

Human Services

Human Services

Summary

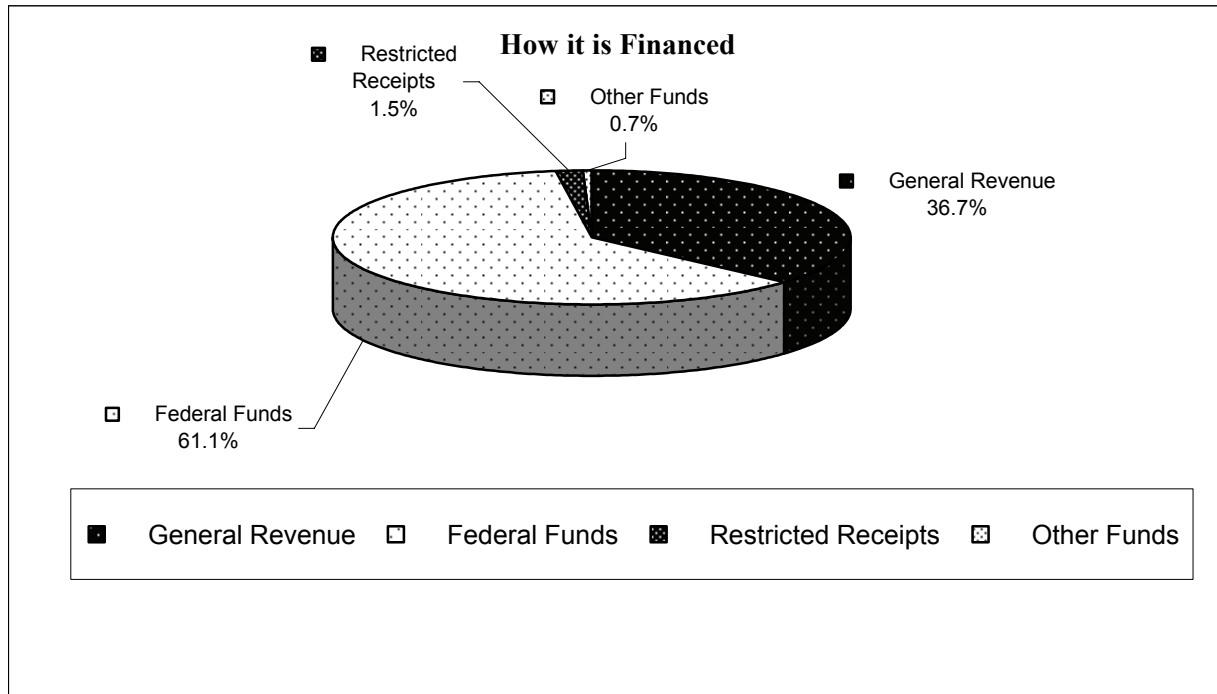
The Human Services function of state government engages in a broad spectrum of activities including, but not limited to, income supports, client subsidies, case management and residential supports, and medical regulation, prevention, treatment, and rehabilitation services.

For FY 2009, the Governor recommends a revised all funds budget of \$2.727 billion. Of this total, \$1.073 billion is general revenue, \$1.597 billion in federal funds, \$41.9 million in restricted receipts, and \$14.1 million in other funds. This includes a reduction of \$105.8 million in general revenues, an increase of \$216.7 million in federal funds, a decrease of \$604,689 in restricted receipts and a decrease of \$3.1 million in other funds. The Governor recommends 3,474.1 full-time equivalent positions in the FY 2009 revised budget, a reduction of 351.2 FTE positions from the enacted budget. For FY 2010, the Governor recommends 3,585.1, a reduction of 240.2 FTE positions from enacted levels, but an increase of 111.0 FTE positions from the revised FY 2009 budget.

For FY 2009, the Human Services departments and agencies continue to leverage their resources so that both individuals and families achieve maximum potential and self-sufficiency. The social and economic needs of clients continue to be provided by the Executive Office and Health and Human Services and the Departments of Children, Youth, and Families, Elderly Affairs, Health, Human Services, and Mental Health, Retardation, and Hospitals. The Governor is committed to preventing child abuse and neglect by intervening for and on behalf of abused and neglected children and youths and rehabilitating delinquent youth through education and training. The dual role of advocacy and education continues to be provided by agencies including Human Rights, Office of the Child Advocate, Office of the Mental Health Advocate, Governor's Commission on Disabilities, and the Commission on the Deaf and Hard of Hearing.

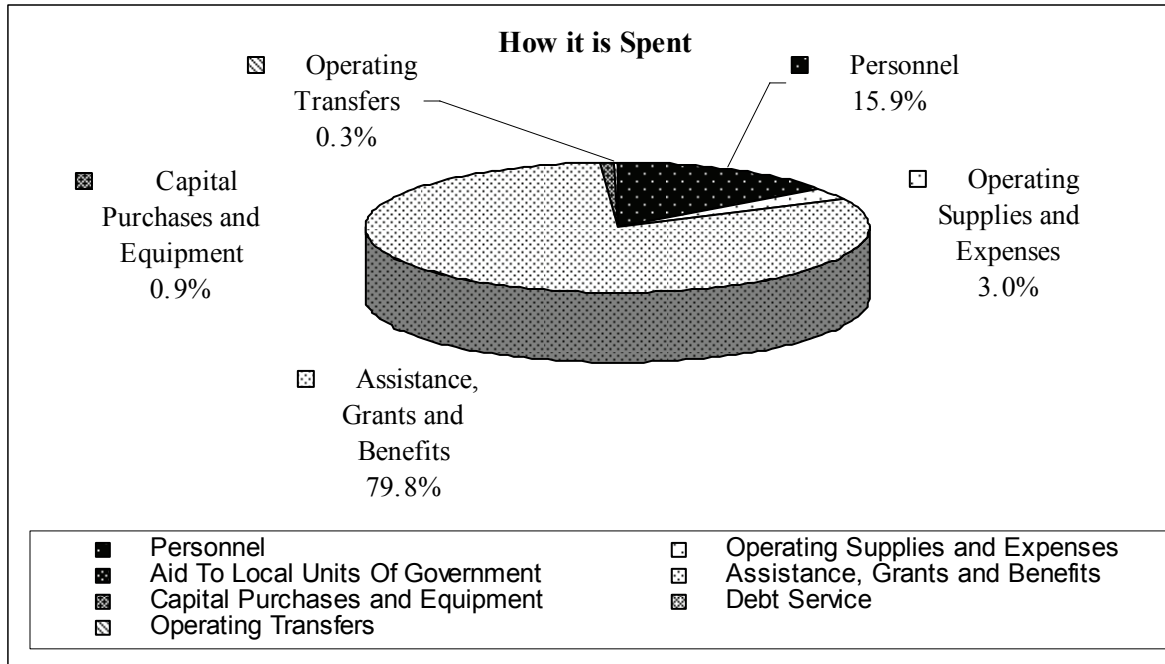
The Governor's proposed funding level of \$2.773 billion for FY 2010 protects services for the state's most vulnerable populations, including the elderly, children and families, medically needy, mentally ill, developmentally disabled, deaf and hard of hearing, and persons with physical disabilities. This proposal consists of \$1.017 billion in general revenue, \$1.694 billion in federal funds, \$42.2 million in restricted receipts, and \$19.1 million in other funds. The recommendation constitutes 36.4 percent of the total proposed expenditures for the state. Social services block grants and cash and medical assistance programs constitute the major sources of federal funding. The chart below displays funding by source for the Governor's FY 2010 recommendation for the human service agencies and departments.

Human Services



The Governor’s FY 2010 recommendation includes direct and purchased services for residential care, medical care, and preventive health services, cash payments to individuals, and grant funding for non-governmental agencies. The operating costs associated with the administration of these social services programs are also included. Personnel, which includes purchased services, accounts for \$411.9 million, or 14.9 percent, of all expenditures programmed for human services. Other operating expenditures are recommended at \$83.8 million, or 3.0 percent of proposed total human services expenditures, with capital projects slated for \$19.4 million, or 0.7 percent. Grants and benefits expenditures of \$2.250 billion account for the largest outflow of identified resources, reflecting 81.2 percent of the total human services function. The chart below shows the outflows of all resources by category of expenditure for the human services function.

Human Services



Executive Office of Health and Human Services

The Governor's revised FY 2009 budget for the Executive Office of Health and Human Services is \$8.8 million, including \$3.8 million in general revenue, \$4.3 million in federal funds, and \$672,162 in restricted receipts. The recommendation includes a decrease of \$1.4 million in general revenue appropriations, partly reflecting a setback in the transfer of FTE from the five outlying human service agencies. These positions were budgeted in the Executive Office of Health and Human Services effective July 1, 2008; however, unexpected delays resulted in many of the position transfers being completed as late as January 1, 2009. A total of 7.1 FTE have been eliminated from the enacted level due to retirements and a statewide reduction in personnel. Other adjustments to the FY 2009 revised budget include savings of \$12,888 in general revenue for one uncompensated leave day, a statewide increase to the rate of assessed fringe benefits, and an increase of \$130,000 for unanticipated legal expenses. The Governor recommends 85.1 FTE positions in FY 2009.

For FY 2010, the Governor recommends \$9.3 million, including \$3.4 million in general revenue, \$4.5 million of federal funds, and \$1.3 million of restricted receipts. A portion of the general revenue decrease of \$1.8 from the enacted FY 2009 budget is related to the reduction of FTE positions in the FY 2009 revised budget. An additional decrease of 12.0 FTE is recommended for FY 2010 due to the elimination of two vacant positions and the transfer of 10.0 FTE to other state agencies. Personnel costs include a 2.5 percent cost of living adjustment for state employees and adjustments for assessed fringe, retiree health, retirement, and medical benefits. The recommended FTE ceiling for FY 2010 is 73.1 FTE positions.

Human Services

Department of Children, Youth and Families

The Governor recommends \$250.1 million in the revised FY 2009 budget for the Department of Children, Youth and Families, including \$162.1 million in general revenue, \$84.5 million in federal funds, \$2.3 million in restricted receipts, and \$1.2 million in other funds. The Governor's revised budget includes a net increase of \$24.9 million in general revenue expenditures, which represents a 15.4 percent increase over the enacted budget.

In October of 2007, the Department contracted with a consultant group to perform a time study that would be used in developing a new methodology in billing Medicaid. The outcome of this study concluded that the Department needed to update the percentages of time it used to bill the Medicaid and Title IV-E programs for children placed in residential services, which results in an increase of \$18.7 million in general revenue expenditures in FY 2009.

As part of the FY 2008 budget, a total of \$86.4 million (all funds) was moved from the Department of Children, Youth and Families to the Department of Human Services as part of the Managed Care Initiative. This included both residential and hospital-based funding. After the transfer had occurred, it was determined that the residential facilities did not lend themselves to a managed care model. The portion of this shift in funding representing residential facilities is transferred back to Children, Youth and Families in the revised FY 2009 budget. The total general revenue transfer is \$17.8 million, of which \$1.6 million is in Juvenile Corrections and \$16.2 million is in the Child Welfare Program.

Other contributing factors to the increase in general revenue funding are:

- Costs associated with services provided to the 18 and older population increase by \$2.3 million due to a larger population being served than had been previously estimated.
- An increase of \$494,258 for purchased services, mostly for legal expenses in the Central Management program and security and clerical services in the Child Welfare program.
- Operating expenses in the Juvenile Corrections program account for an addition of \$433,761, which includes \$256,967 for food at the Rhode Island Training School. This increase reflects the agency not realizing the full savings assumed in the enacted budget that was associated with lower operating costs at the new training school.
- An increase of \$2.1 million in general revenue for overtime at the Rhode Island Training School. Overtime was substantially reduced in the FY 2009 enacted budget due to program reductions and the restructuring of services within the program. Delays in the opening of the new Rhode Island Training School for Youth have caused some of the program changes to be postponed causing the overtime hours for the current fiscal year at the Rhode Island Training School to be consistent with historical expenditures.

The Department has restructured programs into a more community-based system of support. The goal of the restructuring is to deliver more children's services in the home and community settings, giving the children, guardians, and community the benefit of inclusion in the rehabilitative process, and to allow the development of more natural supports. For FY 2009 revised, the success of reprogramming of Children's Behavioral Health Services, Juvenile Corrections, and the Child Welfare programs has produced an additional general revenue reduction of approximately \$2.9 million in grants and benefits from the enacted level.

Human Services

The Governor's recommendation includes a general revenue savings of \$3.9 million in personnel expenses, of which approximately \$3.7 million was recognized by the department to achieve its share of the personnel savings appropriated in the Department of Administration in the FY 2009 enacted budget. This recommendation includes a total of 694.0 FTE for FY 2009 and the following reductions from the enacted level:

- A decrease of \$3.1 million in general revenues for additional turnover and costs associated with positions vacated during the first quarter of the fiscal year.
- A savings of \$155,998 in general revenue for one uncompensated leave day.
- The Child Welfare program reduced its overtime by \$685,411. This decrease is the result of better time management, reprogramming, and the utilization of flextime hours.

The Department of Children, Youth, and Families submitted a corrective action plan for unachievable savings that had been programmed into the enacted budget. The plan included total general revenue savings of \$1.9 million. This plan included a reduction of \$518,605 in personnel savings related to additional turnover associated with leaves and delays in hiring, a decrease of \$1.3 million for the conversion of 75 group home and 15 shelter beds into high end foster care slots, and a savings of \$47,283 for the implementation of a new federal law on guardianships and the conversion of eligible general revenue expenditures to IV-E expenditures.

In FY 2009, a reduction of \$2.1 million in general revenue is associated with the Rhode Island Global Consumer Choice Compact Demonstration Waiver for costs not otherwise eligible (CNOM's) for Medicaid financing. These savings are attributed to the diversion of residential services for at risk youth into a more community-based approach.

The Governor recommends general revenue savings of \$6.3 million in FY 2009, attributable to the increase in the federal Medicaid and Title IVE match rate under the American Recovery and Reinvestment Act.

The Governor recommends total expenditures of \$247.8 million in FY 2010 for the Department of Children, Youth and Families. This is comprised of \$158.7 million in general revenue, \$85.5 million in federal funds, \$2.2 million in restricted receipts, and \$1.4 million in other funds. The recommended FY 2010 general revenue budget increases by \$21.6 million from the enacted FY 2009 budget.

This recommendation includes a total of 700.0 FTE positions, or 6.0 FTE positions more than the revised FY 2009 recommendation. The additional positions will be responsible for the implementation and management of programming changes related to the statewide Medicaid Waiver and account for an increase of \$484,208 in general revenue. Personnel costs include a 2.5 percent cost of living adjustment for state employees and adjustments for assessed fringe, retiree health, retirement, and medical benefits.

The Governor's FY 2010 recommendation remains relatively consistent with the revised FY 2009 proposal. Major increases from the FY 2009 enacted budget for the Department of Children, Youth and Families include \$18.4 million for the transfer of managed care services from the Department of Human Services; \$18.7 million associated with Medicaid rate changes; \$2.3 million for the 18 and older population; and \$1.6 million for overtime at the Rhode Island Training School for Youth.

Human Services

The Governor's recommendation for FY 2010 includes a continuation of the following program savings initiatives included in the revised FY 2009 budget proposal:

- an annualized savings of \$2.8 million for the agency's corrective action plan items;
- an \$8.5 million general revenue decrease for the federal Medicaid stimulus rate increase; and;
- a \$4.1 million decrease in general revenues associated with the Department of Children, Youth, and Families' CNOM reductions.

The FY 2010 recommendation incorporates savings of \$739,213 for personnel, \$685,582 for overtime in the Child Welfare Program, and \$3.2 million for grants and benefits due to the restructuring of the programs within the agency.

Department of Elderly Affairs

The Governor recommends a revised budget for FY 2009 of \$34.2 million for the Department of Elderly Affairs. Expenditures are comprised of \$13.9 million in general revenue, \$14.7 million in federal funds, \$970,000 in restricted receipts and \$4.6 million in gas tax receipts. This revised level is \$602,357 more than the enacted FY 2009 budget and consists of \$2.2 million less general revenue, \$2.4 million more federal funds and \$350,000 more restricted receipts. Major changes by source of funding from the FY 2009 enacted budget include the following:

General Revenue

- A decrease of \$397,039 for payroll cost savings due to position vacancies arising from normal attrition and retirements.
- An increase of \$612,404 to finance the costs for a provider rate increase as mandated by the Perry/Sullivan Act, consisting of \$157,554 for the Co-pay/Day Care program; \$249,219 for the Core-Medicaid Waiver program and \$205,631 for the Co-pay/Home Care program.
- A decrease of \$1.3 million for anticipated cost savings related to the approval and execution of the Rhode Island Global Consumer Choice Compact Demonstration Waiver for costs not otherwise eligible for Medicaid financing, which include savings of: \$309,831 for elderly and disabled transportation services for general and special medical and adult day care trips; \$441,031 for Co-pay Day Care services; and \$594,776 for Co-pay Home Care services.
- A decrease and shift of \$350,000 in pharmaceutical benefit costs from general revenue to the Rhode Island Pharmaceutical Assistance to the Elderly (RIPAE) rebates restricted receipts account, due to available resources from the prior fiscal year.
- A decrease in general revenue of \$663,022 for eligible Medicaid costs due to an increase in the federal percentage rate as authorized in the American Recovery and Reinvestment Act (Federal Stimulus) Act of 2009.

Federal Funds

- An increase of \$364,126 in direct and indirect service costs for Title III Older Americans Act (OAA) funding due to an unspent balance from the prior fiscal year.

Human Services

- An increase of \$149,027 for increased and available funding from the Administration on Aging for the creation of a system of dementia care for persons with Alzheimer's disease and their families.
- An increase of \$1.6 million for eligible Medicaid programs and population, including a general revenue offset related to the approval and implementation of the Rhode Island Global Consumer Choice Compact Demonstration Waiver for costs not otherwise eligible for Medicaid financing, which would be financed under the terms and conditions of the waiver. The programs that become eligible for financing under the waiver include: a) elderly and disabled transportation services for general and special medical and adult day care trips - \$309,831; b) Co-pay Day Care services – \$441,031; and c) Co-pay Home Care services - \$594,776.
- An increase of \$132,990 due to available and increased funding from the Centers for Medicare and Medicaid Services to develop innovative methods for the administration of Medicare and Medicaid.

Restricted Receipts

- An increase of \$350,000 in the RIPAE restricted receipts account due to an unspent and available balance from the prior fiscal year, which offsets a similar decrease in general revenue outlay.

The Governor recommends expenditures of \$33.2 million for FY 2010, which includes \$11.7 million in general revenue, \$16.5 million in federal funds, \$392,115 in restricted receipts, and \$4.6 million in other funds. This proposed level of funding is \$409,848 less than the level authorized in the FY 2009 enacted budget. It comprises \$4.4 million less general revenue, \$4.2 million more federal funds and \$227,885 less restricted receipts. The major changes contained in the Governor's proposed spending plan when compared to the FY 2009 original budget, include the following:

General Revenue

- A net decrease of \$469,885 for payroll cost due primarily to position vacancies. This net decrease also reflects adjustments for salary and benefits cost of living adjustments (COLA) of 2.5 percent, working rate revisions for health benefits, retirement, retiree health and assessed fringe benefits.
- A net decrease of \$855,404 for the elimination of the Rhode Island Pharmaceutical Assistance to the Elderly (RIPAE) program.
- An increase of \$154,223 to adjust for price level changes for in-home services equal to 7.5 percent of the FY 2009 enacted level.
- An increase of \$458,181 to finance the costs for a provider rate increase as mandated by the Perry/Sullivan Act, consisting of \$157,554 for the Co-pay/Day Care program; \$249,219 for the Core-Medicaid Waiver program and \$51,408 for the Co-pay/Home Care program.
- A decrease of \$2.3 million for anticipated cost savings related to the approval and implementation of the Rhode Island Global Consumer Choice Compact Demonstration Waiver for costs not otherwise eligible for Medicaid financing, which include savings of: \$619,662 for elderly and disabled transportation services for general and special medical and adult day care trips; \$793,956 for Co-pay Day Care services; and \$1.3 million for Co-pay Home Care services.
- A decrease of \$223,380 due to a shift to adult day care service recipients in the co-pay program that arises from a rate increase.

Human Services

- A decrease of \$0.9 million due to an offsetting increase in federal funds expenditures due to an increase in the federal participation (Federal Medicaid Assistance Percentage) rate included in the American Recovery and Reinvestment Act of 2009.

Federal Funds

- An increase of \$281,122 in direct and indirect service costs for Title III Older Americans Act (OAA) Part B funding due to anticipated federal outlay from the Administration on Aging of the US Department of Health and Human Services whose objective is to insure that seniors receive appropriate services to remain independent for as long as possible.
- A decrease of \$187,021 due primarily to the expiration of funding under authority of the Special Programs for the Aging – Title IV and Title II Discretionary Projects, which seeks to enhance the quality of life for seniors.
- An increase of \$3.0 million for eligible Medicaid programs and population, including a general revenue offset related to the approval and implementation of the Rhode Island Global Consumer Choice Compact Demonstration Waiver for costs not otherwise eligible for Medicaid financing, which would be financed under the terms and conditions of the waiver. The programs that become eligible for financing under the waiver include: a) elderly and disabled transportation services for general and special medical and adult day care trips - \$619,662; b) Co-pay Day Care services – \$793,956; and c) Co-pay Home Care services - \$1.3 million.
- An increase of \$137,626 due to available and increased funding from the Centers for Medicare and Medicaid Services to develop innovative methods for the administration of Medicare and Medicaid.
- An increase of \$1.3 million due to passage of the American Recovery and Reinvestment Act of 2009, which supplements or finances new programs related to Title III – congregate meals (\$215,000), Title III – home-delivered meals (\$185,000), elder case management (\$59,962) and core Medicaid waiver (\$822,446).

Restricted Receipts

- A decrease of \$227,885 due to the elimination of the Rhode Island Pharmaceutical Assistance to the Elderly (RIPAE) program.

The Governor recommends an FTE positions ceiling of 32.0 FTE positions in the FY 2009 revised budget, which is 3.0 FTE positions less than the level originally authorized in the FY 2009 enacted budget and reflects program staffing reductions attributable primarily to retirements. For FY 2010, the Governor recommends 31.0 FTE positions, which are 3.0 FTE positions less than the level authorized in the FY 2009 budget act and represent program staffing reduction due primarily to retirements.

Department of Health

The Governor recommends total expenditures of \$133.9 million in the FY 2009 revised budget, including \$30.8 million in general revenue, \$78.2 million in federal funds, \$24.7 million in restricted receipts and \$231,425 in other funds. This represents a net increase of \$7.8 million from FY 2009 enacted budget, including \$1.5 million less general revenue, \$10.0 million more federal funds, \$768,613 less restricted receipts and \$102,015 more other funds.

Human Services

Major changes in general revenue expenditures from the FY 2009 enacted budget include the following:

- (\$0.4 million) – Cost savings for the commencement and establishment of a health information exchange protocol that would allow the exchange of health information between recipients and providers of healthcare services.
- \$0.3 million – additional costs to finance medico-legal services for pathologists, including forensic pathologists and X-ray technicians and histologists.
- (\$0.7 million) – Cost savings for payroll due to retirements and normal attrition.
- \$0.1 million – additional costs to augment staffing levels at the health laboratories due to staff retirements.
- (\$0.2 million) – Cost savings for various health laboratory supplies to balance operating costs with available statewide resources.
- (\$0.2 million) – Cost savings for various grantee services related to tobacco use prevention, education and awareness.
- \$0.1 million – additional costs due to grant funding from the National Council on Aging receipted as general revenues and the objective of which, is to expand a chronic disease self management program statewide for persons sixty and over.
- (\$0.2 million) – Cost savings for the deferral of the purchase and acquisition of National Disease Surveillance System (NDSS) software to track and report on up to 86 communicable diseases.
- (\$0.3 million) – Cost savings due to the approval of the Rhode Island Global Consumer Choice Compact Demonstration Waiver for costs not otherwise eligible for Medicaid.
- \$0.2 million – additional costs due to changes (from 3.86 to 5.62 percent) in the working rate for other post-employment benefits (retiree health).

Major changes to FY 2009 enacted federal funds expenditures include:

- \$1.6 million: additional costs for public health emergency preparedness due to available and increased funding from the Centers for Disease Control.
- \$0.6 million additional costs for national bioterrorism hospital preparedness due to available and increased funding from the Health Resources and Services Administration.
- \$0.1 million additional costs for injury prevention and control from the Centers for Disease Control.
- \$0.3 million: new costs for the prescription drug monitoring program due to new funding from the Bureau of Justice Assistance.
- \$0.2 million: additional costs for indoor radon assessment and abatement due to available and increased funding from the Office of Air and Radiation in the Indoors Environment Division of the US Environmental Protection Agency (EPA).
- \$0.1 million: additional costs for public water system supervision due to available and increased funding from the Office of Water of the US EPA.
- \$0.15 million: additional costs for early detection and screening for cervical and breast cancer due to available and increased funding from the Centers for Disease Control and Prevention.

Human Services

- \$0.2 million: additional costs for inspections of healthcare facilities to ensure compliance with federal regulatory health and safety standards due to available and increased funding from the Centers for Medicare and Medicaid Services.
- \$0.1 million: additional costs for DNA backlogged cases due to available and increased funding from the National Institute of Justice of the US Department of Justice.
- \$0.2 million: new costs for a collaborative work with RTI, an independent, nonprofit, research and development organization, to develop and test solutions for the privacy and security of interstate health information exchange.
- \$1.7 million: additional costs for the special supplemental food program for women, infants and children due to increase funding from the Food and Nutrition Service of the US Department of Agriculture.
- \$0.3 million: additional costs for childhood lead poisoning prevention and surveillance of blood lead levels in children due to available and increase funding from the Centers for Disease Control and Prevention.
- \$1.5 million: additional costs for various Centers for Disease Control programs to control communicable, chronic diseases and disorders and other preventable health conditions due to available and increased funding from the Centers for Disease Control.
- \$0.1 million: additional costs to improve cancer screening and diagnosis for adults under funding from the National Institutes of Health of the US Department of Health and Human Services.
- (\$0.1 million): reduced costs for comprehensive school health programs due to decreased funding from the Centers for Disease Control and Prevention.
- \$0.1 million: increased costs to establish and maintain human immunodeficiency virus (HIV) prevention programs due to available and increased funding from the Centers for Disease Control and Prevention.
- \$0.2 million: increased costs to establish and maintain human immunodeficiency virus (HIV) prevention programs under the Ryan White legislation due to available and increased funding from the Health Resources and Services Administration.
- \$0.1 million: increased costs to improve the health status of the citizens and residents of Rhode Island through the Preventive Health Block Grant due to available and increased funding from the Centers for Disease Control and Prevention.

Major changes to FY 2009 enacted restricted receipts expenditures include:

- \$1.2 million: increased expenditures from indirect cost recoveries due to available resources from the prior year and increased assessments from increased federal funding.
- \$0.1 million: increased costs for licensing and regulatory due to available and increased assessments for regulatory services related to radiation control, clinical laboratory specialists, nonalcoholic bottled beverages, drinks and juices, athletic trainers, electrolysis hearing aid dealers and fitters and tanning facilities.
- (\$0.3 million): cost savings for managed care regulation due to lower billings for time spent for certification and oversight of health plans and utilization review agencies.

Human Services

- (\$0.5 million): additional costs for newborn screening due to available and increased billings for newborns, who are screened for hearing loss, developmental risks and other inherited conditions.

For FY 2010, the Governor recommends total expenditures of \$134.1 million for the Department of Health. This includes \$30.6 million from general revenue, \$78.4 million from federal funds, \$24.8 million from restricted receipts and \$231,412 from other funds. This level of funding is \$8.0 million or 6.3 percent more than the FY 2009 enacted budget. This increased level of funding consists of \$1.7 million less general revenue, \$6.3 million more federal funds, \$701,090 less restricted receipts and \$102,002 more other funds.

Major changes to general revenue expenditures in FY 2010 compared to the FY 2009 enacted budget include the following:

- \$1.7 million: net cost increase for payroll, including a 2.5 percent cost of living adjustment (COLA) for wages and benefits; changes in the working rates for retirement, retiree health, health benefits and assessed fringe benefits; program expansion of full time equivalent (FTE) positions in State Medical Examiner, Health Laboratories, Environmental and Health Services Regulation, and Community and Family Health and Equity; salary and benefit adjustments for the positions of State Medical Examiner, Deputy Medical Examiner, and Assistant Medical Examiner; transfer of 5.5 FTE positions from the Executive Office of Health and Human Services (EOHHS).
- (\$0.4 million): cost savings related to the shift to RIHEBC revenue bonds to finance the cost of a health information exchange (HIE), including electronic medical records (EMR) and electronic prescribing.
- (\$0.1 million): cost savings for reduced contract medico-legal services, including forensic pathologists
- (\$0.1 million): cost savings for reduced contract services in Environmental & Health Services Regulation.
- (\$0.3 million): cost savings for operating supplies and expenses in Environmental & Health Services Regulation, Health Laboratories, Community & Family Health & Equity and Infectious Disease and Epidemiology.
- \$0.1 million: cost increase for contract services to offset the loss in laboratory staffing due to retirements.
- \$0.1 million: cost increase for Choices for Self Care Challenge Grant due to grant funding from the National Council on Aging received as general revenues.
- (\$0.6 million): cost savings due to the approval of the Rhode Island Global Consumer Choice Compact Demonstration Waiver for costs not otherwise eligible for Medicaid.
- (\$1.5 million): reduced cost for the transfer of the Forensics Sciences unit of the Health Laboratory to the Department of Public Safety.
- (\$0.1 million): cost savings due to a change in the source of financing legal service costs related to reviews for certificate of need (CON), change in effective control, and initial licensure. The legal service costs provided by in-house and contract legal counsel will be billed to the entities requesting such reviews.

Human Services

Major increases to federal funds expenditures compared to the enacted FY 2009 budget include the following:

- \$0.3 million: additional costs for public health emergency preparedness due to an anticipated increase in funding from the Centers for Disease Control.
- \$0.6 million: cost increase due to the implementation of the Rhode Island Global Consumer Choice Compact Demonstration Waiver for costs not otherwise eligible for Medicaid.
- \$1.0 million: cost increase due to implementation of the Rhode Island Global Consumer Choice Compact Demonstration Waiver, which would finance a health information exchange (HIE).
- \$0.1 million: additional costs for injury prevention and control from the Centers for Disease Control.
- \$0.2 million: new costs for the prescription drug monitoring program due to new funding from the Bureau of Justice Assistance.
- \$0.1 million: additional costs for public water system supervisions due to available and increased funding from the Office of Water of the US EPA.
- \$0.2 million: additional costs for inspections of healthcare facilities to ensure compliance with federal regulatory health and safety standards due to available and increased funding from the Centers for Medicare and Medicaid Services.
- (\$0.2 million): reduced cost due to the transfer of the Forensics Sciences unit to the Department of Public Safety.
- \$0.2 million: new costs for a collaborative work with RTI, an independent, nonprofit, research and development organization, to develop and test solutions for the privacy and security of interstate health information exchange.
- \$1.7 million: additional costs for the special supplemental food program for women, infants and children due to increase funding from the Food and Nutrition Service of the US Department of Agriculture.
- \$0.3 million: additional costs for childhood lead poisoning prevention and surveillance of blood lead levels in children due to available and increase funding from the Centers for Disease Control and Prevention.
- \$1.5 million: additional costs for various Centers for Disease Control programs to control communicable, chronic diseases and disorders and other preventable health conditions due to available and increased funding from the Centers for Disease Control.
- 0.1 million: additional costs to improve cancer screening and diagnosis for adults under funding from the National Institutes of Health of the US Department of Health and Human Services.
- \$0.1 million: additional costs for Medicaid direct and indirect program costs for family health, primary care and AIDS under expected funding formula in FY 2010.
- \$0.1 million: increased costs to establish and maintain human immunodeficiency virus (HIV) prevention programs under the provisions of Ryan White due to available and increased funding from the Health Resources and Services Administration.
- (\$0.1 million): reduced costs for comprehensive school health programs due to decreased funding from the Centers for Disease Control and Prevention.

Human Services

- \$0.1 million: increased costs to establish and maintain human immunodeficiency virus (HIV) prevention programs due to available and increased funding from the Centers for Disease Control and Prevention.
- (\$0.2 million): reduced costs for various Centers for Disease Control programs to control communicable, chronic diseases and disorders and other preventable health conditions due to an anticipated reduced balance forward funds from the previous fiscal year.

Major changes to FY 2010 restricted receipts expenditures compare to FY 2009 enacted levels include the following:

- (\$1.4 million): decrease from indirect cost recoveries due to a change in the method of accounting for internal service fund charges formerly appropriated and now accounted for by direct revenue transfer to the Department of Administration.
- \$0.2 million: increased costs for licensing and regulatory due to available and increased assessments for regulatory services related to radiation control, clinical laboratory specialists, nonalcoholic bottled beverages, drinks and juices, athletic trainers, electrolysis hearing aid dealers and fitters and tanning facilities.
- \$0.1 million: cost increase for the state revolving fund administration (drinking water) due to increased administrative funds from the Clean Water Finance Agency (CWFA).
- (\$0.3 million): cost savings for managed care regulation due to lower billings for time spent for certification and oversight of health plans and utilization review agencies.
- \$0.1 million: cost increase due to the establishment of a new restricted receipts account that would track and record legal service costs of in-house and contract legal counsels participating in reviews for certificate of need (CON), change in effective control (CEC) and initial licensure (IL).
- \$0.5 million: additional costs for newborn screening due to available and increased billings for newborns, who are screened for hearing loss, developmental risks and other inherited conditions. Fee increases, which are achieved via regulation, are attached to national price level changes (CPI).

The increase in other funds of \$102,002, when the Governor's recommended expenditures are compared to the FY 2009 enacted level, is due primarily to anticipated available balance forward funds from FY 2009, which would finance the environmental health study of the airport from funds provided to the Health Department from the Rhode Island Airport Corporation.

The Governor's revised FY 2009 full time equivalent (FTE) positions recommendation is 409.6 FTE positions, which is 3.9 full time equivalent (FTE) positions less than the ceiling authorized in the FY 2009 enacted budget. For FY 2010, the Governor recommends 414.6 FTE positions, which are 1.1 FTE positions more than the original ceiling enacted for FY2009. This net change from the FY 2009 original enacted level reflects FTE positions for program expansions recommended by the Governor.

Human Services

Department of Human Services

The Governor recommends total expenditures of \$1.820 billion for the revised FY 2009 budget of the Department of Human Services. This is comprised of general revenues totaling \$674.3 million, federal funds of \$1.137 billion, restricted receipts of \$7.9 million, and other fund expenditures of \$257,500. Relative to FY 2009 enacted levels, recommended general revenue financing decreases by \$92.9 million, or 12.1 percent, while federal financing increases by \$137.6 million, or 13.8 percent. The general revenue reduction in the revised budget is largely driven by the provision of the American Reinvestment and Recovery Act (ARRA) establishing a temporary increase in the Federal Medicaid Assistance Percentage (FMAP), from 52.59 percent to 63.89 percent in (Federal) FY 2009. When applied to the applicable base Medicaid expenditures of the Department, the resultant increase in federal participation totals \$95.0 million for FY 2009, with appropriation of these additional federal funds allowing for withdrawal of an equivalent amount of general revenues from the Medicaid program (also known as the Medical Benefits program).

The November 2008 Caseload Estimating Conference adopted an additional \$37.0 million for the Medical Benefits program in FY 2009. The following expenditure changes to this program are incremental to those adopted by the Conferees.

Although the ARRA avails the Department of significant fiscal relief in both FY 2009 and FY 2010, Human Services has undertaken a series of corrective actions to resolve fiscal imbalances within the State budget. Due to its predominance in the Department's program budget structure, the majority of these initiatives concern the Department's Medicaid program. For FY 2009, these include, but are not limited to, the following (with associated general revenue savings displayed):

- A reduction in managed care administrative costs, \$395,020.
- A reduction in service to CEDARR family centers, \$576,436.
- A (5 percent) rate and service reduction for Early Intervention, \$157,088.
- A rate reduction for home-based therapeutic services, \$591,296.
- A (5 percent) rate reduction for neonatal intensive care unit services, \$312, 863.
- A reduction in non-emergency transportation rates and the use of more cost-efficient modes of transport, \$250,000.
- A (10 percent) reduction in reimbursement rates paid to out of state hospitals for Medicaid services, \$173,850.
- The removal of the inpatient portion of supplemental payments to hospitals under the terms of the upper payment limit (UPL), \$3.1 million.

Also included in the FY 2009 revised budget for the Department are general revenue reductions for Costs Not Otherwise Matchable, or "CNOM" items. These are formerly State-only programs that became eligible for federal financial participation under the provisions of the Global Consumer Choice Compact Section 1115 Demonstration (i.e. the "Global Waiver"). Note that a "CNOM" **does not entail systemic savings**, but rather a zero-sum shift of cost between sources of funding. For FY 2009 revised, the following CNOM programs (and associated general revenue savings) were identified: General Public Assistance (Medical), \$500,000; Early Intervention, \$800,000; Home Modification, \$26,285; Personal Care Attendants, \$46,670; Adaptive Telephone, \$15,977; Social Services for the Blind, \$72,752.

The Governor recommends other adjustments to the Department's plan of general revenue expenditure in FY 2009 throughout a multitude of programs. Personnel financing decreases by \$3.8 million from the

Human Services

enacted level, reflecting high levels of attrition in the current year, coupled with a constrained plan for the rehiring of FTE positions. Financing for operating expenses and contract services increase by \$755,942, and contract service expenditures decrease by \$86,675. Staffing authorizations decrease by 109.8 FTE positions, from 994.4 FTE positions to 884.6 FTE positions.

FY 2010

The Governor recommends total expenditures of \$1.876 billion for the FY 2010 budget of the Department of Human Services. This is comprised of general revenues totaling \$642.1 million, federal funds of \$1.225 billion, restricted receipts of \$8.3 million, and other fund expenditures of \$125,000. Relative to FY 2009 enacted levels, recommended general revenue financing decreases by \$125.2 million, or 16.3 percent, while federal financing increases by \$225.6 million, or 22.5 percent. Again, the general revenue reduction in the revised budget is largely driven by the provision of the American Reinvestment and Recovery Act (ARRA) establishing a temporary increase in the Federal Medicaid Assistance Percentage (FMAP), from 52.63 percent to 63.93 percent in (Federal) FY 2010. When applied to the applicable base Medicaid expenditures of the Department, the resultant increase in federal participation totals \$129.0 million for FY 2010, with appropriation of these additional federal funds allowing for withdrawal of an equivalent amount of general revenues from the Medicaid program.

The November 2008 Caseload Estimating Conference adopted an additional \$79.3 million for the Medical Benefits program in FY 2010. The following expenditure changes to this program are incremental to those adopted by the Conferees.

To a great extent, many of the programs of corrective action pursued in the FY 2009 revised budget will continue unabated in FY 2010 (with associated general revenue savings displayed):

- A reduction in managed care administrative costs, \$948,048.
- A reduction in service to CEDARR family centers, \$1.4 million.
- A (5 percent) rate and service reduction for Early Intervention, \$377,011.
- A rate reduction for home-based therapeutic services, \$1.4 million.
- A (5 percent) rate reduction for neonatal intensive care unit services, \$750,871.
- A reduction in non-emergency transportation rates and the use of more cost-efficient modes of transport, \$1.0 million.
- A (10 percent) reduction in reimbursement rates paid to out of state hospitals for Medicaid services, \$521,550.
- The removal of the inpatient and outpatient portion of supplemental payments to hospitals under the terms of the upper payment limit (UPL), \$13.3 million.
- The withdrawal of state-only hospital payments for unqualified uncompensated care, \$3.4 million.

The Department will also continue the implementation of the “Costs Not Otherwise Matchable” initiatives in FY 2010, resulting in the following general revenue savings:

- General Public Assistance (Medical) \$1.0 million
- Early Intervention, \$1.6 million
- Home Modification, \$52,570
- Personal Care Attendants, \$93,340
- Adaptive Telephone, \$31,954
- Social Services for the Blind, \$138,003

Human Services

For FY 2010, the Department has also identified multiple opportunities for reform within its Medicaid program, many of which will provide significant budgetary relief in FY 2010. Made possible in large part through the adoption of the *Rhode Island Global Consumer Choice Compact Section 1115 Demonstration* (often referred to as the “Global Medicaid Waiver”), these initiatives represent a singular departure from past practice with respect to both benefit design and administrative flexibility in Rhode Island’s program of medical assistance for the poor. Specifically, for FY 2010, the Governor recommends the following program realignments and benefit modifications, with the resulting general revenue savings displayed (pre-stimulus):

- Rebalancing Long Term Care (Nursing Home Diversion and Transition), \$5.7 million: Rebalancing long-term care is a core component of the Medicaid Global waiver; this includes efforts such as nursing home transition and diversion and increasing services and options offered through the home and community based care providers.
- Selective Contracting for Durable Medical Equipment, \$199,117: Rhode Island’s Medicaid program currently uses the Medicare fee schedule to reimburse 80 percent durable medical equipment expenditures. Medicare estimates that use of selective contracting for durable equipment would result significant savings (15 percent per annum).
- Selective Contracting for Shared Living, \$74,898: Shared Living arrangements will be procured through selective contracting to secure maximum value for the State, with an emphasis on quality, safety and price. Shared Living services are provided to adults with disabilities who are unable to live independently, as an alternative to institutional services such as nursing facilities.
- Selective Contracting for Outpatient Services, \$262,421: The Department will contract with a sole supplier for out-patient services (e.g., occupational therapy, physical therapy, laboratories, speech pathology, imaging, etc.) to the fee-for-service Medicaid population.
- Selective Contractive for Supportive Residential and Assisted Living, \$526,762: The flexibility the Global Waiver provides allows the Department of Human Services to pursue a selective contracting strategy to purchase Medicaid-funded supportive residential and assisted living care settings – as a home and community based service – for a segment of the now SSI-D only group of beneficiaries. The providers selected under this initiative will be limited to charging \$700 per month for room and board with minimum personal need allowances of \$100.
- RIte Care- Elimination of Dental Benefits for Parents, \$525,277: This budget initiative eliminates dental coverage for approximately 38,000 RIte Care parents. Dental coverage is an optional benefit under the Medicaid state plan. This initiative **does not include** RIte Care children, pregnant women, children with special health care needs, children in substitute care, disabled adults, or the elderly.
- Mandatory Enrollment in Care Management Programs, \$2.0 million: There are approximately 2000 beneficiaries remaining in fee-for-service Medicaid, who will be transitioned into either the Rhody Health Partners or Connect Care Choice programs starting in July 2009.
- Intensive Management of High-Cost Cases, \$1.9 million: This initiative proposes to intensively manage high cost cases through an inter-agency workgroup. The primary focus of the workgroup will be to address the inpatient utilization of these individuals. Savings will be generated through decreased emergency room utilization; decreased inpatient hospital admissions and re-admissions, and increased ongoing care management.
- Hospital Reimbursement and Financing- Diagnosis Related Groups (DRG) Rate Reform), \$5.0 million: Rhode Island’s current prospective payment methodology does not reflect the complex marketplace of today and does not support a balanced or rational utilization of health care services. Under this initiative, Rhode Island would move to a DRG system, benchmarking its

Human Services

hospital reimbursement payment to an average pay-to-cost ratio for in-patient services of 100 percent.

- Implementation of Acuity Rate Adjustments for Nursing Facilities, \$3.7 million: As part of rebalancing the long-term care system, an acuity rate adjustment for nursing facilities is necessary to ensure that institutions are compensated based on the actual acuity levels of patients residing in nursing home settings.
- Other Services Rate and Procurement Reform, \$1.8 million: The Department will pursue the generation of \$1.8 million in general revenue savings through a variety of procurement and rate reforms within the Medicaid program. Specific programmatic changes undertaken as part of this initiative are subject to the discretion of the Director of Human Services.
- Emergency Department Visit Benefit Redesign, \$1.5 million: This initiative will encourage hospitals to work more closely with primary care and behavioral health care providers to develop alternative treatment arrangements for Medicaid members who frequently use the Emergency Department.
- Program Integrity, \$1.0 million: The Governor recommends, several initiatives safeguarding the integrity of Departmental programs. The Department intends to (a) increase recoveries in such areas as casualty, third party liability, class action lawsuits against drug companies, and liens on estates; (b) establish on-line remittance advices; (c) utilize “lesser of” logic in the processing of other insurance claims; (d) modify to the pricing methodology for out-patient crossover dialysis claims.

To foster the efficient and effective implementation of the restructuring of the State’s Medicaid program under the auspices of the Global Medicaid Waiver, the Governor recommends the addition of 45.0 FTE positions to the FY 2010 departmental personnel roster. These positions include several top-level program and financial management positions, a State Medicaid Director, a Deputy Medicaid Director, and various line staff positions for the purpose of eligibility determination and case management.

The Governor’s FY 2010 recommendations for the programs of cash assistance administered by the Department of Human Services are as follows:

- Rhode Island Works (formerly the Family Independence Program): Total Financing of \$100.8 million, consisting of \$18.3 million in general revenues, reflecting caseloads as adopted by the November 2008 Consensus Caseload Estimating Conference.
- Supplemental Security Income Program (SSI): Total financing of \$22.1 million, consisting entirely of general revenues, reflecting caseloads as adopted by the November 2008 Consensus Caseload Estimating Conference. This estimate accommodated the provisions of Article 26 of the FY 2009 Appropriations Act, which authorized a reduction to Rhode Island’s supplement of federal SSI payments by the amount of the federal COLA, or 5.8 percent.
- General Public Assistance (GPA): *Bridge Program*: \$608,880 in general revenues, consistent with adopted caseload levels. *Burials*: \$480,000 in general revenues, consistent with adopted caseload levels. *GPA Hardship Contingency Fund*: \$478,000 in general revenues, consistent with Article 25 of the FY 2010 Appropriations Act.

The Governor recommends staffing authorizations of 954.6 FTE positions in FY 2010, reflecting an increase of 70.0 FTE relative to FY 2009 revised levels. This increase includes the addition of: (a) the aforementioned 45.0 FTE positions supporting Global Waiver implementation and (b) 25.0 FTE positions

Human Services

designed to fortify line staff support in several departmental programs, particularly within the area of eligibility determination.

Department of Mental Health, Retardation, and Hospitals

The Governor's revised FY 2009 budget for the Department of Mental Health, Retardation, and Hospitals totals \$477.8 million, including \$186.7 million in general revenue, \$278.5 million in federal funds, \$5.3 million in restricted receipts, and \$7.3 million in other funds. On an all funds basis, the \$477.8 million revised budget is \$20.3 million more than the FY 2009 enacted budget of \$457.5 million, consisting of the following changes: increases of \$55.8 million in federal funds, of which \$35.2 million is associated with the federal American Recovery and Reinvestment Act of 2009, \$668,101 in restricted receipts; and decreases of \$32.7 million in general revenue and \$3.4 million in other funds.

On an all funds basis, changes in the FY 2009 revised budget include: reductions of \$9.8 million in personnel costs, \$1.5 million in operating costs, \$3.7 million in capital purchases and equipment, and \$485,610 in operating transfers; and an increase of \$35.7 million for grants and benefits. Of the \$35.7 million increase in grants and benefits, \$24.8 million is in the Developmental Disabilities program, \$4.6 million is in the Hospital program, \$3.5 million is in the Integrated Mental Health program, and \$3.0 million is in the Substance Abuse program. Other reductions in grants and benefits totaling \$129,295 are reflected in the Central Management and the Hospital Support programs.

For FY 2009, the Governor recommends an authorized FTE level of 1,352.4 FTE positions, which is 182.2 FTE positions less than the enacted level of 1,534.6 FTE positions. Major programmatic funding changes and program initiatives for FY 2009, excluding statewide changes, are described below:

For the *Central Management program*, the Governor recommends expenditures of \$1.1 million from all funds, which is \$1.0 million less than the enacted budget of \$2.1 million. The revised budget reflects decreases of \$631,315 for payroll, \$26,855 for contract services, \$90,854 for operating, and \$287,513 for contract services; and an increase of \$14,553 for capital purchases and equipment.

For the *Hospital and Community Support Program*, the Governor recommends a reduction of \$707,937 from all funds, including decreases of \$465,031 for payroll, \$18,111 for contract services, \$68,881 for operating costs, and \$177,163 for capital purchases and equipment; and an increase of \$158,218 for grants and benefits. The federal stimulus program will allow the Department to increase federal expenditures for the Community Facilities Fire Code project by an additional \$136,969 in FY 2009; this will allow the Department to bring an additional 10 to 15 group homes into compliance with new fire code this year.

For the *Services for the Developmentally Disabled Program*, the Governor recommends an increase of \$21.6 million from all funds, including increases of \$32.2 million in federal funds and \$668,101 from restricted receipts; and decreases of \$10.9 million from general revenues and \$325,000 from other funds. The revised budget reduces expenditures for personnel by \$3.1 million, capital purchases by \$351,943, and operating transfers by \$485,610; and increases grants and benefits by \$24.9 million and operating costs by \$666,774. The increase in grants and benefit expenditures is the result of \$10.3 million of unachieved savings from all funds from the Buy RIte initiative and \$19.8 million of unachieved savings from all funds from the original Medicaid Global Waiver initiative. Some of the initiatives begun in FY 2009, which will result in significant savings in FY 2009 and FY 2010, include the following:

- Annual 4.3% Rate Reduction
- Increase Supported Living/Shared Living Arrangements

Human Services

- Medicaid Waiver Costs Not Otherwise Matchable (CNOM) savings for Day Habilitation, Less than 24-hour Supports, and Client Job Training Placement programs.

The federal stimulus program will allow the Department to shift \$20.9 million of Services for the Developmentally Disabled program costs from general revenue to federal funds.

Effective May 1, 2009, the Governor recommends eliminating the provider tax on Developmental Disabilities Program group homes and Eleanor Slater Hospital Intermediate Care Facility-Mental Health (ICFMR) group homes, because the provider tax will no longer be in compliance with federal regulation. The Health Care Provider Assessment was allowed only under the State's previous Medicaid waiver and was unique to Rhode Island.

For the *Integrated Mental Health Program*, the Governor recommends total expenditures of \$80.2 million, including \$33.1 million of general revenue, \$46.5 million of federal funds, and \$650,000 of other funds for RICAP projects. The revised budget reduces expenditures for salaries and benefits by \$316,627, operating costs by \$1.9 million, and capital purchases by \$6,700; and increases expenditures for grants and benefits by \$3.5 million and contract services by \$181,822. The FY 2009 budget restores \$4.2 million of unachieved savings from all funds from the original Medicaid Global Waiver initiative. Some of these costs are offset by other initiatives, including:

- Rate and Contract Reductions
- Medicaid Waiver CNOM savings for Community Mental Health, Community Medication Assistance, and Inpatient Non-Hospital Care Programs
- Pharmaceutical provider buyback of excess medication
- Supportive Housing Program

In the Integrated Mental Health Program, the Department will accrue general revenue savings of \$5.8 million from the federal stimulus program by shifting costs to federal funds.

For the *Hospital and Community Rehabilitation Services Program*, the Governor recommends total expenditures of \$102.1 million, which is \$3.4 million less than the enacted budget of \$105.5 million. The revised budget adjusts funding levels for the failed Housekeeping and Dietary Privatization initiatives by increasing payroll funding for housekeeping and dietary staff, and eliminating funding budgeted for these contract services. The major changes include: increases of \$3.1 million for salaries and benefits \$145,274 for operating costs, and \$4.5 million for grants and assistance; and decreases of \$8.3 million for contract purchases and \$2.9 million for capital purchases. The FY 2009 revised budget includes several savings initiatives, including:

- Increase capability of Medicaid Management Information System to process Medicare crossover claims and, therefore, maximize federal reimbursement
- Expanded Medicaid eligibility for criminal justice population

The federal stimulus program will allow the Department to shift \$7.9 million of *Hospital and Community Rehabilitation Services Program* costs from general revenue to federal funds.

For the *Substance Abuse Program*, the Governor recommends expenditures of \$31.9 million from all funds, including \$13.0 million in general revenue, \$18.6 million in federal funds, \$90,000 in restricted

Human Services

receipts, and \$200,000 in other funds. The revised budget is \$2.3 million more than the enacted budget of \$29.6 million and includes several general revenue savings initiatives, including:

- Medicaid Waiver CNOM savings for Community Programs
- Increase methadone co-pays by \$3.00 per week
- Reduce purchases of contract services
- Modify provider payment structure

The federal stimulus program will allow the Department to shift \$382,212 of *Substance Abuse Program* costs from general revenue to federal funds.

The Governor's FY 2010 recommendation totals \$470.6 million, including \$168.8 million of general revenue, \$284.3 million of federal funds, \$5.2 million of restricted receipts, and \$12.3 million of other funds. The general revenue portion of the budget reflects a decrease of \$50.6 million, or 23.1 percent, from the FY 2009 enacted budget. The Governor's FY 2010 budget continues the restructuring of the Department in order to manage and control the growth in state expenditures for FY 2010 and beyond. The FY 2010 budget continues the initiatives begun in FY 2009 to restructure the Department and reduce the growth of expenditures. These initiatives, and other new initiatives, include the following:

- Maximize Medicaid Waiver CNOM savings
- Modify provider payment system to a partial fee-for-service structure
- Begin the replacement of antiquated computer technology as recommended by the Division of Information Technology (DOIT), including the replacement of aging computers with inadequate software
- Initiate Development of Developmental Disabilities Management Information
- As federal funds become available, initiate the development of an Electronic Medical Records System for the Eleanor Slater Hospital System.

Department-wide, the federal stimulus program will allow the shift of \$45.7 million of costs from general revenue to federal funds in FY 2010.

The Governor's FY 2010 budget adds a net of 43.0 FTE positions to the Department compared to the FY 2009 revised budget, including increases of 6.0 positions to assist with implementing the Medicaid Waiver and 40.0 positions to staff the Eleanor Slater Hospital system; and a decrease of 3.0 FTE associated with the elimination of the Treatment Alternatives to Street Crime Program. The additional 40.0 FTE positions recommended for the Eleanor Slater Hospital system are to ensure the appropriate level of staffing is available for hospital patients. The recommended FTE level of 1,395.4 positions for FY 2010 is 139.2 positions less than the FY 2009 enacted budget.

For FY 2010, the Governor recommends eliminating the Treatment Alternatives to Street Crime Program in the Substance Abuse program for a general revenue savings of \$233,977. The Governor also recommends eliminating the Central Laundry and Central Pharmacy internal services program in FY 2010. Eleanor Slater Hospital is the primary recipient of services from both of these internal service programs, and both functions will be merged into the Hospital system.

Human Services

Governor's Commission on Disabilities

The Governor recommends revised expenditures of \$946,391 for FY 2009. This consists of \$387,862 in general revenue, \$135,851 in federal funds, \$411,551 from the Rhode Island Capital Plan Fund, and \$11,127 in restricted receipts. The revised funding level is \$34,406 more than the FY 2009 enacted level, and consists of a general revenue decrease of \$25,789, a federal funds decrease of \$53,918, and a restricted receipts increase of \$2,562. The general revenue and federal funds decrease reflects personnel savings associated with the elimination of 0.6 FTE and the delay in filling an ADA Coordinator position. The FY 2009 revised budget includes savings of \$797 in general revenue for one uncompensated leave day.

The Governor recommends total expenditures of \$926,400 in FY 2010, including \$366,450 in general revenue, \$174,949 in federal funds, \$10,001 in restricted receipts, and \$375,000 from the Rhode Island Capital Plan Fund. The recommended general revenue funding in FY 2010 is \$47,201 less than the FY 2009 enacted level, which is related to the elimination of 0.6 FTE position. Personnel costs include a 2.5 percent cost of living adjustment for state employees and adjustments for assessed fringe, retiree health, retirement, and medical benefits.

The recommended FTE ceiling for FY 2009 and FY 2010 is 4.0 FTE positions.

Commission on the Deaf and Hard of Hearing

The Governor's revised FY 2009 budget for the Commission on the Deaf and Hard of Hearing is \$371,300, consisting solely of general revenue, to finance the Commission's personnel, operating, and interpreter referral services. This represents an overall increase of \$2,493, or 0.7 percent, from the FY 2009 enacted level. The adjustment is attributable to minor modifications to personnel to reflect higher fringe benefit rates and one uncompensated leave day, a reduction of \$2,375 to the Commission's operating expenditures, and a \$5,000 downward rebasing for contracted professional services.

For FY 2010, the Governor recommends \$380,146 in general revenue, which again provides the resources necessary to support the Commission's current operations. This represents an increase of \$11,339, or 3.1 percent, from the FY 2009 enacted level of \$368,807. This recommendation is consistent with that for FY 2009, but also includes a net upward adjustment of \$2,349 for statewide changes to employee benefit rates for retiree health, retirement, and medical benefits. Staffing authorizations remain level at 3.0 FTE positions.

Office of the Child Advocate

The Governor's revised FY 2009 budget for the Office of the Child Advocate is \$554,997, including \$514,442 in general revenue and \$40,555 in federal funds. The general revenue appropriation in the revised FY 2009 budget is \$5,215 less than the enacted budget of \$519,657, reflecting agency specific reductions of \$8,880, most of which are associated with turnover savings of \$8,358, and statewide adjustment increases of \$3,665. The statewide adjustments consist of savings from one uncompensated leave day for all state employees, \$1,835; and increased costs associated with pay-as-you-go funding for retiree health benefits, \$5,500.

For FY 2010, the Governor recommends total expenditures \$588,148, including \$547,048 in general revenue and \$41,100 in federal funds. The general revenue increase of \$27,391 compared to the FY 2009 enacted budget includes a \$31,635 increase for personnel costs and a \$4,244 decrease for operating costs.

Human Services

Personnel costs include a 2.5 percent cost of living adjustment for state employees, and decreases for retirement and pay-as-you-go funding for retiree health benefits.

The Governor recommends an authorized FTE level of 5.7 positions in FY 2009 and FY 2010.

Office of the Mental Health Advocate

The Governor recommends revised FY 2009 general revenue expenditures of \$440,483, an increase of \$9,312 from the enacted level of \$431,171. The increase is primarily attributable to the following statewide adjustments: increased costs associated with pay-as-you-go funding for retiree health benefits, \$4,755; and savings from one uncompensated leave day for all state employees, \$1,419. The supplemental recommendation finances the operation of the Office of the Mental Health Advocate at the current service level.

The Governor recommends total FY 2010 general revenue expenditures of \$448,423, reflecting full funding for agency current services and an increase of \$17,252 over the enacted FY 2009 budget. The general revenue increase of \$17,252 compared to the FY 2009 enacted budget includes a \$17,352 increase for personnel costs and a \$100 decrease for operating costs. Personnel costs include a 2.5 percent cost of living adjustment for state employees and pay-as-you-go funding for retiree health benefits.

The Governor recommends the enacted staffing authorization of 3.7 FTE positions for both FY 2009 and FY 2010.