

State of Rhode Island and Providence Plantations

# Budget as Enacted



## Fiscal Year 2015

Lincoln D. Chafee, Governor



# FY 2015 Budget as Enacted

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# Overview

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<p><i>Enacted Appropriations</i></p>
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The FY 2015 Budget was passed by the General Assembly under 14-H-7133 Substitute A, as amended on June 13, 2014 (House of Representatives) and June 16, 2014 (Senate). The budget became law on June 19, 2014 with Governor Chafee's signature, and is filed in Chapter 145 of the Public Laws of 2014.

The final FY 2015 enacted budget at \$8.780 billion is higher than the Governor's recommended budget of \$8.544 billion by \$236.2 million, or 2.8 percent. This increase incorporates \$200.2 million in amendments submitted by the Governor in April and May of 2014, in addition to \$36.0 million in General Assembly initiatives. Given the revised revenue picture adopted by the May 2014 Revenue Estimating Conference, the General Assembly could utilize an additional \$4.7 million net general revenues in comparison to the estimates adopted in November, 2013.

As with the Governor's recommended budget, the final enacted budget includes no new taxes or fees to support the FY 2015 spending plan. Also in line with the Governor's recommended budget is a commitment to holding the line on taxes and targeting resources to improve Rhode Island's infrastructure. The General Assembly and the Governor share the same commitment to make the State more attractive to new businesses, corporations, and citizens, while serving the existing businesses and people that call Rhode Island home.

In FY 2015, the General Assembly revisited a Governor's proposal from his FY 2014 Budget recommendation to reduce the corporate income tax from nine percent (9.0%) to seven percent (7.0%) in addition to enacting a number of initiatives to help Rhode Island become more business friendly to spur economic recovery, including:

- Implementation of combined reporting for business corporations tax filers and the elimination of the franchise tax;
- Converting the current estate tax threshold from approximately \$922,000 to \$1.5 million and eliminating the 'estate tax cliff', which will allow Rhode Islanders to transfer more of their hard earned wealth to their heirs;
- Extension of the alcohol sales tax exemption through June 30, 2015.

The General Assembly also included some of Governor Chafee's initiatives to kick-start the economy, including agreeing to the Creative and Cultural Economy bond proposal for the November 2014 ballot, creation of a new Office of Diversity, Equity and Opportunity to ensure equal opportunity to state job applicants, and identification and eradication of underground economies that sap revenues from state coffers and put workers in danger from unregulated workplaces.

The Governor's proposals for support of cities and towns was also favorably enacted by the General Assembly including provision of \$11.8 million in pass-through aid, and \$65.5 million in direct state-aid, which includes an additional \$5.0 million in Payment-in-Lieu-of-Taxes (PILOT). Municipalities will be reimbursed in FY 2015 for 24.21 percent of certain non-taxable property in their communities. The General Assembly concurred with the Governor's plan for distressed community relief by providing \$10.4 million. The General Assembly added fire districts to the Financial Stability Act, allowing the State to assist struggling districts recover after periods of financial distress without compromising public safety. The General Assembly also allotted an additional \$5.0 million to the Municipal Road and Bridge Revolving Loan Fund to provide a reliable financing tool for local road and bridge projects. Finally, the General Assembly agreed with the Governor's recommendation that the State provide expert knowledge to communities to ensure that all locally operated pension plans are sustainable into the future, without undue assistance from the State.

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## Overview

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In Human Services, the enacted budget includes significant financing geared towards providing a strong safety net for people in need, with fair eligibility requirements. The May 2014 Caseload Estimating Conference presented a challenge whereby medical assistance costs were determined to be \$26.1 million more in general revenue (\$234.0 million all funds) than had been estimated in November 2013. The General Assembly closed the gap by adding \$24.7 million in general revenue, \$2.1 million in restricted receipts and \$233.3 million in federal funds to address the medical assistance requirements of this population.

The General Assembly also moved the financing for fee-for-service mental health and substance abuse populations from the Behavioral Healthcare, Developmental Disabilities and Hospitals department to the Executive Office of Health and Human Services, thus further centralizing Medicaid appropriations to one agency. Other initiatives included in the General Assembly's enacted budget for Human Service agencies include:

- Institution of an electronic Visit Verification System to ensure patients are receiving the right care from the right care providers;
- Partial restoration of a Governor's FY 2015 initiative to gradually implement a cost of living increase for nursing facilities;
- Financing for the Upper Payment Limit for hospitals, including establishment of an in-patient supplemental payment to community hospitals to help defray the cost of serving the uninsured and under-privileged population;
- Extension of the transition child care assistance program for an additional two years to help low-income Rhode Islanders get back to work;
- Establishment of a Graduate Medical Education Funding pool in support of Rhode Island's academic hospitals to support programs that educate future medical professionals.

The Governor's Education initiatives were mostly accepted by the General Assembly including full financing of the fourth year of the education aid formula and tuition freezes at the three State institutions of higher education. In the Department of Education, the General Assembly adjusts the education aid formula distribution to reflect updated student enrollment data, and restores funding for textbooks and administration of school breakfast programs. The General Assembly also shifts \$500,000 in community service grants from Higher Education to the Department of Elementary and Secondary Education, to finance the JASON project, which links research-learning conducted by leading scientists to students in grades four through nine. In Higher Education, the Governor's proposal to support a new governing structure for the Board of Education was accepted by the General Assembly.

In Environmental agencies, the General Assembly begins transfer of ownership of the World War II State Park from the State to the City of Woonsocket by appropriating \$250,000 in general revenue. These funds will be used to support maintenance and operation expenses that the City will incur as it assumes full ownership responsibility by FY 2019, after state-funded capital improvements are completed. The General Assembly also provides federal financing in the Coastal Resources Management Council to restore ecosystems ravaged by invasive aquatic species.

For the Department of Transportation, the General Assembly and the Executive Branch agree that a sustainable source of financing for the maintenance and repair of the Rhode Island's roads and bridges is vital for economic recovery, and for the safety of the local and regional traffic that utilize our highways. To this end, the General Assembly created the Transportation Infrastructure Fund (TIF) which incorporates some components of the Governor's original recommendation. The new TIF redirects certain departmental revenues associated with vehicles, adds Rhode Island Capital Plan Fund financing, in



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## Overview

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addition to residual bond proceeds to the TIF. The TIF is estimated to provide a steadily increasing financing resource for these projects many years into the future.

The enacted budget also includes some key capital investments as proposed by Governor Chafee using the pay-as-you-go Rhode Island Capital Plan Fund. Some of these investments include:

- Financing to bring the currently vacant Rocky Point Park into Rhode Island's ocean-front recreational area system;
- Stabilizing the Cranston Street Armory building to preserve and provide opportunities for reuse of this historic structure in Providence;
- Financing to make Fort Adams State Park a state-of-the art sailing venue, suitable for world class events.

Other capital projects recommended by the Governor and embraced by the General Assembly include:

- Approval of a debt resolution that starts the process to build and lease a joint Nursing Education Center at the South Street Landing Property;
- Approval of a debt resolution to construct a new Garrahy Courthouse Garage to provide parking for citizens accessing the judicial system, and to provide parking for new businesses as the I-195 Redevelopment Commission begins development of parcels;
- Approval of \$60.0 million in airport revenue bonds to be issued by the Rhode Island Commerce Corporation for various capital improvements to the State's airports;
- Proposal of several general obligation bond referenda items to be put before the voters in November 2014, including \$125.0 million for a new College of Engineering building at the University of Rhode Island, \$30.0 million for grants to performance and cultural arts centers throughout the State, \$53.0 million for environmental and recreational projects, and \$35.0 million for Mass Transit Hub Infrastructure.

Fiscal Year 2015 appropriations from all funds total \$8.780 billion. In relation to the FY 2014 revised budget of \$8.470 billion, the FY 2015 enacted appropriations increase by \$310.0 million or 3.7 percent from all fund sources. General revenue appropriations total \$3.445 billion; an increase of \$92.8 million, or 2.8 percent, from the final FY 2014 revised general revenue appropriation of \$3.352 billion. Within FY 2015 general revenue appropriations, General Government expenditures increase by \$15.2 million or 3.5 percent; Human Services expenditures increase by \$21.2 million or 1.6 percent; Education expenditures increase by \$52.2 million or 4.6 percent; Public Safety expenditures increase by \$2.7 million or 0.7 percent; and Natural Resources expenditures increase by \$1.4 million or 3.9 percent.

Significant general revenue increases include an additional \$5.0 million for Payment-in-Lieu-of-Taxes (PILOT) aid to municipalities and \$24.7 million more for the May 2014 Caseload Estimating Conference results, offset by reduction of \$14.7 million in the Office of Health and Human Services as it changes the timing of redetermination of eligible clientele, and \$3.4 million across all state departments due to savings on employee medical benefits.

Federal funds total \$3.086 billion in the FY 2015 enacted budget, reflecting an increase of 5.3 percent or \$156.5 million from the final FY 2014 federal funds appropriation of \$2.930 billion. Human Services agencies increase by \$294.8 million or 14.5 percent, offset by reduction of \$97.5 million in general government, \$17.2 million less for Education agencies, \$14.7 million less in Public Safety agencies and \$6.0 million less for Natural Resource agencies. Transportation, which is provided with \$352.1 million in federal financing in FY 2015, remains largely unchanged from the revised FY 2014 Budget of \$355.0 million.

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Significant changes to the federal financing level include \$11.3 million more for the upper payment limit reimbursements for hospitals servicing Medicaid patients; \$206.5 million as a result of the May 2014 Caseload Estimating Conference, and \$2.6 million for needs-based scholarships. These increases are offset by reduction of \$2.3 million for cash assistance based on caseload estimates; reduction of \$14.8 million due to timing of redetermination of eligible clientele in the Office of Health and Human Services (with a corresponding general revenue reduction); and statewide reduction of \$1.9 million for savings attributable for revised medical benefit rates for state employees financed with federal dollars.

Restricted receipts total \$283.1 million in the FY 2015 enacted budget, an increase of \$4.3 million or 1.6 percent from the final FY 2014 revised budget of \$278.7 million. By functional area, General Government restricted receipts increase by \$3.1 million or 2.5 percent; Human Services receipts increase by \$3.9 million or 6.6 percent; and Education receipts increase by \$278,587 or 1.0 percent. Public Safety receipts decline by \$5.5 million or 13.3 percent and Natural Resources receipts decline by \$3.0 million or 15.5 percent. Transportation receipts increase by \$5.5 million, from \$6.9 million to \$12.4 million, an increase of 79.8 percent from the FY 2014 revised budget to the FY 2015 enacted budget. The significant increase in Transportation reflects year two of Division of Motor Vehicle surcharges that will be used to watch federal highway funding, in addition to newly instituted fees.

Other funds, including transfers from the Rhode Island Capital Plan Fund, total \$1.965 billion in the FY 2015 enacted budget, an increase of \$56.3 million or 3.0 percent from the final FY 2014 revised budget of \$1.909 billion. Changes to Rhode Island Capital Plan Fund financing, recommended by the Governor in an amendment and accepted by the General Assembly, comprise a portion of Other Fund changes in the final FY 2015 enacted budget. Financing for these “pay-as-you-go” capital projects is assigned to projects that are shovel-ready, projects that contribute to the safety of visitors to state facilities and projects that enhance state employee efficiency.

<p><b><i>Enacted General Revenues</i></b></p>
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The budget as enacted by the General Assembly is based on estimated general revenues of \$3.416 billion in FY 2014 and \$3.493 billion in FY 2015. Annual estimated growth for final enacted FY 2014 over audited FY 2013 general revenues is 2.8 percent and annual estimated general revenue growth for enacted FY 2015 over final enacted FY 2014 is 2.3 percent. Estimated deposits of \$105.6 million and \$106.6 million will be made to the Budget Reserve and Cash Stabilization Fund during these fiscal years. The contributions to the Budget Reserve and Cash Stabilization Fund are funded by limiting annual appropriations to 97.0 percent of estimated revenues in FY 2014 and FY 2015. The revenue estimates contained in the General Assembly’s final enacted FY 2014 and enacted FY 2015 budgets are predicated upon the revenue estimates adopted at the May 2014 Consensus Revenue Estimating Conference (REC) and the General Assembly’s enacted changes to these adopted general revenues.

The Consensus Revenue Estimating Conference is required by statute to convene at least twice annually to forecast general revenues for the current year and the budget year, based upon current law, collection trends and the consensus economic forecast. The Conference members are the State Budget Officer, the House Fiscal Advisor, and the Senate Fiscal Advisor. Typically, the two required meetings of the Consensus Revenue Estimating Conference occur in November and May of each fiscal year. The Governor’s recommended budget is based on the general revenue estimates adopted at the November REC, while the General Assembly’s enacted budget was based on the general revenue estimates adopted at the May REC.

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## Overview

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***FY 2014 Final  
Enacted  
Revenues***

The principals of the May 2014 Revenue Estimating Conference adopted revenue estimates that were \$16.2 million less than the FY 2014 revenue estimates adopted at the November 2013 Revenue Estimating Conference, a decrease of 0.5 percent. Relative to the Governor's recommended FY 2014 supplemental budget, the differences from the May 2014 REC adopted estimates for FY 2014 represent a decrease of \$14.9 million in general revenue or -0.4 percent growth. The final enacted FY 2014 budget reflects estimated general revenues that are \$5.6 million more than the May 2014 REC adopted estimates for FY 2014. Details of the Governor's recommended changes to the FY 2014 estimates adopted at the November 2013 REC and the General Assembly's enacted changes to the FY 2014 estimates adopted at the May 2014 REC are displayed in the table *General Revenue Changes to Adopted Estimates FY 2014* in Appendix A of this document. The enacted change to the FY 2014 adopted estimates approved by the General Assembly with the concurrence of the Governor is the result of an increase in the FY 2014 Hospital Licensing Fee from 5.246 percent to 5.418 percent, the transfer of surplus funds from a Department of Administration insurance restricted receipt account to the general fund and the receipt of a new Department of Health grant.

***FY 2014 Final  
Enacted Revenues vs.  
FY 2013 Final  
Audited Revenues***

Final enacted revenues for FY 2014 are based upon a \$92.0 million increase in total general revenues over final audited FY 2013, or growth of 2.8 percent. Much of this increase can be found in personal income taxes, \$17.4 million, or 1.6 percent; insurance companies gross premiums taxes, \$13.3 million, or 14.3 percent; and sales and use taxes, \$28.1 million, or 3.2 percent. These increases are partially offset by the estimated decrease in business corporations taxes, \$(14.7 million), or -11.2 percent.

Personal income tax collections continue to be the single largest source of state general revenues in FY 2014 at 32.3 percent of total general revenues. Much of the projected increase in personal income tax revenues is due to increased withholding tax payments of \$38.3 million, or 3.9 percent, and decreased refunds paid of \$4.7 million, or -1.7 percent. These increases are offset by an estimated decrease in final personal income tax payments of \$24.9 million, or -12.7 percent.

General business tax collections are projected to increase by \$7.5 million or 2.0 percent, due primarily to an estimated increase in insurance companies gross premiums taxes and an increase in public utilities gross earnings taxes of \$8.4 million, or 8.4 percent. The increase in insurance companies gross premiums tax revenues is overwhelmingly attributable to increased revenues from health insurance premiums of \$11.3 million or 32.6 percent. This overall increase in general business tax revenues is partially offset by the decrease in business corporations tax revenues noted above.

Sales and use tax revenues are projected to represent 26.6 percent of total general revenues in the final enacted FY 2014 budget. For FY 2014, total sales and use tax collections are projected at \$907.0 million. Excise taxes other than the sales and use tax are expected to increase by \$14.9 million or 7.7 percent in final enacted FY 2014 over audited FY 2013 revenues. Motor vehicle registration and title fees, motor carrier fuel use tax, cigarettes and other tobacco tax, and alcohol excise tax revenues are estimated to increase by \$2.9 million, \$61,745, \$6.6 million and \$5.4 million, respectively, in the final enacted FY 2014 budget.

Other tax revenues are projected to increase by \$10.2 million, or 27.6 percent in the final enacted FY 2014 budget relative to audited FY 2013 other tax revenues. Of the total increase in other tax revenues, estate and transfer tax revenues are expected to increase by \$9.6 million, or 33.7 percent. The increase in estate and transfer tax collections is partially attributable to the receipt of a large one-time payment of

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\$4.2 million received in FY 2014. Realty transfer taxes and racing and athletics tax collections are anticipated to increase by \$600,778 and \$28,892, respectively. Racing and athletics taxes are expected to total \$1.2 million in the final enacted FY 2014 budget, an increase of 2.5 percent from audited FY 2013 revenues. Realty transfer taxes are estimated to total \$8.0 million in final enacted FY 2014, an increase of 8.1 percent from audited FY 2013 revenues.

In the FY 2014 final enacted budget, departmental receipts are projected at \$359.2 million, an increase of \$2.3 million, or 0.7 percent, from audited FY 2013 revenues. The increase in the departmental receipts is attributable in part to anticipated receipt of overdue payments for the FY 2012 Hospital Licensing Fee of \$5.5 million, which was included in the FY 2014 departmental receipts adopted estimate at the May 2014 Revenue Estimating Conference. In addition, the General Assembly passed legislation to increase the FY 2014 Hospital Licensing Fee to 5.418 percent, which is expected to increase revenues by \$4.6 million in FY 2014. The General Assembly also passed legislation increasing revenues by \$29,465 to recognize the deposit of a new grant awarded to the Department of Health to improve vaccine coverage and utilization by pregnant women.

In addition to the above general revenue components, an increase is expected in final enacted FY 2014 revenues for the lottery transfer to the general fund of \$1.5 million, or 0.4 percent from the audited FY 2013 lottery transfer. In FY 2014, the lottery transfer is enacted at \$380.7 million with \$59.5 million generated by traditional and monitor games, \$309.4 million generated by the video lottery terminals installed at Newport Grand and Twin River and \$11.8 million produced by the table games located at Twin River. The final enacted FY 2014 lottery transfer will comprise 11.1 percent of enacted total general revenue.

The unclaimed property transfer to the general fund is forecasted to increase by \$5.6 million in the final enacted FY 2014 budget, an increase of 89.8 percent from audited FY 2013 revenues. The increase in the unclaimed property transfer is based on the testimony provided by the Office of the General Treasurer at the November 2013 and May 2014 Revenue Estimating Conferences. For FY 2014, final enacted other miscellaneous general revenues are projected to increase by \$4.3 million from audited FY 2013 revenues. The increased revenue collections are partially attributable to the transfer of surplus funds from a Department of Administration insurance restricted receipt account of \$925,419.

<p><b><i>FY 2015 Enacted Revenue</i></b></p>
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The enacted FY 2015 budget estimates general revenues of \$3.493 billion, an increase of 2.3 percent from the final enacted FY 2014 level. The enacted FY 2015 budget has estimated general revenues that are \$1.4 million below, or less than -0.1 percent growth when compared to the estimated general revenues contained in the Governor's FY 2015 recommended budget. The General

Assembly's enacted budget is comprised of \$3.343 billion of revenue estimated at the May 2014 Revenue Estimating Conference and \$149.8 million of changes to the May 2014 REC adopted estimates. These changes are shown in the schedule *General Revenue Changes to Adopted Estimates FY 2015* located in Appendix A of this document.

The largest source of enacted FY 2015 general revenues is the personal income tax, with estimated revenues of \$1.157 billion, \$9.0 million more than the May 2014 REC adopted estimate for FY 2015, or growth of 4.9 percent from the final enacted FY 2014 amount, and \$1.2 million less than the amount included in the Governor's FY 2015 recommended budget. The decrease in enacted FY 2015 personal income tax revenue estimate is the result of the downward revision in the personal income tax revenue estimate at the May 2014 REC of \$10.2 million from the Governor's FY 2015 recommended budget, along with the General Assembly's decision to authorize a personal income tax compliance project for local employees and officials estimated to generate \$691,782 in FY 2015. In addition, the General

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Assembly's enacted FY 2015 budget includes the elimination of the property tax relief credit for low income individuals, which is estimated to augment revenues by \$8.2 million in FY 2015, and a restructured Rhode Island earned income tax credit (EITC), which is estimated to reduce revenues by \$4.3 million in enacted FY 2015. The restructured Rhode Island EITC reduced the percentage of the federal EITC that could be used against a taxpayer's Rhode Island tax liability from 25 percent to 10 percent but increased the percentage of the unused portion of the EITC that was refunded to the taxpayer from 15 percent to 100 percent. The General Assembly concurred with the Governor's FY 2015 recommendations to add ten new revenue officer positions to assist the Division of Taxation's collection of delinquent taxes. The initiative is projected to enhance FY 2015 personal income tax revenues by \$2.7 million. The General Assembly also concurred with the Governor's proposal to create a Statewide Taskforce designed to combat employee misclassification, which is projected to generate an additional \$900,000 of personal income tax revenue in FY 2015. The General Assembly also accepted the Governor's proposals to implement a state employee tax compliance program and establish a registration block on "new" vehicle registrations for those individuals who are delinquent on state taxes. These two initiatives are expected to generate \$668,400 in FY 2015. Enacted FY 2015 personal income tax revenues are projected to comprise 33.1 percent of the enacted FY 2015 general revenue.

General Business taxes are projected to comprise 11.5 percent of total general revenues in the FY 2015 enacted budget. Business corporations tax revenues are expected to yield \$118.8 million, which is \$3.4 million more than the estimate adopted at the May 2014 REC. This total is \$15.1 million, or 11.3 percent less than the amount included in the Governor's FY 2015 recommended budget. The General Assembly passed legislation that will implement combined reporting with single sales factor apportionment for all C-corporations, while simultaneously reducing the business corporations tax rate from 9.0 to 7.0 percent. In addition, the General Assembly eliminated the franchise tax for those franchise tax filers paying more than the \$500 minimum tax. Enactment of these proposals is estimated to increase business corporation tax revenues by \$2.7 million in FY 2015. As noted above for the personal income tax, the General Assembly also approved the Governor's recommendation to provide the Division of Taxation with 10 new revenue officers to assist in the collection of delinquent taxes. This proposal is expected to enhance business corporation tax revenues by another \$711,698 in FY 2015.

Insurance companies gross premium taxes are estimated at \$115.5 million in the FY 2015 enacted budget, a decrease of \$1.4 million from the FY 2015 estimate adopted at the May 2014 REC and \$7.8 million more than the estimate included in the Governor's FY 2015 recommended budget. The decrease from the May 2014 REC estimate is the result of the approval by the General Assembly of several initiatives designed to control escalating health care costs that were proposed by the Governor in the FY 2015 recommended budget. These proposals include a managed care rate decrease yielding an estimated decline in revenues of \$468,365; an initiative to reduce the number of high utilizers of health care services resulting in a reduction in revenues of \$326,221; a hospital rate freeze estimated to reduce revenues by \$132,176; a proposal to determine the suitability of durable medical equipment purchases based on the results from the U.S. Office of the Inspector General audits of such purchases, expected to decrease revenues by \$40,024; and the implementation of utilization reviews for imaging services also expected to decrease revenues by \$40,024. In addition, the General Assembly passed legislation to accelerate the recertification process for RItE Care eligibility under the Affordable Care Act, which is estimated to reduce revenues by \$389,486 in FY 2015. The recommended growth rate for enacted FY 2015 insurance companies gross premiums tax revenues over the FY 2014 final enacted estimate is 9.0 percent and insurance companies gross premiums tax revenues are expected to represent 3.3 percent of enacted FY 2015 total general revenues.

FY 2015 enacted revenues for the public utilities gross earnings tax, the financial institutions tax, and the bank deposits tax are at the same levels as were adopted at the May 2014 REC. The FY 2015 enacted

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public utilities gross earnings revenue estimate is \$14.5 million more than the Governor's FY 2015 recommended estimate while the enacted FY 2015 estimates for financial institutions tax is \$7.0 million greater and the bank deposits tax is \$500,000 less than the amounts included in the Governor's FY 2015 recommended budget. The FY 2015 enacted growth rate for public utilities gross earnings tax revenues relative to the FY 2014 final enacted estimate is 3.7 percent. For financial institution tax revenues the enacted growth rate for FY 2015 relative to FY 2014 final enacted estimate is -14.8 percent. Bank deposit tax revenues are not expected to grow in the FY 2015 enacted budget from the level estimated in the final enacted FY 2014 budget.

The health care provider assessment on nursing homes is forecasted to yield \$42.1 million in the FY 2015 enacted budget, a decrease of \$462,812 from the estimate that was adopted at the May 2014 REC. This decrease is partially attributable to the General Assembly's concurrence with the Governor's recommendation to suspend the cost of living adjustment to nursing home providers that was scheduled to be received on October 1, 2014 and newly enacted legislation that further pushes back this effective date to April 1, 2015. This proposal reduces revenues by \$435,295 in FY 2015. In addition, the General Assembly enacted legislation to provide a more in-depth review process associated with the determination of financial eligibility for long-term care that will reduce revenues by \$27,517 in FY 2015. The enacted growth rate in FY 2015 health care provider assessment revenues over the FY 2014 final enacted estimated revenues is 0.8 percent.

Sales and use tax revenues are expected to yield \$939.6 million in the enacted FY 2015 budget, \$2.6 million more than the estimate adopted at the May 2014 Revenue Estimating Conference and \$2.1 million more than the estimate included in the Governor's FY 2015 recommended budget. The increase in sales and use tax revenue from the May 2014 adopted estimate is due in part to the General Assembly's acceptance of the Governor's recommendation for the addition of ten new revenue officers in the Department of Revenue's Division of Taxation, the inclusion of a safe harbor provision on personal income tax returns for use tax owed, and anti-zapper legislation to combat the understatement of total sales by business owners for tax purposes. These three initiatives are expected to augment sales and use tax revenues by \$5.7 million in FY 2015. In addition, the General Assembly passed legislation to extend the exemption of wine and spirits from the statutory 7.0 percent sales and use tax to June 30, 2015. The enacted FY 2015 budget includes a reduction in sales and use tax revenues of \$3.1 million to reflect this change. Sales and use taxes are expected to contribute 26.9 percent to enacted total general revenues in FY 2015. The enacted growth rate for sales and use tax revenues in FY 2015 is 3.6 percent over the FY 2014 final enacted sales and use tax revenue estimate.

Motor vehicle operator license and vehicle registration fees are forecasted to equal \$49.5 million in the enacted FY 2015 budget, which is \$2.8 million less than the estimate adopted at the May 2014 REC and \$1.3 million less than the estimate included in the Governor's FY 2015 recommended budget. The \$2.8 million reduction in motor vehicle operator license and vehicle registration fees from the May 2014 REC estimate is a result of the General Assembly's decision to pass legislation that will transfer all of the revenue generated from the state's share of the 8.0 percent rental vehicle surcharge into the Rhode Island Highway Maintenance Account. Motor carrier fuel use tax revenues are projected to be \$500,000, the same as both the estimate adopted at the May 2014 Revenue Estimating Conference and the final enacted FY 2014 estimated revenue and \$200,000 less than the estimate included in the Governor's FY 2015 recommended budget. The FY 2015 enacted growth rate for motor vehicle license and registration fees over the FY 2014 final enacted estimate is -5.4 percent.

Cigarettes and other tobacco products tax revenues are enacted at \$135.8 million in the FY 2015 budget. This is the same level as was adopted for FY 2015 at the May 2014 Revenue Estimating Conference and \$2.7 million greater than the estimate contained in the Governor's FY 2015 recommended budget. The

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cigarettes and other tobacco products tax revenues enacted FY 2015 growth rate over the FY 2014 final enacted estimate is -2.4 percent.

The enacted FY 2015 estimate for alcohol excise tax revenues is \$17.4 million, an increase of \$1.4 million from the estimate adopted at the May 2014 REC and an increase of \$442,085 from the estimate included in the Governor's FY 2015 recommended budget. The General Assembly enacted legislation to extend the expiration date of the alcohol excise tax increase from March 31, 2015 to June 30, 2015 for beer and malt, high proof distilled spirits and still wine in the FY 2015 budget. The passage of the extension of the sunset provision in current law for the increased excise tax rates that went into effect on July 1, 2013 is estimated to increase alcohol excise tax revenues by \$1.4 million resulting in an estimated growth rate in alcohol excise tax revenues in the enacted FY 2015 budget of -0.9 percent over the FY 2014 final enacted estimate of \$17.6 million.

The enacted FY 2015 estimate for estate and transfer tax revenues is \$9.4 million less than the FY 2015 estimate adopted at the May 2014 REC. The reduction in the enacted FY 2015 estimate for estate and transfer tax revenues is the result of the General Assembly's decision to restructure the estate and transfer tax by eliminating the estate tax threshold exemption amount in favor of providing a tax credit of \$64,400 against estate taxes owed. Under current law, the estate tax threshold amount is \$921,655. Estates with taxable values less than this amount are exempt from the estate tax while estates with taxable values greater than this amount are fully subject to the estate tax. The General Assembly's proposed estate tax credit is equivalent to the taxes owed on an estate with a taxable value of \$1.5 million. This initiative is estimated to reduce estate and transfer tax revenues in FY 2015 by \$9.4 million. FY 2015 enacted estate and transfer tax revenues are estimated at \$27.0 million, \$4.8 million less than the estimate included in the Governor's FY 2015 recommended budget and 29.1 percent less than the final enacted FY 2014 estimate. Racing and athletics tax revenues are enacted in FY 2015 at \$1.1 million, the same amount recommended by the Governor for FY 2015 and \$100,000 below the amount estimated in the FY 2014 final enacted budget. FY 2015 enacted realty transfer tax revenues are estimated at \$8.5 million, \$100,000 more than the estimate included in the Governor's FY 2015 recommended budget and 6.3 percent growth from the final enacted FY 2014 estimate for realty transfer tax revenues of \$8.0 million. Other taxes are expected to comprise 1.0 percent of enacted total general revenue in FY 2015.

Inclusive of the General Assembly's proposed changes to departmental receipts, total departmental receipt revenues are enacted to be \$351.7 million in FY 2015, or 10.1 percent of enacted total general revenue. FY 2015 enacted departmental receipts are expected to generate \$7.5 million less than the final enacted FY 2014 estimate. The decrease is driven primarily from the General Assembly's decision to pass legislation transferring revenue generated from motor vehicle title fees of \$9.0 million and fees derived from vehicle emission inspection stickers of \$5.7 million in FY 2015 to the Rhode Island Highway Maintenance Account for a total general revenue reduction of \$14.7 million. In addition to transferring existing vehicle emission inspection fees from general revenue to the Rhode Island Highway Maintenance Account, the General Assembly also enacted a \$16.00 increase in vehicle emission inspection fees, the proceeds of which will be deposited directly into the Rhode Island Highway Maintenance Account. The General Assembly also enacted legislation to reinstitute the hospital licensing fee at a rate of 5.703 percent applied to the hospital FY 2013 net patient revenue base. The hospital licensing fee rate of 5.703 percent is discounted by 37.0 percent "for all hospitals located in Washington County, Rhode Island". The 37.0 percent discount yields an effective hospital licensing fee rate for Washington County hospitals of 3.593 percent. The Governor's FY 2015 recommended budget included the reinstatement of the hospital licensing fee at a rate of 5.246 percent applied to the hospital FY 2012 net patient revenue base. The Governor's FY 2015 hospital licensing fee recommendation also included the 37.0 percent discount for Washington County hospitals. Passage of the hospital licensing fee increase and base change will augment general revenue by \$14.8 million in FY 2015 over the amount generated from

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## Overview

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the Governor's FY 2015 budget recommendation. The General Assembly also included a revenue estimate based on an increase in the Department of Administration's parking garage fee for state employees from \$16 biweekly to \$32 biweekly, which is estimated to increase departmental receipt revenues by \$200,802 in FY 2015. Finally, the General Assembly passed legislation to exempt all of the Jobs Development Fund from the 10 percent indirect cost recovery charge. This exemption is estimated to reduce departmental receipt revenues by \$1.3 million. The General Assembly's FY 2015 enacted departmental receipts estimate is \$1.2 million less than the estimate for FY 2015 contained in the Governor's FY 2015 recommended budget and is \$143.5 million more than the estimate adopted at the May 2014 Revenue Estimating Conference.

The General Assembly's FY 2015 enacted departmental receipt revenues figure includes the following initiatives:

- An increase of \$156.1 million from reinstating the hospital licensing fee as noted above;
- An increase of \$2.2 million from concurrence with the Governor's recommendation for the addition of 10 new revenue officers in the Division of Taxation to assist in the collection of delinquent taxes;
- An increase of \$810,000 from concurrence with the Governor's recommendation to create a statewide taskforce to combat employee misclassification;
- An increase of \$219,600 from concurrence with the Governor's recommendation for a registration block on "new" vehicle registrations;
- An increase of \$200,802 from the General Assembly's proposal to increase the Department of Administration parking garage fee for state employees from \$16 biweekly to \$32 biweekly;
- A decrease of \$1.3 million as a result of the General Assembly passing legislation to exempt all of the Job Development Fund from the 10 percent indirect cost recovery charge;
- A decrease of \$40,024 from concurrence with the Governor's recommendation to implement a utilization review procedure for imaging services that will reduce the revenues collected by the Department of Revenue from the imaging services surcharge;
- A decrease of \$9.0 million as a result of the General Assembly's legislation to transfer motor vehicle title fees to the Rhode Island Highway Maintenance Account;
- A decrease of \$5.7 million as a result of the General Assembly's legislation to transfer vehicle emission inspection fees to the Rhode Island Highway Maintenance Account.

The FY 2015 enacted revenues for the other sources component of total general revenues are \$402.5 million, an increase of \$1.4 million, or 0.3 percent, compared to the final enacted revenue estimate for FY 2014. The enacted FY 2015 estimate for other sources is \$3.9 million more than the estimate adopted at the May 2014 Revenue Estimating Conference but \$10.0 million less than the amount the Governor recommended in his FY 2015 budget. The difference between the enacted FY 2015 other sources general revenues and the recommended FY 2015 other sources general revenues is due primarily to the downward revision in the lottery transfer by \$15.4 million at the May 2014 REC and \$5.0 million in new revenue from the refinancing of Tobacco Settlement Financing Corporation bonds included in other miscellaneous revenues.

Within the gas tax transfer component, the General Assembly's FY 2015 enacted budget shows no change from the FY 2014 final enacted estimate. Effective July 1, 2009, the state's general fund no longer receives any of the revenues generated by the state's \$0.32 per gallon motor fuel tax. It should be noted,



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## Overview

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however, that the General Assembly made effective in FY 2016 a provision to grow Rhode Island's gas tax rate on a biennial basis by the growth in the consumer price index for all urban consumers (CPI-U) as reported by the United States Bureau of Labor Statistics determined as of September 30 of the prior calendar year.

Other miscellaneous revenues are estimated at \$7.5 million in enacted FY 2015, \$5.0 million more than the estimate adopted at the May 2014 REC and \$5.0 million more than the estimate included in the Governor's FY 2015 recommended budget.

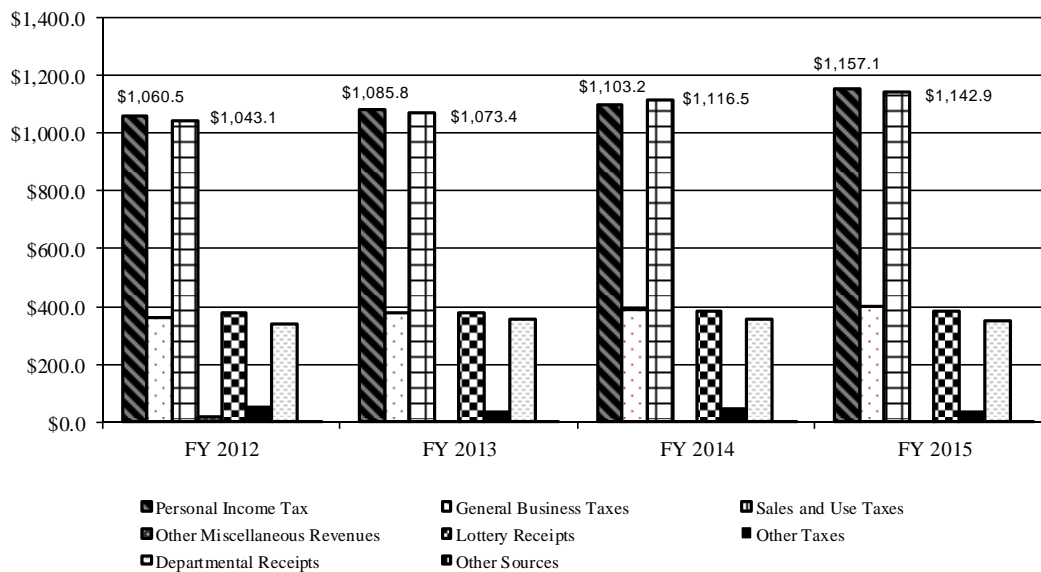
The enacted FY 2015 lottery transfer is \$3.8 million more than the final enacted FY 2014 estimate, an increase of 1.0 percent. The enacted FY 2015 lottery transfer estimate is \$1.1 million less than the estimate adopted at the May 2014 Revenue Estimating Conference and \$15.4 million less than the amount included in the Governor's FY 2015 recommended budget. The decrease in the enacted FY 2015 lottery transfer estimate from the estimate adopted at the May 2014 REC is due to the amendment of the master contract with Twin River to increase the marketing program that is jointly financed by Twin River and the state. Under current law, Twin River pays for 100 percent of the first \$4.0 million in approved marketing expenses, while Twin River and the state share the cost of the next \$6.0 million of approved marketing expenses up to a cap of \$10.0 million. Under the amendment to Twin River's master contract with the state, the next \$4.0 million of approved marketing expenses above the \$10.0 million cap will be borne entirely by Twin River, while Twin River and the state will share the cost of the next \$3.0 million of approved marketing expenses up to a cap of \$17.0 million. It is estimated that this contract amendment will reduce general revenue by \$1.1 million in FY 2015. In FY 2015, the lottery transfer is enacted at \$384.5 million with \$59.5 million generated by traditional and monitor games, \$312.3 million generated by the video lottery terminals installed at Newport Grand and Twin River and \$12.7 million produced by the table games located at Twin River. The enacted FY 2015 lottery transfer will comprise 11.0 percent of enacted total general revenues.

The final category of general revenues is the unclaimed property transfer. In the FY 2015 enacted budget, this transfer is expected to decrease by \$1.4 million or -11.8 percent, from the final enacted FY 2014 estimate. The unclaimed property transfer is projected to be \$10.5 million in the enacted FY 2015 budget and comprise 0.3 percent of enacted total general revenue. The enacted FY 2015 unclaimed property transfer estimate is the same as the amount adopted at the May 2014 REC and is \$400,000 more than the estimate included in the Governor's recommended FY 2015 budget.

The chart below shows the sources of general revenues for the period FY 2012 – FY 2015. The figures for FY 2012 and FY 2013 are final audited numbers, while those for FY 2014 and FY 2015 are the enacted estimates. The values of the two major sources of general revenues, personal income taxes and sales and use taxes, are highlighted.

# Overview

General Revenue Sources (\$ millions)



***Expenditure Changes from Governor's Recommended***

In the FY 2015 enacted budget of \$8.780 billion, the General Assembly added a total of \$236.2 million, or 2.7 percent, to the Governor's recommendation of \$8.544 billion. The changes to the Governor's recommended budget include a decrease in general revenue expenditures of \$10.9 million; and increases in federal funds of \$208.2 million, increases in restricted receipts of \$24.2 million, and increases in other funds of \$14.8 million.

The decrease in general revenue expenditures from the Governor's recommended budget is 0.4 percent, resulting in total expenditures of \$3.445 billion. Major general revenue expenditure changes in the area of *General Government* include: a \$19.3 million decrease in transportation-related debt service payments associated with a shift of these payments from general revenue back to Department of Transportation funding; a \$2.5 million decrease in general revenue expenditures for the Housing Resources Commission, which were shifted to a new restricted receipt account funded from an increase in the real estate conveyance tax; and a \$5.0 million increase in expenditures for the Payment-in-Lieu-of-Taxes program.

In the *Human Services* function of government, major changes include: a \$24.7 million increase in medical assistance expenditures based on results of the May 2014 Caseload Estimating Conference; an \$11.3 million increase to finance the inpatient and outpatient upper payment limit reimbursements to community hospitals, which were excluded from the Governor's FY 2015 budget; a \$3.6 million increase for uncompensated care payments made to community hospitals; a \$1.3 million increase to provide a cost-of-living increase to nursing homes effective April 1, 2014; and a \$1.0 million increase for graduate medical education for medical centers that meet certain criteria, including Level 1 trauma centers. Offsetting some of these increases are the following reductions: a \$14.7 million decrease associated with reactivating the Rite Care eligibility re-determination process, effective August 1, 2014, and a \$4.9 million decrease in behavioral healthcare spending based on recent trend data.

In the *Education* function, major changes to the Governor's recommended general revenue expenditures include: a \$4.1 million decrease in expenditures for Rhode Island Higher Education Assistance Authority

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## Overview

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(RIHEAA) Needs-based Scholarships and Grants, which were shifted to federal guaranty agency reserve funds and the Tuition Savings Program; a \$2.7 million decrease in Elementary and Secondary Education funding formula aid based on updated March 2014 student enrollment and reduced lunch eligibility data; and a \$1.0 million decrease in grant funding reflecting the General Assembly's rejection of the Governor's new Creative and Cultural Economy grant program in the Rhode Island State Council on the Arts.

In the *Public Safety* function, changes to the Governor's recommended general revenue expenditures include: a decrease of \$834,512 in the Department of Correction for lower costs for inmate health care expenses associated with expanded health coverage under the Affordable Care Act; a decrease of \$705,000 in the Judiciary for turnover in District Court and vacant judge and magistrate positions; and a decrease of \$538,198 in the Department of Public Safety for equipment and supply purchases, which may be funded from Google forfeiture funds instead.

In the *Natural Resources* function, the General Assembly added \$500,000 of general revenue to the Department of Environmental Management for community service grants, including \$250,000 for Johnston dams and \$250,000 for Woonsocket athletic field improvements. The Assembly also added \$250,000 for Woonsocket for the World War II State Park to transition the maintenance and operation of the park to the City following completion of the park revitalization project.

Federal funds, which total \$3.086 billion in the enacted budget, increase by 7.2 percent or \$208.2 million from the Governor's recommended amount of \$2.878 billion. Most of the additional federal funding was added to the *Human Services* function, where expenditures increased by \$205.5 million from \$2.116 billion to \$2.321 billion. Some of the major expenditure changes include: a \$185.3 million increase for May 2014 Caseload adjustments for the federally funded Medicaid expansion program; an \$11.3 million increase to finance the inpatient and outpatient upper payment limit reimbursement to community hospitals, which were excluded from the Governor's FY 2015 budget; a \$3.6 million increase for uncompensated care payments made to community hospitals; and a \$1.3 million increase to provide a cost-of-living increase to nursing homes effective April 1, 2015. Offsetting some of these increase are decreases of: \$14.7 million associated with reinstating the RIte Care re-determination eligibility process in August 2014; \$4.9 million associated with lower Behavioral Healthcare spending trend; and \$2.3 million for the Cash Assistance caseload estimate. Major federal funds changes in other functional areas include: a \$2.6 million increase in *Education* for RIHEAA Needs-based Scholarships and Grants; and a \$2.2 million shift of funds from FY 2014 in *General Government* for the Department of Revenue DMV information technology system, which is referred to as the Rhode Island Modernization System (RIMS).

Restricted receipts total \$283.1 million in the FY 2015 enacted budget, an increase of \$24.2 million or 9.3 percent from the Governor's recommended budget of \$258.9 million. Of restricted receipt changes made by the General Assembly, \$25.7 million was added in the *General Government* function, including: an increase of \$19.3 million for transportation-related debt service payments shifted from general revenue to a new Highway Maintenance restricted receipt account; an increase of \$2.5 million for the Housing Resources Commission expenditures, which were shifted from general revenue to a new restricted receipt account funded from an increase in the real estate conveyance tax; and a shift of \$2.2 million from FY 2014 for the DMV information technology RIMS system. Other major restricted receipt changes in the *Human Services* functional area include: a \$2.1 million increase for May caseload adjustments in the Office of Health and Human Services and a \$4.4 million decrease for Weatherization Assistance Program grants in the Department of Human Services.

Other funds increase by \$14.8 million in the enacted budget to a total of \$1.965 billion, an increase of 0.7 percent from the Governor's recommendation. Most of the changes in other funds expenditures are for capital projects financed from the Rhode Island Capital Plan Fund. In the *General Government* function,

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## Overview

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major expenditure changes include: a \$1.4 million increase for the Veterans Auditorium and a \$1.0 million increase for the Cranston Street Armory. In the *Human Services* function, changes include a \$10.0 million decrease for the Department of Behavioral Healthcare, Developmental Disabilities, and Hospital's hospital consolidation project; funding for this project is shifted from FY 2015 to FY 2018. A total of \$8.8 million is added to the *Higher Education* function, of which \$7.0 million is to renovate the University of Rhode Island electrical substation and \$1.8 million is for Rhode Island College infrastructure modernization; because of project delays, the \$1.8 million of Rhode Island Capital Plan Fund money was shifted from FY 2014 to FY 2015 to more accurately reflect the timing of project expenditures. In the *Natural Resources* function, changes include an increase of \$3.4 million for maintenance and renovations to Rocky Point state property; an increase of \$3.1 million for improvements to state recreational facilities; an increase of \$1.5 million for Galilee Piers; an increase of \$950,000 for repairs to state-owned dams at various recreational management areas; and a decrease of \$2.3 million for the Natural Resources Offices and Visitors Center in the Arcadia Management Area. Major changes in the *Transportation* function include: an increase of \$6.0 million from Rhode Island Capital Plan Fund money for state highway projects to match Federal Highway Administration funds; a decrease of \$700,000 for the construction of a new Portsmouth maintenance facility; and a decrease of \$500,000 for salt storage facilities.

<p><i>General Government</i></p>
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The enacted FY 2015 Budget for the **Department of Administration** totals \$425.8 million, which includes \$268.8 million in general revenue, \$51.5 million in federal funds, \$36.4 million in restricted receipts, \$63.1 million in operating transfers from other funds, and \$6.0 million in other funds. The enacted FY 2015 Budget is a \$6.7 million all funds decrease from the

Governor's recommended FY 2015 Budget of \$432.5 million, and a \$26.7 million decrease from the revised FY 2014 Budget of \$452.5 million.

The enacted FY 2015 Budget for Central Management is \$2.5 million in general revenue, which includes \$908,192 for the Office of Digital Excellence and \$890,856 for the Central Business Office. The program's enacted FY 2015 Budget is \$405,000 less than the Governor's recommended FY 2015 Budget, as a result of additional turnover savings allocated to the Director's Office. Overall, the budget for Central Management is \$654,051 less than the revised FY 2014 Budget of \$3.2 million. The decrease is a result three initiatives in the revised FY 2014 Budget consisting of \$500,000 for a personnel classification and compensation study, \$90,000 for a consultant analysis of the 38 Studios debt service payments, and \$180,000 in the Office of Digital Excellence for Code for America contracted services to create a knowledge portal for the K-12 education space.

For the Office of Accounts and Control, the enacted FY 2015 Budget is \$4.0 million in general revenue, which includes \$3.8 million for salary wages and benefits. The Governor's recommended FY 2015 Budget included \$60,000 in general revenue for an online portal for state employees to view their pay advices. The enacted FY 2015 Budget recommends these costs be funded from the Information Technology Investment Fund (restricted receipts). The enacted FY 2015 Budget is \$236,209 more than the revised FY 2014 Budget.

The Office of Management and Budget has an enacted FY 2015 Budget of \$4.1 million in all funds, of which \$2.3 million is for the Budget Office, \$872,171 is for the Office of Regulatory Reform, \$414,493 is for the Director's Office, \$270,405 is for the Federal Grants Management Office, and \$266,353 is for the Office of Performance Management. The enacted FY 2015 Budget includes \$209,031 in general revenue and \$61,374 in restricted receipts for the Federal Grants Management Office. The Office of Regulatory Reform includes \$580,000 in the revised FY 2014 Budget and \$300,000 in the enacted FY 2015 Budget to develop a statewide e-permitting initiative in partnership with the Rhode Island Building Code Commission and State Fire Marshal, to be used by the State and municipalities. The enacted FY 2015

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## Overview

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Budget is \$136,475 less than the Governor's recommended FY 2015 Budget, as it includes additional turnover savings of \$136,475 in the Director's Office.

For the Division of Purchases, the enacted FY 2015 Budget is \$3.0 million in all funds, which includes \$2.7 million in general revenue and \$308,496 in operating transfers from other funds for assistance with the Department of Education and the Department of Transportation. The Governor's recommended FY 2015 Budget included \$65,000 in general revenue for website enhancements, legal assistance, and LEAN process consultants. The enacted FY 2015 Budget recommends these costs be funded from the Information Technology Investment Fund. Also, consistent with the Governor's recommendation, the enacted FY 2015 Budget shifts \$253,483 in general revenue from the Minority Business Enterprise (MBE) program and \$82,284 in federal funds from the Disadvantaged Business Enterprise program to the new Office of Diversity, Equity, and Opportunity. It correspondingly shifts 3.0 FTE positions from the Division to the new Office.

The enacted FY 2015 Budget for the Bureau of Audits is \$1.4 million in general revenue, which is almost entirely for salary wages and benefits. The operating and capital purchases budget totals \$42,575. The enacted FY 2015 Budget is \$2,700 more than the revised FY 2014 Budget.

The Division of Human Resources has an enacted FY 2015 Budget of \$10.6 million in all funds, which includes \$7.8 million in general revenue. The enacted FY 2015 Budget includes \$10.2 million in all funds for salary wages and benefits, \$305,651 for operating supplies and equipment, \$134,155 for contracted professional services, and \$15,724 for capital purchases. The Division allocates some of its costs to other departments and agencies that utilize its services. The enacted FY 2015 Budget shifts \$229,717 in general revenue from the Office of Equal Opportunity, and \$282,497 in general revenue from the Office of Outreach and Diversity to the new Office of Diversity, Equity, and Opportunity within the Department. It correspondingly shifts 4.0 FTE positions from the Division to the new Office.

The Personnel Appeal Board has an enacted FY 2015 Budget of \$75,216 in general revenue, which is consistent with the Governor's recommended FY 2015 Budget.

The enacted FY 2015 Budget for the Division of Legal Services is \$2.0 million in general revenue, which is almost entirely for salary wages and benefits. The operating supplies and equipment budget is \$56,101. The enacted FY 2015 Budget is \$272,844 less than the revised FY 2014 Budget because of legal costs relating to state employee contract negotiations that occurred in FY 2014.

The Division of Facilities Management has an enacted FY 2015 Budget of \$35.7 million in all funds, which includes \$30.8 million in general revenue. The enacted FY 2015 Budget includes \$10.3 million in all funds for salary wages and benefits, \$3.8 million for operating supplies, \$3.6 million for contracted professional services, and \$18.0 million for utilities at the main campuses in Providence, Cranston (Pastore), Burrillville (Zambarano), and Wakefield (Washington County Government Center). It also includes the State properties at 50 Service Avenue in Warwick, Old Colony House in Newport, Ladd Center in Exeter, Veteran's Home in Bristol, and Board of Elections in Providence. Below is a breakdown of the budgeted utility costs:

# Overview

## Department of Administration – Facilities Management Utility Costs Revised FY 2014 Budget and Enacted FY 2015 Budget

Utility	Revised FY 2014 (All Funds)	Revised FY 2014 (General Revenue)	Enacted FY 2015 (All Funds)	Enacted FY 2015 (General Revenue)
Electricity	\$ 3,220,828	\$ 2,892,298	\$ 3,271,228	\$ 2,942,698
Oil	\$ 1,036,501	\$ 882,002	\$ 1,036,501	\$ 882,002
Wood Chips	\$ 229,000	\$ 189,841	\$ 229,000	\$ 189,841
Natural Gas	\$ 9,566,196	\$ 8,024,426	\$ 9,972,977	\$ 8,361,648
Sewer	\$ 2,222,965	\$ 1,871,053	\$ 2,222,965	\$ 1,871,053
Water	\$ 1,305,800	\$ 1,100,600	\$ 1,305,800	\$ 1,100,600
<b>Total</b>	<b>\$ 17,581,290</b>	<b>\$ 14,960,220</b>	<b>\$ 18,038,471</b>	<b>\$ 15,347,842</b>

The enacted FY 2015 Budget for Facilities Management is \$612,235 more than the revised FY 2014 Budget, which is mostly attributable to increased utility costs for electricity and natural gas. It should be noted that the Public Utilities Commission approved an electricity rate increase in January 2014. This resulted in a \$0.03 rate increase (blended per type of account), which is equivalent to a 24 percent increase. The increase is not accounted for in the Department's enacted FY 2015 Budget and will have to be addressed in the revised FY 2015 Budget.

For the Division of Capital Projects and Property Management, the enacted FY 2015 Budget is \$1.3 million in general revenue. This includes \$1.2 million for salary wages and benefits and \$21,766 for operating supplies. The enacted FY 2015 Budget is \$11,588 less than the revised FY 2014 Budget, which is attributable to decreased costs for design and engineering services.

The enacted FY 2015 Budget for the Division of Information Technology is \$33.8 million in all funds, which includes \$19.4 million in general revenue. This includes \$23.1 million in all funds for salary wages and benefits for 190.5 FTE positions, \$6.4 million for operating supplies and expenses, \$3.1 million for capital purchases and equipment, and \$1.2 million for contracted professional services. The Division includes \$389,500 for the Office of the Chief Information Officer, \$1.6 million for RIFANS operations (state financial system), \$3.1 million for the Information Technology Investment Fund, and \$28.7 million for Application Development, which is cost allocated to those departments and agencies that utilize the Division's centralized services. The enacted FY 2015 Budget is \$579,493 more than the revised FY 2014 Budget, which is attributable to increased salary wage and benefit costs.

The Office of Library and Information Services has an enacted FY 2015 Budget of \$2.1 million in all funds, which includes \$881,464 in general revenue, \$1.2 million in federal funds, and \$653 in restricted receipts for the Regional Library for Blind and Handicapped. The enacted FY 2015 Budget is consistent with the Governor's recommended FY 2015 Budget and leaves one Library Program Manager position vacant. The enacted FY 2015 Budget is \$306,531 less than the revised FY 2014 Budget.

The enacted FY 2015 Budget for the Division of Planning is \$20.9 million in all funds, which includes \$2.0 million in general revenue, \$12.6 million in federal funds, \$3.4 million in restricted receipts, and \$3.0 million in operating transfers from other funds. The enacted FY 2015 Budget shifts the Lead Abatement Program, homeless shelter operations, and rental housing subsidies, which are administered by the Housing Resources Commission, from general revenue to new restricted receipts. The general revenue loss will be offset by new restricted receipts, estimated to generate \$2.8 million beginning in FY 2015, from increasing the real estate conveyance tax from \$2.00 to \$2.30 per \$500 or fractional part paid for the purchase of property conveyed for more than \$100. In addition to these new restricted receipts,

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## Overview

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the enacted FY 2015 Budget includes \$600,000 in restricted receipts from a settlement that the Attorney General received involving the Lead Hazard Reduction Program. The Division also received \$16.0 million in federal funds in October 2013 to assist the State's recovery from Hurricane Sandy. The State had previously been awarded \$3.2 million, and the enacted FY 2015 Budget includes one FTE position to administer the combined \$19.2 million award. The enacted FY 2015 Budget includes \$2.1 million of the \$19.2 million award from the U.S. Department of Housing and Urban Development.

The Office of Energy Resources has an enacted FY 2015 Budget of \$5.7 million in all funds, which includes \$5.2 million in restricted receipts and \$524,775 in federal funds. The restricted receipts include \$4.2 million for the Regional Greenhouse Gas Initiative, \$781,914 for the Energy Efficiency and Resources Management program, and \$233,402 in Stripper Well Interest Earnings. The federal funds include \$286,700 for the State Energy Plan, \$224,075 for the RI Public Energy Partnership, and \$14,000 for the Heating Oil Survey Grant. The enacted FY 2015 Budget is \$6.2 million less than the revised FY 2014 Budget as the program has exhausted all federal stimulus funds from the American Recovery and Reinvestment Act of 2009 (ARRA).

For the Division of Construction Permitting, Approvals, and Licensing, the enacted FY 2015 Budget is \$2.8 million, which includes \$1.5 million in general revenue and \$1.3 million in restricted receipts for the Contractors' Registration and Licensing Board. The program includes \$341,792 in general revenue for the Fire Code Board of Appeal and Review, and \$1.1 million in general revenue for the State Building Code Commission. The enacted FY 2015 Budget is \$10,866 in all funds more than the revised FY 2014 Budget.

The enacted FY 2015 Budget for the Rhode Island Health Benefits Exchange, doing business as HealthSource RI, is \$23.4 million in federal funds. The Governor's recommended FY 2015 Budget included an additional 10.0 FTE positions to continue the roll-out of the Exchange and limit the utilization of contracted professional services. The enacted FY 2015 Budget does not include the additional 10.0 FTE positions. The Governor's recommended FY 2015 Budget included \$1.3 million in personnel financing for the new 10.0 FTE positions, which will be utilized within other categories of expenditure. The enacted FY 2015 Budget is \$29.0 million less than the revised FY 2014 Budget because the majority of the start-up costs required to launch the open enrollment for the exchange was in FY 2014.

The enacted FY 2015 Budget creates the Office of Diversity, Equity, and Opportunity, with a budget of \$859,481 in all funds. The Office was created as a result of the recommendations made by Governor Chafee's Executive Order 13-05 in May 2013. The Governor's recommended FY 2015 Budget included shifting funding to the new Office from the Minority Business Enterprise (MBE) and Disadvantaged Business Enterprise programs, which includes \$335,767 and 3.0 FTE positions. It also shifts \$512,214 in general revenue and 4.0 FTE positions from the Office of Equal Opportunity and the Office of Outreach and Diversity within the Division of Human Resources to the new Office. The enacted FY 2015 Budget includes this re-allocation of funding to the new Office, plus an additional \$11,500 in operating expenses. However, it does not include an additional 3.0 FTE positions included in the Governor's recommended FY 2015 Budget for one Director position and two Senior Equal Opportunity Officer FTE positions.

The enacted FY 2015 Budget for the General program is \$60.5 million, which includes \$23.2 million in general revenue, \$4.4 million in federal funds, \$421,500 in restricted receipts for the restoration and replacement insurance account, and \$32.5 million in operating transfers from the Rhode Island Capital Plan Fund. Most of the general revenues consist of State Library Aid and Library Construction Aid totaling \$11.1 million, and appropriations to the Rhode Island Commerce Corporation totaling \$8.4 million.

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## Overview

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The federal funds of \$4.4 million are for the State Small Business Credit Initiative (SSBCI). The enacted FY 2015 Budget includes \$32.5 million from the Rhode Island Capital Plan Fund to support 35 capital projects. The enacted FY 2015 Budget includes an additional \$2.4 million compared to the Governor's recommended FY 2015 Budget for these projects. This includes an additional \$1.0 million for maintenance and repairs to the Cranston Street Armory and \$1.4 million to complete renovations to the Veteran's Memorial Auditorium in Providence.

As part of statewide personnel adjustments, the enacted FY 2015 Budget includes savings of \$8.3 million in all funds within the Department of Administration budget. This accounts for better medical trends and provisions in the new state employee contracts that will go into effect in January 2015. The medical savings reflect revised medical benefit rates for FY 2015 that are lower than those in the Governor's recommended FY 2015 Budget.

The enacted FY 2015 Budget for Debt Service Payments is \$219.3 million in all funds, which includes \$168.1 million in general revenue, \$2.7 million in federal funds, \$21.3 million in restricted receipts, and \$27.2 million in operating transfers from other funds. The enacted FY 2015 Budget transfers the Department of Transportation's general revenue debt service to the Highway Maintenance restricted receipt account, which lowers the debt service amount by \$19.3 million in general revenue. The enacted FY 2015 Budget also includes \$12.3 million in general revenue for the debt service on the 38 Studios moral obligation bond issued in 2010. This is an increase of \$9.8 million in general revenue from the revised FY 2014 Budget, which included an interest payment of \$2.5 million.

The enacted FY 2015 Budget includes a FTE position authorization of 710.7, which is 13.0 FTE positions less than the Governor's recommendation of 723.7 FTE positions. The enacted FY 2015 Budget does not include 3.0 FTE positions for the new Office of Diversity, Equity, and Opportunity, and 10.0 FTE positions for Rhode Island Health Benefits Exchange. The authorization level is 10.0 FTE positions less than the enacted FY 2014 authorization level of 720.7 FTE positions.

The enacted FY 2015 Budget for the **Department of Business Regulation** totals \$13.0 million, including \$9.0 million in general revenue, \$2.0 million in federal funds, and \$1.9 million in restricted receipts, the same as the Governor's recommendation for the agency. In general revenue, the enacted FY 2015 Budget is \$323,547, or 3.7 percent, more than the revised FY 2014 Budget primarily due to personnel adjustments. The significant reduction of \$1.7 million between FY 2014 and FY 2015 in federal funds is primarily due to the expiration of the Exchange Establishment One grant. New exchange establishment grants are budgeted under HealthSource RI, housed in the Department of Administration.

The revised FY 2014 Budget totals \$14.6 million, of which \$8.7 million is from general revenue, \$4.0 million from federal funds, and \$1.9 million in restricted receipts. There is a net reduction of \$100,000 as compared to the Governor's recommendation, comprised of a decrease of \$125,000 for turnover savings, offset by a \$25,000 increase in restricted receipts for travel expenses in the Banking Division.

The Department's enacted FY 2015 Budget includes 94.0 FTE positions, which is unchanged from the revised FY 2014 Budget authorization.

The enacted FY 2015 Budget for the **Department of Labor and Training** totals \$511.6 million, including \$8.7 million in general revenue, \$42.2 million in federal funds, \$41.5 million in restricted receipts, \$2.0 million from the Rhode Island Capital Plan Fund and \$417.2 million in other funds. The Department's enacted FY 2015 Budget reflects a decrease of \$75.6 million, or 12.8 percent, from the revised FY 2014 Budget. An increase of \$121,084 in general revenue and an increase of \$929,515 in Rhode Island Capital Plan Fund financing are offset by reductions of \$56.9 million in federal funds, \$13.7



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million in restricted receipts, and \$6.0 million in other funds.

The increase in general revenue is largely driven by an additional \$427,898 for the Workforce Development Services program for assistance and grants offset by reductions in personnel throughout the department. The increase in Rhode Island Capital Plan Fund financing includes a \$1.2 million increase in asset protection funds offset by a reduction of \$245,416 attributable to the anticipated completion of the Center General building roof replacement in FY 2015.

The federal funds decrease of \$56.9 million from the revised FY 2014 Budget largely reflects a decrease of \$40.0 million in stimulus Extended Unemployment Compensation funding due to the end of the program in calendar year 2013, a decrease of \$8.0 million in Unemployment Insurance Supplement Budget Request financing, a decrease of \$2.7 million in Unemployment Insurance Administration funding, and a decrease of \$527,676 in the Workforce Innovation Fund.

The restricted receipts decrease of \$13.7 million from the revised FY 2014 Budget includes a \$10.6 million reduction in the Job Development Fund for transfer to the Employment Security Trust Fund and a \$2.9 million reduction in the Governor's Workforce Board/Human Resources Investment Council grants.

The \$6.0 million decrease in other funds results from the \$20.8 million decrease in Unemployment Insurance benefit payments offset by a \$12.2 million increase in Temporary Disability Insurance Caregiver payments.

The revised FY 2014 Budget for the Department of Labor and Training totals \$587.2 million, including \$8.5 million in general revenue, \$99.1 million in federal funds, \$55.2 million in restricted receipts, \$1.1 million from the Rhode Island Capital Plan Fund, and \$423.2 million in other funds. The Department's revised FY 2014 Budget reflects a decrease of \$5.3 million, or 0.9 percent, from the enacted FY 2014 Budget. Reductions of \$516,042 in general revenue and \$20.7 million in other funds are offset by increases of \$3.4 million in federal funds, \$374,481 in Rhode Island Capital Plan Fund financing, and \$12.1 million in restricted receipts.

The general revenue decrease is largely reflected in the \$500,825 reduction within the Workforce Development Services program for assistance and grants and the other funds decrease reflects reductions of \$11.7 million in Unemployment Insurance Benefits and \$17.5 million in payments to the federal government for Title XII that are offset by an increase of \$7.8 million in Temporary Disability Insurance for caregiver benefits.

The increase in the FY 2014 final federal funds budget reflects an additional \$9.8 million in UI Supplement Budget Request financing, \$2.0 million in Unemployment Insurance Administration funding, \$7.0 million within the Workforce Development Services program that are offset by a reduction of \$14.9 million in stimulus Extended Unemployment Compensation funding due to the end of the program within calendar year 2013 and a reduction of \$804,000 in short-time benefits.

The increase in Rhode Island Capital Plan Fund financing is attributable to the increase of \$751,412 for the Center General roof repair project, offset by the reduction of \$376,931 in the asset protection program. The increase in restricted receipts largely reflects an increase of \$8.6 million in the Job Development Fund for transfer to the Employment Security Trust Fund and an increase of \$3.6 million in Governor's Workforce Board/Human Resources Investment Council grants.

The Department's FY 2015 FTE position authorization is 410.0 FTE positions, reflecting no change from the FY 2014 final FTE position authorization; however, this is an increase of 18.0 FTE positions from the

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enacted FY 2014 FTE position authorization. The increase includes the addition of 3.0 FTE positions for implementation of the Back to Work RI initiative within the Workforce Development Initiative, 7.0 FTE positions to administer the TDI Caregiver program, one (1.0) Medical Records Technician in the Injured Workers Services program, and 7.0 FTE positions for administration of Unemployment Insurance benefits.

The enacted FY 2015 Budget for the **Department of Revenue** totals \$460.2 million in all funds, which includes \$107.8 million in general revenue, \$5.1 million in federal funds, \$4.0 million in restricted receipts, and \$343.3 million in other funds. The enacted FY 2015 Budget is a \$9.7 million all funds increase from the Governor's recommended FY 2015 Budget, and a \$20.2 million increase from the revised FY 2014 Budget of \$440.1 million.

The enacted FY 2015 Budget for the Office of the Director is \$1.1 million in general revenue, unchanged from the Governor's recommended FY 2015 Budget. The enacted FY 2015 Budget is \$60,437 more than the revised FY 2014 Budget, but includes turnover savings by leaving a Senior Internal Auditor position vacant. The enacted budget is almost entirely for salary wages and benefits and includes an operating budget of \$21,010.

The Office of Revenue Analysis has an enacted FY 2015 Budget of \$564,334 in general revenue, unchanged from the Governor's recommended FY 2015 Budget. The enacted budget is almost entirely personnel financing and includes an operating budget of \$47,305.

The enacted FY 2015 Budget for the Division of Lottery is \$342.3 million in other funds. All expenditures for the Division are funded from revenues generated, the net of which are then transferred to the general fund. The estimated lottery transfer in FY 2015 to the general fund is \$384.5 million, with \$312.3 million from VLTs (Video Lottery Terminals), \$59.5 million from combined games, and \$12.7 million in net revenues from the table games at Twin River (figures as of the May 2014 Revenue Estimating Conference). It should be noted that Article 13 of the FY 2015 Appropriations Act includes additional marketing program expenditures of an estimated \$1.1 million to assist Twin River with maximizing revenues at the casino. The largest component to the Division's budget is commission payments to system providers and facility operators, which includes \$72.2 million in commission payments for table games at Twin River and \$252.3 million for all other games.

For the Division of Municipal Finance, the enacted FY 2015 Budget is \$2.3 million in general revenue, which includes \$1.9 million in salary wages and benefits, \$210,000 in contracted professional services, \$37,974 in operating supplies and expenses, and \$130,540 for reimbursement to cities and towns that require continuing oversight under the Fiscal Stability Act. The General Assembly included an additional \$260,000 in general revenue for salary wage and benefit costs associated with implementation of 2014-H-7944, which amends the Fiscal Stability Act to include state oversight of financially distressed fire districts. However, there are no additional FTE positions included in the enacted FY 2015 Budget.

The Division of Taxation has an enacted FY 2015 Budget of \$22.1 million in all funds, which includes \$18.9 million in general revenue, \$1.3 million in federal funds, \$878,210 in restricted receipts, and \$995,686 in other funds. The enacted FY 2015 Budget includes an additional \$733,010 in general revenue for 7.0 Revenue Officer I positions, plus restoring turnover savings to finance three (3.0) existing vacant Revenue Officer I positions. Funding these positions is estimated to generate an additional \$8.4 million in general revenue as part of the Division's initiative to secure delinquent tax returns. The General Assembly also included in the enacted FY 2015 Budget \$500,000 in general revenue to implement combined reporting for business corporation tax filers for tax year 2015. This also provides

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7.0 FTE positions beginning January 1, 2015, and \$100,000 for staff training and contracted legal services.

The enacted FY 2015 Budget for the Division of Motor Vehicles is \$24.8 million in all funds, including \$18.8 million in general revenue, \$3.8 million in federal funds, and \$2.2 million in restricted receipts. The Governor requested an amendment to the recommended FY 2015 Budget, which shifts \$2.2 million in federal funds and \$2.2 million in restricted receipts for the Rhode Island Modernization System (RIMS) from FY 2014 to FY 2015. This amendment was included in the enacted budget. It reflects delays with the State's vendor, Hewlett Packard, for system design and development. The enacted FY 2015 Budget includes additional turnover savings of \$350,000 for salary wages and benefits and also eliminates a new Chief of Information and Public Relations position that was included in the Governor's recommendation.

The State Aid program has an enacted FY 2015 Budget of \$67.0 million, which includes \$66.1 million in general revenue and \$922,013 in restricted receipts for the City of Warwick's share of the Car Rental surcharge. The enacted FY 2015 Budget includes an additional \$5.0 million from the Governor's recommended FY 2015 Budget for the Payment-in-Lieu-of-Taxes (PILOT) program, which reimburses municipalities for property taxes as certain exempt properties. See the Formula Aid to Cities and Towns section for more information.

The enacted FY 2015 Budget for the Department of Revenue includes a FTE position authorization level of 505.0, a 6.0 FTE position increase from the Governor's recommendation of 499.0 FTE positions. This includes an additional 7.0 FTE positions for implementation of combined reporting in the Division of Taxation, offset by a reduction of one FTE position for a new Chief of Information and Public Relations position at the Division of Motor Vehicles. This offset was included even though the Governor's recommended FY 2015 Budget did not include an increased FTE position authorization request for the position.

The FY 2015 enacted budget for the **Legislature** totals \$38.0 million, including \$36.4 million in general revenue and \$1.6 million in restricted receipts. The Legislature's budget of \$38.0 million reflects a net decrease of 5.5 percent, or \$2.2 million, from the FY 2014 revised budget of \$40.2 million which included a reappropriation of \$4.7 million from FY 2013. In FY 2015, compared to the FY 2014 revised budget, personnel financing increases by \$578,353, mostly attributable to increases in statewide benefit calculations. Consultant and operating expense decline by a total of \$1.7 million, or 35.5 percent, largely attributable to the completion of technological improvements undertaken in FY 2014, including real-time bill tracking, live-streaming of legislative sessions and committee hearings, and upgrades to legislator voting systems. Capital financing decreases by \$664,800, from \$918,300 to \$253,500, reflecting the Legislature's efforts to more closely align its budget with anticipated expenditures. Grants are financed at a total of \$2.3 million, corresponding to historical expectations of legislative grant awards.

The Legislature's FY 2015 enacted budget corresponds to the Governor's recommendation for the agency. The FY 2014 revised budget is \$2.4 million greater than the original enacted amount of \$37.8 million, reflecting a portion of the reappropriation from FY 2013 which was originally \$4.7 million. The FY 2014 revised budget also corresponds to the Governor's recommendation for the Legislature.

The Legislature's FY 2015 FTE position authorization of 298.5 FTE positions is the same as the revised FY 2014 FTE position authorization.

The enacted FY 2015 Budget for the **Office of the Lieutenant Governor** totals \$1.1 million, including \$1.0 million in general revenue and \$74,350 in federal funds. The enacted FY 2015 Budget reflects a

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decrease of \$1.6 million, or 59.3 percent, from the revised FY 2014 Budget. An increase of \$68,583 in general revenue is offset by reductions of \$1.5 million in federal funds and \$135,000 in restricted receipts. The general revenue increase reflects a 7.25 percent increase over the revised FY 2014 Budget and is attributable to an additional \$25,000 in transition costs needed for the election of new Lieutenant Governor in November of 2014. A 95.3 percent decrease in the federal funds budget relative to the revised FY 2014 level is attributable to the Center for Medicare & Medicaid Innovation (CMMI) State Innovation Model federal grant being closed.

The revised FY 2014 Budget totals \$2.7 million, consisting of \$946,501 in general revenue, \$1.6 million in federal funds, and \$135,000 in restricted receipts. The revised FY 2014 Budget reflects a \$485,836 increase in federal funds, attributable to the receipt of the CMMI State Innovation Model federal grant, resulting in a \$469,809 increase. The revised FY 2014 Budget includes the addition of \$135,000 in restricted receipts for a grant from the Robert Wood Johnson Foundation for State Health Reform Assistance. These funds were received in December of 2011 as part of Rhode Island's award from the Robert Wood Johnson Foundation's State Health Reform Assistance Network. The program supports ten states in their efforts to implement the provisions of the Patient Protection and Affordable Care Act through the provision of in-kind technical assistance. The funding will be used by the Lieutenant Governor's office to provide communication services to the state regarding health reform issues, provide staff training, purchase technology equipment for staff, and cover travel expenses related to healthcare reform conferences.

The Office of the Lieutenant Governor's FY 2015 FTE position authorization is 8.0 FTE positions, reflecting no change from the FY 2014 final revised FTE position authorization.

The enacted FY 2015 Budget for the **Secretary of State** totals \$9.2 million from all funds, including \$7.3 million in general revenue, \$529,752 in restricted receipts, \$882,436 in other funds, and \$500,000 from the Rhode Island Capital Plan Fund. The enacted FY 2015 Budget reflects an increase of \$1.4 million, or 17.8 percent, from the revised FY 2014 Budget. An increase of \$919,634 in general revenue, \$9,908 in restricted receipts, \$16,145 in other funds, and \$500,000 in Rhode Island Capital Plan Fund financing are offset by the reduction of \$50,163 in federal funds. The enacted budget reflects an additional \$500,000 in Rhode Island Capital Plan Fund financing that the Governor requested in an amendment to be used for the replacement of the encasement that protects the Rhode Island Colonial Charter. The Charter will be placed on display in the State House in a space renovated to serve as the Charter Museum.

The final FY 2014 revised budget includes \$6.4 million in general revenue, \$50,138 in Effective Absentee Systems for Elections federal funds, \$519,844 in Historical Records Trust and Visitors Center restricted receipts funds, and \$866,291 in other funds. This reflects a decrease of \$80,264 in general revenue and \$3,166 in other funds that is offset by an increase of \$50,163 in federal funds and \$64,913 in restricted receipts. The decrease in the revised FY 2014 Budget is attributable to a \$67,875 reduction for personnel and a \$20,639 reduction for operating supplies and expenses. The \$50,138 federal grant funding will be utilized to ensure successful, sustainable and effective methods to improve voting systems for absentee voters and the restricted receipts increase will be utilized to replenish inventory at the State House Visitor Center.

The Secretary of State's FY 2015 FTE position authorization is 57.0 FTE positions, reflecting no change from the FY 2014 final revised FTE position authorization.

The FY 2015 enacted budget for the **Office of General Treasurer** totals \$35.2 million, including \$2.4 million in general revenue, \$870,338 in federal funds, \$31.7 million in restricted receipts, and \$220,608 in other funds. The Treasury's FY 2015 enacted budget is \$87,966, or 0.3 percent more than the Governor's recommendation for the Office. The increase is comprised of \$100,000 less in general revenue, removed by the General Assembly for turnover savings, offset by an increase of \$187,966 in the Unclaimed

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Property program's transfer of net revenue to the general fund surplus, based on the May 2014 Revenue Estimating Conference.

In relation to the FY 2014 final revised budget of \$38.7 million, the FY 2015 enacted amount is less by \$3.5 million or 9.0 percent. General revenue decreases by \$125,212, comprised of the removal of \$100,000 in turnover savings and personnel adjustments and \$25,212 in operating and other expense. In federal funds, the FY 2015 enacted amount is \$870,338, the same as the Governor's recommendation for federal grant dollars available for the Crime Victim's Assistance Unit and for managerial costs associated with Treasury's role in the DET Administration Unit. Restricted receipt financing decreases by \$3.4 million in FY 2015, most notably in the Unclaimed Property program to reflect the results of the May 2014 Revenue Estimating Conference, which calculates a lower year-over-year change in liability holdback in comparison to FY 2014. In the Retirement Program, consultant expenses decrease by \$511,086 in relation to the FY 2014 revised budget, attributable to stabilization of actuarial and legal expenses associated with pension reform that are eligible to be paid from the Retirement Trust.

The FY 2015 FTE position authorization for the Office of the General Treasurer is 83.0 FTE positions, equivalent to the FY 2014 FTE position authorization.

The enacted FY 2015 Budget for the **Board of Elections** is \$4.1 million, financed entirely from general revenue, the same as the Governor's recommendation, an increase of \$2.4 million, or 138.4 percent, from the revised FY 2014 Budget. The increase in general revenue reflects a \$2.3 million increase attributable to expenses related to the November 2014 General Election and is not required in non-election years.

The revised FY 2014 Budget totals \$1.7 million, financed entirely of general revenue, a decrease of \$467, or 0.3 percent, from the FY 2014 enacted budget. The revised FY 2014 Budget reflects a \$21,511 general revenue decrease from the Governor's supplemental budget recommendation, primarily from lower than anticipated printing costs of \$12,500 and software maintenance agreements of \$9,011.

The Board's FTE authorization is 11.0 FTE positions in FY 2014 and FY 2015, consistent with Governor's recommendations.

The FY 2015 enacted budget for the **Rhode Island Ethics Commission** totals \$1.6 million, all of which is from general revenue, and represents no change from the Governor's recommended budget. Of this amount, \$1.4 million is for payroll costs, \$31,500 is for contract professional services, \$165,512 is for operating costs, and \$6,118 is for capital purchases and equipment.

The final revised FY 2014 budget for the Commission totals \$1.6 million from general revenue, which also reflects no change from the Governor's original budget recommendation. The \$1.6 million amount includes \$1.4 million for payroll costs, \$31,500 for contract professional services, \$171,596 for operating costs, and \$6,118 for capital purchases and equipment.

The FY 2015 and FY 2014 FTE position authorization of 12.0 FTE positions is the same number of positions recommended by the Governor.

The FY 2015 enacted budget for the **Office of the Governor** totals \$4.5 million, all in general revenue. In comparison to the final revised FY 2014 Budget, general revenue expenditures increase by \$395,000. The FY 2015 enacted budget is \$125,000 less than the Governor's recommendation, reflecting additional turnover savings of \$100,000 and a reduction of \$25,000 for a contract to provide federal liaison services to the Governor.

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The FY 2014 final revised budget is \$4.1 million, a \$311,000 reduction from the FY 2014 enacted budget of \$4.4 million. The majority of the decrease is a result of \$250,000 in additional turnover savings and a \$35,000 reduction in contract services primarily for a contract to provide federal liaison services to the Governor.

The Governor's Office's FTE position authorization for both the FY 2014 revised and FY 2015 enacted budgets remains at 45.0 FTE positions. It should be noted that six (6.0) of the Governor's Office FTE positions are currently reserved for the Health Benefits Exchange. However, the funding for these positions is budgeted under the Department of Administration.

The FY 2015 enacted budget for the **Rhode Island Commission for Human Rights** totals \$1.5 million, including \$1.2 million in general revenue and \$287,096 in federal funds. There was no change from the Governor's recommended budget in either source of funds.

General revenue funding reflects a net increase of \$47,017, or 4.1 percent, from the final FY 2014 revised budget of \$1.1 million. Federal funds reflect a net decrease of \$30,271 or 9.5 percent from the final FY 2014 revised budget of \$317,367.

The final revised FY 2014 Budget totals \$1.5 million, including \$1.1 million in general revenue and \$317,367 in federal funds. Similar to FY 2015, there was no change to the Governor's supplemental recommendation in either source of funds.

The Commission for Human Rights enacted budget includes 14.5 FTE positions, which is unchanged from the final FY 2014 revised budget authorization.

The FY 2015 enacted budget for the **Public Utilities Commission** totals \$8.5 million, including \$87,733 in federal funds and \$8.4 million in restricted receipts. This is \$159,585 less than the level recommended by the Governor and reflects the reduction of restricted receipt funds for 2.0 FTE positions that were formerly funded from American Recovery and Reinvestment Act (ARRA) federal funds. Compared to the final FY 2014 enacted budget of \$8.5 million, the FY 2015 enacted budget is \$59,041 less. Federal funds (primarily ARRA) decrease by \$117,323 and restricted receipts increase by \$58,182. The FY 2014 final enacted budget is unchanged from the Governor's recommendation.

The FY 2015 FTE position authorization of 50.0 is 1.0 FTE position more than the FY 2014 final authorization of 49.0 FTE positions. The increase reflects the addition of a Programming Services Officer who will provide management oversight on complex issues in the Consumer Section.

<i><b>Human Services</b></i>
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The enacted FY 2015 Budget of the **Executive Office of Health and Human Services** totals \$2.391 billion, including \$904.6 million in general revenue, \$1.471 billion in federal funds, and \$15.9 million in restricted receipts. General revenue funding reflects a net increase of 6.6 percent, or \$56.3 million from the final FY 2014 revised budget of \$848.4 million, and corresponds to a 6.7 percent, or \$57.0 million increase to the Governor's original FY 2015 recommendation. Federal funding reflects a net increase of 31.3 percent, or \$351.1 million from the final FY 2014 revised budget of \$1.120 billion, and corresponds to a 19.4 percent, or \$239.5 million increase to the Governor's original FY 2015 recommendation. Restricted receipt funding reflects a net increase of \$3.4 million from the final FY 2014 revised budget of \$12.6 million, and corresponds to a 15.2 percent, or \$2.1 million increase to the Governor's original FY 2015 recommendation.

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The Central Management program includes all financing for the administrative and operational activities of the Executive Office. These consist of the following core components: Office of the Secretary, Finance and Budget, Innovation and Policy, Program Integrity, Partner Engagement, Legal Services, and Medical Assistance Administration. The FY 2014 final enacted general revenue budget for Central Management totals \$26.5 million, a decrease of \$1.2 million relative to the Governor's recommendation. The legislative revision to the Governor's supplemental budget consists of: (1) turnover and program savings of \$274,085 as identified in the Executive Office's third quarter report, inclusive of the withdrawal of \$200,000 in unexpended general revenue for the (upcoming but delayed) MMIS predictive modeling procurement; (2) a reduction of \$212,115 to the estimated general revenue matching requirement for the Unified Health Infrastructure Project (UHIP); and (3) a diversion of all general revenue dedicated to the Ryan White HIV Care Program (\$703,773) to "other sources", recognizing alternative coverage options available through either the ACA-based Medicaid expansion or a federally subsidized qualified health plan obtained via HealthSource RI.

The FY 2015 enacted general revenue budget for Central Management totals \$28.0 million, a decrease of \$1.0 million relative to the Governor's recommendation of \$29.0 million. The legislative revisions to the Governor's original recommendation include managed turnover savings of \$250,000 and the diversion of all general revenue dedicated to the Ryan White HIV Care Program (\$704,831) to other sources, again in recognition of newly available coverage alternatives. For FY 2015, pharmaceutical rebates totaling \$3.8 million collected under the AIDS Drug Assistance Program (ADAP), a subdivision of the HIV Care Program, were transitioned from federal funds to restricted receipts to more accurately classify these receipts within the State's chart of accounts. It is anticipated that any remaining Title XIX and/or CNOM matching requirements for the HIV Care Program will be defrayed through available reserves of ADAP rebate funds, rather than continued appropriations of general revenue.

FY 2015 appropriations for the Central Management program reflect the General Assembly's concurrence with the Governor's recommended financing level of \$31.7 million for the Executive Office's share of the Unified Health Infrastructure Project (UHIP). Of this total, \$5.7 million represents general revenue, which leverages enhanced federal financial participation at matching rates of 90, 75, or 65 percent for Medicaid-allocable activities. In FY 2013, the Executive Office, in partnership with the Department of Human Services, the Office of Digital Excellence, and HealthSource RI, launched UHIP to build a fully integrated and interoperable system of eligibility determination spanning multiple programs of public assistance and HealthSource RI. Spurred by the enactment of the Affordable Care Act (ACA) and the promulgation of its implementing regulations, UHIP is the successor to the now-antiquated "InRhodes" system. A complex and multi-phase project, UHIP requires considerable investments in state personnel, contracted IT and project management services, and technical equipment acquisition and maintenance. With an estimated total cost surpassing \$209.0 million, UHIP represents the largest scale information technology project ever undertaken by the State of Rhode Island.

Enacted staffing authorizations total 184.0 FTE positions in FY 2014 and FY 2015, commensurate with the Governor's recommendations.

Funding for the Medical Assistance (Medicaid) program reflects caseload levels as adopted by the May 2014 Consensus Caseload Estimating Conference (CEC), modified by both legislative items, as well as various initiatives that were originally proposed by the Governor.

The FY 2014 final enacted budget for the Medical Assistance program totals \$1.852 billion, including \$821.9 million in general revenue. In comparison to the Governor's original FY 2014 recommendation, which was predicated on the results of the November 2013 Consensus Caseload Estimating Conference, final revised appropriations reflect a net increase of \$105.1 million in total funding, and a \$7.5 million net

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increase in general revenue. Final FY 2014 all-funds appropriations fully comport with the Governor's recommendation as amended following the May 2014 CEC, but also include the expenditure of a \$1.5 million residual cash balance in the Children's Health Account, a restricted receipt. Since this balance was unrecognized at the May 2014 CEC and Children's Health Account receipts constitute a source of state matching funds (offsetting general revenue), the enacted budget reflects a zero-sum substitution of restricted financing for general revenue in the amount of \$1.5 million.

The FY 2015 enacted budget for the Medical Assistance program totals \$2.266 billion, including \$876.6 million in general revenue. In comparison to the Governor's original FY 2015 recommendation, which was predicated on the results of the November 2013 Consensus Caseload Estimating Conference, final enacted appropriations reflect a net increase of \$299.5 million in total funding, and a \$58.0 million net increase in general revenue. In contrast to the Governor's recommendation as amended following the May 2014 CEC, enacted appropriations reflect an increase of \$95.7 million in total funding, and a \$48.0 million increase in general revenue. Relative to the FY 2014 final revised budget, total financing increases by \$413.2 million, or \$54.7 million in general revenue.

As implied by the figures above, Conferees at the May 2014 CEC adopted FY 2015 Medical Assistance expenditures that were well in excess of both November CEC estimates and the Governor's FY 2015 recommendations. There were two major causes of this considerable upswing: a significant increase in the estimated growth of the RItE Care caseload and an upward revision to the population size of individuals rendered eligible under the Medicaid expansion provisions of the Affordable Care Act (ACA). Although heightened caseload growth in RItE Care was attributable to a myriad of factors, the Executive Office's planned deferral of calendar year 2014 eligibility re-determinations for Medicaid beneficiaries until January 2015 was particularly impactful. Therefore, following the adoption of consensus estimates in May, the Executive Office proposed an early reactivation of the eligibility re-determination process on August 1, 2014, yielding incremental savings totaling \$29.5 million, or \$14.7 million in general revenue. Following the submission of a Governor's budget amendment acknowledging this policy shift, the General Assembly incorporated these savings within the FY 2015 enacted budget.

Updated estimates of the Medicaid Expansion caseload, based on observed enrollment trends since January 1, 2014, yielded increases to federal funds of \$90.6 million in FY 2014 and \$185.3 million in FY 2015, relative to the Governor's original recommendations. The FY 2015 enacted budget contains financing for this population totaling \$172.0 million and \$492.4 million in FY 2014 and FY 2015, respectively. These expenditures are fully financed by the Federal Government until January 1, 2017.

The FY 2015 Budget for Medical Assistance reflects the General Assembly's acceptance of many of the Governor's proposals designed to contain the Medicaid program's expenditure growth in FY 2015. These include: (1) negotiated reductions to Medicaid managed care capitation (i.e. monthly cost per member) rates in RItE Care and Rhody Health Partners, effective July 1, 2014; (2) freezing (to FY 2013 levels, for one additional year) payment rates for inpatient and outpatient hospital services within both the fee-for-service and as the managed care segments of the Medical Assistance program; (3) targeted interventions within certain populations of Medical Assistance recipients that are classified as "high utilizers" to minimize annual expenditures for intensive services; (4) implementation of a Community First Choice (CFC) program, providing home and community-based services and supports to certain eligible beneficiaries and leveraging enhanced federal financial participation; (5) the institution of Medicaid-financed subsidies for (Exchange-based) commercial coverage for pregnant and postpartum women with family incomes between 133 percent and 250 percent of the Federal Poverty Level (FPL); and (6) various reforms aimed at improving program integrity, including a reassessment of the Durable Medical Equipment (DME) fee schedule, refinements to the current system of prior authorizations for imaging services, a review of eligibility determination procedures for long term care and Medicare Part B premium assistance, the



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proactive removal of any non-Rhode Island resident from the Medical Assistance caseload, and restrictions on the use of Life Estate with Powers Deeds by prospective long-term care beneficiaries.

Although the Governor recommended the suspension of the rate increase to nursing care facilities (the nursing facility “COLA”) scheduled for October 1, 2014, generating projected savings of \$7.9 million, the General Assembly did not implement this proposal in full. Instead, FY 2015 appropriations reflect a six-month delay in payment of the COLA to April 1, 2015, thus requiring the restoration of \$2.6 million (\$1.3 million in general revenue) to finance the COLA for the final quarter of FY 2015. The General Assembly’s partial restoration of the FY 2015 rate adjustment adversely affects out-year deficit projections contained in the Five-Year Financial Projection, as COLAs provided in FY 2016 and beyond will now be applied to a higher base rate (all else equal).

All statutory provisions required to actualize the foregoing measures were enacted within Article 18, Sections 1 and 3 of the FY 2015 Appropriations Act, *Relating to Medical Assistance*, as well as Article 19, *Relating to Medical Assistance Recoveries*.

The FY 2015 enacted budget for Medical Assistance also contains several significant measures that were initiated by the 2014 General Assembly. In an attempt to further centralize appropriations for state programs operating under Title XIX of the Social Security Act (Medicaid), the enacted budget shifts all funding for Medicaid-financed, fee-for service behavioral health benefits, encompassing both mental health and substance abuse services, from the Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals (BHDDH) budget to that of the Executive Office’s Medical Assistance program. Following recognition of a \$9.9 million downward trend in base expenditures for these services, the General Assembly redirected total financing of \$60.8 million, consisting of \$30.1 million in general revenue, from BHDDH to the Executive Office. Formerly excluded from consensus caseload estimating, it is likely that future funding of these behavioral health services will be subject to estimation at the biannual Caseload Estimating Conference.

Relative to both the Governor’s original recommendations and adopted caseload estimates, the FY 2015 enacted budget for Medical Assistance includes additional payments of \$29.8 million to Rhode Island’s community hospitals under both the Medicaid Disproportionate Share (DSH) program and the (non-DSH) Upper Payment Limit (UPL). Article 17, Section 1 of the FY 2015 Appropriations Act increases Disproportionate Share payments to hospitals by \$7.2 million, \$3.6 million of which is derived from general revenue. This increase effectively aligns the FFY 2014 DSH plan (paid to community hospitals in FY 2015) with the FFY 2014 DSH allotment set by the Centers for Medicare and Medicaid Services (CMS).

Supplemental payments through the Upper Payment Limit represent quarterly “adjustment” payments to community hospitals, and have been appropriated annually since FY 2009. Fundamentally, they are designed to compensate hospitals for the difference between prevailing Medicaid reimbursement rates and those of the federal Medicare program for similar hospital services. Such payments are not federally mandated and are not explicitly tied to a hospital’s actual cost of services. Although the Governor did not recommend any such funding in his FY 2015 recommended budget, Article 17, Section 2 of the FY 2015 Appropriations Act authorizes the disbursement of \$11.8 million in outpatient UPL payments to community hospitals in FY 2015. Moreover, Section 2 of Article 17 also includes language authorizing inpatient UPL payments (heretofore unbudgeted), which for FY 2015 are set at \$10.8 million. The combined state share of the FY 2015 inpatient and outpatient UPL payments totals \$11.3 million.

The FY 2015 enacted budget also authorizes the Executive Office to pursue the installation of an “Electronic Visit Verification” system, wherein home and community based long-term care (HCBS) providers are electronically monitored to ensure appropriate and timely delivery of direct services. The

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General Assembly included savings of \$1.0 million, consisting of \$500,000 in general revenue, stemming from the implementation of Electronic Visit Verification. These savings are to be realized through the resulting elimination of overpayments, erroneous Medicaid billings, and (potentially) the disaffiliation of chronically unscrupulous providers from the HCBS program.

Article 18, Section 5 of the FY 2015 Appropriations Act creates a new Medicaid funding pool to support graduate medical education at Rhode Island's academic Level I trauma center hospitals, effective July 1, 2014. To qualify for financing, hospitals must have at least 25,000 inpatient discharges and maintain a minimum of 250 interns and residents per year. Although aggregate general revenue funding is capped at \$1.5 million, the General Assembly appropriated \$1.0 million for this purpose in FY 2015. Availability of federal matching funds is subject to approval by the Centers for Medicare and Medicaid Services (CMS), and the payment/apportionment methodology of the funding pool is at the discretion of the Secretary of Health and Human Services.

As part of his FY 2015 recommended budget, the Governor proposed that families with children receiving Medical Assistance under the 'Katie Beckett' option begin contributing toward the cost of their child's medical care. The Katie Beckett eligibility option provides access to home-based therapeutic and medical services to approximately 1,060 children with highly complex, long term disabilities who would otherwise require institutional care. Eligibility determination for these clients is predicated on the child's individual income and resources, rather than those of the entire family unit. Although the General Assembly did not concur with the Governor's proposal, Article 18, Section 4 of the FY 2015 Appropriations Act enables the Executive Office to collect relevant tax and financial information from the families of current recipients of (and future applicants for) Medical Assistance through the Katie Beckett option.

In Sections 2, 3, and 4 of Article 16 of the FY 2015 Appropriations Act, *Relating to Health Care*, the General Assembly set forth a new methodology through which the Childhood and Adult Immunization Accounts within the Department of Health and the Children's Health Account within the Executive Office of Health and Human Services will be financed after January 1, 2016. The Children's Health Account is a restricted receipt account within the Medical Assistance program, and its collections represent annual recoupments from commercial insurers for a class of Medicaid-financed services provided to eligible Children with Special Healthcare Needs who have both Medicaid and third-party insurance coverage. These services, which include home health care and private duty nursing; home-based therapeutics; comprehensive, evaluation, diagnosis, assessment, referral, and re-evaluation (CEDARR) family center services; and child and adolescent treatment services are generally not covered by commercial insurers and are therefore financed through Medicaid.

Currently, the Children's Health Account is funded through annual assessments on premiums written by commercial insurers in the previous calendar year. The assessment rate is based on the funding requirement of the Account, which equates to the volume of specified services provided by the Medical Assistance program to children with third party liability insurance, up to a \$7,500 per child per service per year maximum. Although Article 16 does not modify this annual funding requirement, the assessment on commercial premiums is replaced by the imposition of a "healthcare services funding contribution", effective January 1, 2016. Designed to more equitably distribute the funding burden of the Adult and Childhood Immunization and the Children's Health Accounts among benefitting insurance market participants (both fully insured and self-insured entities), the healthcare services funding contribution is a uniform amount per plan enrollee that a subject insurer is required to remit to the State for the purpose of financing each of the three accounts.

Expenditures of Children's Health Account receipts serve to offset general revenues in the Medical Assistance program on a dollar-for-dollar basis. Since the overall funding requirement methodology is

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unchanged by Article 16, there is no out-year budgetary exposure stemming from the revision to the Children's Health Account collection process. However, Article 16 also ends the statutory exemption of Medicaid managed care organizations from the childhood immunization assessment, giving rise to an estimated \$5.3 million in additional (annualized) Medical Assistance expenditures commencing in calendar year 2016. Both this and other out-year effects of the provisions of Article 16 are reflected in the Five-Year Financial Projection section of this document.

Article 18, Section 6 of the FY 2015 Appropriations Act adds a new chapter, RIGL 40-8.13, entitled "Long-Term Managed Care Arrangements", to the statutes governing the Medical Assistance program. In practice, the purpose of this chapter is to establish statutory rules for conducting certain aspects of the State's newly implemented Integrated Care Initiative for adults dually eligible for Medicaid and Medicare, particularly within the Rhody Health Options program. Rhody Health Options is a capitated, managed care system through which long term care (nursing facility and home and community-based services) and other Medicaid-financed services will be administered through a managed care organization. Though the majority of RIGL 40-8.13 applies to managed long-term services and supports more generally, and is not specifically targeted toward the Integrated Care Initiative, Rhody Health Options represents the State's first comprehensive program of managed long-term services and supports. Thus, the near-term impact of this chapter pertains largely to this program.

The major provisions of RIGL 40-8.13 include the following: an explicit allowance for beneficiary choice regarding participation in either a managed long-term care program or traditional fee-for-service Medicaid and/or Medicare, the assignment by the Executive Office of an "Ombudsman" to advocate on behalf of managed long-term services and supports beneficiaries and a "Provider/Plan Liaison" to facilitate communication between providers and managed care organizations, a prohibition on participating managed care organizations' use of a combined reimbursement rate for facility-based post-acute skilled and chronic care services, and a requirement that payment rates to nursing facilities under managed long-term care contracts shall be no less than those under traditional fee-for-service. The General Assembly made no corresponding adjustments to FY 2015 financing to account for the implementation of these provisions. As such, any fiscal consequences of Chapter 40-8.13 to the Medical Assistance program will be addressed during the upcoming FY 2016 budget cycle.

The enacted FY 2015 Budget for the **Department of Children, Youth & Families** totals \$210.6 million, including \$148.7 million in general revenue, \$56.6 million in federal funds, \$2.4 million in restricted receipts, and \$2.9 million from the Rhode Island Capital Plan Fund. This budget is \$6.1 million less than the revised FY 2014 Budget of \$216.7 million and includes a general revenue decrease of \$3.5 million, or 2.3 percent, from the revised FY 2014 Budget of \$152.2 million. The enacted FY 2015 Budget includes an additional \$1.4 million as compared to the Governor's FY 2015 recommendation due to acceptance of the Governor's proposed budget amendments combined with additional savings taken by the General Assembly, discussed in further detail below. The revised FY 2014 Budget is \$588,663 greater than the Governor's FY 2014 revised recommendation, also due to acceptance of the Governor's proposed budget amendments, combined with additional savings taken by the General Assembly.

The enacted FY 2015 Budget provides \$71.5 million for the Department of Children Youth and Families' **System of Care**, \$4.2 million less than the revised FY 2014 Budget and \$1.5 million greater than the Governor's recommendation due to acceptance of the Governor's proposed budget amendment to restore savings associated with the transfer of developmentally disabled youth, age 19 to 21 to the Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals. The revised FY 2014 Budget provides \$75.7 million for the System of Care, \$1.5 million greater than the Governor's recommendation due to the addition of \$1.5 million in federal Temporary Assistance to Needy Families (TANF) block grant

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financing to help the Department finance a portion of the projected deficit with the two System of Care networks, Family Service of Rhode Island and Child and Family Services of Newport County.

The enacted FY 2015 Budget for the Central Management program totals \$6.9 million, including \$4.6 million in general revenue and \$2.3 million in federal funds. This reflects a decrease of \$16,264 from the Governor's FY 2015 recommendation due to a reduction for training provided through Rhode Island College's Child Welfare Institute for newly hired social workers. Due to anticipated hiring constraints in FY 2015 as a result of the General Assembly not funding negotiated cost of living adjustments for state employees, financing for one of two planned classes of social workers was reduced for savings of \$795,649, of which \$309,776 is from general revenue and \$485,873 is from federal funds, spread across three programs: Central Management, Children's Behavioral Health, and Child Welfare. The revised FY 2014 Budget contains no changes from the Governor's recommendation.

The enacted FY 2015 Budget for the Children's Behavioral Health program totals \$13.0 million, including \$5.9 million in general revenue, \$5.8 million in federal funds, and \$1.3 million from the Rhode Island Capital Plan Fund. This reflects a net decrease of \$259,984, comprised of a general revenue reduction of \$174,737 and a federal funds reduction of \$222,747, partially offset by an increase of \$137,500 from the Rhode Island Capital Plan Fund. These changes are due to the aforementioned reduction to the social worker training contract with Rhode Island College combined with acceptance of the Governor's proposed budget amendments to shift Rhode Island Capital Plan Fund resources from FY 2014 to FY 2015 due to delays associated with the construction of fire towers at the Grodon Center on Mt. Hope Avenue in Providence. The revised FY 2014 Budget is \$87,500 less than the Governor's recommendation, due to acceptance of the Governor's proposed Rhode Island Capital Plan Fund budget amendments combined with \$50,000 in additional federal Individuals with Disabilities Education Act funding, which will be used to partially offset general revenue financing for the Department's contract with the North American Family Institute Adolescent Community Experience program, which is budgeted under the Child Welfare program.

The enacted FY 2015 Budget for the Juvenile Corrections program totals \$24.4 million, including \$23.4 million in general revenue, \$271,588 in federal funds, and \$748,837 from the Rhode Island Capital Plan Fund. This reflects an increase of \$548,837 from the Governor's FY 2015 recommendation due to acceptance of the Governor's proposed budget amendments to shift Rhode Island Capital Plan Fund resources from FY 2014 to FY 2015 due to delays associated with two projects: construction of a maintenance building and installation of two generators at the Rhode Island Training School. The revised FY 2014 Budget is \$548,837 lower than the Governor's recommendation, also due to acceptance of the Governor's proposed Rhode Island Capital Plan Fund budget amendments.

The enacted FY 2015 Budget for the Child Welfare program totals \$166.1 million, including \$114.6 million in general revenue, \$48.2 million in federal funds, \$2.4 million in restricted receipts, and \$850,000 from the Rhode Island Capital Plan Fund. This reflects a decrease of \$4.1 million from all funds, or 2.4 percent, from the revised FY 2014 Budget of \$170.2 million. The majority of this decrease is related to acceptance of the Governor's proposed reductions included in the recommended FY 2015 Budget. These reductions included costs shifts to Medicaid, development of an in-state program for ten seriously emotionally disturbed (SED) youth currently in out-of-state placement, and a reduction to the Phase I, System of Care Family Care Community Partnerships contract. In addition to acceptance of the Governor's proposed budget initiatives, the General Assembly took additional savings of \$381,901 within Child Welfare, of which \$118,775 is from general revenue and \$263,126 is from federal funds, due to the aforementioned reduction to the social worker training contract with Rhode Island College.

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The revised FY 2014 Budget is \$1.2 million higher than the Governor's recommendation, due to the addition of the aforementioned \$1.5 million in federal Temporary Assistance to Needy Families (TANF) block grant financing, combined with \$138,751 in reductions to general revenue attributable to shifting \$50,000 for education services for youth at the Rhode Island Training School to available federal Individuals with Disabilities Education Act financing and to shifting \$88,751 for foster care and adoption services from general revenue to available federal grant funds.

The Department of Children, Youth & Families' authorized FTE position level for the revised FY 2014 and enacted FY 2015 Budget is 670.5 FTE positions, consistent with the Governor's recommendation.

The FY 2015 Budget as enacted for the **Department of Health** totals \$122.6 million, including \$23.0 million in general revenue funds, \$65.1 million in federal funds, and \$34.6 million in restricted receipt funds. Across all funds, appropriations for the Department increased by 1.8 percent, or \$2.2 million from the final FY 2014 revised budget of \$120.5 million. By fund source, general revenue funds decreased by 2.1 percent or \$501,138, federal funds increased by 1.9 percent or \$1.2 million, restricted receipt funds increased by 4.8 percent or \$1.6 million, and other sources of funding were eliminated, a decrease of \$129,062.

The Department's enacted appropriation for the final FY 2014 revised budget reflects the addition of \$2.5 million across all funds, as compared to the Governor's recommended budget. Of that total, general revenue funds decreased by \$535,557, due to a \$500,000 shift in general revenue expenditures to the Department's indirect cost recovery account, which is a restricted receipt account funded through an indirect charge on the receipt of most federal funding, elimination of a \$60,116 legislative grant to support the Rhode Island Cancer Council, and the addition of \$24,559 from the American College of Obstetricians and Gynecologists to improve vaccine coverage and utilization in pregnant women. Federal funds increased by \$2.5 million to reflect appropriation of additional grant funding relating to the HIV and Lab grant, Maternal and Child Health Programs, Race to the Top, and the Wise Woman Program.

The Department's enacted appropriation for FY 2015 reflects the removal of \$555,210 in general revenue funds and an addition of \$600,000 in restricted receipt funding compared to the Governor's recommendation. Of the decrease in general revenue funds, \$500,000 of expenditures was shifted to the Department's indirect cost recovery account, a \$60,116 legislative grant to support the Rhode Island Cancer Council was eliminated, and a grant of \$4,906 was added from the American College of Obstetricians and Gynecologists. The increase in restricted receipt funds is composed of the shift from general revenue funds totaling \$500,000, and the addition of a \$100,000 grant from the Del Prete Family Foundation to support a public awareness campaign about the risks of addiction and accidental overdose.

In sections 2, 3, and 4 of Article 16 of the FY 2015 Appropriations Act, Relating to Health Care, the General Assembly set forth a new methodology through which the Childhood and Adult Immunization Accounts within the Department of Health and the Children's Health Account within the Executive Office of Health and Human Services will be financed after January 1, 2016. The Childhood and Adult Immunization Accounts finance the purchase of recommended and state-mandated vaccines for insured Rhode Island children and of the Advisory Committee on Immunization Practice vaccines recommended for insured Rhode Island adults. Although the funding method in funding these immunizations will change, the scope of these services provided by the Department of Health will remain unchanged. As these sections of Article 16 are intended to be revenue neutral, the Department of Health will not see a change in resources available to conduct adult and children immunizations. Under existing law and the newly passed legislation, the Department of Health will still receive the amount of financing necessary to purchase immunizations as necessary. This Article is designed to more equitably distribute the funding

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burden of these accounts (and the Children's Health Account) among benefitting insurance market participants.

Appropriations for Central Management total \$13.4 million in FY 2015, an increase of \$887,677 from the final FY 2014 revised budget of \$12.5 million. Of the total change, general revenue funds increased by \$1,180 from \$480,309 to \$481,489; federal funds increased by \$303,200 from \$7.8 million to \$8.1 million; and restricted receipt funding increased by \$583,297 from \$4.2 million to \$4.8 million. The large increase in restricted receipt funding is to accommodate the aforementioned funding shift to the Indirect Cost Recovery account. The FY 2014 final revised budget is \$439,981 more than the Governor's recommendation due to the elimination of the Rhode Island Cancer Council legislative grant and the shift of \$500,000 in State Medical Examiner general revenue expenditures to the indirect cost recovery account. The FY 2015 enacted budget is \$539,884 more than the Governor's recommendation due to the elimination of the Rhode Island Cancer Council legislative grant, the addition of Del Prete Family Foundation funding, and the shift of \$500,000 in State Medical Examiner general revenue expenditures to the indirect cost recovery account.

Appropriations for the State Medical Examiner total \$2.1 million in FY 2015, an increase of \$76,699 from the final FY 2014 revised budget of \$2.0 million. Of the total change, general revenue funds increased by \$76,710 from \$1.9 million and federal funds decreased by a small amount from \$141,336. The FY 2014 final revised budget and the FY 2015 enacted budget is \$500,000 less than the Governor's recommendation due to the shift of \$500,000 of general revenue expenditures to the indirect cost recovery account, which is part of the Central Management program.

Appropriations for the Environmental and Health Services Regulation program total \$18.8 million in FY 2015, a decrease of \$521,972 from the final FY 2014 revised budget of \$19.3 million. Of the total change, general revenue funds decreased by \$91,087; federal funds decreased by \$471,352 from \$6.4 million to \$5.9 million; and restricted receipt funds increased by \$40,467. The downward shift in federal funds is largely due to a decrease in funding from the State Homeland Security Grant. The FY 2014 final revised budget and the FY 2015 enacted budget is unchanged from the Governor's recommendation.

Appropriations for the Health Laboratory total \$7.9 million in FY 2015, a decrease of \$417,416 from the final FY 2014 revised budget of \$8.3 million. Of the total change, general revenue funds increased by \$62,800 and federal funds decreased by \$480,216 from \$2.2 million to \$1.7 million. The downward revision in federal funds is largely due to a decrease in funding from the Highway Safety grant. The FY 2014 final revised budget and the FY 2015 enacted budget is unchanged from the Governor's recommendation.

Appropriations for the Public Health Information program total \$3.6 million in FY 2015, a decrease of \$790,852 from the final FY 2014 revised budget of \$4.4 million. Of the total change, general revenue funds increased by \$21,485 from \$1.5 million to \$1.6 million and federal funds decreased by \$812,337 from \$2.9 million to \$2.1 million. The downward shift in federal funds is largely due to a decrease in funding from the Healthcare Surveillance/Health Statistics grant and the Electronic Health Records & Immunization grant. The FY 2014 final revised budget and the FY 2015 enacted budget is unchanged from the Governor's recommendation.

Appropriations for the Community and Family Health and Equity program total \$70.3 million in FY 2015, an increase of \$2.9 million from the final FY 2014 revised budget of \$67.5 million. Of the total change, general revenue funds decreased by \$379,601 from \$2.6 million to \$2.2 million; federal funds increased by \$2.4 million from \$39.6 million to \$42.0 million; restricted receipt funding increased by \$964,475 from \$25.2 million to \$26.1 million; and operating transfers were eliminated, a reduction of

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\$129,062. The upward shift in federal funds is largely due to an increase of funding for the Maternal and Child Health Home Visiting Expansion grant, and Chronic Disease Prevention and Control grant, with an offsetting decrease in the Maternal and Child Health Home Visiting Development grant. The upward shift in restricted receipt funds is mainly due to an increase in funding for Infant and Child Immunizations and Adult Immunizations. The FY 2014 final revised budget is \$2.0 million more than the Governor's recommendation due to the inclusion of \$24,559 in American College of Obstetricians and Gynecologists grant funding and the appropriation of \$2.0 million in additional federal funds. The FY 2015 enacted budget includes an additional \$4,906 compared to the Governor's recommendation to reflect funding received from the American College of Obstetricians and Gynecologists.

Appropriations for the Infectious Disease and Epidemiology program total \$6.6 million in FY 2015, an increase of \$60,733 from the final FY 2014 revised budget of \$6.5 million. Of the total change, general revenue funds decreased by \$192,625 from \$1.6 million to \$1.4 million; federal funds increased by \$259,353 from \$4.9 million to \$5.2 million; and restricted receipt funding was eliminated, a reduction of \$5,995. The FY 2014 final revised budget is \$500,000 more than the Governor's recommendation due to the appropriation of an additional \$500,000 in federal funds. The FY 2015 enacted budget is unchanged from the Governor's recommendation.

Enacted staffing authorizations total 491.1 FTE positions in FY 2014 and 491.3 FTE positions in FY 2015.

The enacted FY 2015 Budget for the **Department of Human Services** totals \$649.8 million, including \$96.3 million in general revenue, \$547.3 million in federal funds, \$1.8 million in restricted receipts, and \$4.3 million from other funds. This budget is \$13.8 million less than the revised FY 2014 Budget of \$663.6 million and includes a general revenue increase of \$2.5 million, or 2.6 percent, from the revised FY 2014 Budget of \$93.9 million. The enacted FY 2015 Budget includes a reduction of \$5.7 million as compared to the Governor's FY 2015 recommendation due to acceptance of the Governor's proposed budget amendments, caseload adjustments, and additional savings taken by the General Assembly, discussed in further detail below. The revised FY 2014 Budget is \$8.1 million less than the Governor's FY 2014 revised recommendation, also due to acceptance of the Governor's proposed budget amendments, caseload adjustments, and additional savings taken by the General Assembly.

The enacted FY 2015 Budget for the Central Management program totals \$9.3 million, including \$5.0 million in general revenue, \$3.8 million in federal funds, and \$522,542 in restricted receipts. This reflects an increase of \$76,604 from the Governor's recommendation, the entirety of which is from general revenue, due to a net increase in funding for legislative grants to community service agencies. Specifically, the enacted FY 2015 Budget increases the following grants: the Boys and Girls Club of Rhode Island by \$140,617, Operation Stand Down Rhode Island by \$10,987, and provides a \$25,000 grant to Cranston's League for Cranston's Future. The enacted FY 2015 Budget decreases the following grants: Day One by \$50,000 and John Hope Settlement House by \$50,000. The final FY 2014 Budget for Central Management is \$579,431 greater than the Governor's recommendation, reflecting the appropriation of additional federal funds under the Community Services Block Grant, as proposed in a Governor's budget amendment.

The enacted FY 2015 Budget for the Office of Child Support Services totals \$8.2 million, including \$2.4 million in general revenue and \$5.9 million in federal funds. This reflects a decrease of \$65,694 from the revised FY 2014 Budget, of which \$64,687 is federal funds and \$1,007 is general revenue. There were no changes from the Governor's recommendation in either fiscal year.

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The revised FY 2014 Budget for the Individual and Family Support program totals \$171.8 million, including \$22.8 million in general revenue, \$143.4 million in federal funds, \$340,431 in restricted receipts, and \$5.3 million from other funds. This reflects a net decrease of \$4.4 million from the Governor's recommendation, primarily due to acceptance of the Governor's proposed budget amendment eliminating \$4.4 million in discontinued restricted funding for "demand side management" weatherization grants, combined with turnover savings identified in the third quarter report. In addition, the General Assembly shifts \$1.8 million in general revenue financing for the Unified Health Infrastructure Project (UHIP) to federal Temporary Assistance for Needy Families (TANF) block grant financing. The May Caseload Estimating Conference reduced estimated expenditures from the TANF block grant, which freed up expenditure authority under the grant.

The enacted FY 2015 Budget for the Individual and Family Support program totals \$157.5 million, including \$24.4 million in general revenue, \$128.5 million in federal funds, \$340,431 in restricted receipts, and \$4.3 million from other funds. This reflects a net decrease of \$4.5 million from the Governor's recommendation, and includes elimination of \$4.4 million in restricted funding for discontinued "demand side management" weatherization grants (as in FY 2014), an increase of \$85,284 for the special supplementary cash assistance stipend for certain SSI beneficiaries (see SSI section below), and the withdrawal of all FY 2015 expenditure authority for SNAP high-performance bonus funding. The General Assembly again includes a shift of general revenue financing for the Unified Health Infrastructure Project (UHIP) to federal TANF block grant financing, in the amount of \$849,386.

The enacted FY 2015 Budget for the Health Care Eligibility program totals \$20.0 million, including \$8.2 million in general revenue and \$11.8 million in federal funds, consistent with the Governor's recommendation. This is \$1.9 million greater than the revised FY 2014 Budget due primarily to increased financing for personnel costs associated with the UHIP project, including \$393,022 in general revenue and \$1.5 million in federal funds. The revised FY 2014 Budget totals \$18.1 million, including \$7.8 million in general revenue and \$10.3 million in federal funds. This is \$452,166 less than the Governor's recommendation due to additional turnover savings taken by the General Assembly, as identified in the third quarter report.

The enacted FY 2015 Budget for the Division of Veterans' Affairs totals \$28.4 million, including \$20.3 million in general revenue, \$7.5 million in federal funds, and \$635,000 in restricted receipts, consistent with the Governor's recommendation. This is \$1.6 million less than the revised FY 2014 Budget, and includes an additional \$663,234 in general revenue, offset by a reduction of \$1.2 million in federal funds and \$1.1 million in restricted receipts. The decrease is attributable to reductions to federal and restricted receipt financing for capital projects at the Veterans' cemetery, partially offset by additional general revenue and federal funds for personnel. The revised FY 2014 Budget for the Division of Veterans' Affairs totals \$30.0 million, including \$19.6 million in general revenue, \$7.5 million in federal funds, and \$1.7 million in restricted receipts. This is \$635,567 less than the Governor's recommendation due to the acceptance of the Governor's proposed budget amendments combined with additional turnover savings and operating savings taken by the General Assembly.

The enacted FY 2015 Budget for the Division of Elderly Affairs totals \$18.7 million, including \$6.2 million in general revenue, \$12.2 million in federal funds, and \$299,336 in restricted receipts. On an all-funds basis, this is consistent with the Governor's recommendation. However, the General Assembly shifted \$150,000 in general revenue appropriations for the Pharmaceutical Assistance to the Elderly program to restricted receipts, funded through rebate payments from pharmaceutical companies. The revised FY 2014 Budget for the Division of Elderly Affairs totals \$18.0 million, including \$5.8 million in general revenue, \$12.0 million in federal funds, and \$213,652 in restricted receipts. This is \$189,718 less than the Governor's recommendation due to turnover savings of \$79,718 in general revenue taken by the



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General Assembly combined with a shift and reduction in financing for the Pharmaceutical Assistance to the Elderly program (RIPAE). Specifically, the General Assembly reduced general revenue financing for the Pharmaceutical Assistance to the Elderly program by \$174,484 and shifted \$64,484 of this reduction to restricted receipts, for a net reduction to the RIPAE program of \$110,000.

Enacted staffing authorizations are 959.1 FTE positions in both FY 2014 and FY 2015, as recommended by the Governor.

The FY 2015 enacted budget for programs of cash assistance administered by the Department of Human Services are as follows:

**Rhode Island Works (formerly the Family Independence Program) and the Child Care Assistance Program:** Total financing of \$86.7 million, consisting of \$9.7 million in general revenue, reflecting caseloads as adopted by the May 2014 Caseload Estimating Conference (CEC) coupled with an additional \$1.1 million allocation of federal TANF funds for the continuation of the Child Care Subsidy Transition Program through September 30, 2016. As in recent fiscal years, all general revenue is appropriated in support of the Child Care Assistance Program (primarily in satisfaction of federal maintenance of effort (MOE) requirements for state-subsidized child care), whereas Rhode Island Works is fully federally financed through the State Family Assistance Grant provided under the Temporary Assistance for Needy Families Program (often referred to as the “TANF block grant”).

**Supplemental Security Income Program (SSI):** Total financing of \$18.6 million in general revenue, reflecting caseloads as adopted by the May 2014 Consensus Caseload Estimating Conference and the Governor’s recommendation as amended. Budgeted expenditures for this program in FY 2015 are \$180,180 above the FY 2014 final enacted level.

For FY 2015, the General Assembly appropriated general revenue of \$335,284 in support of the SSI special supplementary monthly cash assistance payment, formerly available only to the subset of SSI recipients who reside in Medicaid-ineligible assisted living facilities. Relative to the final FY 2014 revised level of \$250,000, funding was increased by \$85,284 in FY 2015 due to the provisions of Article 15, Section 1 of the FY 2015 Appropriations Act. Section 1 expands the pool of SSI recipients eligible to receive the \$206 monthly payment to include those residing in Medicaid-eligible assisted living facilities financed through the Rhode Island Housing and Mortgage Finance Corporation (RIHMFC), effective October 1, 2014. There are currently three (3) such facilities with approximately 35 SSI-eligible residents. Financing for these payments is included within the Department’s Individual and Family Support (IFS) program, and is therefore not subject to estimation at the CEC.

**General Public Assistance (GPA):** *Bridge Program:* \$681,000 in general revenue, consistent with adopted caseload levels and the Governor’s recommendation as amended. *Burials:* \$725,000 in general revenue, consistent with adopted caseload levels and the Governor’s recommendation as amended. *GPA Medical (GMED), designated as a “Cost Not Otherwise Matchable” (CNOM):* \$0, consistent with adopted caseload levels as a result of the transfer of GMED beneficiaries to the expanded Medicaid program of the Executive Office of Health and Human Services. *GPA Hardship Contingency Fund:* \$210,000 in general revenue, consistent with Article 1 of the FY 2015 Appropriations Act.

**Supplemental Nutrition Assistance Program (SNAP) and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC):** Federal funding for benefits provided under the Supplemental Nutrition Assistance Program (SNAP), which are not determined at the CEC, totals \$300.6 million in the FY 2014 final enacted and FY 2015 Budgets. Financing for benefits provided under the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), also not determined at

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the CEC, totals \$19.3 million in both the FY 2014 final enacted and FY 2015 Budgets. These allocations are consistent with the Governor's original recommendations.

The FY 2015 enacted budget for the **Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals** totals \$365.5 million, including \$167.5 million in general revenue, \$181.2 million in federal funds, \$9.6 million in restricted receipts, and \$7.2 million in other funds. The Department's total FY 2015 Budget of \$365.5 million is \$78.5 million less than the Governor's FY 2015 recommendation and \$74.1 million less than the FY 2014 final revised budget of \$439.6 million. Compared to the FY 2014 final revised budget, general revenue decreased by \$33.6 million, federal funds by \$38.7 million, and other funds by \$1.8 million. Restricted receipts increased by \$57,223.

In the FY 2015 enacted budget, the General Assembly moved a total of \$70.7 million, of which \$35.0 million is general revenue and \$35.7 million is federal funds, from the Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals to the Executive Office of Health and Human Services for fee-for-service mental health and substance abuse Medicaid funded benefits provided to program eligible disabled individuals. The Executive Office of Health and Human Services is the primary Medicaid agency for the State.

FY 2015 general revenue funding of \$167.5 million reflects a net decrease of 16.7 percent from the FY 2014 revised budget of \$201.1 million and \$34.3 million less than the Governor's FY 2015 recommendation of \$201.8 million. General revenue reductions from the Governor's recommendation include the removal of \$601,440 included in the recommended budget to provide services to youth ages 19 to 21 that were previously recommended to be transitioned from the Department of Children, Youth & Families; the shift of \$35.0 million to the Executive Office of Health and Human Services for the Behavioral Healthcare Medicaid program; the shift of \$674,075 for certain behavioral healthcare services to federal block grants, and a correction to the Medicaid match rate of \$195,220. The General Assembly included an additional \$668,086 to support a rate increase in the hospital licensing fee for the Eleanor Slater Hospital, \$50,000 in community service grants, and \$1.5 million to restore personnel funding taken as turnover savings in the Governor's recommended budget. With the exception of the hospital licensing fee increasing by \$154,739, the final revised general revenue budget for FY 2014 concurs with the Governor's FY 2014 supplemental recommendation.

The decrease of \$38.7 million in federal funds in FY 2015 reflects a reduction of 2.7 percent from the FY 2014 revised budget of \$219.9 million and \$34.0 million from the Governor's FY 2015 recommendation. Federal reductions from the Governor's recommendation include the removal of \$211,488 included in the recommended budget to provide services to youth ages 19 to 21 that were previously recommended to be transitioned from the Department of Children, Youth & Families; the shift of \$35.7 million to the Executive Office of Health and Human Services for the Behavioral Healthcare Medicaid program; and \$184,306 for a correction to Medicaid match rates. There is also an addition of \$1.5 million to restore personnel funding and \$516,461 to accommodate the increase in the hospital licensing fee for Eleanor Slater Hospital in FY 2015 from \$5.3 million to \$6.5 million. The federal funds budget for FY 2014 reflects an increase of \$18,432 from the Governor's FY 2014 supplemental recommendation for the hospital licensing fee.

The FY 2014 final enacted budget in other funds reduces the Governor's Recommended FY 2014 revised budget by \$505,874, which includes a decrease of \$218,874 for residential development and \$287,000 for medical center rehabilitation. The Governor's recommendation in FY 2015 is reduced by \$10.2 million from the Rhode Island Capital Plan Fund in the FY 2015 final enacted budget, which mostly consists of funding that was provided for the hospital consolidation project. The Legislature shifted funding for this project to FY 2018 and FY 2019.

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On an all funds basis, grants and assistance payments to providers totaling \$210.8 million comprise the largest portion of the Department's budget in FY 2015, followed by \$132.4 million for salary and benefits expenses, \$13.5 million for operating expenses, \$7.5 million for capital purchases and equipment, and \$1.3 million for contract professional services. Major net changes from the FY 2014 revised budget consist of a decrease in grants and assistance payments of \$77.6 million, mostly for the shift of behavioral healthcare Medicaid services to the Executive Office of Health and Human Services, an increase of \$4.8 million for personnel, and a decrease of \$1.1 million for operating expenses and capital purchases and equipment. Key changes to the Governor's FY 2015 recommended budget include an increase of \$3.0 million for personnel expenses, a reduction of \$10.2 million from the Rhode Island Capital Plan Fund, mainly for the hospital consolidation project; and a decrease of \$71.3 million in grants and benefits that mostly reflects the shift of behavioral healthcare Medicaid expenses to the Executive Office of Health and Human Services.

For the Central Management program, the FY 2015 enacted budget is \$1.5 million, including \$970,823 in general revenue and \$539,262 in federal funds. The enacted budget is 1.0 percent, or \$14,767, less than the FY 2014 revised budget.

For the Hospital and Community Support System program, the FY 2015 enacted budget is \$3.9 million, including \$1.6 million in general revenue, \$934,379 in restricted receipts, and \$1.4 million from the Rhode Island Capital Plan Fund. The enacted budget is \$469,120 more than the FY 2014 revised budget. The only major change from the Governor's recommendation is a reduction of \$287,000 in the FY 2014 revised budget for the Medical Center Rehabilitation project.

For the Services for the Developmentally Disabled program, the FY 2015 enacted budget is \$227.4 million, including \$111.0 million in general revenue, \$113.0 million in federal funds, \$2.0 million in restricted receipts, and \$1.4 million from the Rhode Island Capital Plan Fund. The FY 2015 enacted budget is 0.7 percent, or \$1.6 million, more than the FY 2014 revised budget of \$225.8 million and \$392,454 less than the Governor's FY 2015 recommendation. The majority of the increase year over year reflects an increase in personnel costs. The changes from the Governor's recommendation include a reduction of \$218,874 from the Rhode Island Capital Plan Fund in FY 2015 for residential development, an increase in personnel funding of \$400,000, and a decrease of \$792,454 for adjustments to Medicaid and for the population that will remain at the Department of Children, Youth & Families.

For the Behavioral Healthcare Services program, the FY 2015 enacted budget is \$19.0 million, including \$2.0 million in general revenue, \$15.6 million in federal funds, \$125,000 in restricted receipts, and \$1.3 million from the Rhode Island Capital Plan Fund. The enacted budget is 80.6 percent, or \$78.9 million, less than the FY 2014 revised budget of \$97.9 million. In comparison to the Governor's FY 2015 recommendation, the enacted budget contains a decrease of \$70.7 million for the transfer of Medicaid services to the Executive Office of Health and Human Services and a shift of \$674,075 for services currently provided through general revenue to federal block grants. There were no changes to the Governor's recommendation in FY 2014.

For the Hospital and Community Rehabilitative Services program, the FY 2015 enacted budget is \$113.7 million. Of this amount, \$52.0 million is general revenue, \$52.0 million is federal funds, \$6.6 million is restricted receipts, and \$3.1 million is from the Rhode Island Capital Plan Fund. The enacted budget is 2.5 percent, or \$2.8 million, more than the FY 2014 revised budget of \$110.9 million, the majority being in personnel costs. Major changes to the Governor's FY 2015 recommendation include an increase of \$1.2 million to finance the FY 2015 hospital licensing fee for Eleanor Slater Hospital, a reduction of \$10.0 million for the Hospital Consolidation project, the elimination of \$275,000 for hospital equipment, and an

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## Overview

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increase of \$2.2 million for personnel to reduce the turnover savings rate. The final enacted FY 2014 budget contains an increase of \$173,171 for the hospital licensing fee as compared to the Governor's FY 2014 revised recommendation.

The Department's FTE position authorization in the enacted budget is 1,422.4 for both FY 2014 and FY 2015.

The FY 2015 Budget as enacted for the **Governor's Commission on Disabilities** totals \$1.5 million, including \$358,275 in general revenue, \$141,350 in federal funds, \$9,177 in restricted receipts, and \$1.0 million in Rhode Island Capital Plan Fund resources. Across all funds, appropriations for the Commission increased by 39.9 percent, or \$430,190 from the final FY 2014 revised budget of \$1.1 million. By fund source, general revenue funds increase by 0.5 percent or \$1,923, federal funds decrease by 9.6 percent or \$14,980, restricted receipt funds decrease by 42.4 percent or \$6,753, and Rhode Island Capital Plan Fund resources increase by 81.8 percent, or \$450,000. The Commission's enacted appropriation for FY 2015 is unchanged from the Governor's recommendation.

The large increase in funding for the FY 2015 enacted budget, as compared to the final FY 2014 revised budget, is due to an increase in Rhode Island Capital Plan Fund resources. Funding for FY 2014 and FY 2015 is consolidated into one project, facility renovations for handicapped accessibility, which provides the Commission flexibility to prioritize projects as they become necessary.

The Commission's FY 2015 staffing authorization of 4.0 FTE positions is unchanged from FY 2014, consistent with the Governor's recommendation.

The FY 2015 Budget as enacted for the **Commission on the Deaf and Hard of Hearing** totals \$474,279, including \$394,279 in general revenue and \$80,000 in restricted receipts. Across all funds, appropriations for the Commission increase by 1.1 percent, or \$5,012 from the final FY 2014 revised budget of \$469,267. By fund source, general revenue increase by 1.3 percent or \$5,012 and restricted receipts remain unchanged. The Commission's enacted appropriation for FY 2015 is unchanged from the Governor's recommendation.

The Commission's FY 2015 staffing authorization of 3.0 FTE positions is unchanged from FY 2014, consistent with the Governor's recommendation.

The FY 2015 Budget as enacted for the **Office of the Child Advocate** totals \$661,817, including \$611,817 in general revenue and \$50,000 in federal funds. Across all funds, appropriations for the Office increase by 5.8 percent, or \$36,340 from the final FY 2014 revised budget of \$625,477. By fund source, general revenue increase by 6.3 percent or \$36,340 and federal funds remain unchanged. The Office's enacted appropriation for FY 2015 is unchanged from the Governor's recommendation.

The entirety of the \$36,340 increase in the Office's budget is comprised of financing relating to personnel expenditures. The budget as enacted provides financing required to support the Office's full FTE position authorization.

The Office's FY 2015 staffing authorization of 6.0 FTE positions is unchanged from FY 2014, consistent with the Governor's recommendation.

The FY 2015 Budget as enacted for the **Office of the Mental Health Advocate** totals \$495,010 in general revenue. Compared to the final FY 2014 revised budget of \$483,716, the Office's general revenue appropriation increase by 2.3 percent, or \$11,294. The modest increase in appropriation

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represents increased costs for personnel and operating expenditures. The Office's enacted appropriation for FY 2015 is unchanged from the Governor's recommendation.

The Office's FY 2015 staffing authorization of 3.7 FTE positions is unchanged from FY 2014, consistent with the Governor's recommendation.

<i>Education</i>
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The enacted FY 2015 Budget for the **Department of Elementary and Secondary Education** totals \$1.246 billion, including \$1.004 billion in general revenue, \$208.5 million in federal funds, \$27.0 million in restricted receipts, and \$6.2 million in other funds. The Department's enacted FY 2015 Budget overall is mostly consistent with the Governor's recommendation, with the exception of a reduction of \$2.8 million in general revenue and \$300,000 in restricted receipts. There was no change in federal and other funds as compared to the Governor's recommendation. General revenue funding reflects a net increase of \$44.1 million, or 4.6 percent, from the revised FY 2014 Budget of \$960.3 million. Federal funds reflect a net decrease of \$20.3 million, or 8.9 percent, from the revised FY 2014 Budget of \$228.8 million. Restricted receipts reflect a net increase of \$360,080, or 1.4 percent, from the revised FY 2014 Budget of \$26.6 million. Other funds reflect a net decrease of \$5.3 million, or 46.1 percent, from the revised FY 2014 Budget of \$11.6 million.

The enacted FY 2015 Budget for the Administration of the Comprehensive Education Strategy (ACES) program totals \$235.2 million, including \$20.4 million in general revenue, \$206.9 million in federal funds, \$4.8 million in restricted receipts, and \$3.2 million in other funds. The program's enacted FY 2015 Budget is \$150,000 more than the Governor's recommendation, comprised of \$450,000 more for changes in general revenue-financed legislative grants, offset by a \$300,000 decrease in restricted receipts for adult education grants from the Human Resource Investment Council. The increase of \$450,000 in legislative grants is the net change of a \$500,000 shift for the JASON project from the University of Rhode Island's budget to the Department, offset by a removal of a \$50,000 one-time grant for capital improvements for a school gymnasium in Woonsocket. Federal and other funds are equal to the Governor's recommendation. General revenue funding reflects a net increase of \$1.3 million, or 7.0 percent, from the revised FY 2014 Budget of \$19.1 million. All other funds reflect a net decrease of \$18.8 million, or 8.0 percent, from the revised FY 2014 Budget of \$233.6 million attributed mostly to a \$14.1 million reduction from the expiration of Race to the Top grant.

The revised FY 2014 Budget for the ACES program totals \$252.7 million, comprised of \$19.1 million in general revenue, \$226.8 million in federal funds, \$5.0 million in restricted receipts, and \$1.8 million in other funds. In comparison to the Governor's supplemental recommendation, the revised FY 2014 Budget for ACES is \$500,000 less in general revenue due to the removal of a legislative grant to implement full-day kindergarten in Woonsocket, which is now funded in the FY 2015 Budget.

As a winner in the Race to the Top competition, Rhode Island was awarded \$75.0 million in federal funds to be used over a four-year period, from 2010 through 2014. As described by the Department, Rhode Island is using Race to the Top funding to realize a single powerful vision: an educational system that prepares all Rhode Island students for success in college, careers and life. Over the term of this grant, Rhode Island implemented five important support systems: Standards and Curriculum, Instructional Improvement Systems, Educator Effectiveness, Human Capital Development, and School Transformation and Innovation. Prior to FY 2014, \$45.8 million has been expended, of which \$25.8 million was sub-granted to the local education agencies. The revised FY 2014 Budget contains \$20.0 million, while the enacted FY 2015 Budget allocates \$8.7 million from this grant. The Department has received a no-cost extension for this grant; the new expiration date is July 1, 2015.

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## Overview

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In December 2011, Rhode Island was awarded an additional \$50.0 million through the latest round of the Race to the Top program. Under the title Race to the Top – Early Learning Challenge Grant, funding is used to improve education for pre-school students. This program involves multiple human service state agencies, such as the state’s Department of Health, Department of Human Services, and the Department of Children, Youth, and Families, with funding allocated over the four-year span of January 2012 to December 2015, similar to the previous Race to the Top program. Within the Department’s budget, \$7.2 million has been allocated for year three of the program in the revised FY 2014 Budget and \$5.4 million in year four, which encompasses FY 2015.

The enacted FY 2015 Budget for the William M. Davies Career and Technical School totals \$19.1 million, including \$12.2 million in general revenue, \$1.4 million in federal funds, \$4.1 million in restricted receipts, and \$1.4 million in other funds. Davies’ enacted FY 2015 Budget is largely identical to the Governor’s recommendation, except for a minor change in education aid from the March 2014 data update. The Governor proposed this change within an amendment, which the General Assembly accepted. There was no change to the Governor’s recommendation for federal funds and restricted receipts. General revenue financing reflects a net decrease of \$551,874, or 4.3 percent, from the revised FY 2014 Budget of \$12.8 million. Federal funds reflect a net decrease of \$171,642, or 11.2 percent, from the revised FY 2014 Budget of \$1.5 million. Restricted receipts reflect a net increase of \$1.1 million, or 38.8 percent, from the revised FY 2014 Budget of \$2.9 million. Other funds reflect a net decrease of \$1.1 million, or 44.5 percent, from the revised FY 2014 Budget of \$2.6 million.

The revised FY 2014 Budget for Davies totals \$19.8 million, including \$12.8 million in general revenue, \$1.5 million in federal funds, \$2.9 million in restricted receipts, and \$2.6 million in other funds. The final FY 2014 Budget is identical to the Governor’s supplemental recommendation.

The enacted FY 2015 Budget for the R.I. School for the Deaf totals \$6.8 million, including \$5.9 million in general revenue, \$276,570 in federal funds, \$558,248 in restricted receipts, and \$59,000 from the Permanent School Fund. The School for the Deaf’s enacted FY 2015 Budget is identical to the Governor’s recommendation. General revenue financing reflects a net increase of \$25,252, or 0.4 percent, from the revised FY 2014 Budget of \$5.9 million. Federal funds reflect a net decrease of \$196,329 or 41.5 percent from the revised FY 2014 Budget of \$472,899. Restricted receipts reflect a net increase of \$24,619, or 4.6 percent, from the revised FY 2014 Budget of \$533,269.

The revised FY 2014 Budget for the School for the Deaf totals \$7.0 million, including \$5.9 million in general revenue, \$472,899 in federal funds, \$300,000 in restricted receipts, and \$59,000 in other funds. There is no change in comparison to the Governor’s supplemental recommendation.

The enacted FY 2015 Budget for the Metropolitan Career and Technical School (The MET) totals \$11.8 million, including \$10.5 million in general revenue and \$1.3 million from the Rhode Island Capital Plan Fund. The MET’s enacted FY 2015 Budget is \$35,247 less than the Governor’s recommendation, comprised of a decrease in general revenue as a result of the updated student enrollment numbers from March 2014. There was no change to the Governor’s recommendation for other funds. General revenue financing reflects a net decrease of \$583,689, or 5.3 percent, from the revised FY 2014 Budget of \$11.1 million. Other funds reflect a net decrease of \$5.7 million, or 81.8 percent, from the revised FY 2014 Budget of \$6.9 million. The revised FY 2014 Budget for the MET is consistent with the Governor’s recommendation in all fund sources.

The enacted FY 2015 Budget for Education Aid totals \$776.7 million, including \$758.8 million in general revenue, \$17.6 million in restricted receipts, and \$300,000 in other funds. Education Aid’s enacted FY 2015 Budget is \$3.1 million less than the Governor’s recommendation comprised entirely of general

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revenue. There were no changes to the Governor's recommendation for other funds. The \$3.1 million adjustment is mostly attributed to the March 2014 data updates for the education aid funding formula. General revenue financing reflects a net increase of \$34.0 million, or 4.7 percent, from the revised FY 2014 Budget of \$724.8 million. Restricted receipts reflect a net decrease of \$583,555, or 3.2 percent, from the revised FY 2014 Budget of \$18.2 million. In other funds, FY 2015 includes an increase of \$59,000 over the enacted FY 2014 Budget of \$241,000 in the Permanent School Fund.

The Governor proposed, and the General Assembly enacted, full funding for year four of the education aid funding formula for local education agencies (LEAs) in the enacted FY 2015 Budget. The \$3.6 million decrease in general revenue, as compared to the Governor's recommendation, is a result of an adjustment to the education aid funding formula based on March 2014 updated student enrollment numbers along with free and reduced price lunch data. The General Assembly also accepted the Governor's proposal to finance the five education aid categorical funds to be distributed to LEAs according to their own individual set of rules. These funds consist of a Regionalization Bonus (no districts merged in FY 2013 and FY 2014), a Transportation categorical fund (\$4.4 million), a High Cost Special Education categorical fund (\$1.5 million), a Career and Technical Education categorical fund (\$3.5 million), and an Early Childhood Demonstration program initiative (\$3.0 million).

The revised FY 2014 Budget for Education Aid totals \$743.2 million, comprised of \$724.8 million in general revenue, \$18.2 million in restricted receipts, and \$241,000 in other funds. In comparison to the Governor's supplemental recommendation, the revised FY 2014 Budget for Education Aid is \$615,052 more than the Governor's recommendation from a restricted receipts increase of \$600,000 in the Statewide Student Transportation program and \$15,052 in general revenue to allow for March 2014 funding formula data updates.

The enacted FY 2015 Budget for the Central Falls School District totals \$39.0 million, entirely from general revenue. It is \$164,731 more than the Governor's recommendation, comprised of an increase in general revenue financing through an adjustment to the education aid funding formula based on March 2014 updated student enrollment numbers. Total financing reflects an increase of \$610,992, or 1.6 percent, from the revised FY 2014 Budget of \$38.4 million, all unchanged from the Governor's supplemental recommendation. FY 2015 is the first year that an appropriation will be made to the Central Falls Stabilization Fund (\$1.8 million), where costs outside of those calculated by the education aid funding formula shall be shared between the State and the city of Central Falls as mandated by RIGL 16-7.2-6(d).

The enacted FY 2015 Budget for School Construction Aid totals \$67.9 million, all from general revenue. General revenue financing reflects an increase of \$286,468, or 0.4 percent, from the revised FY 2014 Budget of \$67.7 million. In comparison to the Governor's recommendation for either year, no changes were made. The General Assembly passed an article along with the enacted FY 2015 Budget that extends the existing moratorium on school construction projects from June 30, 2014 to May 1, 2015. Only projects affecting immediate health and safety are to be approved during this time. According to the Department of Elementary and Secondary Education, the fiscal impact of this moratorium, which began on July 1, 2011, would begin to materialize in FY 2014 and continue on to FY 2018. After FY 2018, School Housing Aid is expected to increase significantly due to construction completion of the previously backlogged projects.

The enacted FY 2015 Budget for Teacher Retirement totals \$89.5 million in general revenue, which is \$300,000 less than the Governor's recommendation. The General Assembly made this reduction because a similar amount was reduced in the FY 2014 enacted budget due to wages increasing at a slower rate than anticipated. General revenue financing reflects a net increase of \$9.0 million, or 11.2 percent, from

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the revised FY 2014 Budget of \$89.5 million. The increase in general revenue financing is due to an increase in the state share from 8.42 percent to 9.19 percent in FY 2015. The revised FY 2014 Budget for Teacher Retirement totals \$89.5 million, all from general revenue, which is a decrease of \$345,351 from the Governor's recommendation.

The Department's enacted FY 2015 Budget includes 340.9 FTE positions, of which 154.9 FTE positions, 60.0 FTE positions, and 126.0 FTE positions are allocated for the Administration of the Comprehensive Education Strategy (ACES), Rhode Island School for the Deaf, and Davies Career and Technical School, respectively. This recommendation is a reduction of 16.5 FTE positions from the FY 2014 enacted level of 171.4 FTE positions in the ACES program due to the original September 30, 2014 expiration of the Race to the Top federal grant. After the Governor submitted his budget in January 2014, the Department received a no-cost extension for this grant to July 1, 2015, which prompted the Governor to submit an amendment to increase the ACES FTE position authorization level to 161.4; this was ultimately not accepted by the General Assembly.

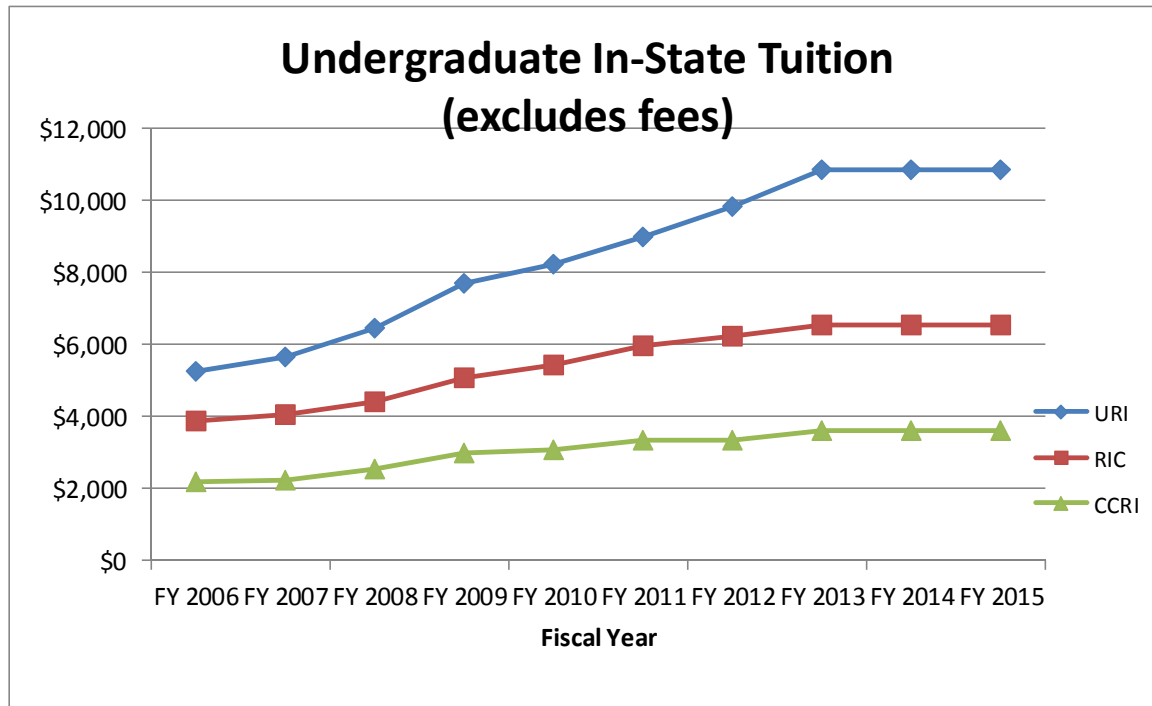
Also under the ACES program, the revised FY 2014 and enacted FY 2015 Budget includes thirteen (13.0) limited-term FTE positions to be financed under the Race to the Top – Early Learning Challenge Grant, which will end December 30, 2015. Moreover, 2.0 FTE positions were added in FY 2013 in order to comply with legislation passed in the 2012 General Assembly session that mandated the Department, in consultation with the Division of Municipal Finance, conduct periodic reviews, analyze school revenues and expenses, review compliance with the approved budget model and best practices, and identify local education agencies considered to be at risk of a year-end deficit or a structural deficit that could impact future years. The Department has not filled these positions because financing was not provided in any of the fiscal years following the passage of that legislation.

No FTE authorization level changes were made to the Rhode Island School for the Deaf and Davies Career and Technical School as compared to the revised FY 2014 Budget.

The FY 2015 enacted budget for **Public Higher Education** is \$1.1 billion, including \$191.0 million in general revenue, \$5.1 million in federal funds, \$644,000 in restricted receipts, and \$884.1 million in other funds. The enacted general revenue budget for Public Higher Education is \$8.1 million more than the Governor's original recommendation, and consists of a \$0.5 million decrease in the Office of Higher Education; a \$6.7 million increase for the University of Rhode Island; a \$2.1 million increase for Rhode Island College; and a \$213,981 decrease for the Community College of Rhode Island. Compared to the FY 2014 revised budget of \$178.9 million of general revenue, the enacted budget provides an additional \$12.1 million to Public Higher Education, an increase of 6.7 percent. The additional \$12.1 million includes \$10.0 million to continue the Governor's "no tuition increase" initiative for all three institutions of higher learning for a second consecutive year. On an all funds basis, the enacted budget includes \$19.9 million more than the FY 2014 revised budget. The Public Higher Education budget finances the Office of Postsecondary Education, previously known as the Office of Higher Education; the University of Rhode Island; Rhode Island College; and the Community College of Rhode Island.



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For the **Office of Postsecondary Education**, the FY 2015 enacted budget is \$9.7 million, including \$4.6 million of general revenue and \$5.1 million of federal funds. Compared to the Governor’s recommendation, the enacted budget reduces general revenue funding for the Commissioner’s Office by 47.6 percent from \$1.1 million to \$551,121. Of the remaining \$4.0 million of general revenue funding budgeted in the program, \$2.4 million is for Shepard’s building operating and parking costs; \$915,224 is for PeopleSoft software maintenance; \$674,582 is for community service grants; and \$60,000 is for enrollment incentives. The enacted budget increases funding for the Best Buddies program, which is one of the community service grants, by \$11,775. On an all funds basis, the enacted budget is \$364,209 less than the FY 2014 revised budget. The General Assembly expects that the new Commissioner of Postsecondary Education will determine his staffing and operating budget needs, which will be incorporated in the FY 2015 revised budget. For FY 2015, the Office of Postsecondary Education is authorized 12.8 FTE positions, of which one is available only for a position supported by third-party funds.

For the **University of Rhode Island**, the FY 2015 enacted budget is \$743.6 million, including \$91.2 million of general revenue and \$652.4 million of other funds. The \$652.4 million of other funds includes \$18.5 million of Rhode Island Capital Plan Fund financing, of which \$7.5 million is for Asset Protection projects; \$7.0 million is for an Electrical Substation replacement; \$3.3 million is for Fire and Safety protection; and \$700,000 is for repairs to White Hall, which houses the College of Nursing. Compared to the Governor’s recommendation, the FY 2015 enacted budget shifts \$500,000 of general revenue funding for the JASON project from the URI budget to the Department of Elementary and Secondary Education’s budget, and adds \$250,000 of new funding for the URI Small Business Development Center.

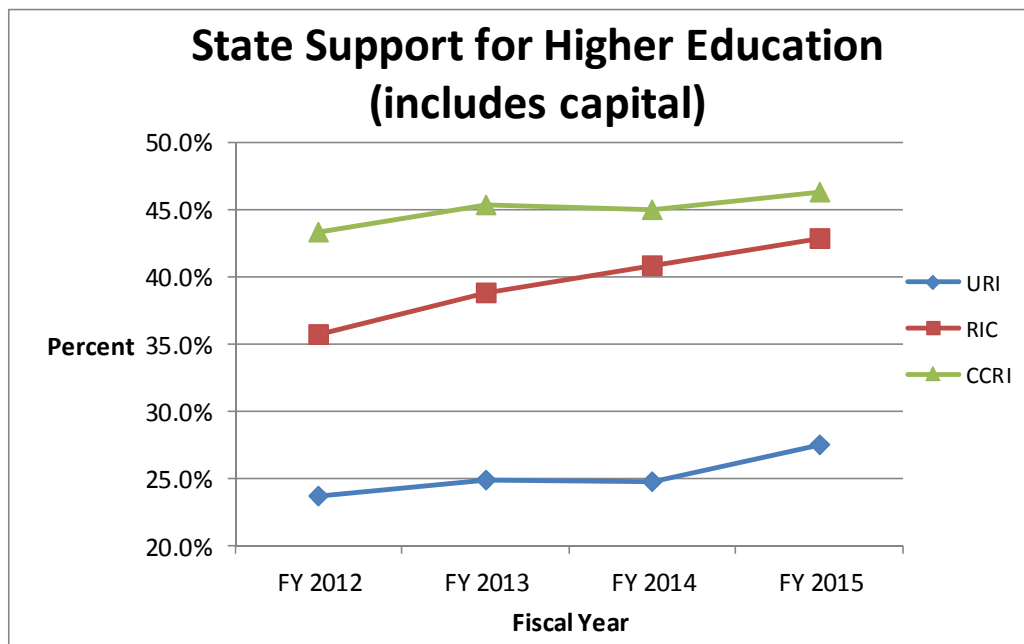
For FY 2015, the University of Rhode Island is authorized a total of 2,456.5 FTE positions, 573.8 of which are available only if supported with third party funds. Since FY 2012, general revenue support for URI has increased from 23.7 percent of expenditures to 27.5 percent of expenditures in FY 2015, excluding expenditures for auxiliaries and external student aid. The FY 2015 enacted budget provides URI a total of \$109.7 million in State support, including \$18.5 million in Rhode Island Capital Plan Fund

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## Overview

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financing, \$20.9 million for debt service on general obligation bonds, and \$70.3 million for general education support.



For **Rhode Island College**, the FY 2015 enacted budget is \$171.4 million, including \$47.4 million of general revenue and \$128.4 million of other funds. Of the other funds, \$6.8 million is for Rhode Island Capital Plan Fund projects, of which \$3.9 million is for the RIC Infrastructure Modernization project and \$3.0 million is for Asset Protection projects. The FY 2015 enacted budget is the same as the Governor's recommended budget, with amendments. Compared to the FY 2014 revised budget of \$178.9 million of general revenue, the enacted budget provides an additional \$4.9 million to RIC, an increase of 11.5 percent. Of the \$4.9 million amount, \$896,071 is allocated for higher costs on general obligation debt, while \$4.0 million is state support for general education costs.

For FY 2015, Rhode Island College is authorized a total of 923.6 FTE positions, 82.0 of which are available only if supported with third party funds. Since FY 2012, general revenue support for RIC has increased from 35.7 percent of expenditures to 42.8 percent of expenditures in FY 2015, excluding expenditures for auxiliaries and external student aid. The FY 2015 enacted budget provides RIC a total of \$54.2 million in State support, including \$6.8 million in Rhode Island Capital Plan Fund financing, \$4.5 million for debt service on general obligation bonds, and \$42.9 million for general education support.

For the **Community College of Rhode Island**, the FY 2015 enacted budget totals \$156.2 million, including \$47.8 million of general revenue, \$644,000 of restricted receipts, and \$107.7 million of other funds. The FY 2015 enacted budget is the same as the Governor's recommended budget, except for a decrease in general revenue funded debt service on general obligation bonds. The enacted budget provides an additional \$1.5 million of general revenue compared to the FY 2014 revised budget, which represents a year-over-year increase of 3.2 percent.

The Community College of Rhode Island is authorized a total of 854.1 FTE positions in FY 2015, 94.0 of which are available if only supported with third party funds. Since FY 2012, general revenue support for CCRI has increased from 43.3 percent of expenditures to 46.3 percent of expenditures in FY 2015,

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excluding expenditures for auxiliaries and external student aid. The FY 2015 enacted budget provides CCRI a total of \$51.9 million in State support, including \$4.1 million in Rhode Island Capital Plan Fund financing, \$1.9 million for debt service on general obligation bonds, and \$45.9 million for general education support.

Article 4 of the FY 2015 Appropriation Act (H-7133 Sub A, as amended) authorizes the Department of Administration and the Board of Education to enter into a long-term lease agreement of up to seventeen (17) years for a Nursing Education Center located at the South Street Power Station in Providence to house certain components of the URI College of Nursing and the RIC School of Nursing programs. The lease agreement includes (1) a base rent payment for the proportionate share of the core building design, renovation, and construction expenses for URI and RIC nursing programs; (2) a tenant improvement rent payment for the anticipated cost of developer financing, design, and construction of the Nursing Education Center space; and (3) an additional rent for the proportionate share of the actual building operating, maintenance, and metered utility expenses. Beginning in FY 2017, the State of Rhode Island would be responsible for funding the base rent and tenant improvement rent payments from State general revenue appropriations, while URI and RIC would be responsible for funding additional rent payments associated with on-going operating costs from student tuition and fees.

Article 4 also authorizes the State to issue Certificates of Participation of \$10.5 million to finance the cost of technology, equipment, fixtures, and furnishings for the Nursing Education Center. This debt obligation would also be funded from general revenue appropriations beginning in FY 2017.

Article 5 of the FY 2015 Appropriations Act includes provisions for a new \$125.0 million general obligation bond referendum to be placed on the November 2014 ballot to finance Phase I of a comprehensive program to renovate and build additions to the existing URI College of Engineering complex of buildings clustered around the Engineering Quad. The buildings to be razed include Crawford Hall, Gilbreth Hall, Kelly Hall and Annex, and Wales Hall. Also included in Phase I are renovations to Kirk Hall and the construction of a new Engineering building. If the referendum is approved, debt service on the general obligation bonds will be funded from general revenue appropriations beginning in FY 2016.

Article 20 of the FY 2015 Appropriation Act creates a new governance structure for the Rhode Island Board of Education. The article creates a seventeen member Board of Education, eight of whom will serve on the Council on Postsecondary Education and eight of whom will serve on the Council on Elementary and Secondary Education. The chairperson of the Board will serve as a member of both councils. The article also creates a Commissioner of Postsecondary Education and an Office of Postsecondary Education to replace the former Commissioner of Higher Education and Office of Higher Education. The Commissioner on Postsecondary Education will be responsible for implementing the goals and objectives established by the Board of Education and the Council on Postsecondary Education.

The enacted FY 2015 Budget for the **Rhode Island State Council on the Arts** totals \$2.9 million, including \$1.5 million in general revenue, \$799,348 in federal funds, and \$632,536 in other funds. There is a reduction of \$857,083, or 36.6 percent, entirely in general revenue, between the Council's enacted FY 2015 Budget and the Governor's recommendation. In relation to the revised FY 2014 Budget of \$1.3 million in general revenue, funding increases by \$172,567, or 13.2 percent. Minor increases between the fiscal years in all other fund sources reflect the Governor's recommendation.

The reduction in the enacted FY 2015 Budget as compared to the Governor's recommendation is the net result of the following changes: complete removal of the \$1.0 million for the Governor's proposed new Arts and the Cultural Economy program and \$7,083 in community service grants to Bright Night

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Providence and the Rhode Island Dance Alliance, offset by an increase of \$150,000 in community service grants to WaterFire for education programming and staging.

The revised FY 2014 Budget totals \$2.7 million, comprised of \$1.3 million in general revenue, \$796,680 in federal funds, and \$632,536 in other funds. The revised FY 2014 Budget is largely consistent with the Governor's recommendation, except for the removal of the same two community service grants as in FY 2015.

The Council's enacted FY 2015 Budget includes 6.0 FTE positions, which is consistent with the Governor's recommendation and the revised FY 2014 Budget authorization.

The FY 2015 enacted budget for the **Rhode Island Atomic Energy Commission** totals \$1.3 million from all funds, including \$913,197 in general revenue and \$357,977 in other funds. This amount is \$45,703, or 3.7 percent, more than the FY 2014 revised budget due to increases of \$38,578 in personnel costs and \$48,227 in capital purchases and equipment, and a \$41,102 decrease in operating costs. The FY 2015 enacted budget is the same as the Governor's recommendation.

The final FY 2014 revised budget totals \$1.2 million, including \$856,770 in general revenue, \$60,724 in federal funds, and \$307,977 in other funds. The final FY 2014 revised budget of \$1.2 million is also the same as the Governor's recommendation.

The FY 2015 enacted budget authorizes 8.6 FTE positions, which is the same level as the FY 2014 revised budget.

The FY 2015 enacted budget for the **Rhode Island Higher Education Assistance Authority** totals \$23.9 million from all funds, including \$147,000 in general revenue, \$15.5 million in federal funds, and \$8.3 million in other funds. The FY 2015 enacted budget is \$1.5 million less than the Governor's recommendation consisting of a \$1.0 million reduction in the Academic Promise Scholarships program and a \$500,000 reduction for personnel costs. Compared to the Governor's recommendation, the FY 2015 enacted budget shifts \$4.1 million of expenditures for Need Based Scholarships and Grants from general revenue to other sources, including \$2.6 million to federal Guaranty Agency Reserves and \$1.5 million to Tuition Savings Program other funds. The enacted budget finances \$12.1 million for scholarships and grants, which is the same amount as the FY 2014 revised budget, including \$8.0 million from the Tuition Savings Program and \$4.1 million from federal Guaranty Agency Reserves.

The final FY 2014 revised budget for the Authority totals \$25.0 million, which is \$800,000 less than the Governor's recommendation. The \$25.0 million is comprised of \$4.3 million in general revenue, \$12.3 million in federal funds, and \$8.3 million in other funds. The final FY 2014 revised budget eliminated \$800,000 of funding for the Academic Promise program.

The FY 2015 enacted budget authorizes 22.0 FTE positions, 3.0 FTE positions less than the Governor's recommendation for FY 2015 and 1.0 FTE position less than the Governor's recommendation for FY 2014.

The enacted FY 2015 Budget for the **Rhode Island Historical Preservation and Heritage Commission** totals \$5.9 million, including \$1.3 million in general revenue, \$2.2 million in federal funds, \$434,910 in restricted receipts, and \$2.0 million in other funds. The Commission's enacted FY 2015 Budget is \$807,149, or 15.8 percent, more than the Governor's recommendation, comprised mostly of changes in financing from the Rhode Island Capital Plan Fund for the Eisenhower House. The total financing for the Eisenhower House renovations increases by \$550,000 from a combination of shifting \$320,000 from FY

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## Overview

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2014 to FY 2015 for delays in the project timeline, additional work necessitated from winter storm damage, and updated state bid requirements. In general revenue, the General Assembly increased the Commission's community service grants by \$40,000, in comparison to the Governor's recommendation of \$136,301, based on new grants awarded to the Rhode Island Black Heritage Society (\$35,000) and financing to support Emancipation Day (\$5,000). There was no change from the Governor's recommendation for federal funds and restricted receipts. The Commission did receive a new \$3.2 million federal grant for preservation efforts for historic properties damaged by Hurricane Sandy, which has been split \$1.6 million in each of FY 2014 and FY 2015 in the Governor's recommendation and accepted by the General Assembly.

The final revised FY 2014 Budget totals \$4.2 million, comprised of \$1.3 million in general revenue, \$2.2 million in federal funds, \$457,820 in restricted receipts, and \$248,689 in other funds. In comparison to the Governor's supplemental recommendation, the final revised FY 2014 Budget for the Commission is \$282,500 less than the Governor's recommendation comprised of shifting \$320,000 in Eisenhower House capital funding from FY 2014 to FY 2015 to better comply with the updated project timeline, offset by an increase of \$37,500 in restricted receipts from an unanticipated remittance.

The Commission's enacted FY 2015 Budget includes 16.6 FTE positions, which is unchanged from the final FY 2014 revised budget authorization. The Commission has an agreement with the Rhode Island Department of Transportation (RIDOT) to have 1.0 FTE position be solely responsible for assisting in the development and implementation of a shared information system to streamline historic review of construction sites. Although this position is fully-funded through RIDOT with federal highway monies, it is counted towards the Commission's FTE authorization.

<p><i><b>Public Safety</b></i></p>
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The FY 2015 Budget as enacted for the **Attorney General** totals \$36.8 million, including \$23.6 million in general revenue, \$1.6 million in federal funds, \$11.2 million in restricted receipts, and \$300,000 in Rhode Island Capital Plan Fund resources. Across all funds, appropriations for the Department decreased by 14.1 percent, or \$6.0 million from the final FY 2014 revised budget of \$42.8 million. By fund source, general revenue decreased by 0.8 percent or \$188,648, federal funds decreased by 42.2 percent or \$1.2 million, restricted receipts decreased by 29.5 percent or \$4.7 million, and Rhode Island Capital Plan Fund resources increased by \$58,195.

The office's final revised budget for FY 2014 removes \$218,000 in general revenue, compared to the Governor's recommendation. Of the total decrease in general revenue, \$118,000 is attributable to the removal of financing to support the State's position in the now dismissed lawsuit filed by Children Rights against the Department of Children, Youth, and Families. The Attorney General's Office had expended approximately \$32,000 prior to dismissal of the case. The remaining \$100,000 decrease in the final revised budget is attributable to turnover savings.

The office's enacted appropriation for FY 2015 includes an additional \$20,000 in general revenue and \$268,322 in federal funds, compared to the Governor's recommendation, to finance the addition of 3.0 FTE positions. These positions, two investigators and one attorney, will staff the Medicaid Fraud Unit in the Civil program. The investigator positions are fully financed by federal funds and the attorney is financed by 25.0 percent general revenue and 75.0 percent federal funds. The FY 2015 enacted budget contains the requisite FTE position authorization for this addition.

Article 1, Section 14 of the FY 2015 Appropriations Act requires the Office of the Attorney General to "transfer \$600,000 from the mortgage fraud settlement to the Housing Resources Commission restricted receipt account". Due to the constraints of the settlement, the Attorney General's Office must receive

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## Overview

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these resources from the settling agency and then transfer the \$600,000 to the Lead Hazard Reduction Program in the Department of Administration, which provides loans and grants to income eligible property owners for lead abatement.

The Criminal Program's FY 2015 appropriation totals \$26.4 million, a decrease of \$5.9 million from the final FY 2014 revised budget of \$32.3 million. Of the total change, general revenue increased by \$268,540 from \$14.2 million to \$14.5 million; federal funds decreased by \$1.2 million from \$2.8 million to \$1.6 million; and restricted receipts decreased by \$5.0 million from \$15.3 million to \$10.3 million. The decrease in restricted receipts is attributable to the office's Google Forfeiture Funds Plan, which anticipates expenditures of \$15.0 million in FY 2014 and \$10.0 million in FY 2015. Google Settlement expenditures in FY 2015 will finance the acquisition of 180 South Main Street for expanded office space, the Automated Fingerprint Information System Update (AFIS), the Pawns and Precious Metals Database Update, office renovations at the Licht Judicial Complex, and purchasing of educational materials.

The Civil Program's FY 2015 appropriation totals \$5.7 million, a decrease of \$236,425 from the final FY 2014 revised budget of \$6.0 million. Of the total change, general revenue decreased by \$517,742 from \$5.3 million to \$4.8 million, and restricted receipts increased by \$281,317 from \$635,870 to \$917,187. The decrease in general revenue is due to removal of funds relating to the National Association of Attorneys General Tobacco Litigation resources as it is unclear if these resources will be necessary in FY 2015. These funds would be used to defend the State's position in tobacco litigation and will be reallocated, if resources are required.

The Bureau of Criminal Identification (BCI) program's FY 2015 appropriation totals \$1.5 million, an increase of \$10,721 from the final FY 2014 revised budget. Of the total change, general revenue increased by \$17,899 and federal funds are eliminated, a decrease of \$7,178.

The General program's FY 2015 appropriation totals \$3.1 million, an increase of \$100,850 from the final FY 2014 revised budget of \$3.0 million. Of the total change, general revenue increased by \$42,655 from \$2.7 million to \$2.8 million and Rhode Island Capital Plan Fund financing increased by \$58,195 from \$241,805 to \$300,000.

The office's FY 2015 staffing authorization of 236.1 FTE positions reflects an increase of 3.0 FTE positions from the FY 2014 revised amount of 233.1 FTE positions, attributable to the aforementioned addition of 3.0 FTE positions within the Medicaid Fraud Unit in the Civil program.

The FY 2015 enacted budget for the **Department of Corrections** totals \$209.3 million, including \$187.7 million in general revenue, \$1.7 million in federal funds, \$398,879 in restricted receipts, and \$19.5 million from the Rhode Island Capital Plan Fund. The FY 2015 enacted all funds budget increases by \$11.7 million compared to the FY 2014 final revised budget of \$197.6 million. General revenue increases by \$1.1 million, federal funds decrease by \$909,015, restricted receipts increase by \$332,726, while other funds increase by \$11.2 million.

The Department's FY 2015 budget is \$248,198 less than the Governor's recommendation, including a \$979,815 decrease in general revenue, offset by increases of \$344,240 in restricted receipts and \$387,377 from the Rhode Island Capital Plan Fund. Programmatic changes include the elimination of funding for two (2.0) Parole Board positions that the Governor added to implement the Good Conduct Certificate program and a reduction of \$834,512 in health expenditure costs to reflect anticipated Medicaid savings under the Affordable Care Act. Rhode Island Capital Plan Fund expenditures increase to reflect revised expenditure estimates for the Bernadette Guay and Dix Renovation projects. Restricted receipts increase due to the anticipated receipt of funds from the Google Case Settlement from the State Police to establish

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internet connections between municipal law enforcement agencies and the Department's inmate tracking system.

The FY 2015 Budget continues to reflect a reorganization of departmental programs in order to facilitate performance tracking. The reorganization (implemented in FY 2013) includes the transfer of the inmate accounts unit and the Central Distribution Center internal service fund to the Central Management program, the reorganization of the Institutional Corrections program into four programs: Custody and Security, Institutional Support, Institutional-based Rehabilitation, and Healthcare Services; and the transfer of the Correctional Industries internal service fund to Institutional-based Rehabilitation.

In the Central Management program, the FY 2015 enacted budget is \$9.5 million, \$9.1 million of which is general revenue. The latter increases from the final FY 2014 revised budget by \$871,856. Restricted receipts increase by \$344,240 due to the addition of Google Case Settlement funds. This is offset by a decrease in federal funds of \$536,782, for a net increase of \$679,314. The budget includes \$809,773 in general revenue for a Correctional Officer class in FY 2015 to train approximately 36 new Correctional Officers. The budget also includes financing of Correctional Officer weapons requalification, restoring annual requalification in accordance with an arbitrator's decision.

In the Parole Board program, the FY 2015 enacted budget is \$1.3 million, all but \$38,000 in general revenue. The general revenue budget is virtually the same as the final FY 2014 revised budget appropriation. The budget does not include recommended authorization for funds for two (2.0) additional FTE positions intended to staff a new program that grants certificates of good conduct to eligible convicted petitioners. The \$38,000 in federal funds is for victim's services.

In the Custody and Security program, the FY 2015 enacted budget is \$119.6 million, including \$118.7 million in general revenue and \$810,713 in federal funds. This program primarily finances personnel costs of Correctional Officers working in the Department's six facilities, as well as security, investigative, and records/ID personnel. The general revenue budget of \$118.7 million is an increase of \$1.0 million from the FY 2014 final revised budget of \$117.7 million. Federal funds in FY 2014 will finance core personnel costs through the State Criminal Alien Assistance program.

In the Institutional Support program, which includes food services, maintenance, classification, and capital projects, the FY 2015 final enacted budget is \$35.2 million, including \$15.7 million in general revenue (a decrease of \$200,624 from the FY 2014 final revised budget) and \$19.5 million from the Rhode Island Capital Plan Fund (an increase of \$11.1 million from FY 2014). In order to provide necessary repairs and renovations to the Department's aging facilities, the final enacted budget includes Rhode Island Capital Plan Fund resources of \$3.75 million for asset protection projects; \$9.5 million for various infrastructure renovation projects at the Intake Services Center, Maximum, and Medium Moran facilities; \$4.2 million for the expansion of Minimum Security; and \$2.1 million in renovation costs to enable the transfer of women inmates from their current facilities to the new Gloria McDonald facility.

In the Institutional-based Rehabilitation program, which includes educational and vocational training, substance abuse services, correctional industries, case management, and transitional services, the FY 2015 final enacted budget is \$9.6 million, including \$9.0 million in general revenue (a decrease of \$232,000 from the FY 2014 Budget); \$29,758 in restricted receipts; and \$619,476 in federal funds (a decrease of \$137,328). Federal funds in FY 2015 will finance adult inmate education, residential drug treatment, and re-entry services.

In the Healthcare program, which includes physician, pharmacy, dental, nursing and mental health services, AIDS counseling, and medical records, the FY 2015 final enacted budget is \$18.9 million, all in

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general revenue. This amount represents a decrease of \$507,000 from the FY 2014 revised budget, reflecting anticipated Medicaid savings from the Affordable Care Act.

The FY 2015 final enacted budget reflects a revised inmate population estimate of 3,170, a decrease of 22 inmates from the FY 2014 final enacted budget of 3,192. Per diem inmate-related expenditures of \$11.3 million decrease by \$936,168 from the FY 2014 final revised level of \$12.3 million. The inmate-related reduction reflects anticipated Medicaid savings, as well as the estimated inmate population decline. The final enacted FY 2015 per diem inmate-related expenditures are in medical supplies and pharmaceuticals, medical services, food, janitorial and kitchen supplies, program supplies, and linen, inmate clothing, and other non-medical costs. Compared to the FY 2014 final revised budget, overtime supervisory costs decrease by \$1.1 million in FY 2015 from \$15.7 million to \$14.7 million, reflecting the anticipated hiring of Correctional Officer trainees.

In the Community Corrections program, which includes probation and parole, home confinement, and victim's services, the FY 2015 final enacted budget is \$15.1 million, including \$15.0 million in general revenue, \$68,518 in federal funds, and \$25,475 in restricted receipts. The enacted budget includes a general revenue reduction and a corresponding increase in restricted receipts to reflect the transfer of indirect administrative expenditures of 5.0 percent of applicable federal funds. The general revenue increase from the FY 2014 final revised budget is \$165,661.

The FY 2014 final revised budget totals \$197.6 million, including \$186.6 million in general revenue, \$2.6 million in federal funds, \$66,153 in restricted receipts, and \$8.4 million from the Rhode Island Capital Plan Fund. The revised budget is \$5.8 million less than the Governor's recommendation of \$203.4 million. Programmatic changes include a net general revenue increase of \$590,000, consisting of an increase of \$750,000 in overtime costs, reversing the transfer of project supervisory costs to Rhode Island Capital Plan Fund projects, and a decrease of \$160,000 in anticipated Medicaid costs savings from the Affordable Care Act. The final revised budget also reflects federal grant adjustments of \$43,079, as well as reductions totaling \$6.5 million in Rhode Island Capital Plan Fund resources, reflecting revised FY 2014 expenditure estimates for the Maximum Security Renovations project, Asset Protection, Intake Service Center, Medium Infrastructure, Minimum Security, the renovations required for the transfer to the new Gloria McDonald Women's facility (\$1.1 million less), and the return of project supervisory overtime expenditures to general revenue.

The FY 2014 and FY 2015 authorized FTE position level for the Department remains the same as the FY 2014 level of 1,419.0 FTE positions.

The FY 2015 enacted budget for the **Judiciary** totals \$105.7 million, including \$91.6 million in general revenue, \$1.9 million in federal funds, \$10.8 million in restricted receipts, and \$1.4 million in Rhode Island Capital Plan Fund financing. In relation to the Governor's recommendation, the FY 2015 enacted budget decreases by \$825,001, or 0.8 percent. General revenue decreases by \$785,001, comprised of \$705,001 in additional turnover savings and a shift of \$180,000 in operating expense associated with electronic case filing to a new restricted receipt account, offset by addition of \$100,000 for extension of a one-time legislative grant for study of indigent offender recidivism rates. Federal funds correspond to the Governor's recommendation of \$1.9 million, mostly for child support enforcement, drug court treatment programs and delinquency prevention efforts. Restricted receipts decrease by \$40,000 from the Governor's recommendation, including addition of \$180,000 for fees from the new electronic case filing system, to be used for system maintenance, partially offset by additional turnover savings in the Workers Compensation Court. Rhode Island Capital Plan Fund financing is provided in the amount of \$1.4 million in FY 2015, same as the Governor's recommended amount.



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For the Supreme Court, the FY 2015 enacted budget totals \$33.8 million, comprised of \$29.9 million in general revenue, \$151,954 in federal funds, \$2.5 million in restricted receipts and \$1.4 million in other funds as the entire Rhode Island Capital Plan Fund allotment is budgeted in the Supreme Court. Across all fund sources, the FY 2015 enacted budget is \$1.6 million less than the FY 2014 final revised budget. General revenues decrease by \$80,000 from the enacted FY 2014 Budget, the net result of the shift of electronic filing fee system maintenance to restricted receipts offset by the addition of \$100,000 to extend the one-time legislative grant for the recidivism study. Federal funds decrease by \$38,697 year over year, reflecting the end of a federal grant to study arrest policies. Restricted receipts decrease by \$942,691 in FY 2015, reflecting expected completion of computer and system upgrades financed in part from indirect cost recoveries.

In the Superior Court, the FY 2015 enacted budget is \$22.5 million, comprised of \$22.1 million in general revenue, \$47,552 in federal funds, and \$302,378 in restricted receipts. The FY 2015 enacted budget is \$122,536, or 0.5 percent greater than the FY 2014 final revised budget. The majority of the increase is in general revenue personnel financing, notably for statewide benefit adjustments and for annual adjustments to judges' pension payouts.

Family Court financing in FY 2015 totals \$20.9 million, which is \$118,275 or 0.6 percent less than the FY 2014 revised budget. General revenue increases by \$252,755, or 1.3 percent, from the FY 2014 revised level largely attributable to statewide benefit adjustments and for judges' pensions. Federal funds decrease by \$371,030, or 17.8 percent, reflecting a federal award for family treatment in the Drug Court and an award for juvenile justice and mental health collaboration, which are expected to be complete in FY 2014.

In FY 2015, the District Court is financed at \$11.8 million, a decrease of \$613,812, or 4.9 percent from the FY 2014 revised budget. Financing in this court is comprised of \$11.5 million in general revenue and \$292,802 in restricted receipt recoveries from small claims mediation efforts. General revenue decreases by \$613,812 from the FY 2014 revised budget all in the personnel category, attributable to constrained personnel financing in the court and removal of judges vacancy financing.

Traffic Tribunal financing totals \$8.8 million in FY 2015, an increase of \$179,541, or 2.1 percent from the FY 2014 revised budget. The court is financed entirely with general revenue. Between the two years, personnel financing increases by \$158,847, reflecting statewide benefit and judges' pensions adjustments.

The Worker's Compensation Court, financed entirely with restricted receipts, totals \$7.8 million in FY 2014, an increase of \$148,731, or 1.9 percent from the FY 2013 revised enacted level. Personnel increases by \$126,073, mostly attributable to statewide growth in the benefit category. Elsewhere, minor adjustments to operating codes to correspond to historical expenditures contribute another \$20,658 to the year-over-year increase.

Court-wide, the final FY 2014 revised budget of \$107.8 million is \$346,823 more than the Governor's recommended amount, attributable to new family court grants included in a Governor's amendment after the original budget submission. The balance of the Governor's FY 2014 recommendation was accepted by the General Assembly.

The authorized FTE position level for the final FY 2015 Budget is 723.3 FTE positions, a decrease of 3.0 FTE positions from the FY 2014 level of 726.3 FTE positions. The FTE positions were removed by the General Assembly to more closely align the FTE position level with filled positions.

The FY 2015 final enacted budget totals \$18.5 million for the **Military Staff**, including \$1.8 million in

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general revenue, \$14.8 million in federal funds, \$442,800 in restricted receipts, and \$1.4 million from the Rhode Island Capital Plan Fund. In FY 2015, the General Assembly accepted the Governor's recommendation to separate the National Guard and the Rhode Island Emergency Management Agency into two distinct state agencies. Military Staff is now comprised of the National Guard program only.

Compared to the final revised FY 2014 appropriation, general revenue expenditures in FY 2015 increase by \$165,283, mostly attributable to increases in personnel benefit rates included in the Governor's recommendation and enacted by the General Assembly. Federal funds increase by \$285,165 over FY 2014, due to restatement of available federal expenditure levels. Restricted receipts decrease by \$120,200 in the Counter Drug Asset Forfeiture account, from \$263,000 to \$142,800, reflecting expected expenditure of Google recoveries for various counter drug activities by the Agency. Rhode Island Capital Plan Fund financing is provided in FY 2015 in the amount of \$1.4 million for asset protection projects, fire code compliance for state and federal armories, and improvements to the physical plant at the Command Readiness Center.

The National Guard program budget includes \$91,000 in general revenue for the Funeral Honors program to be used to compensate military retirees who provide ceremonial services. The budget also continues funding of various benefits provided to National Guard personnel, including \$100,000 for the Education Benefit to fund enrollment of eligible guardsmen in courses at state colleges, and the Life Insurance Benefit to reimburse federally funded life insurance for guardsmen deployed overseas.

The FY 2015 final enacted budget for the National Guard includes an authorized FTE position level of 82.0 FTE positions, same as the FY 2014 FTE position authorization and the Governor's recommendation.

The FY 2015 enacted budget totals \$20.6 million for the **Rhode Island Emergency Management Agency**, including \$2.0 million in general revenue, \$18.3 million in federal funds, \$221,729 in restricted receipts, and \$167,000 from the Rhode Island Capital Plan Fund. In FY 2015, the General Assembly accepted the Governor's recommendation to separate the National Guard and the Rhode Island Emergency Management Agency into two distinct state agencies.

In personnel, general revenue finances \$779,390, or approximately 24.0 percent of all personnel requirements, with the remaining 76.0 percent financed by the various federal grants the Agency manages, depending on work assignments. An additional \$1.1 million in general revenue is budgeted for the maintenance contract on the Rhode Island Statewide Communication Network (RISCON). This financing continues the Agency's efforts to improve interoperability between the Emergency Management Agency and local police, fire and medical personnel, including maintenance and insurance of the system. The Agency also has a federal grant in the amount of \$254,169 to be used towards this effort.

The FY 2015 enacted budget includes \$2.8 million in federal financing for homeland security, port security, transit protection and urban areas security initiatives. Authorized expenditures include first responder equipment, equipment for local emergency response and urban search and rescue teams, municipal planning, state homeland security equipment, exercise activities, law enforcement terrorism protection, and volunteer training programs. Another \$1.8 million from various federal grants is provided in the form of cooperative technical grants, performance grants and pre-disaster preparation grants, mostly distributed as grant assistance to communities. Nearly \$9.7 million is reimbursed to eligible communities from grants available from the Federal Emergency Management Agency for relief from specific natural disasters such as the 2010 Floods, the Nemo Blizzard of 2012 and Hurricane Sandy in October 2012.

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The FY 2015 final enacted budget for the Emergency Management Agency includes an authorized FTE position level of 32.0 full-time equivalent positions, same as the FY 2014 FTE position authorization (displayed in the Military Staff's FY 2014 FTE position authorization).

The enacted FY 2015 Budget for the **Department of Public Safety** totals \$126.6 million, including \$95.3 million in general revenue, \$6.9 million in federal funds, \$12.9 million in restricted receipts, and \$11.5 million in other funds. The Department's FY 2015 enacted budget is \$1.3 million less than the FY 2015 Governor's recommendation comprised of \$673,800 less in general revenue and \$592,968 less in other funds and operating transfers. The Department's budget of \$126.6 million reflects a net increase of 2.1 percent, or \$2.6 million, from the final revised FY 2014 Budget of \$124.0 million. General revenue funding reflects a net increase of 1.1 percent, or \$1.0 million; federal funding reflects a net decrease of 35.8 percent, or \$3.9 million; restricted receipt funding is lower by \$10,099; and other funds and operating transfers reflect a net increase of 87.8 percent, or \$5.4 million from the final revised FY 2014 Budget.

In the Central Management program, the FY 2015 enacted budget totals \$5.3 million, including \$1.2 million in general revenue, \$4.1 million in federal funds, and \$20,000 in restricted receipts. The program's FY 2015 enacted budget is \$72,602 below the Governor's recommendation due to the removal of a new paralegal position financed with general revenue. The program's budget of \$5.3 million reflects a net decrease of 11.7 percent, or \$701,316, from the final revised FY 2014 Budget of \$6.0 million.

In the E-911 program, the FY 2015 enacted budget totals \$5.4 million and is solely financed from general revenue and corresponds to the FY 2015 Governor's recommendation. The program's budget represents a net decrease of 0.3 percent, or \$15,817, from the final revised FY 2014 Budget and also corresponds to the FY 2014 Governor's recommendation.

In the State Fire Marshal program, the FY 2015 enacted budget totals \$5.3 million, including \$2.7 million in general revenue, \$94,000 in federal funds, \$498,854 in restricted receipts, and \$2.0 million in other funds, which is equal to the FY 2015 Governor's recommendation. The program's budget of \$5.3 million reflects a net increase of 35.7 percent, or \$1.4 million, from the final revised FY 2014 Budget of \$3.9 million. The final revised FY 2014 Budget is \$205,000 more than the Governor's recommendation, which is a direct result of a new Federal State Homeland Security Bomb Squad grant included in a Governor's budget amendment.

In the Security Services program, the FY 2015 enacted budget totals \$21.8 million, all from general revenue. The program's FY 2015 enacted budget is \$50,000 less than the FY 2015 Governor's recommendation due to a decrease in new equipment and supplies within the Division of Sheriffs. The program's budget of \$21.8 million reflects a net increase of 4.6 percent, or \$955,310, from the final revised FY 2014 Budget of \$20.8 million. The final revised FY 2014 Budget is \$330,000 less than the FY 2014 Governor's recommendation due entirely to \$280,000 in increased turnover savings from hiring delays and \$50,000 for a reduction in equipment purchases, all allocated within the Division of Sheriffs.

In the Municipal Police Training Academy program, the FY 2015 enacted budget totals \$642,779 and includes \$245,379 in general revenue and \$397,000 in federal funds. The program's budget of \$642,779 is equal to the Governor's recommendation and reflects a net increase of 9.5 percent, or \$55,975, from the final revised FY 2014 Budget of \$586,804, primarily due to an increase of \$107,000 in federal funds, partially offset by a reduction of \$60,000 in restricted receipts.

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In the State Police program, the FY 2015 enacted budget totals \$88.1 million, including \$63.9 million in general revenue, \$2.3 million in federal funds, \$12.3 million in restricted receipts, and \$9.5 million in other funds. The FY 2015 enacted budget is \$1.1 million less than the Governor's recommendation comprised of \$551,198 less in general revenue and \$592,968 less in other funds. The decrease in general revenue reflects a reduction in purchases of new equipment and supplies. In other funds, Rhode Island Capital Plan Fund financing is reduced for the State Police Barracks and Training project to reflect an updated project schedule and changes to the scope of work. The program's budget of \$88.1 million reflects a net increase of 1.0 percent, or \$869,067, from the final revised FY 2014 Budget of \$87.2 million. The program's final revised FY 2014 Budget is \$277,742 less than the Governor's recommendation, comprised of \$33,000 less in general revenue and \$335,655 less in other funds, offset by \$90,913 more in federal funds. The other fund reduction is attributable to financing shifts for various capital projects.

The Department's FY 2015 FTE position authorization of 633.2 FTE positions reflects a decrease of 1.0 FTE position from the FY 2014 revised budget appropriation of 634.2 FTE positions. The decrease of 1.0 FTE position due to of the elimination of a Paralegal Clerk included in the Governor's original recommendation.

The FY 2015 enacted budget for the **Office of the Public Defender** totals \$11.4 million, including \$11.1 million in general revenue and \$248,864 in federal funds. The FY 2015 general revenue budget is \$270,405 more than the final FY 2014 revised budget, while federal funds are \$8,222 less. The agency's FY 2015 enacted budget is unchanged from the Governor's recommendation. The budget reflects adjustments to current services required for salary and employee benefits of the existing staff, including both initial statewide target increases for retirement, retiree health, and medical benefits and statewide reductions due to identified savings in medical contracts and retiree health. The final enacted budget also includes \$24,793 for computer network and operating systems upgrades. The enacted budget also includes three federal grants: 1) \$60,035 for the John R. Justice Incentive Grant, funding from which will be loaned out as scholarly assistance to municipal, state and federal prosecutors and defenders; 2) \$89,119 for the Juvenile Response grant; and 3) \$99,710 for the Community Partnership program, which funds legal and social work assistance to clients.

The FY 2014 final revised budget totals \$11.1 million, comprised of \$10.9 million in general revenue and \$257,086 in federal funds. The general revenue enacted budget is \$25,000 less than the Governor's recommendation, and reflects estimated turnover savings.

The FY 2014 and FY 2015 authorizations are for 93.0 FTE positions.

<p><i>Natural Resources</i></p>
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The FY 2015 enacted budget for the **Department of Environmental Management** totals \$103.8 million, including \$35.5 million in general revenue, \$31.9 million in federal funds, \$15.9 million in restricted receipts, and \$20.5 million in other funds. The Department's FY 2015 enacted budget is \$8.0 million more than the FY 2015 Governor's recommendation.

This increase reflects an addition of \$670,000 in general revenue, mostly for community service grants and funding for the transition of the World War II State Park to the City of Woonsocket; \$80,000 in federal financing; and \$7.2 million more in Rhode Island Capital Plan Fund financing.

The Governor's recommended budget included a proposed referendum for a general obligation bond authorization of \$40.0 million for the Department of Environmental Management, to be used for the investment in infrastructure to support the growth of tourism and natural resource-based economic development. The enacted budget authorizes a referendum including \$15.0 million in general obligation

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bonds for brownfield remediation, flood prevention, farmland acquisition, and local recreation grants. It also includes an additional \$12.2 million, of which \$3.1 million is in FY 2015, from the Rhode Island Capital Plan Fund for state piers and recreational facility improvements over the five-year capital planning period. The remaining increase in Rhode Island Capital Plan Fund financing from the Governor's FY 2015 recommendation moves funding from FY 2014 to FY 2015. Finally, the enacted budget contains a bond referendum of \$18.0 million for further development of the Roger Williams Park and Zoo.

The FY 2015 enacted budget is \$852,462, or 0.8 percent greater than the revised FY 2014 budget for the department, including \$1.4 more in general revenue, which includes adjustments for statewide personnel benefits, community service grants, and the transition of the World War II Park to the City of Woonsocket; \$5.5 million less in federal funds reflecting the reduced availability of federal grants in the Natural Resources and Environmental Protection bureaus, and \$150,292 less in Rhode Island Capital Plan Fund financing for various projects associated with maintaining the state's commercial fishing industry and its outdoor recreational systems and facilities.

The final revised FY 2014 Budget totals \$103.0 million, consisting of \$34.1 million in general revenue, \$37.4 million in federal funds, \$18.9 million in restricted receipts, and \$12.5 million in other funds. In relation to the Governor's supplemental recommendation, the final revised FY 2014 Budget is a decrease of \$4.5 million, mostly to align Rhode Island Capital Plan Fund financing to known project requirements in FY 2014.

In the Office of the Director program, the FY 2015 enacted budget totals \$8.1 million, including \$5.1 million in general revenue, \$150,000 in federal funds, and \$2.9 million in restricted receipts. The program's budget of \$8.1 million reflects a net decrease of 3.1 percent, or \$254,832, from the final enacted FY 2014 budget of \$8.3 million. In comparison to the Governor's recommendation, the program's FY 2015 enacted budget includes an additional \$500,000 for community service grants and removes \$125,000 from Rhode Island Capital Plan Fund financing for a new telephone system. The enacted budget preserves the Governor's commitment to environmental policy and promotion efforts within the Office of the Director. Aside from policy and promotion, the Office of the Director is also the department-wide administrator of computer systems, legal services, personnel administration and the headquarters facility. The Office also administers commercial and recreational boat registration programs and adjudicates environmental infractions.

In the Bureau of Natural Resources program, the FY 2015 enacted budget totals \$65.0 million, including \$19.2 million in general revenue, \$21.3 million in federal funds, \$4.1 million in restricted receipts, and \$20.3 million in other funds. The program's FY 2015 enacted budget reflects a net increase of \$1.7 million, or 2.7 percent from the final FY 2014 revised budget of \$63.3 million. This increase includes \$631,644 from general revenue for personnel costs and \$8.2 million from the Rhode Island Capital Plan Fund for capital improvements for the Galilee and Newport fishing piers, improvements to Fort Adams and Blackstone Valley Bike Path, recreational facility improvements, dam repairs, the refurbishment of World War II Park in Woonsocket, and the development of Rocky Point as a public access recreation facility. Decreases of \$4.9 million in federal funds reflect a reduced availability of federal grants. Restricted receipt financing in the amount of \$2.5 million is for the marine education center at Fort Adams. In relation to the Governor's FY 2015 recommendation, the General Assembly added \$7.6 million, of which the majority is for the aforementioned capital projects funded through the Rhode Island Capital Plan Fund.

In the Bureau of Environmental Protection program, the FY 2015 enacted budget totals \$30.7 million, including \$11.2 million in general revenue, \$10.4 million in federal funds, \$8.9 million in restricted

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receipts, and \$165,000 in other funds. The enacted budget for the Bureau is 1.9 percent less, or \$605,310 in comparison to the FY 2014 revised budget of \$31.3 million. General revenue financing decreases by \$21,780 from FY 2014 to FY 2015, and corresponds with the Governor's recommendation for the Bureau. Federal funds decrease by \$325,959 year-over-year, reflecting reduced availability of financing for grants to municipalities for non-point source pollution abatement projects, the near-road monitoring program, and the Narragansett Bay Study. Restricted receipts remain consistent year-over-year in the amount of \$8.9 million and other funds decrease by \$260,000 to reflect available funding for heavy-duty diesel vehicles by the Department of Transportation.

The Department's FY 2015 FTE position authorization is 399.0 FTE positions, equivalent to the FY 2014 authorization. The Department's seasonal employees working at the state's beaches, natural areas, and campgrounds are not counted in the FTE position authorization.

The FY 2015 enacted budget for the **Coastal Resources Management Council** totals \$5.0 million, including \$2.2 million of general revenue, \$1.8 million of federal funds, \$250,000 in restricted receipts, and \$750,000 from the Rhode Island Capital Plan Fund. The FY 2015 enacted budget is \$721,530 more than the Governor's recommendation. The general revenue budget is the same as the Governor's recommendation, and federal funds decrease of \$28,470 reflects the shift in expenditure estimates from FY 2015 to FY 2014 for the Aquatic Invasive Species grant. Most of the increase in Rhode Island Capital Plan Fund expenditures is due to the inclusion of \$750,000 by the General Assembly for two projects: \$450,000 for South Coast Restoration to complete habitat restorations along the southern coast of Rhode Island and maintain breachways; and \$300,000 for the Rhode Island Beach Special Area Management Plan (SAMP) to address erosion issues along the Rhode Island Shoreline. In relation to the FY 2014 revised budget, general revenue increases by \$26,802, federal funds decrease by \$441,812, and Rhode Island Capital Plan Fund financing increases by \$750,000. The \$1.8 million of federal funds includes \$1.3 million for personnel and operating support; \$459,100 for the Narragansett Bay Habitat Restoration Planning to complete the study of shorelines to determine how organic materials can be used to restore habitats; \$21,530 for aquatic invasive species management, and \$25,013 to study coastal adaptation to sea level rise. Restricted receipts of \$250,000 from the Oil Spill Prevention, Administration and Response Fund finances specific coastal habitat restoration projects.

The final revised FY 2014 budget for the agency totals \$4.6 million, including \$2.2 million in general revenue, \$2.2 million in federal funds, and \$250,000 in restricted receipts. The general revenue budget is the same as the Governor's recommendation. The revised budget is \$169,077 less than the Governor's recommendation, including \$119,077 less federal funds reflecting both the completion of the Rhode Island River Ecosystem Restoration project and the transfer to FY 2014 of funding for the Aquatic Invasive Species grant. Rhode Island Capital Plan Fund financing decreases by \$50,000 due to the General Assembly recommended transfer of funding of the Secure Facilities Area project to the Washington County Government Center project under the Department of Administration.

The FTE position authorization for the Council is unchanged at 29.0 FTE positions for FY 2014 and FY 2015.

<p><i>Transportation Function</i></p>
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The enacted FY 2015 Budget for the **Department of Transportation** totals \$525.1 million, including \$160.7 million in other funds, \$352.1 million in federal funds, of which \$17.2 million is federal stimulus funds, and \$12.4 million in restricted receipts. The Department's FY 2015 enacted budget represents a \$5.9 million, or 1.1 percent, increase from the Governor's recommendation, entirely in other funds. Transportation's FY 2015 enacted budget represents an increase of \$40.5 million, or 8.4 percent, from the final FY 2014 revised budget of \$484.6 million.

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## Overview

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The final revised FY 2014 Budget for Transportation totals \$484.6 million, comprised of \$355.0 million in federal funds, of which \$12.7 million is federal stimulus funds, \$6.9 million in restricted receipts, and \$122.7 million in other funds. In comparison to the Governor's supplemental recommendation, the final revised FY 2014 Budget for Transportation represents an increase of \$6.4 million, or 1.3 percent, including an increase of \$5.9 million in federal funds, no change in restricted receipts, and an increase of \$544,885 in other funds. The increase in federal funds is based on a Governor's budget amendment, which the General Assembly accepted, to increase federal National Highway Traffic Safety Administration (NHTSA) accounts by \$3.4 million based on new and additional grant awards. Additionally, the Governor proposed and the General Assembly accepted an increase of \$2.5 million in federal funds for the Congestion Mitigation and Air Quality (CMAQ) Improvement program that is used to finance operational costs of the department's transit program.

The other funds increase of \$544,885, proposed as an amendment by the Governor and accepted by the General Assembly, was primarily a result of a technical adjustment made to the Motor Fuel Tax budget based on a revised per penny estimate and for a federal reimbursement the Department received after the Governor's proposed budget was submitted. Transportation received federal reimbursement for Winter Storm Nemo, which occurred in calendar year 2013, in the amount of \$1.2 million. Since Nemo response operations were paid for from the FY 2013 gasoline tax budget, the federal aid is a reimbursement for gas tax revenue previously expended. The Governor's amendment directed these funds and the additional gasoline tax revenue from revised estimates towards the Department's winter maintenance operations account in FY 2014. The increase is offset by a decrease of \$2.0 million in Rhode Island Capital Plan Fund financed projects, namely for the Salt Storage Facilities project, the Maintenance Facilities Asset Protection project and the Portsmouth Facility project. Some of these funds were shifted into FY 2015; however, \$1.0 million was removed from the Salt Storage Facility project in FY 2014 and \$300,000 from the Maintenance Facilities Asset Protection project based on updated project schedules and historical spending patterns.

The State's gasoline tax remains at 32.0 cents per gallon in FY 2015, with an additional 1.0 cent per gallon for the Underground Storage Tank Fund. Upon receipt, all gasoline tax proceeds are deposited into the Intermodal Surface Transportation Fund from which statutory transfers are made to Transportation, the Rhode Island Public Transit Authority (RIPTA), and the elderly/disabled transportation program in the Department of Human Services. Beginning in FY 2015, per Article 21 of the FY 2015 Appropriations Act, the Rhode Island Turnpike and Bridge Authority (RITBA) will also begin receiving transfers from the State's gasoline tax.

With the statutory changes per Article 21, the disposition of the gasoline tax beginning in FY 2015 is as follows: Transportation receives 16.25 cents per gallon (18.25 cents when including GARVEE/Motor Fuel program's 2.0 cents for debt service), RIPTA receives 9.25 cents per gallon (9.75 cents when including the additional 0.50 cents described below), the Department of Human Services receives 1.0 cent per gallon for its elderly services program, and the Rhode Island Turnpike and Bridge Authority receives 3.5 cents per gallon. The 1.0 cent from the Underground Storage Tank Fund originally directed to the Department of Environmental Management (DEM), was split as of FY 2009, with 0.50 cents directed to RIPTA, and the remainder to DEM.

# Overview

## FY 2015 Gas Tax Allocation (cents per gallon) Fiscal Year

Recipient	2009	2010	2011	2012	2013	2014	2015
DOT	20.75	21.75 <sup>3</sup>	21.75	21.75	21.75	21.75	18.25 <sup>6</sup>
RIPTA <sup>1</sup>	7.75 <sup>2</sup>	9.75 <sup>4</sup>	9.75	9.75	9.75	9.75	9.75
RITBA	0.00	0.00	0.00	0.00	0.00	0.00	3.50 <sup>6</sup>
General Fund <sup>1</sup>	1.00	0.00 <sup>3</sup>	0.00	0.00	0.00	0.00	0.00
DHS <sup>5</sup>	1.00	1.00	1.00	1.00	1.00	1.00	1.00
DEM	0.50 <sup>2</sup>	0.50	0.50	0.50	0.50	0.50	0.50
Total	31.00	33.00	33.00	33.00	33.00	33.00	33.00

<sup>1</sup> Increased to 7.25 cents in May 2006 (FY 2006) with a corresponding decrease to the General Fund.

<sup>2</sup> The Underground Storage Tank Fee of 1.00 cent which was previously directed to DEM is now split with 0.50 cent to DEM and 0.50 cent to RIPTA, beginning FY 2009.

<sup>3</sup> The 1.00 cent that previously went to the General Fund now flows to the DOT as of July 2009.

<sup>4</sup> Gasoline tax increased to 32.0 cents in July 2009 (FY 2010) with a corresponding 2.00 cent increase to RIPTA.

<sup>5</sup> The administration of the Elderly and Disabled Transportation Program has been transferred from DEA to DHS as of July 2009 (FY 2010).

<sup>6</sup>Transfers 3.50 cents to RITBA with a corresponding decrease to DOT beginning July 1, 2014 per RIGL 31-36-20(4) in Article 21 of the FY 2015 Appropriations Act.

The FY 2015 gasoline tax budget for the Intermodal Surface Transportation Fund totals \$136.3 million, an increase of \$1.0 million from the Governor's recommendation. The increase is primarily a result of an increase in the forecast of the per penny yield of gasoline tax revenues, included in a Governor's amendment and accepted by the General Assembly. The gasoline tax yield, as projected by the Office of Revenue Analysis, was increased \$31,529 per cent to \$4,194,510 from the original forecast utilized in the Governor's recommendation. As a result of the 3.50 cent shift to the Bridge Authority, the General Assembly reduced the department's gasoline tax allocation by \$14.7 million.

The General Assembly reduced general revenue financing, which the Governor recommended as a way to supplement gas tax revenues towards reducing Transportation's debt service. Instead, the General Assembly reduced the \$19.3 million allocation of general revenue towards debt service, replacing it with a \$19.3 million restricted receipt line item held in the Department of Administration's operating budget. This change would theoretically continue the practice of using non-gas tax revenues towards Transportation's debt service. Instead of direct general revenue support, new fees and surcharges, along with the shift of existing general revenue funds, will be used to fund transportation's debt service expenses, in addition to using motor fuel tax revenues.

The FY 2015 gasoline tax budget for the Intermodal Surface Transportation Fund of \$136.3 million represents a decrease of \$1.7 million from the final FY 2014 revised budget of \$138.0 million. The primary variance is the decrease of \$1.2 million from the previously discussed federal reimbursement the department received for Winter Storm Nemo in FY 2014.

The FY 2015 Budget for the Central Management division totals \$11.0 million, no change from the Governor's recommendation. The \$11.0 million enacted budget represents a decrease of \$2.1 million from the final FY 2014 revised budget of \$13.1 million. Other funds, which are comprised solely of gasoline tax funds in this division, are \$1.8 million, an increase of \$77,008 from the previous year's final revised budget. Federal funds of \$9.2 million decrease \$2.2 million within the National Highway



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## Overview

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Transportation Safety Administration grants and reflect expected federal awards for various highway safety programs.

Within the Management and Budget program, gasoline tax funds for FY 2015, the only funds appropriated within this division, total \$2.2 million, an increase of \$76,980 from the revised FY 2014 final budget of \$2.2 million, which is attributable to an increase in personnel costs due to lower indirect cost recovery rates, which reduce the portion of personnel costs allocated to federal projects. There is no change from the Governor's recommendation for the division.

Within the Infrastructure Engineering program, other funds increase by \$21.1 million from the Governor's recommendation to \$117.2 million, of which gasoline tax funded expenses of \$68.1 million increased by \$15.1 million. The gasoline tax increase is due in part to the upward revised estimate of the per penny gasoline tax yield included in a Governor's budget amendment. The major change from the Governor's FY 2015 recommendation is the change in law that allocates a transfer of 3.50 cents of the gasoline tax revenue to the Rhode Island Turnpike and Bridge Authority, which will now appear in the Infrastructure Engineering program, similar to the RIPTA and GARVEE operating transfers. This accounts for \$14.7 million of the increase, all going to the Turnpike and Bridge Authority beginning in FY 2015.

The remaining \$6.0 million increase in other funds is due to the General Assembly appropriating an additional \$6.0 million to the Highway Projects Match Plan from the Rhode Island Capital Plan Fund in addition to the \$21.7 million in the Governor's recommendation for Transportation's federal highway match. The 2013 General Assembly appropriated \$20.0 million from the Rhode Island Capital Plan Fund to replace the past practice of using general obligation bond funds to fund the state match for federal highway funds. In the out years, the General Assembly also plans to increase the use of the Rhode Island Capital Plan Fund to ensure the Department maintains sufficient financing to finance capital projects on a pay-go basis.

The increase in Rhode Island Capital Plan Fund financing was based on the estimated decrease in registration fees generated by the three-year, phased increase in registration and license fees, which began in FY 2014 (July 2013). Two-year registrations and drivers licenses increased by \$30 (\$10 per year for three-years), while one-year registrations would be increased by \$15 (\$5 per year for three-years). The FY 2014 revised and FY 2015 enacted budget includes \$5.9 million and \$11.4 million, respectively, from these new fees. In FY 2016 and beyond, \$16.8 million each year is expected once the plan has been fully phased-in. It is also expected that Transportation will exhaust all remaining general obligation bond proceeds remaining towards the state match in the amounts of \$13.0 million in FY 2014 revised and \$7.0 million in the final FY 2015 enacted budget. There was no change in funding levels as compared to the Governor's recommendation for these two sources of financing.

The remaining other funds have not changed from the Governor's recommendation of \$21.3 million, from land sales revenue, primarily from the sale of the land made available from the I-195 project. Federal funds total \$342.9 million, including the \$17.2 million related to the American Recovery and Reinvestment Act of 2009, which did not change from the Governor's recommendation. Restricted receipts of \$12.4 million for FY 2015 within the Infrastructure Engineering Division remained at the same financing level as the Governor's recommendation.

Total funds of \$472.5 million are appropriated in Infrastructure Engineering for FY 2015, an increase of \$51.8 million from the final FY 2014 revised budget. Other funds account for \$47.0 million of the increase over the previous year and \$5.5 million in restricted receipts for the inclusion of year two of the

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three-year phased-in plan of the Rhode Island Highway Maintenance Trust Fund (DMV surcharge portion). The increases are offset by a decrease of \$712,781 in federal funds.

Within the Infrastructure Maintenance program, other funds of \$39.4 million decrease by \$15.2 million from the Governor's recommendation, specifically gasoline tax revenues of \$30.8 million, which decrease by \$14.1 million from the Governor's recommend. In order to transfer 3.50 cents of the gasoline tax to the Turnpike and Bridge Authority, Transportation will lose an equal amount for use of gasoline tax revenues towards its maintenance program. As previously mentioned, beginning in FY 2015, the Rhode Island Turnpike and Bridge Authority will receive a transfer of \$14.7 million to be used for the maintenance operations, capital expenditures and debt service of the four bridges under the Authority's authorization. In doing so, the General Assembly has reduced Transportation's gasoline tax budget by \$5.2 million for maintenance operations, \$3.5 million for vehicles, and \$5.3 million for winter maintenance operations, as compared to the Governor's FY 2015 recommendation. It appears to be the General Assembly's intent that revenues generated from Article 21 will be used to supplement the reduction of gas tax that Transportation receives for maintenance operations; however no additional expenditure authority was included in the final budget act.

Rhode Island Capital Plan Fund resources of \$8.5 million decreased \$1.1 million from the Governor's recommendation due to the removal of \$700,000 from the Portsmouth Facility project and \$500,000 from the Salt Storage Facilities project, offset by an increase of \$100,000 for the Maintenance Facilities Asset Protection project. The General Assembly noted that the decrease in Rhode Island Capital Plan Fund financing should be replaced with general obligation bond proceeds that are available to replace the Portsmouth facility. The \$500,000 decrease in the Salt Storage Facilities project was based on historical expenditures, as well as a revised project schedule.

Total appropriated expenditures for the Infrastructure Maintenance program decreased \$9.3 million in FY 2015 from the final FY 2014 revised budget. The primary reasons were the reduction of gasoline tax revenues being transferred from the department's maintenance operations to the Rhode Island Turnpike and Bridge Authority, offset by an increase of \$4.4 million in Rhode Island Capital Plan Fund financing, primarily for the RIDOT/RIPTA Cooperative Maintenance Facility project. Financing of the project is similar to the Governor's recommendation; however since the inception of the plan, Transportation and RIPTA have determined that the Elmwood Avenue facility has too many constraints to become an efficient and effective Cooperative Maintenance Facility. The Department is in the process of purchasing a commercial building space with sufficient space to accommodate maintenance and storage needs in FY 2015. The original specifications of the project involved architectural and engineering services to draw up plans for the conversion of the Elmwood Avenue facility, along with construction to convert the facility and garage space into a functional, efficient maintenance shop. The Governor proposed a budget amendment that included the change in the scope of the project, which the General Assembly accepted.

A total of 752.6 FTE positions are authorized for Transportation in FY 2015, no change from the final FY 2014 revised authorization. The Governor recommended reducing the number of FTE positions by 20.0 in FY 2014 and FY 2015 to closer correspond to the five-year average of 697.0 filled FTE positions. The General Assembly concurred.

### *Article 21 Relating to Transportation*

During the 2014 legislative session, the financing mechanism for transportation infrastructure and bridge repairs changed dramatically when the General Assembly enacted Article 21 – Relating to Transportation. This article created a long-term solution for financing Rhode Island's roads and bridges, along with removal of the authority to toll the Sakonnet River Bridge. Based on the recommendations of a joint

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House and Senate Commission to study transportation financing, which included participants from the Department of Administration, Department of Transportation and Rhode Island Turnpike and Bridge Authority, the 2014 General Assembly expanded the Highway Maintenance Account within the Intermodal Surface Transportation Fund with the passage of Article 21 of the FY 2015 Appropriations Act. This account will become Rhode Island's primary source for transportation financing, by making a number of technical changes to existing law and by implementing various funding streams as a means to finance the plan. The account will collect and disburse various motor vehicle fees, surcharges and tax revenue currently accounted for in the general fund, but now to be deposited to the Highway Maintenance Account.

Prior to enactment of Article 21, the 2013 General Assembly approved the "East Bay Bridge System Act of 2012", which authorized the transfer of the Sakonnet River Bridge and the Jamestown Verrazzano Bridge from the Rhode Island Department of Transportation to the Rhode Island Turnpike and Bridge Authority. In doing so, the Turnpike and Bridge Authority was also authorized to toll the Sakonnet River Bridge, using the revenue generated, along with existing toll revenue from the Newport Pell Bridge, to finance expenditures incurred on all four bridges under the Turnpike and Bridge Authority's jurisdiction (Newport, Jamestown, Sakonnet and Mount Hope Bridges).

During the same legislative session, the General Assembly enacted legislation entitled "Sakonnet River Bridge Vested in Rhode Island Turnpike and Bridge Authority – Institution of Tolls", which delayed the collection of tolls on the Sakonnet River Bridge until August 19, 2013, at which time the Authority was authorized to charge and collect a toll for the use of the bridge. The toll imposed was not to exceed ten cents (\$0.10) until April 1, 2014. This legislation also established a Special Legislative Commission to make a comprehensive study of all types of funding mechanisms and strategies to support Rhode Island's transportation infrastructure.

In 2014, the General Assembly extended the final date the Rhode Island Turnpike and Bridge Authority could impose a toll on the Sakonnet River Bridge not to exceed ten cents from April 1, 2014 to May 15, 2014 (the Governor halted the tolls on June 20, 2014 after signing into law the FY 2015 Budget). The Special Legislative Commission held four meetings between September and December of 2013 and ultimately reported its findings on January 15, 2014.

The following table reflects the Budget Office's estimates on the revenues and expenditures that will support the operational needs of the Department of Transportation and the other statewide transportation agencies involved in the system, including both existing and new funding resources, over the next five years.

# Overview

## INTERMODAL SURFACE TRANSPORTATION FUND Projected Revenues and Expenditures

Department of Transportation	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
<b>Gas Tax Per Penny Yield</b>	<b>\$4,194,510</b>	<b>\$4,184,667</b>	<b>\$4,176,832</b>	<b>\$4,152,333</b>	<b>\$4,120,172</b>
<b>Gas Tax Revenues</b>					
DOT Portion of Gas Tax (16.25 cents)	\$68,160,788	\$68,000,839	\$67,873,520	\$67,475,411	\$66,952,795
Gas Tax Index Increase (CPI-U)	\$0	\$4,184,667	\$4,176,832	\$8,304,666	\$8,240,344
Carry Forward Balance	\$0	\$12,011,619	\$30,017,196	\$62,308,363	\$123,942,399
GARVEE Portion of Gas Tax (2.00 cents)	\$8,389,020	\$8,369,334	\$8,353,664	\$8,304,666	\$8,240,344
RIPTA Portion of Gas Tax (9.75 cents)*	\$40,896,473	\$40,800,503	\$40,724,112	\$40,485,247	\$40,171,677
RITBA Portion of Gas Tax (3.50 cents)	\$14,680,785	\$14,646,335	\$14,618,912	\$14,533,166	\$14,420,602
Winter Storm Nemo (One Time FY14)	\$0	\$0	\$0	\$0	\$0
DHS Portion of Gas Tax (1.00 cents)	\$4,194,510	\$4,184,667	\$4,176,832	\$4,152,333	\$4,120,172
<b>Total Gas Tax Revenues</b>	<b>\$136,321,576</b>	<b>\$152,197,964</b>	<b>\$169,941,068</b>	<b>\$205,563,851</b>	<b>\$266,088,333</b>
<b>General Revenues (Article 21)</b>					
Inspection Sticker (Increase \$39-\$55)	\$4,800,000	\$5,919,536	\$6,009,600	\$6,073,312	\$6,150,112
Good Driving Surcharge (Increase \$25)	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000
Motor Vehicle Registration & License (Shift)	\$0	\$12,482,502	\$37,925,118	\$52,758,415	\$51,840,449
Inspection Sticker (Shift)	\$5,704,800	\$5,919,536	\$6,009,600	\$6,073,312	\$6,150,112
Motor Vehicle Title (Shift)	\$9,034,844	\$9,277,381	\$8,869,667	\$8,526,918	\$8,508,886
Rental Car Surcharge (Shift)	\$2,800,000	\$2,877,144	\$2,943,610	\$2,974,983	\$2,984,288
<b>Total General Revenues</b>	<b>\$22,939,644</b>	<b>\$37,076,099</b>	<b>\$62,357,595</b>	<b>\$77,006,940</b>	<b>\$76,233,847</b>
<b>Rhode Island Capital Plan Funds</b>					
Highway Improvement Program	\$27,650,000	\$28,200,000	\$27,200,000	\$27,200,000	\$27,200,000
<b>Restricted Receipts - DMV Surcharge Fees</b>					
Vehicle Registration Fees	\$11,352,760	\$16,826,371	\$16,826,371	\$16,826,371	\$16,826,371
<b>General Obligation Bonds</b>					
P.L. 2010 Ch. 23 - Unissued Bonds	\$7,000,000	\$0	\$0	\$0	\$0
<b>Unallocated Bond Proceeds</b>					
Unallocated Bond Proceeds (Per Article 21)	\$17,000,000	\$8,000,000	\$0	\$0	\$0
<b>Total Revenues</b>	<b>\$222,263,980</b>	<b>\$242,300,434</b>	<b>\$276,325,034</b>	<b>\$326,597,162</b>	<b>\$386,348,551</b>
<b>Expenditures/Transfers</b>					
Debt Service (Gas Tax)	\$26,828,667	\$19,510,184	\$9,067,313	\$0	\$0
Debt Service (DOA Restricted)	\$19,250,000	\$29,250,000	\$39,250,000	\$39,749,013	\$38,708,921
GARVEE Transfer	\$8,389,020	\$8,369,334	\$8,353,664	\$8,304,666	\$8,240,344
RIPTA Transfer	\$40,896,473	\$40,800,503	\$40,724,112	\$40,485,247	\$40,171,677
RITBA Transfer	\$14,680,785	\$14,646,335	\$14,618,912	\$14,533,166	\$14,420,602
DHS Transfer	\$4,194,510	\$4,184,667	\$4,176,832	\$4,152,333	\$4,120,172
Consolidations Transfer (DOA)	\$2,428,900	\$2,489,623	\$2,551,863	\$2,615,660	\$2,681,051
DOT Operating Costs	\$38,903,221	\$39,875,802	\$40,872,697	\$41,894,514	\$42,941,877
State Match for Federal Highway Funds	\$40,000,000	\$40,000,000	\$40,000,000	\$40,000,000	\$40,000,000
RIPTA (5%)	\$0	\$2,695,124	\$3,959,198	\$4,691,666	\$4,653,011
<b>Total Expenditures</b>	<b>\$195,571,576</b>	<b>\$201,821,570</b>	<b>\$203,574,591</b>	<b>\$196,426,263</b>	<b>\$195,937,655</b>
<b>Surplus (Deficit)</b>	<b>\$26,692,404</b>	<b>\$40,478,863</b>	<b>\$72,750,443</b>	<b>\$130,170,899</b>	<b>\$190,410,897</b>
<b>Loss of Gas Tax (DOT Maintenance)</b>	<b>(\$14,680,785)</b>	<b>(\$10,461,668)</b>	<b>(\$10,442,080)</b>	<b>(\$6,228,500)</b>	<b>(\$6,180,258)</b>
<b>Net Revenue Surplus (Deficit) Available for Department of Transportation Projects</b>	<b>\$12,011,619</b>	<b>\$30,017,196</b>	<b>\$62,308,363</b>	<b>\$123,942,399</b>	<b>\$184,230,639</b>

Estimates reflect best available information provided to the State Budget Office and is subject to change.

\*Includes 0.50 cents of the Underground Storage Tank Fee.

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Beginning with Section 1, Article 21 removes the authority of the Rhode Island Turnpike and Bridge Authority to toll the Sakonnet River Bridge, ending the ten cent (\$0.10) toll as of June 30, 2014 (formally removed June 20, 2014 by Governor Chafee). The Turnpike and Bridge Authority will continue to control the four bridges in the East Bay (Newport Pell, Jamestown, Mount Hope, and Sakonnet). Tolling of the Newport Pell Bridge will continue. To make up for the loss of revenue by not tolling the Sakonnet River Bridge, Section 4 of Article 21, related to the Motor Fuel Tax, transfers three and one-half cents (3.50 cents) of the state gas tax to the Rhode Island Turnpike and Bridge Authority beginning July 1, 2014. Revenues from this source are to be used for maintenance operations, capital expenditures and debt service on any of the Authority's projects. It is expected that the Authority will receive \$14.7 million in FY 2015, \$14.6 million in FY 2016 and FY 2017, \$14.5 million in FY 2018, and \$14.4 million in FY 2019 from this share of gas tax revenues.

With the transfer of 3.50 cents to the Turnpike and Bridge Authority in FY 2015, the Department of Transportation loses a corresponding amount of gas tax revenues that had been used for operations and maintenance. Beginning July 1, 2015 (FY 2016) and every other year thereafter, Section 4 authorizes the gas tax to be adjusted by the percentage of increase in the Consumer Price Index for all Urban Consumers (CPI-U), as published by the United States Bureau of Labor Statistics determined as of September 30 of the prior calendar year. The adjustment shall be rounded to the nearest 1.0 cent increment and the total gas tax shall not be less than 32.0 cents per gallon on all taxable gallons of fuel sold or used in Rhode Island in any given year. Initial estimates calculate the increase in the gas tax at 1.0 cent in FY 2016 and by an additional 1.0 cent in FY 2018. This would provide the Department of Transportation with \$4.2 million (\$0.01 increase) in additional resources in FY 2016 and FY 2017 and up to \$8.3 million in FY 2018 and \$8.2 million in FY 2019 (2.0 cent increase). These revenues will be directed to Transportation's gas tax operating budget to be used for operations and maintenance.

Section 2 of Article 21 amends R.I.G.L. 31-3.1-6 entitled "Issuance of Records", which requires a \$50.00 fee to receive a certificate of title to a vehicle purchased. Beginning on July 1, 2014 (FY 2015), all fees collected pursuant to this section shall be deposited into the Rhode Island Highway Maintenance Account. Initial estimates provided by the Office of Revenue Analysis indicate this would generate \$9.0 million in each of FY 2015 and FY 2016, \$8.9 million in FY 2017 and FY 2018, and \$8.5 million in FY 2019. The like amount in each fiscal year will be a loss to the state's general fund.

Section 3 of Article 21 amends R.I.G.L. 31-34.1-2 entitled "Rental Vehicle Surcharge", which requires each rental car company to collect, at the time a motor vehicle is rented in Rhode Island, a surcharge equal to eight percent (8.0%) of gross receipts per vehicle on all rentals for each of the first thirty days. Beginning on July 1, 2014 (FY 2015), the amount of the surcharge shall be deposited into the Rhode Island Highway Maintenance Fund. Initial estimates provided by the Office of Revenue Analysis indicate this would generate \$2.8 million in FY 2015, \$2.9 million in FY 2016 and FY 2017, and \$3.0 million in FY 2018 and FY 2019. The like amount in each fiscal year will be a loss to the state's general fund.

Section 5 of Article 21 amends R.I.G.L. 31-41.1-7 entitled "Application for Dismissal Based on Good Driving Record", which requires that any person who has had an operator's license for more than three years and who has been issued a traffic violation, which is their first violation within the preceding three years, may request a hearing seeking a dismissal of the violations based on a good driving record. Under current law, the operator is still required to pay an administrative fee of \$35.00 for court costs associated with the dismissal. Article 21 includes a new surcharge, beginning July 1, 2014 (FY 2015), of \$25.00 on all dismissals based upon a good driving record in addition to the \$35.00 court fee. The new \$25.00 surcharge shall be deposited into the Rhode Island Highway Maintenance Account. Initial estimates are that this would generate \$600,000 in each fiscal year beginning in FY 2015. There would be no effect on

## Overview

the general fund as this is a new surcharge and the existing \$35.00 court fees will continue to be deposited into the general fund.

Section 6 amends R.I.G.L. 31-47.1-11 entitled “Fees” which requires a fee be charged for each motor vehicle inspected. The amendment makes a number of technical changes to the existing law. New language included amends the current fee of \$39.00 and increases said fee to \$55.00 (a \$16.00 increase) beginning on July 1, 2014 (FY 2015) for each motor vehicle inspected. The amended language also includes an updated schedule as to where the \$55.00 will be distributed. Of the total \$55.00, \$19.00 shall be retained by the inspection station owner to cover the costs of performing the inspection. The remaining \$36.00 shall be remitted to the program manager. The program manager shall retain no more than \$4.00 of the fee and then remit no less than \$32.00 for deposit into the Rhode Island Highway Maintenance Account. Initial estimates provided by the Office of Revenue Analysis for the fee increase and transfer of the existing fee indicate this would generate \$10.5 million in FY 2015, \$11.8 million in FY 2016, \$12.0 million in FY 2017 and FY 2018, and \$12.3 million in FY 2019. The transfer piece of the existing \$16.00 in each fiscal year will be a loss to the state’s general fund.

Section 7 of Article 21 amends R.I.G.L. 39-18.1-4 entitled “Rhode Island Highway Maintenance Account Created” by including a three-year phased-in schedule where all fees assessed pursuant to R.I.G.L. 31-47.1-11, Title 31 (Motor and Other Vehicles), Chapters 3 (Registration of Vehicles), 6 (Registration Fees), 10 (Operators’ and Chauffeurs’ Licenses), and 10.1 (Special License for Motorcycles, Motor Scooters, and Other Motor Driven Cycles) shall be deposited into the Rhode Island Highway Maintenance Account. The transfer schedule is such that in FY 2016, twenty-five percent (25.0%) of the fees shall be transferred, in FY 2017, seventy-five percent (75.0%) of the fees shall be transferred, and in FY 2018 and each year thereafter, one hundred percent (100.0%) of the fees shall be transferred to the Rhode Island Highway Maintenance Account. Initial estimates provided by the Office of Revenue Analysis for the phased-in transfer schedule of existing general revenues indicate this would generate \$12.5 million in FY 2016, \$37.9 million in FY 2017, \$52.8 million in FY 2018, and \$51.8 million in FY 2019. The like amount in each fiscal year will be a loss to the state’s general fund.

The following chart outlines the new fees and shifts of financing from the general fund to the Highway Maintenance Account as presented in Article 21:

Article 21 - Transportation Funding Plan	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
<b>New Fines/Fees</b>					
Inspection Sticker (Increase from \$39 - \$55)	\$4,800,000	\$5,919,536	\$6,009,600	\$6,073,312	\$6,150,112
Good Driving Surcharge (Increase of \$25)	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000
<b>Total New Fines/Fees</b>	<b>\$5,400,000</b>	<b>\$6,519,536</b>	<b>\$6,609,600</b>	<b>\$6,673,312</b>	<b>\$6,750,112</b>
<b>General Revenue Transfer</b>					
Motor Vehicle Registration and License (Shift from General Fund)	\$0	\$12,482,502	\$37,925,118	\$52,758,415	\$51,840,449
Inspection Sticker (Shift from General Fund)	\$5,704,800	\$5,919,536	\$6,009,600	\$6,073,312	\$6,150,112
Motor Vehicle Title (Shift from General Fund)	\$9,034,844	\$9,277,381	\$8,869,667	\$8,526,918	\$8,508,886
Rental Car Surcharge (Shift from General Fund)	\$2,800,000	\$2,877,144	\$2,943,610	\$2,974,983	\$2,984,288
<b>Total General Revenue Transfer</b>	<b>\$17,539,644</b>	<b>\$30,556,563</b>	<b>\$55,747,995</b>	<b>\$70,333,628</b>	<b>\$69,483,735</b>

Subsection (5) of R.I.G.L. 39-18.1-4 also mandates that all remaining funds from previous general obligation bond issues that have not been otherwise allocated shall be transferred from the Intermodal Surface Transportation Fund to the Rhode Island Highway Maintenance Account. The FY 2015 budget as enacted assumes a transfer of unallocated bond proceeds in the amount of \$17.0 million in FY 2015 and \$8.0 million in FY 2016 into the Highway Maintenance Account. The Governor had proposed as part of his Article 21 proposal to use \$20.0 million of any such bond proceeds towards a statewide bridge program, utilizing \$10.0 million in each of FY 2015 and FY 2016.

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## Overview

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The final portion of Section 7 under Article 21 amends R.I.G.L. 39-18.1-5 entitled “Allocation of Funds” by including subsection (c). Beginning July 1, 2015 (FY 2016) and each year thereafter, the Rhode Island Public Transit Authority (RIPTA) shall receive a transfer of five percent (5.0%) of available proceeds in the Rhode Island Highway Maintenance Account for operating expenditures. Initial estimates indicate this would generate \$2.1 million in FY 2016, \$3.3 million in FY 2017, \$4.3 million in FY 2018, and \$4.2 million in FY 2019 to be used towards operational expenditures incurred by the Rhode Island Public Transit Authority.

### *Municipal Road and Bridge Revolving Fund*

In order to assist local communities, the General Assembly included additional funding for the Municipal Road and Bridge Revolving Loan Fund, established pursuant to R.I.G.L. 24-18-4, created in Article 20 of the FY 2014 Appropriations Act. In Article 4, Section 7 Relating to Debt Management, the General Assembly included language requiring the Tobacco Settlement Financing Corporation to transfer \$5.0 million to the Municipal Road and Bridge Revolving Fund, operated by the Rhode Island Clean Water Finance Agency. Additionally under Article 10, Section 5, the General Assembly shifts \$3.3 million of bond premiums deposited into the Rhode Island Capital Plan Fund in FY 2014 to the Municipal Road and Bridge Revolving Fund on or before June 30, 2014. Lastly, the General Assembly included in Article 5, Section 7 (Sale of Bonds and Notes), language that any premiums and accrued interest, net of the cost of bond insurance and underwriter’s discount, which may be received on the sale of the capital development bonds or notes associated with the referenda proposed in this article shall also become part of the Municipal Road and Bridge Revolving Fund. In the Governor’s Article 5, Section 7, said premiums and accrued interest had been recommended to become part of the Rhode Island Capital Plan Fund.

### *Mass Transit Hub Infrastructure*

In FY 2015, the Governor recommended a new project relating to Mass Transit Hub Infrastructure in Transportation’s capital budget. The Governor recommended a \$40.0 million general obligation bond referendum be placed on the November 2014 ballot; however, the General Assembly reduced that amount to \$35.0 million. The referenda will allow the State “to issue not more than \$35.0 million to fund enhancements and renovations to mass transit hub infrastructure throughout the State of Rhode Island to improve access to multiple intermodal sites, key transportation, healthcare, and other locations.”

# All Sources

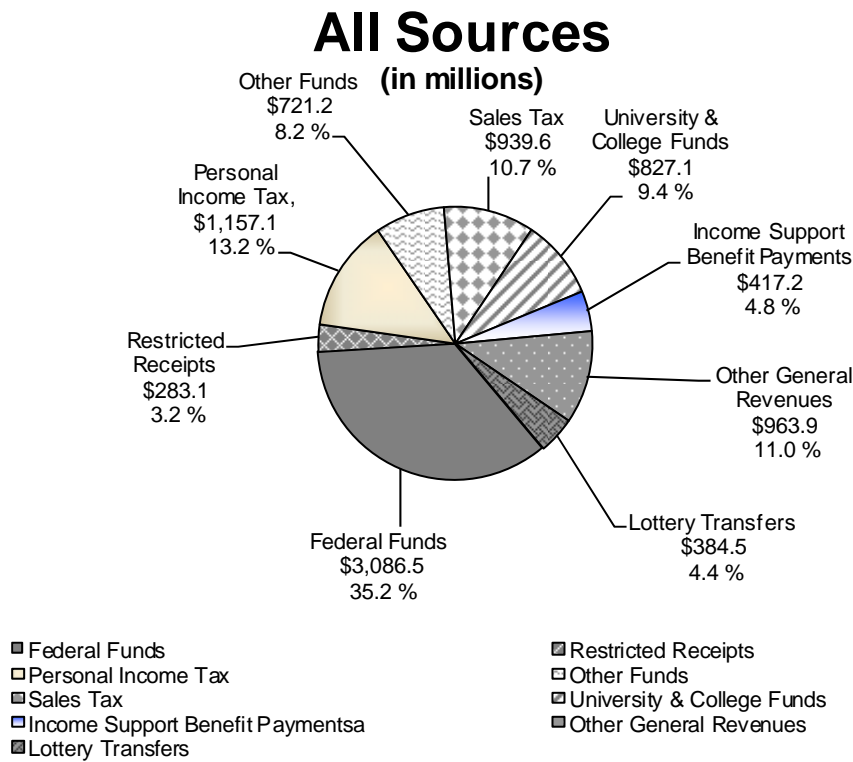
The total expected resources for FY 2015 are \$8,886.8 million and include all sources of funds from which state agencies make expenditures. It should be noted that \$106.6 million of the total available resources is allocated directly to the budget stabilization fund.

Federal funds are the large single source of revenues at 35.2 percent of total available resources. Over 75.2 percent of federal funds are expended for human services, primarily for Medicaid.

Personal Income and Sales Taxes provide a combined 23.9 percent of all revenue sources.

University and College Funds, including tuition payments, and Income Support benefit payments represent 9.4 percent and 4.8 percent of the total, respectively.

Remaining sources include: Other General Revenues (net surplus and general business taxes), 11.0 percent; the Lottery Transfer, 4.4 percent; Restricted Receipts, 3.2 percent; and Other Funds 8.2 percent of enacted FY 2015 total available resources.





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# All Expenditures

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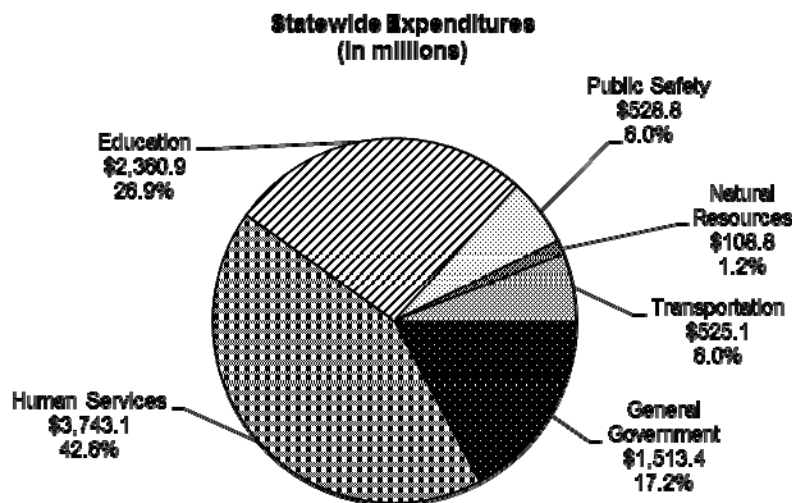
The FY 2015 Budget as Enacted includes \$8.780 billion in statewide expenditures. By function of government, this totals \$3.743 billion or 42.6 percent in the Health and Human Services function, \$2.361 billion or 26.9 percent in the Education function, \$1.513 billion or 17.2 percent in the General Government function, \$528.8 million or 6.0 percent in the Public Safety function, \$525.1 million or 6.0 percent in the Transportation function, and \$108.8 million or 1.2 percent in the Natural Resources function.

The assistance, grants, and benefits category of expenditure comprises the largest portion of the State's spending at \$4.069 billion, followed by \$1.862 billion in personnel expenditures, \$1.205 billion in aid to local units of government, \$795.8 million in operating supplies and expenses, \$411.1 million in capital purchases and equipment, \$279.0 million in debt service, and \$157.8 million in operating transfers.

A significant portion of the State's expenditures relate to benefits provided through the Health and Human Services Function. Spending on the Medical Assistance program in the FY 2015 Budget totals \$2.266 billion, an increase of \$413.2 million from the final FY 2014 revised budget.

The Budget as Enacted provides \$1.011 billion in funding for education aid to local units of governments including local education agencies, state schools, state contributions for teacher retirement, and school housing aid. Of this total, \$984.0 million is composed of general revenue funds and is the portion generally referred to as "Education Aid". The FY 2015 enacted budget reflects an increase of \$36.2 million across all funds, or specifically \$42.8 million in general revenue funds for "Education Aid" from the final FY 2014 revised budget.

Overall, expenditures from all funds increased by \$310.0 million, or 3.7 percent from the final revised FY 2014 budget of \$8.470 billion.



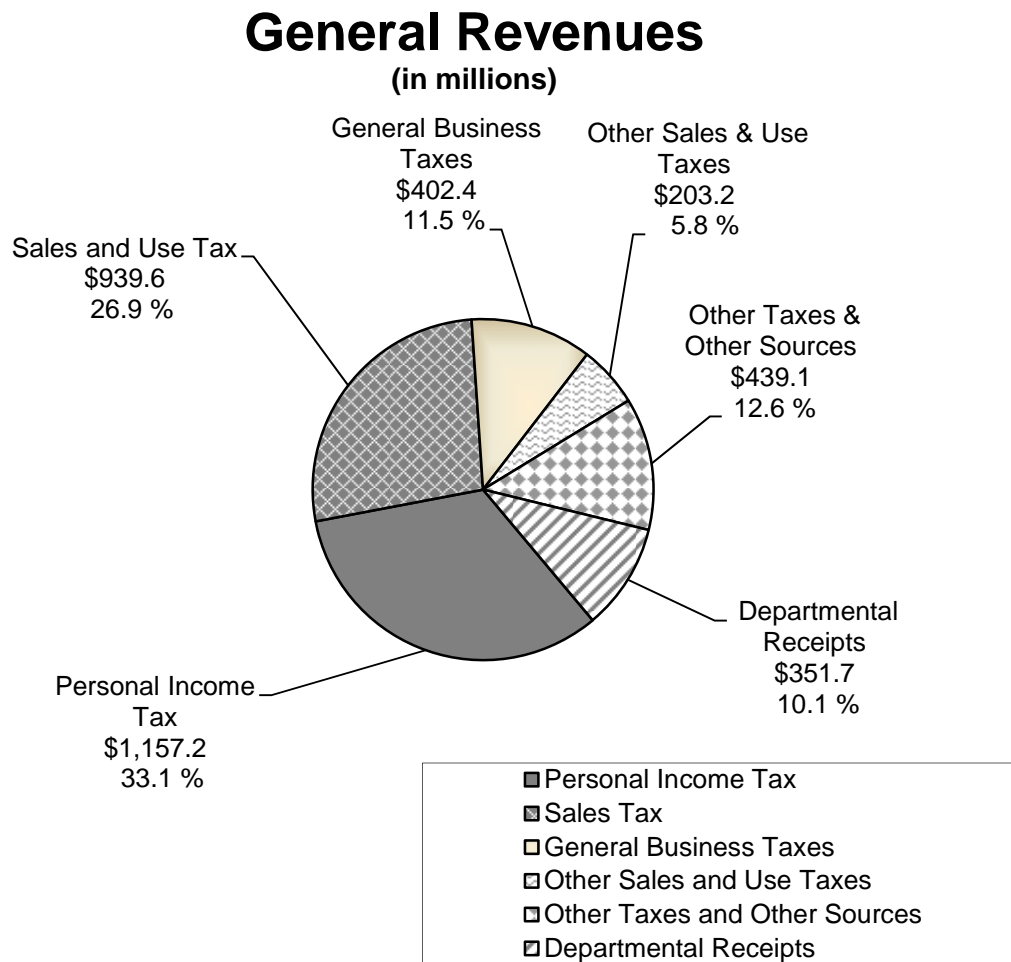
# General Revenues

The enacted FY 2015 general revenue budget is based upon \$3.493 billion of general revenues. General revenues are subject to appropriation for any lawful government purpose.

The personal income tax is the largest single general revenue source at 33.1 percent. All sales and use taxes, including the sales tax, motor vehicle licenses and fees, cigarette taxes and alcohol taxes, are an additional 32.7 percent of general revenue. The sales tax on its own is projected at \$939.6 million, or 26.9 percent of general revenue.

General business taxes, including corporate income taxes, are 11.5 percent of general revenue while all departmental receipts equal 10.1 percent of general revenues.

Other revenue sources, including other taxes, are an additional \$439.1 million, or 12.6 percent of the general revenue.



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## General Revenue Expenditures

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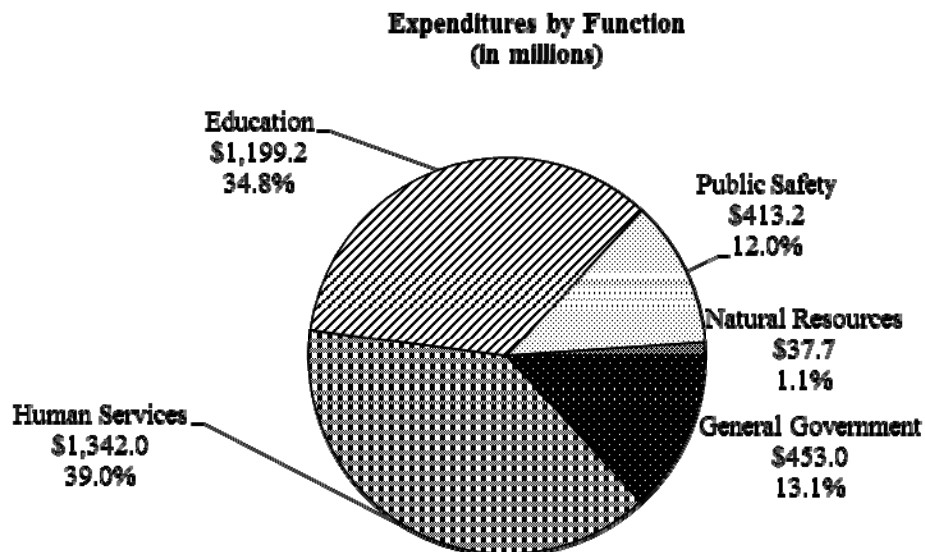
The FY 2015 Budget as Enacted includes \$3.445 billion in general revenue expenditures. By function of government, this totals \$1.342 billion or 39.0 percent in the Health and Human Services function, \$1.199 billion or 34.8 percent in the Education function, \$453.0 million or 13.1 percent in the General Government function, \$413.2 million or 12.0 percent in the Public Safety function, and \$37.7 million or 1.1 percent in the Natural Resources function.

The assistance, grants, and benefits category of expenditure comprises the largest portion of the State's general revenue spending at \$1.189 billion, followed by \$1.038 billion in aid to local units of government, \$880.3 million in personnel expenditures, \$195.3 million in debt service, \$129.2 million in operating supplies and expenses, \$8.5 million in operating transfers, and \$4.4 million in capital purchases and equipment.

A significant portion of general revenue expenditures are attributable to the Medical Assistance Program, totaling \$876.6 million in general revenue funds for the FY 2015 enacted budget, an increase of \$54.7 million from the final FY 2014 revised budget.

The Budget as Enacted provides \$984.0 million in general revenues for education aid to local units of government including local education agencies, state schools, state contributions for teacher retirement, and school housing aid. The FY 2015 enacted total represents an increase of \$42.8 million from the final FY 2014 revised budget.

Overall, expenditures from general revenues increased by \$92.8 million, or 2.8 percent from the final revised FY 2014 budget of \$3.352 billion.



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## Full Time Equivalent Positions

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<p><i>Full Time Equivalent Positions</i></p>
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The number of full time equivalent (FTE) positions authorized within the agency FTE caps in the FY 2015 final enacted budget is 15,086.0, a decrease of 14.3 FTE positions from the FY 2014 final revised budget of 15,100.3, and a decrease of 32.3 FTE positions from the FY 2014 enacted level of 15,118.3.

In **General Government**, the authorized FTE position level in the FY 2015 final enacted budget is 2,298.7, an increase of 22.0 from the FY 2014 enacted budget, and includes increases of 18.0 FTE positions in the Department of Labor and Training, resulting from additional staff in the Workforce Development Services program for the Back to Work RI initiative (3.0), in the Temporary Caregiver Insurance program (7.0), as well as seven (7.0) interviewers in the Unemployment Insurance program and 1.0 FTE position in the Injured Workers Services program. Also included is an increase of 1.0 FTE position in the Public Utilities Commission in the consumer unit to deal with utility shutoffs. The FTE position level also includes the addition of 14.0 revenue officer positions in the Department of Revenue, of which seven (7.0) are for the implementation of the Combined Reporting program.

In **Health and Human Services**, the authorized FY 2015 FTE position level of 3,744.0 is a net decrease of 3.8 FTE positions from the FY 2014 enacted FTE authorization. This is comprised of reductions of 3.0 FTE positions in Health and 1.0 FTE position in Behavioral Healthcare, Developmental Disabilities, and Hospitals. The enacted budget also includes an offsetting FTE reconciliation to accommodate the following increases: 1) 1.0 FTE position in the Office of Health and Human Services; 2) 2.0 FTE positions in Children, Youth and Families for a community and planning services federal grant; and 3) 35.0 FTE positions in Human Services in Health Care Eligibility relating to the Unified Health Infrastructure Project, Individual and Family Support, and the Veterans' Home.

In **Education**, the authorized FTE position level is 4,641.1 FTE positions, a net decrease of 18.5 FTE positions from the FY 2014 enacted budget. This includes a program reduction of 16.5 FTE positions in Elementary and Secondary Education in the Administration for Comprehensive Education Strategy (ACES) program, reflecting the end of the Race to the Top grant during FY 2015.

In **Public Safety**, there is a net decrease of 9.0 FTE positions to 3,221.6 in FY 2015 compared to the FY 2014 enacted budget. The FTE level includes reductions of three (3.0) Capitol Police and six (6.0) State Police officer FTE positions, as well as reductions of a general counsel and a Municipal Police Training Academy director position. The FTE level also includes reductions of three (3.0) judicial and magistrate vacancies. The final enacted FY 2015 Budget provides for the establishment of the Rhode Island Emergency Management Agency as a stand-alone agency, split off from the Military Staff.

In **Natural Resources**, there is no net change in the FTE level of 428.0 from FY 2014 to FY 2015. The final enacted budget includes an offsetting FTE reconciliation to match the addition in Environmental Management of a senior reconciliation clerk, a federal-funded administrative officer, and a wildlife development officer in the Big River Management Area.

In **Transportation**, the final enacted budget includes 752.6, a reduction of 20.0 FTE positions in both FY 2014 and FY 2015, based on recent levels of filled positions.

The final enacted FY 2015 FTE cap of 15,086.0 is 11.0 FTE positions less than the Governor's recommended FTE cap of 15,097.0 positions. The General Assembly made the following changes to the

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## Full Time Equivalent Positions

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Governor's recommendation:

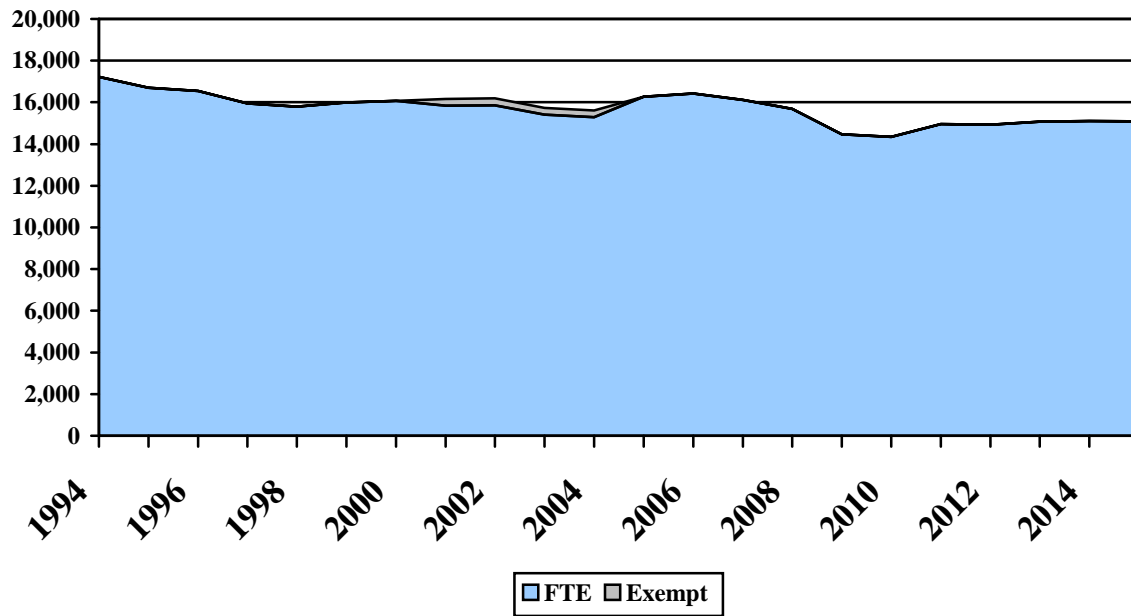
- Reduced the Governor's recommended FTE level in Administration by 13.0 FTE positions, including 3.0 FTE positions in the proposed Office of Diversity, Equity and Opportunity and 10.0 FTE positions in the Health Source RI program.
- Increased the Governor's recommended FTE level by six (6.0) in the Department of Revenue, including a reduction of one (1.0) (a Chief of Information and Public Relations) and an increase of seven (7.0) to implement the Combined Reporting program.
- Reduced the Governor's recommended FTE level in the Higher Education Assistance Authority by three (3.0), including 2.0 FTE positions for the WaytogoRI program.
- Increased the Governor's recommended FTE level by three (3.0) in the Office of the Attorney General in the Medicaid Fraud Unit.
- Reduced the Governor's recommended FTE level by three (3.0) in the Judiciary, reflecting judicial and magistrate vacancies
- Reduced the Governor's recommended FTE level by one (1.0) in the Department of Public Safety for a paralegal position.
- Reduced the Governor's recommended FTE position increases by 107.9 non-sponsored research FTE positions in the Higher Education, 72.6 in University of Rhode Island and 40.3 in the Community College of Rhode Island. There is a corresponding increase of 107.9 in the sponsored research position for these institutions.

In the final FY 2014 revised budget, the number of full time equivalent positions is 15,100.3, a decrease of 18.0 from the FY 2014 original enacted budget of 15,118.3, but the same as the Governor's recommended FY 2014 revised budget. The only change from the Governor's recommended budget is the reduction of Higher Education non-sponsored research positions by 114.9, and the corresponding increase in sponsored research positions.

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## Full Time Equivalent Positions

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*Full Time Equivalent Positions*

# Schedules





## General Revenues as Enacted

	FY 2012 Actual	FY 2013 Actual	FY 2014 Enacted	FY 2014 Final Enacted	FY 2015 Enacted
<b>Personal Income Tax</b>	\$ 1,060,481,684	\$ 1,085,765,261	\$ 1,109,154,500	\$ 1,103,200,000	\$ 1,157,132,269
<b>General Business Taxes</b>					
Business Corporations	123,054,377	131,827,907	141,300,000	117,100,000	118,811,698
Public Utilities Gross Earnings	100,631,477	99,640,815	94,900,000	108,000,000	112,000,000
Financial Institutions	3,557,938	12,594,921	4,300,000	13,500,000	11,500,000
Insurance Companies	89,487,511	92,744,945	98,815,832	106,000,000	115,503,704
Bank Deposits	2,000,645	2,877,325	2,500,000	2,400,000	2,400,000
Health Care Provider Assessment	41,922,464	41,568,589	42,610,544	41,800,000	42,137,188
<b>Sales and Use Taxes</b>					
Sales and Use	851,055,730	878,866,074	887,201,672	907,000,000	939,619,684
Motor Vehicle	48,391,564	49,431,495	51,800,000	52,300,000	49,500,000
Motor Fuel	732,672	438,255	1,000,000	500,000	500,000
Cigarettes	131,085,912	132,516,310	130,700,000	139,100,000	135,800,000
Alcohol	11,873,646	12,176,109	18,173,328	17,600,000	17,442,085
<b>Other Taxes</b>					
Inheritance and Gift	46,411,738	28,489,275	31,800,000	38,100,000	27,009,849
Racing and Athletics	1,327,003	1,171,108	1,200,000	1,200,000	1,100,000
Realty Transfer	6,434,665	7,399,222	7,500,000	8,000,000	8,500,000
<b>Total Taxes</b>	<b>\$ 2,518,449,026</b>	<b>\$ 2,577,507,611</b>	<b>\$ 2,622,955,876</b>	<b>\$ 2,655,800,000</b>	<b>\$ 2,738,956,476</b>
<b>Departmental Receipts</b>	<b>\$ 339,895,284</b>	<b>356,831,653</b>	<b>348,707,542</b>	<b>\$ 359,160,861</b>	<b>\$ 351,671,912</b>
<b>Taxes and Departmentals</b>	<b>\$ 2,858,344,310</b>	<b>\$ 2,934,339,264</b>	<b>\$ 2,971,663,418</b>	<b>\$ 3,014,960,861</b>	<b>\$ 3,090,628,388</b>
<b>Other Sources</b>					
Other Miscellaneous	20,110,214	4,166,214	5,545,000	8,480,419	7,475,000
Lottery	377,706,394	379,224,715	394,100,000	380,700,000	384,500,000
Unclaimed Property	14,555,573	6,268,627	9,700,000	11,900,000	10,500,000
<b>Other Sources</b>	<b>\$ 412,372,181</b>	<b>\$ 389,659,556</b>	<b>\$ 409,345,000</b>	<b>\$ 401,080,419</b>	<b>\$ 402,475,000</b>
<b>Total General Revenues</b>	<b>\$ 3,270,716,491</b>	<b>\$ 3,323,998,820</b>	<b>\$ 3,381,008,418</b>	<b>\$ 3,416,041,280</b>	<b>\$ 3,493,103,388</b>

## FY 2014 General Revenue Changes to Enacted

	Original Enacted Revenues <i>July 2013</i>	November 2013 REC <i>November 2013</i>	Governor Recommended <i>January 2014</i>	May 2014 REC <i>May 2014</i>	Total Enacted Revenue Enhancements <i>June 2014</i>	Final Enacted Revenues <i>June 2014</i>
<b>Personal Income Tax</b>	\$ 1,109,154,500	\$ 1,120,700,000	\$ 1,120,700,000	\$ 1,103,200,000	\$ -	\$ 1,103,200,000
<b>General Business Taxes</b>						
Business Corporations	141,300,000	136,000,000	136,000,000	117,100,000	-	117,100,000
Public Utilities Gross Earnings	94,900,000	95,900,000	95,900,000	108,000,000	-	108,000,000
Financial Institutions	4,300,000	4,300,000	4,300,000	13,500,000	-	13,500,000
Insurance Companies	98,815,832	100,600,000	100,600,000	106,000,000	-	106,000,000
Bank Deposits	2,500,000	2,900,000	2,900,000	2,400,000	-	2,400,000
Health Care Provider Assessment	42,610,544	42,600,000	42,600,000	41,800,000	-	41,800,000
<b>Sales and Use Taxes</b>						
Sales and Use	887,201,672	904,000,000	904,000,000	907,000,000	-	907,000,000
Motor Vehicle	51,800,000	50,800,000	50,800,000	52,300,000	-	52,300,000
Motor Fuel	1,000,000	700,000	700,000	500,000	-	500,000
Cigarettes	130,700,000	136,300,000	136,300,000	139,100,000	-	139,100,000
Alcohol	18,173,328	18,200,000	18,200,000	17,600,000	-	17,600,000
<b>Other Taxes</b>						
Estate and Transfer	31,800,000	31,800,000	31,800,000	38,100,000	-	38,100,000
Racing and Athletics	1,200,000	1,200,000	1,200,000	1,200,000	-	1,200,000
Realty Transfer	7,500,000	8,000,000	8,000,000	8,000,000	-	8,000,000
<b>Total Taxes</b>	<b>\$ 2,622,955,876</b>	<b>\$ 2,654,000,000</b>	<b>\$ 2,654,000,000</b>	<b>\$ 2,655,800,000</b>	<b>\$ -</b>	<b>\$ 2,655,800,000</b>
<b>Departmental Receipts</b>	<b>\$ 348,707,542</b>	<b>\$ 360,100,000</b>	<b>\$ 354,514,976</b>	<b>\$ 354,500,000</b>	<b>\$ 4,660,861</b>	<b>\$ 359,160,861</b>
<b>Taxes and Departmentals</b>	<b>\$ 2,971,663,418</b>	<b>\$ 3,014,100,000</b>	<b>\$ 3,008,514,976</b>	<b>\$ 3,010,300,000</b>	<b>\$ 4,660,861</b>	<b>\$ 3,014,960,861</b>
<b>Other Sources</b>						
Other Miscellaneous	5,545,000	7,455,000	11,701,398	7,555,000	925,419	8,480,419
Lottery	394,100,000	394,200,000	394,200,000	380,700,000	-	380,700,000
Unclaimed Property	9,700,000	10,900,000	10,900,000	11,900,000	-	11,900,000
<b>Other Sources</b>	<b>\$ 409,345,000</b>	<b>\$ 412,555,000</b>	<b>\$ 416,801,398</b>	<b>\$ 400,155,000</b>	<b>\$ 925,419</b>	<b>\$ 401,080,419</b>
<b>Total General Revenues</b>	<b>\$ 3,381,008,418</b>	<b>\$ 3,426,655,000</b>	<b>\$ 3,425,316,374</b>	<b>\$ 3,410,455,000</b>	<b>\$ 5,586,280</b>	<b>\$ 3,416,041,280</b>

## FY 2015 General Revenue Changes to Estimated

	Initial Estimated Revenues <i>November 2013</i>	Governor Recommended <i>January 2014</i>	May 2014 REC <i>May 2014</i>	Enacted Revenue Enhancements <i>June 2014</i>	Original Enacted <i>June 2014</i>
<b>Personal Income Tax</b>	\$ 1,153,900,000	\$ 1,158,295,659	\$ 1,148,100,000	\$ 9,032,269	\$ 1,157,132,269
<b>General Business Taxes</b>					
Business Corporations	133,200,000	133,911,698	115,400,000	3,411,698	118,811,698
Public Utilities Gross Earnings	97,500,000	97,500,000	112,000,000	-	112,000,000
Financial Institutions	4,500,000	4,500,000	11,500,000	-	11,500,000
Insurance Companies	108,700,000	107,738,811	116,900,000	(1,396,296)	115,503,704
Bank Deposits	2,900,000	2,900,000	2,400,000	-	2,400,000
Health Care Provider Assessment	44,300,000	43,860,632	42,600,000	(462,812)	42,137,188
<b>Sales and Use Taxes</b>					
Sales and Use	930,600,000	937,510,924	937,000,000	2,619,684	939,619,684
Motor Vehicle	50,800,000	50,800,000	52,300,000	(2,800,000)	49,500,000
Motor Fuel	700,000	700,000	500,000	-	500,000
Cigarettes	132,400,000	133,150,000	135,800,000	-	135,800,000
Alcohol	17,000,000	17,000,000	16,000,000	1,442,085	17,442,085
<b>Other Taxes</b>					
Estate and Transfer	31,800,000	31,800,000	36,400,000	(9,390,151)	27,009,849
Racing and Athletics	1,100,000	1,100,000	1,100,000	-	1,100,000
Realty Transfer	8,400,000	8,400,000	8,500,000	-	8,500,000
<b>Total Taxes</b>	<b>\$ 2,717,800,000</b>	<b>\$ 2,729,167,723</b>	<b>\$ 2,736,500,000</b>	<b>\$ 2,456,476</b>	<b>\$ 2,738,956,476</b>
<b>Departmental Receipts</b>	<b>208,200,000</b>	<b>\$ 352,869,278</b>	<b>\$ 208,200,000</b>	<b>\$ 143,471,912</b>	<b>\$ 351,671,912</b>
<b>Taxes and Departmentals</b>	<b>\$ 2,926,000,000</b>	<b>\$ 3,082,037,001</b>	<b>\$ 2,944,700,000</b>	<b>\$ 145,928,388</b>	<b>\$ 3,090,628,388</b>
<b>Other Sources</b>					
Other Miscellaneous	2,475,000	2,475,000	2,475,000	5,000,000	7,475,000
Lottery	399,900,000	399,900,000	385,600,000	(1,100,000)	384,500,000
Unclaimed Property	10,100,000	10,100,000	10,500,000	-	10,500,000
<b>Other Sources</b>	<b>\$ 412,475,000</b>	<b>\$ 412,475,000</b>	<b>\$ 398,575,000</b>	<b>\$ 3,900,000</b>	<b>\$ 402,475,000</b>
<b>Total General Revenues</b>	<b>\$ 3,338,475,000</b>	<b>\$ 3,494,512,001</b>	<b>\$ 3,343,275,000</b>	<b>\$ 149,828,388</b>	<b>\$ 3,493,103,388</b>

## General Revenue Changes to Adopted Estimates

FY 2014	Governor Recommend <sup>a</sup>	Assembly Final Enacted <sup>b</sup>
<b><u>Departmental Revenues</u></b>		
<i>Licenses and Fees</i>		
DHS: FY 2012 Hospital Licensing Fee Payment Accrued to FY 2013 <sup>c</sup>	\$ (5,585,024)	\$ -
DHS: Increased Hospital Licensing Fee to 5.418 percent on FY 2012 Hospital Net Patient Revenue	\$ -	\$ 4,631,396
<i>Miscellaneous Receipts</i>		
DOH: Grant to Improve Vaccine Coverage and Utilization in Pregnant Women	\$ -	\$ 29,465
<b>Subtotal: Departmental Revenues</b>	<b>\$ (5,585,024)</b>	<b>\$ 4,660,861</b>
<b><u>Other Sources</u></b>		
<i>Other Miscellaneous</i>		
Transfer of Bond Premiums from Rhode Island Capital Plan Fund (RICAP)	\$ 3,320,979	\$ -
Transfer from Department of Administration Insurance Restricted Receipt Account	\$ 925,419	\$ 925,419
<b>Subtotal: Other Miscellaneous</b>	<b>\$ 4,246,398</b>	<b>\$ 925,419</b>
<b>Subtotal: Other Sources</b>	<b>\$ 4,246,398</b>	<b>\$ 925,419</b>
<b>FY 2014 Total General Revenue Changes</b>	<b>\$ (1,338,626)</b>	<b>\$ 5,586,280</b>

<sup>a</sup> Governor Recommend is based on estimates adopted at the November 2013 Revenue Estimating Conference.

<sup>b</sup> Assembly Final Enacted is based on estimates adopted at the May 2014 Revenue Estimating Conference

<sup>c</sup> This revenue item was included in the revenue estimates adopted at the May 2014 Revenue Estimating Conference

## General Revenue Changes to Adopted Estimates

FY 2015	Governor Recommend <sup>a</sup>	Assembly Enacted <sup>b</sup>
<b><u>Taxes</u></b>		
<b><u>Personal Income Tax</u></b>		
Finals: Add Ten New Revenue Officer Positions in the Division of Taxation	\$ 2,737,259	\$ 2,737,259
Finals: Create a Statewide Task Force to Combat Employee Misclassification	990,000	990,000
Finals: State Employee Personal Income Tax Compliance Project	400,000	400,000
Finals: Registration Block on "New" Registrations	268,400	268,400
Finals: Local Employee and Public Officials Personal Income Tax Compliance Project	-	691,782
Refunds: Eliminate Property Tax Relief Credit for Low Income Individuals	-	8,238,118
Refunds: Restructure Earned Income Tax Credit to 10.0 Percent of Federal and 100.0 Percent Refundable	-	(4,293,291)
<b>Subtotal: Personal Income Tax</b>	<b>\$ 4,395,659</b>	<b>\$ 9,032,269</b>
<b><u>General Business Taxes</u></b>		
<b><u>Business Corporations Tax</u></b>		
Add Ten New Revenue Officer Positions in the Division of Taxation	\$ 711,698	\$ 711,698
Implement Combined Reporting with Single Sales Factor Apportionment at 7.0 Percent Rate for All C Corporations	-	2,932,858
Repeal of the Franchise Tax for Corporations Paying Greater than the \$500 Minimum Tax	-	(232,858)
<b>Subtotal: Business Corporations Tax</b>	<b>\$ 711,698</b>	<b>\$ 3,411,698</b>
<b><u>Insurance Companies Gross Premiums Tax</u></b>		
Health/HMO: Managed Care Rate Reduction	\$ (433,860)	\$ (468,365)
Health/HMO: Create Program Designed to Reduce Healthcare High Utilizers	(326,221)	(326,221)
Health/HMO: Hospital Rate Freeze	(121,060)	(132,176)
Health/HMO: Durable Medical Equipment Reviews Based on the Office of Inspector General Audits	(40,024)	(40,024)
Health/HMO: Imaging Services Utilization Review	(40,024)	(40,024)
Health/HMO: Impact of Accelerated Medicaid Recertifications	-	(389,486)
<b>Subtotal: Insurance Companies Gross Premiums Tax</b>	<b>\$ (961,189)</b>	<b>\$ (1,396,296)</b>
<b><u>Health Care Provider Assessment - Nursing Homes</u></b>		
Suspend Nursing Home COLA until April 1, 2015	\$ (411,851)	\$ (435,295)
Long-Term Care Financial Eligibility/Review	(27,517)	(27,517)
<b>Subtotal: Health Care Provider Assessment</b>	<b>\$ (439,368)</b>	<b>\$ (462,812)</b>
<b>Subtotal: General Business Taxes</b>	<b>\$ (688,860)</b>	<b>\$ 1,552,590</b>
<b><u>Sales and Excise Taxes</u></b>		
<b><u>Sales and Use Tax</u></b>		
Add Ten New Revenue Officer Positions to the Division of Taxation	\$ 2,723,968	\$ 2,723,968
Safe Harbor for Use Tax on Personal Income Tax Returns	2,200,000	2,200,000
Expand Sales and Use and Hotel Tax to Hotel Resellers	775,652	-
Expand Sales and Use and Hotel Tax to Bed and Breakfasts and Timeshares	441,304	-
Anti-Zapper Legislation to Combat the Understatement of Sales by Business Owners for Tax Purposes	770,000	770,000
Extend Repeal of Tax on Sales of Wine and Spirits by Class A Licensees to June 30, 2015	-	(3,074,283)
<b>Subtotal: Sales and Use Tax</b>	<b>\$ 6,910,924</b>	<b>\$ 2,619,684</b>
<b><u>Motor Vehicle Operator Registration and Licensing Fees</u></b>		
Transfer of Rental Vehicle Surcharge to Rhode Island Highway Maintenance Account effective July 1, 2014	\$ -	\$ (2,800,000)
<b>Subtotal: Motor Vehicle Operator Registration and Licensing Fees</b>	<b>\$ -</b>	<b>\$ (2,800,000)</b>
<b><u>Cigarettes and Other Tobacco Products Taxes</u></b>		
Expand Definition of "Other Tobacco Products" to Include Electronic Cigarettes for Tax Purposes	\$ 750,000	\$ -
<b>Subtotal: Cigarettes and Other Tobacco Products Taxes</b>	<b>\$ 750,000</b>	<b>\$ -</b>
<b><u>Alcohol Tax</u></b>		
Extend Excise Tax Increase on Beer and Malt, Still Wine, and High Proof Distilled Spirits to June 30, 2015	\$ -	\$ 1,442,085
<b>Subtotal: Alcohol Tax</b>	<b>\$ -</b>	<b>\$ 1,442,085</b>
<b>Subtotal: Sales and Excise Taxes</b>	<b>\$ 7,660,924</b>	<b>\$ 1,261,769</b>
<b><u>Other Taxes</u></b>		
<b><u>Estate and Transfer Tax</u></b>		
Convert Estate Tax Threshold Exemption to \$64,400 Estate Tax Credit	\$ -	\$ (9,390,151)
<b>Subtotal: Other Taxes</b>	<b>\$ -</b>	<b>\$ (9,390,151)</b>
<b>Subtotal: All Taxes</b>	<b>\$ 11,367,723</b>	<b>\$ 2,456,476</b>

## General Revenue Changes to Adopted Estimates

FY 2015	Governor Recommend <sup>a</sup>	Assembly Enacted <sup>b</sup>
<b><u>Departmental Revenues</u></b>		
<i>Licenses and Fees</i>		
DHS: Reinstitute Hospital Licensing Fee at 5.246 Percent on FY 2012 Net Patient Revenues	\$ 141,257,582	\$ 141,257,582
DHS: Revise Hospital Licensing Fee to 5.703 Percent of FY 2013 Net Patient Revenues	-	14,814,020
Transfer Motor Vehicle Title Fees to Rhode Island Highway Maintenance Account effective July 1, 2014	-	(9,034,844)
Transfer of Vehicle Emission Inspection Fees to the Rhode Island Highway Maintenance Account effective July 1, 2014	-	(5,704,800)
Increased Department of Administration State Employee Parking Garage Fee from \$16 Biweekly to \$32 Biweekly	-	200,802
EOHHS: Imaging Services Utilization Review	(40,024)	(40,024)
<b>Subtotal: Licenses and Fees</b>	<b>\$ 141,217,558</b>	<b>\$ 141,492,736</b>
<i>Fines and Penalties</i>		
Add Ten New Revenue Officer Positions to the Division of Taxation	\$ 2,239,576	\$ 2,239,576
Create a Statewide Task Force to Combat Employee Misclassification	810,000	810,000
Registration Block on "New" Registrations	219,600	219,600
<b>Subtotal: Fines and Penalties</b>	<b>\$ 3,269,176</b>	<b>\$ 3,269,176</b>
<i>Miscellaneous Receipts</i>		
Expand Sales and Use and Hotel Tax to Hotel Resellers	\$ 116,348	\$ -
Expand Sales and Use and Hotel Tax to Bed and Breakfasts and Timeshares	66,196	-
DLT: Remove Job Development Fund from Indirect Cost Recovery	-	(1,290,000)
<b>Subtotal: Miscellaneous</b>	<b>\$ 182,544</b>	<b>\$ (1,290,000)</b>
<b>Subtotal: Departmental Revenues</b>	<b>\$ 144,669,278</b>	<b>\$ 143,471,912</b>
<b>Subtotal: Taxes and Departmental Revenues</b>	<b>\$ 156,037,001</b>	<b>\$ 145,928,388</b>
<b><u>Other Sources</u></b>		
<i>Other Miscellaneous Revenues</i>		
Transfer of Tobacco Bond Proceeds to the General Fund	-	5,000,000
<b>Subtotal: Other Miscellaneous Revenues</b>	<b>\$ -</b>	<b>\$ 5,000,000</b>
<b><u>Lottery Transfer</u></b>		
<i>Lottery</i>		
Expand Twin River Marketing Program	\$ -	\$ (1,100,000)
<b>Subtotal: Lottery Transfer</b>	<b>\$ -</b>	<b>\$ (1,100,000)</b>
<b>Subtotal: Other Sources</b>	<b>\$ -</b>	<b>\$ 3,900,000</b>
<b>Total FY 2015 General Revenue Adjustments</b>	<b>\$ 156,037,001</b>	<b>\$ 149,828,388</b>

<sup>a</sup> Governor Recommend is based on estimates adopted at the November 2013 Revenue Estimating Conference.

<sup>b</sup> Assembly Enacted is based on estimates adopted at the May 2014 Revenue Estimating Conference

## Other Revenue Enhancements

	Governor Recommend <sup>a</sup>	Assembly Enacted <sup>b</sup>
<b>FY 2014</b>		
<b><u>Restricted Receipts</u></b>		
Transfer from Department of Administration Insurance Restricted Receipt Account	\$ (925,419)	\$ (925,419)
<b>Subtotal: Restricted Receipts</b>	<b>\$ (925,419)</b>	<b>\$ (925,419)</b>
<b><u>Rhode Island Capital Plan Fund</u></b>		
Transfer of Bond Premiums from Rhode Island Capital Plan Fund (RICAP)	\$ (3,320,979)	\$ -
<b>Subtotal: Rhode Island Capital Plan Fund</b>	<b>\$ (3,320,979)</b>	<b>\$ -</b>
<b>Total FY 2014 Other Revenue Adjustments</b>	<b>\$ (4,246,398)</b>	<b>\$ (925,419)</b>
<b>FY 2015</b>		
<b><u>Rhode Island Highway Maintenance Account</u></b>		
Transfer of Rental Vehicle Surcharge from General Fund effective July 1, 2014	\$ -	\$ 2,800,000
Transfer of Motor Vehicle Title Fees from General Fund effective July 1, 2014	-	9,034,844
Transfer of Current Vehicle Emission Inspection Fees from the General Fund effective July 1, 2014	-	5,704,800
Increase Vehicle Emissions Inspection Fee from \$39 to \$55 and Depoist in RI Highway Maintenance Account eff Ju	-	4,800,000
Increase Cost of Good Driver Dismissal for Moving Violations from \$35 To \$60 effective July 1, 2014	-	600,000
<b>Subtotal: Rhode Island Highway Maintenance Account</b>	<b>\$ -</b>	<b>\$ 22,939,644</b>
<b>Total FY 2015 Other Revenue Adjustments</b>	<b>\$ -</b>	<b>\$ 22,939,644</b>

<sup>a</sup> Governor Recommend is based on estimates adopted at the November 2013 Revenue Estimating Conference.

<sup>b</sup> Assembly Enacted is based on estimates adopted at the May 2014 Revenue Estimating Conference

## Expenditures from All Funds

	FY 2012 Actual	FY 2013 Actual	FY 2014 Enacted	FY 2014 Final Revised	FY 2015 Enacted
<b>General Government</b>					
Administration	\$390,215,975	\$376,882,855	\$428,701,337	\$450,252,781	\$425,765,956
Business Regulation	12,591,226	14,707,298	\$12,989,880	\$14,608,789	\$12,976,430
Labor and Training	801,847,663	651,795,888	\$592,481,112	\$587,166,235	\$511,579,990
Revenue	345,151,113	348,730,714	\$353,439,739	\$440,172,498	\$460,214,642
Legislature	35,327,139	37,045,498	\$37,791,548	\$40,330,187	\$38,016,750
Lieutenant Governor	1,068,715	1,243,608	\$2,095,378	\$2,679,322	\$1,089,434
Secretary of State	6,742,224	7,313,841	\$6,952,764	\$7,006,010	\$8,366,955
General Treasurer	39,706,807	42,696,505	\$35,407,461	\$38,723,630	\$35,241,893
Board of Elections	1,660,728	1,846,513	\$1,739,361	\$1,743,059	\$4,145,127
Rhode Island Ethics Commission	1,410,813	1,500,568	\$1,577,204	\$1,581,301	\$1,581,205
Governor's Office	4,648,355	4,024,335	\$4,443,513	\$4,146,433	\$4,527,562
Commission for Human Rights	1,408,199	1,454,143	\$1,459,423	\$1,466,788	\$1,480,179
Public Utilities Commission	6,335,868	7,130,573	\$8,420,293	\$8,518,927	\$8,459,886
<b>Subtotal - General Government</b>	<b>\$1,648,114,825</b>	<b>\$1,496,372,339</b>	<b>\$1,487,499,013</b>	<b>\$1,598,395,960</b>	<b>\$1,513,446,009</b>
<b>Health and Human Services</b>					
Office of Health & Human Services (1)	\$17,098,684	\$1,664,435,882	\$1,867,935,132	\$1,980,784,394	\$2,391,411,846
Children, Youth, and Families	216,588,816	209,939,192	\$213,873,566	\$216,882,991	\$210,636,391
Health	104,085,326	103,167,181	\$120,980,759	\$120,564,680	\$122,645,570
Human Services (1)	2,206,209,397	631,829,247	\$662,090,161	\$663,747,447	\$649,786,890
Behavioral Healthcare, Developmental Disabilities and Hospitals	428,033,267	436,309,308	\$437,848,408	\$439,786,890	\$365,509,826
Governor's Commission on Disabilities	597,971	447,357	\$1,455,336	\$1,079,902	\$1,508,802
Commission On Deaf and Hard of Hearing	377,005	371,083	\$471,609	\$470,430	\$474,279
Office of the Child Advocate	558,884	610,133	\$648,648	\$627,551	\$661,817
Office of the Mental Health Advocate	387,894	340,722	\$486,144	\$485,427	\$495,010
<b>Subtotal - Human Services</b>	<b>\$2,973,937,244</b>	<b>\$3,047,450,105</b>	<b>\$3,305,789,763</b>	<b>\$3,424,429,712</b>	<b>\$3,743,130,431</b>
<b>Education</b>					
Elementary and Secondary	\$1,122,700,087	\$1,170,946,470	\$1,225,973,266	\$1,227,409,488	\$1,246,096,357
Higher Education - Board of Governors	1,004,427,997	1,008,387,638	\$1,057,498,950	\$1,061,270,908	\$1,080,789,192
RI Council on the Arts	2,760,123	3,094,687	\$2,765,495	\$2,741,120	\$2,914,959
RI Atomic Energy Commission	1,282,491	1,230,680	\$1,436,731	\$1,228,604	\$1,271,174
Higher Education Assistance Authority	24,036,466	25,054,892	\$26,763,735	\$24,979,919	\$23,946,961
Historical Preservation and Heritage Comm.	1,908,488	1,876,982	\$3,506,949	\$4,226,478	\$5,909,976
Public Telecommunications Authority	1,557,832	784,886	-	-	-
<b>Subtotal - Education</b>	<b>\$2,158,673,484</b>	<b>\$2,211,376,235</b>	<b>\$2,317,945,126</b>	<b>\$2,321,856,517</b>	<b>\$2,360,928,619</b>



## Expenditures from All Funds

	FY 2012 Actual	FY 2013 Actual	FY 2014 Enacted	FY 2014 Final Revised	FY 2015 Enacted
<b>Public Safety</b>					
Attorney General	\$24,597,318	\$25,023,767	\$30,400,101	\$42,903,048	\$36,791,685
Corrections	189,703,152	189,506,984	\$204,702,527	\$197,785,140	\$209,326,500
Judicial	100,907,796	104,012,635	\$107,624,121	\$108,103,331	\$105,669,516
Military Staff (2)	36,046,730	40,713,548	\$43,157,514	\$49,151,199	\$18,454,074
Rhode Island Emergency Management Agency (2)	-	-	-	-	\$20,622,227
Public Safety	102,975,645	103,867,362	\$123,477,749	\$124,090,524	\$126,554,846
Office Of Public Defender	10,560,860	10,651,421	\$11,326,682	\$11,154,125	\$11,379,680
<b>Subtotal - Public Safety</b>	<b>\$464,791,501</b>	<b>\$473,775,717</b>	<b>\$520,688,694</b>	<b>\$533,187,367</b>	<b>\$528,798,528</b>
<b>Natural Resources</b>					
Environmental Management	\$74,010,170	\$67,572,786	\$116,179,523	\$103,060,502	\$103,811,527
Coastal Resources Management Council	6,100,775	4,667,950	\$4,709,906	\$4,632,074	\$4,959,681
<b>Subtotal - Natural Resources</b>	<b>\$80,110,945</b>	<b>\$72,240,736</b>	<b>\$120,889,429</b>	<b>\$107,692,576</b>	<b>\$108,771,208</b>
<b>Transportation</b>					
Transportation	\$387,375,260	\$408,046,202	\$460,249,997	\$484,637,169	\$525,120,546
<b>Subtotal - Transportation</b>	<b>\$387,375,260</b>	<b>\$408,046,202</b>	<b>\$460,249,997</b>	<b>\$484,637,169</b>	<b>\$525,120,546</b>
<b>Total</b>	<b>\$7,713,003,259</b>	<b>\$7,709,261,334</b>	<b>\$8,213,062,022</b>	<b>\$8,470,199,301</b>	<b>\$8,780,195,341</b>

(1) In FY 2013, the Medicaid program is moved from the Department of Human Services to the Office of Health and Human Services.

(2) In 2015, the Rhode Island Emergency Management Agency was split off from the Military Staff, effective July 1, 2014.

## Expenditures from General Revenues

	FY 2012 Actual	FY 2013 Actual	FY 2014 Enacted	FY 2014 Final Revised	FY 2015 Enacted
<b>General Government</b>					
Administration	\$248,320,234	\$260,904,556	\$264,801,211	\$261,059,802	\$268,843,237
Business Regulation	8,394,345	8,610,843	\$9,245,878	\$8,721,939	\$9,013,477
Labor and Training	7,553,602	7,730,995	\$9,064,061	\$8,560,971	\$8,669,103
Revenue	95,686,157	94,786,540	\$102,007,495	\$100,171,755	\$107,798,690
Legislature	33,685,084	35,681,738	\$36,186,933	\$38,762,187	\$36,429,671
Lieutenant Governor	948,391	942,140	\$986,890	\$949,998	\$1,015,084
Secretary of State	6,262,148	6,810,969	\$6,497,833	\$6,436,003	\$7,337,203
General Treasurer	2,531,859	2,532,414	\$2,654,692	\$2,564,644	\$2,432,105
Board of Elections	1,610,728	1,846,488	\$1,739,361	\$1,743,059	\$4,145,127
Rhode Island Ethics Commission	1,410,813	1,500,568	\$1,577,204	\$1,581,301	\$1,581,205
Governor's Office	4,081,232	4,024,335	\$4,443,513	\$4,146,433	\$4,527,562
Commission for Human Rights	1,093,206	1,131,840	\$1,150,785	\$1,149,421	\$1,193,083
Public Utilities Commission	-	-	-	-	-
<b>Subtotal - General Government</b>	<b>\$411,577,799</b>	<b>\$426,503,426</b>	<b>\$440,355,856</b>	<b>\$435,847,513</b>	<b>\$452,985,547</b>
<b>Health and Human Services</b>					
Office of Health & Human Services (1)	\$9,694,301	\$772,296,683	\$843,227,650	\$848,418,269	\$904,633,663
Children, Youth, and Families	154,375,838	150,929,977	\$152,976,991	\$152,383,373	\$148,707,146
Health	23,518,929	24,068,601	\$24,308,001	\$23,529,171	\$22,957,920
Human Services (1)	844,385,003	97,459,617	\$93,479,195	\$94,017,506	\$96,328,781
Behavioral Healthcare, Developmental Disabilities and Hospitals	190,883,740	196,900,069	\$202,091,382	\$201,312,012	\$167,536,873
Governor's Commission on Disabilities	381,164	337,427	\$357,711	\$357,642	\$358,275
Commission On Deaf and Hard of Hearing	377,005	371,083	\$391,609	\$390,430	\$394,279
Office of the Child Advocate	512,165	578,085	\$608,651	\$577,551	\$611,817
Office of the Mental Health Advocate	387,894	340,722	\$486,144	\$485,427	\$495,010
<b>Subtotal - Human Services</b>	<b>\$1,224,516,039</b>	<b>\$1,243,282,264</b>	<b>\$1,317,927,334</b>	<b>\$1,321,471,381</b>	<b>\$1,342,023,764</b>
<b>Education</b>					
Elementary and Secondary	\$860,936,950	\$928,462,807	\$964,706,909	\$960,407,862	\$1,004,400,123
Higher Education - Board of Governors	165,658,691	172,678,735	\$180,013,795	\$179,239,903	\$190,954,911
RI Council on the Arts	1,656,365	1,561,217	\$1,335,630	\$1,311,904	\$1,483,075
RI Atomic Energy Commission	875,412	829,034	\$861,710	\$859,903	\$913,197
Higher Education Assistance Authority	5,911,331	5,693,317	\$4,281,726	\$4,333,323	\$147,000
Historical Preservation and Heritage Comm.	1,253,696	1,242,950	\$1,357,510	\$1,344,547	\$1,320,610
Public Telecommunications Authority	928,421	799,077	-	-	-
<b>Subtotal - Education</b>	<b>\$1,037,220,866</b>	<b>\$1,111,267,137</b>	<b>\$1,152,557,280</b>	<b>\$1,147,497,442</b>	<b>\$1,199,218,916</b>

## Expenditures from General Revenues

	FY 2012 Actual	FY 2013 Actual	FY 2014 Enacted	FY 2014 Final Revised	FY 2015 Enacted
<b>Public Safety</b>					
Attorney General	\$22,161,393	\$22,301,954	\$23,656,979	\$23,875,478	\$23,607,146
Corrections	184,655,159	184,044,974	\$185,379,198	\$186,801,223	\$187,745,480
Judicial	87,723,958	87,871,336	\$91,681,359	\$91,669,283	\$91,636,668
Military Staff (2)	3,491,202	3,548,304	\$3,869,983	\$3,569,561	\$1,842,096
Rhode Island Emergency Management Agency (2)	-	-	-	-	\$1,959,858
Public Safety	90,786,762	90,408,367	\$96,361,799	\$94,365,963	\$95,294,034
Office Of Public Defender	10,166,398	10,472,687	\$11,034,686	\$10,897,039	\$11,130,816
<b>Subtotal - Public Safety</b>	<b>\$398,984,872</b>	<b>\$398,647,622</b>	<b>\$411,984,004</b>	<b>\$411,178,547</b>	<b>\$413,216,098</b>
<b>Natural Resources</b>					
Environmental Management	\$35,707,703	\$34,140,929	\$34,756,318	\$34,237,557	\$35,540,105
Coastal Resources Management Council	2,234,732	2,205,036	\$2,174,331	\$2,166,119	\$2,185,538
<b>Subtotal - Natural Resources</b>	<b>\$37,942,435</b>	<b>\$36,345,965</b>	<b>\$36,930,649</b>	<b>\$36,403,676</b>	<b>\$37,725,643</b>
<b>Transportation</b>					
Transportation	-	-	-	-	-
<b>Subtotal - Transportation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>\$3,110,242,011</b>	<b>\$3,216,046,414</b>	<b>\$3,359,755,123</b>	<b>\$3,352,398,559</b>	<b>\$3,445,169,968</b>

(1) In FY 2013, the Medicaid program is moved from the Department of Human Services to the Office of Health and Human Services.

(2) In 2015, the Rhode Island Emergency Management Agency was split off from the Military Staff, effective July 1, 2014.

## Expenditures from Federal Funds

	FY 2012 Actual	FY 2013 Actual	FY 2014 Enacted	FY 2014 Final Revised	FY 2015 Enacted
<b>General Government</b>					
Administration	\$64,385,784	\$48,041,755	\$62,189,669	\$91,718,624	\$51,493,455
Business Regulation	2,726,596	4,698,165	\$1,747,589	\$3,958,494	\$2,021,830
Labor and Training	205,099,595	151,039,255	\$95,710,236	\$99,066,609	\$42,183,672
Revenue	1,472,179	1,951,612	\$3,048,651	\$1,846,191	\$5,113,145
Legislature	-	-	-	-	-
Lieutenant Governor	120,324	301,468	\$1,108,488	\$1,594,324	\$74,350
Secretary of State	52,872	2,541	-	\$50,163	-
General Treasurer	1,199,276	1,027,164	\$1,130,422	\$851,029	\$870,338
Board of Elections	50,000	25	-	-	-
Rhode Island Ethics Commission	-	-	-	-	-
Governor's Office	(1)	-	-	-	-
Commission for Human Rights	314,993	322,303	\$308,638	\$317,367	\$287,096
Public Utilities Commission	307,914	281,102	\$166,818	\$205,056	\$87,733
<b>Subtotal - General Government</b>	<b>\$275,729,532</b>	<b>\$207,665,390</b>	<b>\$165,410,511</b>	<b>\$199,607,857</b>	<b>\$102,131,619</b>
<b>Health and Human Services</b>					
Office of Health & Human Services (1)	\$6,506,943	\$880,889,456	\$1,014,710,198	\$1,119,813,012	\$1,470,870,303
Children, Youth, and Families	59,251,759	56,202,223	\$56,692,405	\$60,985,292	\$56,568,664
Health	55,441,392	54,360,133	\$62,004,542	\$63,895,434	\$65,094,393
Human Services (1)	1,344,961,678	523,431,013	\$554,368,102	\$561,593,830	\$547,332,819
Behavioral Healthcare, Developmental Disabilities and Hospitals	225,892,158	228,870,909	\$217,759,723	\$219,901,053	\$181,157,004
Governor's Commission on Disabilities	70,987	101,893	\$129,989	\$156,330	\$141,350
Commission On Deaf and Hard of Hearing	-	-	-	-	-
Office of the Child Advocate	46,719	32,048	\$39,997	\$50,000	\$50,000
Office of the Mental Health Advocate	-	-	-	-	-
<b>Subtotal - Human Services</b>	<b>\$1,692,171,636</b>	<b>\$1,743,887,675</b>	<b>\$1,905,704,956</b>	<b>\$2,026,394,951</b>	<b>\$2,321,214,533</b>
<b>Education</b>					
Elementary and Secondary	\$234,690,933	\$213,509,174	\$225,746,654	\$228,824,552	\$208,495,934
Higher Education - Board of Governors	23,172,890	4,015,957	\$6,190,306	\$5,032,194	\$5,092,287
RI Council on the Arts	824,067	713,635	\$797,329	\$796,680	\$799,348
RI Atomic Energy Commission	79,057	132,451	\$267,044	\$60,724	-
Higher Education Assistance Authority	9,566,865	10,977,121	\$13,274,020	\$12,316,514	\$15,465,693
Historical Preservation and Heritage Comm.	537,821	538,626	\$609,949	\$2,175,422	\$2,183,588
Public Telecommunications Authority	-	-	-	-	-
<b>Subtotal - Education</b>	<b>\$268,871,633</b>	<b>\$229,886,964</b>	<b>\$246,885,302</b>	<b>\$249,206,086</b>	<b>\$232,036,850</b>

## Expenditures from Federal Funds

	FY 2012 Actual	FY 2013 Actual	FY 2014 Enacted	FY 2014 Final Revised	FY 2015 Enacted
<b>Public Safety</b>					
Attorney General	\$1,475,840	\$1,390,205	\$1,619,532	\$2,829,090	\$1,634,631
Corrections	2,388,892	1,950,008	\$1,788,688	\$2,563,718	\$1,654,703
Judicial	2,377,916	2,043,111	\$2,624,248	\$2,410,583	\$1,909,247
Military Staff (2)	31,350,783	34,152,735	\$34,878,752	\$41,330,122	\$14,779,178
Rhode Island Emergency Management Agency (2)	-	-	-	-	\$18,273,640
Public Safety	7,573,445	5,960,830	6,155,535	\$10,744,356	\$6,894,275
Office Of Public Defender	394,462	178,734	291,996	\$257,086	\$248,864
<b>Subtotal - Public Safety</b>	<b>\$45,561,338</b>	<b>\$45,675,623</b>	<b>\$47,358,751</b>	<b>\$60,134,955</b>	<b>\$45,394,538</b>
<b>Natural Resources</b>					
Environmental Management	\$22,171,087	\$18,300,658	\$38,391,731	\$37,400,336	\$31,859,611
Coastal Resources Management Council	3,054,725	2,021,633	2,160,593	\$2,215,955	\$1,774,143
<b>Subtotal - Natural Resources</b>	<b>\$25,225,812</b>	<b>\$20,322,291</b>	<b>\$40,552,324</b>	<b>\$39,616,291</b>	<b>\$33,633,754</b>
<b>Transportation</b>					
Transportation	\$291,517,766	\$272,369,503	\$311,761,586	\$355,027,537	\$352,114,755
<b>Subtotal - Transportation</b>	<b>\$291,517,766</b>	<b>\$272,369,503</b>	<b>\$311,761,586</b>	<b>\$355,027,537</b>	<b>\$352,114,755</b>
<b>Total</b>	<b>\$2,599,077,717</b>	<b>\$2,519,807,446</b>	<b>\$2,717,673,430</b>	<b>\$2,929,987,677</b>	<b>\$3,086,526,049</b>

(1) In FY 2013, the Medicaid program is moved from the Department of Human Services to the Office of Health and Human Services.

(2) In 2015, the Rhode Island Emergency Management Agency was split off from the Military Staff, effective July 1, 2014.

## Expenditures from Restricted Receipts

	FY 2012 Actual	FY 2013 Actual	FY 2014 Enacted	FY 2014 Final Revised	FY 2015 Enacted
<b>General Government</b>					
Administration	\$15,107,473	\$7,165,104	\$15,912,808	\$18,380,918	\$36,398,746
Business Regulation	1,470,285	1,398,290	\$1,996,413	\$1,928,356	\$1,941,123
Labor and Training	23,685,420	36,663,287	\$43,125,719	\$55,242,490	\$41,540,583
Revenue	1,993,811	1,730,219	\$1,821,886	\$1,795,805	\$4,000,819
Legislature	1,642,055	1,363,760	\$1,604,615	\$1,568,000	\$1,587,079
Lieutenant Governor	-	-	-	\$135,000	-
Secretary of State	427,204	500,331	\$454,931	\$519,844	\$529,752
General Treasurer	35,767,114	38,966,029	\$31,393,424	\$35,097,680	\$31,718,842
Board of Elections	-	-	-	-	-
Rhode Island Ethics Commission	-	-	-	-	-
Governor's Office	567,124	-	-	-	-
Commission for Human Rights	-	-	-	-	-
Public Utilities Commission	6,027,954	6,849,471	\$8,253,475	\$8,313,871	\$8,372,153
<b>Subtotal - General Government</b>	<b>\$86,688,440</b>	<b>\$94,636,491</b>	<b>\$104,563,271</b>	<b>\$122,981,964</b>	<b>\$126,089,097</b>
<b>Health and Human Services</b>					
Office of Health & Human Services (1)	\$897,440	\$11,249,743	\$9,997,284	\$12,553,113	\$15,907,880
Children, Youth, and Families	2,682,360	2,448,750	\$2,614,170	\$2,448,750	\$2,448,750
Health	25,113,233	24,703,887	\$34,632,906	\$33,011,013	\$34,593,257
Human Services (1)	12,585,836	7,232,941	\$9,762,500	\$2,810,765	\$1,797,309
Behavioral Healthcare, Developmental Disabilities and Hospitals	6,973,731	6,039,273	\$7,396,872	\$9,551,440	\$9,608,663
Governor's Commission on Disabilities	7,442	5,217	\$10,365	\$15,930	\$9,177
Commission On Deaf and Hard of Hearing	-	-	\$80,000	\$80,000	\$80,000
Office of the Child Advocate	-	-	-	-	-
Office of the Mental Health Advocate	-	-	-	-	-
<b>Subtotal - Human Services</b>	<b>\$48,260,042</b>	<b>\$51,679,811</b>	<b>\$64,494,097</b>	<b>\$60,471,011</b>	<b>\$64,445,036</b>
<b>Education</b>					
Elementary and Secondary	\$23,014,366	\$23,405,069	\$27,658,516	\$26,593,892	\$26,953,972
Higher Education - Board of Governors	739,741	596,538	\$702,583	\$702,583	\$644,000
RI Council on the Arts	-	-	-	-	-
RI Atomic Energy Commission	-	-	-	-	-
Higher Education Assistance Authority	-	-	-	-	-
Historical Preservation and Heritage Comm.	41,971	42,137	\$454,491	\$457,820	\$434,910
Public Telecommunications Authority	-	-	-	-	-
<b>Subtotal - Education</b>	<b>\$23,796,078</b>	<b>\$24,043,744</b>	<b>\$28,815,590</b>	<b>\$27,754,295</b>	<b>\$28,032,882</b>

## Expenditures from Restricted Receipts

	FY 2012 Actual	FY 2013 Actual	FY 2014 Enacted	FY 2014 Final Revised	FY 2015 Enacted
<b>Public Safety</b>					
Attorney General	\$837,372	\$923,413	\$5,073,590	\$15,956,675	\$11,249,908
Corrections	92,770	52,723	\$64,890	\$66,153	\$398,879
Judicial	9,731,044	10,393,917	\$11,803,514	\$11,838,182	\$10,773,601
Military Staff (2)	205,899	359,161	\$1,000,779	\$771,058	\$442,800
Rhode Island Emergency Management Agency (2)	-	-	-	-	\$221,729
Public Safety	416,630	3,076,402	12,753,188	\$12,853,755	\$12,863,854
Office Of Public Defender	-	-	-	-	-
<b>Subtotal - Public Safety</b>	<b>\$11,283,715</b>	<b>\$14,805,616</b>	<b>\$30,695,961</b>	<b>\$41,485,823</b>	<b>\$35,950,771</b>
<b>Natural Resources</b>					
Environmental Management	\$11,406,708	\$12,009,000	\$18,081,515	\$18,901,450	\$15,934,989
Coastal Resources Management Council	145,000	219,000	374,982	\$250,000	\$250,000
<b>Subtotal - Natural Resources</b>	<b>\$11,551,708</b>	<b>\$12,228,000</b>	<b>\$18,456,497</b>	<b>\$19,151,450</b>	<b>\$16,184,989</b>
<b>Transportation</b>					
Transportation	\$2,518,104	\$973,230	\$8,010,496	\$6,868,950	\$12,352,761
<b>Subtotal - Transportation</b>	<b>\$2,518,104</b>	<b>\$973,230</b>	<b>\$8,010,496</b>	<b>\$6,868,950</b>	<b>\$12,352,761</b>
<b>Total</b>	<b>\$184,098,087</b>	<b>\$198,366,892</b>	<b>\$255,035,912</b>	<b>\$278,713,493</b>	<b>\$283,055,536</b>

(1) In FY 2013, the Medicaid program is moved from the Department of Human Services to the Office of Health and Human Services.

(2) In 2015, the Rhode Island Emergency Management Agency was split off from the Military Staff, effective July 1, 2014.

## Expenditures from Other Funds

	FY 2012 Actual	FY 2013 Actual	FY 2014 Enacted	FY 2014 Final Revised	FY 2015 Enacted
<b>General Government</b>					
Administration	\$62,402,484	\$60,771,440	\$85,797,649	\$79,093,437	\$69,030,518
Business Regulation	-	-	-	-	-
Labor and Training	565,509,046	456,362,351	\$444,581,096	\$424,296,165	\$419,186,632
Revenue	245,998,966	250,262,343	\$246,561,707	\$336,358,747	\$343,301,988
Legislature	-	-	-	-	-
Lieutenant Governor	-	-	-	-	-
Secretary of State	-	-	-	-	\$500,000
General Treasurer	208,558	170,898	\$228,923	\$210,277	\$220,608
Board of Elections	-	-	-	-	-
Rhode Island Ethics Commission	-	-	-	-	-
Governor's Office	-	-	-	-	-
Commission for Human Rights	-	-	-	-	-
Public Utilities Commission	-	-	-	-	-
<b>Subtotal - General Government</b>	<b>\$874,119,054</b>	<b>\$767,567,032</b>	<b>\$777,169,375</b>	<b>\$839,958,626</b>	<b>\$832,239,746</b>
<b>Health and Human Services</b>					
Office of Health & Human Services (1)	-	-	-	-	-
Children, Youth, and Families	278,859	358,242	\$1,590,000	\$1,065,576	\$2,911,831
Health	11,772	34,560	\$35,310	\$129,062	\$0
Human Services (1)	4,276,880	3,705,676	\$4,480,364	\$5,325,346	\$4,327,981
Behavioral Healthcare, Developmental Disabilities and Hospitals	4,283,638	4,499,057	\$10,600,431	\$9,022,385	\$7,207,286
Governor's Commission on Disabilities	138,378	2,820	\$957,271	\$550,000	\$1,000,000
Commission On Deaf and Hard of Hearing	-	-	-	-	-
Office of the Child Advocate	-	-	-	-	-
Office of the Mental Health Advocate	-	-	-	-	-
<b>Subtotal - Human Services</b>	<b>\$8,989,527</b>	<b>\$8,600,355</b>	<b>\$17,663,376</b>	<b>\$16,092,369</b>	<b>\$15,447,098</b>
<b>Education</b>					
Elementary and Secondary	\$4,057,838	\$5,569,420	\$7,861,187	\$11,583,182	\$6,246,328
Higher Education - Board of Governors	814,856,675	831,096,408	\$870,592,266	\$876,296,228	\$884,097,994
RI Council on the Arts	279,691	819,835	\$632,536	\$632,536	\$632,536
RI Atomic Energy Commission	328,022	269,195	\$307,977	\$307,977	\$357,977
Higher Education Assistance Authority	8,558,270	8,384,454	\$9,207,989	\$8,330,082	\$8,334,268
Historical Preservation and Heritage Comm.	75,000	53,269	\$1,084,999	\$248,689	\$1,970,868
Public Telecommunications Authority	629,411	(14,191)	-	-	-
<b>Subtotal - Education</b>	<b>\$828,784,907</b>	<b>\$846,178,390</b>	<b>\$889,686,954</b>	<b>\$897,398,694</b>	<b>\$901,639,971</b>



## Expenditures from Other Funds

	FY 2012 Actual	FY 2013 Actual	FY 2014 Enacted	FY 2014 Final Revised	FY 2015 Enacted
<b>Public Safety</b>					
Attorney General	\$122,713	\$408,195	\$50,000	\$241,805	\$300,000
Corrections	2,566,331	3,459,279	\$17,469,751	\$8,354,046	\$19,527,438
Judicial	1,074,878	3,704,271	\$1,515,000	\$2,185,283	\$1,350,000
Military Staff (2)	998,846	2,653,348	\$3,408,000	\$3,480,458	\$1,390,000
Rhode Island Emergency Management Agency (2)	-	-	-	-	\$167,000
Public Safety	4,198,808	4,421,763	8,207,227	\$6,126,450	\$11,502,683
Office Of Public Defender	-	-	-	-	-
<b>Subtotal - Public Safety</b>	<b>\$8,961,576</b>	<b>\$14,646,856</b>	<b>\$30,649,978</b>	<b>\$20,388,042</b>	<b>\$34,237,121</b>
<b>Natural Resources</b>					
Environmental Management	\$4,724,672	\$3,122,199	\$24,949,959	\$12,521,159	\$20,476,822
Coastal Resources Management Council	666,318	222,281	-	-	\$750,000
<b>Subtotal - Natural Resources</b>	<b>\$5,390,990</b>	<b>\$3,344,480</b>	<b>\$24,949,959</b>	<b>\$12,521,159</b>	<b>\$21,226,822</b>
<b>Transportation</b>					
Transportation	\$93,339,390	\$134,703,469	\$140,477,915	\$122,740,682	\$160,653,030
<b>Subtotal - Transportation</b>	<b>\$93,339,390</b>	<b>\$134,703,469</b>	<b>\$140,477,915</b>	<b>\$122,740,682</b>	<b>\$160,653,030</b>
<b>Total</b>	<b>\$1,819,585,444</b>	<b>\$1,775,040,582</b>	<b>\$1,880,597,557</b>	<b>\$1,909,099,572</b>	<b>\$1,965,443,788</b>

(1) In FY 2013, the Medicaid program is moved from the Department of Human Services to the Office of Health and Human Services.

(2) In 2015, the Rhode Island Emergency Management Agency was split off from the Military Staff, effective July 1, 2014.

**Table 2 - Full-Time Equivalent Positions**

	FY 2012	FY 2013	FY 2014 Enacted	FY 2014 Revised	FY 2015 Final
<b>General Government</b>					
Administration	694.2	712.1	720.7	720.7	710.7
Business Regulation	96.0	94.0	94.0	94.0	94.0
Labor & Training	470.1	423.0	392.0	410.0	410.0
Revenue	449.0	489.0	492.0	492.0	505.0
Legislature	298.5	298.5	298.5	298.5	298.5
Office of the Lieutenant Governor	8.0	8.0	8.0	8.0	8.0
Secretary of State	57.0	57.0	57.0	57.0	57.0
General Treasurer	82.0	82.0	83.0	83.0	83.0
Board Of Elections	11.0	11.0	11.0	11.0	11.0
Rhode Island Ethics Commission	12.0	12.0	12.0	12.0	12.0
Office of the Governor	45.0	45.0	45.0	45.0	45.0
Commission for Human Rights	14.5	14.5	14.5	14.5	14.5
Public Utilities Commission	46.0	48.0	49.0	49.0	50.0
<b>Subtotal - General Government</b>	<b>2,283.3</b>	<b>2,294.1</b>	<b>2,276.7</b>	<b>2,294.7</b>	<b>2,298.7</b>
<b>Human Services</b>					
Office of Health and Human Services	158.0	169.0	184.0	184.0	184.0
Children, Youth, and Families	662.5	671.5	670.5	670.5	670.5
Health	422.3	498.0	494.1	491.1	491.3
Human Services	949.2	933.1	959.1	959.1	959.1
Behavioral Healthcare, Developmental Disabilities, and Hospitals	1,383.2	1,424.4	1,423.4	1,422.4	1,422.4
Office of the Child Advocate	5.8	5.8	6.0	6.0	6.0
Commission On the Deaf & Hard of Hearing	3.0	3.0	3.0	3.0	3.0
Governor's Commission on Disabilities	4.0	4.0	4.0	4.0	4.0
Office of the Mental Health Advocate	3.7	3.7	3.7	3.7	3.7
<b>Subtotal - Human Services</b>	<b>3,591.7</b>	<b>3,712.5</b>	<b>3,747.8</b>	<b>3,743.8</b>	<b>3,744.0</b>
<b>Education</b>					
Elementary and Secondary Education	169.4	171.4	171.4	171.4	154.9
Davies	126.0	126.0	126.0	126.0	126.0
School for the Deaf	60.0	60.0	60.0	60.0	60.0
<b>Elementary Secondary Education - Total</b>	<b>355.4</b>	<b>357.4</b>	<b>357.4</b>	<b>357.4</b>	<b>340.9</b>
Office of Postsecondary Commissioner	13.8	15.8	12.8	11.8	11.8
URI Non-Sponsored Research	1,843.3	1,857.3	1,863.3	1,863.3	1,882.7
RIC Non-Sponsored Research	827.6	837.6	841.6	841.6	841.6
CCRI Non-Sponsored Research	754.1	754.1	754.1	754.1	760.1
<b>Higher Education - Total Non-Sponsored</b>	<b>3,438.8</b>	<b>3,464.8</b>	<b>3,471.8</b>	<b>3,470.8</b>	<b>3,496.2</b>
RI Council On The Arts	8.6	6.0	6.0	6.0	6.0
RI Atomic Energy Commission	8.6	8.6	8.6	8.6	8.6
Higher Education Assistance Authority	41.6	36.0	23.0	23.0	22.0
Historical Preservation and Heritage Commission	16.6	16.6	16.6	16.6	16.6
Public Telecommunications Authority	15.0	14.0	-	-	-
<b>Subtotal - Education</b>	<b>3,884.6</b>	<b>3,903.4</b>	<b>3,883.4</b>	<b>3,882.4</b>	<b>3,890.3</b>

**Table 2 - Full-Time Equivalent Positions**

<b>Public Safety</b>					
Attorney General	233.1	233.1	233.1	233.1	236.1
Corrections	1,419.0	1,419.0	1,419.0	1,419.0	1,419.0
Judicial	723.3	723.3	726.3	726.3	723.3
Military Staff	113.0	112.0	117.0	117.0	85.0
Emergency Management	-	-	-	-	32.0
Public Safety	606.2	609.2	645.2	634.2	633.2
Office of the Public Defender	92.0	93.0	93.0	93.0	93.0
<b>Subtotal - Public Safety</b>	<b>3,186.6</b>	<b>3,189.6</b>	<b>3,233.6</b>	<b>3,222.6</b>	<b>3,221.6</b>
<b>Natural Resources</b>					
Environmental Management	410.0	399.0	399.0	399.0	399.0
Coastal Resources Management Council	30.0	29.0	29.0	29.0	29.0
<b>Subtotal - Natural Resources</b>	<b>440.0</b>	<b>428.0</b>	<b>428.0</b>	<b>428.0</b>	<b>428.0</b>
<b>Transportation</b>					
Transportation	772.6	772.6	772.6	752.6	752.6
<b>Subtotal - Transportation</b>	<b>772.6</b>	<b>772.6</b>	<b>772.6</b>	<b>752.6</b>	<b>752.6</b>
<b>Total Non Sponsored</b>	<b>14,158.8</b>	<b>14,300.2</b>	<b>14,342.1</b>	<b>14,324.1</b>	<b>14,335.2</b>
<b>Higher Education Sponsored Research *</b>					
Office	1.0	1.0	1.0	1.0	1.0
CCRI	100.0	100.0	100.0	100.0	94.0
RIC	82.0	82.0	82.0	82.0	82.0
URI	593.2	593.2	593.2	593.2	573.8
<b>Subtotal Sponsored Research</b>	<b>776.2</b>	<b>776.2</b>	<b>776.2</b>	<b>776.2</b>	<b>750.8</b>
<b>Total Higher Education</b>	<b>4,215.0</b>	<b>4,241.0</b>	<b>4,248.0</b>	<b>4,247.0</b>	<b>4,247.0</b>
<b>Total Personnel Authorizations</b>	<b>14,935.0</b>	<b>15,076.4</b>	<b>15,118.3</b>	<b>15,100.3</b>	<b>15,086.0</b>

\*A total of 776.2 FTE positions in Higher Education in FY 2014 and 750.8 FTE positions FY 2015 represent FTE positions supported by sponsored re funds. Commencing in FY2005, these positions were included in the overall FTE position Cap. In addition, there are separate caps for each program and for sponsored/non-sponsored research FTE position.

## Total Statewide Expenditures

	FY 2012 Actual	FY 2013 Actual	FY 2014 Enacted	FY 2014 Final Revised	FY 2015 Enacted
<b>Expenditure by Function</b>					
General Government	1,648,114,825	1,496,372,339	1,487,499,013	1,598,395,960	1,513,446,009
Human Services	2,973,937,244	3,047,450,105	3,305,789,763	3,424,429,712	3,743,130,431
Education	2,158,673,484	2,211,376,235	2,317,945,126	2,321,856,517	2,360,928,619
Public Safety	464,791,501	473,775,717	520,688,694	533,187,367	528,798,528
Natural Resources	80,110,945	72,240,736	120,889,429	107,692,576	108,771,208
Transportation	387,375,260	408,046,202	460,249,997	484,637,169	525,120,546
<b>Total Expenditures</b>	<b>\$7,713,003,259</b>	<b>\$7,709,261,334</b>	<b>\$8,213,062,022</b>	<b>\$8,470,199,301</b>	<b>\$8,780,195,341</b>
<b>Expenditure by Object</b>					
Personnel	1,695,008,006	1,734,894,754	1,824,134,039	1,895,960,778	1,862,084,950
Operating Supplies and Expenses	636,711,563	676,868,693	711,109,016	815,428,142	795,833,671
Aid to Local Units of Government	1,080,134,299	1,118,436,058	1,169,756,434	1,165,304,956	1,205,203,204
Assistance, Grants, and Benefits	3,661,367,526	3,514,842,198	3,710,006,209	3,810,578,672	4,069,194,633
<b>Subtotal: Operating Expenditures</b>	<b>7,073,221,394</b>	<b>\$7,045,041,703</b>	<b>\$7,415,005,698</b>	<b>\$7,687,272,548</b>	<b>\$7,932,316,458</b>
Capital Purchases and Equipment	258,697,644	227,373,521	383,205,201	376,925,379	411,086,030
Debt Service	211,401,967	224,155,583	268,061,893	247,600,953	279,024,666
Operating Transfers	169,682,254	212,690,527	146,789,230	158,400,421	157,768,187
<b>Total Expenditures</b>	<b>\$7,713,003,259</b>	<b>\$7,709,261,334</b>	<b>\$8,213,062,022</b>	<b>\$8,470,199,301</b>	<b>\$8,780,195,341</b>
<b>Expenditures by Funds</b>					
General Revenue	3,110,242,011	3,216,046,414	3,359,755,123	3,352,398,559	3,445,169,968
Federal Funds	2,599,077,717	2,519,807,446	2,717,673,430	2,929,987,677	3,086,526,049
Restricted Receipts	184,098,087	198,366,892	255,035,912	278,713,493	283,055,536
Other Funds	1,819,585,444	1,775,040,582	1,880,597,557	1,909,099,572	1,965,443,788
<b>Total Expenditures</b>	<b>\$7,713,003,259</b>	<b>\$7,709,261,334</b>	<b>\$8,213,062,022</b>	<b>\$8,470,199,301</b>	<b>\$8,780,195,341</b>
<b>Total FTE Complement</b>	<b>14,158.8</b>	<b>14,300.2</b>	<b>14,342.1</b>	<b>14,324.1</b>	<b>14,335.2</b>
<b>Higher Education Sponsored Research</b>	<b>776.2</b>	<b>776.2</b>	<b>776.2</b>	<b>776.2</b>	<b>750.8</b>
<b>Total Personnel</b>	<b>14,935.0</b>	<b>15,076.4</b>	<b>15,118.3</b>	<b>15,100.3</b>	<b>15,086.0</b>

## FY 2015 General Revenue Budget Surplus

	FY 2013 Audited <sup>(1)</sup>	FY 2014 Final Enacted <sup>(2)</sup>	FY 2015 Recommend <sup>(3)</sup>	FY 2015 Final Enacted <sup>(4)</sup>	Change from Recommended
<b>Surplus</b>					
Opening Surplus	\$115,187,511	\$104,119,715	\$68,862,721	\$59,210,130	(\$9,652,591)
Reappropriated Surplus	7,726,521	7,052,524	-	-	-
Subtotal	<b>\$122,914,032</b>	<b>\$111,172,239</b>	<b>\$68,862,721</b>	<b>\$59,210,130</b>	<b>(\$9,652,591)</b>
<b>General Taxes</b>	2,577,507,611	2,622,955,876	2,717,800,000	2,717,800,000	-
Revenue estimators' revision	-	32,844,124	11,367,723	18,700,000	7,332,277
Changes to the Adopted Estimates	-	-	-	2,456,476	-
Subtotal	<b>\$2,577,507,611</b>	<b>\$2,655,800,000</b>	<b>\$2,729,167,723</b>	<b>\$2,738,956,476</b>	<b>\$7,332,277</b>
<b>Departmental Revenues</b>	356,831,653	348,707,542	208,200,000	208,200,000	-
Revenue estimators' revision	-	5,792,458	-	-	-
Changes to Adopted	-	4,660,861	144,669,278	143,471,912	(1,197,366)
Subtotal	<b>\$356,831,653</b>	<b>\$359,160,861</b>	<b>\$352,869,278</b>	<b>\$351,671,912</b>	<b>(\$1,197,366)</b>
<b>Other Sources</b>					
Other Miscellaneous	4,166,214	5,545,000	2,475,000	2,475,000	-
Revenue estimators' revision	-	2,010,000	-	-	-
Changes to Adopted	-	925,420	-	5,000,000	5,000,000
Lottery	379,224,715	394,100,000	399,900,000	399,900,000	-
Revenue estimators' revision	-	(13,400,000)	-	(14,300,000)	(14,300,000)
Changes to Adopted	-	-	-	(1,100,000)	(1,100,000.0)
Unclaimed Property	6,268,627	9,700,000	10,100,000	10,100,000	-
Revenue estimators' revision	-	2,200,000	-	400,000	400,000.0
Subtotal	<b>\$389,659,556</b>	<b>\$401,080,420</b>	<b>\$412,475,000</b>	<b>\$402,475,000</b>	<b>(\$10,000,000)</b>
<b>Total Revenues</b>	<b>\$3,323,998,820</b>	<b>\$3,416,041,281</b>	<b>\$3,494,512,001</b>	<b>\$3,493,103,388</b>	<b>(\$1,408,613)</b>
<b>Transfer to Budget Reserve</b>	<b>(103,175,590)</b>	<b>(105,604,830)</b>	<b>(106,901,242)</b>	<b>(106,569,406)</b>	<b>331,836</b>
<b>Total Available</b>	<b>\$3,343,737,262</b>	<b>\$3,421,608,690</b>	<b>\$3,456,473,480</b>	<b>\$3,445,744,113</b>	<b>(\$10,729,368)</b>
Actual/Enacted Expenditures	\$3,216,046,418	\$3,359,755,123	\$3,456,087,970	\$3,456,087,970	\$0
Reappropriations	-	7,052,524	-	-	-
Caseload Conference Changes	-	8,950,009	-	24,596,693	24,596,693
Other Changes in Expenditures	-	(23,359,096)	-	(35,514,695)	(35,514,695)
<b>Total Expenditures</b>	<b>\$3,216,046,418</b>	<b>\$3,352,398,560</b>	<b>\$3,456,087,970</b>	<b>\$3,445,169,968</b>	<b>(\$10,918,002)</b>
<b>Total Ending Balances</b>	<b>\$127,690,844</b>	<b>\$69,210,130</b>	<b>\$385,510</b>	<b>\$574,145</b>	<b>\$188,634</b>
<b>Transfer to Other Funds</b> <sup>(5)</sup>	<b>(\$16,518,605)</b>	<b>(\$10,000,000)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Reappropriations	(7,052,524)				
<b>Free Surplus</b>	<b>\$104,119,715</b>	<b>\$59,210,130</b>	<b>\$385,510</b>	<b>\$574,145</b>	<b>\$188,634</b>
<b>Budget Reserve and Cash</b>					
<b>Stabilization Account</b>	<b>\$171,959,317</b>	<b>\$176,008,050</b>	<b>\$178,168,736</b>	<b>\$177,615,676</b>	<b>(\$553,060)</b>

<sup>(1)</sup> Derived from the State Controller's final closing report for FY 2013, dated January 6, 2014.

<sup>(2)</sup> Reflects the FY 2014 supplemental budget enacted by the General Assembly and signed into law by the Governor on June 19, 2014

<sup>(3)</sup> Reflects the Governor's recommended FY 2015 budget, including results of the November 2013 Revenue and Caseload Estimating Conference and any proposed legislative changes to modify adopted estimates.

<sup>(4)</sup> Reflects the final enacted FY 2015 budget as enacted by the General Assembly and signed into law by the Governor on June 19, 2014.

<sup>(5)</sup> Reflects restricted General Fund balances transferred to the retirement fund in FY 2012 and FY 2013, the Information Technology Investment Fund and the State Fleet Revolving Loan Fund in FY 2013 and the Accelerated Depreciation Fund in FY 2014.



# **FY 2014 Budget**





## Changes to FY 2014 General Revenue Budget Surplus

	FY 2014 Enacted <sup>(1)</sup>	FY 2014 Governor's <sup>(2)</sup>	FY 2014 Final Enacted <sup>(3)</sup>	Change From Enacted
<b>Surplus</b>				
Opening Surplus	\$93,407,399	\$104,119,715	\$104,119,715	\$10,712,316
Audit Adjustments	-	(5,585,024)	-	-
Reappropriated Surplus	-	7,052,524	7,052,524	7,052,524
Subtotal	<b>\$93,407,399</b>	<b>\$105,587,215</b>	<b>\$111,172,239</b>	<b>\$17,764,840</b>
<b>General Taxes</b>	2,622,955,876	2,622,955,876	2,622,955,876	-
Revenue estimators' revision	-	31,044,124	32,844,124	32,844,124
Changes to Adopted	-	-	-	-
Subtotal	<b>\$2,622,955,876</b>	<b>\$2,654,000,000</b>	<b>\$2,655,800,000</b>	<b>\$32,844,124</b>
<b>Departmental Revenues</b>	348,707,542	348,707,542	348,707,542	-
Revenue estimators' revision	-	11,392,458	5,792,458	5,792,458
Changes to Adopted	-	-	4,660,861	4,660,861
Subtotal	<b>\$348,707,542</b>	<b>\$360,100,000</b>	<b>\$359,160,861</b>	<b>\$10,453,319</b>
<b>Other Sources</b>				
Other Miscellaneous	5,545,000	5,545,000	5,545,000	-
Revenue estimators' revision	-	1,910,000	2,010,000	2,010,000
Changes to Adopted	-	4,246,398	925,420	925,420
Lottery	394,100,000	394,100,000	394,100,000	-
Revenue estimators' revision	-	100,000	(13,400,000)	(13,400,000)
Unclaimed Property	9,700,000	9,700,000	9,700,000	-
Revenue estimators' revision	-	1,200,000	2,200,000	2,200,000
Subtotal	<b>\$409,345,000</b>	<b>\$416,801,398</b>	<b>\$401,080,420</b>	<b>(\$8,264,580)</b>
<b>Total Revenues</b>	<b>\$3,381,008,418</b>	<b>\$3,430,901,398</b>	<b>\$3,416,041,281</b>	<b>\$35,032,863</b>
<b>Transfer to Budget Reserve</b>	<b>(104,232,475)</b>	<b>(105,883,083)</b>	<b>(105,604,830)</b>	<b>(1,372,355)</b>
<b>Total Available</b>	<b>\$3,370,183,343</b>	<b>\$3,430,605,530</b>	<b>\$3,421,608,690</b>	<b>\$51,425,347</b>
Actual/Enacted Expenditures	\$3,359,755,123	\$3,359,755,123	\$3,359,755,123	\$0
Reappropriations	-	7,052,524	7,052,524	7,052,524
Caseload Conference Changes	-	121,197	8,950,009	8,950,009
Other Changes in Expenditures	-	(15,186,035)	(23,359,096)	(23,359,096)
<b>Total Expenditures</b>	<b>\$3,359,755,123</b>	<b>\$3,351,742,809</b>	<b>\$3,352,398,560</b>	<b>(\$7,356,563)</b>
<b>Total Ending Balances</b>	<b>\$10,428,220</b>	<b>\$78,862,721</b>	<b>\$69,210,130</b>	<b>\$58,781,910</b>
<b>Transfer to Other Funds <sup>(4)</sup></b>	<b>(\$10,000,000)</b>	<b>(\$10,000,000)</b>	<b>(\$10,000,000)</b>	<b>\$0</b>
Reappropriations				
<b>Free Surplus</b>	<b>\$428,220</b>	<b>\$68,862,721</b>	<b>\$59,210,130</b>	<b>\$58,781,910</b>
<b>Budget Reserve and Cash</b>				
<b>Stabilization Account</b>	<b>\$173,720,791</b>	<b>\$176,183,127</b>	<b>\$176,008,050</b>	<b>\$2,287,259</b>

<sup>(1)</sup> Reflects the FY 2014 budget enacted by the General Assembly and signed into law by the Governor on July 3, 2013.

<sup>(2)</sup> Reflects the enacted revenues and expenditures adjusted for revenue and caseload estimates adopted at the November 2013 Revenue and Caseload Estimating Conference and adjustments to revenues and expenditures recommended by the Governor.

<sup>(3)</sup> Reflects the FY 2014 Supplemental Budget enacted by the General Assembly and signed into law by the Governor on June x, 2014.

<sup>(4)</sup> Reflects restricted General Fund balances transferred to the Accelerated Depreciation Fund in FY 2014.

## Changes to FY 2014 Enacted General Revenue Expenditures

	FY2014 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Distribution of Statewide Savings Initiatives	Final Enacted Changes	FY 2014 Final Appropriation
<b>General Government</b>					
<b>Administration</b>					
Central Management	2,922,038				
Personnel-Salary & Benefits				(308,595)	
Contracted Professional Services - HR Study & 38 Studios Analysis				540,000	
Operating Supplies & Expenses				10,173	
Capital Purchases & Equipment				(2,000)	
Office of Digital Excellence (ODE) - Personnel				(170,767)	
Office of Digital Excellence (ODE) - Code for America				180,000	
	2,922,038	-	(13,834)	248,811	3,157,015
Accounts & Control	3,966,422				
Personnel-Salary & Benefits				(229,472)	
Operating Supplies & Expenses				22,739	
Capital Purchases & Equipment				2,000	
	3,966,422	-	(24,150)	(204,733)	3,737,539
Office of Management and Budget	4,049,888				
Personnel-Salary & Benefits				(154,695)	
Contracted Professional Services (RI Ready to Commerce Corp. FY 2015)				(71,540)	
Operating Supplies & Expenses				9,301	
Capital Purchases & Equipment				(700)	
	4,049,888	-	(16,354)	(217,634)	3,815,900
Purchasing	2,689,542				
Personnel-Salary & Benefits				(72,716)	
Contracted Professional Services (IT Support, Legal, Lean Process)				161,050	
Operating Supplies & Expenses				23,251	
Capital Purchases & Equipment				(1,500)	
	2,689,542	-	(16,306)	110,085	2,783,321
Auditing	1,344,585				
Personnel-Salary & Benefits				(2,312)	
Operating Supplies & Expenses				3,202	
Capital Purchases & Equipment				(2,500)	
	1,344,585	-	(6,721)	(1,610)	1,336,254
Human Resources	8,329,216				
Personnel-Salary & Benefits				(387,921)	
Contracted Professional Services (Healthcare Plan Auditor)		130,431		(7,885)	
Operating Supplies & Expenses (Worksite Wellness Program Savings)				(9,634)	
Capital Purchases & Equipment				2,059	
	8,329,216	130,431	(44,881)	(403,381)	8,011,385
Personnel Appeal Board	75,036				
No Change				-	
	75,036	-	-	-	75,036
Legal Services	1,948,683				
Personnel-Salary & Benefits				62,025	
Contracted Professional Services (Contract Negotiations)				301,400	
Operating Supplies & Expenses				11,255	
	1,948,683	-	(10,647)	374,680	2,312,716
Facilities Management	32,198,875				
Personnel-Salary & Benefits				(172,926)	
Contracted Professional Services (Management Consultants)				(241,152)	
Operating - Non-Utilities (Building Maintenance & Snow Removal)				(84,370)	
Operating - Utilities Savings (Less than Anticipated: Electricity & Natural Gas)				(1,503,230)	

## Changes to FY 2014 Enacted General Revenue Expenditures

	FY2014 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Distribution of Statewide Savings Initiatives	Final Enacted Changes	FY 2014 Final Appropriation
Assistance & Grants				(2)	
Capital Purchases & Equipment	32,198,875	-	(63,438)	144,570 (1,857,110)	30,278,327
Capital Projects and Property Management	1,240,545				
Personnel-Salary & Benefits				17,386	
Contracted Professional Services				7,300	
Operating Supplies & Expenses				5,367	
Capital Purchases & Equipment	1,240,545	-	(7,165)	1,000 31,053	1,264,433
Information Technology	19,293,222				
Personnel-Salary & Benefits				(757,940)	
Contracted Professional Services (Oracle E-business Data Manager)				117,281	
Operating (Hardware & Software Contract Shift from IT Fund)				194,492	
Capital Purchases & Equipment	19,293,222	-	(84,743)	15,967 (430,200)	18,778,279
Library and Information Services	1,007,465				
Personnel-Salary & Benefits				(72,930)	
Operating Supplies & Expenses (Federal MOE)	1,007,465	-	(4,060)	72,930 -	1,003,405
Planning	4,701,094				
Personnel-Salary & Benefits				(81,962)	
Contracted Professional Services (Water Allocation Plan)				(118,300)	
Operating Supplies & Expenses				30,410	
Assistance & Grants (Housing Resources Commission)	4,701,094	92,492	(9,017)	69,000 (100,852)	4,683,717
Construction, Permitting, Appeals & Licensing	1,421,350				
Personnel-Salary & Benefits				(5,756)	
Operating Supplies & Equipment				14,506	
Capital Purchases & Equipment	1,421,350	-	(8,025)	(5,500) 3,250	1,416,575
General	23,623,489				
RI Film and Television Office - Personnel				(368)	
I-195 Commission (FY 2013 Carry-forward)	23,623,489	674,679	(1,414)	- (368)	24,296,386
Salary/Benefits Adjustments	(1,398,040)				
Personnel Reform - Spousal Coverage				(915,200)	
Personnel Reform - Medicare Exchange				2,049,652	
Statewide Employee April 2014 COLA (Cost-of-Living-Adjustment)	(1,398,040)	-	-	2,700,000 3,834,452	2,436,412
Debt Service Payments	157,387,801			(3,476,802)	
COPS, GO Bond, Historic Tax Issuance Savings	157,387,801	-	-	(3,476,802)	153,910,999
<b>Total</b>	<b>264,801,211</b>	<b>897,602</b>	<b>(310,755)</b>	<b>(2,090,359)</b>	<b>263,297,699</b>
<b>Business Regulation</b>					
Central Management	1,197,671				
Personnel			(6,566)	30,293	
Operating	1,197,671	-	(6,566)	- 30,293	1,221,398
Insurance Regulation	3,767,883				

## Changes to FY 2014 Enacted General Revenue Expenditures

	FY2014 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Distribution of Statewide Savings Initiatives	Final Enacted Changes	FY 2014 Final Appropriation
Personnel			(20,801)	(5,899)	
Operating				(33,231)	
	3,767,883	-	(20,801)	(39,130)	3,707,952
Office of the Health Commissioner	542,180				
Personnel			(2,120)	(39,885)	
	542,180	-	(2,120)	(39,885)	500,175
Board of Accountancy	81,034				
Personnel			(246)	(64,134)	
	81,034	-	(246)	(64,134)	16,654
Banking	1,715,225				
Personnel			(9,817)	(219,650)	
Operating				(18,064)	
	1,715,225	-	(9,817)	(237,714)	1,467,694
Securities	980,090				
Personnel			(6,811)	(30,249)	
Operating				(7,882)	
	980,090	-	(6,811)	(38,131)	935,148
Commercial Licensing, Racing & Athletics	707,941				
Personnel			(3,301)	(80,712)	
Operating				(39,233)	
	707,941	-	(3,301)	(119,945)	584,695
Board of Design Professionals	253,854				
Personnel-Salary & Benefits			(1,066)	3,426	
	253,854	-	(1,066)	3,426	256,214
<b>Total</b>	<b>9,245,878</b>	<b>-</b>	<b>(50,728)</b>	<b>(505,220)</b>	<b>8,689,930</b>
<b>Labor and Training</b>					
Central Management	118,760				
Personnel-Salary & Benefits			(525)	(23,291)	
Contracted Professional Services				(2,947)	
Operating Supplies and Expenses/Capital				(889)	
Grants and Benefits				2	
Capital Purchases and Expenses				(32)	
	<b>118,760</b>	<b>-</b>	<b>(525)</b>	<b>(27,157)</b>	<b>91,078</b>
Workforce Development Services	1,250,000				
Personnel-Salary & Benefits			(825)	174,222	
Grants and Benefits				(674,222)	
	<b>1,250,000</b>	<b>-</b>	<b>(825)</b>	<b>(500,000)</b>	<b>749,175</b>
Workforce Regulation and Safety	3,002,408				
Personnel-Salary & Benefits			(18,951)	420,394	
Contracted Professional Services				6,879	
Operating Supplies and Expenses/Capital				14,992	
Grants and Benefits				(236)	
Capital Purchases and Expenses				(9,224)	
	<b>3,002,408</b>	<b>-</b>	<b>(18,951)</b>	<b>21,276</b>	<b>3,004,733</b>
Income Support	4,299,157				
Personnel-Salary & Benefits			(518)	17,939	
Contracted Professional Services				75	
Operating Supplies and Expenses/Capital				(113)	

## Changes to FY 2014 Enacted General Revenue Expenditures

	FY2014 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Distribution of Statewide Savings Initiatives	Final Enacted Changes	FY 2014 Final Appropriation
Police Relief Fund				(72,383)	
Firefighter Relief Fund				72,383	
Capital Purchases and Expenses				(39)	
	<b>4,299,157</b>	-	<b>(518)</b>	<b>17,862</b>	<b>4,316,501</b>
Labor Relations Board	393,736				
Personnel-Salary & Benefits			<b>(1,497)</b>	(1,958)	
Contracted Professional Services				(5,604)	
Operating Supplies and Expenses/Capital				2,014	
Grants and Assistance				(7)	
Capital Purchases and Expenses				(152)	
	<b>393,736</b>	-	<b>(1,497)</b>	<b>(5,707)</b>	<b>386,532</b>
<b>Total</b>	<b>9,064,061</b>	-	<b>(22,316)</b>	<b>(493,726)</b>	<b>8,548,019</b>
<b>Legislature</b>					
Legislature	36,186,933	4,706,495	(209,428)	(4,706,495)	
Personnel-Salary & Benefits				(46,319)	
Contracted Professional Services				721,500	
Grants and Assistance				356,964	
Operating Expenses				998,767	
Capital Purchases and Expenses				645,800	
<b>Total</b>	<b>36,186,933</b>	<b>4,706,495</b>	<b>(209,428)</b>	<b>(2,029,783)</b>	<b>38,654,217</b>
<b>Office of the Lieutenant Governor</b>	986,890				
Personnel-Salary & Benefits			(5,638)	(33,594)	
Operating Supplies and Expenses/Capital				(1,157)	
<b>Total</b>	<b>986,890</b>	-	<b>(5,638)</b>	<b>(34,751)</b>	<b>946,501</b>
<b>Secretary of State</b>					
Administration	2,078,542				
Personnel-Salary & Benefits			(10,210)	128,934	
Contracted Professional Services				(250)	
Operating Supplies and Expenses				11,596	
	<b>2,078,542</b>	-	<b>(10,210)</b>	<b>140,280</b>	<b>2,208,612</b>
Corporations	2,152,424				
Personnel-Salary & Benefits			(12,682)	122,257	
Contracted Professional Services				(3,500)	
Operating Supplies and Expenses				(1,671)	
Capital Purchases and Equipment				-	
	<b>2,152,424</b>	-	<b>(12,682)</b>	<b>117,086</b>	<b>2,256,828</b>
State Archives	131,705				
Operating Supplies and Expenses				(30,564)	
	<b>131,705</b>	-	-	<b>(30,564)</b>	<b>101,141</b>
Elections	1,162,821				
Personnel-Salary & Benefits			(2,050)	(321,965)	
Contracted Professional Services				-	
Operating Supplies and Expenses				-	
Capital Purchases and Equipment				-	
	<b>1,162,821</b>		<b>(2,050)</b>	<b>(321,965)</b>	<b>838,806</b>
State Library	611,318				
Personnel-Salary & Benefits			(2,237)	(90,993)	
Contracted Professional Services				-	
Operating Supplies and Expenses				-	
Capital Purchases and Equipment				-	

## Changes to FY 2014 Enacted General Revenue Expenditures

	FY2014 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Distribution of Statewide Savings Initiatives	Final Enacted Changes	FY 2014 Final Appropriation
	611,318		(2,237)	(90,993)	518,088
Office of Public Information	361,023				
Personnel-Salary & Benefits			(3,094)	124,165	
Contracted Professional Services				12,000	
Operating Supplies and Expenses				-	
Capital Purchases and Equipment				-	
	361,023		(3,094)	136,165	494,094
<b>Total</b>	<b>6,497,833</b>	<b>-</b>	<b>(30,273)</b>	<b>(49,991)</b>	<b>6,417,569</b>
<b>Office of the General Treasurer</b>					
Treasury	2,471,194	-	(11,080)		
Personnel-Salary & Benefits			-	(60,704)	
Operating				(46,240)	
Contracted Professional Services				6,000	
	2,471,194	-	(11,080)	(100,944)	2,359,170
Crime Victim Compensation Program	183,498				
Personnel-Salary & Benefits				7,224	
Operating Supplies and Expenses				7,425	
	183,498			14,649	198,147
<b>Total</b>	<b>2,654,692</b>	<b>-</b>	<b>(11,080)</b>	<b>(86,295)</b>	<b>2,557,317</b>
<b>Board of Elections</b>					
Board Of Elections	1,589,361				
Personnel-Salary & Benefits			(7,072)	6,605	
Contracted Professional Services				-	
Operating Supplies and Expenses				-	
Public Financing of General Election	150,000				
<b>Total</b>	<b>1,739,361</b>	<b>-</b>	<b>(7,072)</b>	<b>6,605</b>	<b>1,738,894</b>
<b>R I Ethics Commission</b>					
RI Ethics Commission	1,577,204	5,762			
Personnel-Salary & Benefits			(7,026)	(3,529)	
Contracted Professional Services				-	
Operating Supplies and Expenses				3,529	
<b>Total</b>	<b>1,577,204</b>	<b>5,762</b>	<b>(7,026)</b>	<b>-</b>	<b>1,575,940</b>
<b>Office of the Governor</b>	4,193,513	196,428	-		
Personnel-Salary & Benefits			(7,555)	(114,403)	
Operating /Contracted Services				(182,409)	
Capital				(6,500)	
Contingency Fund	250,000			(196,428)	
<b>Total</b>	<b>4,443,513</b>	<b>196,428</b>	<b>(7,555)</b>	<b>(499,740)</b>	<b>4,132,646</b>
<b>Commission for Human Rights</b>	1,150,785				
Personnel-Salary & Benefits			(6,339)	5,258	
Contract Professional Services				-	
Operating Supplies and Expenses				(3,638)	
<b>Total</b>	<b>1,150,785</b>	<b>-</b>	<b>(6,339)</b>	<b>1,620</b>	<b>1,146,066</b>
<b>Department of Revenue</b>					
Director of Revenue	1,222,847				
Personnel-Salary & Benefits				(155,322)	
Contracted Professional Services				(5,000)	

## Changes to FY 2014 Enacted General Revenue Expenditures

	FY2014 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Distribution of Statewide Savings Initiatives	Final Enacted Changes	FY 2014 Final Appropriation
Operating Supplies and Expenses				2,980	
Capital Purchases and Equipment				2,025	
	1,222,847		(5,867)	(155,317)	<b>1,061,663</b>
Office of Revenue Analysis	528,721				
Personnel-Salary & Benefits				(6,717)	
Operating Supplies and Expenses				(390)	
Capital Purchases and Equipment				1,025	
	528,721		(2,202)	(6,082)	<b>520,437</b>
Office of Municipal Finance	2,351,173				
Personnel-Salary & Benefits				(255,998)	
Contracted Professional Services (Actuary and Legal)				(300,000)	
Operating Supplies and Expenses				6,974	
Capital Purchases and Equipment				1,025	
Aid to Local Units of Gov't (Admin. Finance Officer 50 percent share)				107,287	
	2,351,173	-	(10,868)	(440,712)	<b>1,899,593</b>
Taxation	18,027,851				
Personnel-Salary & Benefits				(369,116)	
Contracted Professional Services (Westerly Hospital Legal Expense)				25,000	
Operating Supplies and Expenses (Postal & Computer Supplies)				(198,900)	
	18,027,851	-	(99,327)	(543,016)	<b>17,385,508</b>
Motor Vehicles	18,895,421				
Personnel-Salary & Benefits				(155,104)	
Contracted Professional Services				3,082	
Operating Supplies & Expenses (RIMS Delay Maintenance Savings)		66,000		(459,095)	
Assistance & Grants				(1,000)	
Capital Purchases & Equipment				(2,408)	
Operating Transfers (CCRI School Bus Driver Training)				6,000	
	18,895,421	66,000	(89,100)	(608,525)	<b>18,263,796</b>
State Aid	60,981,482				
Property Revaluation Program		86,396		(142,395)	
	60,981,482	86,396		(142,395)	<b>60,925,483</b>
<b>Total</b>	<b>102,007,495</b>	<b>152,396</b>	<b>(207,364)</b>	<b>(1,896,047)</b>	<b>100,056,480</b>
<b>Sub-Total General Government</b>	<b>440,355,856</b>	<b>5,958,683</b>	<b>(875,574)</b>	<b>(7,677,687)</b>	<b>437,761,278</b>

### Human Services

#### Office of Health and Human Services

Central Management	27,699,190	-			
Personnel- Salary & Benefits				(746,769)	
Unified Health Infrastructure Project				955,611	
Contracted Professional Services- Cost Allocation Plan				125,000	
Other Contracted Professional Services				(448,402)	
Operating Supplies/Equipment				(157,393)	
Other Grants and Benefits				(839,433)	
Statewide- Retiree Health Insurance Rate Change			(42,056)		
Statewide- Medical Health Insurance			12,497		
Statewide Medical Contract Savings			(37,822)		
	27,699,190	-	(67,381)	(1,111,386)	26,520,423

Medical Assistance

## Changes to FY 2014 Enacted General Revenue Expenditures

	FY2014 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Distribution of Statewide Savings Initiatives	Final Enacted Changes	FY 2014 Final Appropriation
Managed Care- May CEC	281,682,858			9,218,938	
Hospitals- May CEC	107,499,737			(6,994,958)	
Nursing Facilities- May CEC	179,263,818			(40,582,218)	
Home & Community Based Services- May CEC	48,645,073			(8,518,673)	
Other Services- May CEC	44,013,672			824,655	
Pharmacy - May CEC	51,721,344			(111,818)	
Rhody Health- May CEC	100,701,958			54,960,885	
Affordable Care Act Transition Program	2,000,000			(1,000,000)	
Children's Health Account- Residual Cash Balance				(1,471,044)	
	815,528,460	-	-	6,325,767	821,854,227
	<b>843,227,650</b>	-	<b>(67,381)</b>	<b>5,214,381</b>	<b>848,374,650</b>
<b>Children, Youth, and Families</b>					
Central Management	4,911,020				
Personnel-Salary & Benefits			(10,069)	(223,942)	
Contracted Professional Services				(51,226)	
Operating Supplies and Expenses				(12,214)	
Capital Purchases and Equipment				-	
Grants and Benefits				-	
	4,911,020	-	(10,069)	(287,382)	4,613,569
Children's Behavioral Health	4,491,441				
Personnel-Salary & Benefits			(5,625)	(120,321)	
Contracted Professional Services				1,390,374	
Operating Supplies and Expenses				14,953	
Grants and Benefits				794,421	
	4,491,441	-	(5,625)	2,079,427	6,565,243
Juvenile Corrections	26,877,697				
Personnel-Salary & Benefits			(124,560)	(2,072,473)	
Contracted Professional Services				107,674	
Operating Supplies and Expenses/Capital Purchases				(107,209)	
Capital Purchases and Equipment				(2,500)	
Grants and Benefits				(173,313)	
	26,877,697	-	(124,560)	(2,247,821)	24,505,316
Child Welfare	116,496,833				
Personnel-Salary & Benefits			(142,095)	759,321	
Contracted Professional Services				31,893	
Operating Supplies and Expenses				314,904	
Grants and Benefits				(1,143,409)	
	116,496,833	-	(142,095)	(37,291)	116,317,447
Higher Education Incentive Grants	200,000			0	
	200,000				
<b>Total</b>	<b>152,976,991</b>	-	<b>(282,349)</b>	<b>(493,067)</b>	<b>152,201,575</b>
<b>Health</b>					
Central Management	544,959				
Personnel-Salary & Benefits			(344)	4,468	
Contract Professional Services				1,000	
Operating Supplies and Expense				(9,658)	



## Changes to FY 2014 Enacted General Revenue Expenditures

	FY2014 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Distribution of Statewide Savings Initiatives	Final Enacted Changes	FY 2014 Final Appropriation
Assistance and Grants	544,959	-	(344)	(60,116) (64,306)	480,309
State Medical Examiner	2,365,037				
Personnel-Salary & Benefits			(10,236)	(578,697)	
Contract Professional Services				84,387	
Operating Supplies and Expense				(5,690)	
	2,365,037	-	(10,236)	(500,000)	1,854,801
Environmental & Health Services Regulations	9,491,266				
Personnel-Salary & Benefits			(57,818)	(86,139)	
Contract Professional Services				11,213	
Operating Supplies and Expense				-	
Assistance and Grants				(19,000)	
Capital Purchases and Equipment				2,660	
	9,491,266	-	(57,818)	(91,266)	9,342,182
Health Laboratories	6,199,240				
Personnel-Salary & Benefits			(28,331)	79,664	
Contracted Professional Services				(195,830)	
Operating Expenditures				16,979	
Capital Purchases and Equipment				(4,500)	
	6,199,240	-	(28,331)	(103,687)	6,067,222
Public Health Information	1,524,091				
Personnel-Salary & Benefits			(8,805)	4,378	
Contracted Professional Services				22,820	
Operating Supplies and Expenses				(5,741)	
Capital Purchases and Equipment				900	
	1,524,091	-	(8,805)	22,357	1,537,643
Community & Family Health and Equity	2,448,286				
Personnel-Salary & Benefits			(9,971)	(52,299)	
Contracted Professional Services				(61,503)	
Operating Expenditures				111,424	
Assistance and Grants				119,819	
Capital Purchases and Equipment				-	
	2,448,286	-	(9,971)	117,441	2,555,756
Infectious Disease and Epidemiology	1,735,122				
Personnel-Salary & Benefits			(7,450)	(101,234)	
Contracted Professional Services				(863)	
Operating Expenditures				(1,430)	
Assistance and Grants				(3,000)	
	1,735,122	-	(7,450)	(106,527)	1,621,145
<b>Total</b>	<b>24,308,001</b>	<b>-</b>	<b>(122,955)</b>	<b>(725,988)</b>	<b>23,459,058</b>
<b>Human Services</b>					
Central Management	5,543,121				
Personnel- Salary & Benefits			(6,750)	(48,562)	
Operating Supplies and Expenses				2,187	
Assistance and Grants				(912)	
	5,543,121	-	(6,750)	(47,287)	5,489,084
Child Support Enforcement	2,370,212				
Personnel- Salary & Benefits			(9,901)	(23,868)	
Operating Supplies and Expenses				(2,146)	

## Changes to FY 2014 Enacted General Revenue Expenditures

	FY2014 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Distribution of Statewide Savings Initiatives	Final Enacted Changes	FY 2014 Final Appropriation
Assistance and Grants				-	
Capital Purchases and Equipment				-	
Contracted Professional Services				29,550	
	2,370,212	-	(9,901)	3,536	2,363,847
Individual and Family Support	20,922,405				
Personnel- Salary & Benefits			(78,578)	386,747	
Other Operating Supplies and Expenses				299,970	
Other Contracted Professional Services				(46,388)	
Other Assistance and Grants				(118,049)	
UHIP - Operating & Contracted				1,579,216	
Work Support Strategies				144,568	
Accrual of IEVS & SNAP penalties				256,073	
Operating Transfers - Intermodal Surface Transportation Fund				(563,951)	
	20,922,405	-	(78,578)	1,938,186	22,782,013
Veterans' Affairs	20,993,993				
Personnel- Salary & Benefits			(97,876)	(114,141)	
Overtime				325,676	
Operating Supplies and Expenses				(92,576)	
Contracted Professional Services				-	
Turnover				(1,403,741)	
	20,993,993	-	(97,876)	(1,284,782)	19,611,335
Health Care Quality, Financing and Purchasing	8,141,377				
Personnel- Salary & Benefits (excluding UHIP)			(42,055)	(479,868)	
UHIP - Personnel & Contracted				291,142	
Operating Supplies and Expense				129,803	
Assistance and Grants				(3,664)	
Contracted Professional Services				(203,170)	
	8,141,377	-	(42,055)	(265,757)	7,833,565
S.S.I. Program	18,234,514				
S.S.I. Program- May CEC				164,586	
	18,234,514	-	-	164,586	18,399,100
Rhode Island Works					
Child Care	9,668,635				
	9,668,635	-	-	-	9,668,635
State Funded Programs	1,906,800				
General Public Assistance- May CEC				(11,388)	
	1,906,800	-	-	(11,388)	1,895,412
Elderly Affairs					
General Revenues	5,698,138				
Personnel-Salary & Benefits			(4,847)	305,948	
Contracted Professional Services				(15,217)	
Operating Supplies and Expenses				20,667	
Assistance and Grants				(177,392)	
	5,698,138	-	(4,847)	134,006	5,827,297
<b>Total</b>	<b>93,479,195</b>	<b>-</b>	<b>(240,007)</b>	<b>631,100</b>	<b>93,870,288</b>
				<b>3371007-</b>	

## Changes to FY 2014 Enacted General Revenue Expenditures

	FY2014 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Distribution of Statewide Savings Initiatives	Final Enacted Changes	FY 2014 Final Appropriation
<b>Behavioral Health, Developmental Disabilities &amp; Hospitals</b>					
Central Management	816,045		(4,922)		
Personnel-Salary & Benefits				199,870	
Contracted Professional Services				(43,478)	
Operating Supplies and Expenses				7,928	
Grants and Benefits				-	
Capital Purchases and Equipment					
	816,045	-	(4,922)	164,320	975,443
Hosp. & Community System Support	1,592,216		(8,820)		
Personnel-Salary & Benefits				(13,109)	
Operating Supplies and Expenses				9,530	
<b>Total</b>	<b>1,592,216</b>	<b>-</b>	<b>(8,820)</b>	<b>(3,579)</b>	<b>1,579,817</b>
Services. for the Developmentally Disabled	109,467,984		(113,669)		
Personnel-Salary & Benefits				877,989	
Overtime				532,925	
Contracted Professional Services				(68,902)	
Operating Supplies and Expenses/Capital Purchases				108	
Grants - Provider Payments				(708,786)	
	109,467,984		(113,669)	633,334	109,987,649
Behavioral Healthcare Services	39,670,207		(9,723)		
Personnel-Salary & Benefits/Consultants				(378,292)	
Operating Supplies and Expenses				10,188	
Assistance and Grant				83,572	
	39,670,207	-	(9,723)	(284,532)	39,375,952
Hosp. & Community Rehab. Services	50,544,930		(247,797)		
Personnel-Salary & Benefits				262,160	
Overtime				862,132	
Contracted Professional Services				87,347	
Operating Supplies and Expenses/Capital Purchases				197,150	
Grants and Assistance - Medical Services				(2,534,967)	
	50,544,930	-	(247,797)	(1,126,178)	49,170,955
<b>Total</b>	<b>202,091,382</b>	<b>-</b>	<b>(384,931)</b>	<b>(616,635)</b>	<b>201,089,816</b>
<b>Office of the Child Advocate</b>					
Personnel-Salary & Benefits	608,651		(3,534)	(31,362)	
Contracted Professional Services				-	
Operating Supplies and Expenses				1,722	
Capital Purchases and Equipment				-	
<b>Total</b>	<b>608,651</b>	<b>-</b>	<b>(3,534)</b>	<b>(29,640)</b>	<b>575,477</b>
<b>Commission on Deaf and Hard of Hearing</b>					
Personnel- Salary & Benefits	391,609		(2,342)	(249)	
Contracted Professional Services				(451)	
Operating Supplies and Expenses				700	
<b>Total</b>	<b>391,609</b>	<b>-</b>	<b>(2,342)</b>	<b>-</b>	<b>389,267</b>
<b>Governor's Commission on Disabilities</b>	357,711		-		

## Changes to FY 2014 Enacted General Revenue Expenditures

	FY2014 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Distribution of Statewide Savings Initiatives	Final Enacted Changes	FY 2014 Final Appropriation
Personnel-Salary & Benefits			(1,359)	(6,537)	
Contracted Professional Services				-	
Operating Supplies and Expenses				6,537	
Grants				-	
Capital Purchases and Equipment				-	
<b>Total</b>	<b>357,711</b>	<b>-</b>	<b>(1,359)</b>	<b>-</b>	<b>356,352</b>
<b>Office of the Mental Health Advocate</b>	<b>486,144</b>				
Personnel-Salary & Benefits			(3,297)	2,094	
Contracted Professional Services				(1,800)	
Operating Supplies and Expenses				575	
<b>Total</b>	<b>486,144</b>	<b>-</b>	<b>(3,297)</b>	<b>869</b>	<b>483,716</b>
<b>Sub-Total Human Services</b>	<b>1,317,927,334</b>	<b>0</b>	<b>(1,108,155)</b>	<b>3,981,020</b>	<b>1,320,800,199</b>
<b><u>Education</u></b>					
<b>Elementary and Secondary Education</b>					
State Education Aid	724,892,567				
Funding Formula				(75,078)	
	724,892,567	-		(75,078)	724,817,489
School Housing Aid	69,949,504			(2,286,468)	
	69,949,504			(2,286,468)	67,663,036
Teachers' Retirement	81,691,253			(1,144,667)	
	81,691,253	-		(1,144,667)	80,546,586
RI School for the Deaf	6,070,194				
Personnel			(34,011)	(115,354)	
Contracted Professional Services				(21,261)	
Operating Supplies and Expenses				8,004	
Capital Purchases and Equipment				(3,000)	
	6,070,194	-	(34,011)	(131,611)	5,904,572
Central Falls School District	38,399,591				
	38,399,591	-		-	38,399,591
Davies Career & Technical School	12,792,048				
Personnel			(80,545)	102,443	
Contracted Professional Services				-	
Operating Supplies and Expenses				(21,898)	
	12,792,048	-	(80,545)	80,545	12,792,048
Met. Career & Tech. School	11,085,049				
	11,085,049	-		-	11,085,049
Administration of the Comp. Education Strategy	19,826,703				
Personnel-Salary & Benefits			(64,204)	(83,813)	
Contracted Professional Services				(13,079)	
Operating Supplies and Expenses				(51,196)	
Grants				(502,000)	
Capital				(25,195)	
Aid to Locals				2,000	
	19,826,703		(64,204)	(673,283)	19,089,216

## Changes to FY 2014 Enacted General Revenue Expenditures

	FY2014 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Distribution of Statewide Savings Initiatives	Final Enacted Changes	FY 2014 Final Appropriation
<b>Total</b>	<b>964,706,909</b>	-	<b>(178,760)</b>	<b>(4,230,562)</b>	<b>960,297,587</b>
<b>Higher Education</b>					
Board of Governors/Office of Higher Education	4,994,523				
Personnel-Salary & Benefits			(3,951)		
	4,994,523	-	(3,951)	-	4,990,572
University of Rhode Island					
General Revenues	64,086,076				
State Crime Lab	1,027,327		(3,781)		
Debt Service	20,585,263			(399,479)	
Personnel-Salary & Benefits			(122,375)		
	85,698,666	-	(126,156)	(399,479)	85,173,031
Rhode Island College					
General Revenues	39,004,298				
Debt Service	3,887,576			(333,351)	
Personnel-Salary & Benefits			(114,389)		
	42,891,874	-	(114,389)	(333,351)	42,444,134
Community College of Rhode Island					
General Revenues	44,589,076				
Debt Service	1,839,656				
Personnel-Salary & Benefits			(155,790)		
	46,428,732	-	(155,790)	-	46,272,942
<b>Total</b>	<b>180,013,795</b>	-	<b>(400,286)</b>	<b>(732,830)</b>	<b>178,880,679</b>
<b>RI Council On The Arts</b>	1,335,630				
Personnel-Salary & Benefits			(2,817)	(15,222)	
Operating Supplies and Expenses				(7,083)	
<b>Total</b>	<b>1,335,630</b>	-	<b>(2,817)</b>	<b>(22,305)</b>	<b>1,310,508</b>
<b>RI Atomic Energy Commission</b>	861,710				
Personnel-Salary & Benefits			(4,940)	(27,197)	
Contracted Professional Services				(4,034)	
Operating Supplies and Expenses				31,231	
<b>Total</b>	<b>861,710</b>	-	<b>(4,940)</b>	-	<b>856,770</b>
<b>RI Higher Education Assistance Authority</b>					
Authority Operations and other Grants	147,000			-	
Needs Based Grants and Work Opport-CACG MC	4,134,726			51,597	
<b>Total</b>	<b>4,281,726</b>	-	-	<b>51,597</b>	<b>4,333,323</b>
<b>RI Historical Preservation &amp; Heritage Commission</b>	1,357,510				
Personnel-Salary & Benefits			(6,967)	(58,572)	
Contracted Professional Services				63,475	
Operating Supplies and Expenses				(7,850)	
Capital				(6,800.00)	
<b>Total</b>	<b>1,357,510</b>	-	<b>(6,967)</b>	<b>(9,747)</b>	<b>1,340,796</b>
<b>Sub-Total Education</b>	<b>1,152,557,280</b>	-	<b>(593,770)</b>	<b>(4,943,847)</b>	<b>1,147,019,663</b>

## Changes to FY 2014 Enacted General Revenue Expenditures

	FY2014 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Distribution of Statewide Savings Initiatives	Final Enacted Changes	FY 2014 Final Appropriation
<b><u>Public Safety</u></b>					
<b>Attorney General</b>					
Criminal	14,446,868				
Personnel-Salary & Benefits			(84,213)	(299,170)	
Contracted Professional Services				91,118	
Operating Supplies and Expenses				45,215	
Capital				6,834	
	14,446,868	-	(84,213)	(156,003)	14,206,652
Civil	4,985,425	292,610			
Personnel-Salary & Benefits			(27,060)	112,778	
Contracted Professional Services				(25,512)	
Operating Supplies and Expenses				(4,282)	
Capital				-	
	4,985,425	292,610	(27,060)	82,984	5,333,959
Bureau of Criminal Identification	1,503,119				
Personnel-Salary & Benefits			(9,751)	32,142	
Contracted Professional Services				3,187	
Operating Supplies and Expenses				(4,472)	
Capital				-	
	1,503,119	-	(9,751)	30,857	1,524,225
General	2,721,567				
Personnel-Salary & Benefits			(13,633)	32,079	
Contracted Professional Services				1,788	
Operating Supplies and Expenses				(10,843)	
Capital				-	
	2,721,567	-	(13,633)	23,024	2,730,958
<b>Total</b>	<b>23,656,979</b>	<b>292,610</b>	<b>(134,657)</b>	<b>(19,138)</b>	<b>23,795,794</b>
<b>Corrections</b>					
Central Management	9,077,039	110,126			
Personnel-Salary & Benefits Other			(38,176)	(106,829)	
FTE Transfer				(215,836)	
Contracted Professional Services Other				180,090	
Electronic Medical Records				25,000	
Time Tracker Project Postponement				(350,000)	
Operating Supplies and Expenses Other				24,921	
Weapons Requalification				20,000	
CO Training Class Postponement				(759,217)	
Electronic Medical Records				232,000	
	9,077,039	110,126	(38,176)	(949,871)	8,199,118
Parole Board	1,354,433	13,816			
Personnel-Salary & Benefits			(7,013)	(86,086)	
Contracted Professional Services Other				2,471	
	1,354,433	13,816	(7,013)	(83,615)	1,277,621
Custody and Security	115,418,407	121,456			
Personnel-Salary & Benefits			(651,342)	75,868	
Reopened Modules				2,575,337	
Hurricane Sandy adjustment				(730,000)	
Construction Crews Supervision from RICAP				317,561	
Weapons Requalification				359,047	
SCAAP Adjustment				(105,679)	

## Changes to FY 2014 Enacted General Revenue Expenditures

	FY2014 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Distribution of Statewide Savings Initiatives	Final Enacted Changes	FY 2014 Final Appropriation
Stipend Adjustment				100,000	
Contracted Professional Services other				5,379	
Other Operating/Capital				(9,498)	
per diem inmate expenditures				200,939	
vehicle lease cost increase				34,702	
Grants-Federal Prison Placements				18,000	
	115,418,407	121,456	(651,342)	2,841,656	117,730,177
Institutional Support	15,728,306	334,056			
Personnel-Salary & Benefits			(39,615)	(46,222)	
Contracted Professional Services other				(95,183)	
Other Operating/Grants/Capital				(124,568)	
vehicle service charges				124,570	
per diem inmate expenditures				45,346	
	15,728,306	334,056	(39,615)	(96,057)	15,926,690
Institutional Based Rehab/Pop Management	9,129,775	113,185			
Personnel-Salary & Benefits Other			(31,477)	(15,103)	
Contracted Professional Services Other				61,949	
Operating Supplies and Expenses Other				(103,403)	
per diem inmate expenditures				6,639	
GED Testing				43,343	
	9,129,775	113,185	(31,477)	(6,575)	9,204,908
Healthcare Services	19,639,269				
Personnel-Salary & Benefits			(54,759)	(102,301)	
Contracted Professional Services Other				(199,337)	
Per Diem Contracted Professional Services				83,634	
Other Medical Services				243,458	
per diem inmate expenditures				(173,866)	
Other Operating				(12,438)	
	19,639,269		(54,759)	(160,850)	19,423,660
Community Corrections	15,031,969	8,196			
Personnel-Salary & Benefits Other			(83,391)	(25,957)	
Contracted Professional Services				(27,667)	
Operating Supplies and Expenses Other				(33,282)	
	15,031,969	8,196	(83,391)	(86,906)	14,869,868
<b>Total</b>	<b>185,379,198</b>	<b>700,835</b>	<b>(905,773)</b>	<b>1,457,782</b>	<b>186,632,042</b>
<b>Judiciary</b>					
Supreme Court	26,221,542	-	(99,337)		
Personnel-Salary & Benefits				(179,851)	
Contracted Services/Operating/Capital				509,785	
Electronic Filing Fee- Shift to Restricted Receipts				(180,000)	
Judges Pensions				(149,670)	
Defense of Indigent Persons	3,562,240			(20,000)	
	29,783,782	-	(99,337)	(19,736)	29,664,709
Superior Court	22,294,581		(89,393)		
Personnel-Salary & Benefits				(130,323)	
Contracted Services/Operating				(54,610)	
Capital Expense				(46,545)	
Judges Pensions				(43,829)	
	22,294,581	-	(89,393)	(275,307)	21,929,881
Family Court	18,851,385		(95,536)		
Personnel-Salary & Benefits				428,278	

## Changes to FY 2014 Enacted General Revenue Expenditures

	FY2014 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Distribution of Statewide Savings Initiatives	Final Enacted Changes	FY 2014 Final Appropriation
Contracted Services/Operating/Capital Judges Pensions	18,851,385	-	(95,536)	(105,556) (85,734) 236,988	18,992,837
District Court Personnel-Salary & Benefits Contracted Services/Operating/Capital	12,545,634	-	(56,001)	(277,881) (89,405) (367,286)	12,122,347
Traffic Tribunal Personnel-Salary & Benefits Contracted Services/Operating/Capital Judges Pensions	8,090,350	-	(45,483)	354,802 225,355 (44,446) 535,711	8,580,578
Judicial Tenure and Discipline	115,627 115,627	-	(528) (528)	(45) (45)	115,054
<b>Total</b>	<b>91,681,359</b>	<b>-</b>	<b>(386,278)</b>	<b>110,325</b>	<b>91,405,406</b>
<b>Military Staff</b>					
National Guard Personnel-Salary & Benefits Contract-Janitorial Services Operating Funeral Honors Other Grants and Assistance	1,361,037	100,396	(4,449)	(100,396) 227,413 25,000 57,778 (4,000) (10,850) 24,884 219,829	1,676,813
Emergency Management Personnel-Salary & Benefits RISCON Motorola Contract Other Operating Grants	2,508,946	-	(6,001)	(165,976) (484,763) 12,957 23,061 (614,721)	1,888,224
<b>Total</b>	<b>3,869,983</b>	<b>100,396</b>	<b>(10,450)</b>	<b>(394,892)</b>	<b>3,565,037</b>
<b>Public Safety</b>					
Central Management Personnel-Salary & Benefits Operating Supplies and Expenses	1,240,692	-	(7,367)	(47,888) -	1,185,437
E-911 Emergency Telephone System Personnel-Salary & Benefits Contracted Professional Services Operating Supplies and Expenses Capital Purchases and Equipment	5,488,731	-	(27,961)	9,105 - (25,579) -	5,444,296
State Fire Marshal Personnel-Salary & Benefits Contracted Professional Services Operating Supplies and Expenses Capital Purchases and Equipment	2,894,425	-	(14,207)	(158,831) 2,145 2,129 -	2,725,661



## Changes to FY 2014 Enacted General Revenue Expenditures

	FY2014 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Distribution of Statewide Savings Initiatives	Final Enacted Changes	FY 2014 Final Appropriation
Security Services	21,814,553				
Personnel-Salary & Benefits			(120,250)	(827,843)	
Contracted Professional Services				(710)	
Operating Supplies and Expenses				(91,910)	
Assistance & Grants				(500)	
Capital Purchases and Equipment				23,000	
	21,814,553	-	(120,250)	(897,963)	20,796,340
Municipal Police Training Academy	293,022				
Personnel-Salary & Benefits			(1,710)	(56,703)	
Contracted Professional Services				(4,000)	
Operating Supplies and Expenses				5,795	
	293,022	-	(1,710)	(54,908)	236,404
State Police	64,630,376				
Personnel-Salary & Benefits			(98,604)	(749,483)	
Contracted Professional Services				139,150	
Operating Supplies and Expenses				(148,884)	
State Trooper Pensions				(152,820)	
Capital Purchases and Equipment				256,000	
	64,630,376	-	(98,604)	(656,037)	63,875,735
<b>Total</b>	<b>96,361,799</b>	<b>-</b>	<b>(270,099)</b>	<b>(1,827,827)</b>	<b>94,263,873</b>
<b>Office Of Public Defender</b>	11,034,686				
Personnel-Salary & Benefits			(59,188)	(62,541)	
Contract Services-Eligibility Techs				(20,211)	
Operating Supplies and Expenses				(10,259)	
Allocation of Court Costs				(22,076)	
<b>Total</b>	<b>11,034,686</b>	<b>-</b>	<b>(59,188)</b>	<b>(115,087)</b>	<b>10,860,411</b>
<b>Sub-Total Public Safety</b>	<b>411,984,004</b>	<b>1,093,841</b>	<b>(1,766,445)</b>	<b>(788,837)</b>	<b>410,522,563</b>
<b><u>Natural Resources</u></b>					
<b>Environmental Management</b>					
Office of the Director	4,575,920		(9,969)		
Personnel-Salary & Benefits				509	
Operating Supplies & Expenses: Headquarters				(86,083)	
	4,609,334	-	(9,969)	(85,574)	4,513,791
Natural Resources	18,718,638				
Personnel-Salary & Benefits			(57,880)	(60,842)	
Contracted Professional Services				(19,650)	
Operating Supplies and Expenses				(176,140)	
Other Assistance & Grants				(45,500)	
	18,718,638	-	(57,880)	(302,132)	18,358,626
Environmental Protection	11,428,346				
Personnel-Salary & Benefits			(90,091)	(72,548)	
Operating/Grants				(2,004)	
	11,428,346	-	(90,091)	(74,552)	11,263,703
<b>Total</b>	<b>34,756,318</b>	<b>-</b>	<b>(157,940)</b>	<b>(462,258)</b>	<b>34,136,120</b>
<b>Coastal Resources Management Council</b>	2,174,331		(13,241)		
Operating				(2,354)	

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**Changes to FY 2014 Enacted General Revenue Expenditures**

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	<b>FY2014 Enacted Appropriation</b>	<b>Reappropriation/ Appropriation Transfer</b>	<b>Distribution of Statewide Savings Initiatives</b>	<b>Final Enacted Changes</b>	<b>FY 2014 Final Appropriation</b>
<b>Total</b>	<b>2,174,331</b>	<b>-</b>	<b>(13,241)</b>	<b>(2,354)</b>	<b>2,158,736</b>
<b>Sub-Total Environment</b>	<b>36,930,649</b>	<b>-</b>	<b>(171,181)</b>	<b>(464,612)</b>	<b>36,294,856</b>
<b>Statewide General Revenue Total</b>	<b>3,359,755,123</b>	<b>7,052,524</b>	<b>(4,515,125)</b>	<b>(9,893,963)</b>	<b>3,352,398,559</b>

## Changes to FY 2014 Enacted Transportation Expenditures

	FY2014 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Distribution of Statewide Savings Initiatives	Final Enacted Changes	FY 2014 Final Appropriation
<b>Total ISTF Fund Revenue Collections</b>	<b>135,541,477</b>	<b>382,715</b>		<b>848,380</b>	<b>136,772,572</b>
<b>FEMA Reimbursement - Winter Storm Nemo</b>				<b>1,240,526</b>	<b>1,240,526</b>
<b>Transportation ISTE A Fund Changes - Defi</b>	<b>(12,975)</b>				
<b>Total Revenues Available</b>	<b>135,528,502</b>				<b>138,013,098</b>
<b>Central Management</b>	1,455,983				
Salaries & Benefits				274,506	
Medical Benefits Holiday					
Uncompensated Leave Days(1)					
Purchased Services				(34,500)	
Operating				(1,077)	
Grants & Benefits				(500)	
Capital Improvements				(700)	
	1,455,983	-	-	237,729	1,693,712
<b>Management &amp; Budget</b>	1,549,669				
Salaries & Benefits				671,187	
Medical Benefits Holiday					
Purchased Services				(22,000)	
Operating				(38,875)	
Capital Improvements				6,000	
	1,549,669	-	-	616,312	2,165,981
<b>Infrastructure-Engineering</b>	4,058,257				
Salaries & Benefits				(155,502)	
Medical Benefits Holiday					
Gas Tax Allocation from Payroll Clearing Account					
Federal Indirect Cost Allocation Department Wide					
Purchased Services				(2,300)	
Operating				(66,936)	
Grants & Benefits				(700)	
Capital Improvements				(5,000)	
Other Operating Transfers					
	4,058,257	-	-	(230,438)	3,827,819
<b>Infrastructure-Maintenance</b>	42,251,075				
Salaries & Benefits (Maintenance & Vehicles)				497,971	
Medical Benefits Holiday					
Overtime (Maintenance & Vehicles)				(350,000)	
Purchased Services (Maintenance)				(3,000)	
Operating (Maintenance - Non HWY Electricity)				(153,941)	
Grants & Benefits (Maintenance)				(30,076)	
Capital Improvements (Maintenance)				16,000	
Operating Transfers					
Winter Maintenance - Overtime/FICA				0	
Winter Maintenance - Materials & Contractors				2,282,081	
Winter Maintenance -Capital Purchases				136,500	
Highway Lighting Electricity (Maintenance)				(279,689)	
Vehicle Repairs/Fuel (Operating & Capital)				(462,389)	
Contingency Fund - Flood Expenses					
Target Adjustment to Reduce Expenses					
	42,251,075	-	-	1,653,457	43,904,532
<b>Total Department of Transportation Operat</b>	<b>49,314,984</b>	<b>-</b>	<b>-</b>	<b>2,277,060</b>	<b>51,592,044</b>
Operating Transfers to Motor Fuel Bonds - det	8,341,014			52,208	8,393,222
Operating Transfers to RIPTA	40,662,443			254,514	40,916,957
RIPTA Debt Service	-			0	-
<b>Total Transfers</b>	<b>49,003,457</b>	<b>-</b>	<b>-</b>	<b>306,722</b>	<b>49,310,179</b>

## Changes to FY 2014 Enacted Transportation Expenditures

	FY2014 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Distribution of Statewide Savings Initiatives	Final Enacted Changes	FY 2014 Final Appropriation
<b>Total Transportation</b>	<b>98,318,441</b>	-	-	<b>2,583,782</b>	<b>100,902,223</b>
<b>Gas tax budgeted outside DOT</b>					
DOT Debt service(est DOT refunding allocatic	30,369,820			116,868	30,486,688
<b>Gas tax budgeted in DOA-planning</b>	<b>30,369,820</b>	-	-	<b>116,868</b>	<b>30,486,688</b>
Consolidations Transfer	2,112,644			314,932	2,427,576
<b>Total Transfers</b>	<b>2,112,644</b>			<b>314,932</b>	<b>2,427,576</b>
<b>Gas Tax Budgeted outside of DOT</b>	<b>32,482,464</b>	-	-	<b>431,800</b>	<b>32,914,264</b>
DHS - Elderly Transportation	4,170,507			26,104	4,196,611
<b>General Fund Transfer</b>	-				-
<b>Total ISTEA Fund</b>	<b>134,971,412</b>	-	-	<b>3,041,686</b>	<b>138,013,098</b>
<b>Change in Fund Balance</b>	<b>570,065</b>	<b>382,715</b>	-	<b>(2,193,306)</b>	<b>0</b>
<sup>1</sup> Beginning Balance	(12,975)				
Ending Balance	557,090	382,715	-	(2,193,306)	0

<sup>1</sup> Planned balance from FY 13 programmed into enacted budget

# **Aid to Cities and Towns/Schools**



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## Formula Aid to Cities and Towns

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The **Payment-in-Lieu-of-Taxes (PILOT)** program reimburses communities for 27.0 percent of what they would have collected in property taxes from certain designated tax exempt property (subject to appropriation). The revised FY 2014 Budget is funded at \$35.1 million, which represents a reimbursement rate of 22.04 percent. The enacted FY 2015 Budget is funded at \$40.1 million, which includes an additional \$5.0 million from the revised FY 2014 Budget funding level. The enacted FY 2015 Budget represents a reimbursement rate of 25.44 percent.

The **Distressed Communities Relief Fund** provides state assistance to municipalities with the highest property tax burdens relative to the wealth of taxpayers. Municipalities are eligible that meet the statutorily determined distressed test in three of four categories. The program is level funded at \$10.4 million in the revised FY 2014 and enacted FY 2015 Budget.

Beginning in FY 2014 and continuing through FY 2016, **Municipal Incentive Aid** provides a new category of state assistance with the purpose of encouraging municipalities to improve the sustainability of their retirement plans and to reduce unfunded liabilities. Municipalities must meet certain eligibility criteria in order to receive the aid. Furthermore, municipalities with locally-administered plans that are in “critical” status must submit a Funding Improvement Plan (“FIP”) approved by the governing body to the Department of Revenue to receive this aid. The program is level funded at \$5.0 million in the revised FY 2014 and enacted FY 2015 Budget.

The enacted FY 2015 Budget continues to provide funding for the **Property Valuation Statistical Update Program**, which reimburses cities and towns for legislatively mandated property valuation statistical updates on a per parcel basis. Funding for the revised FY 2014 Budget is \$460,616. The projected FY 2015 funding is \$633,209, which is based on the actual cost of reimbursement for similar communities.

Funding for **Aid to Local Libraries** is level funded at \$8.8 million in revised FY 2014 and enacted FY 2015 Budget. In addition, funding for library construction aid is provided at \$2.5 million in the revised FY 2014 and \$2.3 million in the enacted FY 2015 Budget to finance anticipated debt service for construction reimbursement obligations under this program.

The 1998 General Assembly enacted the **Motor Vehicle Excise Tax Phase-Out** legislation to phase out the excise tax on motor vehicles and trailers over an original seven year period. There have been various changes to the legislation since its inception. For FY 2011 and thereafter, the General Assembly enacted legislation that mandates a \$500 exemption for which the State will reimburse municipalities an amount subject to appropriation. The legislation further allows municipalities to provide an additional exemption; however, that additional exemption will not be subject to reimbursement. The Assembly removed the provision that restricted municipalities from taxing the difference in the event that the value of a vehicle is higher than the prior fiscal year. It also allowed for rates and ratios of assessment to be lowered from the current frozen levels. The total funding in the revised FY 2014 and enacted FY 2015 Budget to support this program is \$10.0 million. Data used to determine distribution amounts for FY 2015 is an estimate and is subject to change once finalized December 31, 2013 motor vehicle tax rolls are received.

The **Public Service Corporation Tax** is for tangible personal property of telegraph, cable and telecommunications corporations and express corporations that is exempt from local taxation, and instead is subject to taxation by the State. The revenue from this tax flows through the State (it is not appropriated by the State). The revenues (apart from some administrative expenses) are apportioned to the cities and towns based on the ratio of each municipality’s population relative to the total population of the State. The actual disbursements for FY 2014 total \$13.2 million and the disbursements for FY 2015 are \$14.3 million. Data used to determine distribution amounts is updated annually to reflect the most recent data.

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## Formula Aid to Cities and Towns

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The **Hotel Local Tax** is a 5.0 percent tax upon the total consideration charged for occupancy of any space furnished by any hotel of the state. Twenty-five percent of the revenues generated from the 5.0 percent state hotel tax are distributed to the municipalities where the individual hotels are located. Furthermore, the 2004 General Assembly enacted a one-percent gross receipts tax on the total consideration charged for occupancy of any space furnished by a hotel of the state. The taxes are collected by the Division of Taxation and distributed at least quarterly to the city or town where the hotel is located. For FY 2014, the total for both taxes is provided at \$6.5 million, and estimated to be \$7.2 million for FY 2015, subject to revision as more data becomes available.

The **Local Meals and Beverage Tax** is a one-percent additional tax on gross receipts from the sale of food and beverages sold in or on eating and drinking establishments. The tax is collected by the Division of Taxation and then distributed back to the city or town in which the meals and beverages were delivered. Distributions under this tax are projected to total \$21.8 million in FY 2014 and \$23.0 million in FY 2015, subject to revision as more data becomes available.



## Fiscal Year 2014 Revised State Aid to Cities and Towns

City or Town	Payment In Lieu of Tax Exempt Property	Distressed Community Relief Fund	Municipal Incentive Aid*	State Library Aid	Motor Vehicle Excise Tax Reimbursement Value of Exemption	FY 2014 Total Appropriated State Aid
Barrington	13,387		77,873	341,148	236,976	669,384
Bristol	692,849		109,663	129,784	116,200	1,048,495
Burrillville	112,265		75,644	129,564	209,316	526,788
Central Falls	24,638	170,622	91,844	14,022	88,261	389,387
Charlestown			37,260	47,837	40,197	125,294
Coventry **			-	215,315	219,567	434,882
Cranston	5,236,467	2,320,642	381,766	541,181	902,676	9,382,732
Cumberland	101		158,223	268,332	222,875	649,531
East Greenwich	204,947		62,403	121,962	121,975	511,287
East Providence	176,390		224,226	403,334	576,285	1,380,235
Exeter			30,874	41,703	82,278	154,855
Foster	372		21,699	31,569	67,222	120,862
Glocester			46,378	71,674	93,040	211,092
Hopkinton			38,721	34,084	61,873	134,678
Jamestown			25,703	80,467	35,711	141,881
Johnston			136,438	120,380	376,545	633,363
Lincoln			100,146	191,841	237,608	529,595
Little Compton			16,614	29,670	24,136	70,419
Middletown			76,967	135,566	84,730	297,263
Narragansett			75,677	123,055	96,326	295,057
Newport	1,101,495		116,689	378,526	133,938	1,730,647
New Shoreham			4,521	78,316	7,124	89,961
North Kingstown	1,941		125,831	263,709	226,217	617,697
North Providence	544,065	846,788	152,463	171,750	348,919	2,063,985
North Smithfield			56,226	63,341	176,956	296,523
Pawtucket	472,601	1,252,008	338,638	315,245	671,382	3,049,875
Portsmouth			82,157	103,446	104,673	290,276
Providence	24,227,138	4,429,560	845,052	1,182,779	1,712,321	32,396,850
Richmond			36,482	26,139	58,014	120,634
Scituate			48,940	95,169	124,353	268,461
Smithfield	537,747		101,774	269,659	279,144	1,188,323
South Kingstown	154,721		144,389	203,945	170,945	674,000
Tiverton			74,510	94,109	107,329	275,948
Warren			50,918	53,561	81,767	186,246
Warwick	1,226,062		394,570	688,368	1,049,606	3,358,606
Westerly	121,833		108,439	265,542	221,373	717,186
West Greenwich			28,597	27,126	59,026	114,749
West Warwick		675,775	138,805	147,770	218,649	1,180,999
Woonsocket	231,391	689,062	196,763	197,423	354,466	1,669,106
<b>Subtotal</b>	<b>\$35,080,409</b>	<b>\$10,384,458</b>	<b>\$4,833,874</b>	<b>\$7,698,411</b>	<b>\$10,000,000</b>	<b>\$67,997,152</b>
<b>Redistribution Municipal Incentive Aid **</b>			<b>\$166,126</b>			<b>\$166,126</b>
Statewide Reference Library Resource Grant				1,012,378		1,012,378
Grant-In-Aid to Institutional Libraries				62,609		62,609
Library Construction Reimbursement				2,500,666		2,500,666
<b>Total</b>	<b>\$35,080,409</b>	<b>\$10,384,458</b>	<b>\$5,000,000</b>	<b>\$11,274,064</b>	<b>\$10,000,000</b>	<b>\$71,738,931</b>

\*To be eligible to receive incentive aid, municipalities must meet eligibility criteria.

\*\* For fiscal year 2014, and in any year thereafter that a municipality is not eligible to receive a distribution under chapter R.I. Gen. Laws 45-13.2 (Municipal Incentive Aid), the distribution that said municipality would have received had it been eligible shall be re-appropriated to the immediately following fiscal year, at which time the amount re-appropriated shall be distributed to said municipality provided that said municipality has satisfied the eligibility requirements of both the prior fiscal year and the then current fiscal year. In the event that said municipality fails to satisfy the eligibility requirements for the prior and the then current fiscal year by the time that eligibility to receive distributions in the next fiscal year is determined, then the amount that would have been distributed to the municipality for said prior year will be distributed in the month of May among the municipalities that received a distribution in the prior fiscal year, with the share to be received by each municipality calculated in the same manner as distributions were calculated in the prior fiscal year.

## Fiscal Year 2014 Revised Pass Through Aid to Cities & Towns

City or Town	Public Service Corporation Tax	Hotel Tax*	Meals and Beverage Tax	FY 2014 Total Shared Taxes State Aid	FY 2014 Total Shared & Appropriated Aid
Barrington	205,617	-	140,738	346,356	1,015,740
Bristol	289,555	30,309	353,116	672,981	1,721,476
Burrillville	199,730	-	176,444	376,174	902,962
Central Falls	242,507	-	104,134	346,641	736,028
Charlestown	98,381	20,323	110,430	229,134	354,428
Coventry	438,642	70,692	372,548	881,882	1,316,765
Cranston	1,008,020	9,198	1,518,621	2,535,839	11,918,571
Cumberland	417,774	-	391,340	809,113	1,458,644
East Greenwich	164,770	367	484,805	649,942	1,161,229
East Providence	592,051	35,654	818,421	1,446,125	2,826,360
Exeter	81,520	-	76,289	157,809	312,664
Foster	57,295	132	14,605	72,032	192,894
Glocester	122,456	1,811	72,747	197,014	408,105
Hopkinton	102,239	-	49,242	151,481	286,159
Jamestown	67,867	10,222	84,057	162,146	304,027
Johnston	360,253	6,548	481,407	848,209	1,481,572
Lincoln	264,428	89,914	705,910	1,060,253	1,589,847
Little Compton	43,867	8,756	33,671	86,294	156,713
Middletown	203,225	612,044	631,797	1,447,066	1,744,329
Narragansett	199,818	80,107	554,106	834,031	1,129,088
Newport	308,107	1,726,727	1,902,127	3,936,960	5,667,607
New Shoreham	11,937	231,486	265,712	509,135	599,096
North Kingstown	332,245	65,082	480,338	877,664	1,495,361
North Providence	402,567	-	346,195	748,762	2,812,747
North Smithfield	148,460	2,569	188,449	339,478	636,001
Pawtucket	894,145	43,228	695,812	1,633,185	4,683,059
Portsmouth	216,929	8,408	179,149	404,485	694,761
Providence	2,231,291	1,746,158	4,609,224	8,586,672	40,983,522
Richmond	96,326	3,476	120,921	220,724	341,358
Scituate	129,220	3,982	62,506	195,708	464,169
Smithfield	268,724	130,448	578,904	978,076	2,166,399
South Kingstown	381,247	125,057	646,410	1,152,714	1,826,714
Tiverton	196,736	-	196,200	392,937	668,884
Warren	134,444	-	250,968	385,412	571,657
Warwick	1,041,829	895,867	2,406,037	4,343,732	7,702,338
Westerly	286,324	332,003	730,227	1,348,554	2,065,740
West Greenwich	75,508	84,578	101,497	261,583	376,331
West Warwick	366,504	89,146	323,440	779,091	1,960,090
Woonsocket	519,536	54,000	518,635	1,092,171	2,761,277
<b>Subtotal</b>	<b>\$13,202,094</b>	<b>\$6,518,292</b>	<b>\$21,777,177</b>	<b>\$41,497,564</b>	<b>\$109,494,716</b>
<b>Redistribution Municipal Incentive Aid ***</b>					<b>\$166,126</b>
Statewide Reference Library Resource Grant (Providence)					1,012,378
Grant-In-Aid to Institutional Libraries					62,609
Library Construction Reimbursement					2,500,666
<b>Total</b>	<b>\$13,202,094</b>	<b>\$6,518,292</b>	<b>\$21,777,177</b>	<b>\$41,497,564</b>	<b>\$113,236,495</b>

\*Amount includes 1.0% local tax and 25.0% local share of state 5.0% tax.

## Fiscal Year 2015 Enacted State Aid to Cities and Towns

City or Town	Payment In Lieu of Tax Exempt Property	Distressed Community Relief Fund	Municipal Incentive Aid*	State Library Aid	Motor Vehicle Excise Tax Reimbursement Value of Exemption**	FY 2015 Total Appropriated State Aid
Barrington	15,625		77,873	341,488	236,976	671,962
Bristol	825,102		109,663	139,595	116,200	1,190,559
Burrillville	134,639		75,644	141,022	209,316	560,621
Central Falls	21,572	197,930	91,844	17,569	88,261	417,176
Charlestown			37,260	47,766	40,197	125,222
Coventry			166,126	222,474	219,567	608,167
Cranston	6,043,928	1,160,322	381,766	539,079	902,676	9,027,770
Cumberland	118		158,223	273,112	222,875	654,328
East Greenwich	360,281		62,403	121,085	121,975	665,744
East Providence	222,995		224,226	363,025	576,285	1,386,531
Exeter			30,874	45,664	82,278	158,815
Foster	431		21,699	31,550	67,222	120,903
Glocester			46,378	71,631	93,040	211,049
Hopkinton			38,721	34,685	61,873	135,278
Jamestown			25,703	87,697	35,711	149,111
Johnston			136,438	124,729	376,545	637,713
Lincoln			100,146	191,018	237,608	528,772
Little Compton			16,614	30,298	24,136	71,047
Middletown			76,967	137,973	84,730	299,670
Narragansett			75,677	122,983	96,326	294,985
Newport	1,315,321		116,689	381,739	133,938	1,947,686
New Shoreham			4,521	78,270	7,124	89,915
North Kingstown	1,594		125,831	273,440	226,217	627,082
North Providence	631,707	948,672	152,463	176,242	348,919	2,258,003
North Smithfield			56,226	63,304	176,956	296,486
Pawtucket	545,565	1,387,409	338,638	329,493	671,382	3,272,486
Portsmouth			82,157	103,554	104,673	290,383
Providence	27,109,512	5,071,751	845,052	1,132,820	1,712,321	35,871,456
Richmond			36,482	26,531	58,014	121,026
Scituate			48,940	95,113	124,353	268,405
Smithfield	646,892		101,774	269,275	279,144	1,297,084
South Kingstown	186,169		144,389	199,345	170,945	700,848
Tiverton			74,510	102,842	107,329	284,681
Warren			50,918	53,916	81,767	186,601
Warwick	1,595,654		394,570	691,943	1,049,606	3,731,773
Westerly	146,095		108,439	255,839	221,373	731,746
West Greenwich			28,597	28,154	59,026	115,777
West Warwick		783,095	138,805	155,644	218,649	1,296,193
Woonsocket	277,209	835,279	196,763	196,505	354,466	1,860,222
<b>Subtotal</b>	<b>\$40,080,409</b>	<b>\$10,384,458</b>	<b>\$5,000,000</b>	<b>\$7,698,411</b>	<b>\$10,000,000</b>	<b>\$73,163,278</b>
Statewide Reference Library Resource Grant				1,012,378		1,012,378
Grant-In-Aid to Institutional Libraries				62,609		62,609
Library Construction Reimbursement				2,331,589		2,331,590
<b>Total</b>	<b>\$40,080,409</b>	<b>\$10,384,458</b>	<b>\$5,000,000</b>	<b>\$11,104,987</b>	<b>\$10,000,000</b>	<b>\$76,569,855</b>

\*To be eligible to receive incentive aid, municipalities must meet eligibility criteria.

\*\* Estimate as of 5/20/14. Subject to change once finalized motor vehicle tax rolls are received from cities and towns.

## Fiscal Year 2015 Enacted Pass Through Aid to Cities & Towns

City or Town	Public Service Corporation Tax	Hotel Tax*	Meals and Beverage Tax	FY 2015 Total Shared Taxes State Aid	FY 2015 Total Shared & Appropriated Aid
Barrington	221,639	-	148,088	369,727	1,041,689
Bristol	308,928	33,294	359,549	701,772	1,892,331
Burrillville	216,868	-	209,021	425,889	986,510
Central Falls	262,600	-	102,373	364,972	782,149
Charlestown	106,035	22,325	117,677	246,036	371,259
Coventry	474,601	77,656	380,402	932,659	1,540,826
Cranston	1,090,383	10,104	1,611,595	2,712,082	11,739,853
Cumberland	454,704	-	417,326	872,029	1,526,357
East Greenwich	178,130	403	544,921	723,454	1,389,199
East Providence	639,014	39,166	878,884	1,557,064	2,943,595
Exeter	90,136	-	83,751	173,887	332,702
Foster	62,363	145	15,982	78,489	199,392
Glocester	132,587	1,989	78,615	213,192	424,241
Hopkinton	110,548	-	55,632	166,181	301,459
Jamestown	73,464	11,229	83,367	168,060	317,171
Johnston	390,714	7,193	500,519	898,426	1,536,139
Lincoln	286,509	98,771	733,392	1,118,672	1,647,443
Little Compton	47,318	9,619	41,112	98,048	169,095
Middletown	218,914	672,331	648,075	1,539,321	1,838,991
Narragansett	214,997	87,998	539,233	842,228	1,137,213
Newport	330,398	1,896,813	2,059,938	4,287,149	6,234,835
New Shoreham	11,697	254,288	277,609	543,594	633,509
North Kingstown	358,048	71,492	498,047	927,588	1,554,670
North Providence	435,538	-	375,011	810,549	3,068,553
North Smithfield	161,729	2,822	210,680	375,231	671,717
Pawtucket	965,684	47,486	699,268	1,712,439	4,984,925
Portsmouth	234,854	9,236	191,158	435,248	725,631
Providence	2,415,159	1,918,158	4,907,221	9,240,538	45,111,995
Richmond	103,920	3,819	128,163	235,902	356,929
Scituate	140,191	4,374	72,580	217,145	485,550
Smithfield	291,036	143,297	627,012	1,061,345	2,358,430
South Kingstown	412,970	137,376	692,413	1,242,759	1,943,607
Tiverton	213,316	-	203,171	416,488	701,169
Warren	144,380	-	248,139	392,518	579,120
Warwick	1,120,907	984,112	2,518,524	4,623,542	8,355,315
Westerly	308,860	364,706	768,106	1,441,672	2,173,418
West Greenwich	82,423	92,909	111,960	287,293	403,069
West Warwick	394,835	97,928	337,785	830,547	2,126,740
Woonsocket	559,030	59,319	526,119	1,144,469	3,004,691
<b>Subtotal</b>	<b>\$14,265,427</b>	<b>\$7,160,358</b>	<b>\$23,002,421</b>	<b>\$44,428,206</b>	<b>\$117,591,484</b>
Statewide Reference Library Resource Grant (Providence)					1,012,378
Grant-In-Aid to Institutional Libraries					62,609
Library Construction Reimbursement					2,331,590
<b>Total</b>	<b>\$14,265,427</b>	<b>\$7,160,358</b>	<b>\$23,002,421</b>	<b>\$44,428,206</b>	<b>\$120,998,061</b>

\*Amount includes 1.0% local tax and 25.0% local share of state 5.0% tax.

Note: Meals & Beverage and Hotel Tax are subject to revision as more data becomes available.

## Changes in Formula Aid - FY 2015 vs. FY 2014 Revised

City or Town	Payment In Lieu of Tax Exempt Property	Distressed Community Relief Fund	Municipal Incentive Aid (New FY14)	State Library Aid	Motor Vehicle Excise Tax Reimbursement Value of Exemption	Total Appropriated Difference
Barrington	2,238	-	-	340	-	2,578
Bristol	132,253	-	-	9,811	-	142,063
Burrillville	22,375	-	-	11,458	-	33,833
Central Falls	(3,066)	27,308	-	3,547	-	27,789
Charlestown	-	-	-	(71)	-	(71)
Coventry **	-	-	166,126	7,159	-	173,285
Cranston	807,461	(1,160,320)	-	(2,102)	-	(354,962)
Cumberland	17	-	-	4,780	-	4,797
East Greenwich	155,334	-	-	(877)	-	154,457
East Providence	46,605	-	-	(40,309)	-	6,296
Exeter	-	-	-	3,961	-	3,961
Foster	59	-	-	(19)	-	40
Glocester	-	-	-	(43)	-	(43)
Hopkinton	-	-	-	601	-	601
Jamestown	-	-	-	7,230	-	7,230
Johnston	-	-	-	4,349	-	4,349
Lincoln	-	-	-	(823)	-	(823)
Little Compton	-	-	-	628	-	628
Middletown	-	-	-	2,407	-	2,407
Narragansett	-	-	-	(72)	-	(72)
Newport	213,826	-	-	3,213	-	217,039
New Shoreham	-	-	-	(46)	-	(46)
North Kingstown	(347)	-	-	9,731	-	9,384
North Providence	87,642	101,884	-	4,492	-	194,018
North Smithfield	-	-	-	(37)	-	(37)
Pawtucket	72,964	135,401	-	14,248	-	222,612
Portsmouth	-	-	-	108	-	108
Providence	2,882,374	642,191	-	(49,959)	-	3,474,606
Richmond	-	-	-	392	-	392
Scituate	-	-	-	(56)	-	(56)
Smithfield	109,145	-	-	(384)	-	108,761
South Kingstown	31,448	-	-	(4,600)	-	26,848
Tiverton	-	-	-	8,733	-	8,733
Warren	-	-	-	355	-	355
Warwick	369,592	-	-	3,575	-	373,167
Westerly	24,262	-	-	(9,703)	-	14,559
West Greenwich	-	-	-	1,028	-	1,028
West Warwick	-	107,320	-	7,874	-	115,194
Woonsocket	45,818	146,217	-	(918)	-	191,116
<b>Subtotal</b>	<b>\$5,000,000</b>	<b>\$0</b>	<b>\$166,126</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,166,126</b>
<b>FY14 Redistribution</b>						
<b>Municipal Incentive</b>						
<b>Aid **</b>						
			(\$166,126)			(\$166,126)
Statewide Reference Library Resource Grant (Providence)						\$0
Grant-In-Aid to Institutional Libraries						\$0
Library Construction Reimbursement						(\$169,076)
<b>Total</b>	<b>\$5,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,830,924</b>

\*\* For fiscal year 2014, and in any year thereafter that a municipality is not eligible to receive a distribution under chapter R.I. Gen. Laws 45-13.2 (Municipal Incentive Aid), the distribution that said municipality would have received had it been eligible shall be re-appropriated to the immediately following fiscal year, at which time the amount re-appropriated shall be distributed to said municipality provided that said municipality has satisfied the eligibility requirements of both the prior fiscal year and the then current fiscal year. In the event that said municipality fails to satisfy the eligibility requirements for the prior and the then current fiscal year by the time that eligibility to receive distributions in the next fiscal year is determined, then the amount that would have been distributed to the municipality for said prior year will be distributed in the month of May among the municipalities that received a distribution in the prior fiscal year, with the share to be received by each municipality calculated in the same manner as distributions were calculated in the prior fiscal year.

## Changes in Pass Through and All Aid - FY 2015 vs. FY 2014 Revised

City or Town	Public Service Corporation Tax	Hotel Tax	Meals and Beverage Tax	Total Pass Through State Aid Difference	Total All State Aid Difference
Barrington	16,021	-	7,350	23,371	25,949
Bristol	19,372	2,985	6,433	28,791	170,854
Burrillville	17,137	-	32,577	49,715	83,548
Central Falls	20,092	-	(1,761)	18,331	46,120
Charlestown	7,654	2,002	7,247	16,902	16,831
Coventry	35,959	6,963	7,855	50,777	224,061
Cranston	82,363	906	92,974	176,243	(178,719)
Cumberland	36,930	-	25,986	62,916	67,713
East Greenwich	13,360	36	60,116	73,512	227,970
East Providence	46,963	3,512	60,464	110,939	117,235
Exeter	8,615	-	7,462	16,077	20,038
Foster	5,068	13	1,377	6,458	6,498
Glocester	10,131	178	5,868	16,178	16,135
Hopkinton	8,309	-	6,390	14,700	15,300
Jamestown	5,597	1,007	(690)	5,914	13,144
Johnston	30,461	645	19,112	50,217	54,567
Lincoln	22,081	8,857	27,481	58,419	57,596
Little Compton	3,451	862	7,441	11,754	12,382
Middletown	15,689	60,288	16,278	92,255	94,662
Narragansett	15,179	7,891	(14,873)	8,197	8,125
Newport	22,291	170,086	157,812	350,189	567,228
New Shoreham	(240)	22,802	11,897	34,459	34,413
North Kingstown	25,804	6,411	17,710	49,924	59,309
North Providence	32,971	-	28,816	61,787	255,806
North Smithfield	13,269	253	22,232	35,753	35,716
Pawtucket	71,539	4,258	3,456	79,254	301,865
Portsmouth	17,925	828	12,009	30,763	30,870
Providence	183,868	172,000	297,998	653,867	4,128,473
Richmond	7,594	342	7,242	15,178	15,570
Scituate	10,971	392	10,074	21,437	21,381
Smithfield	22,312	12,849	48,108	83,269	192,030
South Kingstown	31,723	12,318	46,004	90,045	116,893
Tiverton	16,580	-	6,971	23,551	32,284
Warren	9,936	-	(2,829)	7,107	7,462
Warwick	79,079	88,245	112,487	279,810	652,977
Westerly	22,536	32,703	37,879	93,118	107,677
West Greenwich	6,915	8,331	10,463	25,710	26,738
West Warwick	28,331	8,781	14,345	51,456	166,651
Woonsocket	39,494	5,319	7,484	52,297	243,414
<b>Subtotal</b>	<b>\$1,063,333</b>	<b>\$642,066</b>	<b>\$1,225,244</b>	<b>\$2,930,642</b>	<b>\$8,096,768</b>

### FY14 Redistribution

<b>Municipal Incentive Aid</b>					
**					(\$166,126)
Statewide Reference Library Resource Grant					\$0
Grant-In-Aid to Institutional Libraries					-
Library Construction Reimbursement					(\$169,076)
<b>Total</b>	<b>\$1,063,333</b>	<b>\$642,066</b>	<b>\$1,225,244</b>	<b>\$2,930,642</b>	<b>\$7,761,566</b>

\*\* For fiscal year 2014, and in any year thereafter that a municipality is not eligible to receive a distribution under chapter R.I. Gen. Laws 45-13.2 (Municipal Incentive Aid), the distribution that said municipality would have received had it been eligible shall be re-appropriated to the immediately following fiscal year, at which time the amount re-appropriated shall be distributed to said municipality provided that said municipality has satisfied the eligibility requirements of both the prior fiscal year and the then current fiscal year. In the event that said municipality fails to satisfy the eligibility requirements for the prior and the then current fiscal year by the time that eligibility to receive distributions in the next fiscal year is determined, then the amount that would have been distributed to the municipality for said prior year will be distributed in the month of May among the municipalities that received a distribution in the prior fiscal year, with the share to be received by each municipality calculated in the same manner as distributions were calculated in the prior fiscal year.

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## Education Aid to Local Units of Government

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**Education Aid to Local Units of Governments** totals \$984.0 million in FY 2015. This includes aid to the local education agencies (LEAs), state schools (Metropolitan Career and Technical School, Davies Career and Technical School, and the School for the Deaf), as well as state contributions for Teacher Retirement and School Housing (school construction) Aid. Total education aid enacted in FY 2015 reflects an increase of \$42.8 million from the revised FY 2014 Budget. FY 2015 represents year four of the education aid funding formula. Distributed aid reflects funding formula calculations and group home aid to both districts and charter schools. Distributed education aid to districts increased by \$27.1 million, while aid to charter schools and the Urban Collaborative Accelerated Program increased by \$4.4 million. The majority of the increase results from fully funding year four of the funding formula and reducing the overall total amount of funding remaining to be transitioned for underfunded districts by increasing those district's FY 2015 base.

### **Non-Distributed Aid**

Non-distributed aid increased by \$3.1 million from revised FY 2014 levels. The overall change is driven by increases in the categorical funds: \$1.1 million for the Transportation categorical fund; \$1.0 million for the Early Childhood Demonstration program; \$500,000 for the High Cost Special Education categorical fund; and \$500,000 for the Career and Technical Education categorical fund. Remaining non-distributed aid consists of \$240,000 for non-public textbook reimbursement, \$270,000 for school breakfast administrative fees, \$400,000 to offset the loss of revenue from the surcharge placed on all residence and business landlines to fund the Rhode Island Telecommunications Education Access Fund; and \$250,000 for start-up costs to implement the Full-Day Kindergarten Pilot Program, all of which except for non-public textbooks are consistent with FY 2014 levels. The FY 2014 aid for non-public textbooks is reduced by \$44,948 to reflect actual need from the local education agencies.

### **State Schools**

State financing of operations at the three state schools- the Davies Career and Technical School, the Rhode Island School for the Deaf, and the Met School- decreased in the FY 2015 budget by a combined total of \$1.1 million as compared to the FY 2014 revised total. Davies and the Met fall under year four of the education aid funding formula, but School for the Deaf does not.

### **Other Aid**

The FY 2015 budget also includes increases in other aid of \$9.3 million, where the majority is comprised of \$9.0 million in state contribution to teacher retirement.

### **Explanation of Tables- by Category and LEA**

The following two tables display education aid first by category, and then by apportionment among the state's local and regional education authorities. FY 2015 is year four of the education aid funding formula passed into law by the 2010 session of the General Assembly.

“Distributed LEA Aid” consists of the various categories of aid that are directly distributed to school districts on a regular (usually monthly) basis, such as Formula Aid and Group Home Funding. For completeness, financing of the Central Falls School District is also displayed in this section. “Non-Distributed Aid” includes several categories of aid that are either utilized at the departmental level or are not distributed regularly to school districts. “State Schools” include the Metropolitan School, Davies, and the School for the Deaf. On each table, “Other Aid” includes allocations for School Construction Aid and state contributions to the Teachers’ Retirement Fund.

## Education Aid by Category of Aid

Category of Education Aid	FY 2014 Revised	FY 2015 Enacted	Increase (Decrease)
<b>Distributed LEA Aid</b>			
Formula Aid	\$707,297,914	\$739,266,113	31,968,199
Group Home Funding	7,191,000	\$6,093,233	(1,097,767)
Central Falls School District	38,399,592	\$39,010,584	610,992
Subtotal	\$752,888,506	\$784,369,930	\$31,481,425
<b>Non-Distributed Aid</b>			
Textbook Expansion	\$195,052	\$240,000	44,948
School Breakfast	\$270,000	\$270,000	-
Telecommunications Access	\$400,000	\$400,000	-
Early Childhood Demonstration	\$1,950,000	\$2,950,000	1,000,000
Transportation Categorical	\$3,263,520	\$4,351,360	1,087,840
High Cost Special Ed Categorical	\$1,000,000	\$1,500,000	500,000
Career and Tech Categorical	\$3,000,000	\$3,500,000	500,000
Regionalization Bonus	-	-	-
Full-Day Kindergarten	\$250,000	\$250,000	-
Subtotal	\$10,328,572	\$13,461,360	\$3,132,788
<b>State Schools</b>			
Metropolitan School	\$11,085,049	\$10,501,360	(\$583,689)
School for the Deaf	\$5,904,572	\$5,929,824	25,252
Davies School	\$12,792,048	\$12,240,174	(551,874)
Subtotal	\$29,781,669	\$28,671,358	(\$1,110,311)
<b>Other Aid</b>			
Teachers' Retirement	\$80,546,586	\$89,529,396	\$8,982,810
School Housing Aid	\$67,663,036	\$67,949,504	286,468
Subtotal	\$148,209,622	\$157,478,900	\$9,269,278
<b>Total Aid</b>	<b>\$941,208,369</b>	<b>\$983,981,549</b>	<b>\$42,773,180</b>



## Education Aid to Local Units of Government

	FY 2014 Revised	FY 2015 Enacted	Increase/ (Decrease)
<b>Distributed LEA Aid</b>			
Barrington	3,918,965	4,605,698	686,734
Burrillville	13,042,387	13,147,942	105,556
Charlestown	1,706,995	1,708,666	1,671
Coventry	20,300,158	20,983,721	683,563
Cranston	42,982,101	46,502,463	3,520,362
Cumberland	14,621,350	15,614,645	993,296
East Greenwich	2,266,168	2,393,843	127,674
East Providence	28,039,793	29,240,976	1,201,183
Foster	1,189,070	1,178,486	(10,583)
Glocester	2,683,922	2,616,917	(67,005)
Hopkinton	5,515,535	5,576,348	60,813
Jamestown	359,449	399,684	40,235
Johnston	11,756,085	12,903,198	1,147,114
Lincoln	8,957,047	9,787,594	830,546
Little Compton	365,270	401,928	36,658
Middletown	9,098,862	8,891,103	(207,760)
Narragansett	1,799,609	1,987,115	187,506
Newport	10,641,310	10,623,202	(18,108)
New Shoreham	75,366	82,308	6,942
North Kingstown	10,791,146	10,713,691	(77,454)
North Providence	14,984,604	16,417,039	1,432,435
North Smithfield	5,364,804	5,553,095	188,292
Pawtucket	71,454,232	74,709,961	3,255,729
Portsmouth	5,125,144	4,851,149	(273,996)
Providence	205,733,050	214,570,246	8,837,196
Richmond	5,335,436	5,205,437	(129,999)
Scituate	3,685,657	3,913,719	228,063
Smithfield	4,924,041	5,032,662	108,621
South Kingstown	8,100,495	7,842,012	(258,483)
Tiverton	5,769,004	5,800,664	31,660
Warwick	35,092,103	35,959,168	867,066
Westerly	7,122,961	7,620,088	497,128
West Warwick	20,265,989	20,973,995	708,006
Woonsocket	48,092,469	50,667,450	2,574,981
Bristol/Warren	16,575,588	16,060,880	(514,709)
Exeter/W Greenwich	6,128,269	5,904,008	(224,261)
Chariho	268,242	229,922	(38,320)
Foster/Glocester	5,001,610	4,947,130	(54,480)
Central Falls	38,399,591	39,010,584	610,993
Subtotal	\$ 697,533,873	\$ 724,628,740	\$ 27,094,866

## Education Aid to Local Units of Government

	FY 2014 Revised	FY 2015 Enacted		Increase/ (Decrease)
<b>Distributed LEA Aid</b>				
Achievement First	1,745,202	2,705,111	\$	959,909
Beacon Charter School	1,682,079	1,679,403		(2,676)
Blackstone Academy	1,619,062	1,652,884		33,822
Compass School	561,195	534,940		(26,255)
Engineering Early	0	0		0
Greene School	888,955	942,594		53,639
Highlander	3,331,257	3,754,605		423,348
Hope Academy	0	369,149		369,149
International Charter School	2,867,619	2,867,486		(134)
Kingston Hill Academy	653,830	625,616		(28,214)
Learning Community	6,122,147	6,137,789		15,641
New England Laborers	1,230,541	1,194,388		(36,153)
Nowell Academy	1,573,568	1,596,758		23,190
Nurses Institute	2,478,686	2,508,982		30,296
Paul Cuffee Charter School	7,962,677	7,962,688		12
RIMA Blackstone Valley	7,818,591	9,068,092		1,249,501
Segue Institute for Learning	2,596,191	2,649,456		53,265
Southside Elementary	0	255,742		255,742
Textron	2,255,254	2,318,176		62,922
Times 2 Academy	7,013,322	6,986,801		(26,521)
Trinity Academy	1,448,044	1,755,462		307,418
Village Green	1,209,709	1,600,555		390,847
Subtotal	\$ 55,057,929	\$ 59,166,677	\$	4,108,748
Urban Collaborative	296,703	574,513	\$	296,703
Distributed LEA Subtotal	\$ 752,888,506	\$ 784,369,930	\$	31,500,317
<b>Non-Distributed Aid</b>				
Textbook Expansion	\$195,052	240,000	\$	44,948
School Breakfast	\$270,000	270,000		-
Telecommunications Access	\$400,000	\$400,000		-
Early Childhood Demonstration	\$1,950,000	\$2,950,000		1,000,000
Transportation Categorical	\$3,263,520	\$4,351,360		1,087,840
High Cost Special Ed Categorical	\$1,000,000	\$1,500,000		500,000
Career and Tech Categorical	\$3,000,000	\$3,500,000		500,000
Regionalization Bonus	-	-		-
Full-Day Kindergarten	250,000	250,000		-
Subtotal	\$ 10,328,572	\$ 13,461,360	\$	3,132,788

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## Education Aid to Local Units of Government

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	<b>FY 2014</b>		<b>FY 2015</b>	<b>Increase/ (Decrease)</b>
	<b>Revised</b>		<b>Enacted</b>	
<b>State Schools</b>				
Metropolitan School	11,085,049		10,501,360	\$ (563,207)
School for the Deaf	\$5,904,572		\$5,929,824	25,252
Davies School	12,792,048		12,240,174	(589,491)
Subtotal	\$ 29,781,669	\$	28,671,358	\$ (1,110,311)
<b>Other Aid</b>				
Teachers' Retirement	\$80,546,586		\$89,529,396	\$ 8,982,810
School Housing Aid	\$67,663,036		\$67,949,504	286,468
Subtotal	\$ 148,209,622	\$	157,478,900	\$ 9,269,278
<b>Total</b>	<b>\$ 941,208,369</b>	<b>\$</b>	<b>983,981,549</b>	<b>\$ 42,773,180</b>



# **Capital Improvement Plan**



## Capital Improvement Plan

The Capital Improvement Plan (CIP) focuses on directing limited capital funds to support Rhode Island's economy, protect and restore its CIP infrastructure and get Rhode Islanders back to work. The CIP builds on recent reforms to ensure pay-as-you-go funding for our transportation program, continues to make significant investments in higher education, and ensures we protect and preserve our natural resources for today and for our children. The CIP reflects a policy of controlling Rhode Island's capital debt by limiting the new issuance of debt, reallocation of current resources to preserving and improving infrastructure, and controlling capital expenditures to a level that is affordable. Effective execution of this policy, as well as other sound financial management practices, can have a positive impact on Rhode Island's credit rating.

The FY 2015 enacted five-year Capital Improvement Plan includes multiple sources of financing, largely driven by Rhode Island Capital Plan Fund financing, previously authorized general obligation bonds, and certificates of participation.

### Rhode Island Capital Plan Fund

The enacted FY 2015 Budget for the Rhode Island Capital Plan Fund is \$167.3 million or \$42.1 million more than the FY 2014 final authorized budget. The enacted five-year RI Capital Plan Fund budget from FY 2015 through FY 2019 totals \$615.2 million, reflecting a \$38.1 million increase above the FY 2014 original enacted RI Capital Plan Fund budget for the same period. The FY 2014 final revised RI Capital Plan Fund budget totals \$125.2 million, a \$42.3 million reduction from the FY 2014 enacted budget, inclusive of reappropriations of unspent FY 2013 funds. The FY 2015 enacted five-year RI Capital Plan Fund budget is broken out by year below, including the FY 2014 final revised appropriation.

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
FY 2014 Enacted	\$167,523,611	\$128,931,437	\$110,609,222	\$88,634,982	\$81,428,884	\$98,586,240
FY 2015 Enacted	\$125,247,885	\$167,335,029	\$116,704,760	\$118,950,379	\$112,611,815	\$99,586,240
Variance	(\$42,275,726)	\$38,403,592	\$6,095,538	\$30,315,397	\$31,182,931	\$1,000,000

In the FY 2015 five-year plan for the RI Capital Plan Fund, the largest portion of funds is allocated to Transportation projects, with a budget totaling \$167.5 million, or 27.2 percent of funds in the five-year plan. The five-year plan reflects a \$30.3 million increase from the FY 2014 plan for the same time period. The revised FY 2014 RI Capital Plan Fund budget for Transportation is \$12.4 million, a \$14.7 million decrease from the FY 2014 enacted authorization. The majority of the five-year RI Capital Plan Fund budget is attributable to the Highway Improvement Plan, totaling \$137.5 million in FY 2015 through FY 2019. Financing from the Fund is only a small portion of the financing for the Highway Improvement Plan, which receives financing from federal highway funds, gas tax proceeds, land sale revenue, general obligation bonds and vehicle registration fees.

The Education programs comprise 22.6 percent of the statewide five-year plan with a budget totaling \$139.2 million in the five-year plan. The revised FY 2014 RI Capital Plan Fund budget increases \$2.7 million from the FY 2014 enacted budget, however, financing for Education in the FY 2015 five-year plan decreases by \$3.5 million. Higher Education projects comprise 91.3 percent of the Education programs with a five-year plan totaling \$127.1 million, and consist primarily of asset protection and campus enhancement projects. The most substantial projects are University of Rhode Island asset protection (\$37.1 million), Community College of Rhode Island Knight Campus renewal (\$20.0 million), Rhode Island College asset protection (\$16.4 million), and Rhode Island College infrastructure modernization (\$14.4 million).

The five-year RI Capital Plan Fund budget for the General Government program consists of \$106.4 million, or 17.3 percent of the statewide five-year plan. The plan reflects a \$3.7 million decrease from the FY 2014 plan for the same time period. The revised FY 2014 RI Capital Plan Fund budget decreases by \$6.8 million

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## Capital Improvement Plan

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from the enacted FY 2014 budget, resulting in a total appropriation of \$36.6 million. The decrease is primarily attributable to projects being shifted to subsequent fiscal years as a result of revised timelines. The Department of Administration comprises the vast majority of the General Government appropriation, with a five-year RI Capital Plan Fund budget totaling \$100.2 million, or 94.2 percent of the General Government's allocation. The Department's capital budget includes capital and facilities management projects across a myriad of state properties and agencies, including numerous projects at the Pastore Center Campus, State House and the Capitol Hill complex. Notable projects in the five-year plan include the Virks building renovations (\$13.4 million), renovations at the State House (\$13.4 million), repairs and infrastructure maintenance at the Dunkin Donuts Center (\$7.9 million), demolition of unsound structures at the Pastore Campus (\$6.4 million), and the Department of Transportation's State Office Building (\$5.1 million). RI Capital Plan Fund financing accounts for more than half of General Government's capital funds, which are supplemented by general obligation bonds, certificates of participation, federal funds, restricted receipts and other fund sources.

Public Safety's FY 2015 five-year capital plan totals \$104.5 million in RI Capital Plan Fund financing, or 17.0 percent of the statewide five-year plan. The revised FY 2014 budget for the RI Capital Plan Fund budget is \$15.8 million, a \$9.8 million decrease from the FY 2014 enacted budget. The Department of Correction's budget makes up 57.3 percent of Public Safety's five-year RI Capital Plan Fund budget, totaling \$59.9 million. The Department of Correction's capital budget consists primarily of renovating its existing facilities to ensure they remain structurally sound, secure, and suitable for their population. The Department of Public Safety's \$20.3 million in the five-year RI Capital Plan Fund budget includes renovation of the Fire Academy building, infrastructure projects related to the State Police barracks and training facilities, and a new Consolidated Police Training Academy to begin in FY 2016. The Judicial Department's \$13.4 million in the five-year RI Capital Plan Fund budget includes an asset protection program (\$4.5 million), restoration or repairs to the HVAC systems at the Licht, Garrahy, Murray, McGrath, Kent, Traffic Tribunal, and Fogarty courthouses (\$4.0 million), and restoration and renovations of the Licht Judicial complex (\$3.0 million). The Military Staff's five-year plan includes \$5.2 million in RI Capital Plan Fund financing, including various asset protection and fire code compliance projects, as well as funds to match Federal Emergency Management Agency funds for Hurricane Sandy cleanup. RI Capital Plan Fund financing makes up approximately 80.0 percent of Public Safety agencies' five-year capital plan, with additional funds including National Guard Bureau federal funds, Federal Emergency Management Agency grants, Federal Homeland Security Funds, and restricted receipts.

Human Services agencies five-year capital plan consists of \$62.0 million, constituting 10.1 percent of the statewide five-year RI Capital Plan Fund budget. The revised FY 2014 RI Capital Plan Fund budget totals \$10.8 million, a decrease of \$2.5 million from the FY 2014 enacted authorization, attributable to a number of initiatives being postponed to later fiscal years, as well as net reductions in financing for ongoing projects. The Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals makes up 80.5 percent of the Human Services agencies five-year RI Capital Plan Fund budget, with \$49.9 million in financing. The Department's budget is primarily attributable to its Hospital Consolidation project, which totals \$20.0 million for the five-year capital plan, in addition to asset protection and fire code compliance for group homes, and administrative facilities. RI Capital Plan Fund financing accounts for almost half of Human Services agencies capital financing, while the remaining financing is provided by restricted receipts, federal funds, general obligation bonds, and other fund sources.

The Natural Resources program makes up the final 5.8 percent of the five-year RI Capital Plan Fund budget, with a \$35.6 million budget. The revised FY 2014 RI Capital Plan Fund budget for Natural Resource agencies totals \$8.3 million, an \$11.2 million decrease from the FY 2014 enacted budget, due to funds being shifted to future fiscal years as a result of project timeline revisions. The Department of Environmental Management's \$34.8 million budget makes up 97.9 percent of the Natural Resources five-year plan. The Department's projects focus on maintaining and improving the state's environmental and recreational assets,



# Capital Improvement Plan

including \$11.6 million for improvements to natural resource and state park facilities, \$6.5 million for repairs to the State Piers, \$4.8 million for dam repairs, and \$4.4 million for improvements to the Fort Adams State Park for sailing events. RI Capital Plan Fund financing provides nearly half of Natural Resource agencies' capital project financing. Approximately 31.1 percent of total capital project financing comes from general obligation bonds, with the remaining financing from federal funds, restricted receipts and other fund sources.

## General Obligation Bond Referenda

The November 2014 general election ballot will include new debt authorization referenda for \$248,000,000 in general obligation bond and includes:

<b>New Bond Referenda</b>	
URI Engineering - Phase I	\$125,000,000
Transportation - Mass Transit Hub Infrastructure	\$35,000,000
Clean Water Finance Agency	\$20,000,000
Recreation and Environment:	
Brownfield Remediation	\$5,000,000
Flood Prevention	\$3,000,000
Farmland Development Rights	\$3,000,000
Local Recreation Development Grants	\$4,000,000
Roger Williams Park and Zoo	\$18,000,000
Arts - Creative and Cultural Economy	\$35,000,000
<b>Total New Debt Authorization:</b>	<b>\$248,000,000</b>

URI Engineering Phase I, \$125.0 million – Financing will be utilized to construct a new College of Engineering building and undertake supporting renovations. The new building will anchor the northwest corner of the Engineering Quadrangle on the Kingston Campus and provide contemporary and state-of-the-art instructional and research facilities. As part of this project, outdated engineering buildings will be taken out of service and razed. If approved, \$15.0 million would be made available in FY 2016; \$20.0 million in FY 2017; \$35.0 million in FY 2018; \$45.0 million in FY 2019; and \$10.0 million in post-FY 2019.

Mass Transit Hub Infrastructure, \$35.0 million – Financing will be utilized to fund enhancements and renovations to mass transit hub infrastructure throughout the State of Rhode Island to improve access to multiple intermodal sites, key transportation, healthcare, and other locations.

Clean Water Finance Agency, \$20.0 million – Financing will be provided to the Clean Water Finance Agency to finance water pollution abatement infrastructure projects ranging from wastewater treatment upgrades and stormwater quality improvements to combined sewer overflow abatement projects.

Brownfield Remediation, \$5.0 million – Financing will be utilized to provide matching grants to public, private, and/or non-profit entities for the cleanup, reinvestment, and re-use of these sites to create and attract jobs, protect the urban environment, remove hazards, and reduce the cost of storm water flooding.

Flood Prevention, \$3.0 million – Financing will be utilized to provide project design and construction grants for the restoration and/or improved resiliency of vulnerable coastal habitats and the restoration of rivers and stream floodplains.

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## Capital Improvement Plan

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Farmland Development Rights, \$3.0 million – Financing will be utilized to relieve farm owners from the economic pressure to sell their land for residential or commercial development, thus making the properties available for farming in perpetuity.

Local Recreation Development Grants, \$4.0 million – Financing will be utilized for matching grants to municipalities to acquire, develop and rehabilitate local recreational facilities to include: the development of sports fields, tennis courts, and playgrounds.

Roger Williams Park, \$18.0 million – Financing will be utilized for improvements and renovations to the Roger Williams Park and Zoo.

Creative and Cultural Economy, \$35.0 million – Financing will be utilized to fund capital improvement, preservation, and renovation projects for public and nonprofit artistic, performance centers, historic sites, museums and cultural art centers located throughout the State of Rhode Island. Of the \$35.0 million, \$30.0 million will be utilized to provide funds for 1:1 matching grants for a new Cultural Arts and the Economy Grant program to be administered by the Rhode Island State Council on the Arts for capital improvement, preservation and renovation projects for public and nonprofit artistic, performance centers and cultural art centers located throughout the State of Rhode Island and \$5.0 million will provide funds to cities, towns and non-profit organizations to preserve, renovate and improve public and nonprofit historic sites, museums, and cultural art centers located in historic structures in the State of Rhode Island to be administered by the Rhode Island Historical Preservation and Heritage Commission.

### Other Debt Authorizations

Revenue Bonds:	
T.F. Green Airport Improvements/Runway Ext.	\$60,000,000
Garrahy Courthouse Parking	\$45,000,000
Total New Debt Authorization:	\$105,000,000

T.F. Green Airport Improvements/Runway Ext, \$60.0 million – The project will involve the approximately 1,500 feet extension of Runway 5 and it's parallel Taxiway M. The project will also include: mandatory acquisition of property to support roadway re-alignment, re-alignment of a portion of Main Avenue, installation of an EMAS bed to provide a FAA-standard RSA for Runway 5, modifications to FAA navigational equipment, voluntary acquisition of residences located in a newly defined Runway Safety area for Runway 5's extension, and relocation of the perimeter road around the new Runway 5 threshold.

Garrahy Courthouse Parking, \$45.0 million – The funds will be utilized for the provision of financing for construction of a parking garage at the current site of the Garrahy surface parking lot providing approximately 1,250 parking spaces and 13,800 square feet of retail space on the ground level. Authorization to issue this debt is contingent upon the I-195 Redevelopment Commission entering into purchases and sale agreements for at least three parcels in this district it oversees.

# RI Capital Plan Fund - Five Year Capital Plan As Enacted

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
<b>General Government</b>					
Administration	\$32,547,322	\$23,212,500	\$23,387,500	\$12,147,500	\$8,870,000
Labor and Training	2,005,996	1,500,000	1,200,000	1,000,000	-
Revenue	-	-	-	-	-
Secretary of State	500,000	-	-	-	-
<b>Subtotal - General Government</b>	<b>\$35,053,318</b>	<b>\$24,712,500</b>	<b>\$24,587,500</b>	<b>\$13,147,500</b>	<b>\$8,870,000</b>
<b>Human Services</b>					
Children, Youth, and Families	\$2,911,831	\$500,000	\$825,000	-	-
Human Services	165,000	165,000	165,000	165,000	165,000
Behavioral Healthcare, Developmental Disabilities, and Hospitals	7,207,286	6,720,820	5,635,850	15,505,000	14,875,000
Governor's Commission on Disabilities	1,000,000	1,500,000	1,500,000	1,500,000	1,500,000
<b>Subtotal - Human Services</b>	<b>\$11,284,117</b>	<b>\$8,885,820</b>	<b>\$8,125,850</b>	<b>\$17,170,000</b>	<b>\$16,540,000</b>
<b>Education</b>					
Elementary and Secondary	\$5,887,328	\$2,108,088	\$1,250,000	\$350,000	\$250,000
Higher Education - Board of Governors	29,443,170	14,747,400	23,445,800	32,056,473	27,436,240
RI Atomic Energy Commission	100,000	50,000	50,000	50,000	50,000
Historical Preservation and Heritage Commission	1,900,000	-	-	-	-
<b>Subtotal - Education</b>	<b>\$37,330,498</b>	<b>\$16,905,488</b>	<b>\$24,745,800</b>	<b>\$32,456,473</b>	<b>\$27,736,240</b>
<b>Public Safety</b>					
Attorney General	\$300,000	\$300,000	\$300,000	\$400,000	\$400,000
Corrections	19,527,438	15,325,542	11,528,729	6,962,842	6,590,000
Judicial	1,350,000	1,600,000	2,775,000	3,350,000	4,350,000
Military Staff	1,390,000	1,062,500	1,380,000	700,000	700,000
Rhode Island Emergency Management Agency	167,000	1,500,000	2,250,000	-	-
Public Safety	6,799,959	5,032,000	5,400,000	3,100,000	-
<b>Subtotal - Public Safety</b>	<b>\$29,534,397</b>	<b>\$24,820,042</b>	<b>\$23,633,729</b>	<b>\$14,512,842</b>	<b>\$12,040,000</b>
<b>Natural Resources</b>					
Environmental Management	\$17,059,170	\$6,460,910	\$4,637,500	\$3,675,000	\$3,000,000
Coastal Resources Management Council	750,000	-	-	-	-
<b>Subtotal - Natural Resources</b>	<b>\$17,809,170</b>	<b>\$6,460,910</b>	<b>\$4,637,500</b>	<b>\$3,675,000</b>	<b>\$3,000,000</b>
<b>Transportation</b>					
Transportation	\$36,323,529	\$34,920,000	\$33,220,000	\$31,650,000	\$31,400,000
<b>Subtotal - Transportation</b>	<b>\$36,323,529</b>	<b>\$34,920,000</b>	<b>\$33,220,000</b>	<b>\$31,650,000</b>	<b>\$31,400,000</b>
<b>Total Statewide</b>	<b>\$167,335,029</b>	<b>\$116,704,760</b>	<b>\$118,950,379</b>	<b>\$112,611,815</b>	<b>\$99,586,240</b>



# **Five-Year Forecast**



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# FY 2015 – FY 2019 Overview

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## *Summary*

The Five-Year Financial Projection is prepared at the time of the Governor's recommended budget submission pursuant to Section 35-3-1 of the Rhode Island General Laws, which requires that, the Budget Officer:

- (6) Prepare a five-year financial projection of anticipated general revenue receipts and expenditures, including detail of principal revenue sources and expenditures by major program areas, which projection shall be included in the budget submitted to the general assembly pursuant to subsection 35-3-7.

The five-year financial projection presented in the following pages has been updated from the one prepared in January 2014 based on the final enacted budget for FY 2015. The projection includes tables that present anticipated revenues and expenditures for the five fiscal years ending in June 2019. Also included are tables that provide detail on the planning values used in these projections. The planning values reflect policy assumptions, as well as economic and demographic forecasts.

The purpose of the five-year forecast is to provide a baseline fiscal outlook for the State of Rhode Island. Although the forecast may be used as a benchmark in assessing the affordability and desirability of alternative policy options, caution should be exercised in the interpretation of the forecast. Forward-looking estimates, such as those made in this forecast, are inherently subject to a variety of risks and uncertainties that could cause actual results to differ materially and adversely from those projected. Many of these risks, such as national economic and business conditions, political or legal impediments, are beyond the control of the State. The estimates and forecasts made here are as of the date they were prepared and will change as factors used in the forecasts change.

From the FY 2015 budget base, expenditures will exceed revenues in each of the out-years projected through FY 2019. The projected operating deficits by fiscal year are as follows: \$172.9 million in FY 2016, \$296.3 million in FY 2017, \$396.1 million in FY 2018, and \$463.8 million in FY 2019. In percentage terms, the deficits are projected to range from 4.8 percent of spending in FY 2016 to 11.5 percent of spending in FY 2019. The expenditure-side of the budget is estimated to increase at an average annual rate 4.1 percent from the FY 2015 base to FY 2019. Inflation, however, as measured by the United States consumer price index for all urban consumers (CPI-U), is expected to grow at an average annual rate of 2.4 percent over this same period.

As compared to the five-year forecast presented with the Governor's recommended budget, this new forecast estimates larger deficits in each of the out years. Deficits are projected to be \$21.8 million larger in FY 2016, \$39.6 million in FY 2017, \$65.6 million in FY 2018 and \$44.5 million in FY 2019.

The Governor is constitutionally obligated to submit and the General Assembly to enact a balanced budget. As such, the deficits projected in any given fiscal year in this five year projection are not carried over to an ensuing year under the expectation that such deficits will be resolved in the respective fiscal year.

Projected out year revenues are significantly impacted by the expected opening of gaming facilities in Massachusetts in the coming years. Lottery transfers to the State general fund are projected to diminish by a total of \$402.4 million over the five year forecast period, due to the increased competition to Rhode Island's gaming facilities in Lincoln and Newport. Without this impact on Rhode Island's revenues, the five year forecast would show deficits of \$127.7 million in FY 2016, \$201.1 million in FY 2017, \$278.4 million in FY 2018, and \$331.6 million in FY 2019.

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## **FY 2015 – FY 2019 Overview**

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The five year projection anticipates average annual general revenue growth of approximately 1.4 percent beyond the budget year, based upon the adopted May 2014 Revenue Estimating Conference forecast for the Rhode Island economy and the enacted revenues. The forecast underlying the five year projection assumes that the recovery in the Rhode Island economy, which started in FY 2011, will continue to gain momentum in FY 2015 and FY 2016. The underlying forecasts in FY 2015 anticipate significant growth for wage and salaries and personal income, while the FY 2016 forecasts assumes acceleration in non-farm employment growth and a decrease in the unemployment rate.

On the expenditure side, average annual growth is projected to be 4.1 percent over the forecast period. This is comprised of average annual growth of 3.3 percent for personnel and operating, 5.5 percent for grants and benefits, 3.9 percent for local aid and -0.4 percent for debt service.

The wage projections contained in the personnel estimates include a cost of living adjustment (COLA) of two percent (2.0%) effective April 6, 2014, and a second two percent (2.0%) effective October 5, 2014 and the final two percent (2.0%) effective October 4, 2015. As a proxy for any future negotiated COLAs, CPI has been used in FY 2017 and thereafter and an additional 0.25 percent increase has been used for step and educational incentive increases that occur annually.

Grants and Benefits are projected to increase by an average of 5.5 percent annually from FY 2015 to FY 2019. This growth rate results in an increase of \$285.1 million in this category of spending over the five year horizon. The growth rates used in the five year forecast were derived from state-specific Medicaid expenditure projections released by the Centers for Medicaid and Medicare Services (CMS) in September 2013. As these are national projections, they may or may not be valid for Rhode Island, but lacking more regionally applicable data, the State Budget Office selected these growth rates for use in the five year projections. Several projections under this section also use the CPI-U, particularly with respect to programs of (non-Medicaid) cash assistance.

The forecast takes into consideration changes made to the Medicaid programs in the enacted budget, including expansions authorized under the Affordable Care Act, which are fully funded with federal dollars until January 2017, at which time some state participation will be required.

Local aid increases are primarily driven by continued phase-in of the education funding formula, which results in increased expenditures of \$182.1 million over the five year period. Other aid programs, such as PILOT, Distressed Communities Relief and Motor Vehicle Tax Reimbursements are assumed to remain level at the FY 2015 enacted appropriations. The new Municipal Incentive Aid program is assumed to remain in effect at \$5.0 million through FY 2016 and then sunset. An additional \$5.0 million appropriation for the PILOT program in FY 2015 is assumed to be a one-time increase and thus is not repeated in the later years of the forecast.

Finally, general revenue funded debt service is projected to increase by \$3.8 million over the forecast period. General revenue funded debt service on all tax supported obligations are projected to increase from \$195.3 million in FY 2015 to \$199.1 million in FY 2019, an increase of \$3.8 million. The increase is attributable to a number of items. First, the General Assembly reversed the Governor's proposal to shift debt service on Transportation general obligation bonds to general revenue over a five year period and continue to support these costs with funds dedicated to Transportation. This resulted in general revenue funded debt service on G.O. Bonds increasing by \$11.8 million, instead of \$36.0 million under the Governor's plan. Second, the issuance of debt for the Historic Tax Credit stabilization program decreases by \$11.0 million, as the first issuance under this program is paid off in FY 2018. Third, several proposed



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## **FY 2015 – FY 2019 Overview**

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debt issuances through the use of Certificates of Participation were not approved by the General Assembly, thereby reducing projected debt service by almost \$4.7 million from the Governor's recommendation. Fourth, the General Assembly approved the Governor's proposal for a lease agreement for a new Nursing Education Center for the University of Rhode Island and Rhode Island College nursing programs. The lease with the private developer of the new facility will include base rent and tenant improvements rent. In addition, the General Assembly authorized a Certificates of Participation issuance for the acquisition of equipment needed to outfit the new facility. Combined, these the rent/debt service on these three items is projected to total approximately \$8.15 million annually beginning in FY 2017.

### ***Legislative Actions Outside the FY 2015 Budget Act***

In addition to changes enacted as part of the FY 2015 Appropriations Act, the General Assembly enacted other legislation that will or could impact state revenues and expenditures beginning in FY 2016 and beyond.

The first piece of legislation, 14-S-2699A, relieves municipalities that operate automated traffic violation monitoring systems under Rhode Island General Law Chapter 31-41.2 from having to remit to the state general fund, the state's share of tickets issued by a municipality using such systems. These violations, termed "Eluding traffic light", carry a fine of \$85.00. Under current law, the \$85.00 fine imposed for "eluding" a traffic light that is issued by a municipality and is adjudicated in a municipal court is divided between the issuing municipality and the state Traffic Tribunal, with \$50.00 being retained by the issuing municipality and \$35.00 being transferred to the Traffic Tribunal for deposit in the general fund. The legislation passed by the General Assembly would, effective July 1, 2015 and thereafter, allow municipalities that issue moving violations for "eluding" a traffic light via an automated traffic violation monitoring system to retain the full amount of the fine imposed by the municipal court. The FY 2014 enacted budget included \$300,000 in revenues from the state's share of such moving violations. The Budget Office assumed the same amount of revenue would be received in FY 2015 and beyond for these moving violations. Passage of 14-S-2699A will reduce the fines and penalties component of departmental receipts revenues by \$300,000 for FY 2016 and thereafter. This loss is reflected in the five year revenue forecast.

The second piece of legislation, 14-H-8294A, provides for the authorization of state operated casino gaming at Newport Grand subject to state and local voter approval. Upon passage of referenda at the state and local level, the Department of Revenue's Division of Lottery would be authorized to operate table games, in addition to video lottery terminals (VLTs) at Newport Grand. The passage of the referenda will also increase the City of Newport's share of the net terminal income (NTI) generated by the VLTs at Newport Grand from 1.01 percent to 1.45 percent effective July 1, 2015 (FY 2016). This increase will reduce the state's share of the same on a dollar for dollar basis. Assuming the passage of the referenda, the Budget Office projects a decrease in state general revenue of \$161,480 in FY 2016. This loss is not currently reflected in the five year revenue forecast, since voter approval is still required.

14-H-8294A also includes certain conditions that, if they are met and the aforementioned referenda are approved, will further enhance the City of Newport's share of NTI from the VLTs operated at Newport Grand. In particular, after July 1, 2015, if the current owners of Newport Grand, or their successors, have invested \$40.0 million in the renovation of the existing facility and received a certificate of completion and passed inspection by the City of Newport's building inspector, and the number of VLTs in operation is at least 1,097, the number of VLTs that were in operation as of January 1, 2014, and table gaming has commenced at Newport Grand, then the City of Newport is guaranteed to receive the greater of 1.45 percent of the NTI generated by the VLTs located at Newport Grand or \$1.5 million for the first six full

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## **FY 2015 – FY 2019 Overview**

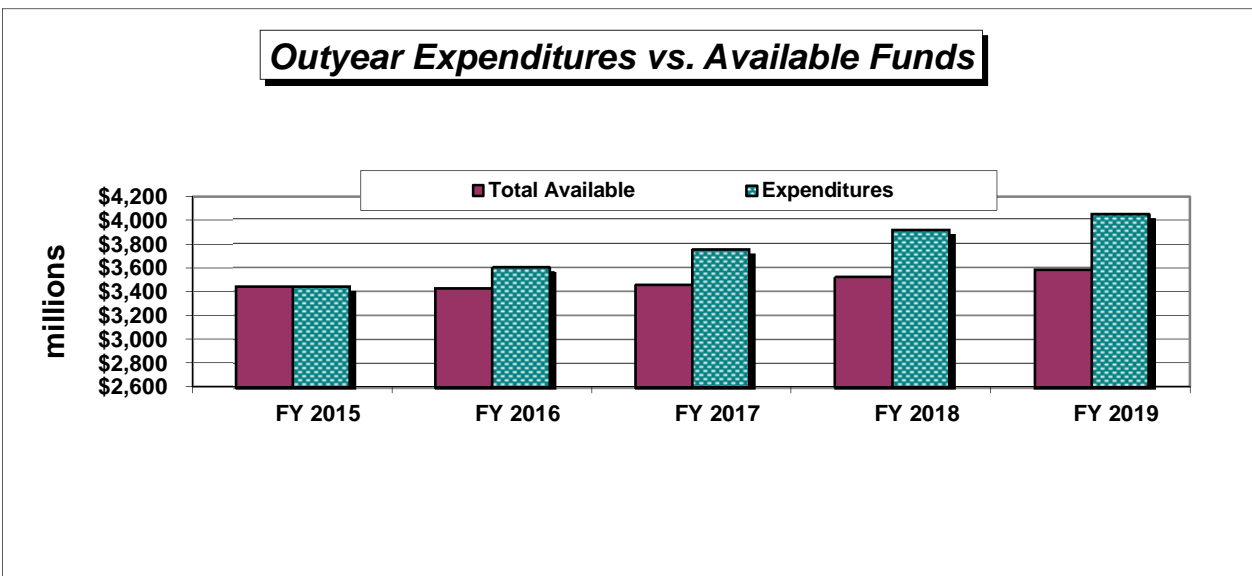
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fiscal years commencing after these conditions are met. After six full fiscal years, the guaranteed minimum declines to \$1.0 million. Assuming passage of the state and local referenda and the meeting of the conditions noted above, the Budget Office projects a decrease in state general revenue of \$1.1 million in FY 2016. This loss is not currently reflected in the five year revenue forecast, since voter approval is still required. There is also no change in revenues assumed that may result from the installation of table games at Newport Grand.

14-H-7776 Sub A requires the state to appropriate sufficient funds beginning in FY 2017 for payment to the City of Central Fall to support payments to city retirees so that those retirees would continue to receive seventy-five percent (75%) of their base pension benefit. As part of the bankruptcy process for the City of Central Falls, the City reached a settlement with retirees that provided for permanent reductions in their pensions of up to fifty-five percent (55%). The agreement required the Director of Revenue to seek legislation from the General Assembly granting a one-time \$2.6 million appropriation to be disbursed to the City and used over a period of five years such that when combined with the reduced retirees' pensions would result in a reduction of no more than twenty-five percent (25%) each year. The General Assembly included this funding in the FY 2012 budget, but it will be fully depleted as of FY 2016. This new legislation requires the state to continue to make appropriations annually sufficient to maintain the retirees' pensions at seventy-five percent (75%) of their base pension benefit. Funding of approximately \$300,000 will be required annually in the FY 2017 through FY 2019 period of this five year forecast. This expense has been included in the five year expenditure forecast.

## General Revenue Outyear Estimates FY 2015 - FY 2019

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
<b>Opening Surplus <sup>(1)</sup></b>	<b>\$59.2</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>
<b>Plus:</b>					
Taxes and Departmentals	3,090.6	3,182.5	3,256.8	3,339.8	3,415.8
Other Sources (incl. Lottery)	402.5	352.4	304.3	287.3	279.6
Budget Stabilization Fund	(106.6)	(106.0)	(106.8)	(108.8)	(110.9)
<b>Total Available</b>	<b>3,445.7</b>	<b>3,428.9</b>	<b>3,454.3</b>	<b>3,518.3</b>	<b>3,584.6</b>
<b>Minus Expenditures</b>	<b>3,445.1</b>	<b>3,601.8</b>	<b>3,750.6</b>	<b>3,914.4</b>	<b>4,048.5</b>
<b>Equals Ending Balance</b>	<b>\$0.6</b>	<b>(\$172.9)</b>	<b>(\$296.3)</b>	<b>(\$396.1)</b>	<b>(\$463.8)</b>
<i>Operating Surplus or Deficit</i>	<i>(\$58.6)</i>	<i>(\$172.9)</i>	<i>(\$296.3)</i>	<i>(\$396.1)</i>	<i>(\$463.8)</i>
Budget & Cash Stabilization Balance	\$177.6	\$176.8	\$178.1	\$181.4	\$184.8
RI Capital Fund Balance	\$30.5	\$20.7	\$7.3	\$0.2	\$8.0
<b>Rhode Island Capital Fund</b>					
<i>Capital Projects Disbursements</i>	<i>\$167.3</i>	<i>\$116.7</i>	<i>\$119.0</i>	<i>\$112.6</i>	<i>\$99.6</i>



<sup>(1)</sup> Under the Rhode Island Constitution, the budget must be balanced each year, thus deficits in any given fiscal year cannot be carried forward to the ensuing fiscal year.

# General Revenue Outyear Estimates

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
<b>Personal Income Tax</b>	\$ 1,157,132,268	\$ 1,211,395,392	\$ 1,268,248,991	\$ 1,315,245,074	\$ 1,348,072,325
<b>General Business Taxes:</b>					
Business Corporations	118,811,698	134,591,453	144,394,011	152,405,314	162,379,994
Public Utilities	112,000,000	118,016,169	120,476,896	122,937,624	125,398,351
Financial Institutions	11,500,000	12,573,835	13,580,991	14,280,173	14,023,077
Insurance Companies	115,503,704	119,482,798	124,432,054	129,000,295	133,063,590
Bank Deposits	2,400,000	2,498,409	2,596,820	2,695,228	2,793,639
Health Care Provider	42,137,188	42,911,789	43,817,868	44,839,317	45,878,929
<b>General Business Taxes</b>	\$ 402,352,590	\$ 430,074,455	\$ 449,298,640	\$ 466,157,951	\$ 483,537,580
<b>Sales and Use Taxes:</b>					
Sales and Use	939,619,685	976,208,863	1,003,642,889	1,034,551,030	1,064,370,031
Motor Vehicle	49,500,000	37,447,507	12,641,706	-	-
Motor Fuel	500,000	782,621	728,077	723,901	775,779
Cigarettes	135,800,000	131,938,782	127,702,033	123,168,841	118,632,819
Alcohol	17,442,085	12,332,283	12,708,781	13,022,643	13,296,565
Controlled Substances	-	-	-	-	-
<b>Sales and Use Taxes</b>	\$ 1,142,861,770	\$ 1,158,710,056	\$ 1,157,423,486	\$ 1,171,466,415	\$ 1,197,075,194
<b>Other Taxes:</b>					
Inheritance and Gift	27,009,849	18,794,623	17,051,888	16,957,596	17,680,060
Racing and Athletics	1,100,000	1,078,426	1,051,960	1,016,877	990,096
Realty Transfer Tax	8,500,000	8,522,855	8,492,796	8,570,318	8,772,727
<b>Other Taxes</b>	\$ 36,609,849	\$ 28,395,904	\$ 26,596,644	\$ 26,544,791	\$ 27,442,883
<b>Total Taxes</b>	\$ 2,738,956,476	\$ 2,828,575,806	\$ 2,901,567,761	\$ 2,979,414,231	\$ 3,056,127,982
Total Departmental Receipts	351,671,912	353,973,368	355,253,267	360,430,571	359,701,257
<b>Taxes and Departmentals</b>	\$ 3,090,628,388	\$ 3,182,549,174	\$ 3,256,821,029	\$ 3,339,844,802	\$ 3,415,829,240
<b>Other Sources</b>					
Other Miscellaneous	7,475,000	2,220,000	2,220,000	2,220,000	2,220,000
Lottery Commission Receipts	384,500,000	339,498,846	291,091,544	273,827,214	265,907,996
Unclaimed Property	10,500,000	10,706,837	10,964,661	11,251,040	11,521,285
<b>Other Sources</b>	\$ 402,475,000	\$ 352,425,683	\$ 304,276,205	\$ 287,298,253	\$ 279,649,280
<b>Total General Revenues</b>	\$ 3,493,103,388	\$ 3,534,974,858	\$ 3,561,097,233	\$ 3,627,143,056	\$ 3,695,478,520

## General Revenue Outyear Estimates - Percentage Changes

	FY 2012	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
<b>Personal Income Tax</b>	<b>3.8%</b>	<b>4.9%</b>	<b>4.7%</b>	<b>4.7%</b>	<b>3.7%</b>	<b>2.5%</b>
<b>General Business Taxes:</b>						
Business Corporations	45.6%	1.5%	13.3%	7.3%	5.5%	6.5%
Public Utilities	-3.0%	3.7%	5.4%	2.1%	2.0%	2.0%
Financial Institutions	44.7%	-14.8%	9.3%	8.0%	5.1%	-1.8%
Insurance Companies	50.8%	9.0%	3.4%	4.1%	3.7%	3.1%
Bank Deposits	1.7%	0.0%	4.1%	3.9%	3.8%	3.7%
Health Care Provider	2.8%	0.8%	1.8%	2.1%	2.3%	2.3%
<b>General Business Taxes</b>	<b>23.2%</b>	<b>3.5%</b>	<b>6.9%</b>	<b>4.5%</b>	<b>3.8%</b>	<b>3.7%</b>
<b>Sales and Use Taxes:</b>						
Sales and Use	4.7%	3.6%	3.9%	2.8%	3.1%	2.9%
Motor Vehicle	1.5%	-5.4%	-24.3%	-66.2%	-100.0%	n/a
Motor Fuel	-30.5%	0.0%	56.5%	-7.0%	-0.6%	7.2%
Cigarettes	-2.2%	-2.4%	-2.8%	-3.2%	-3.5%	-3.7%
Alcohol	1.6%	-0.9%	-29.3%	3.1%	2.5%	2.1%
Controlled Substances						
<b>Sales and Use Taxes</b>	<b>3.5%</b>	<b>2.4%</b>	<b>1.4%</b>	<b>-0.1%</b>	<b>1.2%</b>	<b>2.2%</b>
<b>Other Taxes:</b>						
Inheritance and Gift	-0.9%	-29.1%	-30.4%	-9.3%	-0.6%	4.3%
Racing and Athletics	0.1%	-8.3%	-2.0%	-2.5%	-3.3%	-2.6%
Realty Transfer Tax	1.0%	6.3%	0.3%	-0.4%	0.9%	2.4%
<b>Other Taxes</b>	<b>-0.7%</b>	<b>-22.6%</b>	<b>-22.4%</b>	<b>-6.3%</b>	<b>-0.2%</b>	<b>3.4%</b>
<b>Total Taxes</b>	<b>6.0%</b>	<b>3.1%</b>	<b>3.3%</b>	<b>2.6%</b>	<b>2.7%</b>	<b>2.6%</b>
<b>Total Departmental Receipts</b>	<b>2.2%</b>	<b>-2.1%</b>	<b>0.7%</b>	<b>0.4%</b>	<b>1.5%</b>	<b>-0.2%</b>
<b>Taxes and Departmentals</b>	<b>5.5%</b>	<b>2.5%</b>	<b>3.0%</b>	<b>2.3%</b>	<b>2.5%</b>	<b>2.3%</b>
<b>Other Sources</b>						
Gas Tax Transfers	n/a	n/a	n/a	n/a	n/a	n/a
Other Miscellaneous	80.9%	-11.9%	-70.3%	0.0%	0.0%	0.0%
Lottery Commission Receipts	6.4%	1.0%	-11.7%	-14.3%	-5.9%	-2.9%
Unclaimed Property	90.5%	-11.8%	2.0%	2.4%	2.6%	2.4%
<b>Other Sources</b>	<b>10.4%</b>	<b>0.3%</b>	<b>-12.4%</b>	<b>-13.7%</b>	<b>-5.6%</b>	<b>-2.7%</b>
<b>Total General Revenues</b>	<b>6.1%</b>	<b>2.3%</b>	<b>1.2%</b>	<b>0.7%</b>	<b>1.9%</b>	<b>1.9%</b>

## General Revenue Outyear Expenditure Estimates

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
<b>State Operations</b>					
Personnel	\$880,300,000	\$925,200,000	\$951,200,000	\$981,100,000	\$1,011,200,000
Other State Operations	137,700,000	140,600,000	144,100,000	148,000,000	151,500,000
Impact of Initiatives/Other Changes	0	7,050,000	(4,330,000)	(1,300,000)	(4,005,000)
<b>Subtotal</b>	<b>\$1,018,000,000</b>	<b>\$1,072,850,000</b>	<b>\$1,090,970,000</b>	<b>\$1,127,800,000</b>	<b>\$1,158,695,000</b>
	1.9%	5.4%	1.7%	3.4%	2.7%
<b>Grants and Benefits</b>					
<b>Executive Office of Health and Human Services &amp; Department of Human Services</b>					
Hospitals	34,610,000	36,400,000	38,410,000	40,130,000	42,450,000
Managed Care	571,690,000	605,300,000	636,070,000	671,250,000	714,010,000
Nursing Care	81,020,000	86,780,000	92,070,000	98,230,000	104,960,000
Home Care (HCBS)	23,840,000	25,560,000	27,640,000	29,900,000	32,330,000
Other Medicaid	44,650,000	47,970,000	53,130,000	57,590,000	62,160,000
Pharmacy	1,330,000	1,400,000	1,500,000	1,590,000	1,670,000
DEA CNOM	3,540,000	3,800,000	4,110,000	4,440,000	4,800,000
Cash Assistance- RIW/CCAP/GPA	11,280,000	11,540,000	11,830,000	12,110,000	12,380,000
Cash Assistance - SSI	18,580,000	19,000,000	19,470,000	19,940,000	20,390,000
Clawback	50,440,000	51,590,000	52,860,000	54,130,000	55,360,000
DSH	69,010,000	70,570,000	72,320,000	66,640,000	58,990,000
ACA- MA Population Expansion	0	0	14,470,000	34,510,000	44,030,000
<b>Department of Children Youth &amp; Families</b>					
Children & Family Services	91,420,000	94,830,000	99,300,000	103,460,000	107,580,000
<b>Department of Behavioral Healthcare, Developmental Disabilities &amp; Hospitals</b>					
Developmental Disabilities-Private	90,880,000	94,270,000	98,710,000	102,850,000	106,940,000
Other Grants and Benefits	96,220,000	98,400,000	100,830,000	103,260,000	105,590,000
<b>Subtotal</b>	<b>\$1,188,510,000</b>	<b>\$1,247,410,000</b>	<b>\$1,322,720,000</b>	<b>\$1,400,030,000</b>	<b>\$1,473,640,000</b>
	1.1%	5.0%	6.0%	5.8%	5.3%
<b>Local Aid</b>					
Education Aid	961,760,000	1,006,140,000	1,050,270,000	1,095,830,000	1,143,870,000
Municipal Incentive Aid	5,000,000	5,000,000	0	0	0
Motor Vehicle Tax Reimbursements	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
PILOT	40,080,000	35,080,000	35,080,000	35,080,000	35,080,000
Distressed Communities	10,380,000	10,380,000	10,380,000	10,380,000	10,380,000
Fiscal Stability Oversight/Central Falls	130,000	150,000	480,000	450,000	440,000
Library Aid	11,100,000	11,440,000	11,340,000	11,260,000	11,100,000
Property Revaluation Prgm	630,000	1,980,000	620,000	920,000	1,770,000
<b>Subtotal</b>	<b>\$1,039,080,000</b>	<b>\$1,080,170,000</b>	<b>\$1,118,170,000</b>	<b>\$1,163,920,000</b>	<b>\$1,212,640,000</b>
	4.8%	4.0%	3.5%	4.1%	4.2%
<b>Capital</b>					
<i>Debt Service</i>					
General Obligation	90,800,000	89,340,000	98,790,000	100,580,000	102,560,000
Historic Tax Credit Program	31,680,000	31,670,000	31,810,000	42,250,000	20,640,000
EDC Job Creation Guaranty	12,330,000	12,500,000	12,450,000	12,380,000	12,350,000
COPS/Other Leases	30,150,000	32,890,000	32,980,000	25,630,000	26,810,000
Convention Center	22,980,000	22,970,000	22,470,000	21,570,000	21,570,000
Nursing Education Center	0	0	8,149,000	8,149,000	8,149,000
Performance Based	7,380,000	7,600,000	7,650,000	7,700,000	7,000,000
<i>Capital Improvements</i>					
Other Projects	\$4,400,000	\$4,400,000	\$4,400,000	\$4,400,000	\$4,400,000
<b>Subtotal</b>	<b>\$199,720,000</b>	<b>\$201,370,000</b>	<b>\$218,699,000</b>	<b>\$222,659,000</b>	<b>\$203,479,000</b>
	7.0%	0.8%	8.6%	1.8%	-8.6%
<b>Total</b>	<b>\$3,445,310,000</b>	<b>\$3,601,800,000</b>	<b>\$3,750,559,000</b>	<b>\$3,914,409,000</b>	<b>\$4,048,454,000</b>
<b>Year over Year Change</b>	<b>\$92,920,000</b>	<b>\$156,490,000</b>	<b>\$148,759,000</b>	<b>\$163,850,000</b>	<b>\$134,045,000</b>
	2.77%	4.54%	4.13%	4.37%	3.42%

# General Revenue Outyear Planning Values

<b>Estimates and Growth</b>	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>
<b>Personal Income (billions) [1]</b>	\$53.1	\$56.6	\$59.7	\$61.7	\$63.5
<i>Change</i>	5.8%	6.6%	5.5%	3.3%	2.9%
<b>Nonfarm Employment (thousands) [1]</b>	483.3	494.1	501.4	503.8	503.5
<i>Change</i>	1.8%	2.2%	1.5%	0.5%	-0.1%
<b>Personal Income Tax</b>					
Wages and Salaries [2]	6.3%	6.9%	6.0%	4.4%	3.5%
<b>Business Corporation Tax [3]</b>	8.0%	8.0%	3.8%	2.4%	3.8%
<b>Provider Tax [16]</b>	0.8%	1.8%	2.1%	2.3%	2.3%
<b>Sales Tax</b>					
Wages and Salaries [1]	6.3%	6.9%	6.0%	4.4%	3.5%
<b>Gasoline Tax</b>					
Real Consumption [4]	3.4%	2.6%	1.4%	0.4%	0.6%
<b>Other Taxes and Departmentals [14]</b>	-0.7%	2.9%	2.3%	2.6%	2.1%
<b>CPI-U (U.S.) [2]</b>	2.0%	2.1%	2.5%	2.7%	2.5%
<b>Salaries and Fringe Benefits</b>					
Salary COLA - [9], CPI-U [1]	2.0%	2.1%	2.5%	2.7%	2.5%
Steps and Longevity Increases [15]	0.00%	0.03%	0.03%	0.03%	0.03%
Medical Benefits Cost Growth [8]	6.9%	5.6%	5.1%	5.5%	6.4%
Retiree Health Rates [11]	6.75%	6.00%	6.00%	6.00%	6.00%
State Employees Retirement Rates [12]	23.33%	23.64%	23.62%	23.66%	23.79%
<b>Home Health Care</b>					
Expenditure Growth [5]	6.5%	7.2%	8.1%	8.2%	8.1%
<b>Nursing Home Care</b>					
Expenditure Growth [6]	4.8%	5.4%	6.1%	6.7%	6.8%
<b>Managed Care/State Employee Plan</b>					
Expenditure Growth [8]	6.9%	5.6%	5.1%	5.5%	6.4%
<b>Other Medicaid</b>					
Expenditure Growth [7]	7.5%	7.4%	9.4%	8.4%	7.9%
<b>BHDDH- Mental Health</b>					
Expenditure Growth [10]	3.8%	3.7%	4.7%	4.2%	4.0%
<b>DCYF Services</b>					
Expenditure Growth [10]	3.8%	3.7%	4.7%	4.2%	4.0%
<b>BHDDH- MR/DD</b>					
Expenditure Growth [10]	3.8%	3.7%	4.7%	4.2%	4.0%
<b>Pharmacy</b>					
Expenditure Growth [13]	5.6%	5.2%	7.5%	5.9%	5.2%
<b>Hospital Care</b>					
Expenditure Growth [17]	4.5%	5.2%	5.5%	4.5%	5.8%

[1] Moody's Analytics Quarterly U.S. Economic Forecast May 2014.

[2] May 2014 Revenue Estimating Conference Consensus Economic Forecast., FY 2015 - FY 2019.

[3] Moody's Analytics Quarterly U.S. Economic Forecast May 2014, Nominal Corporate Profits Before Tax.

[4] Moody's Analytics Quarterly U.S. Economic Forecast May 2014, Real Gasoline and Oil Consumption.

[5] CMS National Health Expenditure Projections, September 2013, Home Health Care: State Medicaid

[6] CMS National Health Expenditure Projections, September 2013, Nursing Home Care: State Medicaid

[7] CMS National Health Expenditure Projections, September 2013, Physician as Proxy: State Medicaid

[8] CMS National Health Expenditure Projections, September 2013, Total Health Expenditures: Private Health Insurance as

[9] proxy

[10] Based on CPI-U.

[11] CMS National Health Expenditure Projections, September 2013, One half of Other Medicaid as Proxy: State Medicaid

[12] State of Rhode Island Budget Office Estimate consistent with actuarial rate.

[13] Estimate of actuarially required contribution based upon a % of payroll (GRS analysis of RI Retirement Security Act,

[14] June. 2013)

[15] CMS National Health Expenditure Projections, September 2013, Prescription Drugs: State Medicaid

[16] State of Rhode Island Budget Office Estimate, Consisting of all Other Taxes plus Departmentals minus Personal Income,

[17] Business Corporation, Health Care Provider Assessment, Sales and Use Taxes and Other Sources

[18] Step increases only; longevity increases no longer apply.

[19] State of Rhode Island Budget Office Estimate

[20] CMS National Health Expenditure Projections, September 2013, Hospital Care: State Medicaid