



Testimony of Donald DeFronzo
Commissioner of Administrative Services
Acting Commissioner of Construction Services

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Appropriations Committee
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Good morning Senator Harp, Representative Walker, Senator Kane, Representative Miner and distinguished members of the Committee. My name is Don DeFronzo and I am the Commissioner of the Department of Administrative Services ("DAS") and the Acting Commissioner of Construction Services ("DCS").

Currently, the **Department of Administrative Services** has 540 authorized full-time General Fund positions, as well as 86 other-funded positions, and a 2013 General Fund appropriation of \$121,952,255, not including Workers' Compensation and State Insurance Risk Management claims funds and adjustments. DAS is organized into three bureaus: the Bureau of Central Administration; the Bureau of Property and Facilities Management and the Bureau of Enterprise Systems and Technology.

The **Bureau of Central Administration** houses the following divisions: Procurement Services; Statewide Human Resources Management; Collection Services; Fleet Operations; Workers' Compensation; the Small Agency Resource Team; and the Business Office. Several other programs, including the Federal Surplus Food Distribution Program, the Supplier Diversity Program, and the Surplus Property/Vehicle Disposition Program, are part of this bureau.

The **Bureau of Property and Facilities Management** (formerly, part of the Department of Public Works) purchases, leases and acquires property and space for state agencies and supervises the operation and control of certain state properties, including buildings and grounds in Hartford and district offices in major urban facilities, as well as the Governor's Residence. Additionally, this Bureau provides technical environmental, engineering, architectural planning support to state facilities. The Statewide Security Unit, which establishes and maintains security standards for most facilities, housing, offices and equipment of the state, is part of this bureau as well.

The **Bureau of Enterprise Systems and Technology** (formerly, the Department of Information Technology) is responsible for building, maintaining and operating the statewide information technology infrastructure across state agencies while providing

information technology services and cost effective solutions for state agencies and related entities.

In addition to these three bureaus, DAS partners with the Office of the State Comptroller to administer and staff Core-CT, the State's enterprise-wide financial, human resource and payroll system. The Office of the Claims Commissioner, the State Properties Review Board, the State Marshal Commission, and the State Insurance and Risk Management Board are also within DAS but retain independent decision-making authority.

The **Department of Construction Services** has a total of 157 authorized full-time positions: 94 General Fund, 55 bond-funded and 8 other-funded. DCS's 2013 General Fund appropriation of \$9,443,457. In addition, in 2013, DCS has been responsible for several hundred construction and construction-related projects and bond fund allotments of over \$800 million.

DCS consists of the Division of Design and Construction, the Bureau of School Facilities, the Office of the State Building Inspector, the Office of the State Fire Marshal and the Office of Education and Data Management.

The **Division of Design and Construction** (formerly, part of the Department of Public Works) provides capital project planning and management services for any state construction project over \$500,000 (other than projects managed by UConn and the Department of Transportation), as well as technical assistance and resources to state agencies in the areas of code compliance, energy conservation and usage, and environmental planning.

The **Bureau of School Facilities** (which had been within the State Department of Education prior to 2011) is responsible for administering the school construction grant program, from evaluating applications, to reviewing of facility sites and project contract documents, to processing reimbursements. Additionally, this bureau creates the School Construction Priority List for review and approval by the legislative branch and compiles the triennial statewide Condition of Facilities report.

The **Office of the State Building Inspector** and the **Office of the State Fire Marshal**, in conjunction with the State Codes and Standards Committee, develop and administer state building and fire safety and fire prevention codes. These two offices also provide interpretations and clarifications of code language; act upon requests for code modifications and waivers; review construction drawings, issue building permits and inspect large state buildings; inspect and issue operating certificates for boilers and elevators; and issue demolition and crane licenses.

Working closely with the Office of the State Building Inspector and the Office of the State Fire Marshal, the **Office of Education and Data Management** is responsible for training and accrediting Building and Fire Code Officials, as well as providing code-related instruction to individuals in the allied trade professions and managing the National Fire Incident Reporting System (NFIRS) for Connecticut. These three Offices had been part of the former Department of Public Safety prior to the creation of the Department of Construction Services.

THE GOVERNOR'S PROPOSED BUDGET

The Governor's proposed budget recommends several significant changes to the organizational and funding structures of DAS and DCS.

Proposed Reorganizations

The proposed budget includes a plan to consolidate most of DCS into DAS, while transferring some DCS staff and responsibility to the Board of Regents and the Department of Education. Specifically, the proposal moves the Bureau of School Facilities, the Office of the State Building Inspector, the Office of the State Fire Marshal, the Office of Education and Data Management and a portion of the Design and Construction Division into DAS. To accomplish this consolidation, the budget transfers \$10,307,051 in FY 14 and \$10,707,668 in FY 15, and 85 General Fund positions, 22 bond-funded positions and 8 other-funded positions from DCS to DAS. Thirteen DCS General Fund positions are not transferred to DAS: 8 vacancies and 5 filled positions that will be eliminated either through attrition or through transfers to fill authorized vacancies in other agencies.

Because DAS has been providing central administrative services to DCS since its inception, we anticipate that the Governor's proposal to merge DCS into DAS will provide additional opportunities for eliminating layers of bureaucracy and achieving greater efficiencies in the direct provision of central administrative services. It will also improve coordination in the closely related areas of construction and property management.

In order to achieve more direct control and provide a higher level of autonomy, the Governor's proposal gives the Board of Regents, like UConn, the responsibility for managing its own construction projects and transfers a number of DCS Design and Construction employees to the Board of Regents. It also authorizes the Department of Education to manage Regional Vocational Technical High Schools' construction projects on its own, transferring some DCS Design and Construction employees to DOE for this purpose.

In addition to consolidating most of DCS into DAS, the Governor's budget recommends the transfer of the Department of Veterans Affairs information technology functions, and five employees, to DAS. This transfer is consistent with ongoing efforts to centralize the state's information technology functions and create efficiencies on an enterprise-wide basis.

The Governor's budget also recommends transferring functions of the Statewide Human Resources Management Division to the Office of Policy and Management with the goal of eliminating potential areas of overlap and streamlining the approval process for new hires and promotions. The Statewide Human Resources Management Division is responsible for implementing the State Personnel Act with regard to hiring and promoting employees, conducting examinations, maintaining the state's job classification system, evaluating jobs, and administering compensation. This division also provides human resources consulting services and training to state agencies in the areas of staffing, classification, compensation, organization analysis/ structure, reemployment/SEBAC, strategic planning, etc., and develops statewide personnel rules and policies. All issues relating to collective bargaining are already the responsibility of the Office of Labor Relations at OPM.

To accomplish the consolidation, the budget includes the transfer of \$4,175,815 in FY14 and \$4,285,544 in FY15. Of the 37 full-time DAS employees in this division, 33 will be transferred to OPM and the remaining four positions will be eliminated either through attrition or through transfers to fill authorized vacancies in other agencies. In addition, the collective bargaining accounts for Quality of Work Life, Labor Management and Tuition Reimbursement would also be transferred to OPM.

Finally, the budget transfers the Employees' Review Board, which had been within DAS for administrative purposes only, to the Department of Labor.

Changes to Account Structures

In addition to these reorganizations, the Governor's budget proposes several funding-related changes in order to increase efficiency and streamline account structures.

Specifically, the budget moves the DAS Courier and Central Mail Services from the DAS general services revolving fund to the General Fund. DAS Courier provides same-day and next-day package and inter-office mail delivery services to approximately 285 locations in the state. The Central Mail office provides metering services to the Capitol Region and sorts inter-office mail for all agencies, handling approximately 10 million individual pieces of inter-office mail per year. It is more efficient to have these functions included in DAS' General Fund accounts than to develop rates and charge agencies for these services.

The proposed budget also moves \$100,000 for the E-Licensing System (currently used by the Department of Consumer Protection, the Department of Public Health, the Department of Agriculture and the Secretary of State) to the DAS IT Services Account, where it can be centrally managed by DAS-BEST. Consolidating these costs in the IT Services Account is more efficient than developing rates and billing each agency.

The goals of increasing efficiency and streamlining account structures also motivated the consolidation of the Connecticut Education Network account and the Hospital Billing Appropriations into the DAS IT Services Account, as well as the consolidation of the Claims Commissioner's claims account with the Office of State Comptroller's claims account, and the Surety Bonds for State Officials into the Insurance and Risk Management account.

Commitment to Cost Containment

When all of the consolidations and changes to account structures are taken into account, the Governor's proposed budget for FY14-FY15 would result in a net increase of 71 positions at DAS and General Fund appropriations of \$136,181,582 for FY14 and \$146,863,225 for FY15. DAS will continue - and work to improve upon - our ongoing efforts to contain costs and identify meaningful changes to "business as usual" in order to create efficiencies and achieve savings. From renegotiating and eliminating contracts for goods and services, to consolidating and reducing leased space, to streamlining processes, DAS remains committed to finding savings and avoiding costs while continuing to provide necessary services to state agencies, municipalities, colleges, universities, vendors, non-profit organizations and the public at large.

