



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Administration
BUDGET OFFICE
One Capitol Hill
Providence, R.I. 02908-5886

Memorandum

To: Directors and Agency Heads

From: Thomas A. Mullaney *Thomas A. Mullaney*
Executive Director/State Budget Officer
Department of Administration

Date: November 10, 2015

Subject: Corrective Action Plans

RIGL 35-3-24 (copy attached) requires each agency projecting a deficit in the current fiscal year to submit a plan of corrective actions that will be taken to eliminate the deficit. This report is to be filed with the State Budget Office and the Chairpersons of the House and Senate Finance Committees within thirty (30) days of discovery of a deficit. In the event your agency submitted a first quarter report on October 30 that projects a year-end deficit for FY 2016, you are required to submit such a corrective action plan.

As has been the case in prior years, the House Finance Committee will likely be holding hearings in the coming weeks to review the FY 2015 closing, the outcomes of the Revenue and Caseload Estimating Conferences and the first quarter reports of the various agencies. The submissions of corrective action plans, or the lack thereof, has been a topic of discussion at prior such hearings. Therefore, it is in the agency's best interest to have a corrective action plan submitted prior to this hearing.

Please note that the fact that your agency may have requested supplemental funding as part of your FY 2016 revised budget submission does not constitute a corrective action plan. Specific steps that are being or will be taken to reduce agency expenditures and the associated timelines for implementation should be identified. Also, please identify legislative changes, if any, that would be required to carry out any of the corrective action plans.

If you have any questions concerning this requirement, please contact your assigned Budget Analyst.

cc: Chief Financial Officers

TAM:sma 15-31

TITLE 35

Public Finance

CHAPTER 35-3

State Budget

SECTION 35-3-24

§ 35-3-24 Control of state spending. – (a) All department and agency heads and their employees are responsible for ensuring that financial obligations and expenditures for which they have responsibility do not exceed amounts appropriated and are spent in accordance with state laws.

(b) Persons with the authority to obligate the state contractually for goods and services shall be designated in writing by department and agency heads.

(c) In the event of an obligation, encumbrance, or expenditure in excess of amounts appropriated, the department or agency head with oversight responsibility shall make a written determination of the amount and the cause of the overobligation or overexpenditure, the person(s) responsible, and corrective actions taken to prevent reoccurrence. The plan of corrective actions contained within the report shall detail an appropriate plan to include, but not limited to, such issues as the implementation of waiting lists, pro-rata reduction in payments and changes in eligibility criteria as methods to address the shortfall. The report will be filed within thirty (30) days of the discovery of the overobligation or overexpenditure with the budget officer, the controller, the auditor general, and the chairpersons of the house and senate finance committees.

(d) A state employee who has knowingly and willingly encumbered, obligated, or authorized the expenditure of state funds in excess of amounts appropriated for those purposes or entered into contracts without proper authorization may be placed on disciplinary suspension without pay for up to thirty (30) days in accordance with § 36-4-36.

(e) A state employee who knowingly, willfully, and repeatedly authorizes actions resulting in encumbrances or spending of state funds in excess of amounts appropriated may be fined up to one thousand dollars (\$1,000) and/or terminated from employment.

History of Section.

(P.L. 1991, ch. 6, art. 6, § 1; P.L. 2001, ch. 77, art. 19, § 1.)