

FY 2016 Budget Plan Overview

Governor Gina M. Raimondo



March 12, 2015

Media Briefing



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Stop Rhode Island's Decline



Rhode Island faces economic challenges:

- 6.8% unemployment rate – among the last in the U.S.
- 48th in short-term and long-term job growth
- 64.6% of jobs recovered since the recession have been lower-wage

Stop Rhode Island's Decline



Rhode Island faces a structural deficit:

- State expenditures are growing faster than revenues
 - RI general revenue budget grew 49.6% between FY 2000 in FY 2014, compared to regional inflation of 40.8%
 - Current and out-year deficits are driven by:
 - Medicaid expenditures
 - Education funding formula
 - Employee salary and benefits (projected)
 - Loss of gaming revenues to Massachusetts competition
 - Previous underfunding of agencies
 - Post November Revenue and Caseload Conferences projections:

Projected General Revenue Deficit (in millions)			
FY 2016	FY 2017	FY 2018	FY 2019
\$190.4	\$255.6	\$382.8	\$496.3

Spark Rhode Island's Comeback



Principles for FY 2016 Budget:

- **Build skills** for students and workers
- **Attract** entrepreneurs and investment
- **Innovate** in our government and economy
- **Create Opportunity** and make work pay
- **Fiscal Responsibility**

Building Skills for 21st Century



Commitment to K-12 Education

- **Invest in School Aid** – Fully funds the fifth year of school aid formula with an additional \$35.5 million
 - \$1.0 million for early childhood – bringing number of pre-K classrooms from 17 to 60 by 2019
 - \$1.4 million for full-day kindergarten in every community
- **School Modernization** – Applies \$20.0 million in state debt refinancing to rebuild and modernize school facility needs
 - Sets annual construction aid appropriation at \$80.0 million in FY 2017
 - Creates School Building Authority office within RIDE to oversee fund distribution

Building Skills for 21st Century



Higher Education & Career Skills

- **Prepare RI Dual Enrollment** – Includes \$1.3 million for high school students to earn college credit or pursue technical certification at no cost to the student
- **Last-Dollar Scholarship** – Restructures existing grant programs to provide \$10.1 million for RI students who would not otherwise be able to afford higher education
- **Demand-Driven Workforce Development** – Aligns workforce training efforts with employer needs to train people for jobs that actually exist; uses performance measurement to optimize investment of existing workforce development dollars

Attracting Businesses to Rhode Island



Better Business Climate

- **No Broad-Based Tax Changes**
- **Reduce Cost of Doing Business and Nuisance Taxes**
 - Repeal sales tax on commercial energy over 5 years
 - Phase out 2.0% net patient revenue surcharges on imaging services and outpatient services over 4 years
- **Repeal Unnecessary Professional Licenses** – End licensing requirements for more than 30 professions identified by the Office of Regulatory Reform as burdensome, duplicative, or unnecessary
- **Modernize regulatory process** – Executive Order 15-7 (Feb. 2015)
- **Invest in statewide tourism**

Attracting Businesses to Rhode Island



Targeted Short-Term Investments

- **Refinance State Debt** – \$64M+ over two years for new investments
 - I-195 Development Fund – \$25.0 million for additional tools to support infrastructure improvements and other incentives (no stadiums)
 - Small Business Assistance Initiative – \$5.4 million to capitalize loan programs and create a sustainable funding for small businesses
 - Innovation Initiative – \$1.0 million over two years to support promising companies in areas as advanced industries, technology, and other strategically important sectors
 - Affordable Housing – \$3.0 million to finance the production and preservation of affordable housing for young workers, seniors and other residents

Attracting Businesses to Rhode Island



Effective Tax Tools

- **Competitive Tax Initiatives –**
 - Job Creation Tax Initiative – Work with General Assembly for a competitive tax initiative to incentivize employers to create new jobs. Any such initiative must include rigorous accountability provisions and a requirement that the investments' benefits outweigh their cost
 - Anchor Tax Credit – New tax credit incentivizing our largest employers to attract their suppliers and affiliates to Rhode Island
 - Real Estate Tools – Package of real estate tax incentives to encourage construction of job-producing projects, with a focus on development near transit hubs and historic structures
- **Repeal Enterprise Zone Wage Tax Credit**

Innovating in Government



Improving Services

- **Reinvent Medicaid**

- Governor's Executive Order to improve Medicaid services and contain cost growth
- Medicaid Working Group created to develop structural reforms
- Areas of focus to include: managed care contracts; program oversight; value-based purchasing; high-cost users; and inpatient behavioral health

- **Personnel Reform**

- Unbudgeted cost of living adjustments cost approximately \$25.0 million in the current fiscal year and \$37.0 million in FY 2016
- Administration officials to work with state employees to find savings while avoiding significant layoffs
- Legislative proposals for greater flexibility in hiring and managing personnel

Innovating in Government



Effective and Efficient Government

- **Information Technology** – Investments in Medicaid, BHDDH and DCYF to improve efficiency and reduce waste and fraud
- **Efficiency Improvements**
 - Energy Procurement – \$1.0 million in savings from competitive electricity procurement and energy efficiency
 - Contract Review – \$2.0 million in savings from a contract review
 - Municipal Regionalization – \$100,000 to support regionalization / consolidation projects from Governor’s municipal efficiency executive order

Innovating in Government



Agency Reorganization

- **Consolidate functions to streamline government**
 - RIHEAA – Transfer staff to Office of Post-Secondary Education and General Treasurer
 - Division of Advocacy – Merge Governor’s Commission on Disabilities, Commission on Deaf and Hard of Hearing, Office of the Child Advocate, and Office of the Mental Health Advocate
 - Professional Licensing Boards – Consolidate 25 boards overseeing non-prescribing professionals, saving more than \$200,000 in personnel
 - Capital Consolidation - Consolidate facilities and capital staff from various agencies to the Department of Administration.

Create Opportunity



Provide Relief to Working Families

- Increase Earned Income Tax Credit to 15% over 2 years
- End Social Security Taxation for Low-Income Seniors
- Support Minimum Wage Increase to \$10.10
- Maintain State Support quality affordable health coverage HealthSourceRI
- Meals on Wheels funding increased to \$530,000

FY 2015 Revised Budget Plan



**Address increased current year costs with
the goal of controlling long-term growth**

Overview – FY 2015 Revised Budget



FY 2014 Closing

Summary

- FY 2014 Audited Closing shows expenditures \$16.0 million less than enacted and revenues \$14.2 million more than enacted.
- Net Surplus of \$67.8 million was \$8.6 million more than anticipated.

	Enacted	Audited	Change
Opening	\$104.1	\$104.1	\$0.0
Re-appropriation	\$7.1	\$7.1	\$0.0
Revenues	\$3,416.0	\$3,430.3	\$14.2
Rainy Day	(\$105.6)	(\$106.0)	(\$0.4)
Expenditures	(\$3,352.4)	(\$3,336.4)	\$16.0
Transfer	(\$10.0)	(\$23.8)	(\$13.8)
Closing Surplus	\$59.2	\$75.2	\$16.0
Re-appropriation	\$0.0	(\$7.4)	(\$7.4)
Free Surplus	\$59.2	\$67.8	\$8.6

(in millions)

Overview – FY 2015 Revised Budget



FY 2015 Highlights

Summary

- Governor Raimondo's revised FY 2015 general revenue spending plan is \$43.2 million more than enacted.
- Caseloads estimates up by \$37.0 million.
- Unbudgeted COLA for state employees at approximately \$25.0 million.
- Net offsetting reductions of \$18.0 million
- Projected FY 2015 surplus of \$3.1 million.

	Enacted	Governor	Change
Opening	\$59.2	\$67.8	\$8.6
Re-appropriation	\$0.0	\$7.4	\$7.4
Revenues	\$3,493.1	\$3,524.0	\$30.9
Rainy Day	(\$106.6)	(\$107.8)	(\$1.2)
Expenditures	(\$3,445.2)	(\$3,488.4)	(\$43.2)
Transfer	\$0.0	\$0.0	\$0.0
Closing Surplus	\$0.6	\$3.1	\$2.5
Re-appropriation	\$0.0	\$0.0	\$0.0
Free Surplus	\$0.6	\$3.1	\$2.5

(in millions)

Overview – FY 2015 Revised Budget



Revenue Summary

- Governor’s FY 2015 revenue plan is \$30.9 million more than enacted.
- Budget includes an additional \$15.8 million due to November REC.
- Includes Energy Rebate of \$1.3 million, offset by transfer of private grant to restricted receipts.
- Assumes no transfer of surplus FY 2014 revenues to the retirement fund to offset portion of unfunded COLA.

	Enacted	Governor	Change
Revenue Summary			
Enacted	\$3,493.1	\$3,493.1	\$0.0
Novmeber REC	\$0.0	\$15.8	\$15.8
Governor	\$0.0	\$0.9	\$0.9
Surplus FY 14 Revenues	\$0.0	\$14.2	\$14.2
Total	\$3,493.1	\$3,524.0	\$30.9

(in millions)



Overview FY 2015 Revised

Addresses projected shortfalls in Corrections, DCYF, Public Safety, as well as funding employee COLA

Includes \$37.5 million more in caseload obligations due to CEC.

Includes \$7.4 million in re-appropriations from FY 2014.

Expenditures General Revenues	FY 2015 Enacted	FY 2015 Governor	Change
General Government	\$453.0	\$437.9	(\$15.0)
Human Services	\$1,342.0	\$1,388.5	\$46.4
Education	\$1,199.2	\$1,195.6	(\$3.6)
Public Safety	\$413.2	\$427.9	\$14.7
Environment	\$37.7	\$38.4	\$0.7
Total	\$3,445.2	\$3,488.4	\$43.2

(in millions)

FY 2016 Budget Plan



Foster job growth by building workforce skills, attracting business and innovating in government

Overview – Economic Forecast Summary



Percent Change	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Inflation (CPI-U)	1.9	2.2	2.6	2.9	2.8	2.5
Personal Income	4.0	5.9	5.3	3.9	3.1	2.9
Wages and Salaries	4.8	6.9	6.0	4.2	3.4	2.8
Nonfarm Employment	1.4	2.4	1.7	0.6	0.1	-0.1
Unemployment Rate	7.3	6.2	5.5	5.3	5.3	5.2

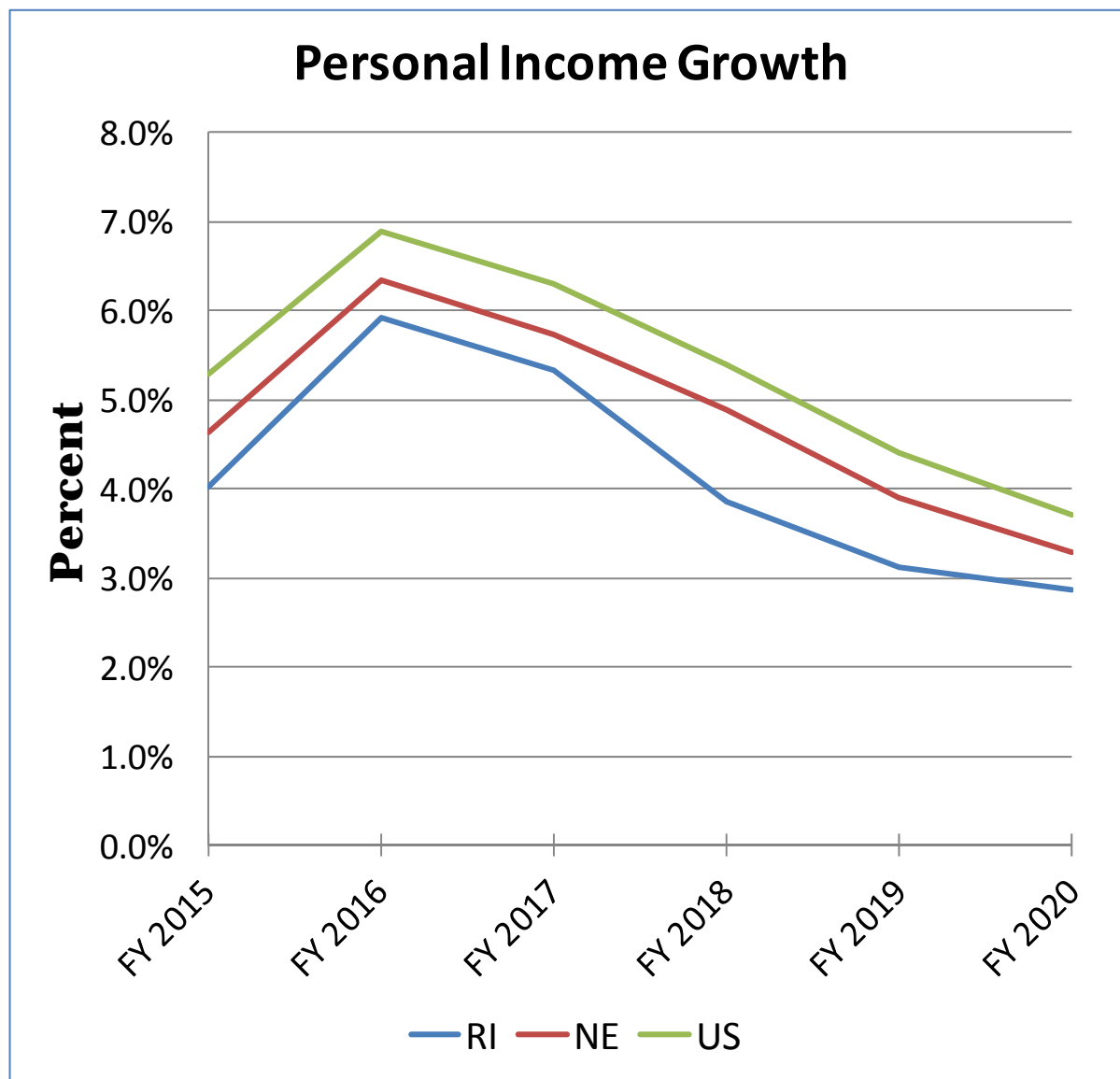
Source: Moody's Analytics, November Consensus Economic Forecast



Economic Forecast

Rhode Island is projected to lag the United States and the New England region in personal income growth for the FY 2015 through FY 2020 period.

Personal income, wages and salaries and nonfarm employment will continue to grow modestly with a projected peak in FY 2016.

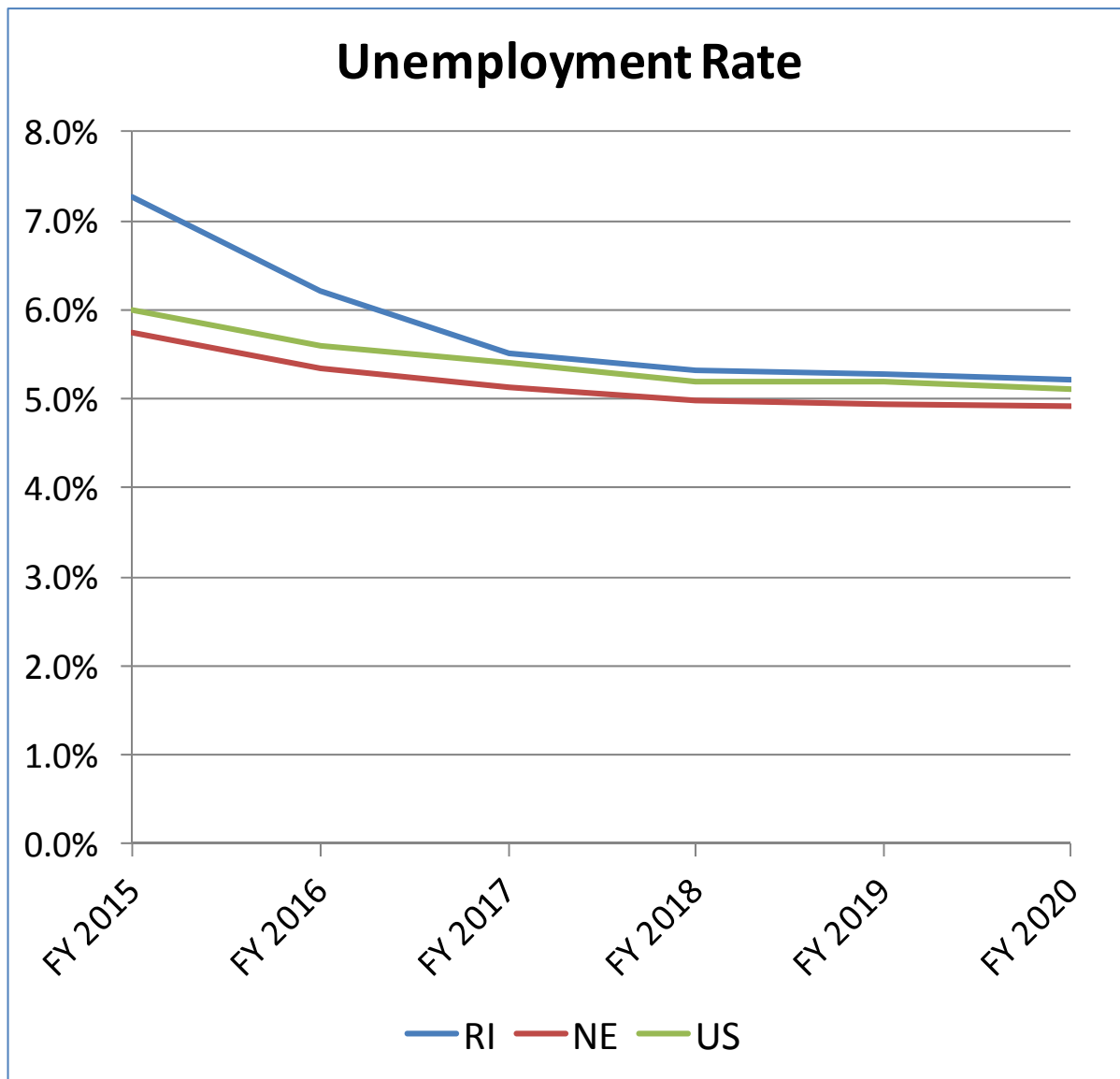




Economic Forecast

November 2014 Economic Forecast provided by Moody's Analytics was optimistic that all the preconditions are in place for sustainable growth for Rhode Island.

Risks to the forecast include the transition to a higher interest rate regime with the Federal Reserve Quantitative Easing program now complete and how that will impact housing demand in Rhode Island, along with the potential abatement in federal defense spending.



Overview – FY 2016 Budget Plan



FY 2016 Budget Statement

- Projected Opening Surplus of \$3.1 million is \$64.7 million less than what is built into the FY 2015 Revised Budget.
- FY 2016 General Revenue expenditures are projected to increase by \$3.2 million, or less than 0.1% over FY 2015 revised spending.
- Resolves a projected \$190.4 million deficit.

General Revenues

	FY 2015 Revised	FY 2016 Governor	Change
Opening	\$67.8	\$3.1	(\$64.7)
Reappropriations	\$7.4	\$0.0	(\$7.4)
Revenues	\$3,524.0	\$3,597.1	\$73.1
Rainy Day	(\$107.8)	(\$108.0)	(\$0.3)
Expenditures	(\$3,488.4)	(\$3,491.6)	(\$3.2)
Closing	\$3.1	\$0.6	(\$2.5)

(in millions)

Overview – FY 2016 Budget Plan



Providing Government Taxpayers can Afford

All Funds Summary

- FY 2016 All Funds Budget of \$8,627.6 million is \$211.9 million, or 2.4% less than the FY 2015 Revised Plan of \$8,839.5 million.
- Health and Human Services continues to represent the largest portion of spending, representing nearly 43.5% of the total State budget.
- The State will spend nearly \$2.4 billion in support of its education efforts in FY 2016.

	FY 2015 Revised	FY 2016 Governor	Change
General Government	\$1,511.8	\$1,394.0	(\$117.9)
Human Services	\$3,867.2	\$3,751.3	(\$115.9)
Education	\$2,354.0	\$2,399.6	\$45.6
Public Safety	\$540.7	\$525.1	(\$15.6)
Environment	\$117.8	\$98.8	(\$19.0)
Transportation	\$447.9	\$458.9	\$11.0
Total	\$8,839.5	\$8,627.6	(\$211.9)

(in millions)

Overview – FY 2016 Budget Plan



Providing Government Taxpayers can Afford

General Revenue Summary

- General Revenue expenditures in FY 2016 increase by \$3.2 million, or less than 1.0%, over FY 2015 Revised Plan.
- FY 2016 Recommended Budget resolves a projected \$190.4 million deficit without increasing broad based taxes.

	FY 2015 Revised	FY 2016 Governor	Change
General Government	\$437.9	\$418.8	(\$19.1)
Human Services	\$1,388.5	\$1,334.0	(\$54.4)
Education	\$1,195.6	\$1,266.9	\$71.2
Public Safety	\$427.9	\$433.0	\$5.1
Environment	\$38.4	\$38.9	\$0.5
Total	\$3,488.4	\$3,491.6	\$3.2

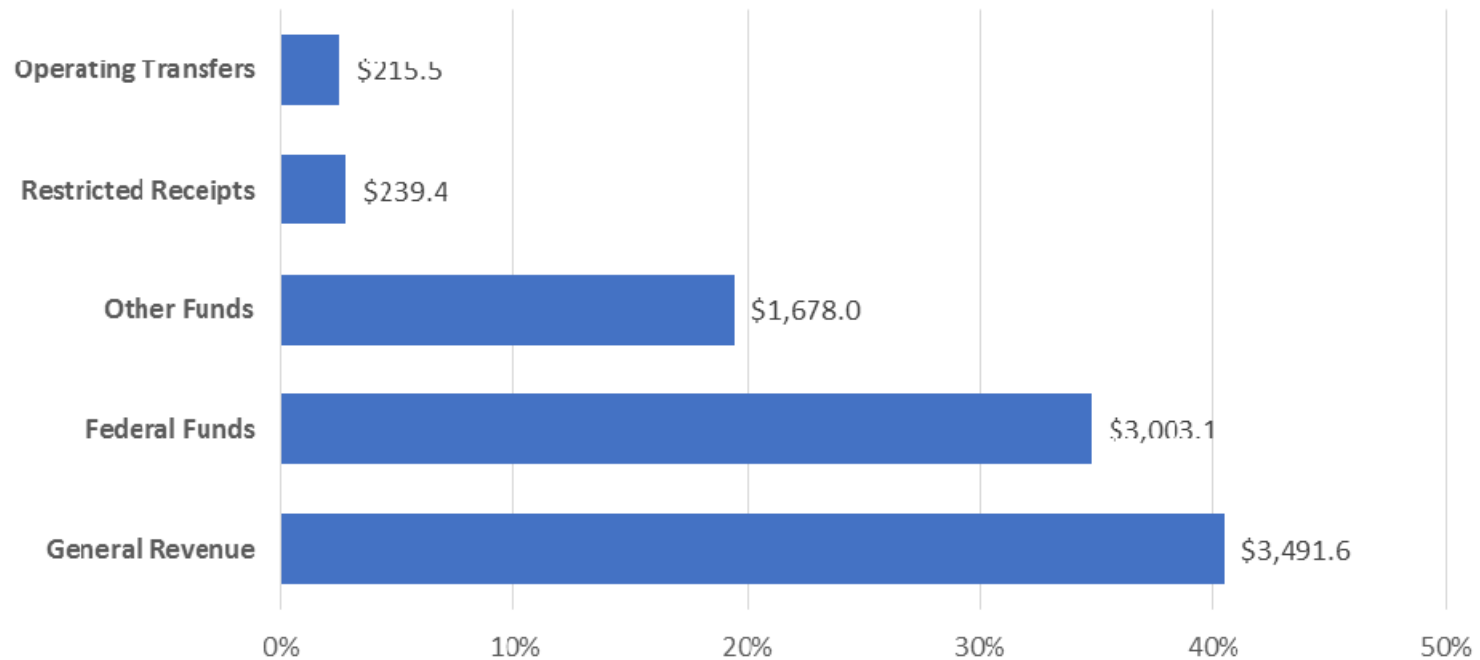
(in millions)

Overview – FY 2016 Budget Plan



Where Does it Come From?

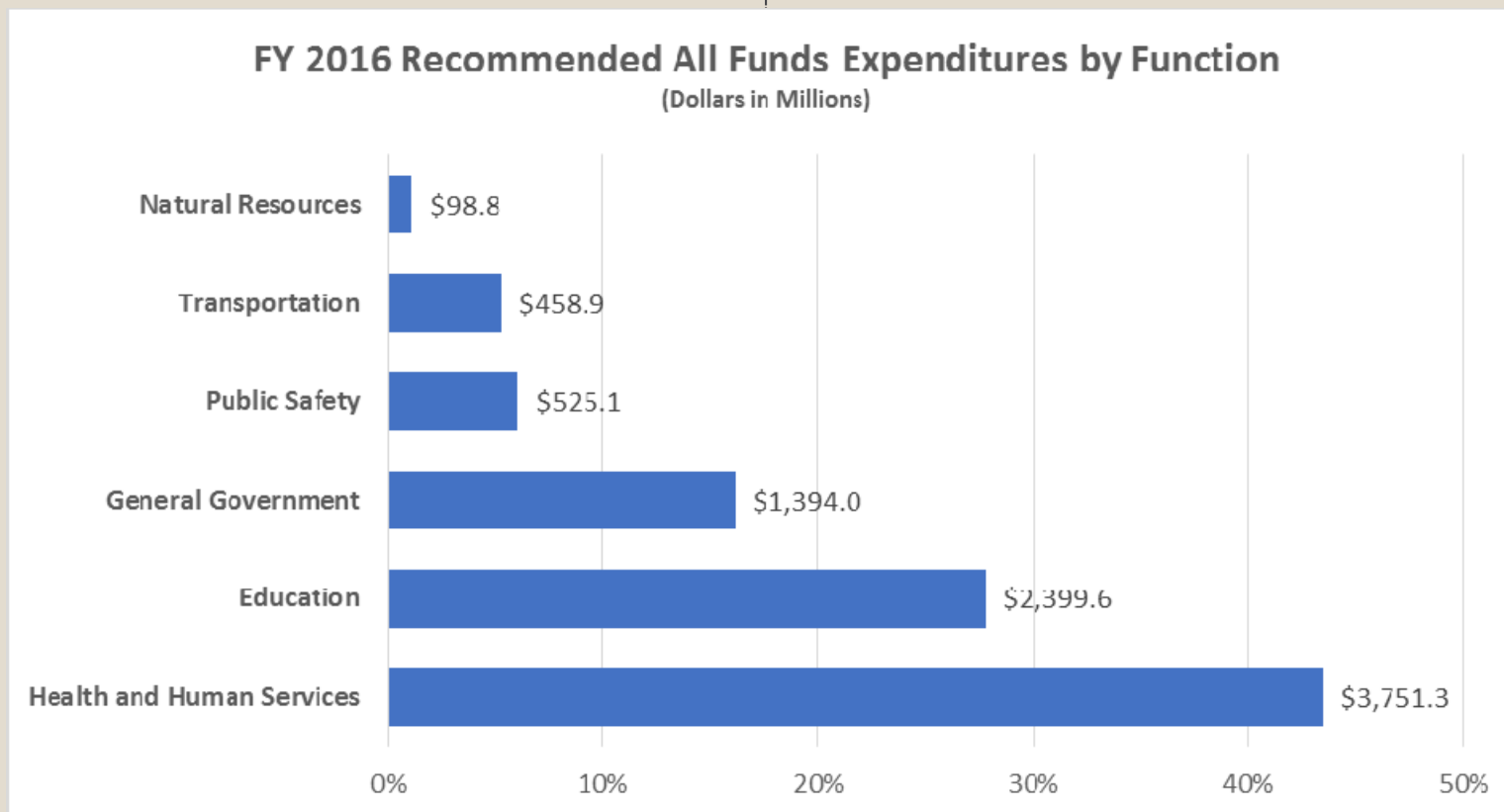
FY 2016 Recommended All Funds Expenditures by Source
(Dollars in Millions)



Overview – FY 2016 Budget Plan



Where Does it Go?

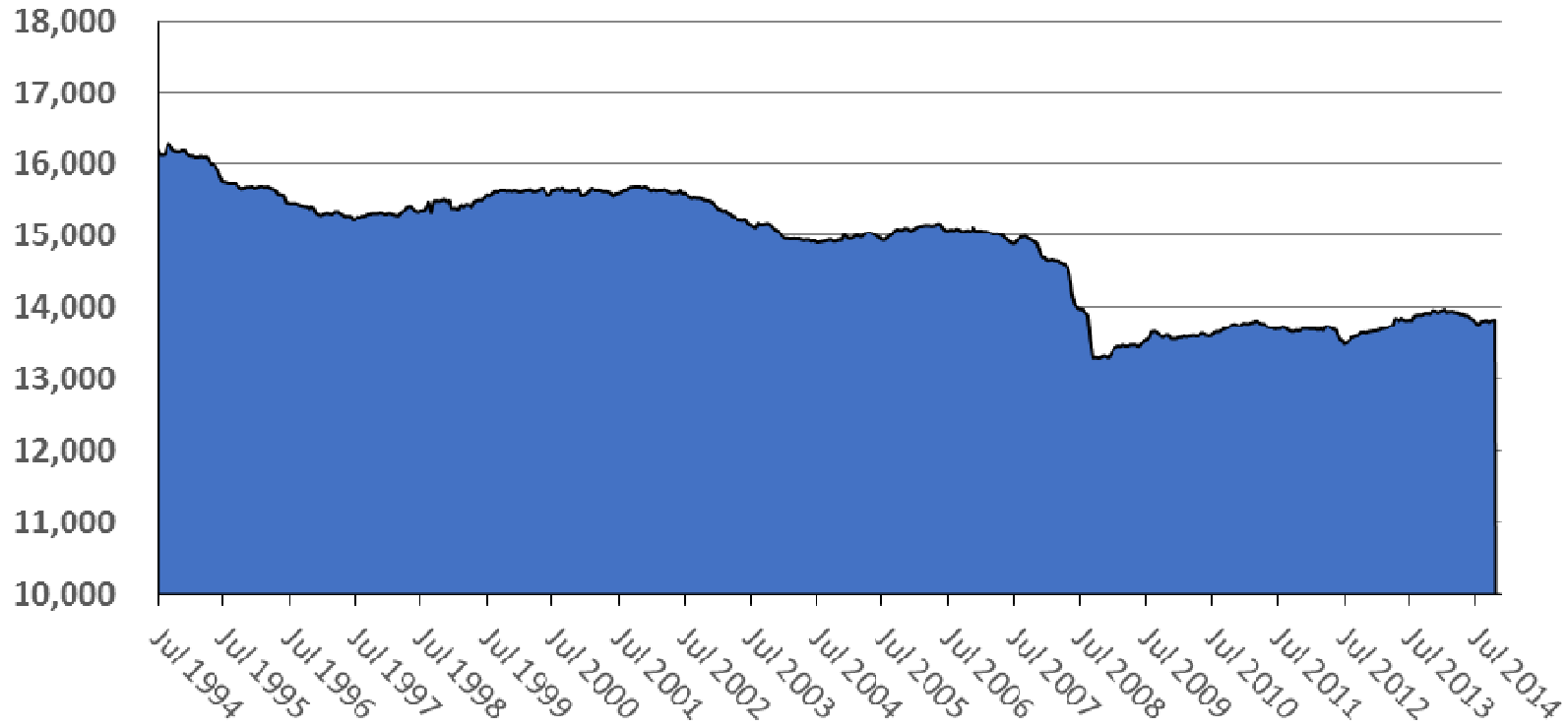


Overview – FY 2016 Budget Plan



Full Time Equivalent (FTE) Positions Filled

1994-Present



Overview – FY 2016 Budget Plan



Holding the Line on Taxes

- Governor Raimondo's FY 2016 budget does not increase any broad based taxes.
- Reduce Cost of Doing Business through repeal of certain taxes over time.
- Enhance collection of existing taxes and close loopholes.
- Transfer resources from other funds/quasi-public agencies.

Revenue Summary

	FY 2016 Governor
November 2014 REC with HLF	\$3,536.3
Economic Development Tax Changes	(\$12.7)
Efficient Collection of Taxes	\$2.3
Revenue Enhancements	27.1
Fund Transfers	44.3
Total	\$3,597.1

Overview – FY 2016 Budget Plan



Supporting Cities and Towns

Summary

- Governor Raimondo supports cities and towns with \$73.7 million in total municipal aid in FY 2016.
- Governor supports local communities' efforts to address their pension issues with \$5.0 million in general revenue for the third year in a row.
- One time increase in PILOT funding not continued in FY 2016.

Local Aid	FY 2015 Enacted	FY 2016 Governor	Change
PILOT	\$40.1	\$35.1	(\$5.0)
Distressed	\$10.4	\$10.4	\$0
Library	\$11.1	\$11.4	\$0.3
Motor Vehicle	\$10.0	\$10.0	0
Incentive Aid	\$5.0	\$5.0	0
Prop. Reval	\$0.7	\$1.8	\$1.1
Total	\$77.3	\$73.7	(\$3.6)



Higher Education

Eliminate RIHEAA as stand alone agency and merge into the Office of the Postsecondary Commissioner.

Current service adjustments to each school for cost of living and benefit rate changes.

General Revenue	FY 2015	FY 2016	Change
University of Rhode Island	\$89.2	\$90.4	\$1.2
Rhode Island College	\$46.2	\$49.9	\$3.7
Community College of Rhode Island	\$47.5	49.6	\$2.1
Total	\$182.9	\$189.9	\$7.0

(Includes \$0.5 million in debt service adjustments)

(in millions)

The State's FY 2016 Capital Budget also includes approximately \$23.2 million in State support through Rhode Island Capital Plan Fund pay-as-you-go funding to invest in the State's Higher Education facilities to ensure their useful lives extend to future generations of Rhode Islanders.



Education

Governor Raimondo funds a net of \$34.9 million in additional school aid to support the new funding formula and level fund overall categorical funding.

Fully funds fifth year of education funding formula.

Level funds categorical aid, but redirects funding to high cost special education and early childhood.

	FY 2015 Enacted	FY 2016 Governor	Change
Formula Aid	\$784.3	\$818.4	\$34.1
Statewide Full Day Kindergarten	\$0.0	\$1.4	\$1.4
Sub-Total Formula Aid	\$784.3	\$819.8	\$35.5
Categorical Funding			
High Cost Special Education	\$1.5	\$2.5	\$1.0
Early Childhood	\$3.0	\$4.0	\$1.0
Career & Technical	\$3.5	\$3.5	\$0.0
Transportation	\$4.4	\$2.4	(\$2.0)
Sub-Total Categorical Aid	\$12.4	\$12.4	\$0.0
State Schools			
The Met	\$10.5	\$10.0	(\$0.5)
School for the Deaf	\$5.9	\$6.3	\$0.4
Davies School	\$12.2	\$11.7	(\$0.6)
Sub-Total State Schools	\$28.6	\$27.9	(\$0.7)
Total School Aid	\$825.3	\$860.1	\$34.9

(in millions)



Human Services

Governor Raimondo preserves core human services programs ensuring a strong and viable safety net for our most vulnerable citizens.

The November Caseload Estimating Conference increased projected medical assistance expenditures by \$37.0 million in FY 2015 and increased expenditures by \$35.2 million more in FY 2016.

Cash and Medicaid	FY 2015 Enacted	FY 2015 Nov.	Change	FY 2016 Nov.
Cash Assistance	\$29.7	\$29.5	\$0.1	\$29.8
Medical Assistance				
- Managed Care	571.7	585.9	14.2	608.6
- Long Term Care	104.9	121.6	16.7	129.4
- Hospitals	103.6	108.9	5.3	109.7
- Pharmacy	51.8	53.1	1.3	54.9
- Other Services	44.7	44.3	(0.3)	46.2
Subtotal- Medical	\$876.6	\$913.7	\$37.2	\$948.7
Total	\$906.2	\$943.3	\$37.0	\$978.5

Overview – FY 2016 Budget Plan



How was the FY 2015 deficit resolved?

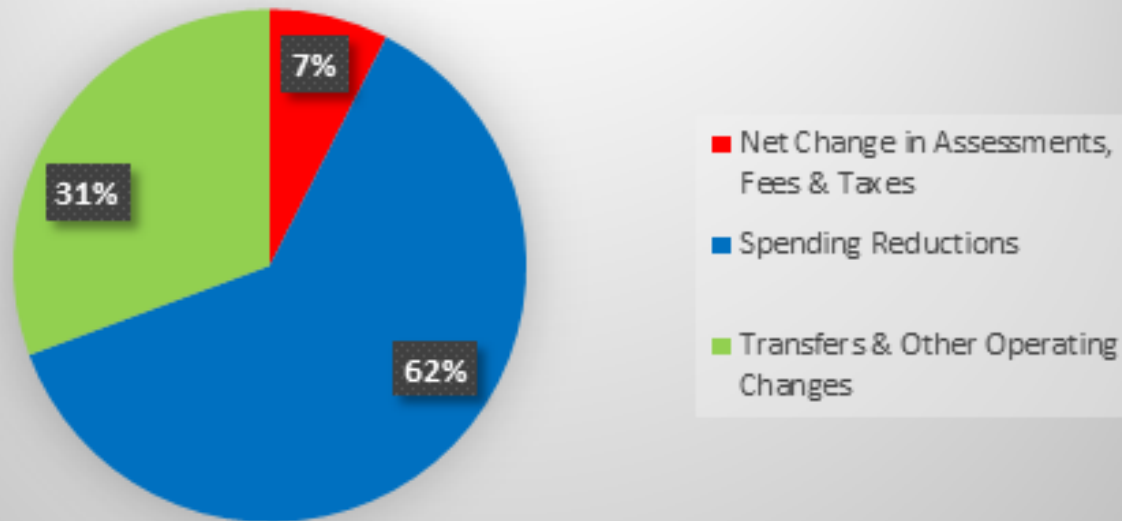
FY 2015 Revised Budget	(in millions)
Enacted Surplus	\$.6
FY 2014 Additional Closing Surplus (w/ reappropriations)	16.0
FY 2014 Surplus Revenues (no transfer to retirement fund)	14.2
November Revenue Estimating Conference Changes	15.8
Governor's Proposed Revenue Changes	.9
Rainy Day Fund Transfer	(1.2)
Expenditure Changes	
Caseload Estimating Conference	37.0
Debt Service Adjustments	(27.6)
DCYF, Corrections, Public Safety	21.9
Agency Savings (personnel, operating, other – inc. reappropriations)	11.9
Projected Closing Balance	\$3.1

Overview – FY 2016 Budget Plan



How was the FY 2016 deficit resolved?

A Balanced Approach to Closing the Budget Shortfall



Overview – FY 2016 Budget Plan



How was the deficit resolved?

FY 2016 Governor's Recommended Budget	(in millions \$)
Current Services Projected Deficit	(\$166.7)
November REC/CEC	(23.7)
	(190.4)
Net Tax and Fee Changes (7.5% of deficit reduction)	14.3
Statewide Property Tax on Second Homes over \$1.0 M	11.8
Close Loopholes on Lodging Tax Base, Online Lodging Sales, Unlicensed Rentals	7.1
Increase Cigarette Tax by \$0.25 per pack	7.1
Close Real Estate LLC Loophole; End Enterprise Zone Wage Tax Credit	1.0
Increase Earned Income Tax Credit	(3.0)
Phase out Energy Sales Taxes, Imaging & Outpatient Taxes; Repeal Licenses	(5.8)
Social Security Tax Exemption	(3.9)

Overview – FY 2016 Budget Plan



How was the deficit resolved?

FY 2016 Governor's Recommended Budget	(in millions \$)
Expenditure Reductions (61.8% of deficit reduction)	118.1
Statewide Efficiencies	25.3
General Government	12.4
Health and Human Services	93.8
Education	(14.9)
Public Safety, Transportation & Environment	1.3
Transfers and Other Operational Changes (30.7% of deficit reduction)	58.4
Tobacco Trust Fund (Refunding Proceeds)	19.0
Delay DMV Revenue Transfer to DOT	13.2
Net Transfers with Quasi's & Other Accounts	22.9
Taxation Compliance Contracts & Self-Audit	2.2
2015 Balance Forward (\$3.1M) Less Transfer to Rainy Day for FY 2016 Revenues (\$1.9M)	1.1
Projected Ending Balance	\$0.6

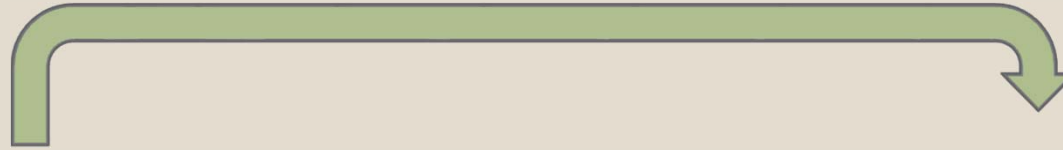
Overview – FY 2016 Budget Plan



General Government

- Debt Restructuring:
 - restructuring of the State's general obligation bond debt to create \$64.5 million in new resources for economic development.
 - capitalize a \$20.0 million School Building Authority Capital Fund under RIHEBC, overseen by new office at RIDE.
 - capitalize a \$44.5 million Economic Development Initiatives Fund under the Executive Office of Commerce.
- Executive Office of Commerce:
 - Transfer \$22.9 million in existing programs from Department of Administration to new Office.
 - additional \$4.0 million to support operations at the Commerce Corporation.
 - \$3.6 million in new appropriations with \$6.4 million in hotel tax revenue to support new economic stimulus initiatives at the Corporation.

Executive Office of Commerce



**\$44.5 million
from
Debt
Restructuring**

Economic Development Initiatives Fund	Allocation
	(in millions)
First Wave Closing Fund	\$5.0
I-195 Development Fund	\$25.0
Innovation Initiative	\$0.5
Competitive Sector Grants Pilot	\$0.75
Affordable Housing Fund	\$3.0
Main Street RI Streetscape Improvements	\$1.0
Infrastructure Bank	\$2.0
Small Business Assistance Program	\$5.4
Anchor Tax and Other Approved Credits	\$1.8
Total	\$44.5

Executive Office of Commerce



\$7.6 million Appropriations



\$6.4million Re-direct Hotel Tax

Commerce Corporation – Economic Initiatives	Allocation
	(in millions)
Operations	\$4.3
Tourism Marketing Campaign	\$4.5
Business Marketing Campaign	\$1.0
Increase SBIR State Match	\$0.5
Innovation Vouchers	\$0.5
Employer/CCRI/High School Partnerships	\$0.9
Wavemaker Student Loan Forgiveness	\$1.8
Building and Fire Permit Initiatives	\$0.3
Economic Empowerment Center	\$0.3
Total	\$14.0

Overview – FY 2016 Budget Plan



General Government

- Personnel and Operations Reforms:
 - \$22.0 million in savings for personnel reforms and \$3.3 in operational reforms, including greater flexibility in hiring and managing personnel, plus new efficiency programs with utilities and review of contracts.
- HealthSource RI:
 - utilize remaining federal funds to complete development of the health benefits exchange (Design, Development, and Implementation).
 - new restricted revenue stream of \$6.2 million in FY 2016 through a health reform assessment (effective January 1, 2016) on individual and small group health insurance premiums (inside and outside the exchange) to fund ongoing operations.

Overview – FY 2016 Budget Plan



Health And Human Services

- In addition to the \$46.0 million in projected savings from the Working Group to Reinvent Medicaid, the Governor recommends specific reductions totaling \$45.0 million as follows:

Eliminate Funding for Graduate Medical Education	(\$1.0)
Managed Care Capitation Trend Rate Reduction	(\$2.7)
Eliminate Nursing Home Rate Increase/3% Percent Rate Red.	(\$8.9)
Eliminate Hospital Rate Increase/5% Percent Rate Red.	(\$15.7)
Implementation of Electronic Visit Verification	(\$1.6)
Revise Personal Choice Program Payment Schedule	(\$0.2)
Strengthen RI Residency Confirmation Protocols	(\$0.3)
Eliminate Inpatient and Outpatient UPL Payments	(\$11.2)
Predictive Modeling and Analytics	(\$1.0)
Enhance Identification of Medicare-Covered Expenses	(\$1.0)
Modify FQHC Reporting to Maximize Enhance FMAP	(\$0.4)
Revise Out-of-State Services for CSHCN	(\$1.0)
	(\$45.0)

Overview – FY 2016 Budget Plan



Health And Human Services

- Behavioral Healthcare, Developmental Disabilities and Hospitals:
 - The Governor recommends \$2.7 million in general revenue to finance the court monitor, trust fund, and services mandated by the Consent Decree with Department of Justice and Day and Community .
 - The Governor recommends that BHDDH partner with the Department of Corrections for the purchase of food for the Eleanor Slater Hospital for savings of \$150,000.
 - The Governor recommends the closure of the Southwick and Rogler Group Homes due to decreasing populations for savings of \$450,000.
- Health
 - The Governor recommends the consolidation of 25 boards for non-prescribing professions into one single oversight board for savings of \$200,000.

Overview – FY 2016 Budget Plan



Education

- The Governor recommends \$35.5 million in additional school aid to support year five of the funding formula, categorical funding and other non-distributed aid for local education agencies.
- The Governor recommends \$70.9 million, or \$2.8 million more than enacted for existing school construction reimbursements to every community in the State.
- The Governor recommends \$20.0 million for a new School Building Authority Capital Fund to make financing available to local districts and to address the backlog of construction projects once the moratorium is lifted.

Overview – FY 2016 Budget Plan



Public Safety

- The Governor recommends postponing the Correctional Officer Training Class originally scheduled for FY 2015 due to the DOJ lawsuit, for a current year savings of \$702,000. The FY 2016 Budget provides \$730,000 for a training class.
- The Governor recommends changing the frequency of weapons requalification for correctional officers from annual to biennial, saving \$500,000 in overtime, ammunition, mileage, and firing range rental.
- The Governor recommends financing for the 56th State Police Training Academy to begin in February 2016 to train 30 new state troopers.
- The Governor recommends establishing a new pension trust fund for the pay-as-you-go Troopers and to seed the new trust with \$15.0 million from the Google Settlement funds.

Overview – FY 2016 Budget Plan



Transportation

- The Governor recommends Rhode Island Capital Plan Fund financing of \$47.8 million or \$20.0 million more towards the Highway Improvement Plan in FY 2016.
- The Governor recommends suspending the transfer of 25% of DMV-related fees in FY 2016 to the Department of Transportation and maintaining these resources in the general fund to assist in closing the FY 2016 deficit. The Governor recommends returning to the original phase-in transfer schedule of DMV fees per Article 21 with 75% transferred in FY 2017 and 100% in FY 2018.
- The Governor recommends to continue funding \$1.7 million of debt service on previously issued G.O. Bonds for RIPTA with general revenue to assist the Authority with their projected deficit in FY 2016.

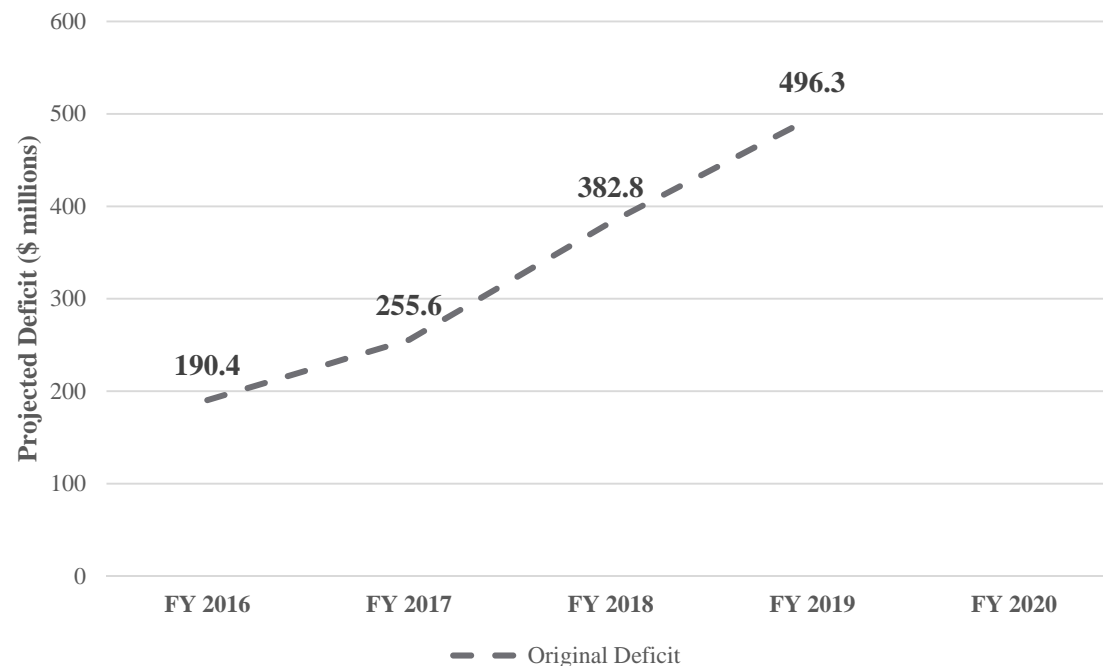


Projected Out - Year Forecast

Governor Raimondo has worked to curtail high-growth spending and avoid broad-based tax increases to improve the long-term outlook.

Prior projections showed a deficit of \$255.6 million in FY 2017 and \$493.3 million in FY 2019.

Governor's FY 2016 Budget Reduces Out-Year Deficits





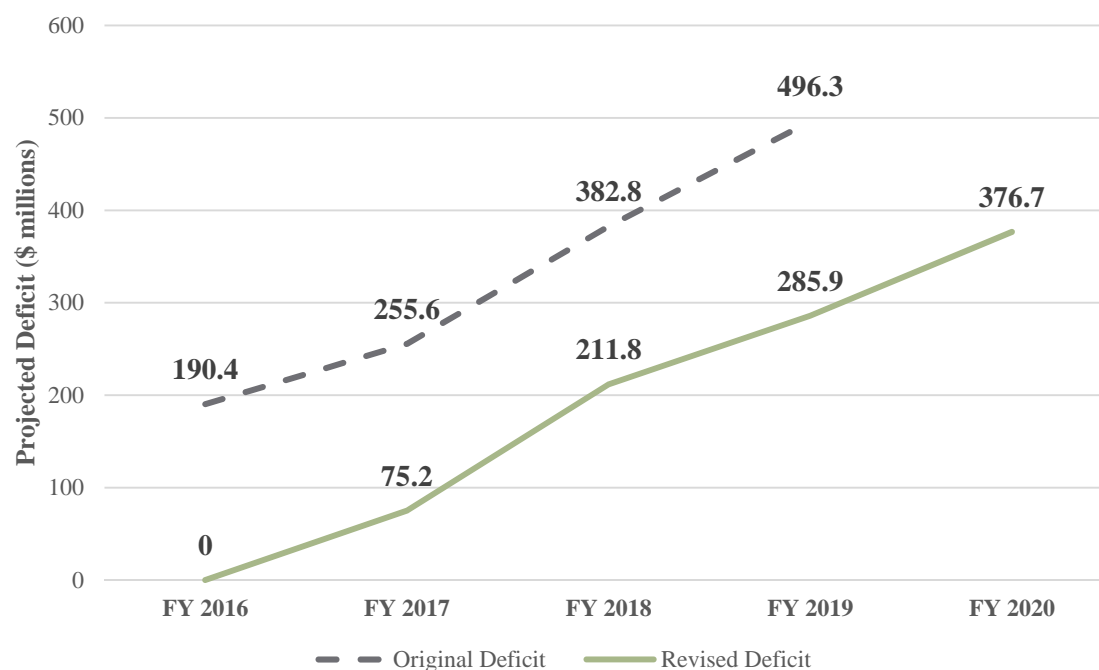
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Governor Raimondo's Budget improves the out-year forecast, reducing the FY 2017 deficit 70.6% to \$75.2 million and reducing the FY 2019 deficit 42.4% to \$285.9 million.

Governor's FY 2016 Budget Reduces Out-Year Deficits





Governor Gina M. Raimondo's Fiscal Year 2016 budget is a forward-looking, balanced budget proposal rooted in the belief that every hardworking person deserves the chance to make it in Rhode Island.

- **Open Source Budget**
- For the first time, you can view the details of the budget proposal via an online tool at [Openbudget.ri.gov](http://openbudget.ri.gov).
- The budget tool offers clear charts and resources for understanding how the budget is structured.
- You can view the budget from different levels to explore how much of the budget will be directed towards a specific government function, agency or program.
- Check it out at <http://openbudget.ri.gov>.

FY 2016 Budget Plan Overview

Governor Gina Raimondo



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7:00 PM MARCH 12,
2015