

C+ Rhode Island

In the heart of Providence, Rhode Island's bustling capital, state agencies are currently paying as much as \$22 per square foot to rent some of the scarce office space available to them. Meanwhile, just 15 minutes away in the suburb of Cranston, the Department of Mental Health maintains a structure whose entire lower level is being used as a giant storage closet filled with old boxes.

Unfortunately, this is not an aberration. The state owns about 650,000 square feet of office space that is either unused or

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severely underutilized. True, most of this space would require significant refurbishment to make it useful. But that's got to be cheaper—at least in many cases—than the \$16 million the state is spending to lease 1 million square feet for its cramped agency offices.

The situation is frustrating to the state's employees. Rhode Island does a good job of analyzing and planning for its overall capital needs. But it has trouble getting its agencies to work with the central government, particularly when it comes to sharing information. The leased space figures were uncovered just recently, through a special inventory of state property. "It's something we should have done years ago," says Robert L. Brunelle, associate director of the Department of Administration's new Division of Capital Projects and Property Management. "The state just missed the boat."

Although Rhode Island's decentralized agencies deserve credit for some innovative programs—the state is a national leader in children's health care, for example—the management structure has allowed the agencies to hold back progress on a variety of enterprise-wide issues. Governor Donald Carcieri seems to understand the problem. His mammoth study of state government, dubbed Fiscal Fitness, came to the conclusion that bringing agencies under centralized control is critical. The new effort to establish central management of construction, space allocation and maintenance has been one of the most visible results.

The story of technology in Rhode Island is similarly centered on the fight between central government and line agencies. The state has more than 40 different e-mail servers, creating unnecessary expense for upkeep and virus protection, not to mention spotty delivery. Agencies find it very difficult to share information with each other, and until relatively recently, the state had a dozen different help-desk organizations, often using different software.

Chief Information Officer Thomas Collins has begun undertaking major changes. His first step was to create a new administrative structure under which the state's executive branch IT managers were relocated to his department. In addition, each agency works with an individual from Collins' staff to try to encourage centralized and standardized products.

Above and beyond the centralization problem, the state faces an obstacle to progress in its rigid civil service structure and reform-resistant unions. Sensible management practices that are routine elsewhere—such as systematic evaluation of employee performance—are next to impossible in Rhode Island. Managers who might like to develop workforce plans are stymied by poor data systems that make it difficult to extract even simple information about job turnover. Promotions are often made on the basis of seniority. All the state's labor contracts expired at the end of last June, and negotiations on new ones were still underway in January.

The state has generally had responsible money management with a long-term focus, but disastrous implementation of new financial management technology has derailed financial reporting and created short-term problems with internal controls. Generous pensions will put a lot of stress on the budget for fiscal year 2006, because pension contributions are slated to go up from 12 percent of employee pay to 17 percent to keep up with actuarial calculations.

Not surprisingly, the Republican governor's relationship with the heavily Democratic House and Senate has been a rocky one. Legislators easily overrode his vetoes of the last two budgets, and the whole process has been extremely acrimonious.

For additional data and analysis, go to:
<http://results.gpponline.org/rhodeisland>

● Strength ○ Mid-level ● Weakness

Money C+

Long-Term Outlook	○
Budget Process	●
Structural Balance	○
Contracting/Purchasing	○
Financial Controls/Reporting	●

People D+

Strategic Workforce Planning	●
Hiring	○
Retaining Employees	○
Training and Development	●
Managing Employee Performance	●

Infrastructure B-

Capital Planning	○
Project Monitoring	○
Maintenance	○
Internal Coordination	●
Intergovernmental Coordination	●

Information C+

Strategic Direction	○
Budgeting for Performance	○
Managing for Performance	○
Program Evaluation	○
Electronic Government	○

Population (rank): 1,048,319 (43)

Average per capita income (rank):
\$31,916 (17)

Total state spending (rank):
\$5,766,687,000 (42)

Spending per capita (rank):
\$5,400 (9)

Governor: Don Carcieri (R)

First elected: 11/2002

Senate: 38 members: 33 D, 5 R

Term limits: None

House: 75 members: 59 D, 16 R

Term limits: None