Human Services

Human Services

Summary

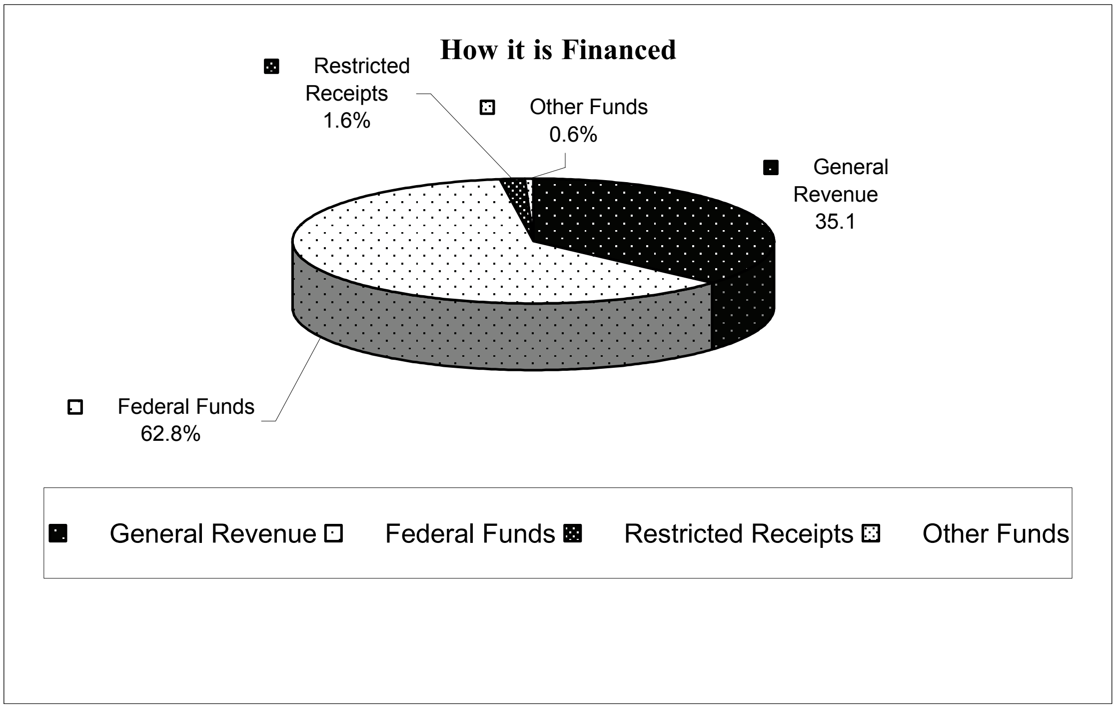
The Human Services function of state government engages in a broad spectrum of activities including, but not limited to, income supports, client subsidies, case management and residential supports, and medical regulation, prevention, treatment, and rehabilitation services.

For FY 2010, the Governor recommends a revised all funds budget of $2.930 billion. Of this total, there is $1.031 billion in general revenue, $1.842 billion in federal funds, $42.0 million in restricted receipts, and $14.7 million in other funds. This includes a reduction of $798,043 in general revenues, an increase of $90.5 million in federal funds, a decrease of $151,566 in restricted receipts, and a decrease of $3.0 million in other funds from the enacted FY 2010 budget. The Governor recommends 3,602.6 full-time equivalent positions in both the FY 2010 revised and FY 2011 budgets, which is an increase of 13.5 FTE positions from the enacted FY 2010 budget.

For FY 2010, 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 the Offices of the Child Advocate and Mental Health Advocate, the Governor's Commission on Disabilities, and the Commission on the Deaf and Hard of Hearing.

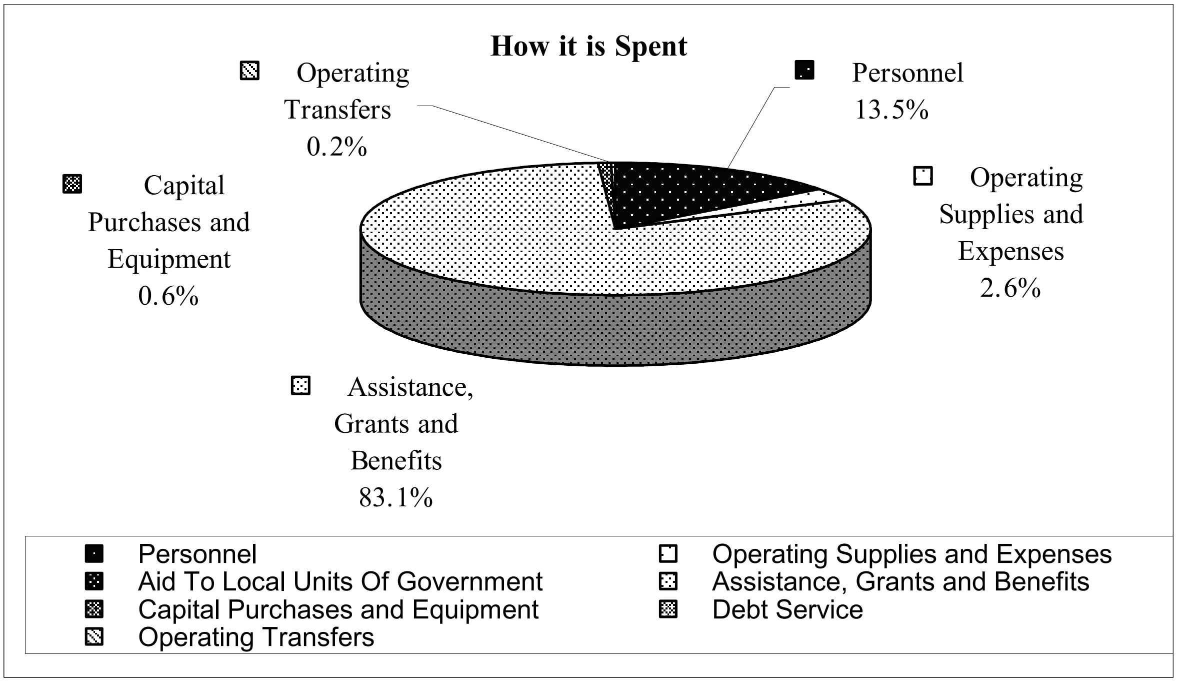
The Governor's proposed funding level of $2.960 billion for FY 2011 protects services for the state's most vulnerable populations, including the elderly, children and families, medically needy, mentally ill, developmentally disabled, deaf and hard of hearing, and persons with physical disabilities. This proposal consists of $1.039 billion in general revenue, $1.858 billion in federal funds, $47.3 million in restricted receipts, and $16.6 million in other funds. The recommendation constitutes 39.4 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 2011 recommendation for the human service agencies and departments.

Human Services



The Governor's FY 2011 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 $399.8 million, or 13.5 percent, of all expenditures programmed for human services. Other operating expenditures are recommended at $77.0 million, or 2.6 percent of proposed total human services expenditures, with capital purchases slated for $19.0 million, or 0.6 percent. Grants and benefits expenditures of $2.459 billion account for the largest outflow of identified resources, reflecting 83.1 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



Human Services

Executive Office of Health and Human Services

The Governor's revised FY 2010 budget for the Executive Office of Health and Human Services is $8.0 million, including $3.3 million in general revenue, $3.9 million in federal funds, and $860,646 in restricted receipts. The recommendation includes an all funds decrease of $1.4 million, or $298,068 in general revenue appropriations, which reflects enacted federal appropriations that were not achievable and an interdepartmental transfer of $699,693 to the Department of Human Services that would allow the department to utilize a more efficient cost allocation plan. Other adjustments to the FY 2010 revised budget include savings of $92,529 in general revenue for eight pay reduction days. The Governor recommends 75.6 FTE positions in FY 2010, which is an increase of 1.5 FTE from the FY 2010 originally enacted budget. This increase adds the Secretary of the Executive Office and Health and Human Services position and makes a technical adjustment to positions that were enacted as part time.

For FY 2011, the Governor recommends $7.3 million, including $3.5 million in general revenue, $2.9 million of federal funds, and $874,013 in restricted receipts. Personnel costs include a reduction of $97,616 for a six month delay in the 3.0 percent cost of living adjustment and four pay reduction days. Other adjustments to personnel include increases in salaries, medical benefits inflation, retirement, statewide benefit assessment, and retiree health insurance. As in the Governor's FY 2010 revised recommendation, there is an interdepartmental transfer to the Department of Human Services that totals $728,350. The recommended FTE ceiling for FY 2011 is 75.6 FTE positions.

Department of Children, Youth and Families

The Governor recommends $242.0 million in the revised FY 2010 budget for the Department of Children, Youth and Families, including $154.1 million in general revenue, $85.3 million in federal funds, $2.0 million in restricted receipts, and $638,819 in other funds. The Governor's revised budget includes a net decrease of $4.7 million in general revenue expenditures, which represents a 3.0 percent decrease from the enacted budget.

As part of the FY 2008 budget, a total of $86.4 million (all funds) was transferred 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 was 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. When the transfer took place, financing for the Day Care and Bradley Hospital components were erroneously left out of the department's budget when a new work plan was developed. This funding is restored in the FY 2010 revised budget and accounts for an increase of $10.6 million in all funds and $5.4 million in general revenues from the FY 2010 enacted budget.

There were significant decreases in other areas of the agencies' budget to offset the aforementioned increase. The following list represents departmental reductions taken as a corrective action plan:

- the department will be able to preserve core child welfare programs by redirecting federal block grants dollars and reprogramming other federal funds for programs currently funded with $2.1 million in general revenues;

- a savings of $39,000 associated with the renegotiation of general counseling services at the Rhode Island Training School;
- a reduction of $40,800 associated with a change in the educational curriculum for youth detained at the Roosevelt Benton Center; and
- aggressively continuing to implement the system of care transformation, which would result in further reductions of placements and produce a general revenue savings of $875,000.

Other savings within the Department of Children, Youth & Families in the FY 2010 revised recommendation include the following:

- general revenue reduction of $5.9 million in personnel expenses related to delayed hiring and increased turnover; and
- eight statewide pay reduction days totaling $1.2 million in general revenues;

In FY 2009, a reduction of $2.1 million in general revenue was associated with the Rhode Island Global Consumer Choice Compact Demonstration Waiver for costs not otherwise eligible for Medicaid (CNOM's) financing. The FY 2010 enacted budget contained a savings of $4.1 million in general revenues related to these initiatives. These savings are attributed to the diversion of residential services for at-risk youth into a more community-based approach. The department continues to achieve the programmed savings associated with this initiative.

The Governor recommends total expenditures of $236.9 million in FY 2011 for the Department of Children, Youth and Families. This is comprised of $155.1 million in general revenue, $77.9 million in federal funds, $2.0 million in restricted receipts, and $1.9 million in other funds. The recommended FY 2011 general revenue budget decreases by $3.7 million from the enacted FY 2010 budget.

The Governor's FY 2011 recommendation remains relatively consistent with the revised FY 2010 proposal. It continues to include additional financing from the FY 2010 enacted budget for the Day Care and Bradley Hospital components of the budget, as well as achieving some savings for personnel expenses.

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.

Phase One of the implementation of these programs began in FY 2009 and is well under way. This Phase was the establishment of Family Care Community Partnerships (FCCP) for families with children and youth who are at risk for DCYF involvement due to abuse and neglect or serious emotional disturbance (SED) and youth who are returning to the community following a Rhode Island Training School sentence.

The Governor's FY 2011 budget includes a savings of $10.0 million from all funds, or $6.7 million from general revenues, for the implementation of Phase Two of the system of care transformation. This phase will include the reprocurement of purchased services.

The Department will contract with one or more operational and fiscal partners that will be responsible for building a comprehensive network of accessible formal and informal services and supports, including residential and home-based services that will strengthen and support the home setting during and following out-of-home placement and integrate wraparound principles into the service delivery networks. The partners will expand the continuum of available services for children and families inclusive of individualized rehabilitation and support services for children and families in the home setting. Each contractor will operate statewide service networks and ensure local community access.

The savings will be associated with the cost of the home and community-based services being lower than the cost of residential services, alternative programs to residential services being developed to both divert and more quickly discharge children and youth from out of home placements of all types, and the length of stay in out of home placements being shortened.

This recommendation includes a total of 700.0 FTE positions, which is consistent with the FY 2010 originally enacted and FY 2010 revised recommendations. Personnel costs include a 3.0 percent cost of living adjustment for state employees and adjustments for assessed fringe, retiree health, retirement, and medical benefits. Included in the recommendation is a statewide reduction of $1.4 million in general revenues for the six month deferral of the 3.0 percent COLA and four pay reduction days.

Department of Elderly Affairs

The Governor recommends a revised budget for FY 2010 of $28.4 million for the Department of Elderly Affairs, comprised of $9.9 million from general revenues, $18.1 million from federal funds and $358,784 from restricted receipts. This revised level is $2.9 million more than the enacted FY 2010 budget and consists of $20,298 more general revenue, $2.9 million more federal funds and $33,331 less restricted receipts. Major changes by source of funding, from the FY 2010 enacted level, include the following:

General Revenue

- A decrease of $220,059 for in-home services case management services cost savings due to eligibility for financing under the Rhode Island Global Choice Compact Demonstration Waiver.
- An increase of $313,780 to finance additional costs incurred in the Home and Community Based Services (HCBS) program for assisted living due to diversions from long term care (nursing homes) settings, attributable to the implementation of the Rhode Island Global Choice Compact Demonstration Waiver.

Federal Funds

- An increase of $0.1 million due to unspent federal funds forwarded to FY 2010 for meal reimbursements to senior nutrition programs under federal authorization of the Nutrition Services Incentive Program administered by the Administration on Aging of the US Department of Health and Human Services.
- An increase of $0.4 million due to unspent federal funds forwarded to FY 2010 for a variety of senior social services, including case management, information and referral, legal services and community senior centers under federal authorization of the Special Programs for the Aging, Title III, Part B (Grants for Supportive Services and Senior Centers), administered by the Administration on Aging of the US Department of Health and Human Services.
- An increase of $0.8 million due to unspent federal funds forwarded to FY 2010 for elder nutrition services under federal authorization of the Special Programs for the Aging, Title III, Part C (Nutrition Services), administered by the Administration on Aging of the US Department of Health and Human Services.

- An increase of $0.4 million due to unspent federal funds of $0.15 million forwarded to FY 2010 as well as renewed funding for the Rhode Island Aging and Disability Resource Center (the Point) of $0.3 million under federal authorization of the Special Programs for the Aging, Title IV and Title II (Discretionary Projects), administered by the Administration on Aging of the US Department of Health and Human Services.
- An increase of $0.8 million for elder and disabled senior medical assistance due to unspent federal funds from the prior fiscal year of $0.6 million and federal outlay of $0.2 million for eligibility of in-home case management services under federal authorization of the medical assistance program or Title XIX (Medicaid), administered by the Centers for Medicare and Medicaid Services of the US Department of Health and Human Services.

The Governor recommends expenditures of $27.3 million for FY 2011, comprised of $10.8 million from general revenues, $16.3 million from federal funds and $130,840 from restricted receipts. This proposed level of spending is $1.7 million less than the level authorized in the FY 2010 enacted budget. It comprises $0.9 million more general revenues, $1.1 million more federal funds and $261,275 less restricted receipts. The major changes contained in the Governor's proposed spending plan, when compared to original FY 2010 authorized levels, include the following:

General Revenue

- An increase of $1.0 million for current service requirements for elders and disabled senior medical assistance under federal Title XIX (Medicaid) authorization, including $0.5 million for anticipated lapsed federal funding under the American Recovery and Re-investment Act of 2009.
- An increase of $0.1 million for a price level (inflation) adjustment for the home and community-based (in-home services) co-pay program.
- A decrease of $0.3 for in-home services case management services cost savings due to eligibility for financing under the Rhode Island Global Choice Compact Demonstration Waiver.
- An increase of $0.1 million for anticipated costs of the home and community based (HCBS) services for the non-co-pay populations.
- An increase of $0.1 million for anticipated costs of the home and community based (HCBS) services, co-pay day care clients.
- A decrease of $0.4 million for cost savings due to an anticipated extension of the Federal Medical Assistance Percentage (FMAP) rate to June 30, 2011 from a sunset date of December 31, 2010, as provided for in the American Recovery and Reinvestment Act of 2009.

Federal Funds

- An increase of $0.3 million for a variety of senior social services costs anticipated, including case management, information and referral, legal services and community senior centers under federal authorization of the Special Programs for the Aging, Title III, Part B (Grants for Supportive Services and Senior Centers) administered by the Administration on Aging of the US Department of Health and Human Services.
- An increase of $0.1 million for anticipated elder nutrition service costs under federal authorization of the Special Programs for the Aging, Title III, Part C (Nutrition Services), administered by the Administration on Aging of the US Department of Health and Human Services.

- An increase of $0.2 for anticipated costs related to the Rhode Island Aging and Disability Resource Center (the Point) under federal authorization of the Special Programs for the Aging, Title IV and Title II (Discretionary Projects), administered by the Administration on Aging of the US Department of Health and Human Services.
- An increase of $0.9 million for elder and disabled senior medical assistance matching costs anticipated under federal authorization of the medical assistance program or Title XIX (Medicaid), administered by the Centers for Medicare and Medicaid Services of the US Department of Health and Human Services.

Restricted Receipts

- A decrease of $0.3 million for an anticipated reduction in rebates financial resources for eligible formulary in the Rhode Island Pharmaceutical Assistance to the Elderly (RIPAE) program due to lower prescription claims emanating from the use of generic drugs and mandatory enrollment in Medicare Part D as well as the RIPAE program being the payer of last resort.

The Governor recommends an FTE positions ceiling of 31.0 FTE positions in the FY 2010 revised and FY 2011 budgets, which is unchanged from the FY 2010 enacted level.

Department of Health

The Governor recommends total expenditures of $143.9 million in the FY 2010 revised budget, including $28.5 million from general revenue, $89.6 million from federal funds, $25.7 million from restricted receipts and $106,261 from other funds. This represents a net increase of $11.6 million from FY 2010 enacted levels, including $1.1 million less general revenues, $11.8 million more federal funds, $995,143 more restricted receipts and $125,151 less other funds.

Major changes to general revenue expenditures from FY 2010 enacted levels include the following:

- $0.2 million increase for the cost of replacing the computer information management system in the Environmental Health Laboratory, which tracks sample information, test results, and produces laboratory reports and billing data.
- $0.1 million increase for the purchase of specialized legal services related to application reviews for certificate of need (CON), initial licensure (IL), change in effective control (CEC) and hospital consolidations/conversions.
- ($0.2 million) decrease for employee medical benefit cost savings for three medical benefit holidays.
- ($0.2 million) decrease for cost savings related to the cancellation of various professional services contracts.
- ($0.4 million) decrease for cost savings related to the cancellation of certain case management services contracts related to the HIV/AIDS program.
- ($0.4 million) decrease for managed turnover cost savings related to certain position vacancies.
- ($0.6 million) decrease for payroll cost savings due to union concessions for eight pay reduction days.

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Major changes from FY 2010 enacted federal funds expenditures, as recommended by the Governor, include the following:

- $8.6 million increase for new federal funding for pandemic influenza planning of $7.5 million from the US Centers for Disease Control and Prevention and the balance for unspent federal financial resources from FY 2009, under federal authorization for public health emergency preparedness.
- $1.2 million increase for additional federal funding from the Office of the US Secretary of the Department of Health and Human and Services under federal authorization for national bioterrorism and hospital preparedness.
- $0.4 million increase for federal Title 18 survey agencies' direct and indirect costs for quality monitoring and complaint inspections of both Medicare-certified long term and non-long term healthcare facilities.
- $0.3 million increase for renewed federal project funding to reduce forensic casework DNA backlogs under federal authorization from the National Institute of Justice's research, evaluation and development project grants.
- $0.2 million increase for a new Food Emergency Response Laboratory Network (FERN) cooperative agreement with the US Food and Drug Administration, including the collection and analysis of certain foods.
- ($0.7 million) decrease for an anticipated reduction in activities for the development and implementation of a statewide health information exchange (HIE) under contract (pilot demonstration) with the Agency for Healthcare Research Quality (AHRQ).
- $0.6 million increase for additional federal formula grant funding under authorization of the special supplemental nutrition program for women, infants and children (WIC), via the Food and Nutrition Service of the US Department of Agriculture.
- $0.5 million increase for supplemental federal funding from the Office of Population Affairs, US Department of Health and Human Services for family planning services, to reduce maternal and infant mortality and promote the health of mothers, children and families.
- $0.2 million increase to support statewide oral health workforce activities via a project grant funding from the Health Resources and Services Administration of the US Department of Health and Human Services.
- $0.9 million increase for mental health consultation, education and training to pediatricians and childcare providers and youth suicide prevention under federal authorization from the Substance Abuse and Mental Health Services Administration of the US Department of Health and Human Services.
- ($0.3 million) decrease due to reduced federal project funding via the US Centers for Disease Control and Prevention for preventive health services, related to immunization of individuals against vaccine-preventable diseases, including hepatitis A and B, measles, rubella, and mumps, to name a few.
- $1.5 million increase due to available HIV/AIDS formulary rebates of $0.8 million and supplemental federal authorization from the Centers for Disease Control and Prevention cooperative agreement for investigations and technical assistance to states for the control and prevention of communicable diseases, chronic diseases and other disorders.

- ($1.7 million) decrease due to lower than authorized expenditures for immunization under federal authorization of American Recovery and Reinvestment Act of 2009.
- ($0.9 million) decrease due to lower than expected expenditures authorization for diabetes prevention and control, under a cooperative agreement funding with the US Centers for Disease Control and Prevention.
- $0.1 million increase for a new healthy housing pilot project grant to address multiple residential health and safety hazards, including mold, carbon monoxide, pesticides and allergens from domestic pets (dogs and cats).
- $0.3 million increase due to a new federal award for autism, its early detection, education and intervention activities at the state level.
- $0.1 million increase due to funding from the American Recovery and Reinvestment Act of 2009 for Women, Infants and Children supplemental nutrition program from the Food and Nutrition Service of the US Department of Agriculture.

Major changes from FY 2010 enacted restricted receipts expenditures include:

- $1.2 million increase due to an anticipated increase in indirect cost recovery assessment, resulting from increased federal funding from enacted levels, coupled with a $0.2 million cash balance forward from the prior fiscal year.
- ($0.4 million) decrease due to a lower than anticipated authorization for pandemic flu medication and supplies.
- $0.2 million increase for increased current service costs under the Drinking Water State Revolving Loan Fund pursuant to the purposes and intent of the Safe Drinking Water Act.
- $0.1 million increase for increased costs of managed care regulation, the costs of which are billed to health plans and utilization review agencies.

The decrease in other funds of $0.1 million, as compared to the FY 2010 enacted level, is due primarily to reduced one-time funding from the Rhode Island Airport Corporation (RIAC) for an environmental health study of the airport.

For FY 2011, the Governor recommends total expenditures of $112.6 million for the Department of Health. This includes $28.6 million from general revenues, $58.8 million from federal funds, $25.1 million from restricted receipts and $95,883 from other funds. This level of funding is $19.7 million or 14.9 percent less than the level authorized in the FY 2010 enacted budget. This reduced level of funding consists of $982,110 less general revenues, $19.0 million less federal funds, $389,516 more restricted receipts and $135,529 less other funds.

Major changes to general revenue expenditures in FY 2011, compared to the FY 2010 enacted budget, include the following:

- $0.8 million increase for current service cost adjustments to payroll for a three percent cost of living adjustment (COLA) to employees' salaries and wages and anticipated rate changes to retirement, assessed fringe benefits, and retiree health.

- ($0.2 million) decrease for the elimination of one-time funding in FY 2010 for radiology equipment in the State Medical Examiner's program of $100,000 and swine flu antiviral of $144,000.
- ($0.5 million) decrease for a combined anticipated payroll turnover cost savings in the programs of State Medical Examiner, Environmental Health and Services Regulations, and Community and Family Health and Equity.
- ($0.1 million) decrease for cost savings/reallocation related to tobacco control advertisements
- $0.1 million increase for the purchase of specialized legal services related to application reviews for certificate of need (CON), initial licensure (IL), change in effective control (CEC) and hospital consolidations/conversions.
- ($1.2 million) decrease for cost savings related to the HIV/AIDS program due to an anticipated program restructuring that reduces payments, and thus cost savings for case management services.
- ($0.6 million) decrease for payroll cost savings due to union concessions for four pay reduction days and a six month cost of living adjustment (COLA) effective date deferral to January 1, 2011.
- ($0.2 million) decrease for employee medical benefit cost savings for a three day holiday.

Major FY 2011 changes to federal funds expenditures, compared to the enacted FY 2010 appropriations, include the following:

- $1.3 million increase for continued federal project funding for pandemic influenza planning of a net amount of $1.3 million from the US Centers for Disease Control and Prevention under federal authorization for public health emergency preparedness.
- ($1.3 million) decrease for an anticipated reduction of funding via the Office of the US Secretary of the Department of Health and Human and Services under federal authorization for national bioterrorism and hospital preparedness.
- $0.5 million increase for federal Title 18 survey agencies' direct and indirect costs for quality monitoring and complaint inspections of both Medicare-certified long term and non-long term healthcare facilities.
- $0.2 million increase due to continued federal authorization for the Centers for Disease Control and Prevention cooperative agreement funding for investigations and technical assistance to states for food emergency response.
- ($0.7 million) decrease for an anticipated reduction in activities for the development and implementation of a statewide health information exchange (HIE) under contract (pilot demonstration) with the Agency for Healthcare Research Quality (AHRQ).
- $0.2 million decrease for anticipated reduction in federal funding for the collaborative work with the Research Triangle Institute (RTI), an independent, nonprofit, research and development organization, which develops and tests solutions for the privacy and security of interstate health information exchanges.
- ($19.1 million) decrease for the transfer of the Women, Infants and Children (WIC) program to the RI Executive Office of Health and Human Services as mandated by the FY 2010 Budget Act, and as amended by the Governor's FY 2010 Revised Appropriations bill (Article 6 of 2010-H- 7105).

- $0.5 million increase for increased federal funding via the Office of Population Affairs, US Department of Health and Human Services for family planning services to reduce maternal and infant mortality and promote the health of mothers, children and families.
- $0.2 million increase to support statewide oral health workforce activities via project grant funding from the Health Resources and Services Administration of the US Department of Health and Human Services.
- $0.7 million increase for mental health consultation, education and training to pediatricians and childcare providers as well as youth suicide prevention, under federal authorization via the Substance Abuse and Mental Health Services Administration of the US Department of Health and Human Services.
- ($0.3 million) decrease due to anticipated reduced federal project grant funding via the US Centers for Disease Control and Prevention for preventive health services related to immunization of individuals against vaccine-preventable diseases, including hepatitis A and B, measles, rubella, and mumps, to name a few.
- $1.7 million increase due to available HIV/AIDS formulary rebates of $0.8 million and other increased federal authorization from the Centers for Disease Control and Prevention cooperative agreement funding, for investigations and technical assistance to states for the control and prevention of communicable diseases, chronic diseases and other disorders.
- ($1.7 million) decrease due to lower than authorized expenditures for immunization under federal authorization of the American Recovery and Reinvestment Act of 2009.
- ($0.9 million) decrease due to lower than expected authorization for diabetes prevention and control under a cooperative agreement funding with the US Centers for Disease Control and Prevention.
- ($0.4 million) decrease due to revised base Federal Medical Assistance Percentage (FMAP) participation rates and error reduction adjustment in the federal share equal to $303,140 from FY 2010 enacted levels.

Major changes to FY 2011 restricted receipt expenditures, compared to FY 2010 enacted levels, include the following:

- $0.2 million increase for additional current service costs under the Drinking Water State Revolving Loan Fund pursuant to the purposes and intent of the Safe Drinking Water Act.
- $0.2 million increase for increased costs of managed care regulation, the costs of which are billed to health plans and utilization review agencies.
- $1.2 million increase due to an anticipated increase in federal funds assessment resulting from increased federal funding from the 2010 enacted levels, coupled with a $0.2 million cash balance forward from the prior year.
- ($1.0 million) decrease due to a lower than anticipated authorization for pandemic flu medication and supplies.

The decrease in other funds of $0.1 million, as compared to the FY 2010 enacted level, is due primarily to reduced one-time funding from the Rhode Island Airport Corporation (RIAC) for an environmental health study of the airport.

The Governor's revised FY 2010 full time equivalent (FTE) positions recommendation is 428.7 FTE positions or 14.1 full time equivalent (FTE) positions more than the ceiling authorized in the FY 2010 enacted budget. For FY 2011, the Governor recommends 416.7 FTE positions or 2.1 FTE positions more than the original ceiling enacted for FY 2010 and 12.0 FTE positions less than the level recommended in the Governor's FY 2010 revised budget. For FY 2011, the Governor recommends transferring 12.0 FTE positions to the Executive Office of Health and Human Services in fulfillment of a provision in the FY 2010 Appropriations Act, as amended by the FY 2010 supplemental appropriations bill (Article 6 of 2010-H-7105), which transfers the Women, Infants and Children nutrition program from the Department of Health effective October 1, 2010.

Department of Human Services

The Governor recommends total expenditures of $2.045 billion for the revised FY 2010 budget of the Department of Human Services (DHS). This is comprised of general revenues totaling $665.4 million, federal funds of $1.367 billion, restricted receipts of $8.5 million, and other fund expenditures of $4.4 million. Relative to FY 2010 enacted levels, recommended general revenue financing increases by $3.3 million, or 0.5 percent, while federal financing increases by $78.1 million, or 6.1 percent. The additional general revenue in the revised budget is largely driven by a $7.8 million increase in planned expenditures for the Medical Assistance (Medicaid) program, reflecting the combined result of estimates adopted at the November 2009 Caseload Estimating Conference and initiatives set forth in the Department's FY 2010 plan of corrective action (discussed below). Also included in the overall increase in general revenues is the transfer of $1.1 million in expenditure authority from the Department of Mental Health, Retardation and Hospitals (MHRH) to the Department of Human Services for Supplemental Security Income (SSI) payments to recipients of MHRH residential services for the developmentally disabled. Offsetting decreases in general revenues are witnessed throughout many of the Department's other programs, most notably in personnel expenditures due to eight pay reduction days, statewide medical benefit savings, and significant managed as well as frictional turnover. The significant increase in federal funding is primarily the result of significant caseload growth in the Supplemental Nutrition Assistance Program (SNAP), outlays for which are anticipated to increase by $60.5 million over enacted levels.

The November 2009 Caseload Estimating Conference adopted an additional $16.3 million in general revenues for the Medical Assistance program and $50,128 in additional financing for programs of cash assistance in FY 2010. Where applicable, the following expenditure changes to these programs are incremental to those adopted by the Conferees.

With respect to Medicaid expenditures, the Governor recommends FY 2010 revised general revenue financing commensurate with the Federal Medical Assistance Percentage (FMAP), as enhanced by the provisions of the American Recovery and Reinvestments Act (ARRA) where applicable. The ARRA enhancement increases the prevailing FMAP from a base level of 52.63 percent to an enhanced level of approximately 63.93 percent in (Federal) FY 2010. Although the enhanced FMAP provisions of ARRA avails the Department of significant fiscal relief in FY 2010, the Department has again 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 2010, these include, but are not limited to, the following (with associated general revenue savings displayed):

- The removal of (state-only) supplemental payments to hospitals for unqualified uncompensated care expenses, $3.7 million.
- A 5 percent reduction in subsidized child care reimbursement rates (effective until September 30, 2010), $465,473.
- Optimization of third party liability (transitioning from RiteCare to RiteShare), $522,799.
- A (5 percent) rate reduction for neonatal intensive care unit services, $270,600.
- Reviews of hospital coding for emergency department visits, $183,488.
- Institution of a State Maximum Allowable Cost (SMAC) program for generic drugs, $90,200: DHS will establish an aggressive State Maximum Allowable Cost (SMAC) Program for multi-source generic drugs dispensed to Medicaid beneficiaries receiving prescription drugs through the fee-for-service delivery system.
- A temporary reduction in the rate utilized for the diagnosis related group (DRG) reimbursement and financing methodology, $959,854.
- A reduction in costs for hospice services, $71,980: The Department will review national standards of selection for hospice patients, develop guidelines and a prior authorization program, and ultimately decrease the amount reimbursed for hospice services provided in a nursing home due to duplicative services.
- Reevaluation of costs, expansion of oversight, and pursuance of less costly alternatives under the Personal Choice and Habilitation Waivers, $144,320.
- A (4 percent) reduction in payment rates to Tavares Pediatric Center, $72,160.

The Governor's FY 2010 revised budget for the Department maintains general revenue savings from Costs Not Otherwise Matchable, or "CNOM" items that were enacted as part of the original FY 2010 budget. 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, resulting in general revenue cost-avoidance in the following CNOM areas: General Public Assistance (Medical), $826,008; Early Intervention, $1.9 million; Home Modification, $105,240; Personal Care Attendants, $186,856; Social Services for the Blind, $145,397; the RIDE Transportation Program, $619,662; and Community Health Centers, $600,000.

The Governor recommends other adjustments to the Department's plan of general revenue expenditure in FY 2010 throughout a multitude of programs. Personnel financing decreases by $3.0 million from the enacted level, the result of a highly constrained plan for the rehiring of FTE positions in the current year coupled with $942,896 in savings from the institution of eight pay reduction days and $495,157 in statewide medical benefit savings (relative to original FY 2010 revised working rates). Contract services expenditures decrease by $1.4 million, primarily due to the successful renegotiation of the *InRhodes* system contract for eligibility determination and payment processing. Financing for operating expenses decrease by $767,719. Staffing authorizations remain unchanged at 954.6 FTE positions.

FY 2011

The Governor recommends total expenditures of $2.126 billion for the FY 2011 budget of the Department of Human Services. This is comprised of general revenues totaling $673.7 million, federal funds of $1.439 billion, restricted receipts of $9.1 million, and other fund expenditures of $4.3 million. Relative to FY 2010 enacted levels, recommended general revenue financing increases by $11.7 million, or 1.8 percent, while federal financing increases by $150.4 million, or 11.7 percent. Again, the additional general revenue in the FY 2011 budget is largely driven by a $7.7 million increase in planned expenditures for the Medical Assistance (Medicaid) program, reflecting the combined result of estimates adopted at the November 2009 Caseload Estimating Conference, the continuation of savings programs set forth in the Department's FY 2010 plan of corrective action, and a slate of newly developed Medicaid initiatives for FY 2011. Also included in the overall general revenue increase is the transfer of $1.1 million in expenditure authority from the Department of Mental Health, Retardation and Hospitals (MHRH) to the Department of Human Services for Supplemental Security Income (SSI) payments to recipients of MHRH residential services. Moreover, significant general revenue increases to cash assistance programs were adopted at the November 2009 Caseload Estimating Conference, most notably for subsidized child care and SSI, and are discussed below. Again, the significant increase in federal funding is primarily the result of significant caseload growth in the Supplemental Nutrition Assistance Program (SNAP), outlays for which are anticipated to increase by $111.7 million over FY 2010 enacted levels.

The Department will continue the operation of the "Costs Not Otherwise Matchable" initiatives, resulting in general revenue cost-avoidance in the following amounts:

- General Public Assistance (Medical), $936,382
- Early Intervention, $1.9 million
- Community Health Centers, $600,000
- RIDE Transportation Program, $623,138
- Home Modification, $105,770
- Personal Care Attendants, $186,856
- Social Services for the Blind, $146,129

The November 2009 Caseload Estimating Conference adopted an additional $106.3 million in general revenues for the Medical Assistance program and $4.3 million in additional financing for programs of cash assistance in FY 2011. Where applicable, the following expenditure changes to these programs are incremental to those adopted by the Conferees.

With respect to Medicaid expenditures, the Governor recommends FY 2011 general revenue financing commensurate with the Federal Medical Assistance Percentage (FMAP), as enhanced by the provisions of the American Recovery and Reinvestments Act (ARRA) where applicable. The ARRA enhancement increases the prevailing FMAP from a base level of 52.97 percent to an enhanced level of approximately 61.45 percent in (Federal) FY 2011.

For FY 2011, the Department has again identified multiple opportunities for reform within its Medicaid program, many of which will provide significant budgetary relief in FY 2011 and beyond. Pursued under the auspices of the *Rhode Island Global Consumer Choice Compact Section 1115 Demonstration* (often referred to as the Global Waiver), and in keeping with the Waiver's goals of establishing a more person-centered, opportunity driven, and outcome-based program of medical assistance, these initiatives are designed to fundamentally improve modes of both service delivery and program integrity. Simultaneously, these measures are laying the foundation for a more financially sustainable Medicaid program in the challenging years ahead. Several of these initiatives are already contained in the plan of corrective action pursued in the FY 2010 revised budget, and will continue unabated in FY 2011 (with associated general revenue savings displayed):

- Reviews of hospital coding for emergency department visits, $182,140.

- Institution of a State Maximum Allowable Cost (SMAC) program for generic drugs, $358,150.
- A reduction in costs for hospice services, $141,469.
- Reevaluation of costs, expansion of oversight, and pursuance of less costly alternatives under the Personal Choice and Habilitation Waivers, $143,260.

Specifically for FY 2011, the Governor recommends pursuance of the following major initiatives:

- Reprocurement of Medicaid managed care contracts, $15.3 million: DHS contracts with managed care organizations (MCOs) for two core programs: RIte Care for children and families (including children with special health care needs) and Rhody Health Partners for community residing adults with disabilities. This initiative will accelerate the reprocurement with a start date for the new contracts of July 1, 2010. The savings will be achieved through adjustments to capitation rates resulting from specific areas of program redesign, including:

  (a) The "Communities of Care" concept wherein identified enrollees would be required to participate in focused programs designed to address both chronic health care needs and appropriate service utilization using three core programmatic tools: Restricted Networks, Enhanced Care Coordination and Outreach, and Personal Responsibility, Accountability and Wellness Incentives.

  (b) Provisions for limits for hospital payment rates under the inpatient All Patient Refined Diagnosis Related Groups (APR DRG) and outpatient Ambulatory Payment Classifications (APC) reimbursement methods.

  (c) Pharmaceuticals: Extension of the generic first requirements now included in core RIte Care for children and families to children with special health care needs and to Rhody Health Partners.

  (d) Use of Selective Contracting/Preferred Provider Networks for certain services when more favorable pricing can be secured through value-based contracting with preferred provider networks.

  (e) Benefit redesign and management, with a focus on moving certain services into managed care that are currently out-of-plan and provisions to assure that services provided and paid for are appropriate, non-excessive and consistent with standards of medical necessity and evidence-based practice.

- Managed long-term care, $4.3 million: As part of the Global Waiver, Rhode Island is working to re-balance the current system in favor of community-based care by diverting prospective admissions and transitioning current long-term care patient's in high-end residential or institutional settings into community-based alternatives where appropriate. This second phase of Rebalancing Long-Term Care will include utilizing a contracted entity to manage primary, acute and long-term care services for Medicaid-only clients, but with a pronounced focus on managing long-term care benefits for clients with both Medicare and Medicaid (i.e. the "dual eligible" population).

- Program Integrity: Expanded Recovery, $473,714: DHS will attempt to recoup foregone recoveries of medical assistance expenditures through an expansion of the current Medicaid Estate Recovery Program.

- Program Integrity: Ensuring that Medicare Part B payments are appropriate, $89,538: DHS will pursue system improvements to produce more accurate eligibility and demographic data for Medicare Savings Programs, thereby ensuring the State is paying Part B premiums appropriately.

- Program Integrity: Direct use of the Department of Motor Vehicles' data systems by the DHS Front-End Detection Unit: $364,821. DHS will directly query the DMV database in order to verify demographic information on clients applying for DHS programs, thereby improving eligibility monitoring and reducing instances of fraud and abuse. Currently, the Front End Detection Unit (FRED) reviews cases for eligibility for RI Works, Supplemental Nutrition Assistance Program (SNAP), Medical Assistance, and Child Care. Attendant savings are distributed throughout these programs.

- Children's Health Account Enhancements, $900,000: The Governor recommends a $900,000 enhancement of the restricted revenues generated by Children's Health Account assessments. This will be achieved through an increase in the maximum per service spending level from $5,000 to $6,000. Children's Health Account receipts defray expenditures of general revenues on a dollar-for-dollar basis within the Medical Assistance program.

The Governor's FY 2011 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) and Subsidized Child Care: Total Financing of $90.3 million, consisting of $8.3 million in general revenues, reflecting caseloads as adopted by the November 2009 Consensus Caseload Estimating Conference and deductions for: (a) the final quarter of a temporary 5 percent child care reimbursement rate reduction ($498,586); (b) savings generated by the aforementioned program integrity initiative pursued in partnership with DMV ($227,682); and (c) the substitution of $596,350 in federal financing for child care, supplied through the Emergency Contingency Fund for TANF.

- Supplemental Security Income Program (SSI): Total financing of $22.6 million, $1.9 million greater than the enacted level, consisting entirely of general revenues.

- General Public Assistance (GPA): *Bridge Program:* $739,440 in general revenues, consistent with adopted caseload levels. *Burials:* $525,000 in general revenues, consistent with adopted caseload levels. *GPA Medical*: $834,218 in general revenues, consistent with adopted caseload levels. *GPA Hardship Contingency Fund*: $478,000 in general revenues, consistent with Article 17 of the FY 2011 Appropriations Act.

The Governor recommends downward adjustments to personnel financing totaling $1.0 million in general revenues for both the deferral of the FY 2011 cost of living adjustment from July 1, 2010 to January 1, 2011 and for four pay reduction days during the second half of the fiscal year. Statewide medical benefit savings (relative to original FY 2011 working rates) of $476,869 in general revenues are likewise recognized. The Governor recommends staffing authorizations of 967.6 FTE positions in FY 2011, reflecting an increase of 13.0 FTE compared to FY 2010 revised levels. This increase includes the addition of 12.0 federally funded FTE positions to be transferred from the Department of Health as of October 1, 2010 for the administration and management of the Supplemental Nutrition Program for Women, Infants, and Children (WIC) and 1.0 additional FTE for mailroom processing support.

Human Services

Department of Mental Health, Retardation, and Hospitals

The Governor's revised FY 2010 budget for the Department of Mental Health, Retardation, and Hospitals totals $460.6 million, including $168.1 million in general revenue, $278.6 million in federal funds, $4.5 million in restricted receipts, and $9.4 million in other funds. On an all funds basis, the $460.9 million revised budget is $2.3 million less than the FY 2010 enacted budget of $462.9 million, consisting of the following net changes: an increase of $2.1 million in general revenue; and decreases of $2.2 million in other funds, $1.5 million in federal funds, and $698,714 in restricted receipts.

On an all funds basis, changes in the FY 2010 revised budget compared to the enacted budget include: reductions of $10.7 million in personnel costs, $1.9 million in operating costs, $2.2 million in capital purchases and equipment, and $485,610 in operating transfers; and an increase of $13.2 million for grants and benefits. Of the change in personnel costs, $3.3 million is associated with statewide adjustments, including savings of $1.9 million from eight uncompensated leave days and savings of $1.4 million from the reduced cost of medical benefits. The change in grants and benefits expenditures included increases of $15.6 million in the Developmental Disabilities program and $1.5 million in the Substance Abuse program; and decreases of $3.6 million in the Integrated Mental Health program and $331,525 in the Hospital program.

For FY 2010, the Governor recommends an authorized FTE level of 1,396.2 FTE positions, 2.2 FTE positions less than the enacted level of 1,398.4 FTE positions. Major programmatic funding changes and program initiatives for FY 2010, excluding statewide changes, are described below:

For the *Central Management Program*, the Governor recommends expenditures of $1.1 million from all funds, $58,249 less than the enacted budget of $1.2 million. The revised budget reflects decreases of $3,356 for payroll, $61,296 for operating, $2,500 for capital purchases and equipment, and $550 for grants and assistance; and an increase of $9,453 for contracted services.

For the *Hospital and Community Support Program*, the Governor recommends expenditures of $6.3 million from all funds. The revised budget includes a reduction of $435,749 from all funds, including decreases of $406,751 for payroll, $17,087 for contract services, and $241,122 for operating costs; and increases of $31,119 for grants and assistance and $198,092 for capital purchases and equipment. The FY 2010 revised budget transfers the remaining ground maintenance and motor pool staff of 5.0 FTE positions to the Hospital program. The personnel and operating costs associated with the unit that is transferred totals $594,900.

For the *Services for the Developmentally Disabled Program*, the Governor recommends expenditures of $243.0 million from all funds. This amount represents an increase of $13.3 million from the enacted budget, and includes increases of $8.1 million in federal funds, $5.0 million in general revenue, and $710,421 from other funds; and a decrease of $803,714 from restricted receipts. The revised budget reduces expenditures for personnel by $2.1 million, operating costs by $765,344, and operating transfers by $485,610; and increases grants and benefits by $15.7 million and capital purchases by $710,421. The increase in grants and benefit expenditures is the result of unachieved savings in the Developmental Disabilities Private System, which requires an additional appropriation of $17.2 million from all funds, including $6.2 million in general revenue and $11.0 million federal funds. The FY 2010 revised budget also transfers back to the Department of Human Services $1.1 million of general revenue for the state supplement to SSI payments, which continues to be funded through DHS. The Department is undertaking several department-wide corrective action initiatives to mitigate the projected deficit in the

Developmental Disabilities program, and the resulting impact on the State's general fund, including the following:

- Reduce general revenue-funded operating costs department-wide by $200,000, including $19,492 in the Developmental Disabilities program.

- Maximize federal revenue at Eleanor Slater Hospital ($926,200) and RICLAS ($51,775), which will allow the Department to save $975,356 of general revenue.

For the *Integrated Mental Health Program*, the Governor recommends total expenditures of $78.6 million, which is $3.8 million less than the enacted budget on an all funds basis. The revised budget includes $28.3 million of general revenue, $49.5 million of federal funds, and $796,600 of other funds for RICAP projects. The revised budget reduces expenditures for salaries and benefits by $69,582, operating costs by $404,051, and grants and benefits by $3.6 million; and increases expenditures for contract services by $199,472 and capital purchases and equipment by $71,429. Beginning in FY 2010, the Department is no longer eligible to receive Disproportionate Share (Pool I) funding from the Department of Human Services, resulting in foregone federal matching funds of $1.8 million. The Department is not eligible to receive the funding because the payments for Inpatient Psychiatric Services are being made to SSTAR, which is not classified as a hospital. The Department is accessing federal funds for this program though Global Waiver CNOMs.

For the *Hospital and Community Rehabilitation Services Program*, the Governor recommends total expenditures of $97.9 million, which is $12.0 million less than the enacted budget of $109.9 million. The revised budget reduces general revenue by $2.1 million, federal funds by $6.8 million, and other RICAP funds by $3.2 million; and increases restricted receipt funds by $105,000. The major changes include: decreases of $7.8 million for salaries and benefits, $150,156 for contract services, $451,172 for operating costs, $331,525 for grants and assistance, and $3.2 million for capital purchases. As discussed above, the FY 2010 revised budget transfers to the Hospital program $594,900 and 5.0 FTE positions for the remaining ground maintenance and motor pool staff formerly budgeted in the Hospital Support program.

For the *Substance Abuse Program*, the Governor recommends expenditures of $33.7 million from all funds, including $12.9 million in general revenue, $20.5 million in federal funds, $90,000 in restricted receipts, and $200,000 in other funds. The revised budget is $943,452 more than the enacted budget of $32.7 million. The major changes include: decreases of $253,332 for salaries and benefits, $48,690 for contract services, and $225,000 for capital purchases and equipment; and increases of $11,857 for operating costs and $1.5 million for grants and assistance.

The Governor's FY 2011 recommendation totals $447.7 million, including $165.1 million from general revenue, $262.4 million from federal funds, $10.1 million from restricted receipts, and $10.1 million from other RICAP funds. The general revenue portion of the budget reflects a decrease of $918,532 from the FY 2010 enacted budget. The Governor's FY 2011 recommended budget continues to seek opportunities to restructure the Department in order to create a more consumer-based system of care and to manage the growth in state expenditures for FY 2011 and beyond. Some of the initiatives the Governor proposes are classified as Category II amendments as defined by the Rhode Island Global Consumer Choice Compact Section 1115 Demonstration, usually referred to as the Global Medicaid Waiver, which will require the approval of the General Assembly and the Center for Medicare and Medicaid Services in order to be implemented.

In the *Services for the Developmentally Disabled Program*, the Department proposes the following changes:

- Restructure the Network of Providers Serving Persons with Developmental Disabilities. The Department proposes to establish, though a competitive process, one or more networks of service providers for the purpose of maximizing services and operational efficiencies, and assuring beneficiaries' needs are met with the most appropriate services in the most appropriate setting. This is classified as a Category II change. This is expected to save $7.0 million from all funds, of which $2.5 million is general revenue.

- Consolidate RICLAS clients into group homes and close two RICLAS group homes. This is expected to save $810,000 from all funds, of which $242,281 is general revenue.

- Consolidate two day program sites into one location. This would result in lower rental, utility bills and repair costs, and allow one of the state-owned sites to be sold or used for other purposes. This is expected to save $20,000 in operating costs and maintenance from all funds, of which $5,982 is general revenue.

For FY 2011, the Governor recommends merging the Substance Abuse program into the Integrated Mental Health program for budgetary purposes, and renaming the program *Behavioral Healthcare Services*. While the programs were merged into the Behavioral Healthcare Services program by statute during the 2002 session of the General Assembly, they have retained their identities for budget presentation purposes. Other initiatives planned during FY 2011 include the following:

- Establish Behavioral Health Community Safety Net. The Department proposes to restructure the payment system to provide community health centers with a consistent and predictable payment system that provides performance and financial incentives. The contracting strategy proposed in this amendment may result in payment restructuring, requiring a Category II change under the Global Waiver. This is expected to save $4.0 million from all funds, of which $1.3 million is general revenue.

- Modify Payment System for Supportive Employment Program and Day Treatment. The Department proposes to modify the payment system for certain day programs and treatments provided to beneficiaries receiving behavioral health services. This proposal is classified as a Category II change under the Global Waiver. This proposal is expected to save $1.0 million from all funds, of which $358,150 is general revenue.

- Modify Payment System for Multi-disciplinary Treatment Planning. The Department proposes to modify the payment strategy while continuing to require a multipurpose disciplinary treatment plan. As the modification will change the payment structure of Medicaid funded services, this proposal is classified as a Category II change. This proposal is expected to save $430,000 from all funds, of which $154,004 is general revenue.

- Transfer State Funded Methadone Maintenance and Treatment Expenditures to Costs Not Otherwise Matchable (CNOM). The Department proposes an amendment to the Global Waiver to obtain federal matching funds for certain state-only funded methadone maintenance and treatment costs under the terms and conditions of the Global Waiver. The Department believes it may need to request certain Category II changes under the Global Waiver. This proposal is expected to save $438,000 from all funds, all of which is general revenue.

- Eliminate the Treatment Alternatives to Street Crime (TASC) Program. This program was established to provide an initial assessment, referral, and case management for individuals convicted of a second DUI offense. The Department proposes to eliminate this function in the Department, such that referrals from the Registry of Motor Vehicles, the Attorney General or CCRI would go directly to the provider agencies. The Department's assessment and case management is also a duplication of the work that is currently being performed by provider agencies. This proposal is expected to save $73,457 of general revenue.

In the *Hospital and Community Rehabilitative Services Program*, the Governor is proposing to physically restructure the Eleanor Slater Hospital on the Pastore Government Center by consolidating hospital operations into fewer, more appropriate patient settings that meet or exceed Joint Commission on Accreditation and Healthcare Organizations (JCAHO) standards. Over the next three years, the Governor proposes renovations to each of the four wards of the Varley building and each of the four wards of the Mathias building, and moving patients from the Pinel building, the Adolph Meyer building, and the Virks building into the newly renovated Varley and Mathias buildings. Before the building renovations are initiated, the Fire Board and Parole Board will be relocated from the Varley building; and the Rhode Island Training School girls and Providence Center clients will be relocated from the Mathias building. The estimated cost of renovating the Varley and Mathias buildings for the Hospital, and renovating space for the Fire Board, Parole Board, and Providence Center, is a total of $29.0 million, of which $28.3 million will be financed from certificates of participation and $670,000 from RICAP funds. Before the Rhode Island Training School girls can be moved from the Mathias building to the Adolph Meyers building, two units of the Adolph Meyers building will be renovated. The Varley building renovations are expected to be completed by June 2012, while the Mathias building renovations are expected to be completed by February 2013.

Beginning in FY 2011, the Department proposes to direct order dietary and housekeeping supplies, which is expected to save the Hospital $400,000 from all funds, of which $143,208 is general revenue.

For FY 2010, the Governor recommends an authorized FTE level of 1,396.2 positions, which is 2.2 FTE less than the enacted budget. For FY 2011, the Governor recommends an authorized FTE level of 1,395.2, reflecting the elimination of 1.0 FTE associated with the TASC program.

Office of the Child Advocate

The Governor's revised FY 2010 budget for the Office of the Child Advocate is $558,159, including $512,265 in general revenue and $45,894 in federal funds. The general revenue appropriation in the revised FY 2010 budget is $34,783 less than the enacted budget of $547,048, reflecting agency specific reductions of $15,168, most of which are associated with turnover savings of $11,322, and statewide reduction adjustments of $19,615. The statewide adjustments consist of savings from eight uncompensated leave days for all state employees, $14,297; and decreased costs associated with providing employer-funded medical benefits, $5,318.

For FY 2011, the Governor recommends total expenditures $590,863, including $545,058 in general revenue and $45,805 in federal funds. The general revenue increase of $32,793 compared to the FY 2010 enacted budget includes a $32,993 increase for personnel costs and a $200 decrease for contract services. Personnel cost changes include increases for a 3.0 percent cost of living (COLA) adjustment for state employees, offset by savings from four uncompensated leave days for all employees and a six-month COLA delay, and decreases for employer-funded medical benefits.

The Governor recommends an authorized FTE level of 5.8 positions in FY 2010 and FY 2011, which is 0.1 FTE higher than the FY 2010 enacted budget.

Commission on the Deaf and Hard of Hearing

The Governor's revised FY 2010 budget for the Commission on the Deaf and Hard of Hearing is $349,670, consisting solely of general revenues to finance the Commission's personnel, operating, and interpreter referral services. This represents an overall decrease of $20,476, or 5.5 percent, from the FY 2010 enacted budget. These revisions are largely attributable to statewide personnel adjustments for eight pay reduction days and medical benefit savings totaling $8,002 and $4,801, respectively. Also included is a reduction of $1,576 to the Commission's operating expenditures and a $6,550 downward rebasing for contracted professional services.

For FY 2011, the Governor recommends $363,502 in general revenues, which again provides the resources necessary to support the Commission's current operations. This represents a decrease of $6,644, or 1.8 percent, from the FY 2010 enacted level of $370,146. This recommendation is consistent with that of the FY 2010 revised budget, but further includes a personnel adjustment totaling $8,248 for both the deferral of the FY 2011 cost of living adjustment from July 1, 2010 to January 1, 2011 and for four pay reduction days during the second half of the fiscal year. Statewide medical benefit savings relative to original FY 2011 working rates of $4,393 are likewise recognized. Staffing authorizations for the Commission remain unchanged at 3.0 FTE positions.

Governor's Commission on Disabilities

The Governor recommends revised expenditures of $746,266 for FY 2010. This consists of $344,227 in general revenue, $198,329 in federal funds, $190,151 from the Rhode Island Capital Plan Fund, and $13,559 in restricted receipts. The revised funding level is $19,866 more than the FY 2010 enacted level, and consists of a general revenue decrease of $22,233, a federal funds increase of $23,380, and a restricted receipts increase of $3,558. There are general revenue savings of $9,236 related to eight pay reduction days. Other savings are related to the elimination of the contract services position for the Disability Business Enterprise program.

The Governor recommends total expenditures of $825,256 in FY 2011, including $368,032 in general revenue, $193,598 in federal funds, $13,626 in restricted receipts, and $250,000 from the Rhode Island Capital Plan Fund. The recommended general revenue funding in FY 2011 is $1,582 more than the FY 2010 enacted level. Personnel increases are the result of a 3.0 percent COLA adjustment, medical benefits inflation, retirement, statewide benefit assessment, and retiree health insurance. Personnel costs also include a reduction of $9,769 for a six month delay in the 3.0 percent cost of living adjustment and four pay reduction days.

The recommended FTE ceiling for FY 2010 and FY 2011 is 4.0 FTE positions.

Office of the Mental Health Advocate

The Governor recommends revised FY 2010 general revenue expenditures of $391,609 for the Office of the Mental Health Advocate, a decrease of $56,814 from the enacted level of $448,423. The decrease is primarily attributable to the following statewide payroll adjustments: turnover savings associated with a position being vacant for a portion of the year, $48,094; savings from eight uncompensated leave days for all state employees, $10,746; and savings from a statewide decrease in the cost of employer-funded medical benefits, $3,637. Offsetting a portion of the payroll savings were increases for contract services, $4,500; and operating costs, $1,163.

The Governor recommends total FY 2011 general revenue expenditures of $441,956, reflecting full funding for agency current services and a decrease of $6,467 over the enacted FY 2010 budget. The general revenue decrease of $6,467 compared to the FY 2010 enacted budget includes a $7,630 decrease for personnel costs and a $1,163 increase for operating costs. Personnel costs include a 3.0 percent cost-of-living adjustment for state employees, offset by savings from four statewide pay reduction days and a six-month cost of living increase delay, and savings from reduced costs of medical benefits.

The Governor recommends the enacted staffing authorization of 3.7 FTE positions for both FY 2010 and FY 2011.