

Form #3

FILED

2014 JUN 26 P 4: 09

SECRETARY OF STATE

Carrie J. Chambers
Authorized Signature



Earl Ray Tomblin
Governor
Chair

Glen B. Gainer III
State Auditor
Executive Secretary

John D. Perdue
State Treasurer
Member

State of West Virginia
West Virginia Enterprise Resource Planning Board
1900 Kanawha Boulevard, East
State Capitol, Building 1, Room W-100
Charleston, West Virginia 25305

Toll Free: (877) 982-9148
Telephone: (304) 558-2251
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June 26, 2014

Ms. Judy Cooper
Director
Administrative Law Division
Secretary of State's Office
Capitol Complex
Charleston, West Virginia 25305

RE: 213CSR1 – "Enterprise Resource Planning System User Fee"

Dear Ms. Cooper:

In accordance with W. Va. Code §12-6D-2(7), this letter will serve as my approval to file the above-referenced rule with your Office as "Notice of Agency Approval of a Proposed Rule and Filing with the Legislative Rule-Making Review Committee."

If you should you have any questions or require additional information, please contact Carrie Chambers in my Office at 304-558-2251. Your assistance in this filing is very much appreciated.

Sincerely,

Glen B. Gainer III
Executive Secretary
WV ERP Board

GBGIII:cc

Attachment

c: Carrie Chambers

QUESTIONNAIRE

(Please include a copy of this form with each filing of your rule: Notice of Public Hearing or Comment Period; Proposed Rule, and if needed, Emergency and Modified Rule.)

DATE: June 26, 2014

TO: LEGISLATIVE RULE-MAKING REVIEW COMMITTEE

FROM: (Agency Name, Address & Phone No.) WV Enterprise Resource Planning Board
1900 Kanawha Boulevard, East
State Capitol Complex, Room W-100
Charleston, WV 25305
Phone: (304)558-2251

LEGISLATIVE RULE TITLE: Enterprise Resource Planning System User Fee

1. Authorizing statute(s) citation W. Va. Code §12-6D-2(7)

2. a. Date filed in State Register with Notice of Hearing or Public Comment Period:

April 7, 2014

b. What other notice, including advertising, did you give of the hearing?

N/A

c. Date of Public Hearing(s) *or* Public Comment Period ended:

Public Comment Period Ended -- May 9, 2014

d. Attach list of persons who appeared at hearing, comments received, amendments, reasons for amendments.

Attached X No comments received

- e. Date you filed in State Register the agency approved proposed Legislative Rule following public hearing: (be exact)

N/A

- f. **Name, title, address and phone/fax/e-mail numbers** of agency person(s) to receive all *written correspondence* regarding this rule: (Please type)

Carrie J. Chambers

Executive Assistant

WV State Auditor's Office

Capitol Complex -- Room W-100

Phone: (304)558-2251

Fax: (304)558-5200

Email: carrie.chambers@wvsao.gov

- g. **IF DIFFERENT FROM ITEM 'f'**, please give **Name, title, address and phone number(s)** of agency person(s) who wrote and/or has responsibility for the contents of this rule: (Please type)

Dawn E. Warfield

Associate General Counsel

WV State Auditor's Office

Room W-111 State Capitol

Charleston, WV 25305

Phone: (304)558-2261, ext. 2179

3. If the statute under which you promulgated the submitted rules requires certain findings and determinations to be made as a condition precedent to their promulgation:

- a. Give the date upon which you filed in the State Register a notice of the time and place of a hearing for the taking of evidence and a general description of the issues to be decided.

N/A

b. Date of hearing or comment period:

N/A

c. On what date did you file in the State Register the findings and determinations required together with the reasons therefor?

N/A

d. Attach findings and determinations and reasons:

Attached N/A

BRIEF SUMMARY AND STATEMENT OF FACTS AND CIRCUMSTANCES
WHICH REQUIRE THIS RULE

West Virginia Code §12-6D-2(7) authorizes the Enterprise Resource Planning Board to propose legislative rules to establish a user fee for the maintenance of the Enterprise Resource System.

The establishment of a user fee for the Enterprise Resource Planning (ERP) System is necessary for the immediate preservation of the public welfare because these fees are needed for the continued operation and maintenance of the ERP System. The ERP System integrates the State's financial management, procurement, personnel, payroll, budget development and other administrative business processes into a unified system that reaches across all aspects of State government, affecting thousands of West Virginians every day.

These user fees are needed to maintain sufficient funds in the Enterprise Resource Planning System Fund authorized by West Virginia Code §12-6D-5 to cover the costs of the operation and maintenance of the ERP System. Several phases of the System have already been implemented, and there will be insufficient monies available for its continued operation without the collection of these fees. Because the State will be depending on the ERP System for nearly all of its business and administrative functions, failure to provide adequate funding would cause substantial harm to the public interest.

APPENDIX B

FISCAL NOTE FOR PROPOSED RULES

Rule Title: Enterprise Resource Planning System User Fee

Type of Rule: ☒ Legislative ☐ Interpretive ☐ Procedural

Agency: West Virginia Enterprise Resource System Planning Board

Address: 1900 Kanawha Boulevard, East
State Capitol, Building 1, Room W-100
Charleston, WV 25305
Attn: Carrie J. Chambers

Phone Number: (304) 558-2251 Email: carrie.chambers@wvsao.gov

Fiscal Note Summary

Summarize in a clear and concise manner what impact this measure will have on costs and revenues of state government.

The Governor, in his FY 2015 budget bill submitted to the Legislature in the 2014 regular session, included increases to general and lottery funded agencies for anticipated ERP fee assessments. This is the first step taken to address the ERP Planning Board's on-going funding needs. These dollar amounts were calculated using filled and vacant FTEs on 11/30/13 and assumed ERP fee assessments would be \$200 / FTE. Note that only general and lottery accounts were provided additional appropriations above their FY 2014 baseline budgets. It is assumed that all other funding sources would pay any ERP fee assessments from their FY 2015 appropriations.

FTEs on 11/30/13 totalled 41,561 in all funding sources. Assuming the fee assessments are \$200 / FTE, \$8,312,200 would be the total fees generated per year.

Fiscal Note Detail

Show over-all effect in Item 1 and 2 and, in Item 3, give an explanation of Breakdown by fiscal year, including long-range effect.

FISCAL YEAR			
Effect of Proposal	Current Increase/Decrease (use "-")	Next Increase/Decrease (use "-")	Fiscal Year (Upon Full Implementation)
1. Estimated Total Cost	0.00	8,312,200.00	8,312,200.00
Personal Services			
Current Expenses			
Repairs & Alterations			
Assets			
Other	0.00	8,312,200.00	8,312,200.00
2. Estimated Total Revenues	0.00	8,312,200.00	8,312,200.00

Rule Title: Enterprise Resource Planning System User Fee

Rule Title:

Enterprise Resource Planning System User Fee

3. Explanation of above estimates (including long-range effect):

Please include any increase or decrease in fees in your estimated total revenues.

The Governor, in his FY 2015 budget bill submitted to the Legislature in the 2014 regular session, included increases to general and lottery funded agencies for anticipated ERP fee assessments. This is the first step taken to address the ERP Planning Board's on-going funding needs. These dollar amounts were calculated using filled and vacant FTEs on 11/30/13 and assumed ERP fee assessments would be \$200 / FTE. Note that only general and lottery accounts were provided additional appropriations above their FY 2014 baseline budgets. It is assumed that all other funding sources would pay any ERP fee assessments from their FY 2015 appropriations.

FTEs on 11/30/13 totalled 41,561 in all funding sources. Assuming the fee assessments are \$200 / FTE, \$8,312,200 would be the total fees generated per year.

Total estimated costs by funding source would be as follows:

	FTEs	Cost
General	16,281	\$3,256,200
Lottery	240	48,000
Road	5,931	1,186,200
Federal	4,586	917,200
Special Apprp	2,712	542,400
Non App & Other	11,811	2,362,200
Total	41,561	\$8,312,200

MEMORANDUM

Please identify any areas of vagueness, technical defects, reasons the proposed rule **would not** have a fiscal impact, and/or any special issues **not** captured elsewhere on this form.

The above amounts assume a \$200 / FTE fee assessment and that billable FTEs total 41,561.

Date: April 7, 2014

Signature of Agency Head or Authorized Representative

Carrie J. Chambers

TITLE 213
LEGISLATIVE RULE
WEST VIRGINIA ENTERPRISE RESOURCE PLANNING BOARD
SERIES 1
ENTERPRISE RESOURCE PLANNING SYSTEM USER FEE

FILED

JAN 26 P 4:09

SECRETARY OF STATE

§ 213-1-1. General.

1.1. Scope. -- This rule authorizes the West Virginia Enterprise Resource Planning Board to charge a user fee for the operation and maintenance of the Enterprise Resource Planning (ERP) System.

1.2. Authority. -- W. Va. Code §12-6D-2(7).

1.3. Filing Date. --

1.4. Effective Date. --

1.5. W. Va. Code §12-6D-2(7) authorizes the West Virginia Enterprise Resource Planning Board to establish a user fee for the maintenance of the Enterprise Resource Planning System established by the provisions of W. Va. Code §12-6D-1 *et seq.* and developed, implemented and managed by the Board.

§213-1-2. Definitions.

2.1. "Board" means the West Virginia Enterprise Resource Planning Board created by W. Va. Code § 12-6D-1.

2.2. "Enterprise Resource Planning System" ("ERP System") means the comprehensive group of hardware, software and applications which collectively provide for the integration of data sources into a unified system that includes the state's financial management, procurement, personnel, payroll, budget development and other administrative business processes.

2.3. "Enterprise Resource Planning System Fund" ("Fund") means the fund created in the state treasury as authorized by W. Va. Code §12-6D-5.

§213-1-3. User Fee Assessment.

3.1. The Board may assess a user fee to be imposed upon every spending unit of state government utilizing the ERP System, based upon the number of Full Time Equivalent (FTE) positions (filled and unfilled) assigned to that spending unit on July 1 of each year.

3.2. The amount of the user fee shall be established on an annual basis by the Board to determine whether any changes are required to maintain a sufficient balance in the Enterprise Resource Planning Fund during that fiscal year to meet the operational and maintenance requirements of the ERP System.

3.3 Any changes to the user fee shall be established by the Board in sufficient time to be included in the executive budget for the ensuing fiscal year.

3.4. The Board shall maintain all necessary documentation, including any cost or other financial schedules, that were used in determining the amount of the user fee.

§213-1-4. Disposition of Fees.

4.1. All fees collected shall be deposited in the state treasury and credited to the "Enterprise Resource Planning System Fund" as authorized by W. Va. Code §12-6D-5 to be administered by the Board.

4.2. Expenditures from the Fund may be made for the purposes set forth in Article 6D, Chapter 12 in accordance with appropriations by the Legislature.

213CSR1 – Enterprise Resource Planning System User Fee

Comment Received:

One comment was received during the Comment Period (Attached) recommending that language be inserted into the Agency Approved Rule explaining how the annual wvOASIS fee will be calculated.

Response to Comment:

The operating budget of the ERP Board contains many known quantities and fixed expenses. However, the desire to fund the operation of the Board based upon full-time equivalent positions makes a predictable formula which would be applicable on a going-forward basis in subsequent fiscal years difficult to arrive at, because the number of full-time positions changes from time to time. Therefore, the development of a methodology based upon a fixed rate per FTE could result in either an under-funded or over-funded Project from year to year.

Carrie Chambers

From: Dawn Warfield
Sent: Wednesday, June 18, 2014 12:14 PM
To: Carrie Chambers
Subject: Written Comment on Proposed ERP User Fee Rules

From: Judy Cooper [<mailto:JCooper@wvsos.com>]
Sent: Friday, April 18, 2014 9:27 AM
To: Dawn Warfield
Cc: Elizabeth Summitt; Todd Childers; Mike.P.Mckown@wv.gov; jsandoro@wvsos.com
Subject: RE: fee rules

This was exactly what we were talking about in our meeting. I think it would be wise to put language in your Agency Approved rule how the annual wvOASIS fee will be calculated.

Judy

You may use this as a comment on your proposed rule.