



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

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

Memorandum

To: Department Directors and Agency Heads

From: Rosemary Booth Gallogly
Executive Director/State Budget Officer *RB Gallogly*

Date: April 7, 2008

Subject: Quarterly Report

Section 35-1-5 of the Rhode Island General Laws requires that the Budget Office prepare and release to the public within 45 days of the close of each quarter a consolidated quarterly report incorporating the cumulative current and projected year-end status of revenues and expenditures. To allow sufficient time to prepare this consolidated report, agencies are required to submit to the Budget Office a quarterly report within 30 days of the close of the quarter. We ask each department director and agency head to make this a priority to ensure the April 30, 2009 deadline for submission of quarterly reports to the Budget Office is met. We will utilize the third quarter analysis to determine whether any adjustments are required to agencies' budgets. Please make every effort to achieve this deadline.

The RIGL requires that each quarter's report include both current actual departmental expenditures and encumbrances compared to enacted appropriations, and the anticipated year-end balance assuming current trends continue and that typical cyclical expenditure patterns prevail over the course of the year. To determine the expenditures to date and project future expenditures for the fourth quarter, agencies should utilize RIFANS Statements 1, 2, and 3, ensuring that the FY 2009 Working Budget field (entitled FY09 WORK), which reflects the legislatively enacted budget less the allocation of \$8.3 million in statewide reductions, is selected as the budget parameter. All budget comparisons should be made to the FY 2009 Working Budget and not to the FY 2009 Enacted or Supplemental Budgets. Please contact your assigned budget analyst if you are uncertain about the categorical or line item distribution of appropriations.

The FY 2009 Supplemental Appropriations Act, as passed by the General Assembly, contains undistributed statewide savings within the Department of Administration. These include \$7.4 million in personnel and operating savings based on 5% of two month's of general revenue funding in these categories, and \$909,000 in contract services savings based on 10% of two month's of general revenue funding in this category. The FY 2009 Working Budget has allocated these savings to each agency as follows:

- Contract service natural accounts (63xxxx) have been reduced 10% of 1/6 of the revised appropriation (10% of two months funding).
- Operating savings of \$1.2 million have been determined based on 5% of 1/6 of the revised appropriation (5% of two months funding) and put in natural account 643799 as a negative amount.
- Personnel savings of \$6.2 million have been determined based on projected savings in medical insurance and the assessed fringe benefit assessment, which will not be charged for a portion of the year, as explained further below. The AFB natural (626100) has been reduced by 2/26 of the revised appropriation. The medical benefits natural (624110) has been reduced by the balance of the savings taken from personnel. Although this is more than the projected savings from the medical benefits holiday described below, we decided to take the balance of the savings amount from this code to segregate it for reporting and projection purposes. One medical benefits holiday is estimated to save \$3.04 million, whereas total savings taken from the medical natural totals \$4.13 million.

The attached spreadsheet shows the reductions for each of these categories by agency and the resulting revised budget against which your quarterly projections should be made.

Each agency and department head should provide an explanation of deviations to the Budget Office including:

1. An analysis of the status of funding by program and by fund, including the projected annual expenditure vs. the Working Budget appropriation under current trends, *and the plan for a resolution of shortfalls, if any are projected*. RIGL 35-3-24 requires agencies to submit corrective action plans whenever there is a projection of over expenditure. Agencies should clearly identify assumptions in the analysis relating to adjustments from or to federal and restricted accounts, or other cost allocation adjustments that must be processed. In projecting payroll expenditures, agencies should assume the following:

Payroll – Medical Benefits Holiday: Agencies will NOT be charged medical costs (natural 624110) for the first pay period in June (pay period 25). Agencies will continue to be charged for vision and dental benefits during this period. Note: employees who contribute a percent of premium co-pay will not be charged their co-pay for this pay period.

Payroll – Assessed Fringe Benefit Holiday:

Agencies will NOT be charged for the assessed fringe benefit assessment (natural 626100) for the last pay period in May (#24) and the first pay period in June (#25). These holidays are the result of current resources in the AFB fund plus projected collections, which together are projected to exceed expenditures for the balance of FY 2009.

2. Your quarterly report should also assume savings to be realized from the one uncompensated leave day, which was negotiated with most unions. This will occur during the first pay period in June (pay period 25). This will be equal to one days pay, and will impact salary and any fringe benefits calculated as a percent of payroll.
3. Your narrative should specifically identify expenditure assumptions that were impacted by passage of the Supplemental Budget, and discuss if there are any deficits or surpluses projected as a result of these provisions.
4. Analysis of trends of under or over expended programs and accounts, noting the reasons and the projected ending condition.
5. Analysis of federal and restricted revenue funds, noting any projected over or under spending. This will help determine whether any expenditure ceilings need to be increased or reduced in the current year.

This information must be submitted with full documentation to the Budget Office by Thursday, April 30, 2009 to allow for preparation and timely submission of the quarterly report. Your continued cooperation is appreciated.

RBG:sm09-136

Enclosure

cc: Chief Financial Officers

agency	description	FY 2009 Supplemental as Enacted	Contract Services	Operating Savings	Assessed Fringe Benefit	Medical Benefits	FY 2009 Revised Working Budget
068	DEPARTMENT OF ADMINISTRATION	\$463,993,253	(\$105,835)	(\$270,216)	(\$166,780)	(\$339,242)	\$463,111,180
071	DEPARTMENT OF BUSINESS REGULATION	\$9,307,245	(\$694)	(\$3,698)	(\$26,396)	(\$48,563)	\$9,227,894
073	DEPARTMENT OF LABOR AND TRAINING	\$6,696,080	(\$2,181)	(\$1,738)	(\$7,889)	(\$14,725)	\$6,669,547
080	DEPARTMENT OF REVENUE	\$33,254,816	(\$13,216)	(\$58,355)	(\$72,246)	(\$140,446)	\$32,970,553
011	GENERAL ASSEMBLY - CONSTITUTION	\$33,451,335	(\$9,873)	(\$18,548)	(\$81,077)	(\$157,076)	\$33,184,761
013	OFFICE OF THE LIEUTENANT GOVERNOR	\$860,771	\$0	(\$287)	(\$2,569)	(\$4,588)	\$853,327
065	DEPARTMENT OF STATE	\$6,407,527	(\$3,870)	(\$14,912)	(\$12,504)	(\$23,038)	\$6,353,203
067	TREASURY DEPARTMENT	\$2,465,934	(\$760)	(\$4,254)	(\$5,820)	(\$10,572)	\$2,444,528
042	BOARD OF ELECTIONS	\$1,552,690	(\$3,327)	(\$1,859)	(\$3,020)	(\$6,294)	\$1,538,190
043	RHODE ISLAND ETHICS COMMISSION	\$1,409,450	(\$575)	(\$1,435)	(\$3,786)	(\$6,662)	\$1,396,992
012	EXECUTIVE DEPARTMENT	\$4,698,679	\$0	(\$2,688)	(\$13,038)	(\$23,165)	\$4,659,788
046	RHODE ISLAND COMMISSION FOR HUMAN RIGHTS	\$932,418	(\$17)	(\$797)	(\$2,529)	(\$4,651)	\$924,424
024	RHODE ISLAND COMMISSION ON WOMEN	\$108,377	\$0	(\$68)	(\$319)	(\$546)	\$107,444
028	OFFICE OF HEALTH AND HUMAN SERVICES	\$3,836,576	(\$2,167)	(\$301)	(\$11,252)	(\$20,397)	\$3,802,459
079	DEPARTMENT OF CHILDREN, YOUTH, AND FAMILY	\$162,051,787	(\$37,998)	(\$70,520)	(\$152,027)	(\$303,343)	\$161,487,899
078	DEPARTMENT OF ELDERLY AFFAIRS	\$13,957,794	(\$2,087)	(\$1,473)	(\$5,247)	(\$9,010)	\$13,939,977
075	DEPARTMENT OF HEALTH	\$30,753,976	(\$30,859)	(\$25,307)	(\$61,206)	(\$112,259)	\$30,524,345
069	DEPARTMENT OF HUMAN SERVICES	\$651,883,148	(\$243,386)	(\$53,642)	(\$94,786)	(\$198,182)	\$651,293,152
076	DEPARTMENT OF MENTAL HEALTH, RETARDATION	\$182,926,530	(\$11,506)	(\$66,059)	(\$122,606)	(\$277,999)	\$182,448,360
022	GOVERNOR'S COMMISSION ON DISABILITIES	\$387,862	(\$590)	(\$121)	(\$1,012)	(\$1,811)	\$384,328
023	COMMISSION ON THE DEAF & HARD OF HEARING	\$371,300	(\$1,092)	(\$91)	(\$860)	(\$1,640)	\$367,617
045	OFFICE OF THE CHILD ADVOCATE	\$514,442	(\$17)	(\$144)	(\$1,501)	(\$2,753)	\$510,027
047	OFFICE OF THE MENTAL HEALTH ADVOCATE	\$440,483	(\$42)	(\$96)	(\$1,302)	(\$2,371)	\$436,672
072	ELEMENTARY AND SECONDARY EDUCATION	\$875,390,470	(\$97,705)	(\$24,142)	(\$80,740)	(\$155,497)	\$875,032,386
085	BOARD OF GOVERNORS FOR HIGHER EDUCATION	\$172,860,842	(\$54,184)	(\$222,223)	(\$334,126)	(\$596,278)	\$171,654,031
026	RHODE ISLAND COUNCIL ON THE ARTS	\$1,905,796	\$0	(\$546)	(\$1,803)	(\$3,301)	\$1,900,146
052	RHODE ISLAND ATOMIC ENERGY COMMISSION	\$786,847	(\$33)	(\$677)	(\$2,233)	(\$3,916)	\$779,988
054	RHODE ISLAND HIGHER EDUCATION ASSISTANCE	\$7,292,984	(\$150)	(\$1,422)	(\$1,532)	(\$2,690)	\$7,287,190
027	HISTORICAL PRESERVATION AND HERITAGE COM	\$1,297,516	(\$74)	(\$840)	(\$2,812)	(\$5,389)	\$1,288,401
053	PUBLIC TELECOMMUNICATIONS AUTHORITY	\$1,249,509	(\$217)	(\$1,357)	(\$3,111)	(\$5,979)	\$1,238,845
066	DEPARTMENT OF ATTORNEY GENERAL	\$21,134,410	(\$12,857)	(\$10,840)	(\$57,783)	(\$105,737)	\$20,947,193
077	DEPARTMENT OF CORRECTIONS	\$178,682,061	(\$201,790)	(\$145,692)	(\$336,163)	(\$808,354)	\$177,190,062
099	JUDICIAL DEPARTMENT - CONSTITUTION	\$82,797,231	(\$32,839)	(\$71,019)	(\$195,980)	(\$353,892)	\$82,143,501
014	MILITARY STAFF	\$3,575,260	(\$550)	(\$15,271)	(\$4,793)	(\$7,838)	\$3,546,808
081	DEPARTMENT OF PUBLIC SAFETY	\$34,656,938	(\$6,868)	(\$46,488)	(\$84,520)	(\$185,038)	\$34,334,024
049	OFFICE OF PUBLIC DEFENDER	\$9,318,047	(\$1,959)	(\$6,787)	(\$25,371)	(\$46,479)	\$9,237,451
074	DEPARTMENT OF ENVIRONMENTAL MANAGEMENT	\$34,011,362	(\$19,264)	(\$54,746)	(\$81,398)	(\$126,085)	\$33,729,869
050	COASTAL RESOURCES MANAGEMENT COUNCIL	\$2,034,354	(\$1,485)	(\$55)	(\$5,950)	(\$10,772)	\$2,016,092
051	WATER RESOURCES BOARD	\$1,352,046	(\$8,933)	(\$1,286)	(\$1,913)	(\$3,422)	\$1,336,492
		\$3,040,608,146	(\$909,000)	(\$1,200,000)	(\$2,070,000)	(\$4,130,000)	\$3,032,299,146