

## Questions About the FY 2009 Supplemental Appropriations

**1. Q. Why is the Supplemental Bill being submitted now?**

A. The Supplemental Bill is being submitted earlier than it is statutorily required to be submitted because of the magnitude of the projected budget deficit; the Governor would like the Supplemental Bill to receive expedited consideration by the General Assembly. By law, the Governor is required to submit any request for supplemental appropriations and the next year's budget on, or before, the third Thursday in January, which this year falls on January 15, 2009.

**2. Q. How does the Supplemental Bill change the spending levels?**

A. The supplemental decreases general revenue spending by \$189.8 million, or 5.8 percent, from the enacted level. It increases spending from all fund sources by \$62.2 million.

	<u>Enacted</u>	<u>Revised</u>	<u>Change</u>
General Revenue:	3,276,156,221	3,086,404,059	(189,752,162)
Federal Funds:	1,997,927,181	2,118,648,424	120,721,243
Restricted Receipts:	152,502,978	150,468,710	(2,034,268)
Other Funds:	1,492,467,822	1,625,755,590	133,287,768
<u>Total</u>	<b>\$6,919,054,202</b>	<b>\$6,981,276,783</b>	<b>\$62,222,581</b>

**3. Q. The First Quarter report projected a \$357.5 million deficit resulting from decreased revenues of \$233.6 million and increased expenditures of \$127.5 million, an opening surplus of \$0.0 million, and Budget Reserve Contribution savings of \$5.0 million. How has that changed?**

A. See the *Change to General Revenue Budget Surplus* (Table 1) which shows the difference between the Enacted Budget, the First Quarter Projection and the recommend Revised Budget.

**4. Q. What were the general revenue reappropriations into FY 2009?**

A. A total of \$1,738,518 was reappropriated into FY 2009. The only entity that received a reappropriation was the Legislature. By law, the unspent balances of the Legislature are to be reappropriated. The authority for reappropriations is contained in RIGL 35-3-15 as shown below:

35-3-15. *Unexpended and unencumbered balances of revenue appropriations. — (a) All unexpended or unencumbered balances of general revenue appropriations, whether regular or special appropriations, at the end of any fiscal year, shall revert to the surplus account in the general fund, and may be reappropriated by the governor to the ensuing fiscal year and made immediately available for the same purposes as the former appropriations; provided, that the disposition of unexpended or unencumbered appropriations for the general assembly and legislative agencies shall be determined by the joint committee on legislative affairs, and written notification given thereof to the state controller within twenty (20) days after the end of the fiscal year; and furthermore that the disposition of unexpended or unencumbered appropriations for the judiciary, shall be determined by the state court administrator, and written notification given thereof to the state controller within twenty (20) days after the end of the fiscal year.*

*(b) The governor shall submit a report of such reappropriations to the chairperson of the house finance committee and the chairperson of the senate finance committee of each reappropriation stating the general revenue appropriation, the unexpended or unencumbered balance, the amount reappropriated, and an explanation of the reappropriation and the reason for the reappropriation by August 15 of each year.*

Based upon the preliminary closing, the Governor recommended that a total of \$1,738,518 in general revenue reappropriations be made, all of which was within the Legislative Branch.

**5. Q. How does the FY 2009 Supplemental Recommendation compare to past years' Supplemental Budgets?**

A. The withdrawal of \$189.7 million of general revenues from enacted appropriations makes this the largest proposed withdrawal ever. The second largest withdrawal from enacted appropriations was \$35.8 million, which was done in FY 2008. This makes the current withdrawal unprecedented in Rhode Island history. Refer to Table 5, *Historical Perspective on Supplemental Appropriations*.

**6. Q. What is the projected fund balance should the Governor's Supplemental Budget pass as recommended?**

A. The Fund balance would be \$119,817.

**7. Q. Is this Supplemental Bill in the same form as the Enacted Budget?**

A. Yes. We have presented the FY 2009 supplemental in the same form as the Enacted Budget.

**8. Q. How does the FY 2008 Supplemental Appropriations Bill compare to the Enacted Budget on a percentage basis?**

- A. This Supplemental Appropriations Bill totals \$3.086 million in general revenues, a decrease of \$189.7 million, or 5.8 percent, from the enacted level.
9. **Q. Are there any changes from the revenues estimated by the November 2008 Revenue Estimating Conference proposed by the Governor for FY 2009?**
- A. As shown on the *General Revenue Changes to Adopted Estimates* table, the revised FY 2009 financial plan includes an increase of \$41,075,217 in general revenue from the estimates adopted at the November 2008 Revenue Estimating Conference.
10. **Q. What are the general revenue resources available to finance the revised FY 2009 budget?**
- A. Total estimated resources of \$3.154 billion include: an opening surplus of \$0, \$2.426 billion of taxes, \$331.6 million of departmental revenues, and \$396.8 million of other sources including the gas tax, the lottery and unclaimed property revenues and a decrease of \$69.4 million due to the constitutionally required deposit to the Budget Reserve Fund. This includes \$41,075,217 of changes to the adopted estimates. These resources are still \$192.5 million less than those upon which the 2008 Enacted budget was based.
11. **Q. How many FTE are recommended to be authorized in the revised FY 2009 budget?**
- A. Total FTE recommended in the FY 2009 revised budget is 13,680.8, not including sponsored research. This reflects a reduction of 492.8 FTE from the authorized level of 14,173.6, excluding sponsored research.
- Including sponsored research, the recommend total FTE in the FY 2009 revised is 14,465.8, which is also a reduction of 492.8 FTE compared to the authorized level of 14,958.6. The number of sponsored research positions in the revised budget remains the same at 785 positions.
- The large reduction is attributable to the large number of retirements prior to October 1 associated with the change in retiree health benefits and normal attrition. This reduction, and the associated savings, is reflected in the FY2009 budget. Since July 2007, the filled FTE positions have been reduced by 1,752.1 positions.