



***Department of Finance &
Administration
Budget Hearing***

December 3, 2014



Customer-Focused Government Goals

Key Operational Goals	<ul style="list-style-type: none">• Implement year-one of workstation consolidation plan.	<ul style="list-style-type: none">• Implement year-three of centralized accounting plan.	<ul style="list-style-type: none">• Move forward with NextGen IT through successful pilot of TDOT and the conversion of two other departments by 6/30/2015.
Strategic Initiatives	<ul style="list-style-type: none">• Achieve collaborative/trusting relationships with all operating departments (a proxy for F&A self-assessment).	<ul style="list-style-type: none">• Develop a sustainable, competitive employee medical benefit coverage.	



F&A Successes

Financial Management

- **Health Insurance**
 - Held premium increases under medical trend CY14 & CY15
- **Budgeting**
 - Received the GFOA Award for Budgeting
 - Closed FY14 – successfully addressing revenue shortfall
- **Accounting**
 - Centralized Accounting for 13 small agencies improving accuracy and timeliness of financial reporting

Technology

- **Project Management**
 - Established new IT governance process and project portfolio tool to effectively manage large IT projects
- **Edison**
 - Completed major software upgrade supporting improved accounting, financial management & procurement functionality
- **Systems**
 - Successfully outsourced the state's mainframe providing a cost avoidance of \$7-10 million
 - Migrated 22,000 phones to IPT for a cost avoidance of \$5 million



Other F&A Successes

- **Talent Management**
 - Began successful implementation plan of Talent Management Strategy
- **Employee Wellness**
 - Opened new Employee Health and Wellness Center
 - Partnership PPO population members improved health measures in 2013 over 2011
- **Training**
 - Provided technical training to over 1,600 IT professionals through IT Academy
- **Customer Service**
 - Completed F&A Customer Service Review and created associated action plan to address/reduce unnecessary control points and become a “trusted and collaborative partner” with operational departments.



F&A Challenges

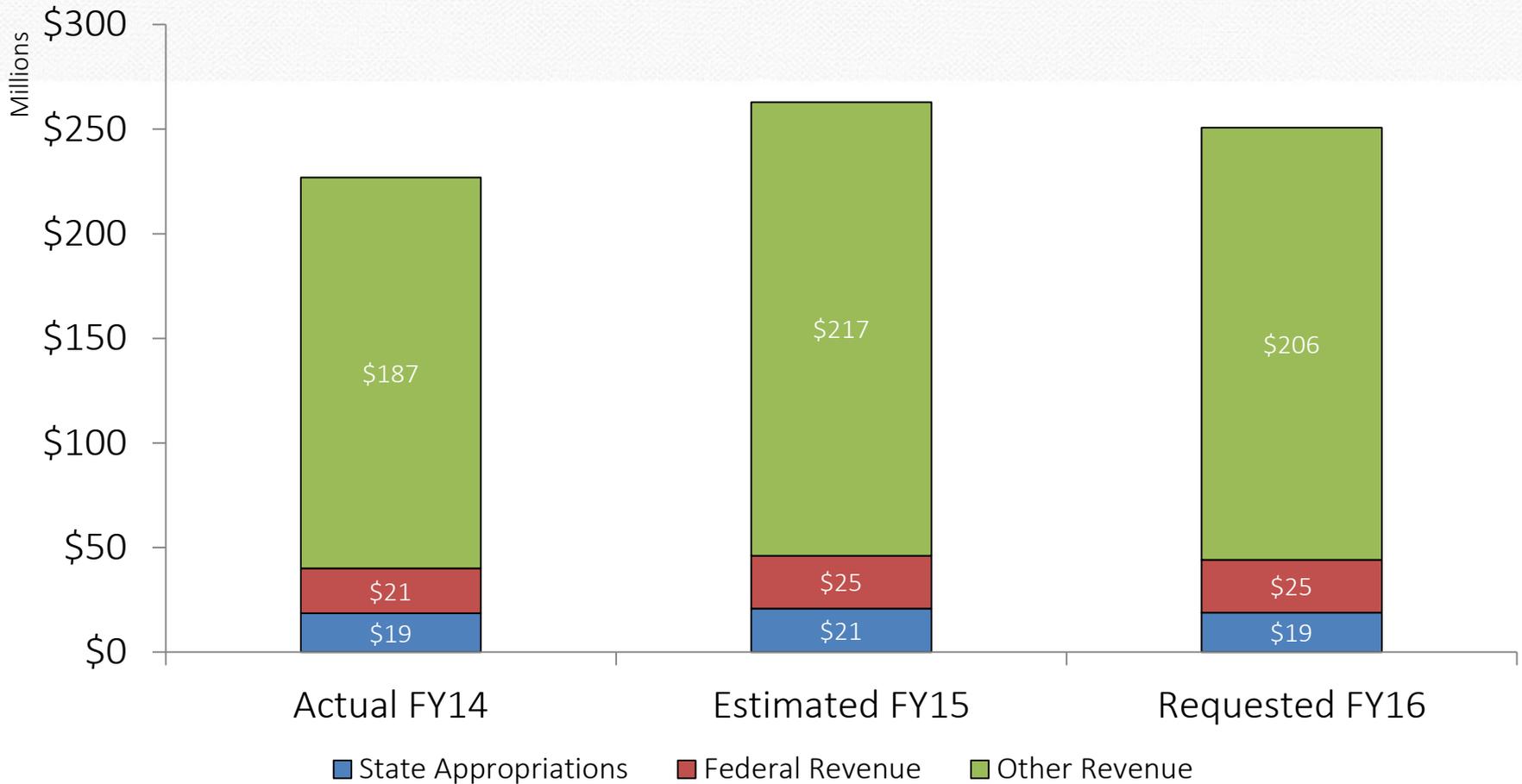
Financial and Personnel Management

- **Health Premiums**
 - Maintaining affordable health benefit in future plan years
- **Budgeting**
 - Development and implementation of the new Budget Information System for the FY17 budget cycle
- **Talent Management**
 - Implementation of an effective Succession Plan strategy in anticipation of the retirement of key leadership staff

IT Management

- **Staffing**
 - Ability to attract and retain highly skilled IT professionals
- **Security**
 - Protecting the network from intrusion and staying ahead of the hackers
- **Data Management**
 - Determining most effective use of new Business Intelligence software

Revenue Sources





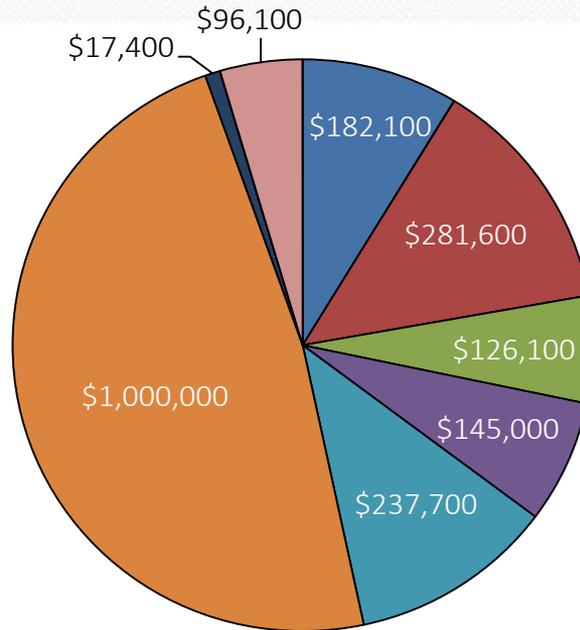
Proposed Reduction Plan

Category	Reduction Description	State Savings
Program & Operations	(Administration) reduce vacancy, reduce grant award, eliminate filled position	\$182,100
Program & Operations	(Budget) reduce payroll funding, equity and reduce vacancy	\$281,600
Program & Operations	(Accounts) align with actual expenditures	\$126,100
Program & Operations	(OCJP) reduce operations, reduce funding match, reduce child advocacy centers, reduce internet crimes against children grants	\$145,000
Program & Operations	(BSD) reduce computer maintenance, reduce travel, reduce vacancy	\$237,700
Program & Operations	(OIR) reduce NextGen IT training	\$1,000,000
Program & Operations	(State Architect) reduce funding for position, reduce vacancy	\$96,100
Program & Operations	(Volunteer Tennessee) reduce federal grant matching	\$17,400
Total		\$2,086,000



Proposed State Dollar Reductions by Program

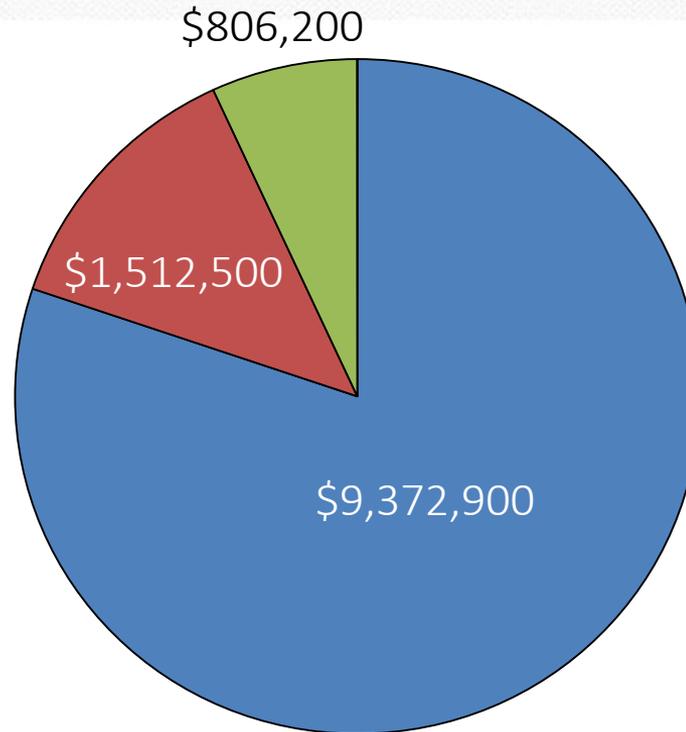
Total Reduction = \$2,086,000



- Division of Administration
- Division of Accounts
- Business Solutions Delivery
- Volunteer Tennessee
- Budget
- Office of Criminal Justice Program
- Office of Information Resources
- State Architect

Proposed Internal Service Fund Reductions by Program

Total Reduction = \$11,691,600



■ OIR ■ Enterprise Resource Planning ■ Accounts

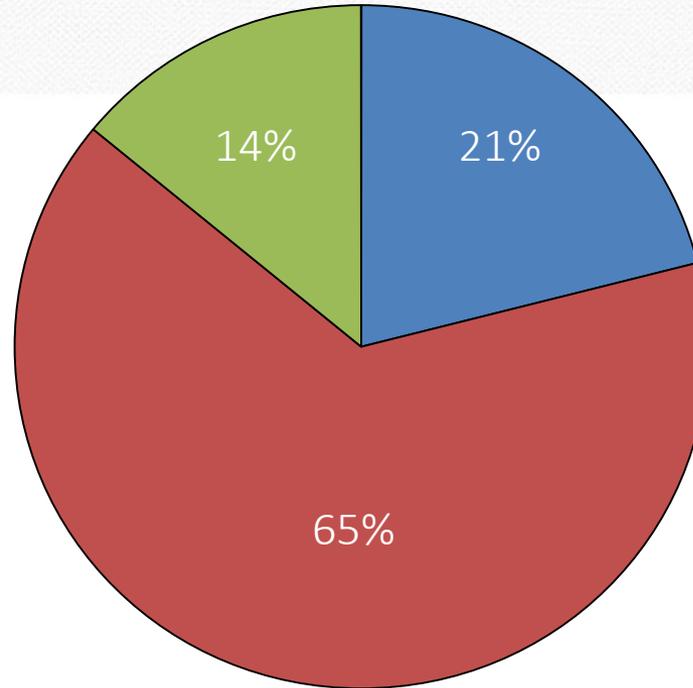


Proposed Cost Increases

	Increase	Total	State	Federal	Other	Positions
1.	Edison- Two Staffing Positions (1 Software Developer - Advanced and 1 Business Analyst- Junior) to support expansion of electronic forms and workflow automation.	211,800	0	0	211,800	2
2.	Edison- One Information Security Analyst-Junior to support efforts to mitigate ever-increasing threats and breaches within the ERP System and third party applications.	101,700	0	0	101,700	1
3.	Capital Accounting- Restore reduction.	92,500	92,500	0	0	0
4.	OCJP Sheriffs Association Victim Notification System - Recognize overcollection of fees collected from a \$3 privilege tax on litigation all criminal cases instituted in Tennessee.	30,000	30,000	0	0	0
5.	OCJP Sexual Assault Education and Counseling - Recognize overcollection of a \$200 fine imposed on individuals convicted of a sexual offense.	20,000	20,000	0	0	0
6.	Edison- Rate increase Internal Service Fund to fund growth of system and staff.	2,527,500	0	0	2,527,500	0
	Total Cost Increases	2,983,500	142,500	0	2,841,000	3



Proposed State Dollar Cost Increases *As A Percentage of Total Increases Requested*



■ OCJP - Tennessee Sheriffs Association

■ Capital Accounting

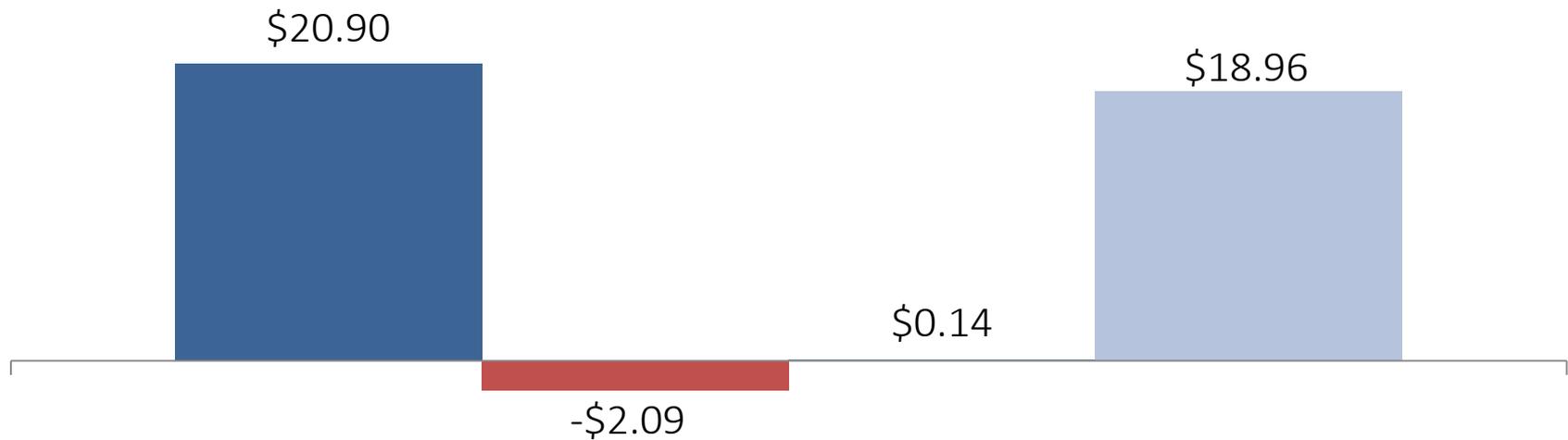
■ OCJP- Sexual Assault Program



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Request Summary

State Appropriations (in millions)



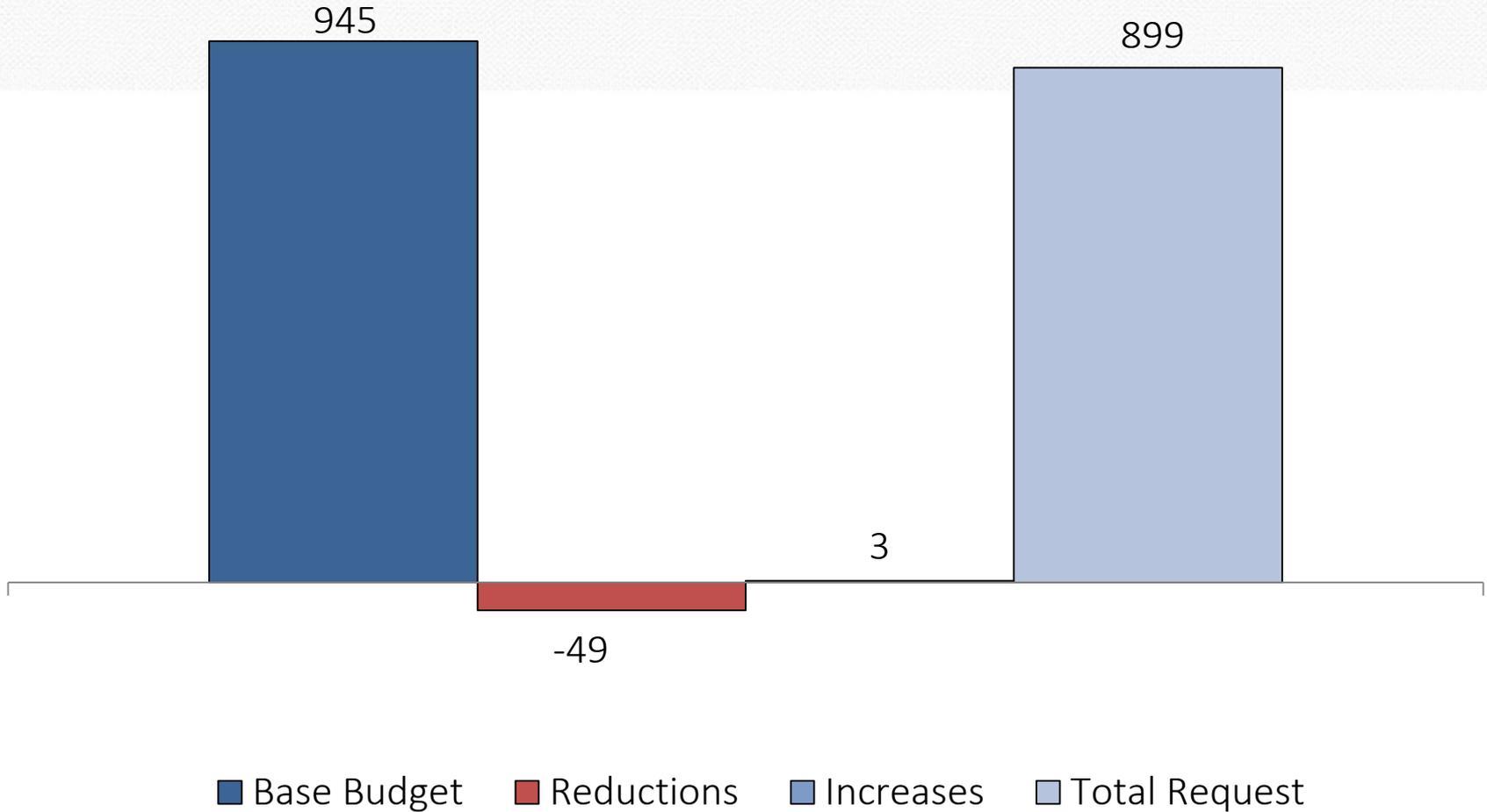
■ Base Budget ■ Reductions ■ Increases ■ Total Request



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Request Summary

Authorized Positions





Authorized Positions

