265,957</b>	<b>\$ 19,499,076</b>	<b>\$ 20,045,619</b>	<b>\$ 17,954,464</b>	<b>\$ 19,084,309</b>	<b>\$ 19,240,795</b>	<b>\$ 20,283,174</b>	<b>\$ 22,244,427</b>	<b>\$ 22,571,027</b>

Figures are legislatively authorized appropriations/allocations and actual expenditures. Expenditures may exceed legislative authorizations due to prior year encumbrances or financial order adjustments.

# BUREAU OF GENERAL SERVICES

## ➤ **Statutory Authority & Overview**

By statute, the Bureau of General Services (BGS) provides consolidated management and coordinated oversight for a range of construction, property management, procurement and central services to meet the operational needs across Maine State Government. BGS pursues cost-effective operations in its own responsibilities and in the operations of other departments and agencies. BGS's enabling or authorizing laws can be found in *5 M.R.S. §§ 1711-1833*, and *41 C.F.R.*

*P.L. 2017, ch. 284, pt. QQQQQ, § 3* authorized the Commissioner of the Department of Administrative and Financial Services to reorganize BGS in a manner the Commissioner determined most effective and efficient. In October 2017, Commissioner Porteous reassigned the activities and functions of BGS to a proposed Bureau of Real Estate Management and Bureau of Business Management. For all practical purposes, BGS would be dissolved, but references to the Bureau of General Services were not updated in statute to reflect the reorganization. Commissioner Figueroa has considered this structure, finally determining that DAFS will maintain the Bureau of General Services, with three divisions: The Division of Procurement and Central Services, the Division of Capital Asset Management, and the Division of Leased Space. Under this structure, the extensive authority conferred by statute to the Director of BGS will be exercised by the Deputy Commissioner for General Services as delegated in the Deputy Commissioner's discretion to the Division Directors. The Deputy Commissioner also will manage real estate transactions and oversee state-owned landfill operations.

## ❖ **DIVISION OF PROCUREMENT AND CENTRAL SERVICES**

### ➤ **Organizational Structure**

The Division of Procurement and Central Services provides a renewed focus on delivering procurement services by partnering with state agencies to better understand their business needs and strategic direction. The Division also provides consolidated management of passenger and light truck vehicles to all state agencies, delivers postal services for state government, and manages the disposition of state and federal surplus property. The Division of Procurement and Central Services consists of three units:

1. Procurement Services – 20 positions
2. Central Fleet Management (CFM) – 16 positions
3. Central Services - 24 positions
  - State Postal Center
  - State Surplus Property
  - Federal Surplus Property

### ◆ **PROCUREMENT SERVICES**

Procurement Services, through the statutory authority given to the Bureau of General Services in *5 M.R.S. §1811*, is responsible for purchasing all services, supplies,

materials, and equipment required by state government or by any department or agency thereof. The Division administers the procurement process by either directly purchasing or reviewing and approving agencies' purchases of goods and services. Procurement Services ensures that all purchasing transactions represent "best value" including both quality and cost reasonability, and that the transactions are made in a fair, open and competitive manner.

➤ **Major Functions & Responsibilities**

- ▶ Direct purchase of goods and services valued over \$5,000.
- ▶ Establish master agreements for use by all state agencies and certain public entities.
- ▶ Review and approve all requests for proposals (RFPs) for professional services and the resulting contracts.
- ▶ Review and approve all requests to waive competitive bidding.
- ▶ Administer the State of Maine Procurement Card Program.
- ▶ Oversee procurement appeals filed by aggrieved parties.

➤ **Constituencies & Stakeholders**

- ▶ Vendors seeking to do business with the State of Maine
- ▶ Governor's Office and Executive Branch agencies
- ▶ County and municipal governments
- ▶ National Association of State Procurement Officials

➤ **Established Priorities**

- ▶ Modernize procurement processes to reduce administrative burden, improve accessibility for businesses seeking state contracts, and be more agile in response to state agency, legislative, economic and social priorities.
- ▶ Document revised policies and procedures implementing procurement statutes and administrative rules. Revise the following statutes to update obsolete language: *5 M.R.S. §1826-A, B, C (Products and Services for Rehabilitation Facilities and Work Centers)*, *5 M.R.S. §1825-L (State Purchasing Code of Conduct)*, and *5 M.R.S. §43 (Annual Reports of State Agencies)*.
- ▶ Revise standard templates used in procurement transactions to ensure the state is paperless, efficient, and documents are accessible.
- ▶ Institute training whereby Procurement Services and agency staff gain specific certifications in order to execute certain transactions and perform procurement.
- ▶ Automate procurement processing using procure-to-pay software system (eProcurement). eProcurement integrates information on a single platform with shared repositories and secure access, information and records management, and process management tools. eProcurement will allow us

to create a systematic process prioritizing and scheduling procurements; collect user, vendor, and market data; help us chose source selection methods; determine types of contracts to use; prepare negotiation strategies; and better manage contracts.

➤ **Selected Accomplishments**

- ▶ In FY19, Procurement Services processed over \$1.3B in goods and services and generated a 1.81% annual rebate on procurement card spending. Seven out of 20 positions within Procurement Service were internally funded by the rebate earned on procurement card spending.
- ▶ Since 2011, existing Procurement Services staff have managed a 35% increase in procurement document count, 39% increase in procurement document value, and 27% increase in the number of transactions procured using procurement cards.

Document Type	Document Count			Value		
	FY18	FY19	Δ	FY18	FY19	Δ
Request for Quotations	606	380	(226)			
Purchase Orders	1,765	1,150	(615)	\$54,263,628	\$42,591,417	\$(11,672,211)
Master Agreements	118	148	30			
Delivery Orders	12,044	18,975	6,931	\$124,344,982	\$274,366,037	\$150,021,145
Contracts	5,064	4,758	(306)	\$674,543,670	\$1,019,403,948	\$344,860,278
P-Card Transactions	83,150	87,534	4,384	\$18,871,590	\$22,870,618	\$3,999,028

- ▶ Implemented Purchasing Maine, a paperless document workflow submission tool in 2017.
- ▶ Improved customer service by assigning each Executive Branch agency a designated procurement staffer to serve as their primary point of contact.
- ▶ Instituted an annual symposium for all Executive Branch employees performing procurement functions.
- ▶ Introduced a standard process for agencies to develop lists of qualified vendors who are willing and able to perform specific services for the State. These Pre-qualified Vendor List RFPs allow agencies to expedite bidding when work arises.

- ▶ Developed a Multi-Vendor Contract allowing for a series of like contracts (same services and language) to be grouped into a single contract vehicle thereby reducing the amount of administration required to manage individual contracts.
- ▶ Increased transparency by enhancing the procurement transactions that are searchable on the Division of Procurement Services' website.
- ▶ Integrated OIT's former Vendor Management Office into Procurement Services to establish a streamlined approach to technology procurement.

➤ **Emerging Issues & Goals**

- ▶ Revise statutory and rule requirements to administer grant awards, be more precise with procedural requirements, and update to meet automation strategies.
- ▶ Maintain a central repository for procurement transaction data that allows agencies to track procurements, vendor management, and competitive bids.
- ▶ Formalize a Green Purchasing Program whereby the procurement process considers a product or service's environmental and human health impacts as a factor of selection.

➤ **Alternative Delivery Methods**

Procurement Services seeks to participate in multi-state contracts whenever possible. This consolidates processes and increases purchasing volumes for greater discounts.

➤ **Protection of Personal Information**

Procurement Services discourages the presence of personal information in solicitation or contract documents. Certain identifying information from vendors that do business with the State of Maine exists within the State's financial system of record, Advantage ME, which is maintain by the Office of the State Controller.

When applicable, Procurement Services adheres to all related policies set forth by the OIT. Contracts that fall under the purview of the Chief Information Officer require cyber liability insurance for the protection of personally identifiable information.

➤ **Reporting Requirements**

- ▶ **Purchases of Recycled Supplies and Materials (5 M.R.S. §1812-A)**
- ▶ **Waivers from the Competitive Bidding Provisions (5 M.R.S. §1825-B)**
- ▶ **States that Give Preference to In-state Bidders (5 M.R.S. §1825-B)**
- ▶ **State Purchasing Code of Conduct (5 M.R.S. §1825-P)**

## ◆ **CENTRAL FLEET MANAGEMENT**

Central Fleet Management was established under *5 M.R.S. §1830* to procure, distribute, maintain and dispose of passenger and light truck vehicles cost-effectively by harnessing state government's purchasing power and coordinating the use of approximately 2,100 vehicles through a single division. Vehicles are supplied to all customer agencies for use by employees who must travel to fulfill their assigned duties.

### ➤ **Major Functions and Responsibilities**

- ▶ Satisfy long and short-term transportation needs with permanently assigned, and seasonal and daily rental vehicles.
- ▶ Collect and analyze data to determine transportation needs, fuel efficiency, and cost effectiveness.
- ▶ Administer the associated requirements of fleet management, such as writing vehicle specifications, ordering vehicles, maintenance, fueling, and insurance resources.

### ➤ **Constituencies & Stakeholders**

- ▶ Executive Branch agencies
- ▶ Quasi-state agencies
- ▶ Community College System and special programs of the University System
- ▶ Vehicle and equipment vendors
- ▶ Local repairs, parts and fuel vendors

### ➤ **Established Priorities**

- ▶ Continue the detailed work of prudent fleet management, such as right-sizing vehicles to tasks, and ensuring vehicles' safety while operating for their full life.
- ▶ Further reduce the amount of fuel consumed by CFM vehicles—and in turn, fuel expense incurred.
- ▶ Calculate greenhouse gas emissions and establish measures by which to decrease carbon footprint of State fleet.
- ▶ Continue collaboration with Procurement Services and repair vendors to further reduce maintenance costs.
- ▶ Enhance CFM's online presence to promote services offered and create easier access for customer agencies.

➤ **Selected Accomplishments**

- ▶ From FY12-FY19, CFM has saved the State over \$11M by encouraging the use of the Fleet’s passenger vehicles when employees travel on State business rather than reimbursing employee’s mileage for the use of their own vehicles.

	<b>CFM Miles Driven</b>	<b>Cost to Agencies</b>	<b>Cost per Mile</b>	<b>Paid Mileage Cost</b>	<b>Savings</b>
<b>FY12</b>	10,489,164	\$3,496,925	\$.3334	\$4,615,232	\$1,118,307
<b>FY13</b>	11,078,922	\$3,718,147	\$.3356	\$4,874,726	\$1,156,579
<b>FY14</b>	11,277,987	\$3,718,238	\$.3297	\$4,962,314	\$1,244,076
<b>FY15</b>	11,731,098	\$3,662,320	\$.3122	\$5,161,683	\$1,499,363
<b>FY16</b>	11,735,631	\$3,392,616	\$.2891	\$5,162,678	\$1,771,061
<b>FY17</b>	11,312,564	\$3,425,874	\$.3028	\$4,977,528	\$1,551,654
<b>FY18</b>	10,856,625	\$3,331,572	\$.3069	\$4,775,915	\$1,445,343
<b>FY19</b>	10,485,471	\$3,323,639	\$.3170	\$4,613,607	\$1,289,968
<b>Total Savings</b>					<b>\$11,076,350</b>

- ▶ Assisted the Department of Corrections in implementing a new fuel system that increased efficiency of fueling and data collection at three correctional facilities.
- ▶ Moved from 15 Columbia St, Augusta to shared facility with DOT Fleet Services at 66 Industrial Dr, Augusta in 2017.

➤ **Emerging Issues & Goals**

- ▶ Upgrade fleet management database system.
- ▶ Implement telematics solution for all or portion of the fleet to gain insights that lead to fuel efficiency, cost savings, and reduced emissions.
- ▶ Review operational structure for gaps in staff training and headcount.
- ▶ Desire to integrate electric vehicles into the fleet to reduce the State’s carbon footprint and lead by example. Recently, CFM purchased six electric vehicles and will be implementing a pilot program to evaluate environmental and cost values of strategically incorporating electric vehicles.

- ▶ Continue to adopt newer technologies with promise of improved fuel efficiency, with the constant objective of lowering operating costs for agencies.
- ▶ Need to address the advanced age and mileage of our fleet vehicles currently in services. Currently, 50 vehicles are in use with over 150,000 miles, 527 vehicles with 100,000 to 150,000 miles, and 44 vehicles are 10-14 years old. An increase to CFM's borrowing authority would allow CFM to purchase and replace more vehicles annually.

➤ **Alternative Delivery System**

CFM periodically reviews the potential benefit of outsourcing to a private vehicle leasing program. Currently, the risks of outsourcing outweigh the benefits of maintaining the fleet under BGS.

➤ **Reporting Requirements**

- ▶ **Vehicles Assigned by Agency (5 M.R.S. §7-A)**
- ▶ **Status of Current Fleet Vehicle Operations (5 M.R.S. §1830)**

◆ **CENTRAL SERVICES**

Central Services is comprised of three sections: The State Postal Center, State Surplus Property, and Federal Surplus Property.

◆ **STATE POSTAL CENTER**

The State Postal Center provides a wide range of mail services for State departments and agencies, including interoffice mail. State Postal handles 8.3M pieces of outgoing mail and 4.6M pieces of incoming mail annually and delivers to over 250 stops daily.

◆ **Major Functions & Responsibilities**

- ▶ Operate reliable inter-office and external daily mail service for state government. Consolidation of postal services provides for discounted rates and lower overall cost.
- ▶ Process state postal articles in accordance with various statutory timelines set forth by Federal agencies (e.g. – Internal Revenue Service).
- ▶ Receive printed materials, merge multiple pieces and insert into envelopes at a rate of up to 12,000 pieces per hour. This service is available for letter and flat size envelopes up to 9" by 12".
- ▶ Track printed material by unique numerical barcode to ensure Health Insurance Portability and Accountability Act (HIPAA) and Federal Tax Information (FTI) compliance and that all personally identifiable information (PPI) is restricted.

- ▶ Process payments, statements, vouchers and other mail items same day to ensure prompt receipt.
  - ▶ State Postal offers multiple vendors (USPS, UPS, FedEx) to provide customers with a variety of speeds and price points to meet their objectives. We can provide next day delivery for many mailing jobs.
- **Constituencies & Stakeholders**
- ▶ All branches of state government
  - ▶ Mail recipients
- **Established Priorities**
- ▶ Continue to find efficiencies and cost savings in processing.
  - ▶ Consider expanding services to related entities in order to achieve greater volume discounts.
  - ▶ Work with agencies to conduct training and improve communications about advancements that can more effectively process their mail or packages.
  - ▶ Establish a master agreement for postal equipment to centralize process of funding postage meters.
  - ▶ Move from current 85 Leighton Rd, Augusta facility to a more affordable location that also allows for a more optimal workflow and continuity of operations in emergencies.
- **Selected Accomplishments**
- ▶ Converted all inbound accountable tracking to a real-time web system, eliminating paper copies.
  - ▶ Obtained certification allowing use of Intelligent Mail Barcode (IMB) technology for all presorted mail processed, which has enhanced tracking capabilities and generated additional discounts.
  - ▶ Replaced outdated servers passing protected health information (PHI) or PII between state agencies and the State Postal software.
  - ▶ Initiated electronic process for inserting flat size envelopes that contain PHI or PII to allow for electronic tracking.
  - ▶ Reduced the size of a portion of the postal fleet vehicles to reduce fuel expense.
  - ▶ Introduced multi-user ergonomic workstations.
- **Emerging Issues & Goals**
- ▶ Implement safety screening method, including an x-ray and “puffer” machine to identify potential biological threats, to ensure the safety of all customers served.

- ▶ Implement protections for address cleansing that ensure the address is accurate and the recipient mail is not delayed within the postal system.
  - ▶ Enhance protections of PHI and PII.
  - ▶ Enhance security protocols to protect against attacks through the postal system.
- **Alternative Delivery System**  
State Postal annually evaluates our delivery system and reviews our rates to better meet customer demand and ensure we are a viable cost saving solution.
- **Protection of Personal Information**
- ▶ State Postal utilizes an adapted Maine Revenue Services training to ensure personal information is protected. This requires State Postal staff to watch training videos and engage in discussions with colleagues.
  - ▶ Additionally, cameras are placed throughout the work floor and postal inspectors are invited to review procedures.

## ➤ **STATE AND FEDERAL SURPLUS**

State Surplus Property disposes of state property that is no longer needed by the department or agency that originally purchased it. State Surplus conducts daily sales, periodic bids, public sales, and public auctions to sell state surplus property. State Surplus serves all of Maine State Government requiring over 7,000 miles of travel annually to assist with property relinquishment.

Federal Surplus Property is designated to receive and distribute federal property available for distribution to eligible recipients within the State of Maine. Federal Surplus may acquire, warehouse, allocate, and distribute surplus government property to all recipients within the State of Maine who have been or who may later be designated as eligible to receive such surplus property by either Congress or any other federal official empowered to make such a determination. In FY19, Federal Surplus distributed items worth \$863,000 (based on cost when purchased new) throughout the State of Maine.

### ➤ **Major Functions & Responsibilities**

- ▶ Distribute surplus items to agencies in need of items to reduce funds expended for the purchase of new items and to maximize use of existing items.
- ▶ Track fixed assets to the end of disposition.
- ▶ Review purchases of new items and quantify the trade in value of items to ensure maximum return on value of the items.

- ▶ Screen, transfer and review Federal surplus property, ensuring proper compliance with all General Services Administration (GSA) requirements.
  - ▶ Review broken or obsolete items and recycle or dispose of the items in a responsible manner.
- **Constituencies & Stakeholders**
- ▶ State government
  - ▶ Federal government
  - ▶ County and municipal governments, schools, eligible non-profits
  - ▶ General public purchasing items from surplus property
- **Selected Accomplishments**
- ▶ Implemented a universal waste recycling program to ensure all electronic waste (i.e. computers, monitors, copiers, fax machines, televisions, fluorescent lamps) is disposed properly.
  - ▶ Recycled over 2.3M pounds of metal in FY19.
  - ▶ Established satellite drop-off locations to increase ease of turning-in surplus items.
  - ▶ Utilized onsite auction services to dispose of specialty items or items that are costly to move.
  - ▶ Increased positive relationship between state and federal agencies to ensure hazardous or potentially harmful items are processed in a responsible manner.
  - ▶ Developed protocols with OIT to ensure all electronics are wiped clean of all data prior to sale.
- **Established Priorities**
- ▶ Increase staffing levels to ensure the ability to meet customer demands.
  - ▶ Pursue a revenue generating or no-cost contract for recycling universal electronic waste, (non-serviceable or no longer needed computers, monitors, copiers, fax machines, televisions, and fluorescent lamps) including plastic, to reduce costs to agencies.
  - ▶ Automate submission of documentation that accompanies items sent to Surplus Property.
  - ▶ Procure and implement an inventory tracking system allowing for online accessible information and increased accountability.
  - ▶ Increase internet presence.

➤ **Emerging Issues & Goals**

- ▶ Review feasibility of processing surplus property for municipalities and school administrative units.
- ▶ Implement a “Green Surplus” program that minimizes the negative effect of disposal of non-recyclable items.
- ▶ Institute paperless processes.
- ▶ Seek alternative methods of sales for items ensuring maximum return on investment.

➤ **Alternative Delivery Methods**

- ▶ State Surplus is required by statute to offer items to local governments, educational institutions, and qualifying nonprofits prior to the sale of items. Outsourcing efforts would be limited without statutory change. (*5 M.R.S. § 1813, sub-§ 6 and §1828*)
- ▶ DAFS is designated by the Federal Government as the state agency to receive and distribute federal surplus property that may become available for distribution to eligible recipients within the State. (*5 M.R.S. § 1829*)

➤ **Protection of Personal Information**

All electronic items follow policies set forth by OIT to ensure personal data is not distributed to the public.

## ❖ **DIVISION OF CAPITAL ASSET MANAGEMENT**

➤ **Organizational Structure**

Oversight and improvement of State-owned buildings and property can be traced back to the construction of the State House and was originally the responsibility of specific individuals and not a formal entity. The Bureau of Public Improvements (BPI) was first organized in 1937 and for the next fifty years the Bureau evolved, assuming an increasingly comprehensive real property management role and was also designated as the secretariat to the Capitol Planning Commission. When current day DAFS was established in 1991, the more expansive Bureau of General Services (BGS) succeeded BPI.

When BGS was administratively reorganized in October 2017, the “Bureau of Real Estate Management” (BREM) was separated from other BGS functions (those in the “Bureau of Business Management” - Procurement, Central Fleet, Central Services). Given the impact of both Bureaus’ work with all state agencies, the large dollars administered by both, and the need for close communication on policy decisions with the DAFS Commissioner, Commissioner Figueroa has concluded that centralized management of “BREM” and “BBM” as described in the existing BGS statute reduces risk to the State.

The Division of Capital Asset Management is responsible for the maintenance, renovation or construction of State-owned buildings and leased space. The Division’s mission is to establish and maintain a physical environment that supports a safe and productive

experience for state government employees and all who visit State of Maine facilities; reduce energy consumed by and carbon emitted by state facilities; enhance use of renewable energy sources; encourage recycling; and generally comply with Governor Mills' *Executive Order 13 FY 19/20 - An Order for State Agencies to Lead by Example through Energy Efficiency, Renewable Energy and Sustainability Measures*, directing state agencies to "lead by example." The Division consists of two units:

1. Planning, Design and Construction – 3 positions
2. Property Management Division – 100 positions

#### ◆ **PLANNING, DESIGN AND CONSTRUCTION**

Planning, Design and Construction (PDC) is responsible for development of capital improvement plans for many areas of Maine State Government. It monitors and manages all major construction projects. The procedures and policies managed by PDC are followed by all Executive Branch departments and agencies (except for the Department of Transportation), the Judicial Branch, the Maine Community College System, Maine Maritime Academy, and public-school administrative units engaged in construction drawing on State funding.

##### ➤ **Major Functions & Responsibilities**

- ▶ Provide guidance, protocols, and forms for procurement of design (architectural and engineering) services.
- ▶ Provide guidance, protocols, and forms for procurement of construction services.
- ▶ Manage prequalification criteria, processes and lists for various design, construction related, and construction services.
- ▶ Prepare Capital Construction, Repairs and Improvements data related to biennial budget reporting.

##### ➤ **Established Priorities**

- ▶ Review and approve requests for initiation of public improvements projects through web-based application.
- ▶ Advise and instruct agency contacts on planning, design, and construction issues of projects.
- ▶ Review and approve Requests for Qualifications (RFQ) solicitations for design services.
- ▶ Participate in selection committee work for design services contracts.
- ▶ Review and approve Invitation for Bids (IFB) solicitations.
- ▶ Conduct construction contract bid openings.
- ▶ Evaluate and approve bid submissions for construction contract awards.
- ▶ Review and approve design and construction contracts.

- ▶ Monitor construction schedules, budgets and activities, assuring compliance with schedules and budgets.
- ▶ Maintain website with RFQ, IFB, and RFP listings and results.
- ▶ Administer the Alternative Delivery Method Review Panel.

➤ **Emerging Issues & Goals**

- ▶ Capital Asset Assessment and Planning
  - Update the State's 2002 Augusta Area Facilities Master Plan including sustainability as a major goal.
  - Develop an accurate cost of the backlog in capital improvements incurred due to inadequate past funding ("catch-up").
  - Develop a sustainable funding model for annual investments in state facilities with the goal of responsible annual maintenance ("keep-up").
  - Inventory all studies for the Dorothea Dix Psychiatric Center, Maine Center for Deaf and Hard of Hearing, former AMHI buildings (Stone and Center Buildings), "CETA" building on the East Campus (former Nurses' residence in support of AMHI), and the Maine Criminal Justice Academy. All facilities need condition assessments and master plans for future use.
  - Create a comprehensive capital asset management database of all State facilities.
- ▶ Energy
  - Conduct a study of state facilities to track energy use and carbon emissions.
  - Maintain current, reliable information about energy usage and carbon emissions.
  - Increase energy efficiency in state facilities.
  - Increase use of renewable fuel sources.
- ▶ Bidding and Procurement
  - Streamline design procurement process for small projects.
  - Implement electronic bidding of construction contracts.
- ▶ Qualifications and Debarment
  - Establish architect, engineer, and contractor suspension and debarment policies.
  - Revise construction contractor prequalification process to align with Bureau-specific statutes for prequalification.
- ▶ Personnel and Administration

- Develop recruitment and training initiatives for staff.
- Improve website for training and easy access to forms.
- Staff reductions between 2010 and 2018 have hampered the Division's ability to provide the type of support necessary to the Department of Education's school construction and renovation programs, the Community Colleges, and Maine Maritime Academy. A request for additional positions is likely in the near future.

➤ **Constituencies, Stakeholders, and Contacts**

▶ Significant involvement (measured by number of projects):

Department of Corrections; Department of Defense, Veterans and Emergency Management; Department of Agriculture, Conservation and Forestry; Department of Inland Fisheries and Wildlife; Maine Community College System; and the Judicial Branch.

▶ Project participation also with:

Department of Education; Department of Marine Resources; Department of Public Safety; Maine Maritime Academy; public school administrative units; Maine Educational Center for the Deaf and Hard of Hearing/Governor Baxter School for the Deaf; Department of Health and Human Services; Department of Environmental Protection; Department of Labor; Maine State Library; Maine State Museum; Maine State Archives; Maine Arts Commission; Blaine House; DAFS - Division of Property Management; DAFS - Division of Risk Management; DAFS - Office of Information Technology; DAFS – Bureau of Alcoholic Beverage and Lottery Operations; Department of the Secretary of State; and the Office of the Attorney General.

▶ Occasional involvement with:

Legislative Branch; Maine Historic Preservation Commission; Associated General Contractors; Associated Builders and Contractors; American Institute of Architects; American Council of Engineering Companies; and Structural Engineers Association of Maine.

▶ Regular involvement with:

Capitol Planning Commission; Blaine House Commission; Friends of the Blaine House; and Capitol Riverfront Improvement District.

➤ **Selected Accomplishments**

- ▶ Antiquated boilers for the East Campus are being replaced with smaller, more energy efficient units. The correct number of boilers can now be activated for any given load.
- ▶ Building envelopes have been a focus, with major roof repairs in process for the BABLO building that houses museum artifacts, archives, and other material. The Cultural Building roof has leaked for decades and is in the

final stages of replacement. \$2 million for Cross Building window repair and repointing is scheduled for the spring.

- ▶ Hazardous materials, particularly asbestos, are aggressively being remediated.
- ▶ Contracts for the years detailed below were paid with General Funds appropriations. The listed expenditures were for contracts including the following services: air quality and environmental testing, hazardous material abatement, architect/engineer designs, roof repairs, new roofs, cleaning services, facilities management, audio/video upgrades to conference rooms, painting, moving services, building controls and remote heating/cooling management, paving and systems inspections.

<b>2014 – 2016 Cumulative</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>Total</b>
\$426,447	\$1,225,795	\$3,407,889	\$4,831,776*	\$9,891,909

\* Through September 30, 2019.

- ▶ Between 2009 and 2019, the PDC managed construction projects funded through Maine Governmental Facility Authority bonds. During that 10-year period, the Legislature authorized the following bonds:
  - \$7.35M for improvements at “various state facilities” (*4 M.R.S. § 1610-F*). This amount has been fully expended.
  - \$23M for capital repairs and improvements to State-owned facilities and hazardous waste cleanup on State-owned properties (*4 M.R.S. § 1610-H*). This amount has been fully expended.
  - \$95.6M for Oxford, Waldo and York Courthouses, Maine Judicial Branch (*4 M.R.S. § 1610-I*).
  - \$149.7M for the Maine Correctional Center in South Windham and the Downeast Correctional Center in Washington County (*4 M.R.S. § 1610-J*). As of January 2020, all bonds will have issued. Construction in South Windham is underway and expected to extend for slightly longer than two years from the date of this report. An architect has been hired for a new building at the Downeast Correctional Facility.
  - \$30M for capital repairs and improvements to State-owned facilities and hazardous waste cleanup on State-owned properties (*4 M.R.S. § 1610-K*). Of this amount, \$23M has been issued and assigned to projects. The remaining \$7M will be issued in January 2020.
  - \$55M for capital repairs and improvements to State-owned facilities and hazardous waste cleanup on State-owned properties (*4 M.R.S. § 1610-L*). Of this amount, \$40M will be issued in January 2020 and used to fund 5 projects.

- ▶ Since 2009, the Division has received 1,136 Public Improvement Project applications and approved 934. Public Improvement Project requests are submitted by agencies through the InforME application system. Applications are included in the totals below.

	2012	2013	2014	2015	2016	2017	2018	2019*	Total
# of Apps	117	212	138	142	128	142	134	122	1136
Average Applications Submitted Annually				142	Total Approved Projects				934

\*Through September 30, 2019.

### ➤ **Alternative Service Delivery**

By statute, *5 M.R.S. § 1743*, BGS is authorized to employ alternative delivery methods for construction. These are Construction Manager at Risk, Construction Manager Advisor, and Design-Build. Construction Manager at Risk has been used most frequently; however, detailed rules are needed for phased projects where construction is sequenced by building or area. Development of rules during the next biennium is a goal.

### ➤ **Protection of Personal Information**

Contractors provide certified payroll records for their subcontractors each month along with their requisitions for payment. These records are scrutinized for PII as, occasionally, home addresses and social security numbers are inadvertently submitted.

## ◆ **PROPERTY MANAGEMENT**

Property Management consists of 100 positions and provides operations and maintenance service to 53 structures on three campuses (East Campus and Capital Complex in Augusta and Maine Criminal Justice Academy in Vassalboro), totaling in excess of 2M square feet. Property Management also maintains 150 acres of grounds and several monuments.

### ➤ **Major Functions & Responsibilities**

- ▶ The Building Control Center provides 24/7/365 automated building environmental control, fire system monitoring, security systems control and monitoring, energy monitoring and reduction, and dispatching services. Additionally, they are proactive in continuous monitoring of natural gas lines in State-owned buildings with natural gas connections.
- ▶ The Boiler Engineers operate and perform planned preventative maintenance on two central heating plants including the auxiliary heating systems in 53 facilities. They maintain the plumbing systems in all facilities. Boiler engineers continuously repair, replace and upgrade equipment to provide optimum performance and maximize energy savings.

- ▶ The Grounds Crew is responsible for the maintenance of lawns and gardens during the spring, summer, and fall to provide an attractive and inviting appearance to the state campuses. During the winter months, this crew is responsible for ensuring the safety of state workers and visitors by clearing all walkways, building entrances, and emergency exits of snow and ice.
- ▶ The Custodial Staff maintains all 53 facilities in accordance with standards set by the Association of Physical Plant Administrators. They take pride in maintaining clean, sanitary, and tidy facilities.
- ▶ The Electricians operate electrical systems and perform planned preventative maintenance to all electrical systems, exterior and interior, at all 53 facilities. They continually repair, replace, and upgrade system components for optimum performance and energy savings. Additionally, the electricians continue their ongoing charge to replace existing lighting with LED components, taking advantage of Efficiency Maine rebates.
- ▶ The “Trades” are a small staff providing minor carpentry and painting as needed for repairs and aesthetic improvements, with the goal of providing a pleasing and safe environment for State employees.
- ▶ Property Management staff collectively respond to and resolve approximately 13,000 work orders per year in the following areas: carpentry, plumbing, electrical, HVAC, housekeeping, grounds, elevator, lock, pests, and other miscellaneous issues. Approximately 3,300 of these work orders are for preventive maintenance tasks.
- ▶ Property Management procures and maintains 14 service contracts totaling \$1.6M. The services include window washing, elevator maintenance, electronic support of building control systems, sprinkler system and fire suppression inspections, snow removal, solid waste removal, pest management, wastewater treatment, mowing, and large boiler cleaning and tuning.
- ▶ The Division directly manages the contracts for snow removal, solid waste, recycling, pest management, elevator maintenance, and fire suppression.
- ▶ The Division estimates construction, repair and renovation costs; executes contracts for service; evaluates divisional programs; and initiates projects for facilities repairs and improvements.

➤ **Established Priorities**

It is every state employee’s right to experience and it is Property Management’s mission to provide an environment in which departmental missions can successfully be achieved. Therefore, Property Management:

- ▶ Maintains all State of Maine-owned and employee occupied facilities to industry standards for heating, cooling, lighting, housekeeping, and safety/security. The age and condition of some facilities sometimes slows response time due to parts availability and complications resulting from deteriorated systems. The unit responds as quickly as possible in these

circumstances. Occasionally, building occupants in a given section of a building are relocated in the short term if a repair will be delayed.

- ▶ Promotes reduction of energy consumption within Property Management maintained facilities by modernizing, upgrading, and monitoring equipment and controls.
- ▶ Maintains the security of State of Maine employees, visitors, and facilities by maintaining state-of-the-art access readers and cameras.

➤ **Selected Accomplishments**

- ▶ Successfully transitioned from #2 fuel-fired heating systems to natural gas systems and removed underground fuel storage tanks.
- ▶ Installed heat pump systems in multiple facilities.
- ▶ Established a Redundant Building Control Center.
- ▶ Replaced interior and exterior lighting with LED in multiple facilities on all three campuses.
- ▶ Executed an annual contract for exterior window cleaning of all State-owned and maintained facilities on all three campuses.
- ▶ Upgraded security for card access system.
- ▶ Modernized fire alarm systems.
- ▶ Modernized HVAC controls.
- ▶ Renegotiated Hatch Hill Solid Waste Disposal contract with the City of Augusta to allot costs to agencies, generating an annual savings of \$4,321.
- ▶ Discontinued use of leased water coolers by installing Property Management-owned ones, generating an annual savings of \$12,000.
- ▶ Discontinued contract with City of Augusta for mowing of the Blaine Memorial and added it to the grounds crew's responsibilities, generating an annual savings of \$8,950.

➤ **Agency Coordination Efforts**

Property Management serves every state agency in Augusta and Vassalboro that occupies a state-owned building. Agencies are consulted about their facility needs to ensure comfortable and safe working conditions.

➤ **Constituencies, Stakeholders and Contacts**

Governor's Executive Protection Unit, Capitol Police, Legislative Director/Legislative Council, all state agencies and employees occupying state-owned and maintained facilities, Blaine House Commission, the National Association of State Facilities Administrators, and members of the public visiting state-owned and maintained facilities.

### ➤ **Emerging Issues & Goals**

- ▶ As discussed in the Executive Summary of this report, the State of Maine’s salary scale has not been reviewed in 40 years. Many positions in Property Management are compensated at rates that are not competitive with private companies/industry standard making it very difficult to fill positions requiring advanced licenses and/or certifications.
- ▶ Greenhouse gas emissions have not been tracked for several years. Fuel consumption data will be collected and included in annual data reports as part of the State’s ongoing efforts to track and reduce carbon emissions.
- ▶ As of the date of this report, the only materials accepted for recycling are paper and cardboard and Property Management pays a contractor to remove these materials. Our goal is to expand recycling opportunities.
- ▶ Reclamation of the historic Kennebec Arsenal Seawall, which was rebuilt more than a decade ago with a coveted “Save America’s Treasures” grant.
- ▶ Development of a Memorandum of Understanding between Property Management and agencies defining the services provided to agencies and the agencies’ role in assuring building safety.
- ▶ Procurement of services for annual carpet cleaning.
- ▶ Coordination with the Planning and Construction Division to right-size the East Campus heating and cooling infrastructure based on new technologies and changing building usages and occupancy.
- ▶ Development of a capital replacement plan for grounds equipment.
- ▶ Procurement of services for annual evaluations of roofs in all State-owned buildings.

## ❖ **DIVISION OF LEASED SPACE**

The Division of Leased Space works closely with state government agencies, including the Legislative and Judicial Branches, in locating real property leases and ensuring program space demands are met to the maximum extent possible. Because of the Division’s extensive relationships with landlords and global perspective about properties throughout the state, it can provide expertise in securing quality and cost competitive space in all geographic areas.

The Leased Space program evaluates agency facility requirements, monitors real estate market rent and operating cost characteristics, and locates, negotiates and manages lease contracts to achieve the best value to the State of Maine. The Division is currently administering 232 active leases for office, warehouse, garage, storage, tower and training purposes—in the service of 37 state agencies, and across 35 different municipalities. The Division’s leasing portfolio includes 1,667,122 square feet. of leased space (excluding towers and associated access roads and rights of way) with a combined approximate value of \$19.8M per year.

It is the Division’s vision to foster productive landlord/tenant relationships while securing space that best serves agency needs. The Division procures leased space through competitive bidding when space is initially secured, selecting the space that is the best value to the State,

taking into consideration the needs of the agency and of the public. If the space continues to be suitable for the agency and the public, options to renew are frequently exercised or if there is no option to renew, the lease may be extended if favorable terms are reached. In seeking the best value for the State of Maine, the Division takes into consideration varying factors such as life-cycle cost, delivery date and quality, as well as rent expense.

➤ **Major Functions & Responsibilities**

- ▶ Serve as the central point of contact for facility leasing in state government.
- ▶ Stay current on facility needs for all agencies and on available properties in all geographic regions of the state.
- ▶ Maintain knowledge of market prices to ensure that state agencies receive the best possible rates for leased space.

➤ **Established Priorities**

- ▶ Reduce the square foot cost of leased space statewide by maintaining knowledge of real estate markets and an understanding of the trends that drive lease costs in various geographic areas.
- ▶ Monitor leases that are nearing expiration to co-locate State agencies with similar missions and reduce overhead expenses and provide a continuity of service to Maine citizens. (Example: Maine Community College System co-locating with Maine Department of Labor.)
- ▶ Continue to provide excellent customer service to the agencies and entities they work with.
- ▶ Focus on reduction of State of Maine office footprints by utilizing space in the most efficient and effective manner.
- ▶ Locate energy efficient office space and encourage all landlords to connect with Efficiency Maine for energy upgrades.

➤ **Selected Accomplishments**

- ▶ Co-location of Department of Labor and Maine Community College System in several area of the state.
- ▶ Department of Health and Human Services:
  - Augusta - combined prior 221 State St, 242 State St, 19 Union St offices in new building at 109 Capitol St;
  - Bangor – 19 Main Ave moved to a newly renovated building;
  - Portland – offices moved to a new Jetport Blvd building; and
  - Portland – relocated the Office of the Attorney General’s Portland office to a new space when rent in downtown Portland increased significantly at the time of renewal, avoiding substantial additional costs.
- ▶ Department of Corrections was asked to relocate out of the court houses in their respective regions. The Division of Leased Space worked diligently to find office space in all areas of the state to accommodate Probation and Parole’s needs.

➤ **Constituencies, Stakeholders and Contacts**

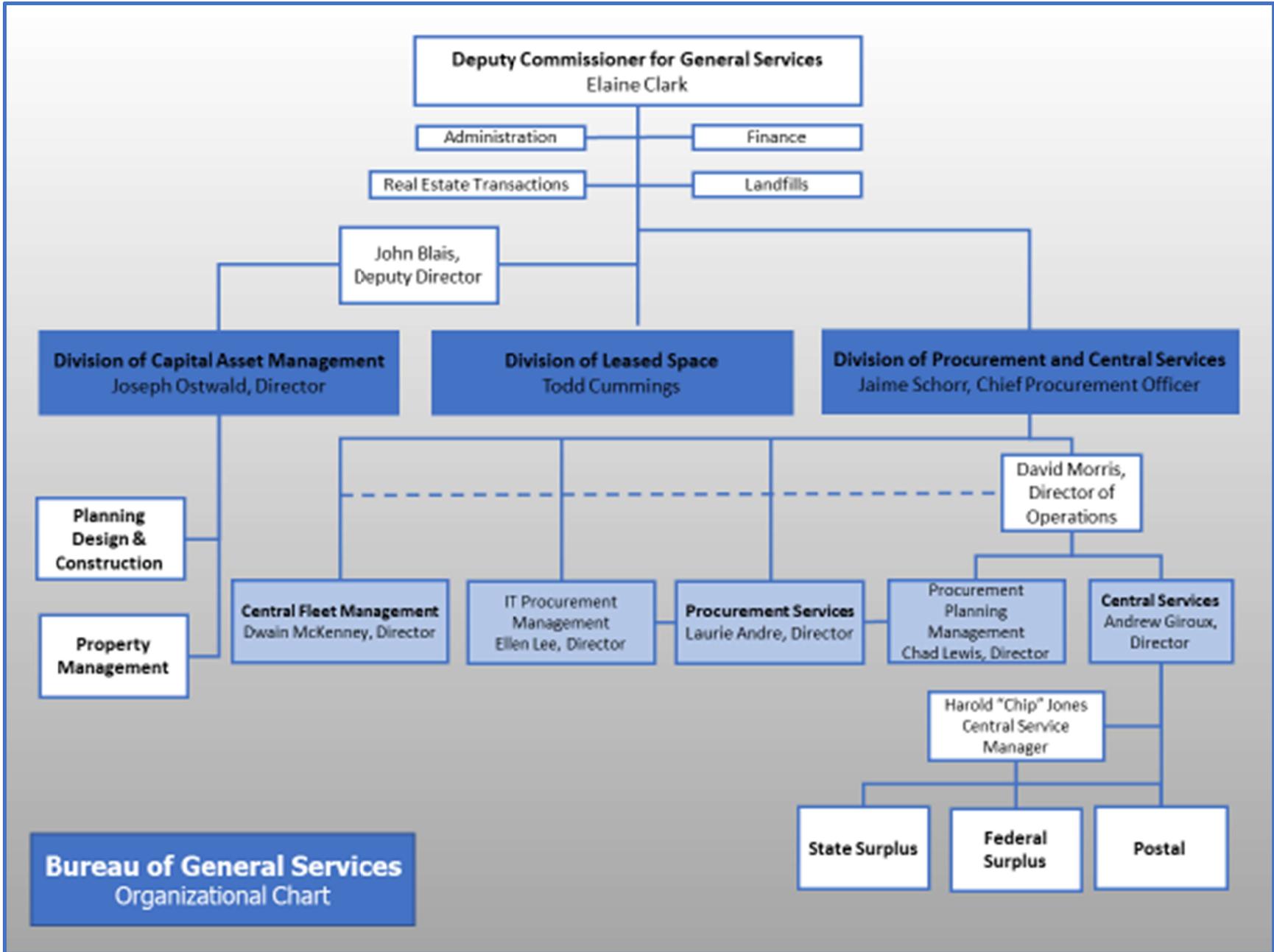
All State agencies, Quasi-state agencies, private property owners, real estate developers, Maine Army National Guard, Maine Community College System, Maine Legislature, Maine Judicial Branch, the Federal Government, and members of the public visiting state agencies in leased space.

➤ **Emerging Issues**

Following a deadly explosion at a building in Farmington in 2019 (not a state building or a state-occupied building), awareness of the potential perils of propane and natural gas sources was sharpened. We are reviewing all leases to identify which have these gases as heating or cooking fuel and will develop protocol with landlords for safety checks and precautions.

➤ **Protecting Personal Information**

No personal information is included in publicly available leases other than the landlord's address.



**Bureau of General Services**  
Organizational Chart

# BUREAU OF GENERAL SERVICES

## Financial Summary 2010-2019

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Bureau of General Services										
0004 - CENTRAL SERVICES - PURCHASES										
Postal, Printing & Supply Fund	\$ 3,811,459	\$ 3,884,462	\$ 3,623,905	\$ 3,624,596	\$ 3,800,503	\$ 3,903,718	\$ 3,827,871	\$ 3,841,814	\$ 3,724,280	\$ 3,775,242
<b>Total Appropriations/Allocation:</b>	<b>\$ 3,811,459</b>	<b>\$ 3,884,462</b>	<b>\$ 3,623,905</b>	<b>\$ 3,624,596</b>	<b>\$ 3,800,503</b>	<b>\$ 3,903,718</b>	<b>\$ 3,827,871</b>	<b>\$ 3,841,814</b>	<b>\$ 3,724,280</b>	<b>\$ 3,775,242</b>
Positions	40,375	40,375	39,000	39,000	39,500	39,500	37,000	37,000	33,000	33,000
Personnel Services	\$ 2,139,179	\$ 1,953,954	\$ 1,885,398	\$ 1,940,429	\$ 1,986,846	\$ 1,871,782	\$ 1,957,744	\$ 1,907,544	\$ 2,007,773	\$ 2,189,412
All Other	41,716,430	42,136,313	41,796,352	43,948,549	47,407,311	28,999,527	28,174,297	28,294,341	27,786,019	30,299,803
Capital	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 43,855,610</b>	<b>\$ 44,090,268</b>	<b>\$ 43,681,750</b>	<b>\$ 45,888,978</b>	<b>\$ 49,394,157</b>	<b>\$ 30,871,309</b>	<b>\$ 30,132,041</b>	<b>\$ 30,201,885</b>	<b>\$ 29,793,792</b>	<b>\$ 32,489,215</b>
0007 - PURCHASES - DIVISION OF										
General Fund	\$ 661,836	\$ 650,571	\$ 668,260	\$ 690,291	\$ 713,754	\$ 723,302	\$ 981,149	\$ 989,635	\$ 901,892	\$ 919,996
Other Special Revenue	4,000	4,000	4,000	4,000	74,000	4,000	4,000	4,000	4,000	4,000
<b>Total Appropriations/Allocation:</b>	<b>\$ 665,836</b>	<b>\$ 654,571</b>	<b>\$ 672,260</b>	<b>\$ 694,291</b>	<b>\$ 787,754</b>	<b>\$ 727,302</b>	<b>\$ 985,149</b>	<b>\$ 993,635</b>	<b>\$ 905,892</b>	<b>\$ 923,996</b>
Positions	6,000	6,000	7,000	7,000	7,000	7,000	7,500	7,500	5,500	5,500
Personnel Services	\$ 396,717	\$ 444,931	\$ 454,058	\$ 513,016	\$ 542,964	\$ 444,081	\$ 533,313	\$ 603,977	\$ 511,218	\$ 532,083
All Other	210,328	195,916	159,903	145,785	173,816	172,309	366,920	394,730	339,140	359,162
Capital	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 607,044</b>	<b>\$ 640,846</b>	<b>\$ 613,961</b>	<b>\$ 658,801</b>	<b>\$ 716,781</b>	<b>\$ 616,390</b>	<b>\$ 900,233</b>	<b>\$ 998,707</b>	<b>\$ 850,358</b>	<b>\$ 891,246</b>
0057 - PUBLIC IMPROVEMENTS - PLANNING/CONSTRUCTION - ADMIN										
General Fund	\$ 1,194,025	\$ 1,318,746	\$ 1,153,634	\$ 1,142,670	\$ 1,196,331	\$ 1,208,267	\$ 1,313,717	\$ 1,234,660	\$ 2,197,216	\$ 2,225,859
Other Special Revenue	1,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000	31,000
<b>Total Appropriations/Allocation:</b>	<b>\$ 1,195,025</b>	<b>\$ 1,349,746</b>	<b>\$ 1,184,634</b>	<b>\$ 1,173,670</b>	<b>\$ 1,227,331</b>	<b>\$ 1,239,267</b>	<b>\$ 1,344,717</b>	<b>\$ 1,265,660</b>	<b>\$ 2,228,216</b>	<b>\$ 2,256,859</b>
Positions	12,000	12,000	12,000	12,000	12,000	12,000	12,000	11,000	10,000	10,000
Personnel Services	\$ 1,027,293	\$ 803,428	\$ 953,355	\$ 978,682	\$ 1,010,902	\$ 1,045,290	\$ 1,008,037	\$ 896,445	\$ 1,068,900	\$ 1,090,734
All Other	95,541	187,732	121,246	100,908	243,581	286,542	112,578	121,938	379,527	680,314
Capital	-	-	-	-	-	-	-	-	275,247	397,561
<b>Total Expenditures</b>	<b>\$ 1,122,834</b>	<b>\$ 991,160</b>	<b>\$ 1,074,601</b>	<b>\$ 1,079,590</b>	<b>\$ 1,254,483</b>	<b>\$ 1,331,832</b>	<b>\$ 1,120,615</b>	<b>\$ 1,018,383</b>	<b>\$ 1,723,674</b>	<b>\$ 2,168,609</b>

## BUREAU OF GENERAL SERVICES

### Financial Summary 2010-2019, continued

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Bureau of General Services										
0059 - CAPITAL CONSTRUCTION/REPAIRS/IMPROVEMENTS - ADMIN										
General Fund	\$ 73,204	\$ 94,405	\$ 94,405	\$ 150,589	\$ 192,909	\$ 692,909	\$ 3,092,909	\$ 3,092,909	\$ 92,909	\$ 92,909
Other Special Revenue	948,359	948,359	948,359	948,359	948,359	948,359	948,359	948,359	948,359	948,359
<b>Total Appropriations/Allocation:</b>	<b>\$ 1,021,563</b>	<b>\$ 1,042,764</b>	<b>\$ 1,042,764</b>	<b>\$ 1,098,948</b>	<b>\$ 1,141,268</b>	<b>\$ 1,641,268</b>	<b>\$ 4,041,268</b>	<b>\$ 4,041,268</b>	<b>\$ 1,041,268</b>	<b>\$ 1,041,268</b>
Personnel Services										
All Other	\$ 726,797	\$ 793,253	\$ 765,621	\$ 244,968	\$ 260,398	\$ 133,765	\$ 80,315	\$ 94,794	\$ 59,922	\$ 58,267
Capital	189,250	-	-	-	202,255	230,534	1,707,295	3,121,883	48,047	-
<b>Total Expenditures</b>	<b>\$ 916,047</b>	<b>\$ 793,253</b>	<b>\$ 765,621</b>	<b>\$ 244,968</b>	<b>\$ 462,653</b>	<b>\$ 364,300</b>	<b>\$ 1,787,609</b>	<b>\$ 3,216,677</b>	<b>\$ 107,969</b>	<b>\$ 58,267</b>
0080 - BUILDINGS & GROUNDS OPERATIONS										
General Fund	\$ 12,238,940	\$ 12,036,096	\$ 12,543,509	\$ 11,674,767	\$ 12,073,671	\$ 11,670,392	\$ 12,324,512	\$ 12,297,286	\$ 12,831,199	\$ 12,951,101
Highway Fund	1,841,504	1,863,255	2,030,261	2,026,733	2,038,234	2,068,166	1,576,625	1,577,521	1,823,681	1,838,277
Other Special Revenue	464,400	464,400	464,400	464,400	464,400	464,900	711,277	711,277	711,277	711,277
Real Property Lease Services	25,370,498	25,874,325	25,844,011	25,845,858	25,864,644	25,873,539	25,902,827	25,898,643	25,894,064	25,899,395
<b>Total Appropriations/Allocation:</b>	<b>\$ 39,915,342</b>	<b>\$ 40,238,076</b>	<b>\$ 40,882,181</b>	<b>\$ 40,011,758</b>	<b>\$ 40,441,449</b>	<b>\$ 40,076,997</b>	<b>\$ 40,515,241</b>	<b>\$ 40,484,727</b>	<b>\$ 41,260,221</b>	<b>\$ 41,400,050</b>
Positions	121,000	121,000	118,000	119,000	119,000	119,000	114,000	114,000	109,000	109,000
Personnel Services										
All Other	\$ 6,125,253	\$ 5,931,009	\$ 5,483,999	\$ 5,403,982	\$ 5,850,156	\$ 6,274,223	\$ 6,224,648	\$ 6,002,915	\$ 5,898,340	\$ 6,218,935
Capital	32,954,803	32,819,803	33,141,784	32,811,831	31,790,370	32,098,382	30,786,156	30,951,105	32,351,753	33,967,558
	-	114,148	(62)	-	39,954	81,925	-	-	22,164	135,590
<b>Total Expenditures</b>	<b>\$ 39,080,056</b>	<b>\$ 38,864,960</b>	<b>\$ 38,625,721</b>	<b>\$ 38,215,812</b>	<b>\$ 37,680,480</b>	<b>\$ 38,454,531</b>	<b>\$ 37,010,804</b>	<b>\$ 36,954,020</b>	<b>\$ 38,272,257</b>	<b>\$ 40,322,083</b>
0703 - CENTRAL FLEET MANAGEMENT										
Central Motor Pool	\$ 9,278,145	\$ 9,520,685	\$ 9,408,342	\$ 9,414,291	\$ 9,587,684	\$ 9,958,107	\$ 10,035,911	\$ 10,024,430	\$ 8,951,447	\$ 9,165,747
<b>Total Appropriations/Allocation:</b>	<b>\$ 9,278,145</b>	<b>\$ 9,520,685</b>	<b>\$ 9,408,342</b>	<b>\$ 9,414,291</b>	<b>\$ 9,587,684</b>	<b>\$ 9,958,107</b>	<b>\$ 10,035,911</b>	<b>\$ 10,024,430</b>	<b>\$ 8,951,447</b>	<b>\$ 9,165,747</b>
Positions	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	16,000	16,000
Personnel Services										
All Other	\$ 955,153	\$ 952,016	\$ 903,992	\$ 948,321	\$ 969,794	\$ 954,050	\$ 1,031,969	\$ 1,057,132	\$ 954,484	\$ 1,006,454
Capital	8,688,063	9,965,598	11,030,869	11,503,944	11,825,376	11,054,377	9,666,783	9,740,492	10,018,033	10,316,166
<b>Total Expenditures</b>	<b>\$ 9,643,215</b>	<b>\$ 10,917,614</b>	<b>\$ 11,934,861</b>	<b>\$ 12,452,266</b>	<b>\$ 12,795,170</b>	<b>\$ 12,008,428</b>	<b>\$ 10,698,752</b>	<b>\$ 10,797,624</b>	<b>\$ 10,972,516</b>	<b>\$ 11,322,620</b>

## BUREAU OF GENERAL SERVICES

### Financial Summary 2010-2019, continued

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>0883 - BUR GEN SVCS - CAPITAL CONSTRUCTION &amp; IMPROVE RESERVE FUND</b>										
General Fund	-	-	-	-	\$ 155,294	\$ 310,587	\$ 310,587	\$ 310,587	\$ 310,587	\$ 310,587
Highway Fund	\$ 669,497	\$ 675,994	\$ 676,500	-	-	-	-	-	-	-
Other Special Revenue	15,000	15,000	5,000	5,000	5,000	5,000	645,000	645,000	645,000	645,000
<b>Total Appropriations/Allocation:</b>	<b>\$ 684,497</b>	<b>\$ 690,994</b>	<b>\$ 681,500</b>	<b>\$ 5,000</b>	<b>\$ 160,294</b>	<b>\$ 315,587</b>	<b>\$ 955,587</b>	<b>\$ 955,587</b>	<b>\$ 955,587</b>	<b>\$ 955,587</b>
<b>Personnel Services</b>										
All Other	\$ 669,497	\$ 686,291	\$ 690,484	-	\$ 619,882	\$ 973,392	\$ 907,293	\$ 950,586	\$ 771,975	\$ 119,435
Capital	144,829	70,716	3,402,628	\$ 5,640,550	920,919	1,786,935	729,540	869,605	25,532	6,650
<b>Total Expenditures</b>	<b>\$ 814,325</b>	<b>\$ 757,007</b>	<b>\$ 4,093,112</b>	<b>\$ 5,640,550</b>	<b>\$ 1,540,801</b>	<b>\$ 2,760,327</b>	<b>\$ 1,636,833</b>	<b>\$ 1,820,191</b>	<b>\$ 797,507</b>	<b>\$ 126,085</b>
<b>0893 - DEBT SERVICE - GOVERNMENT FACILITIES AUTHORITY</b>										
General Fund	\$ 19,345,063	\$ 18,944,010	\$ 18,289,335	\$ 17,665,956	\$ 17,143,227	\$ 16,836,024	\$ 16,836,024	\$ 16,836,024	\$ 16,836,024	\$ 19,955,674
<b>Total Appropriations/Allocation:</b>	<b>\$ 19,345,063</b>	<b>\$ 18,944,010</b>	<b>\$ 18,289,335</b>	<b>\$ 17,665,956</b>	<b>\$ 17,143,227</b>	<b>\$ 16,836,024</b>	<b>\$ 16,836,024</b>	<b>\$ 16,836,024</b>	<b>\$ 16,836,024</b>	<b>\$ 19,955,674</b>
<b>Personnel Services</b>										
All Other	\$ 19,177,483	\$ 18,784,761	\$ 18,054,024	\$ 17,477,403	\$ 16,717,783	\$ 16,001,288	\$ 16,009,716	\$ 16,094,528	\$ 16,085,845	\$ 17,147,436
Capital	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 19,177,483</b>	<b>\$ 18,784,761</b>	<b>\$ 18,054,024</b>	<b>\$ 17,477,403</b>	<b>\$ 16,717,783</b>	<b>\$ 16,001,288</b>	<b>\$ 16,009,716</b>	<b>\$ 16,094,528</b>	<b>\$ 16,085,845</b>	<b>\$ 17,147,436</b>

Figures are legislatively authorized appropriations/allocations and actual expenditures. Expenditures may exceed legislative authorizations due to prior year encumbrances or financial order adjustments.

# OFFICE OF INFORMATION TECHNOLOGY

## ➤ Statutory Authority & Overview

In January 2005, the Office of Information Technology (OIT) was created under DAFS by Executive Order. OIT consolidated the IT-related functions, staff, and equipment from the Bureau of Information Services (BIS) and all Executive Branch agencies. The consolidation was done primarily to promote state-wide information technology solutions and the use of information efficiently across state government. Cost containment and savings were anticipated over time. This structure was fully implemented within the budget process the following biennium.

The responsibilities of OIT and role of the Chief Information Officer (CIO) are described in *5 M.R.S. §§ 1971-2011*.

## ➤ Major Functions & Responsibilities

OIT delivers the full range of technology services to the Executive Branch, and selected services (such as email and network support) to non-Executive Branch agencies. Those services include:

- ▶ computers for 12,000 agency staff, including email and Microsoft Office software suite;
- ▶ customer support 24/7 for those 12,000 users;
- ▶ cybersecurity protection for networks, servers, application systems, and end-user computers;
- ▶ support for hundreds of agency application systems, including data and storage management, including both locally hosted/supported and offsite/cloud-hosted;
- ▶ network access to agency business systems and the Internet, including modernization and resilience of the State network;
- ▶ telephone service for 14,000 agency staff (including non-Executive Branch agencies);
- ▶ IT project management;
- ▶ contract/vendor management;
- ▶ financial management for \$150M in annual IT expenses;
- ▶ Public Safety radio communications network; and
- ▶ many other services that comprise IT management for State agencies.

OIT also supports Maine citizens through the State's web portal, [www.maine.gov](http://www.maine.gov), which hosts over 160 online services: [http://www.maine.gov/portal/online\\_services/](http://www.maine.gov/portal/online_services/).

## ➤ Organizational Structure

Currently OIT has 432 legislatively approved positions. Of these, 361 are filled with full-time OIT employees. In August 2019, OIT had a total of 218 IT contractors working, with 148 working full-time. Averaging total contractor hours for August 2019, OIT had an equivalent of 190 full-time contractors working for the State. Total IT staff resources equate to 551 full-time positions.

Of the 69 job classifications working in OIT, the most common are:

1. Information System Support Specialist II (49)
2. Senior Programmer Analyst (48)
3. Information System Support Specialist (38)
4. Programmer Analyst (33)
5. Systems Analyst (31)
6. Senior Technical Support Specialist (28)
7. Systems Team Leader (25)
8. Senior Information System Support Specialist (22)
9. Computer Programmer (18)
10. Technical Support Specialist (16)
11. Information Technology Consultant (15)
12. Systems Section Manager (14)
13. Database Analyst (6)
14. Information Technology Management Analyst (6)
15. Agency Application Architect (5)
16. Management Analyst II (5)

There are 53 other less-common position types (1-3 positions each).

OIT's five primary organizations (and sub-units) are listed below. These cover the full range of IT services provided:

1. Office of the CIO
  - Architecture/Policy
  - Agency Interaction
  - Contract/Vendor Management
  - Finance
2. Information Security Office
3. Enterprise Shared Services
  - Three Application Development Divisions (supporting a set of agencies)
  - Enterprise Data Services
  - Shared Services
4. Client and Infrastructure Services
  - Client Technologies
  - Computing and Infrastructure Services
  - Network/Voice
5. Project Management Office

## ➤ **Constituencies Served**

OIT's primary set of constituencies are all Executive Branch agencies. OIT provides the full range of IT support, including computers for 12,000 agency staff and contractors, customer support for use of those computers, and State-wide network access to agency systems. OIT supports hundreds of Executive Branch application systems, from small to large. Some of these systems cost millions of dollars a year to maintain and adapt to changing agency business needs.

OIT's secondary constituencies are the non-Executive Branch agencies. OIT provides selected IT support such as email and telephone service to the Constitutional Offices.

OIT also supports Maine citizens through the State's web portal, [www.maine.gov](http://www.maine.gov), which is managed by InforME, a public/private partnership. [Maine.gov](http://www.maine.gov) offers over 160 online services. See [www.maine.gov/portal/online\\_services/](http://www.maine.gov/portal/online_services/).

## ➤ **Established Priorities**

OIT's six primary objectives, to accompany the charge of improving agency partnerships, are:

1. Enhancing information security;
2. Prioritizing IT accessibility;
3. Implementing IT Service Management principles;
4. Enhancing the existing customer experience;
5. Focusing on workforce development of State employees and moving away from having a large complement of contractors doing regular operational work; and
6. Stabilization of OIT's budget and rate structure.

- ▶ **Enhancing Information Security** – This is of the highest priority. We have a large request being put forth in the January 2020 supplemental budget. Until then, we are struggling from a funding standpoint with commitments already made. The request covers the trio of prevention, response, and user education. Some key initiatives have been funded through borrowing and are currently underway:

- Large-scale multi-factor authentication rollout;
- Segmentation of a currently flat network;
- Mobile device protection;
- Oracle patching and security automation;
- Endpoint patching; and
- Database access monitoring.

- ▶ **Prioritizing IT Accessibility** – This area has languished over the past few years. The IT Accessibility Committee is a long-standing group that includes citizens, the University System, and numerous state government staff. Their job is to promote better accessibility offerings and advise the CIO. We have transitioned another full-time position into the IT accessibility space, and the Committee is now back to focusing on the needed work to assist disabled Mainers in using government services. We have become firmer in providing waivers to products that do not meet federal guidelines and are stricter in making them conditional and time-bound.

- ▶ **Implementing IT Service Management Principles** – This is not something that can be implemented overnight. In the past, IT has been very person-focused and not process-focused. This is evidenced by lots of people working hard, yet ticket escalations falling through the cracks, and agencies being unable to know when they can expect answers or service delivery. Those served frequently offer high praise for individuals yet have low regard for the IT organization. There is an RFP under review to acquire a new software product and implementation services that will provide a framework for strengthening process across numerous parts of the enterprise. The result should be more efficient delivery of services and a consistent and reliable response to requests and incidents. Without this, the organization will never depart from the reactive approach to problems, and the resultant issues will increase as our service portfolio grows increasingly more complicated as technology advances.

- ▶ **Enhancing the Existing Customer Experience** – We have contracted with an organizational development consulting firm to help us with promoting a service culture within OIT. The consulting firm is also advising us on how to improve the work culture within OIT. Areas of focus include:
  - Aligning the OIT senior team and key service delivery partners towards a unified “B1Team” direction;
  - Leveraging a diversity of skills;
  - Developing a shared vision for IT that reflects collective leadership and inclusion; and
  - Open door, open mind, open heart.
  
- ▶ **Focusing on workforce development of State employees and moving away from having a large complement of contractors doing regular operational work** – IT workforce is a persistent challenge. There is an inadequate supply of qualified individuals in the area and salaries are not competitive with the private sector. This is coupled with a low financial commitment to training. Our service that acquires contractors, also serves eleven other states and has informed us that we are tied for the top salary scale for contractors across their customers as we are competing in the Boston market. While efforts have been made over the years in the form of recruitment, retention, and training stipends, we’re still below the mark needed to attract talent in some key areas.

Understanding that our problem is unlikely to be resolved by an influx of cash, we have begun to employ other strategies. The first is a pipeline approach. Many IT staff started with the State as interns. We know that these individuals enjoyed the environment and wished to stay. We are planning on an enhancement of the internship program through a more formal arrangement with UMA around their Computer Information Systems and Cybersecurity majors.

Another strategy revolves around the heavy use of contractors. With nearly a third of the organization being contracted resources and many being assigned to day-to-day functions, we have begun to move positions back to be State employees. We had 37 unfilled vacancies that we could use and those are nearly exhausted at this point. The primary end goal of the shift back to state resources is financial. We’re showing savings in most cases and are hoping for better staff retention based on benefits.

Staff morale is a challenge. The needle has been moved some through a variety of smaller tactics. Two retreats with approximately 40 rank-and-file staff at each event were conducted on two topics that were of primary interest to staff. The first was the demand for better communication. As a result, the staff built an approach that management has committed to following. That includes a monthly team lunch and learn, a monthly director lunch and learn, a weekly email update with authorship rotated amongst the directors, and a quarterly talk from the CIO. These have been very well attended and staff have shared their appreciation. The second topic of interest to the staff was professional development. The same process was followed with staff recommending that we alter our internal management training program to include coaching and mentorship. Better processes were generated by the staff and adopted by management to help with the training stipend process. Human Resources joined us to do a training for all managers on how to use the performance evaluation for results and not simply to check a box.

- ▶ **Stabilization of OIT's Budget** – In FY19 OIT was facing a \$4.8M annual deficit that since has been closed with enough additional savings found to pay for the organizational development engagement currently underway. Perhaps equally important is that we have been working hard to move the general, internal philosophy of IT spending towards being one of solid fiscal stewardship. Some of this has involved savings of significant dollars and some has been more trivial in amount but meaningful in symbolism. The change in approach to issuing cell phones to nearly all IT employees, including many contractors, is one such example of small fiscal yield but demonstrating our commitment to thoughtful and appropriate spending.

## ➤ **Selected Accomplishments**

Highlighted below are a few recent accomplishments for each of OIT's five major organizations of OIT:

### ❖ **Office of the CIO**

- ◆ **Finance**
  - Closed FY19 budget shortfall of \$4.8M.
- ◆ **Architecture/Policy**
  - Modernized infrastructure platforms.
  - Updated OIT policies to be compliant with federal standards for security.
- ◆ **Agency Interaction**
  - Improved relationship management with agencies served.
  - CIO met one-on-one with most department Commissioners.
- ◆ **Contract/Vendor Management**
  - Improved contract/vendor management oversight.

### ❖ **Information Security Office**

- Improved cybersecurity prevention and detection.
- Expansion of staff and contractor expertise – need additional funding.
- Improved security awareness and training for State staff.

### ❖ **Enterprise Shared Services**

- ◆ **Application Development Divisions**
  - Continued support of hundreds of agency application systems.
  - Replacement of State's outdated human resources/payroll system with WorkDay.
  - Initiated work to replace DHHS' outdated child welfare information system (MACWIS), which will be a multi-year project.
  - Modernization of DHHS' Women, Infants, and Children (WIC) system.
- ◆ **Enterprise Data Services**
  - Workday Maine, the new HR/payroll system, is close to implementation (Spring of 2020).
  - Expansion of data analytics capability.
  - Reduction of security vulnerabilities on servers hosting critical agency applications.
  - Oracle data platform upgrades – supporting multiple agency systems.

- ◆ **Shared Services**
  - Investigation of future platforms for enterprise storage.

## ❖ **Client and Infrastructure Services**

- ◆ **Client Technologies**
  - Ongoing support of 12,000 State users.
  - Microsoft Office 365 and Window 10 end-user upgrades State-wide.
- ◆ **Computing and Infrastructure Services**
  - Ongoing support of the Microsoft 365 platform.
  - Ongoing support of hundreds of servers supporting agency applications.
  - Modernization of server hosting environment (“Hyperconverged” infrastructure, etc.).
- ◆ **Network/Voice**
  - Nearing completion of 5-year network modernization project.

## ❖ **Project Management Office**

- Management of dozens of high-profile IT projects to ensure they meet agency expectations for scope, quality, cost, and time.
- Implementation of Planview, a project portfolio management tool.
- Expand to encompass non-IT projects.

## ➤ **Performance Measures or Other Benchmarks**

OIT’s key metrics currently focus mostly on Help Desk customer support. OIT needs to improve in this area by having performance measures in every key area of service delivery. This is fundamental to knowing if OIT is meeting agencies’ IT needs in a measurable way.

As highlighted briefly above, OIT’s various teams accomplish the full range of IT services for all Executive Branch agencies. While metrics say there is 95% satisfaction with Help Desk services, agencies are not universally satisfied with all OIT’s services, and the cost of IT is always a topic of discussion. While OIT has some metrics, such as customer support and network up-time, we don’t have key performance measures in many areas.

Identifying useful metrics is part of both the strategic plan currently being developed, and the implementation of the IT service management. The intent is to set a current baseline as a starting point by which to measure improvement.

## ➤ **Coordination Efforts**

As described above, OIT provides IT support for all Executive Branch state agencies. This includes providing computer equipment and software, email and Microsoft office suite, network access, and application systems development and maintenance.

On cybersecurity, OIT has coordination with key State agencies, the U.S. Department of Homeland Security (DHS), the National Guard, and the Maine Emergency Management Agency (MEMA). This coordination includes information sharing, preemptive actions, disaster drills, as well as targeted work on cybersecurity incidents.

Many of the State agencies that OIT supports have integral relationships with their Federal agency counterparts. To underscore this point, over half of the funds used in Maine State Government come from federal sources. This is more so for some agencies (such as the Department of Health and Human Services and Department of Transportation), which administer their programs using both Federal funds as well as State funds. OIT as a support organization provides the computer systems that help agencies conduct their business. The computer systems are vital to their missions.

Looking forward, we expect to continue the coordination described above. Because it is a growing and common threat, with cybersecurity efforts we expect to strengthen our collaboration with other State agencies and with the Department of Homeland Security.

Room-based and desktop video conferencing is increasingly in demand and OIT is not currently in that space. OIT will be working with agencies to identify the various needs and produce a standard approach to ensure interoperability and will develop some consulting expertise.

IT governance remains a critical and controversial issue. Starting this fall, a new model for managing IT will be launched such that senior management of IT will be a blend of IT personnel and agency IT leads. If successful this should lead to more informed decision making, better planning for central and agency IT, and much greater transparency of cost and operations.

## ➤ **Alternative Delivery Systems**

OIT has several contracts with a host of business partners that promote the public/private relationship needed to build a robust and cost-effective system that meets the increasing needs and demands being placed on technology. OIT continues to evaluate when and how we can adopt outsourcing as a viable solution to meet the business needs of our customers.

OIT is looking at expanding potential cloud services—software, infrastructure, and services. These have the potential of being more cost-effective and scalable to meet changing needs.

## ➤ **Emerging Issues & Goals**

- ▶ **Network Modernization:** As State agencies expand their use of IT to accomplish the business of state government and as the public demands more from online interaction, the IT infrastructure must meet the growing demand for capacity, reliability, and security. Over the past three years, the State's network has been largely modernized, being faster and more resilient to outages. However, this is a continuing effort to ensure that agencies have the network capacity needed to meet their business needs. We are looking at "next generation" networks with higher bandwidth opportunities. Specific areas targeted include:
  - Expanding network capacity to accommodate increased data traffic volume;
  - Improving network fail-over capacity, to ensure continuity of service and to minimize disruption to State government business functions and citizen services;
  - Increasing remote access capacity, to support working from home and off-site;
  - Enhancements that will permit for extensive use of video conferencing to assist with collaboration efforts and to reduce travel expenditures; and
  - Enhancing network security to ensure the integrity of the State's IT assets.

- ▶ **“Cloud Smart”:** Many IT organizations have set policies to mandate that the cloud always be the first choice for new deployments. IT is moving back a step to ensure there is always an evaluation, but in the end, selection of cloud versus local is to be made based on performance, cost, security, and usability.
- ▶ **“Hyper-converged”:** OIT has recently implemented the next-generation of technologies to support its server farms. The newer technologies allow for much easier adding and removing of capacity as well as maintenance in a manner that causes no disruption and maximizes performance.
- ▶ **Data Governance and Data Usage:** Today data sets held by agency applications are predominantly decentralized with no ability to perform analysis across domains. It will be important to establish a data governance program that provides for data classification, solid understanding and policy creation around citizen privacy, agency data sharing agreements, and an underlying technology architecture that can bring it all together. A modern data management approach allows for tremendous insight into supporting policy-making and operational decisions that have heretofore been out of reach.

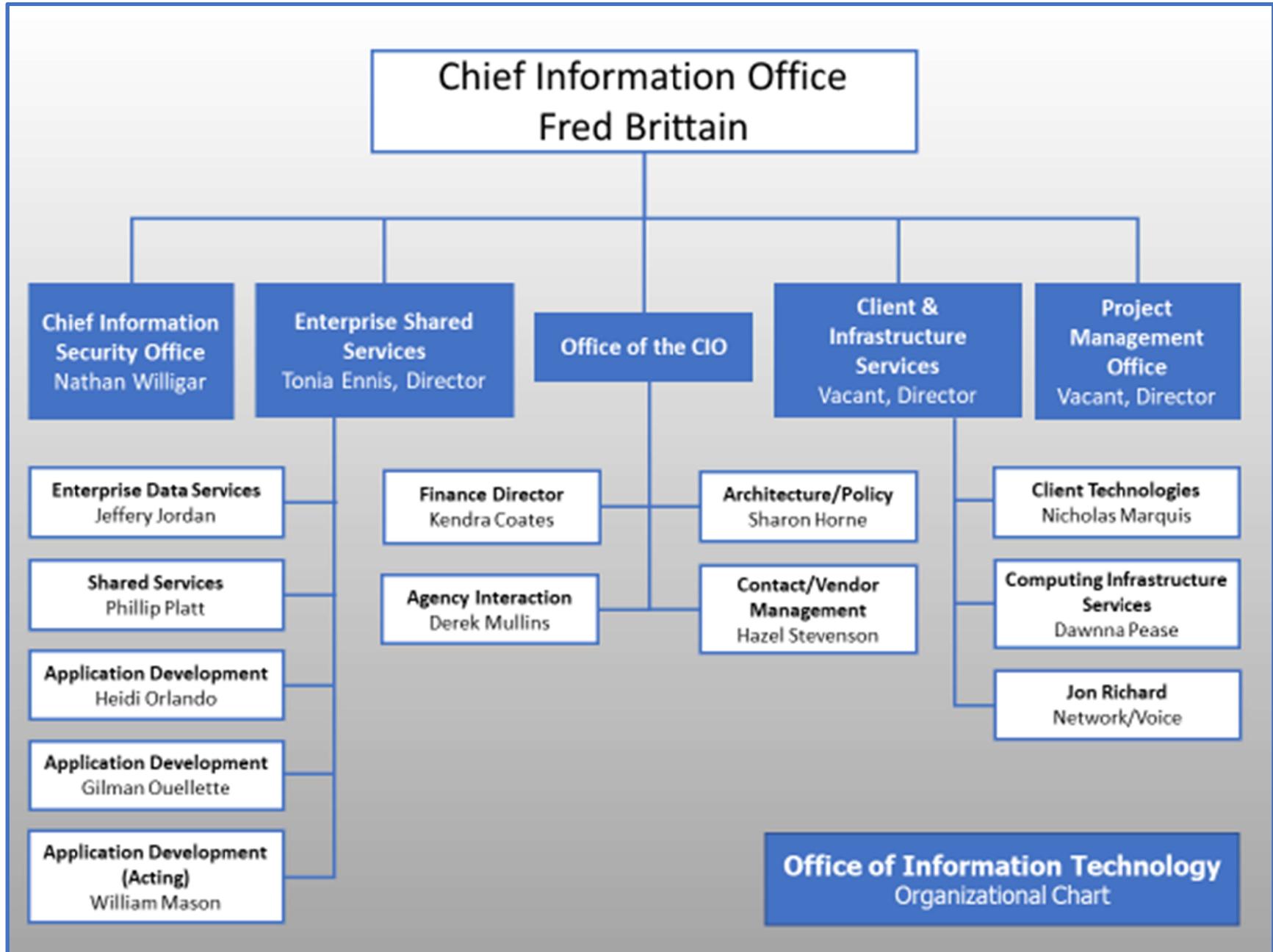
## ➤ **Efforts to Secure Personal Information**

OIT has a tremendous responsibility as the caretaker/host of citizen and agency data in hundreds of automated systems. This data is used for essentially all Executive Branch agency programs and business operations. Dozens of systems contain PII or other sensitive data. OIT takes its stewardship seriously, with policies and procedures in place that restrict access to such data.

When state agencies are audited by State and Federal auditors, OIT is involved for that portion of the audits related to information systems security and privacy controls. The Federal agencies involved are Internal Revenue Service, Social Security Administration, Department of Health and Human Services, and others. OIT has recently expanded its audit management staff to give greater support for these audits, and to ensure compliance. OIT’s policies are also being updated to align with federal standards for security and privacy.

## ➤ **Required Reporting**

- ▶ **Report on Strategic and Departmental Planning Process for Data Processing and Telecommunications (5 M.R.S. §1974)** – The Chief Information Officer, with the participation of the affected state agencies, shall develop and maintain strategic planning initiatives for all of state government and specific State agencies for data processing and telecommunications. The Chief Information Officer is responsible for assisting State agencies in implementing the planning process. The Chief Information Officer shall report to the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs by January 31st of each year with respect to the achievements, the problems and the procedures planned for resolving the problems of the office and its mission. This report must include a complete compilation of written standards for data processing and telecommunications.



# OFFICE OF INFORMATION TECHNOLOGY

## Financial Summary 2010-2019

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Office of Information Technology										
0112 - STATEWIDE RADIO NETWORK SYSTEM										
General Fund	\$ 1,652,727	\$ 4,019,706	\$ 3,978,656	\$ 6,299,151	\$ 5,699,151	\$ 6,699,151	\$ 6,699,151	\$ 6,699,151	\$ 6,699,151	\$ 6,699,151
<b>Total Appropriations/Allocation:</b>	<b>\$ 1,652,727</b>	<b>\$ 4,019,706</b>	<b>\$ 3,978,656</b>	<b>\$ 6,299,151</b>	<b>\$ 5,699,151</b>	<b>\$ 6,699,151</b>	<b>\$ 6,699,151</b>	<b>\$ 6,699,151</b>	<b>\$ 6,699,151</b>	<b>\$ 6,699,151</b>
Personnel Services	-	-	-	-	-	-	-	-	-	-
All Other	\$ 1,652,727	\$ 4,019,905	\$ 3,978,654	\$ 6,207,471	\$ 5,420,362	\$ 6,490,406	\$ 6,659,730	\$ 6,659,499	\$ 4,333,801	\$ 4,522,741
Capital	-	-	-	-	-	-	-	-	-	2,091,263
<b>Total Expenditures</b>	<b>\$ 1,652,727</b>	<b>\$ 4,010,905</b>	<b>\$ 3,978,654</b>	<b>\$ 6,207,471</b>	<b>\$ 5,420,362</b>	<b>\$ 6,490,406</b>	<b>\$ 6,659,730</b>	<b>\$ 6,659,499</b>	<b>\$ 4,333,801</b>	<b>\$ 6,614,004</b>
0115 - INFORMATION SERVICES										
General Fund	\$ 8,836,789	\$ 6,057,344	\$ 11,108,703	\$ 11,135,620	\$ 11,986,463	\$ 12,486,824	\$ 12,981,564	\$ 12,879,126	\$ 220,000	\$ 4,700,000
Federal Expend. Fund	-	-	-	-	500	500	500	500	500	500
Other Special Revenue	-	-	-	-	500	500	500	500	500	500
Office of Information Services	63,070,969	63,636,804	57,177,452	57,914,595	59,763,815	61,485,117	56,783,424	56,525,369	55,417,976	52,858,850
<b>Total Appropriations/Allocation:</b>	<b>\$ 71,907,758</b>	<b>\$ 69,694,148</b>	<b>\$ 68,286,155</b>	<b>\$ 69,050,215</b>	<b>\$ 71,751,278</b>	<b>\$ 73,972,941</b>	<b>\$ 69,765,988</b>	<b>\$ 69,405,495</b>	<b>\$ 55,638,976</b>	<b>\$ 57,559,850</b>
Positions	504,500	503,500	492,500	492,500	487,500	486,500	503,000	503,000	476,500	439,000
Personnel Services	\$ 41,818,496	\$ 39,772,162	\$ 37,058,694	\$ 35,649,366	\$ 37,304,217	\$ 39,030,535	\$ 39,943,691	\$ 41,285,542	\$ 39,566,099	\$ 40,183,150
All Other	63,246,600	45,285,987	44,118,713	43,629,407	52,907,934	59,049,342	64,633,964	63,278,815	61,558,915	67,531,522
Capital	-	(4,756)	-	-	-	518,625	554,690	1,539,353	1,564,228	928,303
<b>Total Expenditures</b>	<b>\$ 105,065,096</b>	<b>\$ 85,053,393</b>	<b>\$ 81,177,407</b>	<b>\$ 79,278,773</b>	<b>\$ 90,212,151</b>	<b>\$ 98,598,503</b>	<b>\$ 105,132,345</b>	<b>\$ 106,103,711</b>	<b>\$ 102,689,241</b>	<b>\$ 108,642,975</b>

Figures are legislatively authorized appropriations/allocations and actual expenditures. Expenditures may exceed legislative authorizations due to prior year encumbrances or financial order adjustments.

18  
**DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES**  
**2019-2020 Regulatory Agenda**

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**18-119: Office of the State Controller**  
**18-125: Bureau of Revenue Services**  
**18-389: Bureau of Human Resources**  
**18-553: Bureau of Alcoholic Beverages and Lottery Operations**  
**18-554: Bureau of General Services**  
**18-674: Board of Tax Appeals**  
**18-691: Office of Marijuana Policy**

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AGENCY UMBRELLA-UNIT NUMBER: **18-119**  
AGENCY NAME: **Office of the State Controller**

**CONTACT PERSON:** Douglas Cotnoir, State Controller, Office of the State Controller, 14 State House Station, Augusta, Maine 04333. Tel. (207) 626-8428; [Douglas.E.Cotnoir@Maine.gov](mailto:Douglas.E.Cotnoir@Maine.gov)

**EMERGENCY RULES ADOPTED SINCE THE LAST REGULATORY AGENDA:** None

**CONSENSUS-BASED RULE DEVELOPMENT:** None contemplated.

**EXPECTED 2019-2020 RULE-MAKING ACTIVITY:**

**CHAPTER 1 – TRAVEL AND EXPENSE REIMBURSEMENT POLICIES**

STATUTORY BASIS: 5 M.R.S. §1541, subsection 13.

PURPOSE: These regulations specify official policy which governs travel and expense reimbursement for State employees and officials, the definition of which expenses are reimbursable and the levels of such reimbursement.

SCHEDULE FOR ADOPTION: By June 2020.

AFFECTED PARTIES: All Maine State Employees who may travel in the course of their official duties.

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AGENCY UMBRELLA-UNIT NUMBER: **18-125**  
AGENCY NAME: **Bureau of Revenue Services**

**CONTACT PERSON:** Alex Weber, General Counsel, Maine Revenue Services, 24 State House Station, Augusta, ME 04333. Telephone: (207) 624-9712. E-mail: [Alexander.J.Weber@Maine.gov](mailto:Alexander.J.Weber@Maine.gov)

**EMERGENCY RULES ADOPTED SINCE THE LAST REGULATORY AGENDA:** None

**CONSENSUS-BASED RULE DEVELOPMENT:** None contemplated.

**EXPECTED 2019-2020 RULE-MAKING ACTIVITY:**

**CHAPTER 102: ELECTRONIC FUNDS TRANSFER**

STATUTORY BASIS: 36 M.R.S. §§ 112 and 193

PURPOSE: This rule describes the requirements for tax and other types of payments by electronic funds transfer. Maine Revenue Services may amend this rule for updates and clarification.

SCHEDULE FOR ADOPTION: By June 2020.

AFFECTED PARTIES: All Maine taxpayers who make Maine tax payments with Maine Revenue Services.

**CHAPTER 103: RECORDKEEPING AND RETENTION**

STATUTORY BASIS: 36 M.R.S. §§ 112 and 135

PURPOSE: This rule describes the requirements for the maintenance and retention of books, records, and other sources of information necessary for the determination of a person's correct tax liability, including records received, created, maintained, or generated electronically. Maine Revenue Services may amend this rule for updates and clarification.

SCHEDULE FOR ADOPTION: By June 2020.

AFFECTED PARTIES: All Maine taxpayers.

**CHAPTER 104: FILING OF MAINE TAX RETURNS**

STATUTORY BASIS: 36 M.R.S. §§ 112 and 193

PURPOSE: This rule describes the requirements for filing certain Maine tax returns, including mandatory electronic filing of certain Maine tax returns. Maine Revenue Services may amend this rule for updates and clarification.

SCHEDULE FOR ADOPTION: By June 2020.

AFFECTED PARTIES: All Maine taxpayers who file Maine tax returns with Maine Revenue Services.

**CHAPTER 201: RULES OF PROCEDURE USED TO DEVELOP STATE VALUATION**

STATUTORY BASIS: 36 M.R.S.A. §§ 112, 201, 208, and 305

PURPOSE: The State Tax Assessor must annually perform state valuation for each municipality and for each county containing unorganized territory, to determine market value of all taxable property in the state. Municipal market values are used to calculate the distribution of municipal revenue sharing and State aid for education. This rule establishes the guidelines for the state valuation process and must be amended to make various technical changes.

SCHEDULE FOR ADOPTION: By June 2020.

AFFECTED PARTIES: All Maine municipal assessors and municipal officials.

**CHAPTER 202: TREE GROWTH TAX LAW VALUATIONS**

STATUTORY BASIS: 36 M.R.S. §§ 112, 305, and 576

PURPOSE: 36 M.R.S. § 576 requires the State Tax Assessor to annually establish the current use values for forestland enrolled in the Tree Growth Tax Law program. The current use values are determined after considering area growth rates, tree-type distributions, and timber stumpage sales during previous calendar years. The annual current use values are used to determine municipal property tax rates for affected land. The rule is being repealed and replaced to update the per acre values for the tax year beginning April 1, 2020.

SCHEDULE FOR ADOPTION: By April 1, 2020.

AFFECTED PARTIES: All Maine municipal assessors and Maine taxpayers with land enrolled in the Tree Growth Tax Law program.

**CHAPTER 205: CERTIFICATION OF ASSESSORS**

STATUTORY BASIS: 36 M.R.S. §§ 112 and 310-314

PURPOSE: Certification of municipal assessors in the State of Maine is the responsibility of the State Tax Assessor. This rule governs the examination, certification, and continuing education requirements under 36 M.R.S. § 311. The rule is being amended to incorporate updates and clarifications and to make technical changes.

SCHEDULE FOR ADOPTION: By June 2020.

AFFECTED PARTIES: All Maine municipal assessors, municipal officials, and people interested in becoming assessors.

**CHAPTER 207: REAL ESTATE TRANSFERS**

STATUTORY BASIS: 36 M.R.S. §§ 112, 305, and 4641-E

PURPOSE: 36 M.R.S. § 4641-E authorizes the State Tax Assessor to adopt rules necessary to carry out the purposes of the real estate transfer tax. This rule clarifies the process of assessing, collecting, and reporting the tax for transfers of controlling interest. The rule is being amended to update electronic filing requirements and to make other changes.

SCHEDULE FOR ADOPTION: By June 2020.

AFFECTED PARTIES: Sellers and buyers of Maine real property, county registrars, and professionals involved in the selling and buying of Maine real property.

**CHAPTER 301: SALES FOR RESALE AND SALES OF PACKAGING MATERIALS**

STATUTORY BASIS: 36 M.R.S. §§ 112, 1752(11)(B), 1754-B, 1756, and 1760(12-A)

PURPOSE: Explains procedures and certification requirements for making sales for resale, certain sales to lessors and service providers, and sales of packaging materials exempt from sales tax. This rule is being amended to incorporate recently enacted legislation and make other update and clarification changes.

SCHEDULE FOR ADOPTION: By June 2020.

AFFECTED PARTIES: Retailers and resellers of tangible personal property and taxable services.

**NEW CHAPTER 402: RENTAL OF VIDEO MEDIA AND DIGITAL STREAMING SERVICES**

STATUTORY BASIS: 36 M.R.S. §§ 112, 2551(21), and 2552

PURPOSE: This rule would be promulgated to clarify that the definition of "video media [and] video equipment" under the Service Provider Tax includes video media provided by a digital streaming service provider and would be subject to the service provider tax.

SCHEDULE FOR ADOPTION: By June 2020.

AFFECTED PARTIES: Providers of digital streaming services.

**CHAPTER 603: MAINE ESTATE TAX AFTER 2012**

STATUTORY BASIS: 36 M.R.S. §§ 112 and 4101-4119

PURPOSE: This rule explains in further detail Maine estate tax laws for estates of decedents dying after 2012. Maine Revenue Services may amend this rule for updates and clarification.

SCHEDULE FOR ADOPTION: By June 2020.

AFFECTED PARTIES: All resident and nonresident taxpayers subject to the Maine estate tax.

**CHAPTER 801: APPORTIONMENT**

STATUTORY BASIS: 36 M.R.S. §§ 112 and 5210-5212

PURPOSE: This rule explains Maine income tax apportionment for business entities. Maine Revenue Services anticipates amending this rule to update and clarify issues related to Maine income tax apportionment.

SCHEDULE FOR ADOPTION: By June 2020.

AFFECTED PARTIES: Business taxpayers that have nexus with Maine and that have income from business operations in more than one state.

**CHAPTER 803: WITHHOLDING TAX REPORTS AND PAYMENTS**

STATUTORY BASIS: 36 M.R.S. §§ 112 and 5250-5255-B

PURPOSE: This rule identifies income subject to Maine withholding, prescribes the methods for determining the amount to withhold, and explains the related reporting requirements. Maine Revenue Services anticipates amending this rule for updates and clarification.

SCHEDULE FOR ADOPTION: By June 2020.

AFFECTED PARTIES: Businesses that are subject to the Maine income tax withholding requirement.

**CHAPTER 805: COMPOSITE FILING**

STATUTORY BASIS: 36 M.R.S. § 112

PURPOSE: This rule stipulates procedures and requirements by which a pass-through entity files a single income tax return for all its participating nonresident owners or members. Maine Revenue Services anticipates amending this rule for updates and clarification.

SCHEDULE FOR ADOPTION: By June 2020.

AFFECTED PARTIES: Partnerships, estates, trusts, and S corporations that participate in the Maine income tax composite filing program.

**CHAPTER 806: NONRESIDENT INDIVIDUAL INCOME TAX**

STATUTORY BASIS: 36 M.R.S. §§ 112 and 5142

PURPOSE: This rule provides guidance regarding income taxation of individual taxpayers who are nonresidents of Maine. Maine Revenue Services anticipates amending this rule for updates and clarification.

SCHEDULE FOR ADOPTION: By June 2020.

AFFECTED PARTIES: Nonresident individuals who are subject to Maine income tax.

**CHAPTER 807: RESIDENCY**

STATUTORY BASIS: 36 M.R.S. §§ 112 and 5102(5)

PURPOSE: This rule addresses the determination and effect of an individual's residency status with respect to Maine individual income tax. Maine Revenue Services anticipates amending this rule for updates and clarification.

SCHEDULE FOR ADOPTION: By June 2020.

AFFECTED PARTIES: Individuals who are subject to Maine income tax.

**CHAPTER 808: CORPORATE INCOME TAX NEXUS**

STATUTORY BASIS: 36 M.R.S. §§ 112 and 5200-5202-C

PURPOSE: This rule describes the circumstances under which a foreign corporation is subject to the income tax jurisdiction of Maine. Maine Revenue Services anticipates amending this rule for updates and clarification.

SCHEDULE FOR ADOPTION: By June 2020.

AFFECTED PARTIES: Corporations subject to the Maine corporate income tax.

**CHAPTER 810: MAINE UNITARY BUSINESS TAXABLE INCOME, COMBINED REPORTS AND TAX RETURNS**

STATUTORY BASIS: 36 M.R.S. §§ 112, 5102, and 5200

PURPOSE: This rule explains standards for determining Maine income tax for unitary businesses and for filing combined reports and related tax returns. Maine Revenue Services anticipates amending this rule for updates and clarification.

SCHEDULE FOR ADOPTION: By June 2020.

AFFECTED PARTIES: Unitary businesses subject to the Maine income tax.

**CHAPTER 812: CREDIT FOR EDUCATIONAL OPPORTUNITY**

STATUTORY BASIS: 36 M.R.S. §§ 112 and 5217-D

PURPOSE: This rule explains in further detail the Maine income tax credit for educational opportunity pursuant to 36 M.R.S. § 5217-D. Maine Revenue Services anticipates amending this rule for updates and clarification and to reflect recently enacted Maine tax law changes.

SCHEDULE FOR ADOPTION: By June 2020.

AFFECTED PARTIES: All Maine taxpayers subject to the Maine income tax and eligible to claim this credit.

**CHAPTER 813: PROPERTY TAX FAIRNESS CREDIT**

STATUTORY BASIS: 36 M.R.S. §§ 112 and 5219-KK

PURPOSE: This rule provides guidance for the calculation of the Property Tax Fairness Credit. Maine Revenue Services may amend this rule for updates and clarification.

SCHEDULE FOR ADOPTION: By June 2020.

AFFECTED PARTIES: All Maine taxpayers subject to the Maine income tax and eligible to claim the credit.

**NEW CHAPTER 815: NEW MARKETS CAPITAL INVESTMENT CREDIT**

STATUTORY BASIS: 36 M.R.S. §§ 112 and 5219-HH

PURPOSE: This new rule would provide certain guidance regarding eligibility for, and calculation of, the New Markets Capital Investment Credit pursuant to 36 M.R.S. § 5219-HH.

SCHEDULE FOR ADOPTION: By June 2020.

AFFECTED PARTIES: All investors eligible to claim the credit.

**NEW CHAPTER 817: CREDIT FOR MAJOR FOOD PROCESSING AND MANUFACTURING FACILITY EXPANSION**

STATUTORY BASIS: 36 M.R.S. §§ 112 and 5219-VV

PURPOSE: This new rule would provide definitions and explanations of statutory terms and procedures for claiming the credit for major food processing and manufacturing facility expansion pursuant to 36 M.R.S. § 5219-VV.

SCHEDULE FOR ADOPTION: By June 2020.

AFFECTED PARTIES: All businesses eligible to claim the credit.

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AGENCY UMBRELLA-UNIT NUMBER: **18-389**  
AGENCY NAME: **Bureau of Human Resources**

**CONTACT PERSON:** J. Thaddeus Cotnoir, Public Service Manager II, 4 State House Station, Augusta, ME 04333-0004. (207) 624-7799. [Thaddeus.Cotnoir@Maine.gov](mailto:Thaddeus.Cotnoir@Maine.gov)

**EMERGENCY RULES ADOPTED SINCE THE LAST REGULATORY AGENDA:** None

**CONSENSUS-BASED RULE DEVELOPMENT:** None contemplated.

**EXPECTED 2019-2020 RULE-MAKING ACTIVITY:**

**CHAPTER 1: PURPOSE, ADOPTION AND AMENDMENT OF RULES AND DEFINITION OF TERMS**

STATUTORY BASIS: 5 MRSA §7036, sub-§17

PURPOSE: Ensures definitions are consistent with Civil Service Law and the Administrative Procedure Act, reflecting changes in policy and procedures as a result of changes to these laws.

SCHEDULE FOR ADOPTION: By September 2020.

AFFECTED PARTIES: New hire applicants, confidential employees and bargaining unit employees of Maine State Government in matters not otherwise covered by collective bargaining agreements.

**CHAPTER 2: INTERMITTENT EMPLOYMENT**

STATUTORY BASIS: 5 MRSA §7053

PURPOSE: To comply with the Civil Service Law and to provide clarification of the benefits available to intermittent employees.

SCHEDULE FOR ADOPTION: By September 2020.

AFFECTED PARTIES: New hire applicants, confidential employees and bargaining unit employees of Maine State Government in matters not otherwise covered by collective bargaining agreements.

**CHAPTER 3: DIVISIONS OF THE CLASSIFIED SERVICE**

STATUTORY BASIS: 5 MRSA §§ 7036 and 7065; Ch. 147, P&SL 06/14/76

PURPOSE: Identifies the competitive, non-competitive (also known as "direct hire"), and labor divisions of Maine State Service.

SCHEDULE FOR ADOPTION: By September 2020.

AFFECTED PARTIES: New hire applicants, confidential employees and bargaining unit employees of Maine State Government in matters not otherwise covered by collective bargaining agreements.

**CHAPTER 4: CLASSIFICATION PLAN**

STATUTORY BASIS: 5 MRSA §7061

PURPOSE: Explains the classification plan and mechanism for its maintenance. Defines the allocation and re-allocation of positions and related actions. Identifies the purpose and use of classification specifications and classification titles and states the mechanism for appeals of classification actions.

SCHEDULE FOR ADOPTION: By September 2020.

AFFECTED PARTIES: New hire applicants, confidential employees and bargaining unit employees of Maine State Government in matters not otherwise covered by collective bargaining agreements.

#### **CHAPTER 5: COMPENSATION PLAN**

STATUTORY BASIS: 5 MRSA §§ 7036 and 7065

PURPOSE: Defines the compensation plan in terms of fixed salary schedules as adopted, published, and emended for covered classifications of work in Maine State Service. Identifies pay rates, presents overtime provisions and gives rates of pay for specific personnel actions such as new hires, promotions, demotions, transfers, non-standard work designations, and project appointments.

SCHEDULE FOR ADOPTION: By September 2020.

AFFECTED PARTIES: New hire applicants, confidential employees and bargaining unit employees of Maine State Government in matters not otherwise covered by collective bargaining agreements.

#### **CHAPTER 6: APPLICATIONS AND EXAMINATIONS**

STATUTORY BASIS: 5 MRSA §§ 7036, 7051, 7052, 7054, 7055, 7062, 7063, 7064

PURPOSE: Provides information and procedures regarding the character and content of examinations and related announcement/examination administration practices. Gives requirements for admission, outlines exam scoring and notice procedures, and presents the mechanism for appeal of examination results.

SCHEDULE FOR ADOPTION: By September 2020.

AFFECTED PARTIES: New hire applicants, confidential employees and bargaining unit employees of Maine State Government in matters not otherwise covered by collective bargaining agreements.

#### **CHAPTER 7: ELIGIBLE REGISTERS**

STATUTORY BASIS: 5 MRSA §§ 7034, 7036, 7052, 7053, 7062, 7064

PURPOSE: Identifies the types of employment registers and the way they are maintained and used. Establishes a mechanism for adding and removing names and specifies the normal duration of registers.

SCHEDULE FOR ADOPTION: By September 2020.

AFFECTED PARTIES: New hire applicants, confidential employees and bargaining unit employees of Maine State Government in matters not otherwise covered by collective bargaining agreements.

#### **CHAPTER 8: CERTIFICATION AND APPOINTMENT**

STATUTORY BASIS: 5 MRSA §§ 781-791, 7034, 7036, 7051, 7052, 7053, 7054, 7055, 7062, 7064

PURPOSE: Establishes rules which govern appointments to position vacancies in the classified service. Includes procedures for appointments made by certification from classification registers and for appointments resulting from nominations submitted by appointing authorities. Provisions are also included for: apprentice, trainee, and conditional appointment referrals that may be authorized by the Director; acting capacity assignments; and the reemployment of retired persons.

SCHEDULE FOR ADOPTION: By September 2020.

AFFECTED PARTIES: New hire applicants, confidential employees and bargaining unit employees of Maine State Government in matters not otherwise covered by collective bargaining agreements.

**CHAPTER 9: PROBATIONARY PERIOD**

STATUTORY BASIS: 5 MRSA §§ 7036, 7051

PURPOSE: Identifies the purpose and duration of the probationary period and presents the mechanism for transition from probationary to permanent status.

SCHEDULE FOR ADOPTION: By September 2020.

AFFECTED PARTIES: New hire applicants, confidential employees and bargaining unit employees of Maine State Government in matters not otherwise covered by collective bargaining agreements.

**CHAPTER 10: PERFORMANCE APPRAISAL AND TRAINING**

STATUTORY BASIS: 5 MRSA §§ 7036, 7065, 7070

PURPOSE: Identifies the purpose and requirements for the performance appraisal system and establishes a mechanism for internships and apprentice training.

SCHEDULE FOR ADOPTION: By September 2020.

AFFECTED PARTIES: New hire applicants, confidential employees and bargaining unit employees of Maine State Government in matters not otherwise covered by collective bargaining agreements.

**CHAPTER 11: HOLIDAYS, LEAVE OF ABSENCE AND RELATED COMPENSATION PRACTICES**

STATUTORY BASIS: 5 MRSA §§ 721-727, 7036

PURPOSE: Designates holidays and related compensation procedure and presents regulations governing leaves of absence with pay and without pay. Includes sick leave, vacation leave, military leave, educational leave, jury duty and court appearances, workers' compensation, and unclassified service appointments.

SCHEDULE FOR ADOPTION: By September 2020.

AFFECTED PARTIES: New hire applicants, confidential employees and bargaining unit employees of Maine State Government in matters not otherwise covered by collective bargaining agreements.

**CHAPTER 12: DISCIPLINARY ACTION, DEMOTION AND LAYOFF**

STATUTORY BASIS: 5 MRSA §§ 7036, 7051, 7052, 7054, 7055, 7062, 7063, 7064

PURPOSE: Presents the basis and procedure for demotions, suspensions and dismissals in the State service; the procedure for resignation in good standing; and the statewide mechanism for addressing the unavoidable layoff of employees.

SCHEDULE FOR ADOPTION: By September 2020.

AFFECTED PARTIES: New hire applicants, confidential employees and bargaining unit employees of Maine State Government in matters not otherwise covered by collective bargaining agreements.

**CHAPTER 13: COMPLAINTS, GRIEVANCES AND INVESTIGATIONS**

STATUTORY BASIS: 5 MRSA §§ 7036, 7051, 7081-7085

PURPOSE: Presents the various mechanisms through which complaints and/or grievances of State employees may be discovered, filed and/or heard, and related investigation and enforcement powers of the Director with respect to proper administration and application of the Civil Service Law to these rules.

SCHEDULE FOR ADOPTION: By September 2020.

AFFECTED PARTIES: New hire applicants, confidential employees and bargaining unit employees of Maine State Government in matters not otherwise covered by collective bargaining agreements.

**CHAPTER 14: EMPLOYEE WORK RECORDS AND PAYROLL CERTIFICATION PROCEDURE**

STATUTORY BASIS: 5 MRSA §§ 7070, 7071

PURPOSE: Provides information and establishes procedures with respect to employment history and records maintained by the appointing authority and the Bureau of Human Resources. Provides requirements for information regarding changes in employee status for purposes of payroll authorization and the permanent record thereof. Provides access to public records, with restriction.

SCHEDULE FOR ADOPTION: By September 2020.

AFFECTED PARTIES: New hire applicants, confidential employees and bargaining unit employees of Maine State Government in matters not otherwise covered by collective bargaining agreements.

**CHAPTER 15: THE MAINE MANAGEMENT SERVICE**

STATUTORY BASIS: 5 MRSA §§ 7031, 7034, 7036, 7051, 7052, 7061, 7065, 7081-7085

PURPOSE: This chapter, adopted in 2002, establishes the Maine Management Service and provides separate and distinct rules for confidential employees who occupy positions that are specifically designated as included in the Maine Management Service. Provides a definition and outlines the goals of the Maine Management Service; provides the way positions are included in the Maine Management Service; and defines terms associated with the Maine Management Service. This chapter also provides a classification and compensation plan for the Maine Management Service; provides unique procedures for recruitment, application, selection, training, and development. This chapter also provides a unique procedure for layoff, complaints, grievances, investigations, and discipline of employees included in the Maine Management Service.

SCHEDULE FOR ADOPTION: By September 2020.

AFFECTED PARTIES: Applicants for positions included in the Maine Management Service, confidential employees who occupy positions that are specifically designated as included in the Maine Management Service.

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AGENCY UMBRELLA-UNIT NUMBER: **18-553**

AGENCY NAME: **Bureau of Alcoholic Beverages and Lottery Operations (BABLO)/Maine State Liquor and Lottery Commission**

**CONTACT PERSON:** Timothy R. Poulin, Deputy Director, 8 State House Station, Augusta, ME 04333-0008, 207-287-6750, [Tim.Poulin@Maine.gov](mailto:Tim.Poulin@Maine.gov)

**EMERGENCY RULES ADOPTED SINCE LAST REGULATORY AGENDA:** None

**CONSENSUS-BASED RULE DEVELOPMENT:** None contemplated.

**EXPECTED 2019-2020 RULE-MAKING ACTIVITY:**

**CHAPTER 2: PRICING OF SPIRITS**

STATUTORY BASIS: 28-A MRSA. §83

PURPOSE: To establish such rules as necessary for the administration of the state liquor laws under the jurisdiction of the Bureau of Alcoholic Beverages and Lottery Operations.

SCHEDULE FOR ADOPTION: By September 2020.

AFFECTED PARTIES: Agency liquor stores and licensees; wholesale distributors of spirits and suppliers of spirits.

### **CHAPTER 3: ON-PREMISE DATA COLLECTION**

STATUTORY BASIS: 28-A MRSA. §453-C, sub-§4, ¶D

PURPOSE: To establish such rules as necessary for mitigating the costs incurred by reselling agents in providing sales data of spirits to on-premise licensees to the Bureau of Alcoholic Beverages and Lottery Operations.

SCHEDULE FOR ADOPTION: By September 2020.

AFFECTED PARTIES: Agency liquor stores that are licensed as reselling agents.

### **CHAPTER 4: RULES GOVERNING THE PROCESS FOR THE RELOCATION OF AN AGENCY LIQUOR STORE WITHIN THE SAME MUNICIPALITY**

STATUTORY BASIS: 28-A MRS §453-D, sub-§3.

PURPOSE: To establish a process by which an agency liquor store may provide support of or objection to the relocation of another agency liquor store within the same municipality.

SCHEDULE FOR ADOPTION: Prior to September 2020.

AFFECTED PARTIES: Persons licensed as an agency liquor store.

### **CHAPTER 10: MAINE STATE LOTTERY**

STATUTORY BASIS: 8 MRSA §374

PURPOSE: To establish such rules as necessary for the operation of the Maine State Lottery including types of games offered, subscriptions, price of tickets, number and size of prizes, manner of selecting winning tickets, the method of paying prizes, the sale of tickets and the licensing, performance, fee charges and commission of ticket agents.

SCHEDULE FOR ADOPTION: By September 2020.

AFFECTED PARTIES: Licensed Lottery Retail Agents and the Public.

### **CHAPTER 20: POWERBALL**

STATUTORY BASIS: 8 MRSA §374

PURPOSE: To establish rules for the operation of a multi-jurisdictional lottery including any marketing and promotion of lottery games with other jurisdictions.

SCHEDULE FOR ADOPTION: By September 2020.

AFFECTED PARTIES: Licensed Lottery Retail Agents and the Public.

### **CHAPTER 40: MEGA MILLIONS**

STATUTORY BASIS: 8 MRSA §374

PURPOSE: To establish rules for the operation of a multi-jurisdictional lottery including any marketing and promotion of lottery games with other jurisdictions.

SCHEDULE FOR ADOPTION: By September 2020.

AFFECTED PARTIES: Licensed Lottery Retail Agents and the Public.

### **CHAPTER 50: LUCKY FOR LIFE**

STATUTORY BASIS: 8 MRSA §374

PURPOSE: To establish rules for the operation of a multi-jurisdictional lottery including any marketing and promotion of lottery games with other jurisdictions.

SCHEDULE FOR ADOPTION: By September 2020.

AFFECTED PARTIES: Licensed Lottery Retail Agents and the Public.

**CHAPTER 70: WORLD POKER TOUR GAME RULES**

STATUTORY BASIS: 8 MRSA §374

PURPOSE: To establish rules for the operation of a Maine only lottery including any marketing and promotion of the lottery game.

SCHEDULE FOR ADOPTION: By September 2020.

AFFECTED PARTIES: Licensed Lottery Retail Agents and the Public.

**CHAPTER 80: LOTTO AMERICA GAME RULES**

STATUTORY BASIS: 8 MRSA §374

PURPOSE: To establish rules for the operation of a multi-jurisdictional lottery including any marketing and promotion of lottery games with other jurisdictions.

SCHEDULE FOR ADOPTION: By September 2020.

AFFECTED PARTIES: Licensed Lottery Retail Agents and the Public.

**CHAPTER 101: OPERATION AND CONTROL OF ALL LICENSED PREMISES**

STATUTORY BASIS: 28-A MRSA §83-A.

PURPOSE: To ensure for the effective administration of 28-A MRSA Maine Liquor Laws.

SCHEDULE FOR ADOPTION: By September 2020.

AFFECTED PARTIES: Persons owning and/or operating premises licensed to sell and/or serve alcoholic beverages pursuant to applicable provisions of 28-A MRSA.

**CHAPTER 102: PREMISES LICENSED FOR ON-PREMISES CONSUMPTION ONLY**

STATUTORY BASIS: 28-A MRSA §83-A.

PURPOSE: To ensure for the effective administration of provisions of 28-A MRSA Maine Liquor Laws, applicable to licenses for on-premises consumption of alcoholic beverages.

SCHEDULE FOR ADOPTION: By September 2020.

AFFECTED PARTIES: Persons owning and/or operating premises where alcoholic beverages may be consumed on-premises.

**CHAPTER 103: PREMISES LICENSED FOR OFF-PREMISES SALES ONLY**

STATUTORY BASIS: 28-A MRSA §83-A.

PURPOSE: To ensure for the effective administration of provisions of 28-A MRSA Maine Liquor Laws, applicable to licenses for off-premises sales of alcoholic beverages.

SCHEDULE FOR ADOPTION: By September 2020.

AFFECTED PARTIES: Persons owning and/or operating premises where alcoholic beverages may be sold off-premises.

**CHAPTER 104: PREMISES LICENSED AS WHOLESALERS, MANUFACTURERS AND CERTIFICATES OF APPROVAL**

STATUTORY BASIS: 28-A MRSA §83-A.

PURPOSE: To ensure for the effective administration of provisions of 28-A MRSA Maine Liquor Laws, applicable to wholesalers and manufacturers of alcoholic beverages, and certificates of approval.

SCHEDULE FOR ADOPTION: By September 2020.

AFFECTED PARTIES: Wholesalers and manufacturers of alcoholic beverages; holders of certificates of approval.

**CHAPTER 105: LABELING**

STATUTORY BASIS: 28-A MRSA §83-A.

PURPOSE: To ensure for the effective administration of provisions of 28-A MRSA Maine Liquor Laws, applicable to the labeling of alcoholic beverages.

SCHEDULE FOR ADOPTION: By September 2020.

AFFECTED PARTIES: Labelers of alcoholic beverages.

**CHAPTER 106: SALESMEN**

STATUTORY BASIS: 28-A MRSA §83-A.

PURPOSE: To ensure for the effective administration of provisions of 28-A MRSA Maine Liquor Laws, applicable to salespersons selling alcoholic beverages.

SCHEDULE FOR ADOPTION: By September 2020.

AFFECTED PARTIES: Salespersons selling alcoholic beverages.

**CHAPTER 107: ADVERTISING AND SIGNS APPLICABLE TO ALL LICENSE HOLDERS**

STATUTORY BASIS: 28-A MRSA §83-A.

PURPOSE: To ensure for the effective administration of provisions of 28-A MRSA Maine Liquor Laws, applicable to persons licensed to sell and/or serve alcoholic beverages who advertise and/or place signs regarding the sale and/or service of alcoholic beverages.

SCHEDULE FOR ADOPTION: By September 2020.

AFFECTED PARTIES: Persons licensed to sell and/or serve alcoholic beverages who advertise and/or place signs regarding the sale and/or service of alcoholic beverages.

**CHAPTER 110: AGENCY LIQUOR STORES**

STATUTORY BASIS: 28-A MRSA §83-A.

PURPOSE: To ensure for the effective administration of applicable provisions of 28-A MRSA Maine Liquor Laws, relating to agency liquor stores.

SCHEDULE FOR ADOPTION: By September 2020.

AFFECTED PARTIES: Persons holding or applying for an agency liquor store license.

**CHAPTER 120: LICENSING PROCEDURE**

STATUTORY BASIS: 28-A MRSA §83-A.

PURPOSE: To ensure for the effective administration of applicable provisions of 28-A MRSA Maine Liquor Laws, relating to agency liquor stores.

SCHEDULE FOR ADOPTION: By September 2020.

AFFECTED PARTIES: Persons holding or applying for an agency liquor store license.

**CHAPTER 130: SELECTION AND LOCATION OF AGENCY LIQUOR STORES**

STATUTORY BASIS: 28-A MRSA §83-A.

PURPOSE: To ensure for the effective administration of applicable provisions of 28-A MRSA Maine Liquor Laws, relating to agency liquor stores.

SCHEDULE FOR ADOPTION: By September 2020.

AFFECTED PARTIES: Persons holding or applying for an agency liquor store license.

**CHAPTER 140: MERCHANDISING AND STOCK**

STATUTORY BASIS: 28-A MRSA §83-A.

PURPOSE: To ensure for the effective administration of applicable provisions of 28-A MRSA Maine Liquor Laws, relating to agency liquor stores.

SCHEDULE FOR ADOPTION: By September 2020.

AFFECTED PARTIES: Persons holding or applying for an agency liquor store license.

**CHAPTER 150: SIGNS AND ADVERTISING**

STATUTORY BASIS: 28-A MRSA §83-A.

PURPOSE: To ensure for the effective administration of applicable provisions of 28-A MRSA Maine Liquor Laws, relating to agency liquor stores.

SCHEDULE FOR ADOPTION: By September 2020.

AFFECTED PARTIES: Persons holding or applying for an agency liquor store license.

**NEW CHAPTER 160: DEFINITION OF BRAND**

STATUTORY BASIS: Resolve 2013, ch. 89.

PURPOSE: To assist licensees under Title 28-A, ch. 55 and 57 in defining brand for the distribution of malt beverages and wine.

SCHEDULE FOR ADOPTION: By September 2020.

AFFECTED PARTIES: Persons holding or applying for a certificate of approval holder or wholesaler license.

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AGENCY UMBRELLA-UNIT NUMBER: **18-554**

AGENCY NAME: **Bureau of General Services**

**CONTACT PERSON:** Jaime Schorr, Chief Procurement Officer, Bureau of Business Management, 9 State House Station, Augusta, Maine 04333. Tel. (207) 624-7355; [Jaime.C.Schorr@Maine.gov](mailto:Jaime.C.Schorr@Maine.gov)

**EMERGENCY RULES ADOPTED SINCE THE LAST REGULATORY AGENDA:** None

**CONSENSUS-BASED RULE DEVELOPMENT:** None contemplated.

**EXPECTED 2019-2020 RULE-MAKING ACTIVITY:**

**CHAPTER 110: RULES FOR THE PURCHASE OF SERVICES AND AWARDS**

STATUTORY BASIS: 5 M.R.S.A. §1825-C

PURPOSE: This rule outlines the procedures to be used in the purchase of services and the awarding of grants and contracts.

SCHEDULE FOR ADOPTION: By June 2020.

AFFECTED PARTIES: All interested parties doing business with the State of Maine and State Agencies purchasing goods or services.

**CHAPTER 120: RULES FOR APPEAL OF CONTRACT AND GRANT AWARDS**

STATUTORY BASIS: 5 M.R.S.A. §1825-(C) (D) (E) (F)

PURPOSE: This rule outlines the procedures and criteria to be used in the appeal of contract or grant awards, outlines the appointment of an Appeal Committee, describes procedures to be used in hearing an appeal and how appellants will be notified of final agency action.

SCHEDULE FOR ADOPTION: By June 2020.

AFFECTED PARTIES: All interested parties doing business with the State of Maine and State Agencies purchasing goods or services.

AGENCY UMBRELLA-UNIT NUMBER: **18-674**  
AGENCY NAME: **Maine Board of Tax Appeals**

**CONTACT PERSON:** Paul Bourget, Chief Appeals Officer, Maine Board of Tax Appeals, 134 State House Station, Augusta, Maine 04333. Telephone: (207) 287-2862. E-mail: [Paul.Bourget@Maine.gov](mailto:Paul.Bourget@Maine.gov)

**EMERGENCY RULES ADOPTED SINCE THE LAST REGULATORY AGENDA:** None

**CONSENSUS-BASED RULE DEVELOPMENT:** None contemplated.

**EXPECTED 2019-2020 RULE-MAKING ACTIVITY:**

**CHAPTER 100 – MAINE BOARD OF TAX APPEALS PRACTICE AND PROCEDURE**

STATUTORY BASIS: 36 M.R.S. §151-D.

PURPOSE: This Chapter establishes rules of practice and procedure before the Maine Board of Tax Appeals as required by 36 M.R.S. §151-D. The Board expects to amend this rule to update the location at which appeals conferences are ordinarily held and to correct an inaccurate cross-reference. 18-674 C.M.R. ch. 100, §§ 201(3), 304(2) (2014).

SCHEDULE FOR ADOPTION: By June 2020.

AFFECTED PARTIES: All parties practicing before the Board in tax appeals matters.

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AGENCY UMBRELLA-UNIT NUMBER: **18-691**

AGENCY NAME: **Office of Marijuana Policy**

**CONTACT PERSON:** Gabi Pierce; Office of Marijuana Policy, 162 State House Station, Augusta, ME 04333; Phone: (207)-530-0507; [Gabi.Pierce@Maine.gov](mailto:Gabi.Pierce@Maine.gov)

**EMERGENCY RULES ADOPTED SINCE LAST REGULATORY AGENDA:**

Chapter 5: Rules for the Certification of Marijuana Testing Facilities

**EXPECTED 2019-2020 RULEMAKING ACTIVITY**

**CHAPTER 1: ADULT USE MARIJUANA PROGRAM**

STATUTORY BASIS: 28-B M.R.S.

PURPOSE: These regulations specify official policy which governs adult use, also known as recreational, marijuana in Maine.

SCHEDULE FOR ADOPTION: by September 2020.

AFFECTED PARTIES: All licensed adult use marijuana retail stores, cultivation facilities, products manufacturing facilities, and marijuana testing facilities.

**CHAPTER 2: MAINE MEDICAL USE OF MARIJUANA PROGRAM RULE**

STATUTORY BASIS: 22 M.R.S. CHAPTER 558-C

PURPOSE: These regulations specify official policy which governs the medical use of marijuana program in Maine.

SCHEDULE FOR ADOPTION: by January 2020.

AFFECTED PARTIES: All registered medical use of marijuana dispensaries, caregivers, caregiver retail stores, medical marijuana manufacturing facilities, and medical marijuana testing facilities.

**CHAPTER 4: MARIJUANA MANUFACTURING FACILITIES**

STATUTORY BASIS: 22 M.R.S. CHAPTER 558-C

PURPOSE: These regulations specify official policy which governs the standards and procedures related to manufacturing medical marijuana, marijuana concentrate, and marijuana products in Maine.

SCHEDULE FOR ADOPTION: by July 2020.

AFFECTED PARTIES: All registered medical use of marijuana dispensaries, caregivers, caregiver retail stores, medical marijuana manufacturing facilities, and medical marijuana testing facilities.

**CHAPTER 5: RULE FOR THE CERTIFICATION OF MARIJUANA TESTING FACILITIES**

STATUTORY BASIS: 28-B M.R.S. CHAPTER 1

PURPOSE: These regulations specify official policy which governs the standards and procedures related to testing of adult use marijuana, marijuana concentrate, and marijuana products in Maine.

SCHEDULE FOR ADOPTION: by December 2019.

AFFECTED PARTIES: All licensed adult use marijuana retail stores, cultivation facilities, products manufacturing facilities, and marijuana