

Governor's FY 2020 Budget: Articles

Staff Presentation to the House Finance
Committee
June 5, 2019

New Article – State Leases

- Joint Resolution requesting General Assembly approval for the state to enter into 6 long-term property leases
 - Department of Transportation
 - Department of Corrections
 - Department of Human Services
 - 2 leases
 - Board of Elections
 - Office of Postsecondary Commissioner

State Leases

- RIGL 37-6-2 requires departments to obtain legislative approval before entering into:
 - Leases that are five years or longer and in excess of \$0.5 million
- Requirement adopted by 2006 Assembly

State Leases

- Required information
 - Purpose of the lease or rental agreement
 - Current lease or rental costs
 - Expiration date of any present agreement
 - Range of costs of new agreement
 - Proposed term
 - Location and owner of the desired property

State Leases

- Efficiency Commission noted 33 leases
 - 12 with an expiration date in FY 2019
 - 4 have expired
 - 2 that did not need Assembly approval have been renewed
 - 1 exercised extension per current lease
 - 1 is seeking approval in this article (DOC)
 - 5 expire in FY 2020
- All current leases total \$11.2 million annually
 - Range from \$1 to \$2.4 million

New Article – State Leases

Agency	Location	Square Ft.*	Term/ Years	Total Cost*
DOT	288 Allens - Prov.	30,000	5	\$3.0
DOC	249 Roosevelt - Pawt.	4,200	5	0.5
DHS	249 Roosevelt – Pawt.	24,400	5	2.7
BOE	2000 Plainfield - Cranston	65,000	10	6.5
DHS	TBD, Providence	32,000	10	9.0
OPC	TBD, Woonsocket	19,000	10	3.2
Total				\$24.9

\$ in millions; * max value used

State Leases

State
Properties
approves
request from
agency

Agency goes
through RFP
process

Assembly
approval
(if required)

State
Properties
executes
lease

New Article – State Leases

Agency	Location	State Properties Initial Approval
DOT	288 Allens - Prov.	May 14, 2019
DOC	249 Roosevelt - Pawt.	April 18, 2019
DHS	249 Roosevelt – Pawt.	December 4, 2018
BOE	2000 Plainfield - Cranston	May 28, 2019
DHS	TBD, Providence	December 4, 2018
OPC	TBD, Woonsocket	

New Article – Section 2

- DOT entered into short-term lease
March 2017
 - House vehicles & equipment
 - Property located at 288 Allens Avenue in
Providence
 - 6-months with 4 six-month options to renew
 - Expenditures were \$233,584 for FY 2017 &
\$529,127 for FY 2018
 - Current lease expires September 30, 2019

New Article – Section 2

- New Article authorizes DOT to enter into a long-term lease agreement at same location
 - 5 year term
 - Total cost over term is \$3.0 million
 - Annual cost of \$0.6 million
- Governor's FY 2020 budget includes \$0.6 million from gas tax proceeds for lease payment

New Article – Section 3

- Department of Corrections
 - Probation/Parole Services
 - 249 Roosevelt Avenue, Pawtucket
 - Current lease expires June 30, 2019
 - Lease Renewal for same space
 - 5 yr. term for 4,200 square feet
 - Total amount not to exceed \$520,000
 - FY 2020 budget includes \$98,000

New Article – Section 4

- Department of Human Services
 - DHS Field office
 - 249 Roosevelt Avenue, Pawtucket
 - Current lease expires on June 30, 2019
 - FY 2020 budget includes \$0.5 million
 - \$0.2 million general revenues
- Lease renewal
 - 5 yr. term for 24,400 square feet
 - Total amount anticipated to range between \$2.4 million & \$2.7 million

New Article – Section 5

- Board of Elections
 - Current location
 - Offices and some storage at 50 Branch Ave
 - Majority of voting equipment stored in Armory
 - Governor agreed with Efficiency Commission recommendation to sell Branch Ave location
 - Current location requires “significant capital investment” over next five years

New Article – Section 5

- Board of Elections
 - Proposed lease -10 yr. term for 65,000 square feet
 - Location on Plainfield Pike in Cranston
 - Total amount anticipated to range between \$6.0 million and \$6.5 million

New Article – Section 5

- Board of Elections
 - Original FY 2020 budget recommendation did not contemplate a lease
 - Governor requested amendment on May 23 to add \$0.3 million for FY 2020
 - \$0.4 million for prorated 8 months of rent
 - Assumes November start
 - Offset by \$0.1 million in savings for facilities management

New Article – Section 6

- Department of Human Services
 - Field office & back-office operation
 - 206 Elmwood Avenue, Providence
 - Lease expired on May 31, 2019
 - Currently paying on a month-to-month basis

New Article – Section 6

- FY 2020 budget: \$1.9 million from all sources, \$0.9 million general revenues
 - Assumes savings of \$0.3 million (\$0.2M GR) from moving by Jan 1
 - DHS would move field staff into 2 smaller offices, back-office staff to another location

New Article – Section 6

- Governor recommends Efficiency Commission proposal to move back-office staff to Pastore Complex
 - Estimates savings of \$0.7 million from all sources (GR \$0.3M)
- Lease Renewal for Field Staff
 - 10 yr. term for 30,000 to 32,000 square feet
 - Total amount anticipated to range between \$7.5 million and \$9.0 million
 - Currently reviewing results from RFP process

New Article – Section 6

Providence Field Office	Yearly Cost
FY 2019 enacted	\$2.2
FY 2020 Gov. - Negotiate new lease	(0.3)
Efficiency Commission -Move back-office staff to Pastore Campus	(0.8)
Total savings	\$(1.1)
General revenue share	\$(0.5)

\$ in millions

New Article – Section 7

- 2018 Assembly authorized \$4.0 million from RICAP over FY 2019 and FY 2020 to replicate Westerly Center in Northern RI
- Governor's FY 2020 budget
 - \$0.1 million from restricted receipts & 1.0 FTE
 - Operations & facility manager
- 4 sites in Woonsocket were reviewed
 - Negotiations for 1 site ongoing
 - Progress unclear

New Article – Section 7

- Authorizes 10 year lease for 19,000 square feet of space
 - City of Woonsocket
 - Exact site not identified
- Annual rent = \$323,000
 - Total cost of \$3.2 million
- Also need approval of State Properties & Council on Postsecondary Education

New Article – State Leases

All Sources	FY 2019 Enacted	FY 2020 Governor	New Article
DOT - 288 Allens - Prov.	\$0.5	\$0.6	\$0.6
DOC - 249 Roosevelt - Pawt.	0.1	0.1	0.1
DHS - 249 Roosevelt – Pawt.	0.4	0.4	0.5
BOE - 2000 Plainfield - Cranston	-	-	0.3
DHS - TBD, Providence	2.2	1.9	1.1
OPC - TBD, Woonsocket	-	-	0.3
Total All Sources	\$3.2	\$3.0	\$2.9

\$ in millions

New Article – State Leases

General Revenues	FY 2019 Enacted	FY 2020 Governor	New Article
DOT - 288 Allens - Prov.	\$ -	\$ -	\$ -
DOC - 249 Roosevelt - Pawt.	0.1	0.1	0.1
DHS - 249 Roosevelt – Pawt.	0.2	0.2	0.2
BOE - 2000 Plainfield - Cranston	-	-	0.3
DHS - TBD, Providence	1.1	1.0	0.6
OPC - TBD, Woonsocket*	-	-	0.3
Total General Revenues	\$1.4	\$1.3	\$1.5

\$ in millions, *source unclear

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