



Statewide Financial System Program Agenda/Minutes

Date:	Wednesday, October 29, 2014	Time:	9:30am - 11:30am
Subject:	Payment Scheduled Projection (PSP) Workgroup	Location:	SFS; Training Room D
Meeting Facilitator:	Ed Bouryng	Minutes Prepared by:	Denise Davis
Objective:	Capital PSP Methods Discussion		

Attendees:					
Marilyn Bell (OMH)	X	Matthew Haas (DOT)		Dan Saxe (OGS)	
Peter Baran (DOB)		Jennifer Harkin (SCF)	X	Zach Scarchilli (DOB)	
Ed Bouryng (EE1 – SFS)	X	Sharon Hover (SCF)	X	Trish Schaap (SFS)	
Colin Brady (DOB)		Kerry Hughes (SCF)	X	Jim Schumacher (KPMG)	X
Adam Brown (OGS)		Don Juron (SED)		Victoria Scialdone (SCF)	X
Tim Chiplock (DOT)	X	Paul Kalinowski (SFS)	X	Peg Sherman (SFS)	
John Corbett (OSC)		Andy Klippel (SED)		Eugene Sit (DOB)	
Susan Costello (CFS)		Kelly Kurposka (DOB)		Emil Slane (OMH)	
Grace Cunningham (SED)		Annette Mendel (DOT)		Pat Slavick (SFS)	
Robert Curtin (OGS)	X	Bryan Miller (SFS)	X	Jerome Smith (DOB)	
Denise Davis (SFS)	X	Kimberly Miller (OGS)		Brad Stevens (DOB)	
Owen Devine (ITS)		Mike Mullin (SFS)	X	David Stewart (SFS)	
Sandra Downey (DOC)		Abu Nazem (DOB)	X	Eric Swanson (OSC)	X
Scott Downing (OGS)	X	John Nieckarz (SFS)		Kevin Sweet (CFS)	
Gerry Drahos (KPMG)		Kristen Padilla (ITS)		John Walters (DOB)	X
Ron Epstein (DOT)		Theresa Papa (ITS)		Rick Washburn (SFS)	
Brian Fimple (SFS)	X	Dennis Quinn (ITS)		Robyn Wilson (SFS)	X
Bonnie Gold (ITS)		Martha Ross (SFS)		Mary Woehrmann (ITS)	X
Virginia Greenwood (SFS)	X	Carl Ruppert (OGS)	X	Lisa Wright (SFS)	
Kim Gurney (DOC)		Mary Ryan (DOB)	X	Roz Yezzi (OGS-BSC)	

Agenda:

What	Who	Time
Capital PSP Methods Discussion	Brian Fimple (SFS) / Ed Bouryng (SFS-EE1)	112 min

NEW Action Items			
Task Assigned	Staff Assigned (first and last name)	Due Date	To Do Added (PMO Use)
Discuss what to do after 5 years for long duration projects.	SFS and DOB		
Accumulative budgeting need to be customized? Test to look at holes in KK accumulative budgeting. Review impacts of future dated...current dated.... (ASK ED for clarification).	Brian Fimple		
Homework to review common PSP Methods. Period 2 is where majority of information is. What is needed on a two-year spread?	SCF and OGS		
Create construction change order PSP Method to be added to include JOCs.	Brian Fimple		
Add new Allocation PSP Methods	Brian Fimple		

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NEW Action Items			
Task Assigned	Staff Assigned (first and last name)	Due Date	To Do Added (PMO Use)
Send Brian the local highway project payout. More PSP models will be coming from DOT.	DOT		
Add Method: Consultant Work Orders: 6 months to 2 years: 80 (first year) -20 (second year) split evenly over 5 quarters. Capital. Take lapse control off.	Brian Fimple		
Review POs to determine if PSP Methods will meet agency needs.	PSP Workgroup		
Discuss whether there can be an existing default in capital to apply when POs are reloaded? BU defaults can be used. There are lots of options.	Mike Mullin, Ed Bouryng, and Brian Fimple		
Resend updated spreadsheet to PSP Workgroup.	SFS: Brian Fimple and Denise Davis		
Review updated spreadsheet and send your updates to SFS in advance of next PSP Workgroup meeting.	PSP Workgroup		

The Following Decision(s) Were Made
<p>Decisions:</p> <ul style="list-style-type: none"> ○ DOT is currently the only model driven PSP. ○ SCF and OGS agree upon the new allocation methods decided upon today.

DISCUSSION POINTS:

Brian reviewed and explained the Capital PSP Methods spreadsheet that was distributed to the group on October 24, 2014.

PO+91 days, three out of four quarters will have 92 days. Three quarters will include FYE and lapsing. If we encumber in the 1st quarter will it push us into the third quarter? Based on that, Brian believes PO+90 is a better option.

According to OMH, aid to localities is “vanilla”. Community capital uses 2-3 funds. Ed recommends that agencies use model type PSP Method only when the PO spends out differently based on Chartfields (e.g., fund or program). Front or back loaded scenario may work best. DOT’s model type is program based.

The priority is user entry, then defaults, done with the appropriate security:

1. Entered on PO
2. Entered on Contract
3. Entered on Requisition
4. Defaults (Contract profile, default PSP methods for PSP method, Agency default)

Chartfield roll-up, set a tree node. Powerful for flexibility. Not that you should use all the flexibility, but it is there if it’s needed. More PSP Methods can be added and configured.

Is 36 specific to DOT? Others may use them, as they are all configured under set up: SHARE. There may not be a need for agencies to use a 10 year capital project projection.

Lines 37 and 38, dividing across 4 and 5 periods, job order contracts for 13 – 18 month construction work. For use with regular and emergency construction.

Row 28: DOT was more granular two meetings ago then now. Instead of using 16 month, they use 12 month chunks. 1-2, 2-3 and 3-4 years is what they wish to use. Row 29, maybe swap the 60 and the 20 to cover the agency if there is a faster spend out due to emergencies, and apply to JOCs. The more front loaded, the better. Line 29 and 6 month segment. With capital, cannot avoid multi year period.

The three year is 55, 40 and 5(?)

For more than 36 months, DOT has 5-10 BIG projects in a year. It's impossible to have a perfect model for those. Building 5 (?) is expected to take over 5 years. Would it be a best practice to try to apply the best method and fine tune in the future? Should we look to pre-program the best PSP Method up front? Ed: Do we intend to have 7 years of budget? Mary says DOB may not be able to commit more than 5 year budgets. We understand that there will be anomalies. Adjustments will need to be made to those that fall outside the ranges. DOB doesn't want agencies to have to continuously review and adjust PSPs.

Ed: 7 year planned project, 5 years of budget planned. As agency, use max 5 year method? Mary: Yes.
Action Item: SFS and DOB need to discuss what to do after 5 years for long duration projects.

100% PSP over 6 years. Need to test in KK. PSP would only cover controlled budget. Will be more than 5% for those models.

Multi-year Method Data Sheet, Rows 22 and 23. DOB action item. Not control after 5 years. DOB governance to help control. DOB decision. Decide what to do with year 5 budgets. More budgets to load, but that's an automated process. SCF agrees with the 5 years. Action Item: Brian Fimple - Accumulative budgeting need to be customized? Test to look at holes in KK accumulative budgeting. Review impacts of future dated...current dated.... (ASK ED for clarification).

1-2, 2-3, 3+: It seems like SCF and OGS have similar needs. Agencies should share their information and include DOB. Schedule a meeting to see if an agreed set can be agreed upon. Action Item: SCF and OGS: Homework to review common PSP Methods. Period 2 is where majority of information is. What is needed on a two-year spread? Action Item: Brian Fimple - Create construction change order PSP Method to be added to include JOCs.

Add new methods (Action Item: Brian Fimple):

1. Short term change order
2. 20-60-15-5
3. 65-35
4. 60-40
5. OGS two-year:
 - a. Year one is 10-20-40-30 (front loaded bell-curve) First 60%
 - b. Year two is 50-40-10 last 40%
6. Three-year
 - a. Year one: 10-20-45-45 (55%)
 - b. Year two: 5-25-15-10 (40%)
 - c. Year three: 50-50 (5%)
7. Four and five year (based on three-year):
 - a. 25-35-25-10
 - b. 15-25-50-10
 - c. 15-25-30-25-5
 - d. 50-25-5-10-10
 - e. 50-50
8. One year front-loaded
 - a. 75-25 as new operating front- load (capital seasonal maintenance)

- b. 50-25-25 as former operating front-load

= a total of 12 Allocation PSP Methods, not including modeling

For each year after the fifth, a new budget needs to be loaded. Year four needs to be adjusted. Year-end step is used to associate the new budget.

SCF and OGS agree upon the new allocation methods decided upon today.

DOT has submitted their Model Types. The only Model PSP is the general type discussion. Aviation and rail need to be discussed, as well as CHIPS(?) because it is a local grant. POs are used. Challenge with the model is looking to see if there are different types of contracts that require a different model, otherwise, allocation will suffice.

Action Item: DOT will send Brian the local highway project payout. More PSP models will be coming from DOT.

Consultant Work Orders: 6 months to 2 years: 80 (first year) -20 (second year) split evenly over 5 quarters. Capital. Take lapse control off.

Who will establish PSP methods for SNY campuses? Recommendation is to set up default from contract. They will need to do what everyone else is to establish PSPs. 32 campuses. SNY Admin should be able to assist.

Group voiced concern over conversion. Action Item: Agencies - Review POs to determine if PSP Methods will meet agency needs.

Will additional PSP Methods be needed for conversion? Model using Budget Reference, primarily for capital. Lapsing POs should be simple, using PO 30. Lapse date control may not be needed as frequently. Re-load POs anyway.

Can there be an existing default in capital to apply when POs are reloaded? BU defaults can be used. There are lots of options. Action Item: Mike, Ed, and Brian to discuss this further.

DOT is currently the only model driven PSP.

Action Item: SFS to resend spreadsheet to PSP Workgroup. Action Item: Agencies send your updates to SFS in advance.

DASNY: Off budget capital. No entry into SFS. No POs are used. DASNY acts as Comptroller.

NEXT STEPS:

1. Discuss conversion at the next meeting.