

# Executive Summary

# Table of Contents

	<u>Page</u>
Overview .....	1
The Economy .....	10
Revenues and Receipts .....	15
General Revenues .....	18
All Sources .....	22
All Expenditures .....	23
Expenditure Summary .....	24
Capital Budget .....	27
General Government .....	33
Human Services .....	45
Education .....	57
Public Safety .....	65
Natural Resources .....	75
Transportation .....	81
Five Year Financial Projection	
FY 2002 – FY 2006 Overview .....	87
General Revenues FY 2002 – FY 2006 .....	95
General Revenue Outyear Estimates .....	96
General Revenue Outyear Expenditure Estimates .....	97
General Revenue Outyear Planning Values .....	100

## Appendices

### Appendix A - Schedules

General Revenue Budget Surplus Statement .....	A-1
Expenditures from All Funds .....	A-2
Expenditures from General Revenues .....	A-4
Expenditures from Federal Funds .....	A-6
Expenditures from Restricted Receipts .....	A-8
Expenditures from Other Funds .....	A-10
Full-Time Equivalent Positions .....	A-12
General Revenues as Recommended .....	A-14
General Revenue Changes to Adopted Estimates .....	A-15

### Appendix B - Changes to FY 2001

Changes to FY 2001 Enacted General Revenue Budget .....	B-1
Changes to FY 2001 Enacted Revenues .....	B-2
Changes to FY 2001 Enacted General Revenue Expenditures .....	B-3

**Appendices**

**Page**

**Appendix C – Aid to Cities and Towns**

Formula Aid to Cities and Towns ..... C-1  
Fiscal Year 2001 Formula Aid to Cities and Towns ..... C-2  
Fiscal Year 2002 Formula Aid to Cities and Towns ..... C-3  
Change in Formula Aid to Cities and Towns ..... C-4

**Appendix D – Aid to Schools**

Education Aid to Local Units of Government ..... D-1

**Appendix E – Capital Budget**

Summary of Proposed Bond Issuance by Agency ..... E-1  
Statewide Summary by Source of Funds ..... E-2  
Statewide Summary by Agency ..... E-4  
Proposed New Bond Referenda ..... E-6

***Multi-Year  
Financial  
Management Plan  
to Rebuild and  
Invest in  
Rhode Island***

The FY 2002 Budget submitted to the General Assembly continues the multi-year financial management plan which is to systematically rebuild and invest in Rhode Island's economic infrastructure. This multi-year planning has characterized Governor Almond's administration.

Total expenditures for FY 2002 are \$5.145 billion. Expenditures from all fund sources in FY 2002 are \$189.3 million greater than the revised FY 2001 Budget of \$4.956 billion. This reflects a growth rate of 3.8 percent. Expenditures from general revenues total \$2.616 billion for FY 2002, reflecting an increase of \$145.2 million from the revised FY 2001 Budget of \$2.472 billion. This reflects growth of 5.9 percent in general revenue-funded expenditures.

The recommended budget is funded from total resources of \$2.617 billion for FY 2002, an increase of \$28.7 million from the revised FY 2001 level of \$2.588 billion. The opening surplus of \$116.6 million is also included, as is the reserve transfer of \$53.4 million for the cash stabilization fund.

The Governor's FY 2002-2006 Capital Improvement Plan continues the Governor's effort to reduce net tax supported debt as a percent of personal income from 8.5 percent in 1994 to 4.36 percent in FY 2006. The Capital Budget proposes expenditures of \$772.6 million in FY 2002, and recommends issuance of \$141.4 million of new general obligation bonds for transportation purposes, clean water projects, higher education facilities and open space. The Governor proposes new referenda in FY 2002 and FY 2004 to continue needed infrastructure improvements, including a \$25.0 million bond to enhance the state's supply of affordable housing.

The full-time equivalent ceiling, or FTE cap, for positions is recommended to increase from the revised FY 2001 cap of 16,086.7 to 16,112.7 for FY 2002. As of December 31, 2000, the number of filled positions in state government, including all of higher education, was 15,649.4. This is more than one hundred positions below the current ceiling, and is consistent with the Administration's track record of managing state government operations in a fiscally prudent manner.

The Governor continues to make key investments to build the economy and to provide better and more cost-effective services to our citizens. Therefore, the FY 2002 budget includes:

***Taxpayer Relief  
Personal Income  
Tax Reduced to  
25.0 Percent***

Phase V of the Governor's income tax rate reduction initiative is reflected in the FY 2002 Budget. In the FY 1998 Budget, the Governor proposed over a five-year period, a reduction in the personal income tax rate from 27.5 percent of federal tax liability to 25.0 percent. The five-year rate reduction schedule is as follows:

<b>Tax Rate</b>		
27.5%	<u>Phase I through IV of Personal Income Tax Rate Reduction have been implemented:</u>	
↓		
27.0%		Effective January 1, 1998 - rate reduced from 27.5% to 27.0% (Phase I)
↓		
26.5%		Effective January 1, 1999 - rate reduced from 27.0% to 26.5% (Phase II) Effective January 1, 2000 - rate reduced from 26.5% to 26.0% (Phase III) Effective January 1, 2001 - rate reduced from 26.0% to 25.5% (Phase IV)
↓		
26.0%	<u>Recommendation:</u>	
↓		
25.5%		Effective January 1, 2002 - rate reduced from 25.5% to 25.0% (Phase V)
↓		
25.0%		

The Governor also recommends in this budget a five-year phase out of the state's capital gain tax. Consistent with the Governor's multi-year approach to financial management, this tax will be phased out by exempting 20.0 percent of long term capital gains from income tax in FY 2003 and increasing the exemption to 100.0 percent by the final year. This capital gains phase-out is expected to save taxpayers \$20.0 million in FY 2003, and \$62.0 million by FY 2007.

***Capital Gains Tax  
to be Phased Out  
Over Five Years***

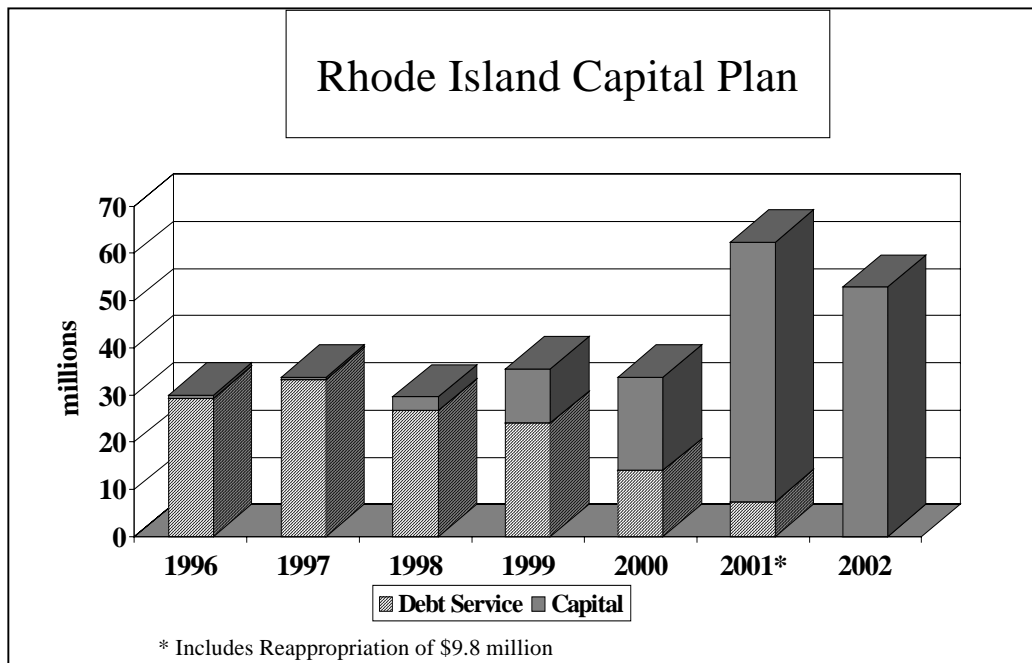
***Provide Stability  
in Contribution  
Rates to  
Retirement  
Systems***

The Governor recommends changes to the actuarial assumptions currently in statute for the state retirement system. These recommendations are consistent with the recommendations of the actuary and were approved by the State Retirement Board. These changes will provide consistency and stability to the contribution rates, and will reduce the expenditures required to fund the retirement system.

The FY 2002 recommended budget is proof that a moderate multi-year plan can be successful. In the early years of the Rhode Island Capital Fund, over 95.0 percent of the resources were used for debt service. The Governor recommended a plan which would gradually shift debt service back to general revenues, and use the fund's resources to complete much needed capital projects.

***"Pay-As-You-Go"  
Capital Plan  
Reaches Goal***

In FY 1998 through FY 2001, the state spent an increasing percentage of the fund on capital projects, 9.8 percent, 32.7 percent, 58.8 percent, and 88.1 percent, respectively. In FY 2002, the Governor recommends the 100.0 percent or \$52.9 million be spent on the pay-as-you-go capital projects outlined in his recommended capital budget.



## ***Debt Reduction***

In FY 2001, the state accomplished a most significant feat in management of its debt. The state achieved this milestone in August 2000 when all the debt issued by the Depositors Economic Protection Corporation (DEPCO) was fully paid, cancelled or defeased. This achievement was the result of prudent and disciplined financial management. Since 1998, the Depositors Economic Protection Corporation retained all of the excess dedicated sales tax and all amounts it received from settlements and legal proceedings, and used it to pay its debt as funds became available. These funds allowed DEPCO to pay, cancel or defease all bonds by FY 2001 (8/1/2000), twenty-two years sooner than the original pay down schedule. The taxpayers have benefited by the savings achieved through the early repayments. These savings are estimated to be over \$800.0 million.

If the DEPCO had been forced to continue with the original amortization schedule in place when the state's 1995-1999 Capital Budget was published, there would still be \$441.3 million of principal outstanding and \$324.2 million of interest owed on the debt, rather than no debt on August 1, 2000.

The Governor's recommended capital and operating budgets reflect a modified plan of debt reduction over the five year planning horizon. To address the needs of state government operations and to make key investments to maintain Rhode Island's competitiveness, the Governor recommends that the resources dedicated to debt reduction be adjusted to reflect competing priorities. The modifications recommended by the Governor include returning investment earnings on the state's bond proceeds back to the General Fund, including the earnings remaining from FY 2000, and would allow certain proceeds to be received from DEPCO to be deposited in the general fund in FY 2001 and FY 2002 only. Current resources will continue to be allocated to the sinking fund to reduce debt or for debt avoidance, are recommended at a lower level.

# Overview

***Gas Tax Transfer Program in the FY 2002 Budget***

Another aspect of the multi-year financial management plan is the Governor's efforts to move all gas tax receipts to transportation programs including DOT, RIPTA, and the para-transit program in the Department of Elderly Affairs by FY 2003.

The scheduled transfers are:

**Completed**

- Effective FY 1998 – transfer 2.0 cents to DOT for a total of 16.0 cents.
- Effective FY 1999 – transfer an additional 1.5 cents to DOT for a total of 17.5 cents
- Effective FY 1999 – transfer an additional 2.0 cents to RIPTA for a total of 5.0 cents
- Effective FY 2000 – transfer an additional 0.75 cent to DOT for a total of 18.25 cents
- Effective FY 2000 – transfer an additional 0.5 cent to RIPTA for a total of 5.5 cents
- Effective FY 2001 – transfer an additional 1.25 cents to DOT for a total of 19.5 cents
- Effective FY 2001 – transfer an additional .25 cent to RIPTA for a total of 5.75 cents

**Recommended**

- Effective FY 2002 – transfer an additional 1.0 cent to DOT for a total of 20.5 cents
- Effective FY 2003 – transfer an additional .75 cent to DOT for a total of 21.25 cents

	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
<b>Intermodal Surface Transportation Fund Transfers</b>						
Department of Transportation	16.0	17.5	18.25	19.50	20.5	21.25
Rhode Island Public Transportation Authority	3.0	5.0	5.50	5.75	5.75	5.75
Department of Elderly Affairs	1.0	1.0	1.0	1.0	1.0	1.0
General Fund	8.0	4.5	3.25	1.75	0.75	0.00
<b>Total Gas Tax Levy to ISTF, in cents:</b>	<b>28.0</b>	<b>28.0</b>	<b>28.0</b>	<b>28.0</b>	<b>28.0</b>	<b>28.0</b>

As of FY 2002, the distribution of the gas tax will be: RIPTA – 5.75 cents, DEA – 1.- cent, DOT – 20.5 cents, general fund - .75 cent.

The Governor's budget for education aid to local governments totals \$670.7 million for FY 2002. This represents a net increase of \$33.6 million or 5.3 percent, above the FY 2001 revised appropriation of \$637.1 million. Teacher retirement obligations also increase by \$1.0 million. This is a net increase attributable to a higher projected teacher salary base, but a lower contribution rate due to a proposed change in actuarial funding methodology. The increase of \$32.6 million in education aid, excluding teacher retirement and school construction aid, represents a 5.7 percent increase from the revised FY 2001 budget.

***Local Education Aid up \$33.6 million***

The recommendation reflects a change in the distribution methodology for education aid. The Governor's Taskforce on Education Aid Financing recommended that a portion of the additional FY 2002 aid be used to provide a minimum increase for all communities, a distribution component based on need and a distribution component based on tax effort, and municipal capacity. In support of these objectives, the taskforce recommended 20.0 percent of the new FY 2002 education aid funds be distributed for the support of all communities to finance education expenditures based on pupil counts, 40.0 percent for excess education costs associated with special need, and 40.0 percent targeted to high tax effort, low capacity districts to provide a more equitable financing of education. Each community is guaranteed a minimum increase of 2.5 percent over the previous year, excluding the full day kindergarten funds. Communities with full-day kindergarten programs will receive more than a 2.5 percent increase.

While some investment funds have been maintained, many have been consolidated into general education aid. Distributions from Core Instruction Equity, Early Childhood, Student Language Assistance, Vocational Equity, and Targeted Aid allocations have been collapsed into General Education Aid and the distributions frozen. Previous allocations from the Student Equity fund are treated in like fashion, with only the FY 2002 allocation of \$10.5 million reflected in the category. Student Technology, Professional Development, On-Site Visits, Hasbro Children's Hospital, Textbook Expansion and Progressive Support and Intervention remain with distributions at the FY 2001 level.

Three new categories are recommended: Per Pupil Distribution, totaling \$5.3 million; Tax Equity, totaling \$10.5 million; and Mentoring, totaling \$250,000. The Governor recommends the Charter School fund increase \$1.0 million, and Full-Day Kindergarten increase by \$713,000 from FY 2001 levels. It should be noted, however, that in distributing education aid funds, the full amount of Full-Day Kindergarten funds, \$3.1 million, is added to eligible districts in addition to all other education aid distributions. The Governor recommends increasing education aid appropriations for Central Falls by \$1.6 million, an increase of five percent from the FY 2001 funding level.

The Governor recommends an increase of \$600,000 for assessment in FY 2002. Rhode Island's Comprehensive Education Strategy committed the state to the goal of all students achieving high standards. The state's assessment program measures our progress in achieving that goal. This addition would allow the state to move further in achieving that end. The Governor also recommends including \$200,000 in appropriations for the vocational education program consistent with the Governor's Taskforce on Vocational Education. This would add 2.0 FTE positions to the Department of Elementary and Secondary Education.

***Higher Education  
Support Up 8.8%***

For FY 2002, the Governor recommends total expenditures of \$533.4 million for Public Higher Education. This budget is funded by general revenue appropriations totaling \$175.2 million, \$2.0 million in federal funds, and \$356.1 million in other funds. Other funds include tuition revenues which are projected to grow by \$5.4 million or 4.0 percent. The expenditure increase includes additional scholarship funding of \$1.7 million, \$0.9 million for enhanced PeopleSoft implementation, \$0.9 million for operating costs at the CCRI megastructure addition, a new technology training initiative at CCRI, and funds for a master teachers program. Within the Rhode Island Capital Plan Fund, \$19.9 million is recommended for Higher Education asset protection programs and other capital facilities. When all debt service costs



---

## Overview

---

related to higher education, which are budgeted in the Department of Administration are included, total state support increases by \$14.4 million in FY 2002 for a total increase of 8.8%.

*Investments in  
Health Care*

The Governor's FY 2002 recommendation includes full funding for medical assistance for state clients, in conformance with levels adopted by the consensus caseload estimating conference. The Medical Benefits program in the Department of Human Services finances health care benefits for eligible clients in a variety of settings, including hospitals, assisted living arrangements, nursing homes, clinics and offices, and through a variety of models, including fee-for-service, managed care, and subsidy of federal and private health insurance. FY 2002 appropriations total \$866.4 million, including \$404.8 million of general revenues.

Total expenditures of \$210.1 million are recommended for the Department of Children, Youth and Families for FY 2002. In an effort to reduce the number of out-of-state residential placement slots, the Governor's recommendation includes general revenue of \$1.0 million for the development of a new in-state continuum of care network and the expansion of an existing contract for continuum of care, including increased foster care slots and for enhanced respite and wrap-around services to assist families in maintaining children in their own homes. The Governor's recommended budget finances 258 purchase-of-service slots, a decrease of 12 placements from the FY 2001 revised level. Psychiatric hospitalizations are funded at levels consistent with the FY 2001 revised budget. Continued utilization review should ensure that children receive services in the least restrictive environment. Project Reach, which provides community-based mental health services for children, is fully funded in FY 2002. Included in the Governor's Capital Improvement Plan is \$300,000 in FY 2002 for planning and design of the new Training School.

The Governor recommends continued funding of the Rhode Island Pharmaceutical Assistance to the Elderly Program at the expanded income qualification limits and with the additional covered medications as established in the FY 2001 enacted budget. For FY 2002, the Governor recommends funding of \$9.2 million for this program.

As part of the RI e-Government initiative, the Governor recommends \$720,000 in general revenue expenditure in the Department of Health's Vital Records program to implement a new system to automate the issuance of certified copies of birth records. The Governor recommends additional funds to replace and add equipment for the Health Laboratory as well as to fund laboratory reallocations and upgrades. The Governor also recommends the addition of 12.0 FTE positions to provide fully trained medium and long term employees rather than limited period consultants in several federal and restricted receipt funded programs such as youth smoking prevention, HIV, public water system supervision, and family health.

In the Department of Administration FY 2002 budget, the Governor reserves \$10,000,000 in general revenue funds in FY 2002 to finance rate adjustments for providers of client services to several state departments. Providers being considered for adjustment are contracted to the Departments of Human Services, Health, and Children, Youth and Families; because the rate and coverage of any adjustments have yet to be determined, the funds are reserved in the Department of Administration budget. Federal matching funds would be available for most of the provider expenditures, but are not reflected in the Administration budget recommendation.

---

## Overview

---

***Technology  
Funding***

The Governor's RI e-Government initiative would provide the state's citizens and business community with modern and convenient access to state government through the use of computer technology and newly created web-sites. For FY 2002 the Governor recommends the appropriation of \$8.4 million toward RI e-Government activities. In subsequent years appropriations will be equal to a percentage of the state's total resources to ensure that Rhode Island becomes competitive in the area of information technology. Projects for FY 2002 will include the development of a statewide portal or single point of entry for citizens to access government information and to conduct business. Other projects include the automation of the state's vital records system, the development of an automated Uniform Commercial Code system, and establishment of uniform electronic rate filing and licensing for the state's insurance industry.

The Governor's recommended general revenue sharing for FY 2002 is \$43.6 million and represents an increase of \$10.1 million over the revised FY 2001 budget. The Payment-in-Lieu-of-Taxes (PILOT) program is funded at \$17.6 million reflecting level funding, and State Library Aid increases by \$549,196 to \$8.6 million. The funding for the Police and Fire Incentive program increases by 10.0 percent and overall state aid to local communities, excluding education aid, increase by \$15.4 million or 10.3 percent from the FY 2001 revised levels.

***State Aid  
Increases by \$15.4  
Million or 10.3%***

***Auto Excise  
Tax Exemption  
Frozen***

The Governor's key priority is directing the maximum funding possible to education and health care programs. Therefore, this budget freezes the exemption level of the auto excise tax at the present level. This is consistent with the Governor's stated position that he would assess the affordability of this tax phase out in each fiscal year. The auto excise tax exemption will remain at \$3,500 with an annual inflationary component added to the annual state payment to the cities and towns. The Governor recommends funding the Motor Vehicle Excise Tax program at \$74.7 million in FY 2002. This is an increase of \$4.7 million from the FY 2001 revised funding level and will provide for payments to each city and town at the FY 2001 level with additions for the Consumer Price Index and other technical adjustments.

In addition to funding on-going services the Governor is recommending funding for the following initiatives: recruitment of correctional officers, one correctional officer training class, enhanced in-service training, the first retroactive payment to RIBCO members, and the development of a geographic information system database which will allow E-911 Emergency Telephone System to locate cellular phone callers within a distance of three to five miles. In an effort to enhance the Witness Protection Program in Rhode Island, a witness protection coordinator position is included in the State Police budget. In the Public Defenders Office, 3.0 new FTE positions are recommended for the Juvenile Response Unit.

***Public  
Safety  
Investments***

agencies to develop measures which decision makers and the public at large can use to evaluate program outcomes on an annual basis. These measures are included on the agency and program financing pages in the FY 2002 budget document and are described further in the Technical Appendix document. In the FY 2002 budget there are 253 performance measures for 48 departments and agencies of state government.

***Five-Year  
Projection***

The fiscal 2002 executive summary also contains a five-year forecast as required under statutes. The forecast warns that pressures to enhance educational services as well as programs for the more vulnerable segments of the population are predicted to result in expenditure growth which outstrips revenue generation. By fiscal year 2006, it is estimated that expenditures will exceed revenues by \$277.1 million.

## *Summary*

The Consensus Revenue Estimating Conference convenes twice each year, within the first ten days of May and November. Historically, the purpose of the conference was confined to forecasting current and budget year revenue estimates. These revenue estimates serve as the basis for the proposed budget, and later, the enacted budget. The revenue forecast is based upon current collection trends as prescribed by law, in addition to the economic outlook.

The November 2000 Conference received testimony from economic experts representing Economy.com, Standard and Poor's DRI (DRI), and the New England Economic Project (NEEP). The economists reviewed current national and international economic trends and provided an overview regarding the impact of external factors on Rhode Island's economy, as well as economic conditions unique to our state.

During the 1998 legislative session, the Revenue Estimating Conference statutes were modified to require the adoption of a consensus economic forecast at the Revenue Estimating Conference. Beginning with the November 1998 Conference, a fiscal year forecast for employment, personal income, and consumer price inflation was adopted. The consensus forecast appears below.

<b>The Consensus Economic Forecast</b>			
	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>
Employment	1.7%	0.9%	0.8%
Personal Income	5.4%	5.4%	5.3%
Consumer Price Index Change ( <i>U.S.</i> )	2.9%	3.0%	2.2%

## *Personal Income*

Economy.com, DRI, and NEEP forecast economic growth in Rhode Island to continue through FY 2002 at a moderate pace. Income and employment indicators, as shown on the following table, present a small and consistent range of forecasts for continued growth.

Personal Income forecasts by the economists fall within the 5.4 to 5.9 percent growth range in the current fiscal year, and within the 4.9 to 5.4 percent range in the budget year. Personal Income Tax receipts continue to grow, demonstrated by consistently strong withholding payments.

---

# The Economy

---

## Comparison of Economic Forecasts

		2000	2001	2002
<b>Total Personal Income</b>	Economy.com	5.5%	5.5%	5.4%
	DRI	5.4%	5.4%	5.2%
	NEEP	5.9%	5.9%	4.9%
<b>Wage and Salary Income</b>	Economy.com	5.4%	5.9%	5.1%
	DRI	5.1%	5.0%	5.9%
	NEEP	na	na	na
<b>Nonfarm Employment</b>	Economy.com	1.7%	1.0%	1.0%
	DRI	1.6%	0.8%	1.0%
	NEEP	1.7%	0.9%	1.0%

### *Wage and Salary Income*

Wage and Salary Income forecasts vary from 5.0 percent to 5.9 percent in the current year and 5.1 percent to 5.9 percent in the budget year. Continued strength in wage and salary income is explained by the trend in recent years from job growth in low paying manufacturing employment toward higher paying service-related employment.

### *Employment*

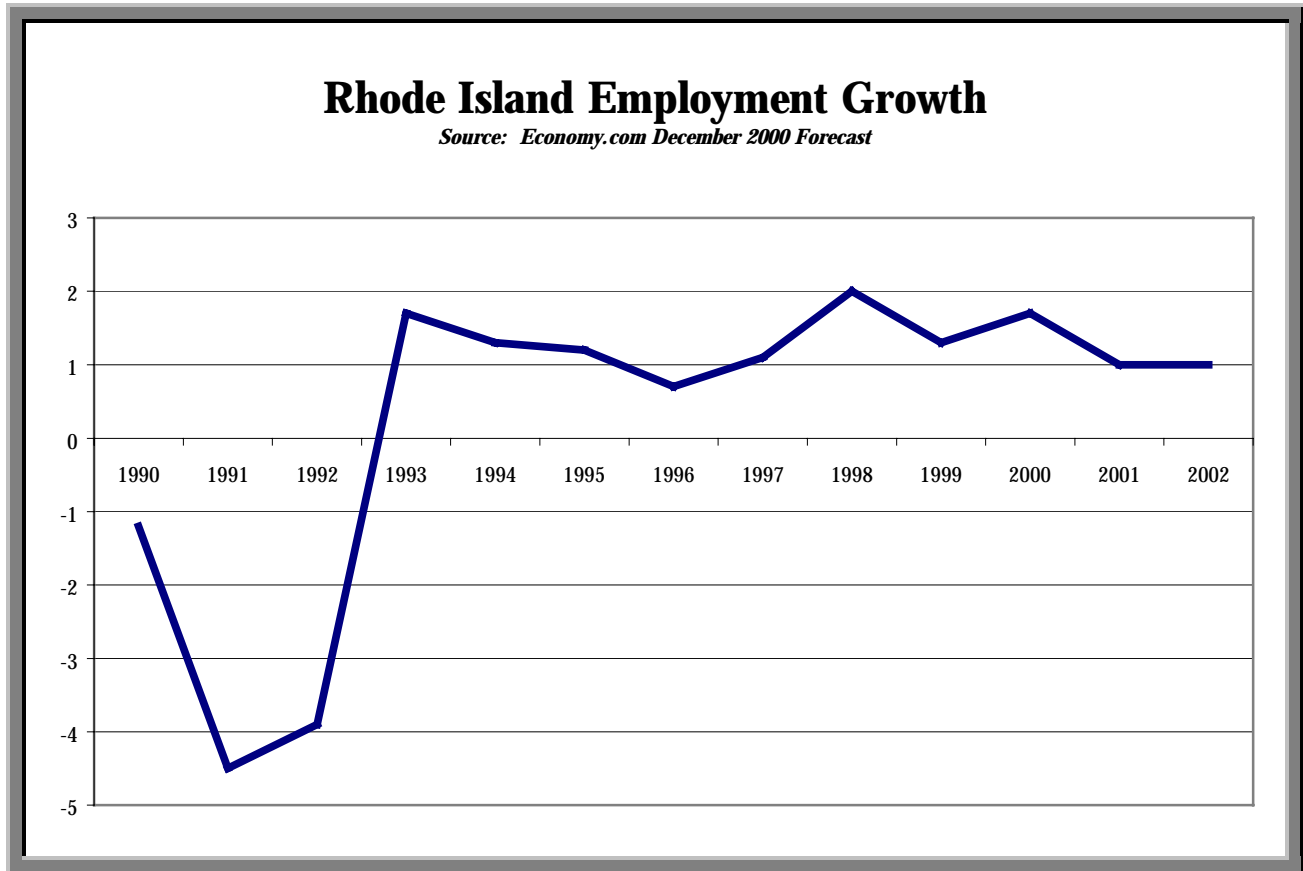
Rhode Island continues to enjoy an economic recovery which began nine years ago. As reported by the Rhode Island Department of Labor and Training, Rhode Island's seasonally adjusted unemployment rate for the month of November 2000 was 3.6 percent, well below the national rate of 4.0 percent. The number of jobs in Rhode Island increased by 6,400 in the year ended November 2000, bringing the number of jobs in Rhode Island to a record high of 482,200. Job growth has been particularly strong in business services, finance, insurance, and real estate, and trade (which was bolstered by the opening of Providence Place Mall last year), as well as contract construction. Construction employment, buoyed in the recent past by an extremely strong housing market and construction of the Providence Place Mall, should be sustained in the near-term by construction related to the Interstate 195 relocation project.

Employment growth forecasts vary from 0.8 percent to 1.0 percent in the current fiscal year. A greater variance is present in the budget year forecast, from 0.7 percent to 1.0 percent. Despite differences between the forecasts, the economists agree that the state will continue to lag both the region and the country in employment growth.

---

## The Economy

---



In recent years, price competition from overseas and the lower-cost southern United States has weakened manufacturing employment within Rhode Island. Manufacturing currently provides 15.5 percent of all employment. Although erosion in this area has occurred nationally, Rhode Island is affected disproportionately due to its concentration in production of low value-added goods. The decline in manufacturing began more than a decade ago, but the rate at which it is shrinking appears to be abating. As Rhode Island firms enjoy productivity gains resulting from investments (which in turn have been spurred by state tax incentives), and as the South's cost advantages erode, stabilization of the Rhode Island's manufacturing sector has begun.

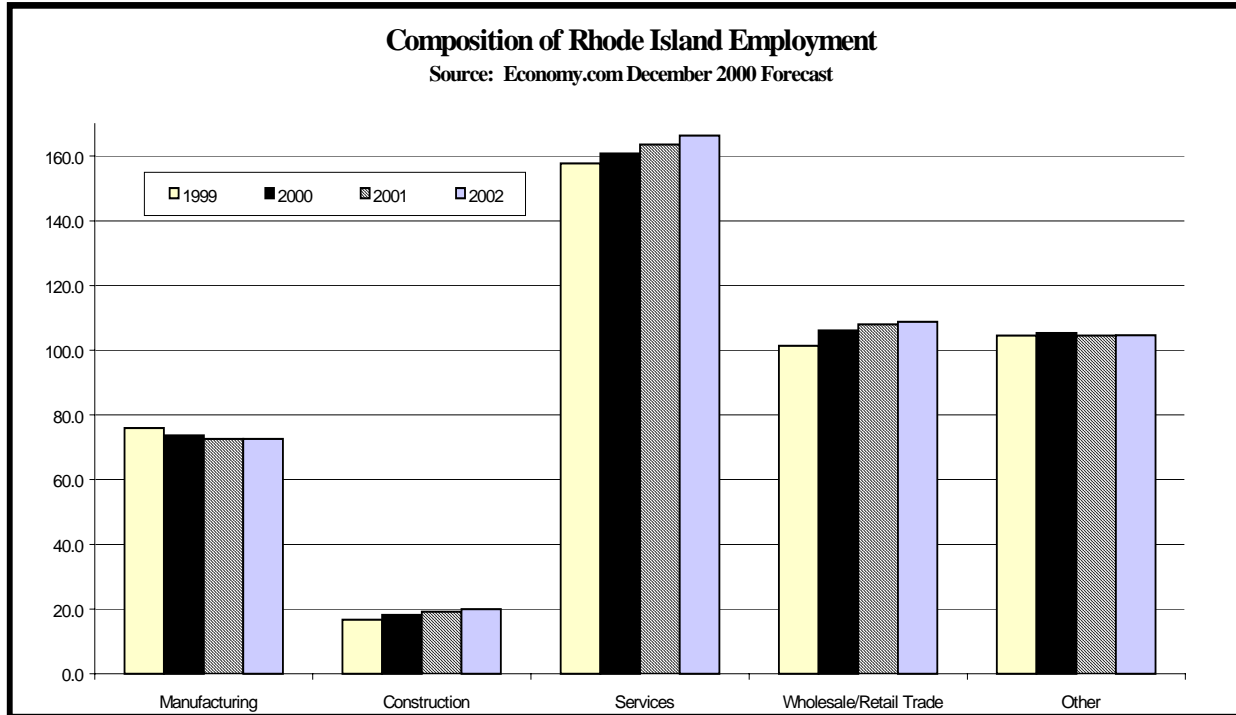
As the following chart indicates, most of the growth in the long term is predicted to occur in the services, wholesale and retail trade components. One of the greatest risks to Rhode Island's continued economic strength is the relatively undiversified nature of the state's economy. In an effort to make Rhode Island more hospitable to small businesses, and to stimulate employment in a variety of competitive industries, the state has enacted initiatives to reduce the cost of doing business. The state has focused on incentives which encourage businesses to invest in technology, thereby increasing efficiency. Rhode Island has increased the Research and Development Tax Credit to 22.5 percent, the

---

# The Economy

---

highest rate in the nation. The increased Investment Tax Credit provides incentives for firms to invest in computers and equipment, and to increase salaries paid to employees.



The Governor's FY 2002 budget recommendation includes a major change to the personal income tax. The Governor recommends a phase-out of capital gains taxes over a five-year period, beginning in tax year 2002. The portion of capital gains subject to tax would decrease by twenty percent each year, until capital gains are exempt from personal income tax in 2006. The Governor's proposal is expected to provide a strong stimulus for job creation, and will further strengthen and diversify the state's economy.

Beginning with the FY 1999 budget, local communities are compensated by the state for the phase-out of the locally based wholesale and retail inventory taxes. General revenue sharing will be increased from 1.0 percent of state tax revenues in FY 1998 to 4.7 percent in FY 2009, when the inventory tax phase-out is complete. Elimination of this portion of the local property tax should enable firms to reduce costs and allow the state to be more competitive.

Other relative cost differentials make Rhode Island an attractive location for business retention and expansion. Although Rhode Island's cost of doing business is above the national average, it is well below the cost of neighboring states. Economy.com estimates that Rhode Island's cost of doing business is 6.0 percent above the national average, whereas costs in Massachusetts and Connecticut are 14.0 percent and 15.0 percent above the national average, respectively. These estimates are derived from relative labor costs, tax burden, and energy costs.

---

## **The Economy**

---

The state's investment and leadership in higher education provide essential benefits for the community as a whole, and for businesses in particular. Numerous firms are partnering with Rhode Island's institutions of higher education on a variety of initiatives to strengthen both the schools and the businesses. Investments in education lead to job opportunities for students, and increase the state's competitiveness by improving the quality of the workforce.

Improving transportation linkages will continue to benefit Rhode Island businesses, including tourism. T.F. Green Airport has experienced significant expansion, and has produced several record-breaking years. Rhode Island is also linked by Amtrak's northeast corridor Acela rail project between New York City and Boston. The high speed trains have travel times comparable to airplane travel time, and should increase visitor traffic into Rhode Island.

While Rhode Island is vulnerable to regional and national economic change by virtue of its size and location, its targeted initiatives continue to strengthen the economy. The bold steps taken over the past several years to improve the tax climate, reduce energy costs, enhance accessibility through improved transportation linkages, and encourage businesses to invest and increase productivity, will provide Rhode Island residents and businesses a secure place in the constantly changing economy.



---

## Revenues and Receipts

---

The FY 2002 budget recommends appropriation of funds totaling of \$5.145 billion. The largest source of funds is general revenue, which equals \$2.616 billion, or 50.8 percent of the total budget. General Revenue expenditures are discussed in greater detail on the following pages.

Federal funds of \$1.511 billion are the second largest source of revenue, and are 29.3 percent of the total. Federal funds in FY 2002 decrease by approximately \$10.1 million over the revised FY 2001 budget due to the following items:

- An increase of \$4.4 million for the Department of Administration, attributable to grant funding for the Office of Municipal Affairs (Community Development Block Grants) and the Division of Central Services (State Energy Office Grants).
- A decrease of \$9.7 million of federal funds within the Department of Labor and Training, mostly associated with discretionary grants for workforce development programs. Program reductions in FY 2002 compared to FY 2001 include \$5.0 million for Welfare to Work programs; \$1.4 million for Job Training Partnership Act programs; \$1.1 million for Workforce Investment Act programs; \$722,801 for Unemployment Insurance administrative funding; and \$640,792 for School to work programs.
- An increase of \$2.3 million in additional costs for the Department of Mental Health Retardation and Hospitals. This increase is primarily attributable to personnel related expenditures within the Division of Developmental Disabilities and the Eleanor Slater Hospital and grant based expenditures within the Division of Integrated Mental Health Services.
- A decrease of \$6.1 million for Elementary and Secondary Education relates primarily to reductions in Goals 2000, \$1.8 million, Class-Size Reduction, \$1.2 million, Family Support, \$1.0 million, and Children with Disabilities funds, \$0.7 million.
- An increase of \$1.8 million within the Department of Corrections primarily due to the timing of the renovation of the “J” building at the Pastore Center. This facility will be used as Reintegration Center for offenders who are within six months of release. Ninety percent of the renovation is financed with federal Violent Offender Incarceration – Truth in Sentencing (VOI-TIS) grant funds.
- A decrease of \$2.4 million in the Department of Environmental Management due to revised expenditure plans for various federal grant activities, including reductions in anticipated awards for various restoration, assessment, coordination and monitoring programs with expiring grant awards.

Restricted receipts of \$142.7 million equal 2.8 percent of total revenue sources in FY 2002. Restricted receipts are revenues (such as licenses and fees) which are solely dedicated to activities specified by the legislation that created the receipt. Restricted receipts increase \$35.3 million from the FY 2001 revised budget to FY 2002. The most significant changes are:

- A net increase of \$399,085 in the Department of Labor and Training, primarily for additional expenditures of \$969,170 from the Tardy Fund budgeted in the Income Support program. This increase is partially offset by a \$546,949 reduction in Second Injury Fund expenditures.

# Revenues and Receipts

---

- A decrease of \$1.3 million within the Department of Human Services, reflecting the completion of capital projects at the Veterans' Home and the Veterans' Cemetery financed with restricted fees and donations.
- A reduction of \$524,040 in the State Police relates to the availability of forfeiture funds most of which was derived from the Saccoccia forfeiture.
- An increase of \$36.2 million in the Department of Transportation to accurately reflect anticipated construction costs associated with the Freight Rail Improvement Project.

For FY 2002, the Governor recommends other funds expenditures totaling \$875.1 million, or 17.0 percent of the total budget. This category is primarily comprised of funds in the University and College Fund, Employment Security and Temporary Disability funds and the portions of the gasoline tax dedicated to the Department of Transportation, the Department of Elderly Affairs, and the Rhode Island Public Transit Authority. Other funds also include operating transfers, such as the Rhode Island Capital Plan Fund (RICAP), as discussed below. Other funds increase \$18.8 million from the FY 2001 revised budget to FY 2002. The most significant changes are:

- A decrease of \$5.2 million within the Department of Administration resulting from two programs. First, a \$2.3 million increase in the General program for Rhode Island Capital Plan Fund projects. Second, a reduction of \$7.4 million in the Debt Service program, including a shift of \$7.3 from Rhode Island Capital to general revenues, and a decrease of approximately \$784,000 in gas tax funded debt service.
- An increase of \$10.4 million in the Department of Labor and Training for Income Support benefit payments, including \$7.0 million for Temporary Disability Insurance benefit payments and \$3.3 million for Unemployment Insurance benefit payments.
- A reduction of \$549,375 in the Department of Human Services due to the completion of asset protection projects financed from Rhode Island Capital Plan funds.
- A decrease of \$316,027 in the Department of Mental Health, Retardation, and Hospitals as a result of Rhode Island Capital Plan projects which will be completed in FY 2001 and do not carry forward into FY 2002.
- A decrease of \$850,285 for Rhode Island Elementary and Secondary Education reflects the projected completion of several projects in FY 2001 funded through the Rhode Island Capital Plan.
- An increase of \$11.4 million for Public Higher Education. Institutional revenues, research funds, and Rhode Island Capital Plan funding comprise the majority of the increase in FY 2002.
- A decrease of \$330,278 for the Public Telecommunications Authority reflects the capital plan for the digital television conversion.
- A reduction of \$3.5 million in the Department of Corrections due to the timing of projects funded with the Rhode Island Capital Plan Fund.

# Revenues and Receipts

---

- An increase of \$756,322 in the Judicial Department for Rhode Island Capital Plan Fund projects. While several courthouse projects are scheduled to be completed in FY 2001 and several others are scheduled to begin in FY 2002, the largest single funding increase between FY 2001 and FY 2002 is for the Garrahy Judicial Complex renovation. Funding for this multi-year project is programmed to increase by \$1.0 million in FY 2002 compared to FY 2001.
- A reduction of \$1.1 million within the Department of Environmental Management due to asset protection projects at or near completion and funded with Rhode Island Capital Plan Funds.
- An increase of \$7.7 million in the Department of Transportation resulting from an increase in anticipated land sale revenues of \$4.5 million, the addition of \$500,000 in State Infrastructure Bank funds, and an increase of \$1.0 million for RIPTA capital projects from the Rhode Capital Plan Fund. The department will also experience an increase of \$1.7 million in gas tax revenue as a result of a change in the dedication of gas tax, net of debt service.

---

## General Revenues

---

The Governor's recommended budget includes general revenues of \$2.524 billion in FY 2001 and \$2.554 billion in FY 2002. Annual estimated growth during FY 2001 and FY 2002 is 11.0 percent and 1.2 percent, respectively. Estimated deposits of \$52.4 million and \$53.4 million will be made to the Budget Reserve and Cash Stabilization Fund during the same time periods.

The aforementioned estimates are predicated upon the November Consensus Revenue Estimating Conference results, plus changes to general revenues recommended by the Governor. The Consensus Revenue Estimating Conference is required by legislation to convene at least twice annually to forecast general revenues for the current year and the budget year, based upon current law and collection trends, and on the economic forecast. The Conference members are the State Budget Officer, the House Fiscal Advisor, and the Senate Fiscal Advisor.

The November Conference revised the FY 2001 enacted revenue estimate upward by \$102.6 million, or 4.3 percent. The Governor recommends a \$32.0 million increase to these estimates, as shown in the *General Revenue Changes to Adopted Estimates* table in this document.

Recommended revenues for FY 2001 are predicated upon a \$249.5 million increase in collections over FY 2000, or growth of 11.0 percent. Tax revenue expansion of \$164.0 million comprises the largest portion of the increase. Much of the increase in FY 2001 is due to anticipated gains of \$46.6 million in the Personal Income Tax. Personal Income Tax collections represent 34.2 percent of FY 2001 general revenue.

Economic gains in personal income and sales tax collections will be partially offset by tax reductions and credits. The personal income tax rate was reduced in stages, from 27.5 percent to 27.0 percent of federal tax liability effective January 1, 1998, to 26.5 percent of federal liability effective January 1, 1999, to 26.0 percent of federal liability effective January 1, 2000, and to 25.5 percent effective January 1, 2001. The increased Investment Tax Credit and Research and Development Tax Credits continue to impact tax collections in FY 2001, as individuals and businesses continue to reap the benefits of an improved tax structure in Rhode Island.

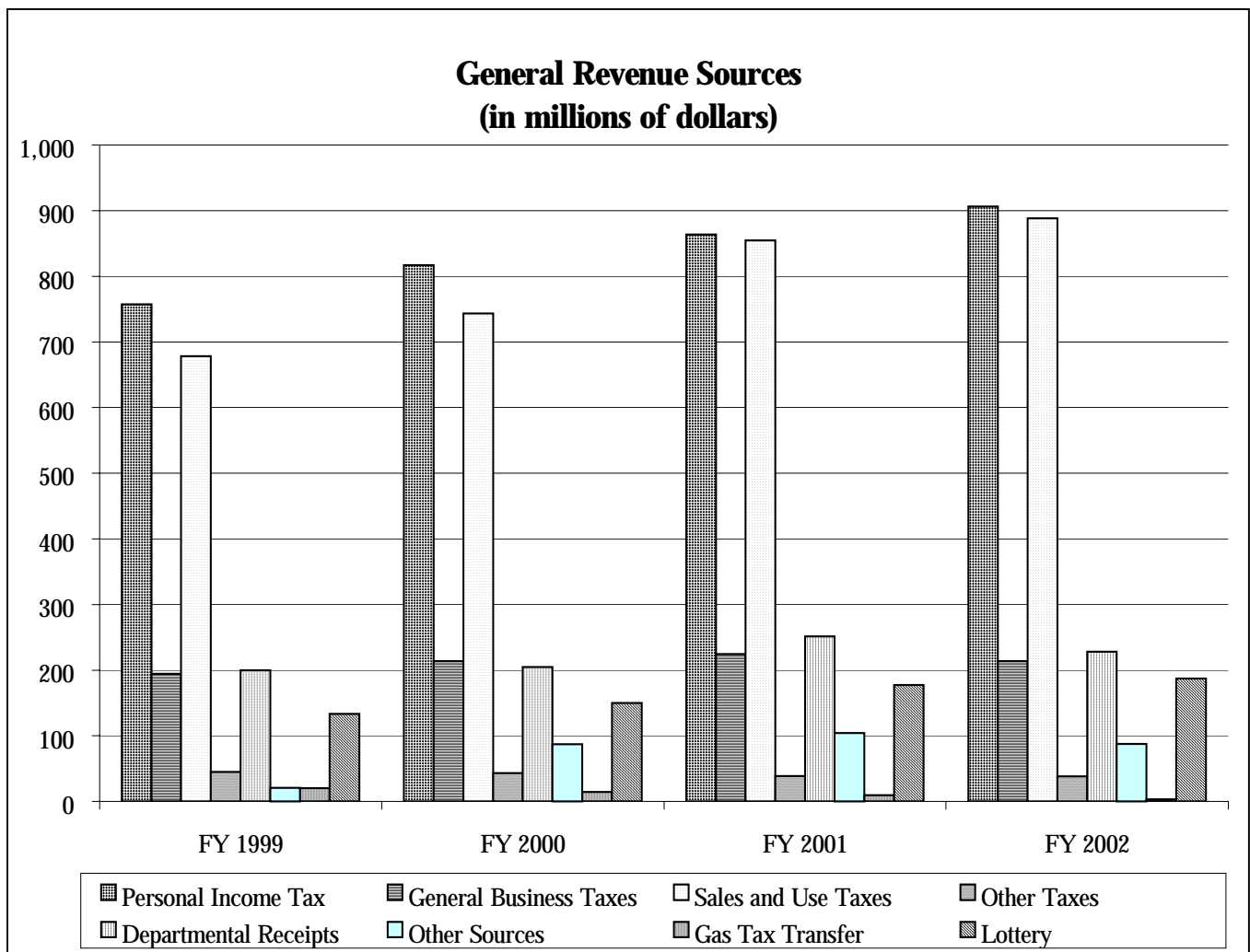
The Governor's budget recommendation includes a major new income tax relief proposal. The Governor recommends the phased elimination of taxes on capital gains for assets held for more than one year over a five-year period. The first phase of the program begins with tax year 2002, when twenty percent of gains would no longer be subject to the tax. It is expected that income tax revenues would be impacted by this proposal beginning in FY 2003, due to the time at which income tax payments are due.

The Sales Tax is also a major factor in expected gains in FY 2001 collections, representing 29.4 percent of total revenues. Consumer confidence remains strong, as evidenced by continued purchases of taxable goods. Anticipated collections in FY 2001 are \$741.3 million, reflecting a growth rate of 17.4 percent. It should be noted that in FY 2001, general revenue sales tax collections reflect the full seven percent sales tax levy. For nearly the past decade, a portion of sales tax revenue was dedicated to DEPCO debt repayment. The debt was fully repaid in August 2000, and all sales tax receipts have been included in general revenue since that time. Adjusted for this change, underlying sales tax growth equals 7.4 percent.

## General Revenues

Within the excise tax category, motor vehicle tax collections are expected to reach \$45.2 million in FY 2001. The Motor Fuel tax estimate is \$676,874, consistent with FY 2000 receipts. The revised Cigarette Tax estimate of \$58.3 million reflects a downward trend in cigarette consumption.

Growth is expected in most of the general business taxes. Part of the increase is attributable to one-time gains resulting from accounting adjustments to bring the state's financial statements in compliance with GASB 33, as recommended by the Governor. Taxes which have not previously subject to accrual will now be fully accrued. Adjusted for this accounting change, the Franchise Tax and the Gross Premiums Tax on Insurance Companies are expected to remain near FY 2000 collection levels; estimated collections, respectively, are \$7.9 million, and \$31.5 million. Accruals of the Business Corporations Tax and the Financial Institutions Tax bring collections to \$74.4 million, and \$9.2 million, respectively. The Public Utilities Gross Earnings Tax is expected to garner \$73.0 million, consistent with FY 2000 collections, while the Health Care Provider Tax is estimated to yield \$27.3 million.



---

## General Revenues

---

Inheritance and Gift Taxes are expected to yield slightly less in FY 2001 than they did in FY 2000, with estimated collections of \$31.0 million. Racing and Athletic Taxes are expected to remain at FY 2000 levels, totaling \$5.3 million, while Realty Transfer Taxes are expected to total \$2.4 million.

In FY 2001, departmental revenues are estimated at \$251.4 million. The estimate includes a reduction of \$600,000 resulting from the hotel tax rate reduction recommended by the Governor.

Other Miscellaneous Revenues are expected to total \$100.5 million. The key differences from FY 2000 collections are the reallocation of DEPCO transfers from the sinking fund (\$12.0 million), reallocation of interest earnings on bond funds from the sinking fund to the general fund (\$12.0 million), and E-911 restricted receipt conversion (\$0.4 million) recommended by the Governor, the inclusion of \$3.1 million in Resource Recovery Transfers contained in the FY 2001 budget, offset by a smaller tobacco settlement payment in FY 2001 (\$43.9 million, versus \$59.0 million received in FY 2000).

The Governor's recommended FY 2002 general revenue estimate of \$2.554 billion is predicated upon overall growth of 1.2 percent from FY 2001 revised levels.

The largest source of FY 2002 general revenue is the personal income tax, with estimated receipts of \$906.5 million comprising 35.5 percent of the total. Robust income tax growth of 5.0 percent is anticipated despite significant income tax relief enacted in 1997. The value of the personal income tax rate reduction enacted by the 1997 General Assembly will increase in FY 2002 by approximately \$22.0 million compared to FY 2001 levels. Adjusted for the rate reduction and other income tax relief, the FY 2002 underlying income tax growth equals 6.9 percent.

Sales Tax collections are expected to total \$775.8 million in FY 2002. The FY 2002 estimate anticipates 4.6 percent annual growth, with the sales tax equaling 30.4 percent of total general revenues.

Cigarette Tax collections are expected to continue to diminish in FY 2002 as consumption continues to decline in Rhode Island. The FY 2001 estimate of \$57.0 million reflects a decrease of \$1.3 million, or 2.3 percent.

Other excise tax components are expected to remain consistent with FY 2001 levels. While the Motor Fuel Tax is expected to generate \$641,000, Alcohol Tax collections are expected to remain at the FY 2001 level of \$9.3 million.

General business taxes represent 8.4 percent of total general revenue collections in the budget year. Business Corporation Tax revenues are expected to yield \$68.0 million, or an 8.6 percent decrease. The decrease is partially attributable to the one-time enhancement due to GASB 33 accruals in FY 2001. The Franchise, Public Utilities Gross Earnings, Insurance, and Health Care Provider Taxes are expected to remain consistent with FY 2001 levels, with total collections of \$7.8 million, \$73.0 million, \$31.3 million, and \$26.6 million, respectively. The Financial Institutions Tax is expected to generate \$6.0 million.

---

## General Revenues

---

Inheritance and Gift Taxes, Racing and Athletic Taxes, and Realty Transfer Taxes are expected to remain at or near FY 2001 levels. Anticipated collections are \$31.0 million, \$5.3 million, and \$2.2 million, respectively.

FY 2002 departmental revenues are expected to garner \$23.4 million less than in FY 2001. The Hospital Licensing Fee enacted by the 2000 General Assembly expires on June 30, 2001. The Governor recommends that the fee continue for one year, and the revenue estimate of \$53.8 million is included in FY 2002 general revenues. This is a reduction of \$11.9 million from FY 2001 levels, reflecting the absence of a one-time supplemental licensing fee enacted in the FY 2001 budget.

In addition, the Governor recommends increases in Health Department fees for food protection, health professionals regulation, radiation control, HIV testing, and hospital quality assurance. These increases are estimated to total approximately \$1.5 million. The Governor also proposes that the Corrections Commissary be outsourced, reducing revenues (as well as expenditures) by \$2.6 million. The full year hotel tax rate reduction proposed by the Governor is expected to reduce FY 2002 revenues by \$2.4 million. Including the proposed changes, departmental revenues are expected to garner \$228.0 million in FY 2002.

The "Other Sources" component total of \$278.4 million represents a decrease of 4.2 percent versus FY 2001. Most of the change occurs within "Other Miscellaneous Revenues." FY 2002 includes a lesser amount for interest earnings redirected from the sinking fund (\$7.0 million versus \$12.0 million in FY 2001). This is partially offset by a greater scheduled tobacco settlement payment estimated in FY 2002 (\$53.3 million, versus \$43.9 million estimated in FY 2001). The Governor also recommends the inclusion of \$15.0 million from DEPCO due to the proposed reallocation of proceeds from the sinking fund (versus \$12.0 million in FY 2001), and a \$3.0 million transfer from the Resource Recovery Corporation.

A reduction to the general fund gas tax transfer is also reflected in the estimate for the budget year. The Governor's budget includes the continued transfer of additional gasoline tax revenues to the Department of Transportation, which results in a general fund decrease of \$5.8 million.

# All Sources

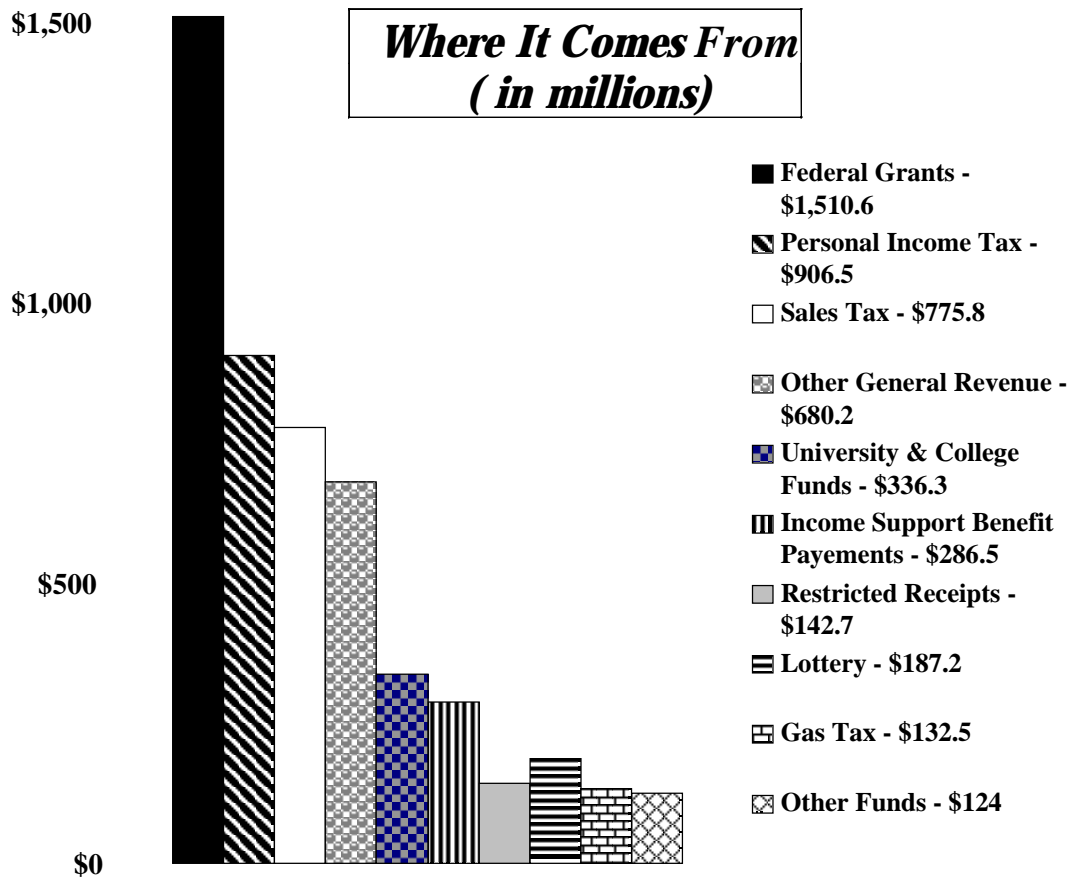
The total budget of \$5.082 billion includes all sources of funds from which state agencies make expenditures.

Federal funds represent 29.7 percent of all funds. Over 68.0 percent of federal funds are expended for human services, primarily for Medicaid.

Income and Sales and Use Taxes combined represent 33.1 percent of all revenue sources.

University and College Funds, and Income Support Benefit payments represent 6.6 percent, and 5.6 percent of the total, respectively.

Remaining sources include: Other General Revenues (13.4 percent); Gas Tax Revenues (2.6 percent); Lottery Transfers (3.7 percent); Restricted Receipts (2.8 percent); and Other Funds (2.4 percent).





# All Expenditures

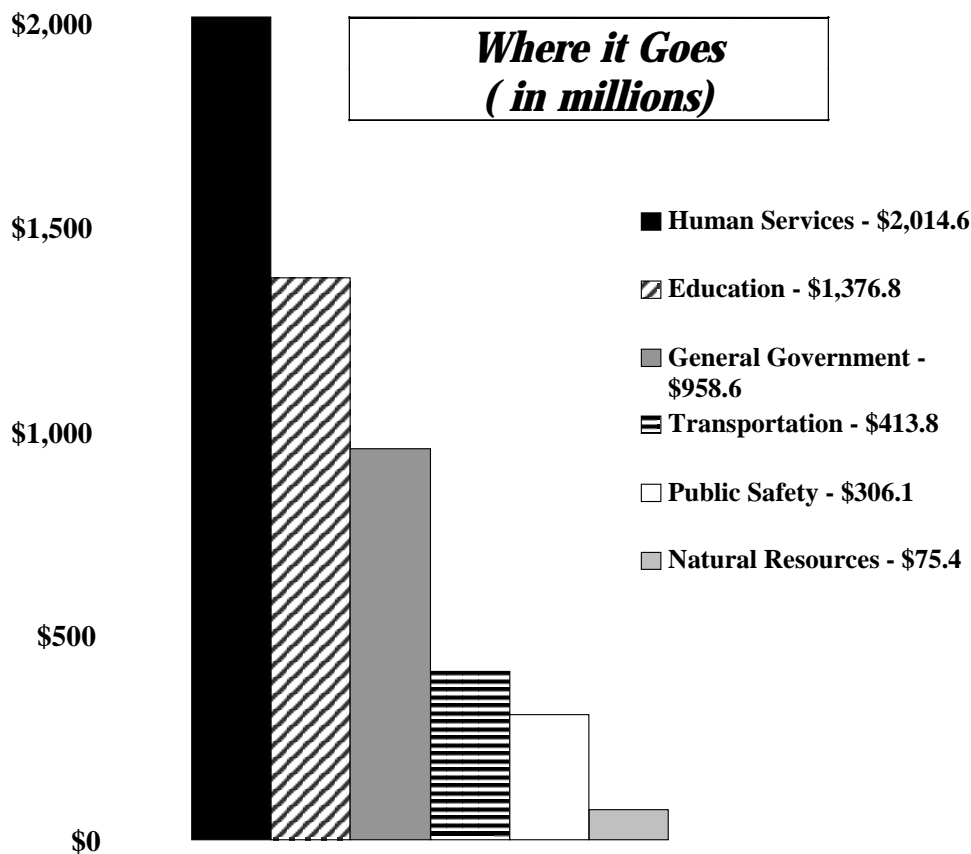
Approximately sixty-six percent of all expenditures are for human services and education programs. The budgets for the human services agencies total \$2.015 billion, or thirty-nine percent of all expenditures. These programs constitute the state's safety net.

Education expenditures comprise over twenty-six percent of total expenditures with \$764.7 million going for aid to local units of government. This is approximately fifty-six percent of all education expenditures, including higher education.

Approximately thirty-nine percent of the \$958.6 million expended for general government is for grants and benefits to individuals. Most of these expenditures are for employment and training services or programs, including unemployment compensation.

Transportation expenditures comprise eight percent of the total budget and include funds for public transportation, as well as highway, road and bridge expenditures.

In total, expenditures from all funds are recommended to increase by 3.8 percent over the revised FY 2001 budget.



# **Expenditure Summary**

---

## **FY 2001 Revised General Revenue Expenditures**

The FY 2001 revised general revenue expenditures total \$2.471 billion including a net addition of \$57.6 million to the enacted budget. The increased spending includes \$21.7 million of reappropriated balances from FY 2000, and \$35.9 million for expenditures that were not budgeted.

The largest single change in the FY 2001 revised budget is an addition of \$13.7 million for Medicaid increases in the Department of Human Services. The revised level of spending is consistent with the November 2000 Caseload Estimating Conference consensus estimates. This increase is partially offset by reductions of \$4.3 million for Cash Assistance and child care caseloads, primarily from offsets due to increased federal grant resources. The recommended budget, for FY 2001, also includes an estimated cost of living adjustment, for state employees, of three-percent effective January 1<sup>st</sup> 2001.

Other major changes:

- The Governor recommends the addition of \$4.7 million for School Housing Aid and \$784,838 for the state's share of the contribution to the Teachers' Retirement system due to local payroll base adjustments. The School Housing Aid program provides for capital construction reimbursement to local school districts. This additional funding will be utilized for forty-eight new projects in twenty-four school districts. The increase for teacher's retirement is attributable to higher than anticipated local payroll experience.
- The Governor recommends the addition of \$4.5 million for the Motor Vehicle Excise Tax Program. Each city and town began the eight-year phase out of the excise tax on motor vehicles and trailers with the FY 2000 tax bill. The state reimburses each city and town as well as fire districts for the revenues lost as a result of this phase out. The Governor recommends a total of \$70.1 million in FY 2001 for this program.
- The Governor recommends a net addition of \$900,000 in the Department of Children, Youth and Families for; the relocation to Friendship Street, Training School overtime, psychiatric hospitalization costs, caseload overages, and an estimated cost of living adjustment for state employees. These increases are offset in part by grant based savings in foster care and adoption services, child abuse and neglect services, and the deferred opening of a regional counseling center. These reductions in general revenue costs are partially offset by increases in federal reimbursement.
- The Governor recommends, within the Department of Elderly Affairs, an increase of \$696,619 for the Pharmaceutical Assistance to the Elderly Program (RIPAE). This increase is primarily attributable to increased claims costs.
- The Governor recommends an increase of \$4.0 million in the Department of Mental Health, Retardation and Hospitals for utility cost operations of the hospital and state-operated group homes within the developmental disability system, and for an estimated cost of living adjustment for state employees.
- The Governor recommends the reduction of \$2.0 million originally programmed for the Heritage Harbor Museum. This expenditure was specifically related to passage of a bond referendum for the same purpose and was supported by revenues generated from an increase in the hotel tax rate.
- The Governor recommends, within the Department of Corrections, increases of \$2.8 million related

# **Expenditure Summary**

---

- to the RIBCO union settlement, \$1.9 million to replace unrealized restricted revenues for Immigration and Naturalization Service detainees, \$3.1 million for the continued operation of the Inmate Commissary and \$587,816 for population increases. The FY 2001 recommended budget also includes the carry forward of \$6.6 million from FY 2000. A total of \$5.3 million of this amount is attributable to funds for the RIBCO union settlement and is in addition to the \$2.8 million referenced above.
- The Governor recommends, within the Department of Administration, increases of \$1.1 million and \$832,854, respectively, for personnel and operating expenditures in the Registry of Motor Vehicles and the Division of Taxation. The Governor also recommends reductions of \$1.8 million for Debt Service Obligations and a shift of \$550,000 for Environmental Compliance Activities at the state airports to the Rhode Island Capital Fund.
- The Department of Administration budget also includes additions of \$600,000 for tort claims made against the state and \$640,134 for utility related adjustments. Several reappropriations were recommended by the Governor, within the Department of Administration, and include \$2.0 million for the Slater Technology Fund, \$250,000 for the Centers for Excellence and \$100,560 for the Housing Resources Commission.
- As part of a plan to ensure the availability of oil in Rhode Island for home heating, the Governor created, and recommends funding for, the Rhode Island Contingency Oil Reserve Plan. A total of \$571,536 is recommended to assure a minimum two to three day oil supply is available in the event that severe weather prevents or delays oil shipments to Rhode Island. The plan ensures that approximately 3.4 million gallons of oil will be stored in Rhode Island during the months of January and February 2001, beyond that which would normally be stored. Inclement weather can seriously affect oil deliveries, as oil delivered to the Port of Providence cannot be shipped by barge during severe conditions.
- The Governor recommends, throughout the various state agencies, a total of \$2.8 million for increases for oil, natural gas and electricity expenditures. These increases result from increases in the rate structures of the respective utility companies, significant increases in national and global commodity prices and an expectation that temperatures during the winter heating season will be close to seasonally normal levels.
- The Governor recommends the reduction of \$250,000, within the Department of Health, for the Hospital Conversion Act. This funding was to be utilized for evaluation of a proposed hospital system merger between Lifespan and Care New England, but the merger proposal was terminated and these resources are no longer required. The budget for the Department of Health reflects increases for the Poison Control Center, Vital Records and School Based Health Center Grants.
- The Governor recommends an increase of \$8.8 million for the Legislature. This increase relates to the reappropriation of unspent funds from FY 2000. Approximately \$4.0 million of these funds will be utilized for the development of legislative office space.
- The Governor recommends an increase of \$620,409 within the Judiciary. This funding will be utilized for an estimated cost of living increase for state employees, utility related increases, and expenditures related to the Justice Link program which were reappropriated from FY 2000.
- The Governor recommends the addition of \$1.3 million for the State Police. This includes additional

# **Expenditure Summary**

---

funding for a union settlement, overtime costs, and other personnel related expenses. It also includes \$139,000 for communication tower maintenance and computer system improvements.

- The Governor recommends the addition of \$2.5 million for the Department of Environmental Management. The single largest component of this increase is the reappropriation of funds for the Permit Streamlining project. This project has simplified the permit application process significantly and has concurrently allowed for more efficient departmental operations. The Governor's recommendation also reflects the addition of \$290,000 for expenditures for evaluation and control efforts in response to the presence of the West Nile Virus in birds and mosquitoes.
- The Governor recommends the expenditure of \$214,840 for National Guard call-ups and Emergency Management support of both the Tall Ships festival and the Adult Correctional Institution job action.

## **FY 2002 Expenditures from All Funds**

All funds expenditures for FY 2002 are \$5.145 billion. Of this total, \$2.617 billion, or 50.9 percent is from general revenue, \$1.511 billion, or 29.3 percent is from federal funds, \$875.1 million, or 17.0 percent is from other sources, and \$142.7 million, or 2.8 percent is from restricted or dedicated fee funds.

On a functional basis, the largest share of expenditures is in the Human Service area, which comprise \$2.015 billion or 39.2 percent, of the total budget. This is followed by spending for Education at \$1.377 billion, which comprises 26.7 percent of all spending, and expenditures for General Government of \$958.6 million, equaling 18.6 percent (including all state debt service effective FY 2000). Public Safety, Natural Resources, and Transportation expenditures make up the balance, totaling \$795.4 million or 15.5 percent of the total budget.

Expenditures are also recorded on a categorical basis. On this basis, the largest share of the budget finances grants and benefits, and equals \$2.174 billion, or 42.2 percent of the total. Personnel expenditures of 23.4 percent, or \$1.206 billion, and local aid expenditures, which are 17.9 percent, or \$917.9 million of the total budget, follow grant expenditures. Expenditures for operations total \$350.7 million, or 6.8 percent. The balance of spending is required to finance capital expenditures of \$497.1 million, or 9.3 percent of the total.

## **FY 2002 General Revenue Expenditures**

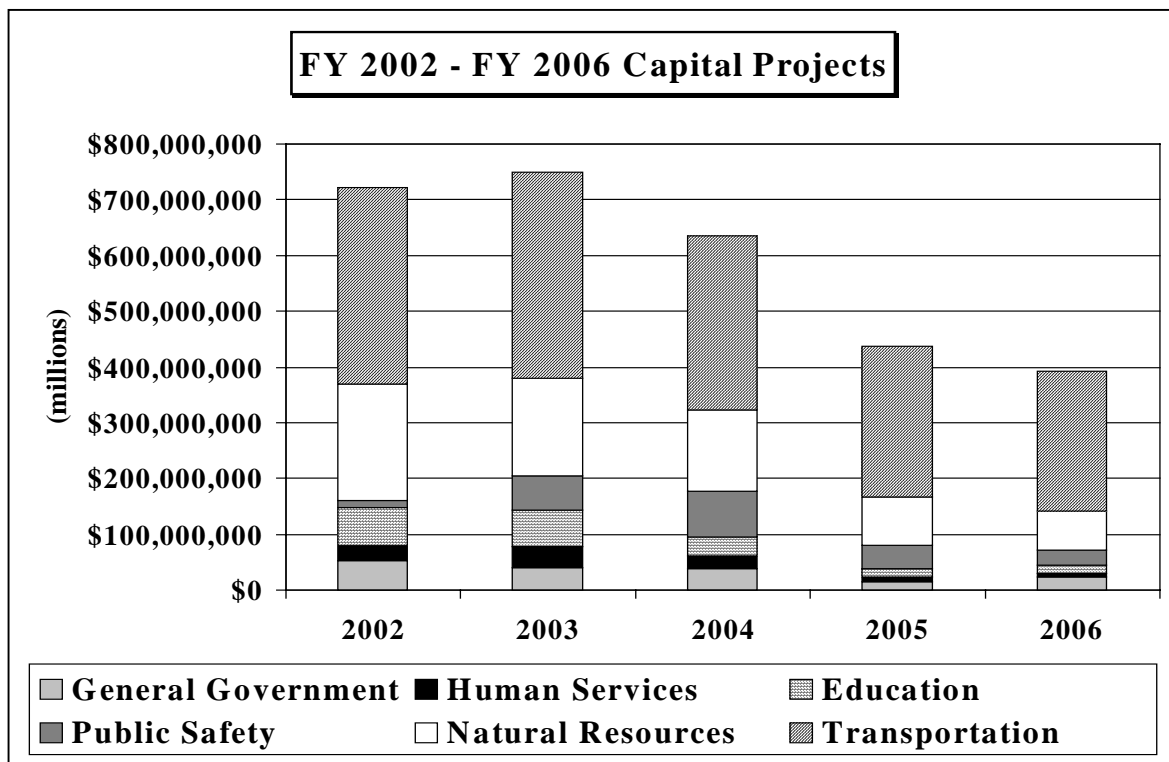
Expenditures from general revenue total \$2.617 billion for FY 2002. By function, spending by Human Services agencies comprises the largest share with expenditures totaling \$968.2 million, or 37.0 percent of the budget. Spending for Education purposes, which totals \$892.3 million, or 34.1 percent, closely follow Human Services expenditures. General revenue spending for Public Safety and General Government makes up \$260.1 million, or 9.9 percent and \$461.4 million, or 17.6 percent, respectively. Finally, expenditures from general revenue for Natural Resources comprise \$34.9 million, or 1.3 percent of total spending. Transportation expenditures are funded by dedicated gasoline taxes, and are not included in general revenue spending.

General revenue expenditures by category are largely devoted to funding local aid, grants and personnel. Personnel expenditures of \$670.0 million comprise 25.6 percent of the budget. Operations total \$161.9 million, or 6.2 percent of the budget. Local aid totals \$827.8 million, or 31.6 percent. Grants and benefits total \$823.1 million, or 31.5 percent of the total budget. Capital expenditures total \$134.1 million, or 5.1 percent of the total budget.

## Capital Budget Overview

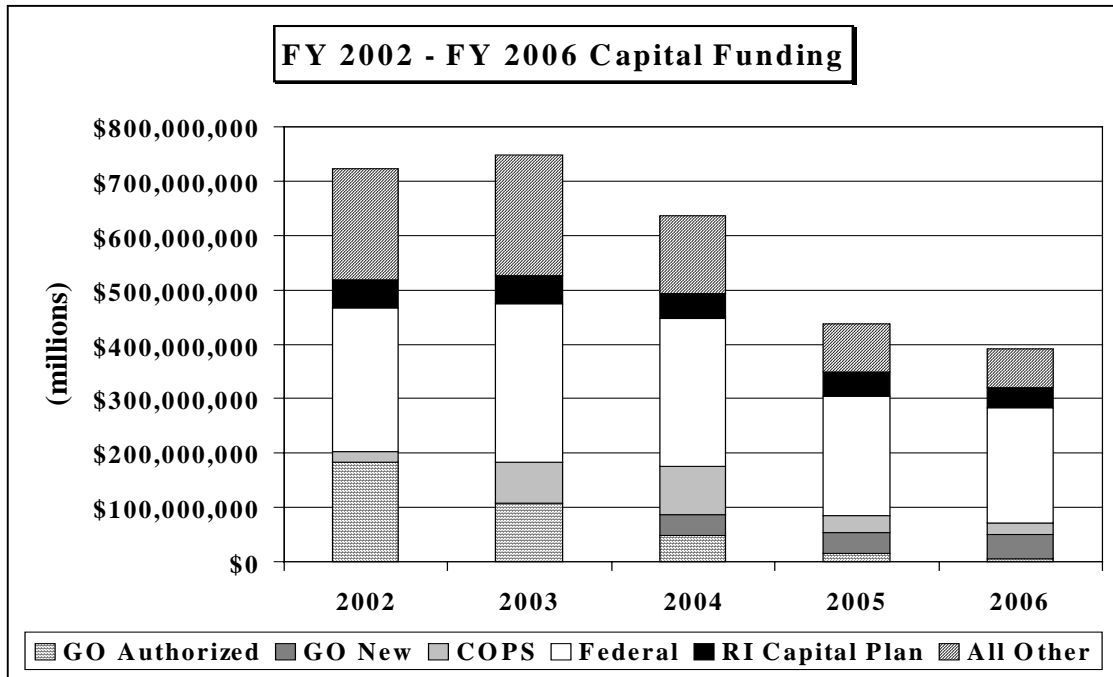
The Governor's FY 2002 Capital Budget and FY 2002 - FY 2006 Capital Improvement Plan are presented in detail in a separate document. The following provides a brief summary of the one-year capital budget and the five-year capital improvement plan.

The FY 2002 capital budget includes proposed expenditures of \$772.6 million, of which Transportation projects constitute 48.9 percent, Natural Resources projects represent 29.0 percent, Education projects represent 9.3 percent, and General Government and Economic Development projects constitute 7.3 percent. Over the five-year planning period Transportation and Natural Resources total over \$3.591 billion, or 76.0 percent of capital investments.

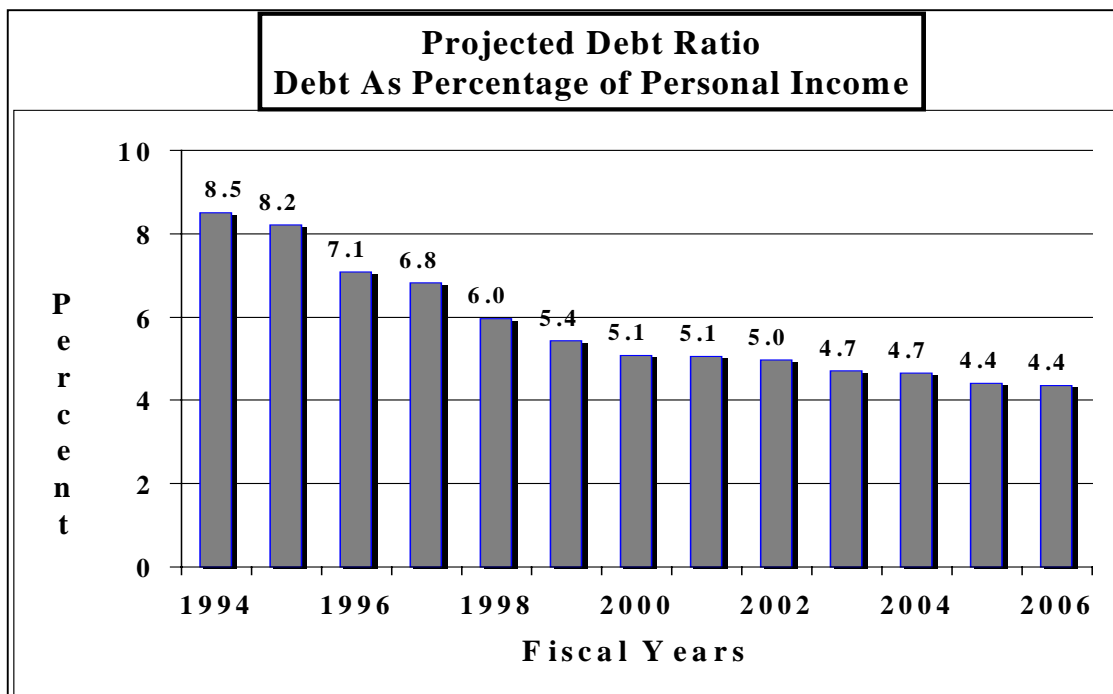


Both of these functional areas generate significant amounts of federal funds for capital projects. In FY 2002, a total of \$217.6 million and \$8.1 million in federal funds will be received for transportation and natural resources, respectively. Over the five year period, federal funds of \$1.261 billion will finance approximately 43.0 percent of the planned capital projects; general obligation bonds will finance \$483.9 million, or 16.5 percent, with the remaining \$1.191 billion, or 40.5 percent, from other sources, including certificates of participation and the Rhode Island Capital Plan Fund.

The major source of state financing for capital projects is general obligation bonding. As of June 30, 2000, there were \$881.1 million in outstanding general obligation bonds. Over the five-year planning period, the recommended capital improvement plan provides for the issuance of \$315.0 million of authorized debt and the issuance of \$124.7 million from new bond referenda to be submitted for voter approval at the November 2002 and 2004 elections.



Recognizing the concern over the state's relatively high debt level, the Governor recommends, in his FY 2002 - 2006 plan for capital improvements, that the state maintain its efforts to reduce its reliance on tax supported bonds for financing. The Governor's proposed capital plan would reduce net tax supported debt as a percentage of personal income from the high of 8.5 percent in FY 1994 to 4.36 percent by FY 2006. This improved debt ratio will be achieved despite significant investments in Rhode Island's infrastructure and natural resource preservation.



# Capital Budget

---

This capital plan addresses the Governor's perseverance to "Rebuild Rhode Island" by targeting resources to the infrastructure needs in the state. During the initial phases of the Governor's plan, the cornerstone of this rebuilding was provided by general obligation bonds and long-term leases, with few capital projects completed on a "pay-as-you-go" basis. The Governor recommends the continued investment in infrastructure by dedication of current gas taxes to transportation purposes and a "pay-as-you-go" system of funding capital needs.

In order to maintain state-owned property – to ensure the safety of those who use these buildings and to preserve the value of the properties - the Governor recommends \$52.9 million in FY 2002 from current revenues for asset protection projects. This reflects one hundred percent of the FY 2002 Rhode Island Capital Plan Fund resources that will be dedicated to capital projects rather than debt service. This reflects the fifth year of this multi-year plan, which will result in dedication of over \$231.8 million in the next five years to infrastructure needs.

The Governor's plan incorporates the issuance of all bonds approved by the voters in November 1998 and 2000 and recommends new referenda in November 2002 and 2004 to continue the state's capital program.

The Governor's plan continues the significant investment in Public Higher Education by including the expenditure of \$21.0 million of bonds approved in 1998 to upgrade academic and administrative facilities, and the expenditure of \$74.4 million of bonds approved in 1996 for infrastructure and upgrading of the three institutions' data and telecommunications systems. In November, 2000, the voters of the state approved a referenda authorizing the expenditure of \$37.0 million for dormitory renovations at the University of Rhode Island and Rhode Island College, and the construction of a new Community College of Rhode Island campus in Newport. These projects are fully programmed in the Governor's five-year plan.

The FY 2002 Capital Budget includes the issuance of \$60.0 million in general obligation bonds authorized by the voters in November 2000. These funds will be transferred to the Clean Water Finance Agency for the establishment of a leveraged loan program for water quality management projects. The largest project to receive funding under this zero-percent interest loan program will be the Narragansett Bay Commission's Combined Sewer Overflow project. The loan program, by leveraging federal and state capitalization grants, will provide a total of approximately \$210.0 million in zero-interest loans to improve Rhode Island's water quality.

Open space continues to be a high priority for the Governor. The capital improvement plan includes the issuance of the \$34.0 million Environmental Management bonds authorized in November 2000. These funds will be used over a multi-year period to preserve open space, protect ground water supplies, and develop and improve public recreational facilities. The \$15.0 million referendum for open space preservation and bike path development approved in 1998 is also programmed to be fully issued over the planning period.

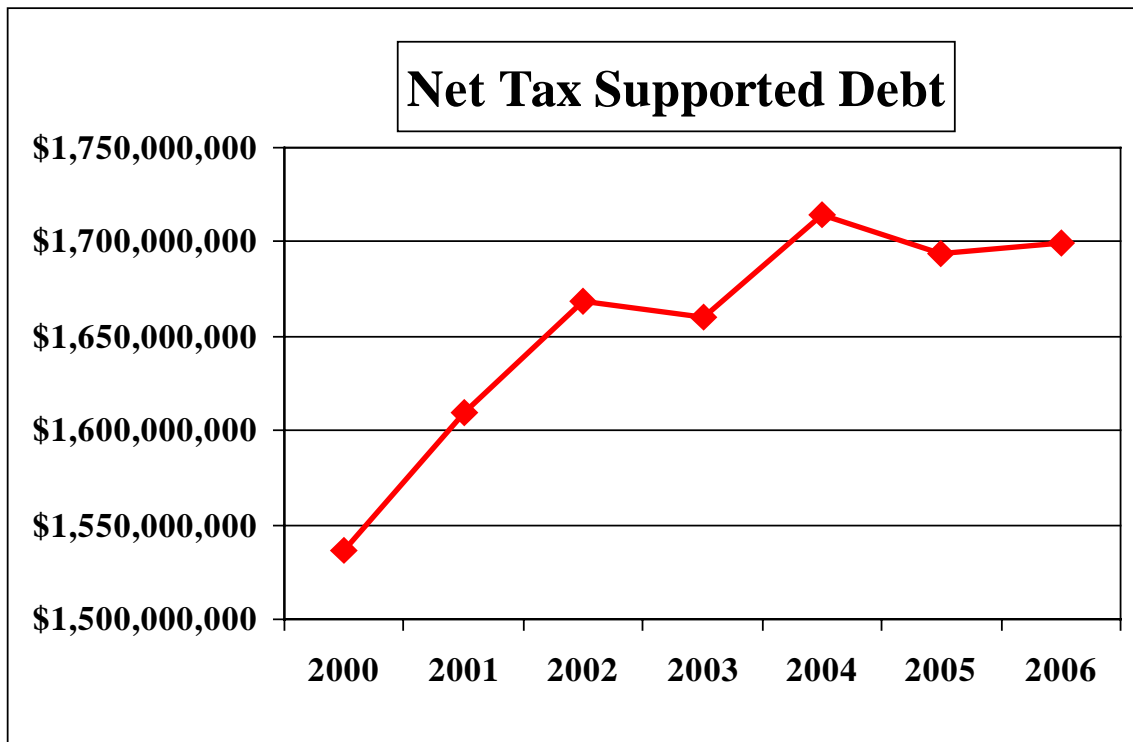
The capital plan also includes \$72.0 million of expenditures from bonds for investment at the Quonset Point/Davisville Industrial Park and for the Freight Rail Improvement Project to create an economic growth site for intermodal transportation and industrial development.

Transportation continues to comprise a significant portion of the state's debt issuance requirements, reflecting \$167.0 million over the five-year period. To ensure that gasoline taxes fully support the transportation needs of the state, the Governor recommends that the state continue to shift its gas tax

# Capital Budget

resources to transportation. Under this multi-year plan, all gas tax currently reverting to the General Fund will be dedicated to transportation purposes by FY 2003. Consequently, the Department of Transportation and the Rhode Island Public Transit Authority will be able to substantially address the state's public transit and infrastructure needs. Additional road and bridge rehabilitation and construction projects will be financed on a "pay-as-you-go" basis, decreasing reliance on bond issuance to match available federal funds, and ultimately reducing rising transportation debt service costs.

Net tax supported debt is projected to be \$1.7 billion by FY 2006. This would be a reduction of almost \$200.0 million from the FY 1994 high of \$1.9 billion, but an increase in the net tax supported debt of \$1.5 billion in FY 2000. The increase of \$163.0 million from FY 2000 to FY 2006 is attributable to the issuance of \$849.0 million of new debt over the six year period, and retirement of outstanding and new debt of \$686.0 million.



The capital improvement plan contains recommendations for \$141.4 million of general obligation bonds to be issued for FY 2002 projects, \$105.7 million for FY 2003 projects, \$87.4 million for FY 2004, and \$54.3 million for FY 2005 (debt service projections assume issuance of \$70.0 million in that year and \$70.0 million per year thereafter). The plan also reflects obligations for a new Kent County Courthouse at \$50.0 million, a new Traffic Tribunal Court at \$30.0 million, a new Juvenile Training School at \$40.0 million, and pursuit of the Department of Corrections Master Plan totaling \$125.0 million over the five year planning horizon.

The Governor recommends total general obligation debt service of \$118.4 million in FY 2002, reflecting the existing debt service appropriations on outstanding bonds, plus \$4.7 million of estimated interest on



bonds to be issued for FY 2002 projects. Total FY 2002 general obligation bond issuance is expected to be \$141.4 million, issued at a fixed rate. Fixed rate interest is estimated at 5.8 percent. Variable rate interest is estimated at 4.5 percent.

The Governor recommends debt service funding of \$70.6 million for other obligations, including \$20.2 million for Rhode Island Refunding Bond Authority obligations, \$23.9 million for the Convention Center obligation, \$14.5 million for certificates of participation and long-term leases, \$5.0 million for Higher Education non-general obligation debt, and \$6.1 million for performance-based obligations. A detailed description of these obligations can be found in the capital budget document.

## *Summary*

General Government includes agencies that provide general administrative services to all other state agencies, and those that carry out state licensure and regulatory functions. It includes: most *elected officials*, including the Governor, Lieutenant Governor, General Treasurer, and the Legislature; *administrative agencies*, including the Department of Administration, the Department of Labor and Training, and the Board of Elections; and *regulatory agencies*, including the Department of Business Regulation and the Public Utilities Commission.

The FY 2001 revised budget for General Government agencies totals \$910.2 million, including \$413.8 million in general revenue, \$85.6 million in federal funds, \$46.3 million in restricted receipts, and \$364.5 million in other funds. The revised budget for General Government agencies is \$44.8 million greater than the FY 2001 enacted budget.

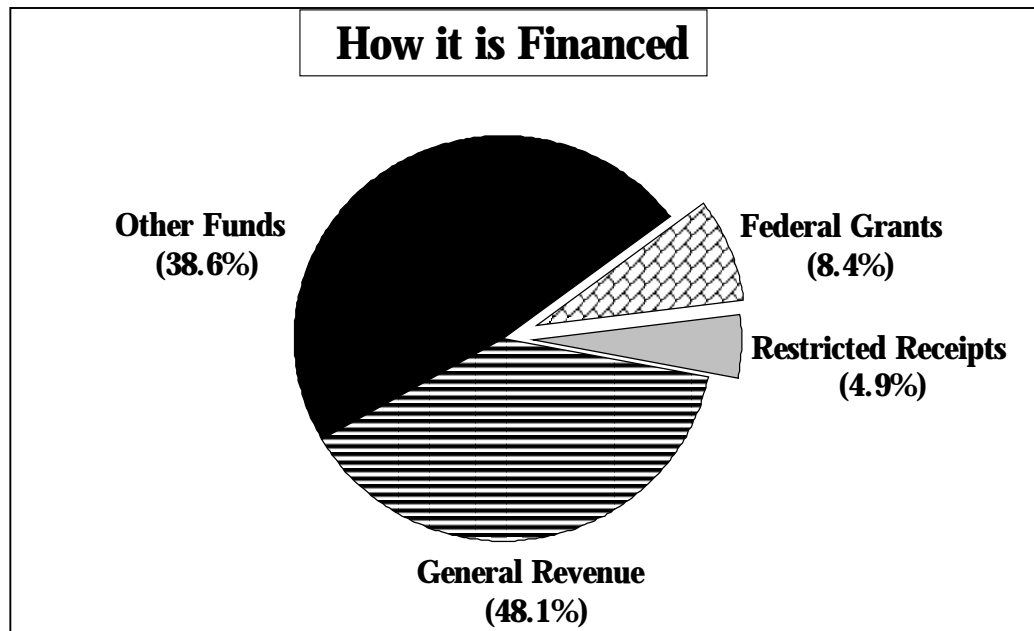
The \$19.9 million increase in general revenue expenditures from the enacted level is comprised of several elements. The Department of Administration recommendation includes an increase of \$4.5 million to fund the Motor Vehicle Excise Tax Phase-out. Also included within the budget for the Department of Administration are increases for the Rhode Island Contingency Oil Reserve Plan, tort claims, Housing Resources Commission grants, and unrealized turnover. The change from the enacted budget also includes an \$8.0 million reappropriation for the Legislature.

The majority of the change in the revised FY 2001 budget for federal funds is due to increases in the Department of Labor and Training for Workforce Development Service programs, including \$4.5 million for the Welfare to Work program, and \$502,302 for the School to Work Implementation program. Other revisions include additional federal funds for the State Energy Office within the Department of Administration for energy and weatherization assistance grants.

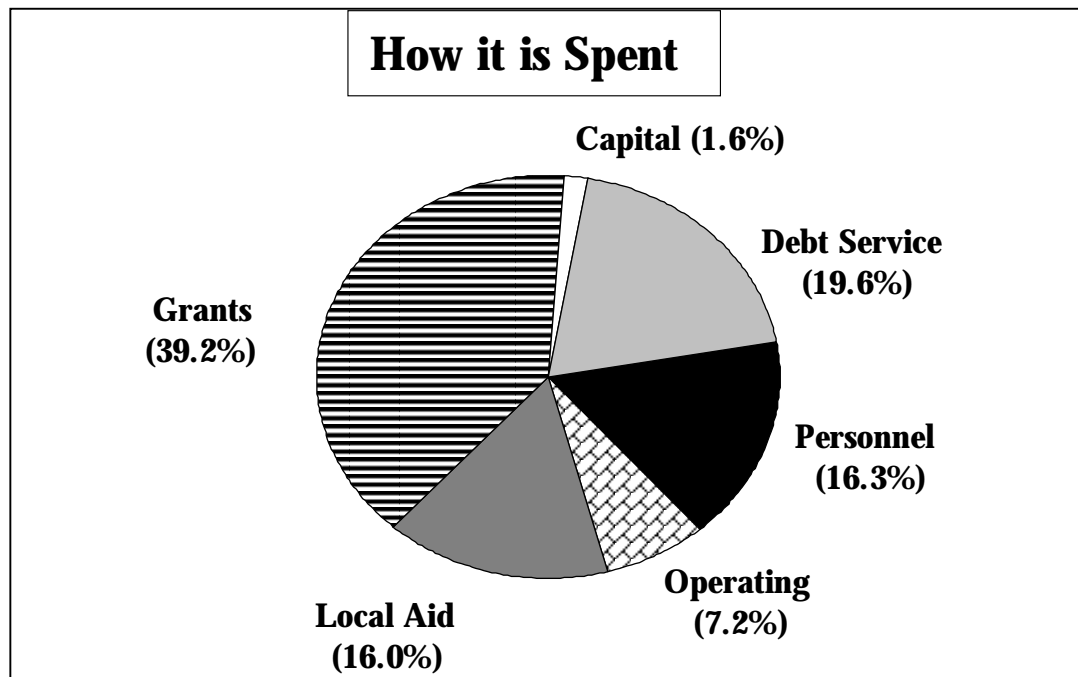
Changes to restricted receipts in FY 2001 include the new Reemployment and Job Development Fund programs within the Department of Labor and Training. These programs became law during the 2000 session of the General Assembly, but were not appropriated in the enacted budget.

The increase in other fund expenditures from the enacted budget is primarily due to automatic reappropriation of unexpended balances from the Rhode Island Capital Plan Fund for various capital projects within the Department of Administration. Included within the overall functional increase in other funds is a reduction of \$6.3 million for debt service payments statewide. The other significant adjustment to other funds in FY 2001 is for greater than anticipated expenditures for temporary disability insurance benefit payments, which are partially offset by reductions for unemployment insurance benefits within the Department of Labor and Training.

For FY 2002, the Governor recommends expenditures of \$958.6 million for General Government programs. The programs are funded with \$461.4 million of general revenue, \$80.3 million of federal funds, \$47.0 million of restricted receipts, and \$369.8 million of other funds. The total budget for General Government agencies in FY 2002 is approximately 5.1 percent greater than the revised FY 2001 level.



Of the \$958.6 million recommended for FY 2002, \$376.0 million is for grants and benefits, \$203.3 million for capital, \$156.7 million for personnel, \$153.2 million for local aid, and \$69.4 million for operating.



# General Government

---

With regard to specific changes in general revenue funding for FY 2002, the Department of Administration has the most significant adjustments. The Governor recommends funding for the RI e-Government Fund to assist agencies in initiating technology-related projects with statewide significance. Also included is funding for the Motor Vehicle Excise Tax Phase-out, the Provider Rate Adjustment Fund, General Revenue Sharing, and the Slater Centers for Excellence program (including the former Slater Technology Fund), continuing the Governor's commitment to this economic development initiative. State Library Aid is recommended to increase \$600,000 from the FY 2001 enacted level. Also within the Department of Administration, the Governor recommends continuing contracted administrative support for the incentive-based Medicaid Revenue Maximization project.

In FY 2002, federal funding for General Government agencies decreased by approximately \$5.3 million for the FY 2001 revised level. The change results from a \$4.4 million increase in the Department of Administration, offset by a reduction of \$9.7 million in the Department of Labor and Training. The increase is for the Community Development Block Grant program, while the reduction occurs from the termination of the Welfare to Work program.

There are no major changes with regard to restricted receipt expenditures in FY 2002. The largest adjustments for restricted receipts occur within the Department of Administration (Central Services and Debt Service programs).

For FY 2002, both the Departments of Administration and Labor and Training have major changes in other fund expenditures from the FY 2001 revised level. The Department of Administration changes are identical to those noted for FY 2001 for capital projects and debt service payments, while the Department of Labor and Training changes result from benefit payments.

## *Department of Administration*

The Governor recommends revised appropriations of \$459.7 million in FY 2001 for the Department of Administration. This includes \$347.1 million in general revenue, \$35.5 million in federal funds, \$7.7 million in restricted receipts, and \$69.5 million in other funds.

The revised FY 2001 budget is \$17.3 million greater than the enacted budget. This is comprised of an increase in general revenue appropriations of \$10.6 million, including the reappropriation of \$2.7 million from FY 2000, an increase in federal funds of \$11.0 million, an increase in restricted receipts of \$680,241, and a decrease in other funds of \$5.0 million.

The largest component of the general revenue increase in FY 2001 is attributable to the Motor Vehicle Excise Tax Phase-out program. The FY 2001 enacted budget included an appropriation of \$65.5 million. Based upon actual reimbursements in FY 2000 and more current tax data, expenditures required in the current fiscal year are projected to be approximately \$70.0 million.

The FY 2001 revised budget includes an additional \$600,000 to fund tort claims made against the state. These court-awarded payments fluctuate greatly from year to year, often necessitating additional funding.

The Governor recommends \$571,536 for the establishment of a Rhode Island Contingency Oil Reserve Plan for FY 2001 only. Due to severe marine weather conditions in past years, Rhode Island has had inadequate reserves of home heating oil. In order to avoid the problems associated with an insufficient supply of commercial home heating oil, Rhode Island has purchased the rights to a two day supply of such material to aid those citizens of Rhode Island dependent upon home heating oil.

Included in the FY 2001 revised budget is increased funding for personnel and operating costs within the several programs of the department. The funding is for unrealized turnover and operating savings, and will more accurately represent projected expenditures. The FY 2001 revised budget also includes \$616,325 for an employee cost of living adjustment.

The Governor recommends \$250,000 in grant funding to be administered by the Housing Resources Commission in FY 2001. The funding would provide shelter in the form of apartments for victims of homelessness and their children. The funds are reallocated from existing appropriations to the Department of Human Services.

General revenue savings of \$1.8 million in debt service-related costs are included in the revised FY 2001 recommendation. These savings are attributable to a number of factors, including a delay in debt issuance for the Pastore Center Power Plant project and a lower than anticipated general obligation bond issuance in June 2000.

Other major additions in the supplemental recommendation include: a reappropriation of \$2.0 million for the Slater Technology Fund; \$640,134 for the statewide utility adjustment; a reappropriation of \$250,000 for the Centers for Excellence; and a reappropriation of \$100,560 for the Housing Resources Commission.

The majority of the \$11.0 million increase in federal funds for FY 2001 is in the Central Services program. The recommended increase is approximately \$5.8 million, and is primarily within the State Energy Office. Federal grants for the Emergency Fuel Assistance Program and the Home Weather

# General Government

---

Assistance Program were greater than anticipated. Increases greater than \$2.0 million in federal funding also occur in the Municipal Affairs and Taxation programs. These increases are for Community Development Block Grants, and Child Support Enforcement, respectively. Other additions and reductions result from actual grant awards varying from estimated funding levels in several department programs.

The recommended increase in restricted receipts of \$680,241 is primarily attributable to the Central Services program. An increase of \$673,709 in energy overcharge interest accounts will allow for the transfer of available funds to the Energy Revolving Loan Fund, where they will become available for loans to state agencies and local communities for energy conservation projects.

The majority of the \$5.0 million decrease in other funds is attributable to two programs, General and Debt Service. There is a \$1.4 million increase in funding for Rhode Island Capital Plan Fund projects, due to timing revisions in several projects. The budget recommendation also includes reduced funding for debt service expenditures, reflecting the redirection of funds from the Sinking Fund to the General Fund.

The Governor recommends total expenditures in FY 2002 of \$513.4 million for the Department of Administration. This includes \$401.3 million in general revenue, \$39.9 million in federal funds, \$7.9 million in restricted receipts, and \$64.3 million in other funds. Overall, this represents an increase of \$53.6 million, or 11.7 percent from the FY 2001 revised budget. In terms of fund sources, general revenue increases \$54.2 million, federal funds increase \$4.4 million, restricted receipts increase \$283,247, and other funds decrease \$5.2 million.

In FY 2002, the Governor recommends the establishment of a statewide information technology fund called the RI e-Government Fund. The Governor recommends general revenue funding of \$6.4 million in several programs in the Department of Administration, including digital licenses (Registry of Motor Vehicles), data warehousing, equipment and support, as well as the Financial Management Information System, are included. Funding from the RI e-Government Fund would provide the specific resources for innovative projects that cannot be funded with existing agency budgets, as well as for on-going projects.

The FY 2002 budget for the Department of Administration includes \$10.0 million for a Provider Rate Adjustment Fund. This recommendation would aid providers of client services to several state departments and agencies, including the Departments of Human Services, Health, Elderly Affairs, Mental Health, Retardation, and Hospitals, and Children, Youth, and Families. The funding is reserved in the Department of Administration because the rate and coverage of any adjustments have yet to be determined. Any federal matching funds available for provider expenditures are not reflected in the department budget.

The Governor recommends funding the Motor Vehicle Excise Tax Phase-out program at \$74.7 million in FY 2002. This is an increase of \$4.7 million from the FY 2001 revised funding level, and will provide for payments to each city and town at the fiscal year 2001 level, plus additions for the Consumer Price Index and other technical adjustments.

The FY 2002 budget includes several other increases in aid to local communities. The General Revenue Sharing program will distribute 2.4 percent of total state tax revenue for the second preceding year (e.g. FY 2000 for the FY 2002 budget). This percentage will increase annually until it reaches 4.7 percent in FY 2009, in order to compensate communities for the phase-out of the wholesale and retail inventory tax over the same period. Funding of \$43.6 million is recommended in FY 2002, an increase

of \$10.1 million over the FY 2001 revised level. The Payment-in-Lieu-of-Taxes (PILOT) program is funded at \$17.6 million in FY 2002. State Library Aid is proposed to increase \$549,196 from the FY 2001 enacted funding level, for total funding of \$8.6 million. Funding for the Municipal Police and Fire Incentive Pay program is recommended to increase 10.0 percent or \$99,825. Overall, state aid to local communities, excluding education aid, increases by \$15.4 million, or 10.3 percent, from FY 2001 revised funding levels.

Included within the recommendation for the Department of Administration is the continuation of funding for the Slater Centers of Excellence program (including the former Slater Technology Fund) at \$4.0 million. This includes an increase of \$1.0 million, which will be used to fund an additional center in FY 2002. These funds are recommended for an Advanced Manufacturing Center to encourage more companies to participate in advance manufacturing processes. The Governor also recommends continuing the appropriation for the state commitment to the support of the Economic Policy Council (EPC). The business community matches these state funds to support the operations of the EPC.

The FY 2002 budget continues to provide \$50,000 for a grant to the City of Providence for on-going operating expenses at the Fox Point Hurricane Barrier. This is in support of a FY 2000 grant of \$500,000 for one time capital repairs at the Hurricane Barrier, which were based on an assessment by the Army Corps of Engineers.

The Governor recommends \$370,000 to continue funding the incentive-based Medicaid Revenue Maximization Project. Working in conjunction with the Departments of Elementary and Secondary Education and Human Services, the Department of Administration has engaged the University of Massachusetts Medical School, Center for Health Care Financing, to assist Rhode Island in obtaining reimbursement for administrative costs associated with school-based medical services. It is estimated that reimbursement of these costs will generate up to \$6.0 million in additional funding for elementary and secondary schools during fiscal year 2002.

The FY 2002 budget continues to consolidate debt service payments in the Department of Administration, as required by law. General revenue funded debt service increases from \$112.2 million in the revised FY 2001 budget to \$131.3 million in the FY 2002 recommendations. The recommendation will finance \$2.5 million for payments on behalf of Fidelity Investments in accordance with an incentive-based agreement with the company. The recommendation will finance a level amount of \$3.7 million for estimated payments to the Providence Place Mall developers under the Mall Act (which is linked to the sales tax generated at the mall). The increase of \$19.1 million includes a \$16.4 million increase in general obligation bond debt service, reflecting a shift of \$7.4 million from Rhode Island Capital Funds, and projected debt service on outstanding bonds of \$4.2 million, and debt service on new issuance of \$4.8 million. Total general obligation debt increases from \$58.7 to \$75.0 million. Non-general obligation debt increases by \$2.7 million, including an increase of \$1.8 million for the Pastore Center Power Plant obligations and an increase of \$2.0 million for Fidelity job rent credits. General revenue funding for Rhode Island Convention Center Authority debt service is recommended to decrease by \$1.1 million from the revised FY 2001 level as a result of increased revenues generated by the authority.

FY 2002 funding for the core programs within the Department of Administration is comparable to FY 2001 levels, adjusted for longevity and other general personnel costs. The recommendation also includes funding for a cost of living adjustment for state employees.

# General Government

---

Federal funding increases by \$4.4 million from the FY 2001 revised budget. This increase is primarily attributable to the Community Development Block Grant within the Office of Municipal Affairs, and the State Energy Office in Central Services. Both programs qualified for increased grant funding from the federal government.

Restricted receipt funding increases by \$283,247 from the revised FY 2001 budget. This incremental change is most significant in the Central Services and Debt Service programs. There is a reduction of approximately \$800,000 in interest earnings for energy overcharge accounts, and an increase of approximately \$1.1 million for Rhode Island Convention Center debt service.

In the FY 2002 recommended budget, other funds decrease \$5.2 from the revised level. The majority of the change in other funds is attributable to two programs, General and Debt Service. There is a \$2.3 million increase in funding for Rhode Island Capital Plan Fund projects. The budget recommendation also includes reduced funding for debt service expenditures of \$7.4 million, which reflects the redirection of funds from the Sinking Fund to the General Fund.

For FY 2002, the Governor recommends a total of 1,144.0 full time equivalent (FTE) positions, an increase of seven FTE positions from the FY 2001 revised level. Two positions would aid in the administration of the Diversity Training Initiative, and the additional five positions would assist with information technology-related activities.

The Governor recommends \$550,000 in FY 2001 to fund costs associated with environmental remediation projects at Airport Corporation properties. Under the 1993 lease with the Airport Corporation, the state is responsible for all pre-existing environmental problems. In the past, costs associated with such clean-up projects were funded through offsets to the corporation's lease payments to the state. The Governor recommends funding current and future costs through a direct appropriation.

## ***Department of Business Regulation***

The Governor recommends a revised FY 2001 budget of \$8.9 million, including \$8.4 million in general revenue and \$454,324 in restricted receipts. The general revenue revised budget is an increase of \$246,355 from the enacted level. The revised budget includes supplemental appropriations of \$93,449 for cost of living increases, \$83,944 for an employee settlement, \$48,765 for net personnel and operating increases, \$20,000 for the legal section's reorganization and upgrades, \$8,246 for utilities adjustments, and \$8,269 for unrealized turnover.

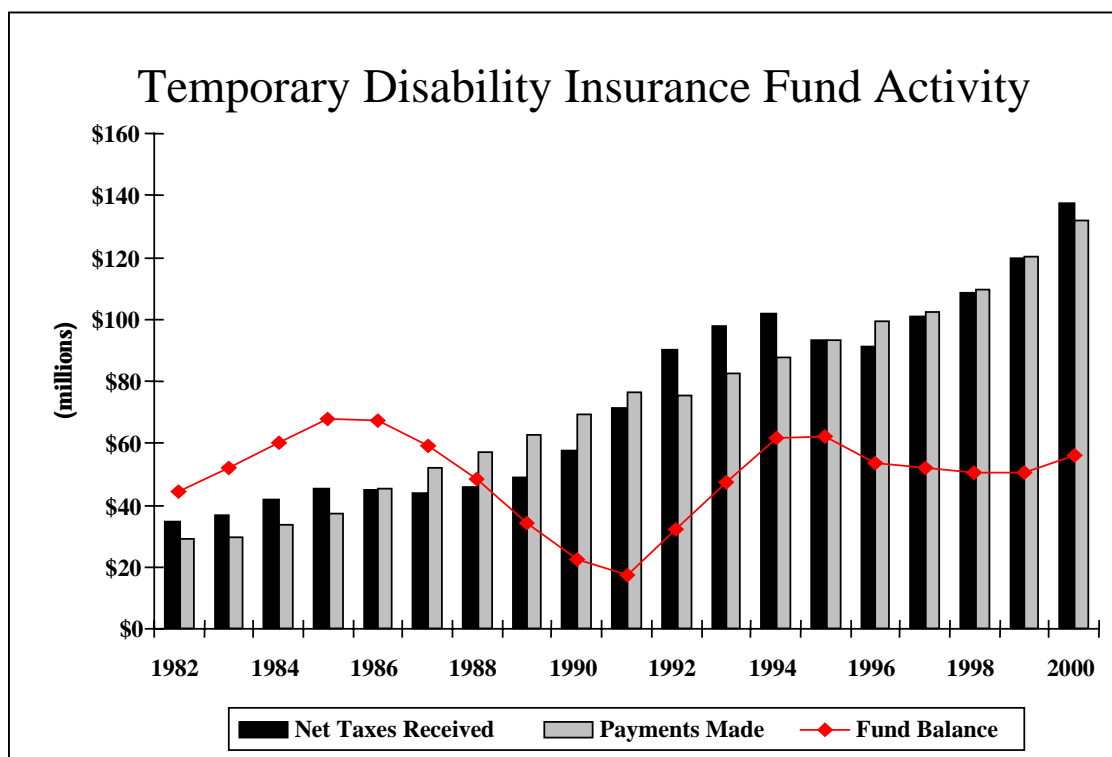
The Governor recommends total expenditures of \$9.7 million for the Department of Business Regulation in FY 2002. This includes \$9.3 million from general revenue and \$457,465 from restricted receipts. The FY 2002 budget is an increase of \$829,966 in general revenue from the FY 2001 revised level. The FY 2002 recommended budget includes a RI e-Government Fund increase of \$489,000 to begin the implementation of standardized federal business regulations pursuant to the Gramm-Leach-Bliley Act. The recommendation for FY 2002 includes an e-Government computer upgrade initiative of \$100,000, an increase of \$100,000 for personnel for captive insurance markets, training for federal statutory revisions, an increase of \$136,526 for reduced turnover, and an increase of \$9,440 for utility adjustments.



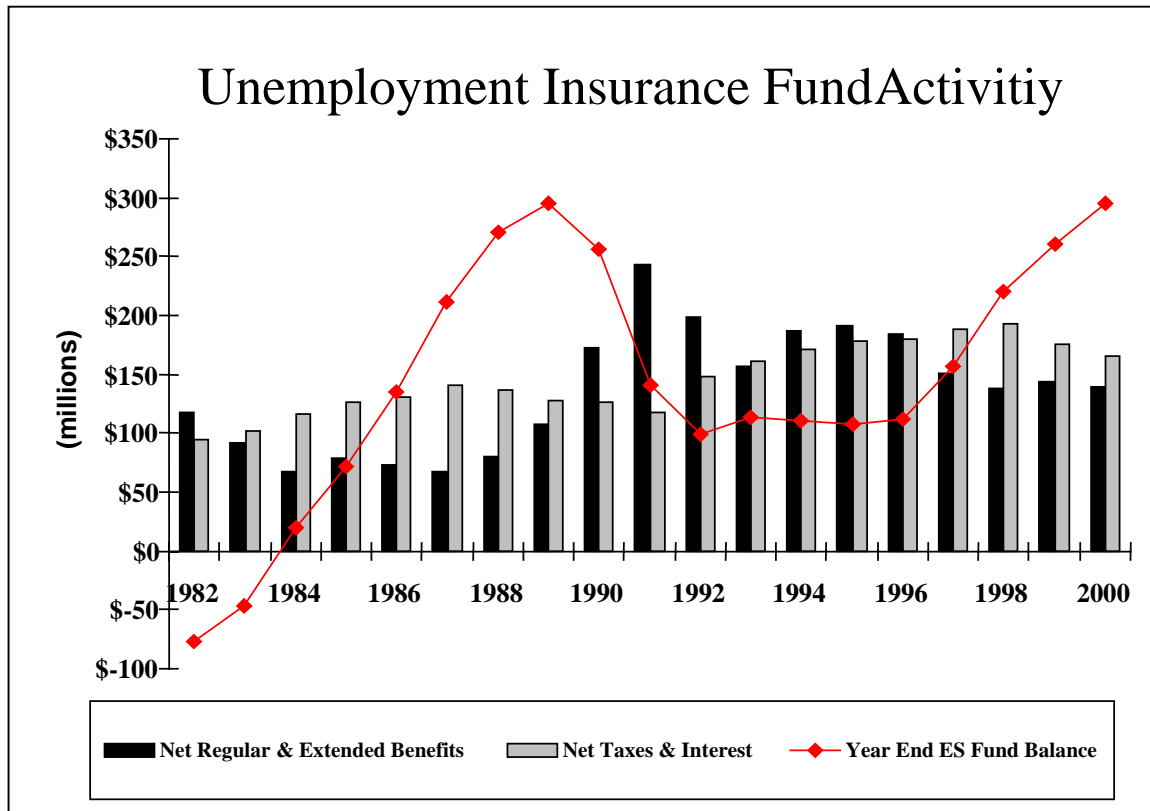
## Department of Labor and Training

The Governor recommends expenditures of \$359.9 million in the FY 2001 revised budget, including \$6.9 million in general revenue, \$48.4 million in federal funds, \$21.4 million in restricted receipts, and \$283.2 million in other funds. The revised budget is \$18.0 million greater than the enacted budget of \$341.9 million. Most of the increase is in federal funds (increase of \$8.7 million), followed by other funds (increase of \$7.4 million), and restricted receipts (increase of \$1.8 million).

By category of expenditure, the FY 2001 revised budget includes increases in expenditures for grants and benefits of \$13.2 million, personnel of \$3.6 million, and operating of \$1.1 million. The increase in expenditures for grants and benefits is due to higher Temporary Disability Insurance benefit payments of \$10.0 million. The increase is offset by a \$3.0 million decrease in Unemployment Insurance Benefit payments. The recent fund balance trends for both of these trust funds is shown in the graphs below.



The department has completed the relocation of approximately 435 staff members from the Manton Avenue, Pine Street and Friendship Street offices to the newly renovated Center General Complex at the Pastore Government Center in Cranston. Relocation to the 110-year old complex, which was originally used as the State's Almshouse, has allowed the department to benefit for the efficiencies of being housed in a single headquarters facility.



By the end of FY 2001, the department will have completed the implementation of an Unemployment Insurance internet claim processing system. This will allow for an alternative method for filing a claim for benefits. As present, all claims are processed over the telephone at the Call Center facility.

In FY 2002, the Governor recommends expenditures of \$361.0 million, including \$6.9 million in general revenue, \$38.6 million in federal funds, \$21.8 million in restricted receipts, and \$293.7 million in other funds. In the aggregate, FY 2002 expenditures are \$1.1 million greater than the FY 2001 revised budget. Compared to the FY 2001 revised budget, expenditures from general revenue are essentially unchanged, with significant increases in other funds expenditures of \$10.5 million associated with benefit payments. Over the same period, expenditures from federal funds are projected to decrease by \$9.7 million. The reductions in federal funding are primarily in the Workforce Development Services program, and are associated with the end of discretionary grants and reductions in program support. The largest discretionary grant program ending in FY 2001 is the Welfare to Work program. This grant program, which was funded at \$5.0 million in FY 2001, will be completed in FY 2002. Other reductions are in the Job Training Partnership Act program (\$1.4 million), the Workforce Investment Act program (\$1.1 million), and the School-to-Work program (\$640,792).

For FY 2002, the Governor recommends an FTE authorization of 558.0 FTE positions, which is 3.0 FTE positions less than the FY 2001 revised budget of 561.0 FTE positions. The reductions are in Central Management (1.0 FTE) and Workforce Regulation and Safety (2.0 FTE) programs. The department expects to achieve the FTE reductions through attrition.

---

# General Government

---

## *Legislature*

The FY 2001 revised budget for the Legislature totals \$32.5 million, including \$31.8 million of general revenue and \$728,215 of restricted receipts. This reflects an increase of \$8.8 million from the enacted budget due to the reappropriation of unexpended general revenue appropriations in FY 2000.

The FY 2002 budget is \$25.3 million, of which \$24.6 million is from general revenue, and \$757,329 is from restricted receipts. The general revenue budget for FY 2002 exhibits a decrease of \$7.2 million, reflecting the net impact of the one-time nature of the reappropriations in FY 2001, and additions for an employee cost of living adjustment and other benefits.

## *Lieutenant Governor*

The Governor recommends a total expenditure of \$70,631 in FY 2001, a decrease of \$1,761 from the enacted budget. Funding is provided for 0.0 FTE positions.

The Governor recommends total expenditures of \$761,543 in general revenue to fully fund the Office of Lieutenant Governor in FY 2002. The Lieutenant Governor, one of five elected general officers, fulfills the responsibilities of Governor when required by the Constitution and presides over the Senate, and in Grand Committee. The Lieutenant Governor chairs and serves on various commissions and advisory boards.

## *Secretary of State*

The FY 2001 revised budget totals \$5.7 million, including \$5.5 million in general revenue, \$181,502 in restricted receipts and \$28,275 in federal funds. This represents a general revenue decrease from the enacted level of \$18,212. The reduction is primarily attributable to turnover savings in the Administration and Public Information programs. These decreases are partially offset by an estimated cost of living increase, and by additional personnel requirements in the Division of Corporations.

The Governor recommends total expenditures of \$4.8 million in FY 2002, including \$4.6 million of general revenue, \$193,337 of restricted receipts and \$18,631 in federal funds. The general revenue recommendation represents a reduction of \$869,778 from the FY 2001 revised recommendation. This primarily reflects expenditures in FY 2001 for the primary and general election cycle not required in FY 2002. The FY 2002 budget includes an increase of \$120,000 for the automation of the Uniform Commercial Code system, as part of the Governor's RI e-Government Fund.

## *General Treasurer*

The Governor recommends a revised FY 2001 budget of \$29.5 million for the Office of the General Treasurer. The revised budget is composed of \$5.0 million in general revenue; \$1.6 million in federal funds; \$11.0 million in restricted receipts; and \$11.8 million in other funds. The general revenue budget of \$5.0 million is \$26,767 greater than the enacted budget. This is attributable to a cost of living adjustment which was not included in the enacted budget. Funding is recommended in FY 2001 for the computerization of the Retirement System.

The Governor recommends total expenditures of \$29.8 million for the General Treasurer in FY 2002, including \$5.1 million in general revenue, \$1.8 million in federal funds, \$11.1 million in restricted

receipts, and \$11.9 million in other funds. The budget reflects five fully-funded programs within the Office of the General Treasurer including: General Treasury (which contains several sub-programs including Policy, Administration, Business Office, and Investments); the Rhode Island Refunding Bond Authority, including obligations of the abolished Rhode Island Public Buildings Authority, which issued debt to finance the acquisition and construction of certain facilities leased by state agencies; the State Retirement System (which administers the Employees' Retirement System); the Unclaimed Property Program (which collects unclaimed property with the objective of returning it to its rightful owner); and the Violent Crimes Compensation Program (which compensates victims for certain financial losses suffered as a result of a violent crime). Continued funding is recommended in FY 2002 for the ongoing computerization of Retirement System records.

### ***Boards for Design Professionals***

For the FY 2001 revised budget, the Governor recommends expenditures of \$325,566, all general revenues, for the Boards for Design Professionals. The increase from the enacted budget is \$34,479.

In FY 2002, total recommended expenditures are \$300,275. The Boards for Design Professionals is a consolidated program consisting of the Board of Registration of Professional Engineers, the Board of Registration for Professional Land Surveyors, the Board of Examination and Registration of Architects, and the Board of Examiners of Landscape Architects.

### ***Board of Elections***

For FY 2001, the Governor recommends a revised budget of \$2.3 million to finance statewide primaries, elections and board operations. The board's operating budget is \$35,080 greater than the FY 2001 enacted budget. The increase reflects additional expenditures for special elections, an estimated cost of living increase, and revised turnover estimates.

The Governor's FY 2002 general revenue budget of \$2.8 million funds the board's operating requirements, including an increase of \$330,000 from the RI e-Government Fund for a Campaign Finance Tracking and Reporting System. This system is part of an ongoing effort to improve the efficiency of board operations. The new system will provide for electronic submission of required reports, in addition to significantly improving the tracking, auditing, and reporting functions of the board. The operating budget includes full and part-time personnel costs, as well as leased equipment and vendor payments for the optical scan ballot system.

### ***Rhode Island Ethics Commission***

The Governor recommends revised FY 2001 expenditures of \$839,602, funded entirely from general revenue. This revised level of expenditures is \$23,154 greater than the enacted authorization, and consists primarily of funds reappropriated by the Governor to complete the first phase of the agency information system in FY 2001.

In FY 2002, the Governor recommends a budget of \$847,427 consisting entirely of general revenue. This level of funding is \$7,825 greater than the revised FY 2001 funding level and reflects current services adjustments for FY 2002.

## ***Office of the Governor***

The FY 2001 revised budget includes \$4.0 million in general revenue. The recommendation is a decrease of \$29,615 from the enacted level and allows the office to operate at maximum capacity. Federal funds for the Head Start Collaborative Program were transferred to the Department of Administration and are not reflected in the revised budget.

The FY 2002 recommended budget is \$4.2 million and represents an increase of \$162,549 from the revised level. The recommended funding supports agency operations and 50.0 FTE positions.

## ***Public Utilities Commission***

The Governor recommends total expenditures of \$5.6 million for the Public Utilities Commission in FY 2001. This funding is comprised of \$735,228 in general revenue, \$61,549 in federal funds, and \$4.8 million in restricted receipts. The general revenue increase of \$4,564 from the enacted level results from a statewide employee cost of living adjustment. Restricted revenue spending increases \$667,094 over the enacted expenditure plan. This increase results from \$188,143 in costs associated with the agency's move to new office space, \$37,863 for a cost of living adjustment on employee salaries, and \$55,530 in expenditures incurred but not completed in FY 2000. The agency has programmed \$200,000 for consultant costs related to the review and analysis of Verizon Communications efforts to establish out of state long distance telephone services in Rhode Island. Verizon will reimburse this expense to the agency. An additional increase in spending of \$150,000 results from the need for legal services.

In FY 2002, the Governor recommends total expenditures of \$5.5 million for the Public Utilities Commission. This funding is comprised of \$731,240 in general revenue, \$61,538 in federal funding, and \$4.7 million in restricted receipt revenue. The agency will finance a new economist position through restricted receipt revenue in FY 2002.

## ***Rhode Island Commission on Women***

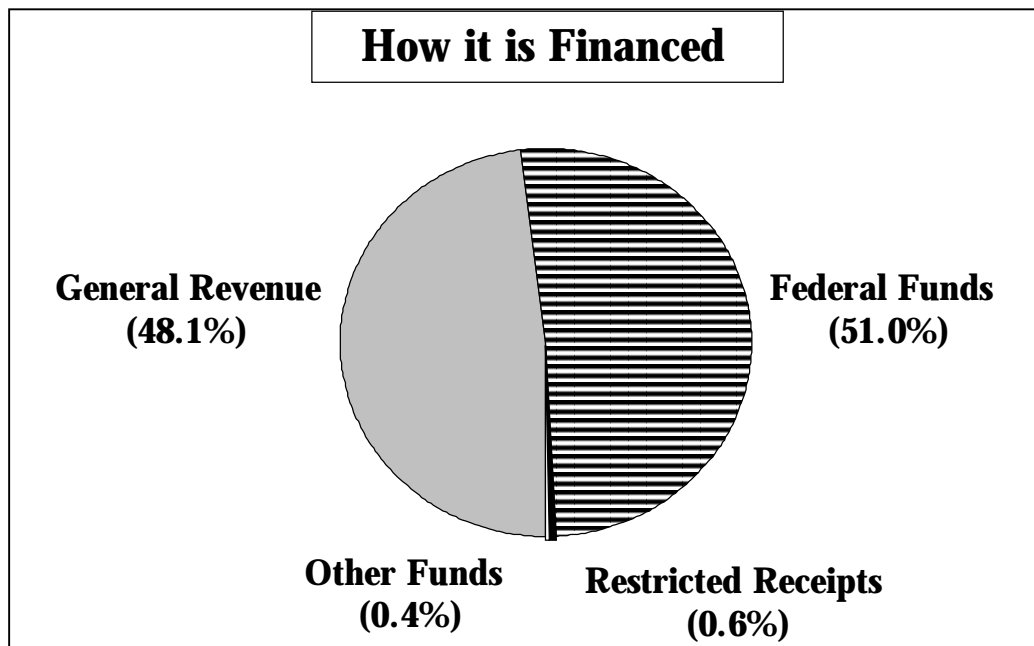
The Governor recommends a revised FY 2001 budget for the Rhode Island Commission on Women of \$133,014, composed entirely of general revenue expenditures. This is an increase of \$3,614 from the FY 2001 enacted budget and reflects increased personnel costs, including an employee cost of living adjustment. The FY 2001 budget recommendation contains funding for the Woman of the Year banquet. It is expected that the commission will offset these expenditures with general revenues generated by ticket sales to the event.

In FY 2002, the Governor recommends a general revenue budget of \$139,140. This is a \$6,126 increase from the revised FY 2001 budget. Continued funding is provided for the Woman of the Year banquet.

## Summary

The Human Services function of state government spans a broad range of activities including, but not limited to, prevention, treatment, and rehabilitation services.

On a program basis, the Governor's FY 2002 budget finances current service costs for the state's elderly, children, juveniles, and medically needy. The Governor's FY 2002 budget continues to support cash and medical assistance programs while maintaining services to veterans, the blind, and visually-impaired. The chart below depicts the programmatic components of the Governor's FY 2002 recommendation for the human service agencies and departments.



The Community Services and Administration portion of the above chart reflects indirect service expenditures for personnel and operating for all human service agencies.

The Human Services departments and agencies continue to leverage their resources so that both individuals and families achieve maximum potential and self-sufficiency. The Governor's proposed funding level of \$2.0 billion protects services for the state's most vulnerable populations, including the elderly, children and families, medically needy, mentally ill, developmentally disabled, deaf and hard of hearing, and the physically disabled. The social and economic needs of clients continue to be met through the services provided by the Departments of: Children, Youth, and Families; Elderly Affairs; Health; Human Services; and Mental Health, Retardation, and Hospitals. The dual role of advocacy and education continues to be provided by agencies including the Commissions on the Deaf and Hard of Hearing, Human Rights, and Disabilities, and the Offices of the Child Advocate and the Mental Health Advocate. The Governor remains committed to: preventing child abuse and neglect; intervening for and on behalf of abused and neglected children and youths; and rehabilitating delinquent youths through education and training.

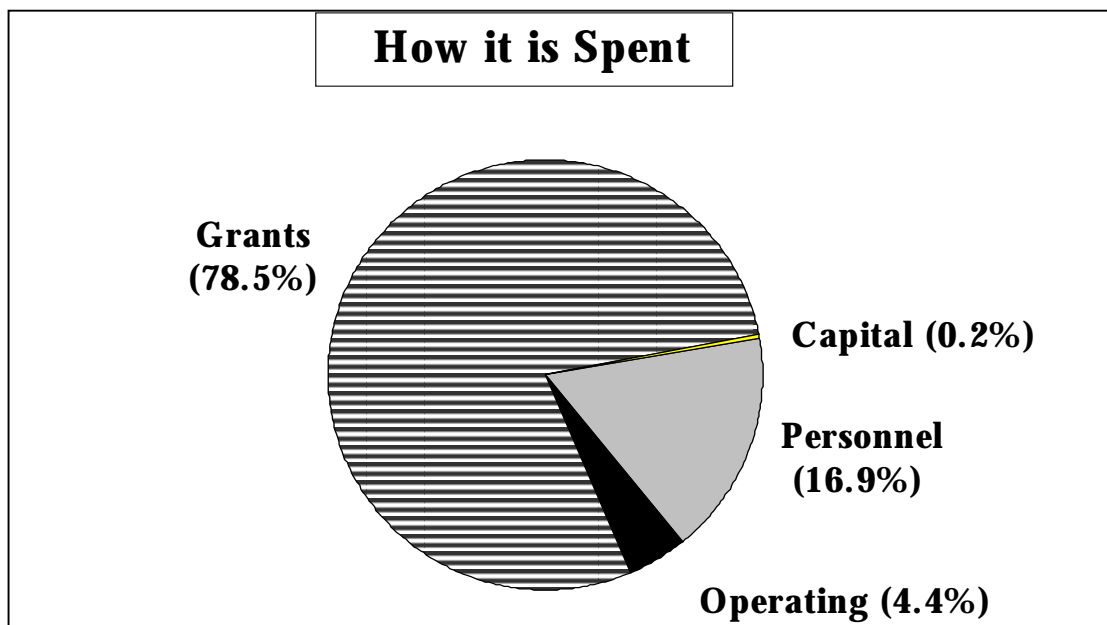
# Human Services

The Governor recommends an increase of \$3.0 million in general revenues from the FY 2001 revised budget, for increased child care placements. It is projected that 12,300 child-care placements will be required during FY 2002. The Governor also recommends funding for the first full year of the "Early Start" component of the Starting Right Initiative. This program will help to ensure that children enter school ready to learn.

The Governor proposes, within the budget for the Department of Health, an allocation of total resources of \$2.7 million for lead programs under an initiative entitled "Lead Free Rhode Island". General revenue funding of \$1.3 million is recommended to support this initiative. The Governor also proposes total funding of \$2.5 million for tobacco control programs directed toward youth and adults, which includes general revenues of \$1.0 million.

The Governor proposes total human services expenditures of \$2.015 billion, consisting of \$968.2 million in general revenue, \$1.027 billion in federal funds, \$11.1 million in restricted receipts, and \$8.0 million in other funds. The total constitutes 39.2 percent of the total proposed expenditures for the state. Social services block grants and cash and medical assistance program funds constitute the major sources of federal funding.

The chart below depicts the financing sources of the proposed funding level of \$2.015 billion for human services programs. Whenever feasible, the Governor's plan leverages state resources with federal resources. For FY 2002, the state anticipates distributing \$79.6 million in state and federal resources to hospitals serving low income persons under the Disproportionate Share Program.



The Governor's FY 2002 proposed level of expenditures includes direct and purchased services for residential care, medical care, and preventive health services. It also includes cash payments to individuals, as well as grant funding to non-governmental agencies. Also included are the operating costs associated with the administration of these social services programs. Personnel, which includes purchased services, accounts for \$340.4 million, or 16.9 percent, of all expenditures programmed for human

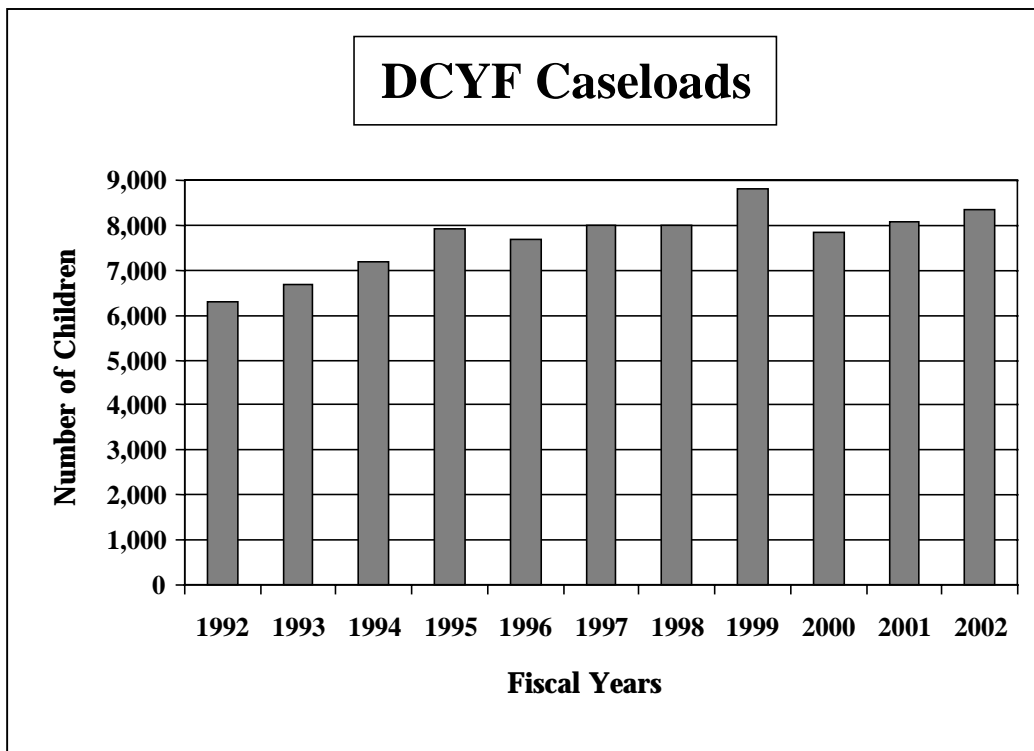
services. Other operating expenditures are funded at \$88.2 million, or 4.4 percent of proposed total human services expenditures, with capital projects slated for \$3.8 million, or 0.2 percent. Finally, grants and benefits expenditures of \$1.582 billion account for the largest outflow of identified resources, reflecting 78.5 percent of the total human services function budget. The chart below shows the outflows of all resources by category of expenditure for the human services function.

Included in the proposed FY 2002 grants and benefits expenditures are: \$866.4 million for medical assistance payments; \$82.4 million for cash assistance and child care benefits to Family Independence Program recipients; \$6.1 million for pharmaceutical assistance to approximately 32,100 certified elderly enrolled in the Rhode Island Pharmaceutical Assistance to the Elderly (RIPAE) program; \$95.4 million for cash assistance grants to approximately 45,010 individuals in the Family Independence Program; \$28.4 million in funding for an anticipated caseload of 28,760 individuals in the Supplemental Security Income (SSI) program; and \$1.8 million to support 670 individuals in the General Public Assistance (GPA) program.



## *Department of Children, Youth, and Families*

The Governor recommends total expenditures of \$204.2 million for the revised FY 2001 budget, including \$122.3 million of general revenue, \$80.3 million of federal funds, \$1.3 million of social security income, and \$299,000 of other funds. The Governor's revised budget includes a net increase of \$910,504 in general revenue expenditures. The major items requiring increased funding include: furniture and workstations for the Friendship Street facility; a statewide cost-of-living increase and other personnel expenditures; psychiatric hospitalizations; a potential arbitration settlement related to caseload overages; parent education and counseling services; purchase of service placements; a new eight-bed staff-secure facility to help alleviate the night-to-night problem; and day care caseload increases. These increases are offset by reductions in the grants and benefits category and the deferred opening of a regional counseling center. Some of the general revenue savings are possible due to increased federal offsets, including an initiative to increase Medicaid revenue for administrative case management, and savings resulting from the creation of the eight-bed staff secure facility.



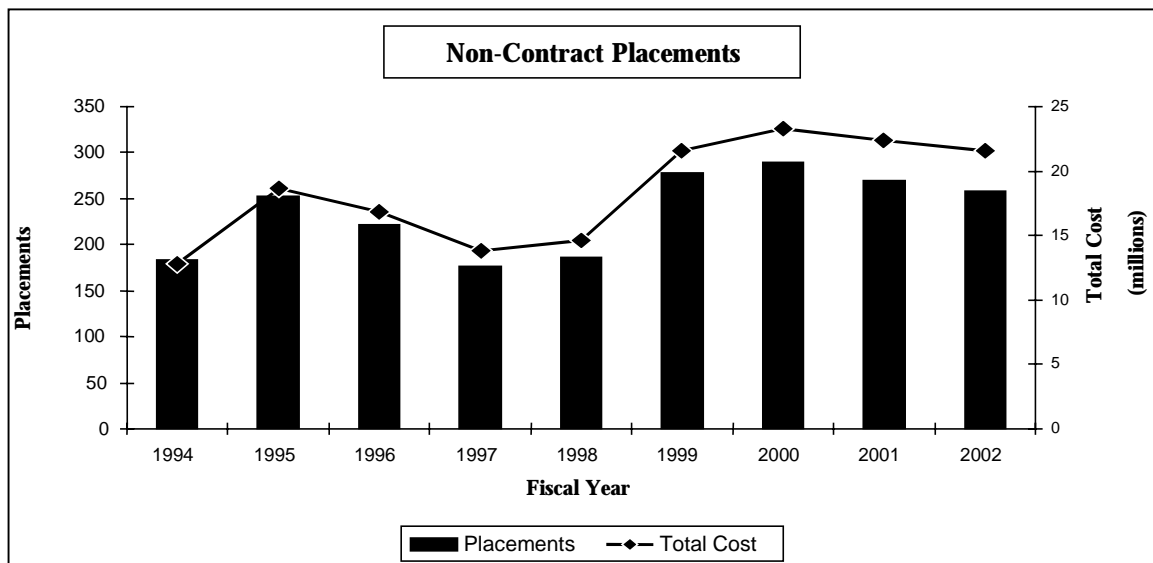
The Governor recommends total expenditures of \$210.1 million in FY 2002 for the department. The FY 2002 budget includes \$127.9 million of general revenue, \$80.4 million of federal funds, \$1.4 million of third-party income and \$379,660 of other funds. The recommended FY 2002 general revenue budget reflects an increase of approximately \$5.5 million over the revised FY 2001 budget. The Governor's commitment to children is reflected in several enhancement initiatives. The FY 2002 budget includes \$1.0 million of general revenue to begin the development of a new in-state continuum of care network, an expansion of the existing continuum of care contract, and for increased respite and wrap-around services. These initiatives are part of an effort to reduce the number of out-of-state purchase of service residential placements to enhance community-based care, and to maintain children in their own homes. Other

# Human Services

increases from the revised budget are due to a statewide cost-of-living adjustment, increases in the cost of behavioral health programs, and an increase in the state share required for Medicaid eligible services. Project Reach, a program supporting community based mental health services for children, is fully funded in FY 2002. The Governor is committed to continuing mental health services for an estimated 2,800 children serviced through this project. Higher Education Incentive Grants have been increased by \$50,000.

The Governor recommends 875.9 FTE positions for the agency in both the revised FY 2001 and FY 2002 budgets. Department caseloads are projected to be 8,084 for FY 2001, and 8,343 in FY 2002. As of December 31, 2000, the department was serving 7,758 children and youths.

The Governor's budget recommendation includes 270 purchased services placements in FY 2001, and 258 in FY 2002. The decreased number of placements for FY 2002 assumes that increased utilization review will conduct children through the child welfare system more rapidly. Purchased services placements are tailored to the needs of the child and are purchased by the department on an individual, as needed basis. The chart below displays the historical utilization costs data and revised FY 2001 and FY 2002 levels of purchased services placements, with associated costs.



## *Department of Elderly Affairs*

The Governor recommends a revised budget for the Department of Elderly Affairs of \$36.4 million for FY 2001. Expenditures are comprised of \$4.7 million in gas tax receipts, \$22.9 million in general revenue, and \$8.8 million in federal funds. This revised funding level is an increase of \$1.4 million from the FY 2001 enacted budget. The general revenue budget recommendation represents an increase of \$761,437 over the enacted level. This increase primarily results from additional claims costs of \$696,619 related to the Rhode Island Pharmaceutical Assistance to the Elderly (RIPAE) program. Other increases include \$26,793 for an anticipated statewide cost-of-living adjustment, and \$3,025 for utility expenses. Also, included are funds reappropriated from FY 2000 for prior year obligations, which total \$35,000.

Federal funding increases by \$749,650. The department's revised federal budget includes additional funding of \$460,190 provided through the Older Americans Act for various support services and programs for seniors. New funding of \$231,088 is also programmed for family respite services for Alzheimer patients. Gas tax funding is reduced by \$133,000 to reflect a change in the yield of the state gasoline tax, as determined by the November Revenue Estimating Conference.

For FY 2002, the Governor recommends total expenditures of \$36.4 million consisting of \$4.7 million in gas tax receipts, \$23.0 million in general revenue, and \$8.6 million in federal funds. Agency programs designed to improve the quality of life for Rhode Island's senior citizens are fully funded in FY 2002. These activities include elderly nutrition programs, community agency grants, protective services, in-home services, respite care, Alzheimer services, and transportation programs. For FY 2002, funding to the RIPAE program totals \$9.2 million.

### *Department of Health*

The Governor recommends total expenditures of \$84.7 million for the FY 2001 revised budget, including \$31.7 million in general revenue, \$46.1 million in federal funds, \$6.7 million in restricted receipts and \$204,623 in other funds. This represents an increase of \$5.5 million from the FY 2001 enacted budget.

General revenues increase by \$117,550 from the FY 2001 enacted budget. Program increases include; a reappropriation of \$52,932 in unspent funds for the Poison Control Center; supplemental appropriations for Vital Records, School Based Health Center grants, Health Laboratory position reclassifications; and an estimated three percent cost-of-living increase effective January 1, 2001. Reductions in expenditures include a supplemental withdrawal of \$250,000 from the Hospital Conversion Act program, reflecting the end of the Lifespan/Care New England merger proposal; and \$25,000 in the loan repayment program reflecting reduced demand.

Federal funds increase by \$3.8 million and other funds increase by \$154,623. New grants have been awarded in the areas of birth defects surveillance, trauma registry, maternal and child health data, and integrated nutrition and physical activity programs. Carry-forward and increased federal grants have been received in the areas of Women, Infants, and Children (WIC), Child Care Support Network, Infants and Toddlers Disabilities, Bioterrorism, Emerging Pathogens, Children's Oral Disease Prevention, Asthma, Tobacco use Prevention and Control, and HIV programs.

Restricted receipts increase by \$1.5 million, reflecting increased assessments of health insurers for the infant-child immunization program, carry forward funds and new grants from the Robert Wood Johnson Foundation for School-based Health Center planning. Additional funding is also included for public water systems reviews from the Drinking Water State Revolving Fund, and a new grant award from the American Legacy Foundation to reduce youth exposure to tobacco.

For FY 2002, the Governor recommends total expenditures of \$85.1 million for the department. This includes \$32.8 million from general revenue, \$45.8 million from federal funds, \$6.4 million from restricted receipts, and \$103,109 from other funds. This is a net increase of \$450,631 from the FY 2001 revised budget, reflecting increases of \$1.2 million in general revenue, offset by decreases of \$309,590 in federal funds, \$324,701 in restricted receipts, and \$101,514 in other funds.

In the Family Health program, the Governor recommends \$1.0 million in general revenue expenditures and \$1.4 million of federal funds on public health surveillance, quality assurance, care coordination, and public education activities related to the continuing "Lead Free Rhode Island" initiative to reduce

# Human Services

---

childhood blood lead levels. The Governor recommends continued funding of \$5.0 million in general revenue and \$3.4 million in federal funds for the Early Intervention program to provide medical services to infants and toddlers with development disabilities. The Governor recommends \$4.6 million in state, federal and restricted funds to ensure the prevention of childhood diseases through the distribution of vaccines. The Governor recommends current service level funding for the Poison Control Center. The Governor also recommends continued funding of \$16.6 million for the Women, Infants, and Children program to provide nutrition assessment, education, and foods for low-income mothers and their children.

In the Disease Prevention and Control program, the Governor recommends \$5.3 million in state and federal funds for AIDS care and surveillance activities. The Governor's recommendation also includes \$2.0 million of general revenue and \$1.2 million from federal and private grants to continue efforts to reduce youth and adult smoking.

In addition to continuing existing programs, including salary and benefit adjustments reflecting an estimated three percent cost of living adjustment in FY 2002 and other fringe benefit increases, the Governor recommends the following initiatives:

As part of his new RI e-Government Fund, the Governor recommends the expenditure of \$720,000 in general revenue and \$300,000 in federal funding for the first phase of the Vital Records Automation project. Approximately \$300,000 in federal and restricted funds will be spent during FY 2001 to enter all birth records into an historical database. The FY 2002 funding will provide for the implementation of a new system to automate the issuance of certified copies of birth records.

In the state's health laboratories, the Governor recommends an additional \$179,000 of general revenue funds for laboratory equipment purchases.

The Governor recommends an increase of 12.0 FTE positions, from 476.1 to 488.1, to provide permanent fully trained employees, replacing limited period consultants, for several programs. Four new positions are recommended for the Family Health program to operate the Information Line, to coordinate the parent consultant program, to analyze environmental lead samples, and to operate the Early Intervention MIS data system. Three positions are added in Environmental Health for the Public Water System Supervision program to assist in rulemaking, regulation and compliance assistance for the public water systems receiving Safe Drinking Water loans. Five positions are added in Disease Prevention and Control to coordinate women's cancer screening services, to coordinate smoking prevention youth advocacy, to operate the Hepatitis C program, and to assist in the management of both HIV needs assessments and HIV minority prevention programs. These positions will be financed from federal funds and restricted receipts.

The Governor recommends increases in general revenue fees in statute for professional regulation and food protection, and by regulation for radiation control and HIV testing. The Governor also recommends an increase in existing inspection fees to finance a hospital quality assurance team to annually survey the state's hospitals, investigate complaints, and track reported incidents.

## *Department of Human Services*

The Governor recommends revised appropriations of \$1.250 billion for FY 2001, including \$551.9 million of general revenue, \$692.7 million of federal funds, \$4.7 million of restricted receipts, and \$589,375 of Rhode Island Capital Plan funds. This represents an increase of \$19.6 million in all funds from the enacted budget. The revised budget for FY 2001 includes an increase of \$8.4 million in general

# Human Services

---

revenues, an increase of \$10.3 million in federal funds, and an increase of \$878,902 in restricted and other funds. The Governor's recommendation includes reappropriation of general revenues of \$74,539 from FY 2000 year-end balances for a World War II Veterans' Memorial, appropriated but unspent in FY 2000.

Included in the net \$19.6 million increase is an addition of \$23.1 million for the revised Medical Benefit expenditure estimates adopted by the November 2000 caseload estimating conference, including \$12.1 million in general revenue funds. Cash assistance appropriations, pursuant to caseload conference estimates, increase by only \$11,374; however, additional federal resources, primarily from underexpenditure of prior year TANF block grant funds, have been recognized, resulting in general revenue savings of \$4.3 million for cash assistance caseloads. The largest components of change in adopted cash assistance caseloads are savings of \$0.4 million for the Supplemental Security Income program, and an addition of \$0.6 million for child care slots. Federal food stamp benefits are decreasing by \$10.3 million, to \$57.7 million, due to the trend of decreased caseloads. This entitlement is totally financed from federal sources, and is not included in caseload conference estimates.

The revised FY 2001 budget proposal includes increases of \$850,244, including \$579,094 of general revenue funds, for estimated costs for a state employee cost of living allowance. The actual amount has not been approved in collective bargaining, and may require revision at a later date. The Governor's recommendation also includes the transfer of \$250,000 of appropriated general revenue funds for homeless shelters from the Department of Human Services to the Department of Administration; the agency supervising this program, the Housing Resources Commission, currently has its base appropriation in the Department of Administration budget. The remaining general revenues total \$226,000 and are for a variety of operating costs, including \$56,000 for medicine and drugs for the Veterans' Home, \$88,917 for property rentals, and \$68,148 for increased energy supplier rates.

For FY 2002, the Governor recommends total expenditures of \$1.268 billion for the Department of Human Services. This total includes \$572.7 million from general revenue, \$693.0 million from federal funds, \$40,000 from Rhode Island Capital Plan funds, and \$3.3 million from restricted receipts. The agency budget continues to finance: cash and medical assistance programs at caseload conference consensus values; training and support services for family assistance programs; continued services to veterans, the blind and visually impaired, and other assisted populations. Sixty-eight percent of the agency's expenditures are for medical benefits to clients.

The Governor's budget recommendation for both FY 2001 and FY 2002 includes full funding for the operation of the Rhode Island Veterans' Home and the Rhode Island Veterans' Cemetery, including \$3.1 million for capital improvements in FY 2001, and \$570,818 in FY 2002.

In FY 2002, current payment standards are maintained for clients receiving cash payments under the Family Independence Program. After reaching a peak caseload of 64,000 persons in 1994, the number of persons receiving cash assistance continues to decline. The consensus caseload conference estimated that 48,140 persons would receive Family Independence Program cash assistance in FY 2001, a 6.5 percent decrease from FY 2000, declining to 45,010 persons in FY 2002, also a reduction of 6.5 percent. In accordance with the goal of supporting families and placing clients into unsubsidized employment, continuing investments are required in childcare, medical assistance, education, and training and employment programs. Consensus caseload conference estimates project 11,800 childcare slots in FY 2001, an increase of 11.8 percent from FY 2000 actual experience, and 12,300 slots in FY 2002, an additional increase of 4.2 percent.

Appropriations for cash assistance payments in FY 2002 are reduced by \$7.3 million, compared to revised FY 2001 levels, pursuant to the adopted caseloads. The general revenue cost increases \$490,072 due to the exhaustion of accrued federal grant funds with a net value of \$7.8 million carried forward from prior years. Appropriations for child care costs increase by \$1.2 million from the FY 2001 revised level to the FY 2002 recommendation, reflecting the caseload changes noted above, less a reduction for a submitted Budget Act article. The article would reduce expenditures for approximately 290 subsidies by deferring the implementation of an eligibility expansion from 225 percent to 250 percent of the federal poverty limit, saving approximately \$1.3 million; the expansion is contained in current law, scheduled for implementation on July 1, 2001, and included in the caseload conference estimates. General revenue support for child care costs increases by \$3.0 million from FY 2001 revised levels, again due to the unavailability of one-time federal grant balances with a net value of \$1.8 million in FY 2001. The FY 2002 budget also includes funds for the first full year of the early start component to the Governor's Starting Right initiative. These educational enhancements in the provider setting are intended to ensure that children enter school ready to learn.

The Supplemental Security Income (SSI) caseload historically has increased on a continuous basis. Adopted caseload conference estimates are 28,090 recipients in FY 2001, and 28,760 in FY 2002, and compare to actual cases of 27,162 in FY 2000. The modest growth rate results from a continued marginal growth in the disabled component and a slight decline in the state's elderly population.

The General Public Assistance Program will be maintained in FY 2002, providing limited cash assistance to eligible persons and a medical program of restricted scope. The caseload conference estimate is 657 persons in FY 2001, and 670 persons in FY 2002.

Medical assistance programs are maintained in FY 2002. The Governor recommends Medical Benefits appropriations as adopted by the Medicaid Caseload Estimating Conference, with two revisions: savings from implementation of a deadline for submission of Medicaid claims by providers, to more fully adhere to federal Medicaid regulations; and, savings from suspension, for one year, of expanded subsidies of medical insurance for employees of child care providers. The second item requires a statutory change, and is included as an article to the recommended Budget.

Under a waiver authorized by the federal Health Care Financing Administration, the department continues to provide a managed health care program for the Family Independence Program population, and for certain other low income individuals without private insurance, through the RIte Care Program. Implementation of program design and eligibility changes pursuant to the Health Reform 2000 Act of the 2000 Legislature are continuing.

Basic medical services provided through the Rhode Island Medical Assistance Program will continue for: families receiving SSI benefits; children in foster care; Medicare beneficiaries having limited income and resources; pregnant women, parents and children with low income, including mothers and children denied federal assistance due to their immigration status; and, persons meeting the criteria for the Categorically Needy Program. An inflation adjustment for nursing home reimbursements for eligible clients is included in the recommendation, pending an actual value from the National Nursing Price Index in May 2001. Rhode Island's Medical Assistance Program will continue to provide services in all mandatory categories as well as optional categories including dental, optometry, hospice, podiatry, ambulance and prescription services.

The recommended Medicaid budget will continue to maximize federal resources, including Disproportionate Share payments to hospitals serving low-income persons. Disproportionate Share funds

of \$79.6 million will be distributed to community and public hospitals in FY 2002. The Governor's recommendation for Disproportionate Share payments is consistent with adopted conference caseloads, and includes a reduction of \$23.1 million, including \$10.7 million general revenues, from the FY 2001 enacted and revised levels. These amounts reflect a one-time supplemental payment made in October, 2000, pursuant to action of the 2000 Legislature. The base payment plan is fully funded at the same levels in both years.

### ***Department of Mental Health, Retardation and Hospitals***

The Governor recommends total FY 2001 expenditures of \$400.8 million for the Department of Mental Health, Retardation and Hospitals, including \$201.8 million of general revenue, \$195.9 million in federal funds, \$3.1 million in other funds and \$55,000 in restricted receipts. The increase of \$4.0 million, in general revenue funds, from the enacted level includes the reappropriation from FY 2000 of funds related to the Piravano Trust in the amount of \$289,085, and \$349,888 for day-program services in the Division of Developmental Disabilities. Supplemental funding includes: \$1.7 million for utility related expenditures; \$823,027 for an estimated employee cost-of-living increase, \$1.2 million for personnel, medical consultants and pharmaceuticals in the Eleanor Slater Hospital; and, \$434,451 for an increase in personnel, consultants and operating expenditures for state operated group homes within the Division of Developmental Disabilities.

The Governor's FY 2002 recommendation totals \$410.8 million, including \$209.8 million of general revenue, \$198.3 million of federal grants, \$55,000 of restricted receipts and \$2.7 million of Rhode Island Capital Plan Funds. The general revenue portion of the budget reflects an increase of approximately \$8.0 million, or 3.9 percent, from the FY 2001 recommended level. Reappropriations of \$638,973, and supplemental funding of \$297,000 for a one-time penalty for federal Synar compliance in FY 2001 are not repeated in FY 2002. These reductions from the expenditure base are offset by increases of: \$3.4 million for the state match resulting from the change in the Federal Matching Assistance Percentage Rate (FMAP); \$1.8 million for an estimated cost-of-living increase; \$1.4 million in other personnel adjustments; \$1.6 million for Developmental Disability Caseload costs; \$293,127 in pharmaceutical costs; and, \$179,300 in capital related expenditures in Mental Health. The FY 2002 recommendation provides for 2,138.0 FTE positions.

Compliance with the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), Medicare, Medicaid, and Department of Health requirements continues to be a priority for the Eleanor Slater Hospital. Correspondingly, facility repairs and upgrades are continuing. Funding for such projects is accomplished from a combination of sources, including general revenue, federal funds, and the Rhode Island Capital Plan Fund.

Within the Division of Developmental Disabilities, the department is continuing to pursue the CHOICES initiative. The initiative includes components to provide individualized funding plans so that clients can exercise some freedom of choice, in the type of supports which they will receive, and in the location where the supports will be provided.

The department has landlord responsibilities at the Pastore Center, specifically related to utilities. In December 2000, Certificates of Participation were issued to rehabilitate the aging Central Power Plant facility. The cost of this project is estimated at \$29.9 million, and will commence during calendar year 2001. Upon completion, the project will provide dependable long-term electrical and steam generation capacity for the entire Pastore Center complex. When combined with the planned repairs and

renovations to the distribution system, it represents a significant step in stabilizing the utility infrastructure of the complex.

### ***Office of the Child Advocate***

The Governor's FY 2001 revised budget includes total expenditures of \$816,648, which is funded by \$465,598 of general revenue and \$351,050 of federal funds. This is a net increase of \$17,803 from the enacted budget and represents an estimated employee cost-of-living increase, federal fund adjustments, and a utility rate adjustment.

The Governor recommends total expenditures of \$865,868 for FY 2002, which is funded by \$479,583 of general revenues and \$386,285 of federal funds. This is a net increase of \$49,220, or 5.7 percent, from the FY 2001 revised budget. The increase includes an additional \$39,400 in federal funding for an estimated cost-of-living increase, and additional state matching funds to maintain the Educational Surrogate Parent Program.

### ***Commission on the Deaf and Hard of Hearing***

The Governor recommends general revenue expenditures of \$248,322 in FY 2001. This reflects an increase of \$1,561 from the enacted level. The net increase from the enacted level includes a reduction of \$30,152 in direct salaries, an increase of \$28,918 in consultant services and an increase of \$2,795 for operating expenses.

The Governor recommends total expenditures of \$257,890 in FY 2002 in order to provide full funding for the commission's current service requirements. The commission is entirely funded by general revenue.

### ***Rhode Island Developmental Disabilities Council***

The Governor recommends total expenditures of \$455,589 in the revised budget for FY 2001. The agency is supported entirely with federal funding from the Administration on Developmental Disabilities within the United States Department of Health and Human Services.

For FY 2002, the Governor recommends total expenditures of \$408,984. The recommendation is consistent with agency needs and objectives for FY 2002.

### ***Governor's Commission on Disabilities***

The Governor recommends revised total expenditures of \$317,477 for FY 2001. This consists of \$288,101 in general revenue, \$27,626 in federal funds, and \$1,750 in restricted receipts. The revised funding level is \$7,448 greater than the enacted level, reflecting a \$3,397 increase in general revenue and a \$4,051 increase in federal funds.

For FY 2002, the Governor recommends total expenditures of \$334,613, including \$305,032 in general revenue, \$28,181 in federal funds, and \$1,400 in restricted receipts, to fully fund the activities of the agency.



## *Rhode Island Commission for Human Rights*

The Governor's revised FY 2001 budget is \$1.1 million and consists of \$753,548 in general revenues and \$313,639 in federal grants. This revised level of funding is \$66,173 greater than the level enacted by the Legislature, and reflects an increase of \$59,001 in general revenue and an increase of \$7,172 in federal expenditures. The Governor's FY 2001 general revenue revisions include \$46,889 for rent, including a reappropriation of \$7,777, plus \$39,112 for relocating the agency. The remaining increases relate to an estimated statewide employee cost-of-living adjustment.

For FY 2002, the Governor recommends total expenditures of \$1.1 million, comprised of \$782,565 in general revenues and \$344,720 in federal grants. This level of funding is \$60,098, or 5.3 percent, greater than the revised funding level recommended by the Governor in FY 2001. The increase includes the annualized cost of building rent, plus adjustments to fully finance the agency's current services requirement.

## *Office of the Mental Health Advocate*

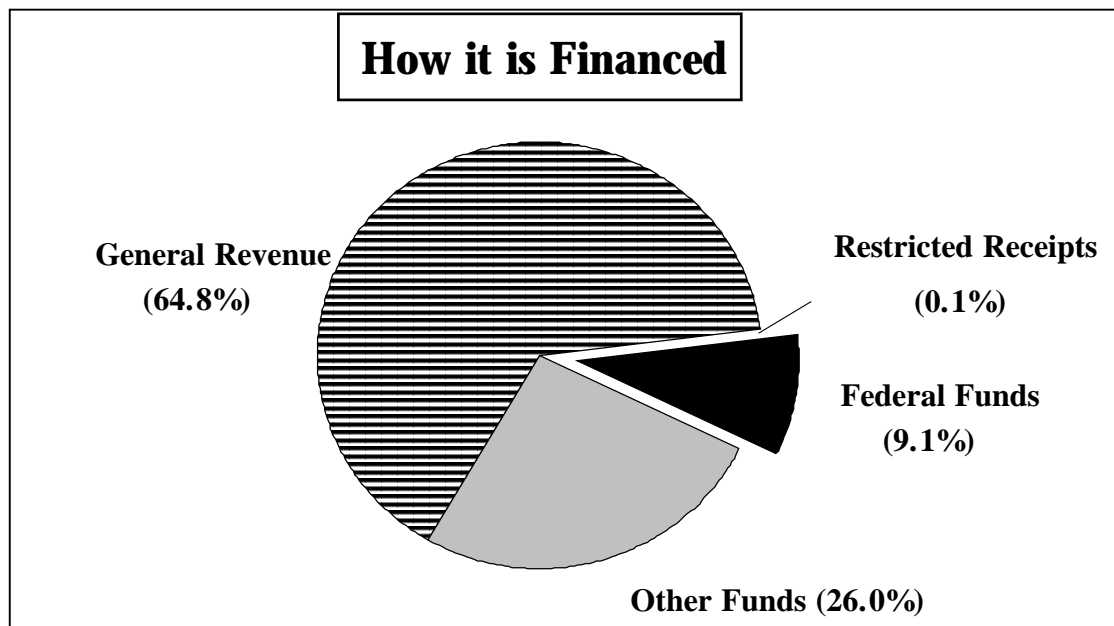
The Governor recommends total FY 2001 general revenue expenditures of \$243,525, reflecting an increase of \$2,795 from the enacted level. The increase is solely attributable to an estimated cost-of-living adjustment for state employees.

The Governor recommends total FY 2002 general revenue expenditures of \$254,878, reflecting full funding for agency current services.

## Summary

The Education function of state government includes services provided by the Department of Elementary and Secondary Education, Public Higher Education, the Rhode Island State Council on the Arts, the Rhode Island Atomic Energy Commission, the Rhode Island Higher Education Assistance Authority, the Historical Preservation and Heritage Commission, and the Rhode Island Public Telecommunications Authority.

Two boards govern the major part of Education activities in Rhode Island. The Board of Regents, with the advice of the Commissioner of Education, establishes policy with respect to the operations of the Department of Elementary and Secondary Education, state education aid programs, the School for the Deaf, the Davies Career and Technical School, the Metropolitan Career and Technical School, and the Central Falls School District. The Board of Governors for Higher Education, with the advice of the Commissioner of Higher Education, establishes policy with respect to operations at the three state institutions of higher education.

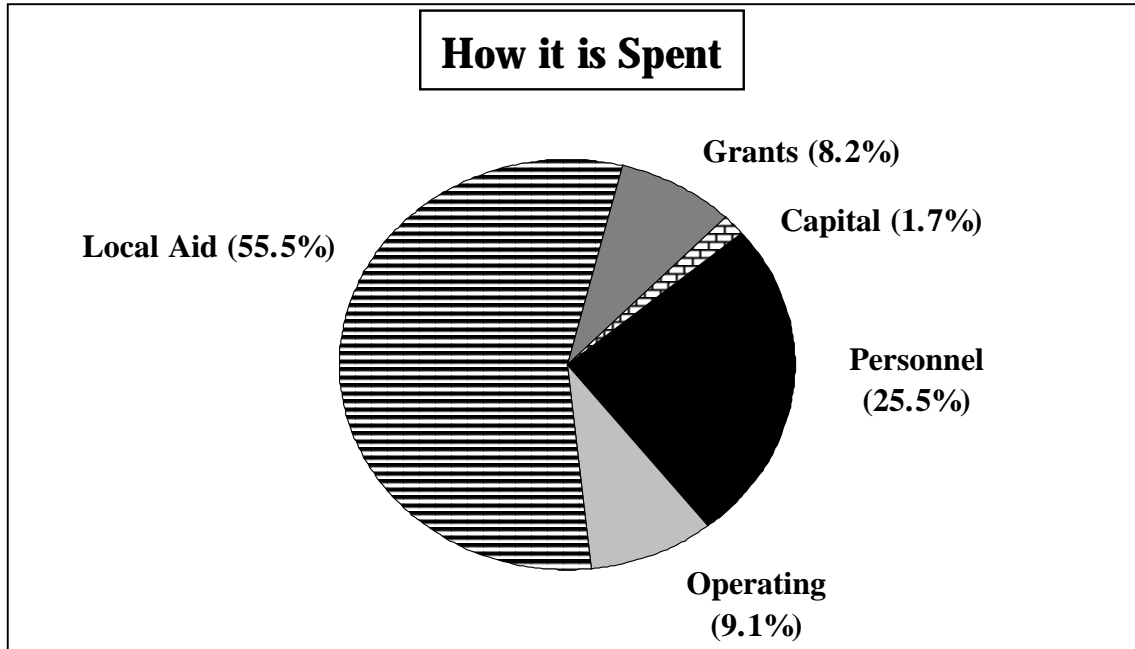


The Governor recommends total expenditures of \$1.377 billion for Education in FY 2002, including \$892.3 million from general revenue, \$124.6 million from federal funds, \$1.3 million from restricted receipts, and \$358.6 million from other funds.

In the Education function of state government, other funds consist of: Rhode Island Capital Plan Funds, Institutional Revenues, Sponsored Research Programs, Scholarships and Fellowships, Auxiliary Enterprises in Public Higher Education, and the Corporation for Public Broadcasting Grant to the Rhode Island Telecommunications Authority.

The Governor's recommendation for Education for FY 2002 includes an increase of \$48.3 million in general revenues from FY 2001 revised levels. This amount is 33.3 percent of the increase in the entire FY 2002 general revenue recommendation of \$2.617 billion. This includes an increase in general

revenue funding of 7.6 percent for Public Higher Education over the Governor's FY 2001 revised budget. The Governor's recommendation provides for a 5.4 percent increase for Elementary and Secondary Education, including an increase of \$33.6 million in local education aid. This continues the Governor's emphasis on the education of the children of Rhode Island. Aid to Local Units of Government accounts for 55.5 percent of all education expenditures. State operations expenditures, which include personnel and operating, account for 34.6 percent of education expenditures, with most of these expenditures occurring in Public Higher Education. The remaining 9.9 percent is for grants and benefits and capital outlays.



## *Elementary and Secondary Education*

The Governor recommends FY 2001 revised general revenue expenditures of \$669.7 million, which represents an increase of \$5.4 million from the enacted budget of \$664.3 million. The change in general revenue expenditures includes increased funding of \$4.7 million for reimbursements for Capital Construction Aid and a increase in teacher retirement costs of \$0.8 million. The revised appropriations also include increased funding for estimated statewide employee costs of \$120,010, statewide utility costs of \$23,467, unachieved department turnover of \$109,754, and \$27,964 in reappropriations for the Davies Career and Technical School. The FY 2001 revised budget includes personnel reductions for the School for the Deaf and the Davies Career and Technical School of \$70,231 and \$118,263, respectively, Program Operations grant reductions of \$108,824, and the transfer of \$50,000 to the Department of Corrections for the Amer-I-Can program.

The Governor recommends total expenditures of \$821.0 million for the Department of Elementary and Secondary Education in FY 2002. Of this total, \$705.8 million is from general revenue, \$113.6 million is from federal grants, \$689,194 is restricted receipts, and \$1.0 million is from other funds. The recommendation represents an increase in FY 2002 general revenue expenditures of \$36.1 million, or 5.4 percent, from the FY 2001 revised budget.

Education aid to local government totals \$670.7 million for FY 2002. This represents a net increase of \$33.6 million, or 5.3 percent, from the FY 2001 revised appropriation of \$637.1 million. Teacher retirement obligations increase by \$1.0 million; this is attributable to a higher projected teacher salary base and contribution rate, and to a proposed change in actuarial funding methodology. The increase of \$32.6 million in all other education aid represents a 5.7 percent increase from the revised FY 2001 budget. It also reflects a change in the distribution methodology for education aid. The Governor's Taskforce on Education Aid Financing recommended that a portion of the additional FY 2002 aid be used to provide a minimum increase for all communities, a distribution component based on need and a distribution component based on tax effort, and municipal capacity. In support of these objectives, the taskforce recommended twenty percent of the new FY 2002 education aid funds be distributed for the support of all communities to finance education expenditures based on pupil counts, forty percent for excess education costs associated with special need, and forty percent targeted to high tax effort, low capacity districts to provide a more equitable financing of education.

While some investment funds have been maintained, many have been consolidated into General Education Aid. Distributions from Core Instruction Equity, Early Childhood, Student Language Assistance, Vocational Equity, and Targeted Aid allocations have been collapsed into General Education Aid and the distributions frozen. Previous allocations from the Student Equity fund are treated in like fashion, with only the FY 2002 allocation of \$10.5 million reflected in the category. Student Technology, Professional Development, On-Site Visits, Hasbro Children's Hospital, Textbook Expansion and Progressive Support and Intervention remain with distributions at the FY 2001 level.

Three new categories are recommended: Per Pupil Distribution, with \$5.3 million; Tax Equity, with \$10.5 million; and Mentoring, with \$250,000. The Governor recommends the Charter School fund increase \$1.0 million, and Full-Day Kindergarten increase by \$713,000 from FY 2001 levels. It should be noted, however, that in distributing education aid funds, the full amount of Full-Day Kindergarten funds, \$3.1 million, is added to eligible districts in addition to all other education aid distributions. The Governor recommends increasing education aid appropriations for Central Falls by \$1.6 million, an increase of five percent from the FY 2001 funding level.

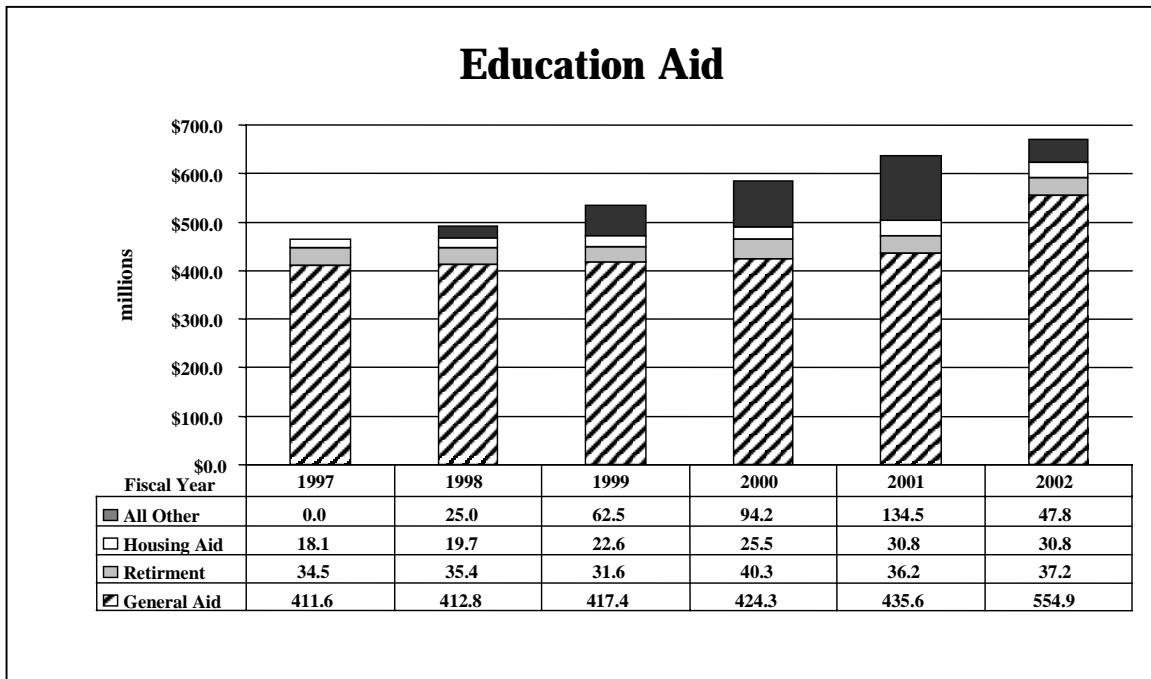
The FY 2001 education aid distribution employs the most recent school data for all communities, from which shares of the total increases are derived. The plan for General Education Aid ensures that all

communities are guaranteed a minimum aid increase of 2.5 percent. There are also tiered rates of reimbursement for the new Full Day Kindergarten initiative: communities with a tax effort index of 0.6 or below will receive \$1,500 per pupil; communities with an index between 0.6 and 1.0 will receive \$1,000 per pupil; all other eligible communities will receive \$500 per pupil. All reimbursements are for full day kindergarten October enrollments.

It should be noted that education aid in the amounts of \$4.7 million of the Progressive Support and Intervention Fund, \$555,000 of the Professional Development Fund, \$658,635 for On-site Visits, \$100,000 for the Hasbro Children’s Hospital, \$250,000 for mentoring, and \$320,000 for textbook expansion are not distributed by formula.

The education aid tables do not reflect the state funds recommended for the Metropolitan Career and Technical School, Davies Career and Technical School, or the School for the Deaf. These expenditures, however, do benefit local communities, as the state contributes 100 percent of student costs; this should be considered in any discussion of state aid to education.

The Governor has implemented a new initiative, enacted during the 2000 legislative session, to increase claiming by local education authorities of federal Medicaid funds for special education programs. Prior to FY 2001, school systems received Medicaid payments through Department of Human Services accounts for their direct costs in providing certain services for special education students. The Departments of Elementary and Secondary Education, Human Services and Administration are cooperating to generate increased reimbursements for these services by expanding the classes of services eligible for reimbursement, by broadening the criteria for student eligibility, and by assisting the local authorities in improving their reimbursement methodologies. These changes will increase annual local revenues. More significantly, Medicaid revenues are being realized for the first time for



the administrative costs associated with the operation of local special education programs. The Department of Administration is financing all of the additional administrative tasks necessary to establish, document, and maintain administrative claiming for the local authorities; new administrative revenues for the local authorities are estimated to total \$5.6 million annually. The Department of Human Services is supporting the initiative in its administrative capacity as the single state agency for Medicaid, and is transferring all federal reimbursement directly to local school authorities.

In FY 2002, the Governor recommends \$3.0 million for the Metropolitan Career and Technical School. Located in Providence, this innovative secondary school is designed to prepare Rhode Island's students for the challenges of the 21<sup>st</sup> century. The school's programs are housed at the Shepard Building and at a new facility located at Dexter and Peace Streets, completed in the spring of 1999. Land acquisition for an additional large school site has been completed, and the effort to establish four additional facilities continues. It is projected that one of the new buildings will be open for the 2001-2002 school year.

In FY 2002, the Governor recommends \$10.5 million in general revenue for the Davies Career and Technical School and \$5.7 million for the Rhode Island School for the Deaf. The FY 2002 recommendation reflects a level of funding that will allow both schools to maintain current programs.

For FY 2002, the Governor's recommendation for departmental operations contains expansion funding of \$861,990, including \$600,000 for additional assessment activities, \$200,000 for two new positions plus operating costs for vocational education, and \$93,787 for establishment of a new controller position.

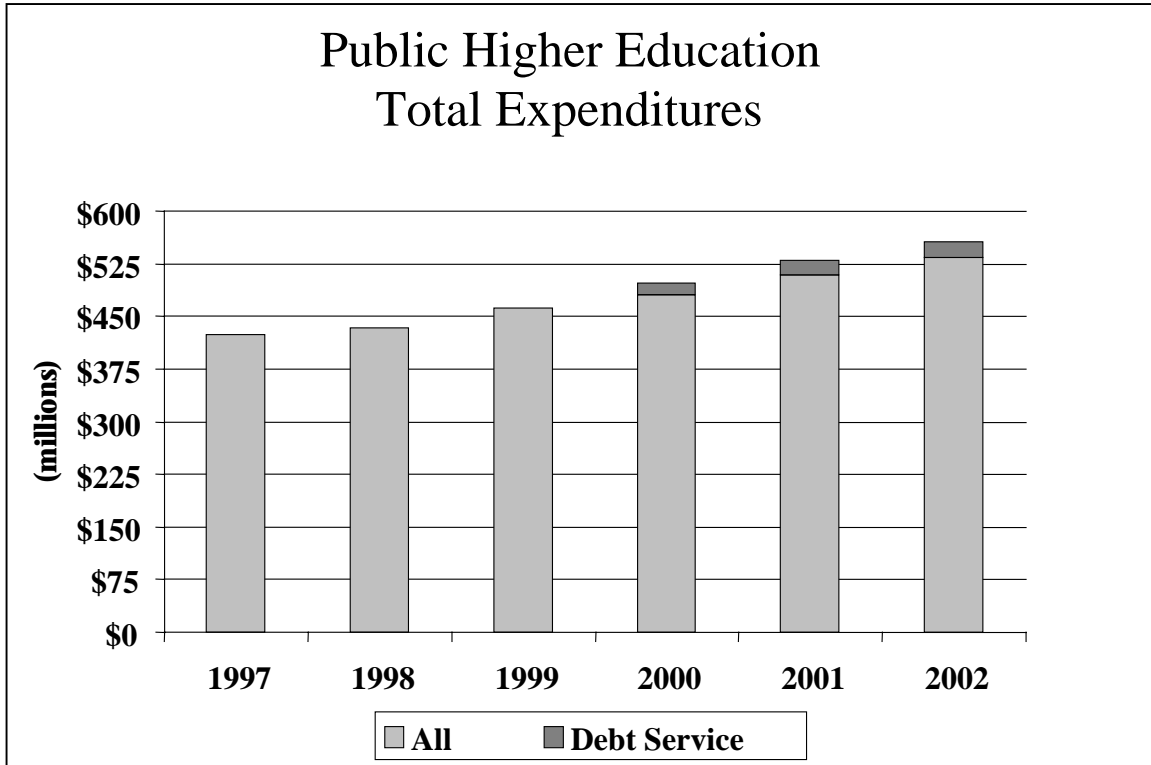
### ***Public Higher Education***

The Governor recommends total expenditures of \$509.9 million for Public Higher Education in the FY 2001 revised budget, of which \$162.8 million is from general revenue, \$2.3 million is from federal funds, and \$344.7 million is other funds. This represents an increase in total expenditures of \$10.3 million, comprised of \$1.0 million in federal funds and \$9.3 million in other funds.

For FY 2002, the Governor recommends total expenditures of \$533.4 million for Public Higher Education, including \$175.2 million in general revenue, \$2.0 million in federal funds, and \$356.1 million in other funds. Other funds include tuition revenues, which are projected to grow by \$5.4 million, or 4.0 percent. The general revenue recommendation includes additions for: employee cost of living increases, \$3.9 million; operating current services, \$3.6 million, or a 2.2 percent increase from the enacted level; additional scholarships of \$1.7 million; enhanced PeopleSoft implementation, \$0.9 million; operating costs for the Community College megastructure, \$0.8 million; expansion enhancements at all other schools, \$1.1 million; staffing a Technology Training Services Center at the Community College, \$0.3 million; the Master Teacher/Technology Initiative Program, \$0.4 million; and a net \$0.4 million reduction in statewide adjustments. Within the other funds category, the Governor is recommending \$19.9 million from the Rhode Island Capital Plan Fund for capital and asset protection projects at Higher Education facilities, including \$130,000 for the Community College megastructure addition.

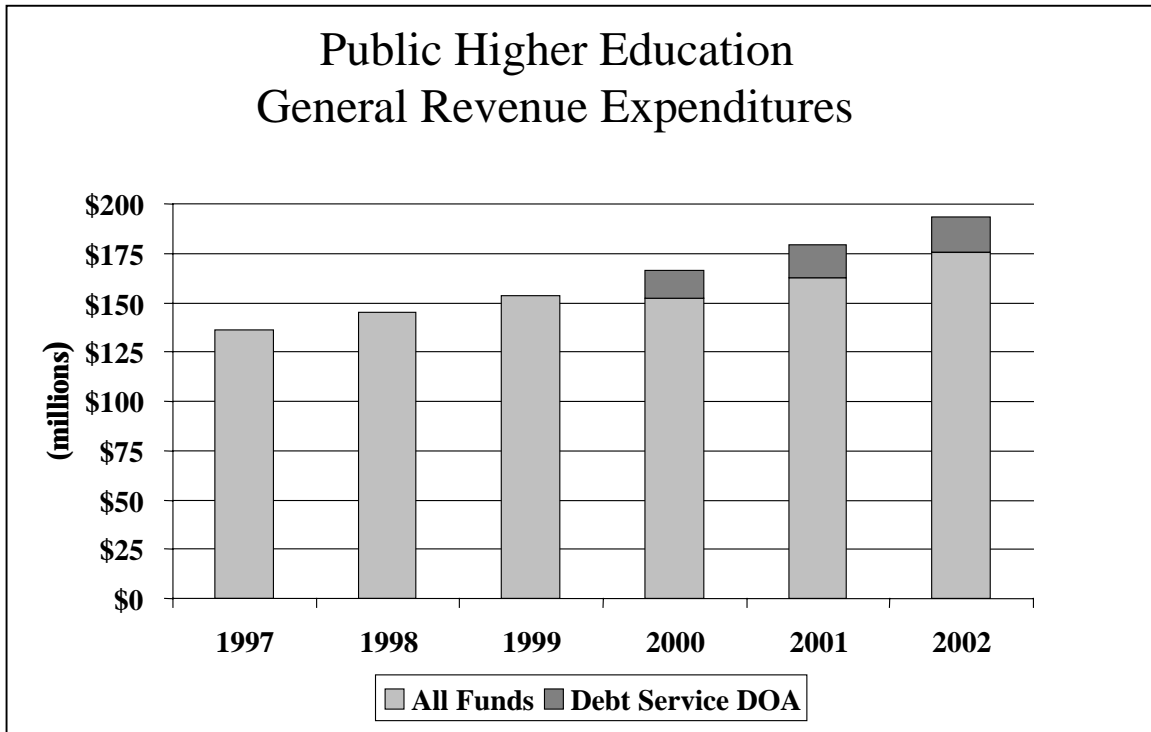
Pursuant to current law, both the FY 2001 revised budget and the FY 2002 recommended budget include debt service expenditures within the Department of Administration benefiting Public Higher Education. Recognizing \$16.2 million debt service in FY 2001 and \$18.2 million in FY 2002, including \$4.8 million of costs relative to the Providence campus of URI, state financed expenditures in FY 2002 for Higher Education increase by \$14.4 million, or 8.8 percent.

The Governor's recommendation for FY 2002 includes 3,507.9 FTE positions. This represents an increase of 4.0 positions above the FY 2001 revised level, increasing for workforce training services at the Technology Center at the Community College.



The budgets recommended by the Governor for Public Higher Education in FY 2001 and FY 2002 clearly demonstrate the value this administration places on Public Higher Education. In order to ameliorate the effects of the severe budget reductions experienced by Public Higher Education during the first half of the 1990s, the budgets presented by the Governor for FY 1996 through FY 2002 have exhibited significantly increased state support.

The Children's Crusade program is dedicated to providing quality educational enrichment programs and scholarship assistance to disadvantaged youths during their elementary and secondary school years, using a combination of public and private funds. New federal grant awards will provide funds for an early awareness for college study at \$1.5 million in FY 2001 and \$1.3 million in FY 2002. The Governor recommends continued general revenue support for the Rhode Island Children's Crusade at \$1.7 million for FY 2001 and FY 2002.



#### ***Rhode Island Council on the Arts***

The Governor's revised FY 2001 budget for the Rhode Island Council on the Arts totals \$2.0 million, including \$1.2 in general revenue, \$541,662 in federal funds, and \$263,370 in restricted receipts. This results in a net increase of \$170,098 from the enacted budget. The general revenue increase of \$3,831 provides the estimates funding necessary for an employee cost of living allowance; the actual value of the allowance is undetermined, subject to collective bargaining results. The revised figures reflect a decrease of \$30,493 for reduced federal grant awards, and an increase of \$196,760 in restricted receipts for public art at various state facilities.

For FY 2002, the Governor recommends \$2.1 million, including \$1.3 million in general revenue, \$513,795 of federal funds, and \$250,000 in restricted receipts. The increase of \$99,119 from the revised FY 2001 budget includes general revenue additions of \$142,923 for grants for the arts and \$15,827 for personnel costs, and a reduction of \$18,394 for operational costs. The Governor's recommendation of \$850,000 for discretionary arts grants continues the effort to increase the state's support for the arts community each year. Federal funds are reduced by \$27,867. Restricted receipts are reduced \$13,370, compared to the revised FY 2001 budget.

#### ***Rhode Island Atomic Energy Commission***

The Governor recommends total expenditures of \$1.6 million in the FY 2001 revised budget. Total expenditures are comprised of general revenue expenditures of \$629,790, federal funds of \$763,000, and other funds of \$177,671; the total is \$691,406 greater than the enacted level. The change from the enacted level is an increase of \$9,527 in general revenue and an increase in federal funds of \$680,000.

For FY 2002, the Governor recommends total expenditures of \$1.6 million. This is comprised of \$649,456 in general revenue, \$753,000 in federal funds, and \$201,464 in other funds. The increase in



general revenue from FY 2001 levels is primarily for personnel costs, utilities, and insurance.

The Rhode Island Atomic Energy Commission (RIAEC) will continue to operate the state-of-the-art reactor at the Rhode Island Nuclear Science Center (RINSC) for the purposes of research, education and training, and environmental monitoring. Moreover, the staff of the RINSC will continue to provide technical assistance to other state agencies, including the Rhode Island Department of Health and the University of Rhode Island. The Governor's budget will also enable the RIAEC to explore further commercial uses for the RINSC, including new technology involved in cancer research.

### ***Rhode Island Higher Education Assistance Authority***

The Governor recommends revised expenditures of \$14.5 million in FY 2001, including \$7.6 million in general revenue, \$6.7 million in federal grants, and \$219,207 in other funds. The recommendation includes the reappropriation of \$22,539 in general revenue funds from FY 2000 for scholarship aid.

For FY 2002, the Governor recommends total funding of \$14.6 million, including general revenue of \$7.5 million, federal funds of \$6.8 million, and \$229,406 in other funds. The Governor's recommendation increases scholarship aid by \$76,000 from FY 2001 enacted levels.

### ***Historical Preservation and Heritage Commission***

The Governor recommends revised total expenditures of \$1.9 million in FY 2001 for the Rhode Island Historical Preservation and Heritage Commission. The total consists of \$888,049 in general revenue, \$538,905 in federal funds, \$324,963 in restricted receipts, and \$150,000 in other funds. The revised recommendation for general revenue is a reduction of \$2.0 million from enacted levels. This is due to the failure of the Heritage Harbor Museum bond referendum, which resulted in the lapsing of \$2.0 million dedicated for this project.

For FY 2002, the Governor recommends total expenditures of \$1.6 million, of which \$727,130 is general revenue, \$540,500 is federal funds, and \$331,690 is restricted receipts. This represents a decrease of approximately \$300,000 from the FY 2001 revised level. Two Heritage Commission grants financed from \$171,000 in general revenue funds in FY 2001 were for one-time projects, and are not repeated in FY 2002. Improvements at the Eisenhower House, financed from \$150,000 in the Rhode Island Capital Plan Fund in FY 2001 are also complete, and not reflected in the FY 2002 recommendations.

### ***Rhode Island Public Telecommunications Authority***

The Governor recommends revised FY 2001 total expenditures of \$3.0 million, consisting of \$498,264 in grant funding from the Corporation for Public Broadcasting, \$936,568 in Rhode Island Capital Plan funds, \$350,000 in federal funds, and state general revenue funding of \$1.2 million. General revenue expenditures decrease by \$28,217, reflecting current services adjustments for personnel costs and utilities.

For FY 2002, the Governor recommends total funding of \$2.6 million, including \$1.2 million in general revenue, \$350,000 in federal grants, \$571,755 from the Corporation for Public Broadcasting, and \$532,799 from the Rhode Island Capital Plan Fund for digital broadcasting conversion.

## *Summary*

The quality of life in Rhode Island is enhanced through the administration of a public safety system that provides law enforcement, adjudicates justice, protects life and property, and handles emergencies impacting Rhode Island's citizens. The thirteen agencies providing public safety services to the state include the following: the Department of Corrections; Attorney General; the Judiciary; the Military Staff; Rhode Island Justice Commission; State Police; E-911 Emergency Telephone System; Fire Safety Code Board of Appeal and Review; State Fire Marshal; Municipal Police Training Academy; Office of the Public Defender; Sheriffs of Several Counties; and, the Commission on Judicial Tenure and Discipline.

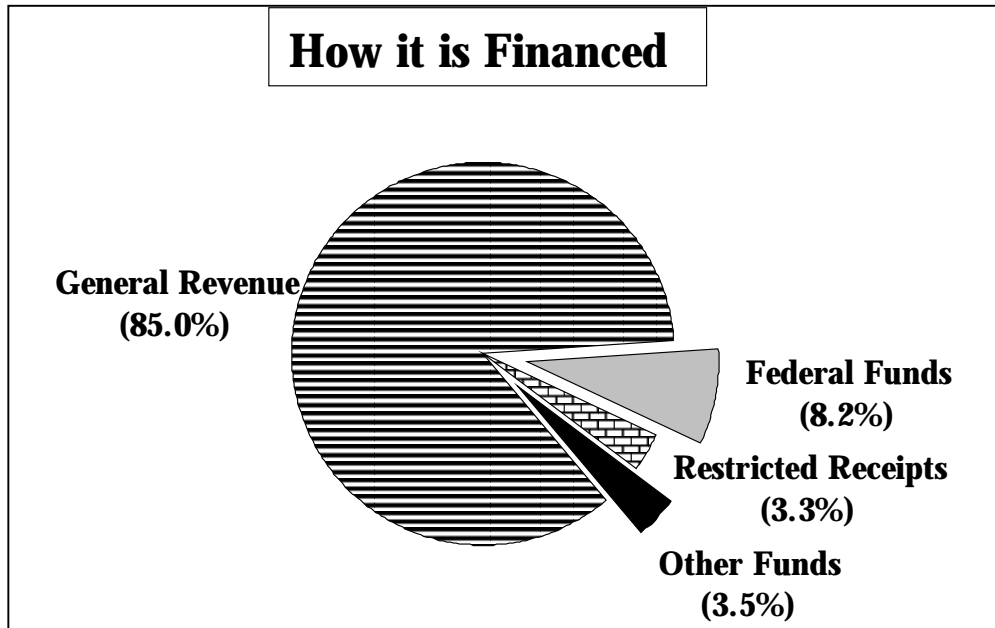
The revised general revenue budget for FY 2001 is 7.6 percent greater than enacted levels. The increase in the revised budget finances enhancements to the Attorney General's Witness Protection Program, victim notification services in the Department of Corrections, and a new Juvenile Response Unit in the Public Defender's Office. Also included are statewide employee cost of living and utility adjustments. Salary increases for members of the Rhode Island Brotherhood of Correctional Officers (RIBCO) are financed in the revised budget as a result of a contract settlement from early FY 2001.

The Governor recommends \$306.1 million in FY 2002 for public safety programs. Of this amount, \$260.1 million is from general revenue, \$25.0 million is from federal funds, \$10.2 million is from restricted receipts, and \$10.8 million is from other funds.

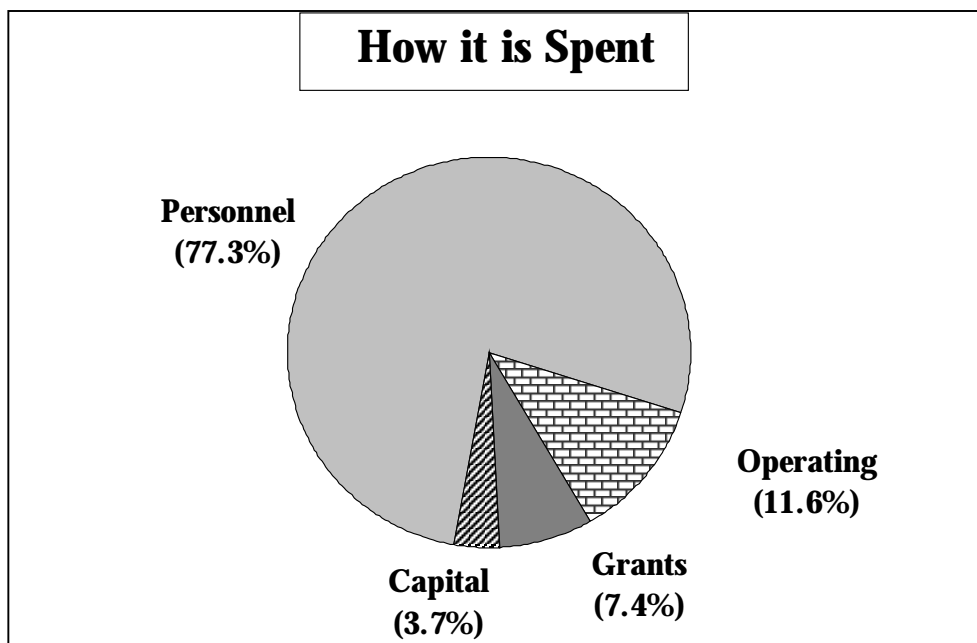
In addition to funding on-going services, the Governor's recommended FY 2002 budget for Public Safety includes funding for the following: recruitment of correctional officers, one correctional officer training class, enhanced in-service training, and the first retroactive payment to RIBCO members at the Department of Corrections; the establishment of a Distributed Technology Training program within the Military Staff; and, and a geographic information system (GIS) database to enhance the E-911 Emergency Telephone System.

The Governor's recommended FY 2002 budget includes several additional FTE positions in Public Safety agencies. In an effort to enhance the Witness Protection Program in Rhode Island, a Witness Protection Coordinator is included in the State Police budget. Three positions are included in the Public Defender's Office to staff the new Juvenile Response Unit. These positions are funded through the U.S. Department of Justice and will provide legal and advocacy services to juveniles as an alternative to incarceration. One position is added to the Fire Safety Code Board of Appeal and Review to provide clerical support for the newly created Rehabilitation Building and Fire Code Board. A Telecommunicator position is added at the E-911 Emergency Telephone System to manage increased volumes from cellular telephone calls to the agency.

The largest share of funding within the Public Safety function is for the Department of Corrections, representing 48.0 percent of the total. Because the Adult Correctional Institutions, which include seven secure facilities, operate twenty-four hours per day, the department must provide continuous supervision of over 3,400 inmates. Additionally, the Community Corrections program supervises more than 30,000 community-based offenders per year. Approximately twenty-two percent of expenditures for Public Safety are within the Judiciary, supporting six courts statewide. The State Police require 12.9 percent of Public Safety funds. The other ten public safety agencies receive the remaining 17.5 percent of the funding in this function.



State operations, including personnel and other operating costs, total \$272.0 million, or 88.9 percent of total expenditures. Other areas of expenditures include \$11.5 million for capital improvements and \$22.6 million for assistance, grants, and benefits.



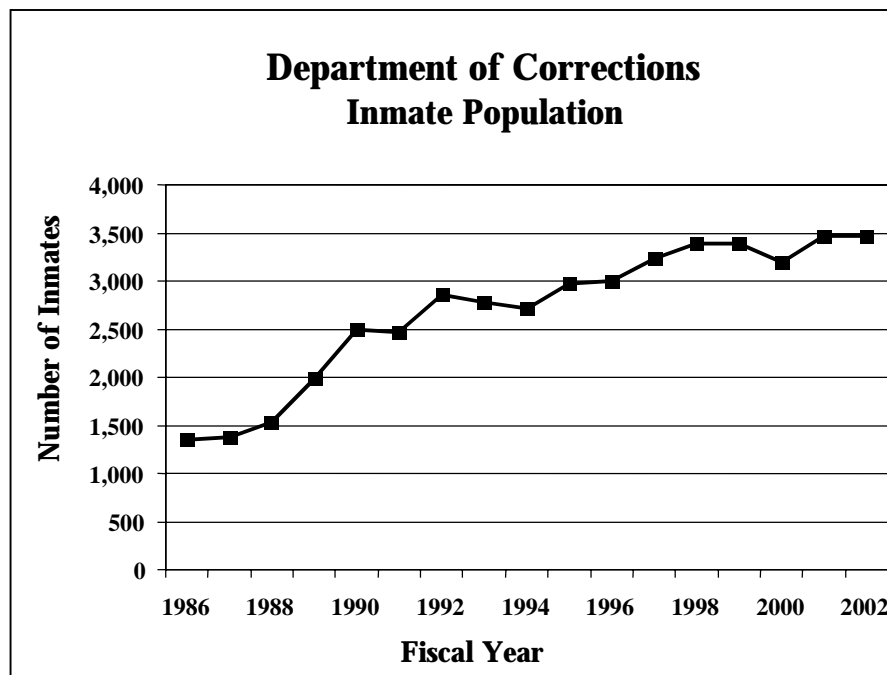
## *Attorney General*

The Governor recommends revised appropriations of \$16.3 million for the Attorney General in FY 2001, including \$14.4 million from general revenue, \$1.4 million from federal funds, and \$560,788 from restricted receipts. General revenue funding is \$71,464 greater than the enacted budget. Additional funds are recommended for: reappropriation of FY 2000 funding of \$222,993 to complete security upgrades and a database conversion project; \$31,000 for the Witness Protection Program; \$156,188 for a planned statewide employee cost of living increase; and \$5,210 for a statewide utility adjustment. These increases are partially offset by a \$243,000 reduction in the purchase of consultant services associated with insurance and health care industry regulation, a \$93,839 savings in computer equipment, and a \$66,503 savings in payroll costs. The Governor recommends a staffing level of 228.0 FTE positions, which is unchanged from the enacted budget.

For FY 2002, the Governor recommends total expenditures of \$16.5 million. Of this amount, \$14.7 million is financed from general revenue, \$1.2 million is from federal funding, and \$587,494 is from restricted receipts. The recommended total is 1.2 percent greater than the FY 2001 revised budget. The \$204,016 increase is primarily due to the planned statewide employee cost of living increase.

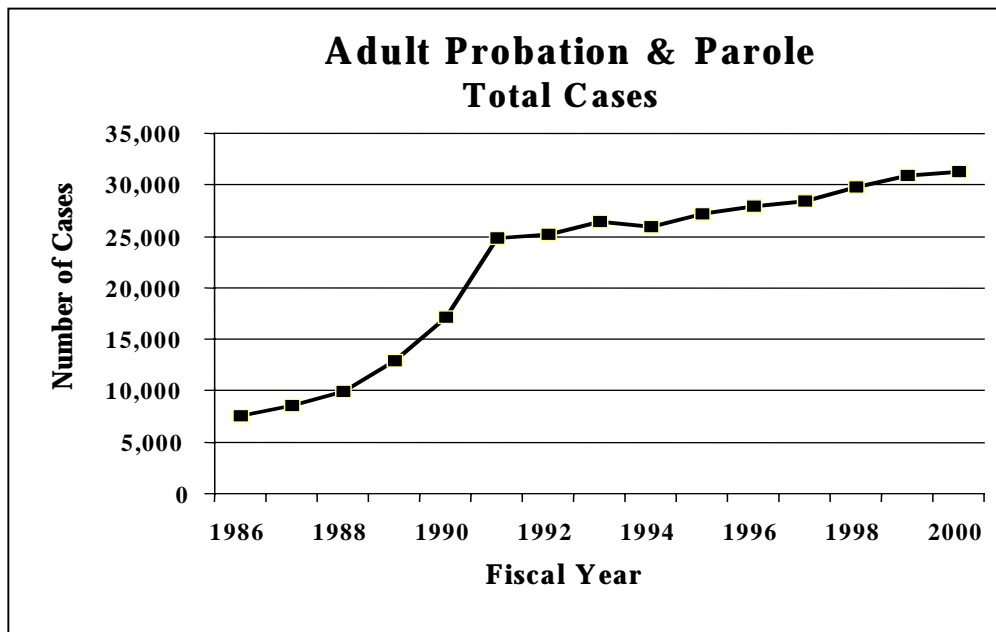
## *Department of Corrections*

The Governor recommends total revised expenditures of \$139.2 million in FY 2001. This includes \$123.6 million in general revenue, \$4.7 million in federal funds, \$7.4 million in other funds, and \$3.5 million from restricted receipts. The FY 2001 revised general revenue budget is \$15.4 million greater than the enacted level. The revised budget includes additions for: salary increases for members of the Rhode Island Brotherhood of Correctional Officers (RIBCO); current operations of the inmate commissary; inmate population growth; and, unrealized restricted receipts from the Immigration and Naturalization Service. The FY 2001 revised budget supports an average inmate population of 3,464.



The revised budget also includes a general revenue reappropriation of \$6.6 million. The \$173,186 reduction in federal funds is attributable to a decrease in anticipated federal Crime Bill expenditures due to delays in the Reintegration Center project, and reductions in funding from the U.S. Department of Education. Rhode Island continues to receive State Criminal Alien Assistance funding of \$1.4 million to offset general revenue expenditures. The \$1.9 million decrease in restricted receipts from the enacted budget is due to a lower than anticipated number of fee-generating U.S. Marshal and Immigration and Naturalization Services detainees being housed at the ACI.

As with the institutional population, the community-based offender population continues to rise. The revised budget supports probation and parole services, the home confinement program, and intensive community supervision of domestic violence and sex offenders, and includes funding for a new Risk Assessment Unit and the start-up of a transitional housing program for women.



The Governor recommends \$146.8 million in total expenditures for the Department of Corrections in FY 2002. This consists of \$133.1 million in general revenue, \$6.5 million in federal funds, \$3.8 million in other funds, and \$3.5 million in restricted receipts.

The FY 2002 recommended general revenue budget represents a 7.6 percent increase from the FY 2001 revised level. The increase would finance the following items: the first installment of a retroactive payment to RIBCO members; an expansion of in-service training; correctional officer recruitment; one correctional officer training class; two special education positions previously financed through federal grants; the purchase of stab-resistant vests; a cost of living adjustment for all employees; and, the annualization of two community corrections initiatives begun in FY 2001. The FY 2002 recommended budget supports an inmate population of 3,464, representing no growth from the FY 2001 level.

To date, Rhode Island has received \$12.3 million in federal Violent Offender Incarceration – Truth-In-Sentencing (VOI-TIS) funds. A small portion of the grant can be used for drug treatment and administrative costs, but the funding is primarily for expansion of bed capacity for violent offenders. Preparation for the renovation of a building at the Pastore Center is beginning in FY 2001. This facility will be used as a Reintegration Center, and will add 150 new beds for sentenced males. The Center will house inmates who are within six months of release, but who have not qualified for lower custody status. Intensive evaluation and services will be provided to residents to facilitate their reintegration to community life. The department plans to open the Reintegration Center in July 2004.

The Department also utilized VOI-TIS funds to finance a Siting and Construction Options Study. This study provided an in-depth analysis of offender populations and trends, offering critical guidance for future new construction and facility renovations. While the overall inmate population does not currently exceed capacity, of particular concern are the populations held in the Maximum Security facility, the Price and Moran medium security facilities, and the women's McDonald facility. All have been near capacity for a number of years. Bed space availability in other facilities cannot be used to alleviate overcrowding in the above-mentioned facilities, as they are not designed to hold inmates classified to different security levels. The Siting and Construction Options Study has allowed the department to develop a comprehensive ten-year plan that considers the various sub-populations, overall population forecasts, efficiency and effectiveness of existing facilities, and future construction needs. In addition to the impact of the population, the age and design of the facilities at the ACI are factors in planning for capital development.

In order to provide necessary repairs and renovations for the department's aging facilities, and to address state match requirements for federally funded expansion projects, the FY 2002 budget includes \$3.8 million in Rhode Island Capital Plan Funds. Funding is recommended in FY 2002 for: general renovations to Maximum Security; security camera installation; fire safety code improvements to all facilities; sallyport construction at the Moran facility; and, window replacement, sallyport construction, roof and masonry repairs, and bathroom renovations in the women's facilities.

Planning funds for community corrections are also financed through the Rhode Island Capital Plan Fund in FY 2002. As a result of the Siting and Construction Options study, the department is exploring the potential development of four community corrections centers.

The Prison Industries program will continue to provide landscaping and grounds maintenance services for the Capitol Hill offices and Waterplace Park. Other operations include printing press and sign making services at Maximum Security, the license plate shop at Medium Security, office workstation production and installation, moving and painting services for state, municipal, and charitable organizations, highway litter crews, and graffiti removal crews.

## *Judiciary*

The Governor recommends a revised FY 2001 budget of \$63.3 million, including \$52.8 million in general revenue, \$2.9 million in federal funds, \$5.7 million in restricted receipts, and \$2.0 million in other funds. The revised general revenue budget is \$620,409 higher than the enacted budget of \$52.1 million. Major general revenue increases in the FY 2001 budget include \$506,446 for the planned statewide employee cost of living increase, \$108,231 for a statewide utility adjustment, and \$266,059 for the reappropriation of unexpended Justice Link funds from FY 2000. The recommended expenditures from federal funds in the revised budget is \$303,557 less than the enacted budget due to the decreased availability of \$1.1 million in federal funds for the Justice Link program, which is

---

## Public Safety

---

for the reappropriation of unexpended Justice Link funds from FY 2000. The recommended expenditures from federal funds in the revised budget is \$303,557 less than the enacted budget due to the decreased availability of \$1.1 million in federal funds for the Justice Link program, which is partially offset by \$483,944 of additional Drug Court funding. The Governor recommends additional Rhode Island Capital Fund expenditures of \$207,000, including \$177,999 for the preliminary design of a new Kent County Courthouse, and \$30,000 for the Garrahy Judicial Complex roof repair project.

In FY 2002, the Governor recommends expenditures of \$66.2 million for the Judicial Department, which is 4.5 percent greater than the FY 2001 revised budget, including \$54.4 million from general revenue, \$3.1 million from federal funds, \$5.9 million from restricted receipts, and \$2.8 million from the Rhode Island Capital Plan Fund. The recommended expenditures from the Rhode Island Capital Plan Fund include: \$2.0 million to continue renovations to the Garrahy Judicial Complex; \$390,000 to continue the design of a new Kent County Courthouse; \$165,000 for repairs to the Murray building; \$150,000 for the Licht Judicial Complex roof, and \$95,000 for the Fogarty Annex building.

The Governor recommends fully funding the current staffing level of 700.0 FTE positions in the Judicial Department in both FY 2001 and FY 2002, including statewide cost of living adjustments in both years. Between FY 1999 and FY 2001, the General Assembly increased the Department's authorized staffing level by 34.0 FTE positions from 666.0 to 700.0 positions.

### *Military Staff*

The Governor recommends total expenditures for the Military Staff of \$11.1 million in the FY 2001 revised budget, including \$2.3 million in general revenue, \$7.8 million in federal funds, \$841,780 in other funds, and \$103,610 in restricted receipts. The FY 2001 revised budget is 5.4 percent greater than the enacted budget, consisting of increases of \$255,988 in general revenue and \$534,127 in federal and restricted funds, and a reduction of \$218,116 in other funds. The increase in federal funds relates primarily to an increased grant award, and prior year funds for Operation Forward March, a welfare-to-work program. The increase also reflects the carry-forward of FY 2000 funds in the Air Guard program. The reduction in other funds is associated with the deferral of project construction for the Bristol Armory, Benefit Street Armory, and Schofield Armory Rehabilitation projects to FY 2002; project work in FY 2001 will instead concentrate on architectural and engineering design. The reduction is partially offset by additional Rhode Island Capital Plan funds of \$100,000 for the installation of a new vehicle exhaust ventilation and heating/air conditioning systems in certain National Guard maintenance and support facilities, and \$100,000 for the repair of the fire-damaged Warren Armory.

The revised general revenue appropriation of \$2.3 million is 12.6 percent greater than in the FY 2001 enacted budget. The increases in general revenue include the following: an additional \$214,840 for National Guard and RIEMA operations support of the Tall Ships festival in July 2000, and the activation of guardsmen in response to the employee actions at the state prison complex; additional funds for energy costs, building repairs and maintenance; and salary and employee benefit adjustments, including a cost of living adjustment. Reductions in the FY 2001 revised budget for Military Staff include the allocation of security costs at the Quonset Air Guard base from general revenue to federal funds, due to the availability of prior year funds, plus other personnel and operating adjustments.

The FY 2002 recommended budget continues the reallocation of general revenue expenditures for security operations at Quonset State Airport to federal funding. The recommended budget includes additional general revenue funds to finance personnel adjustments, including a revised retirement contribution and a cost of living increase. The recommended general revenue budget also includes additional funds for firing squads and military funeral services. The Governor recommends \$100,000 in general revenue to establish the Distributed Technology Training program. The project, a part of the Governor's RI e-Government Fund, would establish a state videoconferencing and distance learning network. The Governor recommends \$552,000 from Rhode Island Capital Plan funds for repair projects at the Bristol, Benefit Street, and Schofield armories, and the Command Readiness Center, as well as \$290,000 in matching funds for new capital repair projects at the Warwick Armory, the Combined Support Maintenance Shop, and the Army Aviation Support facility.

### ***E-911 Emergency Telephone System***

The Governor recommends general revenue expenditures of \$3.2 million in FY 2001 for the E-911 Emergency Telephone System, a reduction of \$392,636 from the enacted budget. The significant changes to the agency's budget include: a \$555,876 reallocation to the Department of Administration for emergency services equipment used to control and route wireline and wireless calls; an increase of \$84,208 for personnel expenditures, including \$59,208 for overtime; and an increase of \$46,750 for operating costs. The emergency services equipment purchase allowed the agency to successfully implement Phase I of a FCC-mandated upgrade to the system of wireless emergency calls. The agency is now capable of identifying the location of the cell tower receiving the cellular call, and the caller's twenty-digit mobile identification number allowing call-backs to distressed parties.

For FY 2002, the Governor recommends expenditures of \$3.6 million, all from general revenues. This is an increase of \$465,114 over the FY 2001 revised budget. The FY 2002 budget includes the addition of general revenue expenditures of \$500,000 from the RI e-Government Fund to develop a geographic information system (GIS) database. The GIS database will include building locations by address, master street address and road/road names updating, and other information. The data collected for this project will be shared with numerous public agencies, including the Rhode Island Department of Transportation, the Rhode Island Emergency Management Agency, and local municipalities. Developing the GIS database will allow E-911 to implement Phase II of the FCC-mandated upgrade. Phase II requires E-911 to locate callers within certain distance and accuracy parameters, and will be accomplished by layering GIS coordinates and other related data base maps.

The Governor recommends increasing the staffing level at the agency in FY 2002 by 1.0 FTE position from 47.6 to 48.6 positions. An additional telecommunicator position is recommended because of the explosive growth in cellular phone calls to the agency. Between calendar years 1997 and 1999, the number of cellular phone calls received increased from 61,486 to 125,630. During the same period, total phone calls received by the agency, cellular and landline, increased from 336,487 to 396,228.

### ***Fire Safety Code Board of Appeal and Review***

The Governor recommends revised general revenue appropriations of \$166,143. The increase of \$2,035 over the FY 2001 enacted Budget is to finance an employee cost of living salary increase.

The Governor recommends general revenues for FY 2002 of \$210,116, an increase of 20.9 percent from the FY 2001 revised budget. The increase finances one additional administrative aide position to



provide support for the implementation of the new Rehabilitation Building and Fire Code Board on July 1, 2001.

### ***State Fire Marshal***

The Governor recommends revised FY 2001 funds for the State Fire Marshal of \$1.5 million, including \$1.3 million in general revenue and \$180,513 in federal funds. The revised general revenue budget reflects an increase of \$41,886 over the FY 2001 enacted budget, attributable to an increased employee cost of living adjustment, utility adjustments, and \$23,404 of reappropriated funds. Reappropriations include \$18,724 for a replacement vehicle and \$4,680 for advance fees received for future training services. The increase in federal funds in the FY 2001 revised budget reflects carry forward funding and increased grant awards for Facilities Inspection and Terrorism Preparedness Training, and new grant funding for smoke alarm replacement and for the State Emergency Response Commission.

The Governor recommends total expenditures of \$1.4 million in FY 2002, \$55,140 of which is federal funding. The recommended general revenues fully finance agency current services, including an employee cost of living adjustment.

### ***Commission on Judicial Tenure and Discipline***

The Governor recommends total expenditures of \$101,202 in the FY 2001 revised budget. This amount is \$8,596 greater than the FY 2001 enacted budget of \$92,606. The additional funding includes a \$7,595 reappropriation of FY 2000 funds for legal expenses and operating costs, and \$1,001 for payroll expenses associated with the planned cost of living increase.

In FY 2002, the Governor recommends expenditures of \$99,523. This amount fully funds the commission's operations, including one full-time staff assistant. The Commission on Judicial Tenure and Discipline is funded entirely with general revenue.

### ***Rhode Island Justice Commission***

The Governor recommends total expenditures of \$5.0 million for FY 2001, including \$181,243 in general revenue and \$4.8 million in federal grants. The Governor's revised FY 2001 general revenue funding recommendation is \$1,605 greater than the enacted budget due to a statewide employee cost of living adjustment. The recommendation includes a reduction in federal funds of \$375,884 reflecting the current service requirements of the agency.

In FY 2002, the Governor recommends total expenditures of \$5.0 million, including \$177,710 in general revenue and \$4.8 million in federal funds. This level of funding reflects a decrease of \$3,533 in general revenue and \$35,589 in federal funds from the Governor's revised FY 2001 budget recommendation. The recommendation fully finances current agency operations, including revised personnel costs.

### ***Municipal Police Training Academy***

The Governor recommends a revised FY 2001 budget of \$568,474, including general revenues of \$478,555. The increase of \$33,757 general revenues includes \$28,460 reappropriated from FY 2000 balances for defibrillator training and equipment, plus adjustments for an employee cost of living adjustment and for training costs. Enacted appropriations include \$133,400 for the purchase of fifty-

eight automated external defibrillators to be distributed to cities and towns and the Capitol Police. The agency's revised federal funding of \$89,919 is an increase of \$24,813 from the FY 2001 enacted budget. The increase is the result of grant funds for training carried forward from FY 2000, including in-service, Spanish for law enforcement, and sex offender community notification training.

The Governor recommends total expenditures of \$338,427 for the academy in FY 2002. This consists of \$322,148 in general revenue and \$16,279 in federal funds. The 48.5 percent general revenue reduction from the FY 2001 enacted level is primarily attributable to the one-time purchase of defibrillators in FY 2001. The \$73,640 reduction in federal funding from the FY 2001 enacted budget is due to the expiration of all grants, with the exception of the Byrne grant.

### *State Police*

The Governor recommends a revised FY 2001 budget for the State Police of \$39.6 million. The revised general revenue budget of \$34.4 million represents an increase of \$1.3 million over the enacted level. This includes \$626,998 in additional costs related to a union settlement with the state troopers, \$406,532 in additional overtime costs, and \$338,303 in other personnel cost increases. Funding of \$139,000 is included for communication tower maintenance costs and computer system improvements; this cost is offset by general revenue receipts from Bell Atlantic Telephone for the lease of space on State Police communications towers. Funds have been provided for increased vehicle costs of \$29,378 and utility costs of \$21,069. Also included are reductions of \$132,777 for reduced pension costs and \$165,345 for vehicle maintenance costs to be financed by road detail reimbursements. The revised budget includes other funds of \$2.9 million, an increase of \$469,670 from the enacted level. Of this amount, \$351,313 represents increased road detail reimbursements from the Department of Transportation.

The Governor recommends total expenditures of \$39.5 million for the State Police in FY 2002. This includes \$35.5 million in general revenue, \$700,059 in federal funds, \$217,797 in restricted receipts, and \$3.0 million from other funds. The recommended general revenue budget represents a 3.2 percent increase over the revised FY 2001 budget.

The recommended budget continues funding for the department's pension costs. This unique aspect of the State Police budget provides direct pensions to individuals. The total cost for retiree pensions is \$12.1 million in FY 2002, comprising 34.1 percent of the recommended general revenue appropriation.

The FY 2002 budget will maintain the department's Commercial Enforcement Unit. This unit is responsible for enforcement of state and federal laws regulating the use and operation of commercial vehicles. The department will also maintain highway safety programs to patrol for drunk drivers and for hazardous moving violations. The FY 2002 budget plans for the purchase of twenty-seven additional highway patrol vehicles to ensure a vehicle fleet sufficient to meet its needs.

Funding is provided in FY 2002 to maintain criminal law enforcement operations through uniformed personnel and the Detective Division. The Detective Division is responsible for the investigation and enforcement of laws involving organized crime, violent crimes, sex crimes, auto theft, narcotics, and gambling. The Financial Crimes Unit will continue efforts at detection, prosecution and deterrence of financially motivated crimes in state government and the private sector. The Auto Theft and Insurance Fraud Unit will continue the investigation and prosecution of those crimes directly related to automobile theft and insurance fraud. The FY 2002 budget provides funding for sufficient, professional response to requests for support from local police departments, as well as other state agencies.

The Governor recommends funding for one additional position for a Witness Protection Coordinator in FY 2002. This effort is being expanded in cooperation with the Attorney General and the law enforcement community.

### *Office of the Public Defender*

The Governor recommends total expenditures of \$5.8 million in the FY 2001 revised budget for the Public Defender. Expenditures consist of \$5.4 million in general revenue and \$350,167 in federal funds. The general revenue recommendation is an increase of \$146,073 from the FY 2001 enacted level. The general revenue increase includes a statewide employee cost of living adjustment of \$67,650 and a reappropriation of \$75,756 in obligated FY 2000 funds. Federal funds increase as a result of a renewal of a grant through the Rhode Island Supreme Court financing a parental rights attorney. The agency has also established a Juvenile Response Unit through funds provided by the Department of Justice. This unit, to be staffed through contractual services in FY 2001, will provide legal representation and social services advocacy to juveniles who are determined to be qualified for non-custody community based treatment services, as an alternative to incarceration.

The Governor recommends total expenditures of \$5.8 million in FY 2002, including \$5.5 million in general revenue and \$253,406 in federal funds. For FY 2002, the Governor recommends the addition of 3.0 FTE positions for the Juvenile Response Unit established in FY 2001. The unit will be comprised of an attorney, social worker, and an administrative assistant.

### *Sheriffs of the Several Counties*

The Governor recommends FY 2001 expenditures of \$8.8 million in general revenue to finance the operations of the Sheriffs of Providence, Bristol, Newport, Kent and Washington Counties. The revised budget is \$20,707 above the enacted budget. This reflects the addition of \$81,975 in operating and grant costs and the reduction in personnel costs of \$61,268.

The Governor recommends expenditures of \$8.8 million in FY 2002. This represents an increase of \$33,379 above the FY 2001 revised funding level. The Governor's recommended FY 2002 budget continues the essential services of the agency, which include attendance at court sessions, execution of writs of process, summoning of witnesses, and transport of prisoners.

## *Summary*

The Natural Resources function includes the Department of Environmental Management, the State Water Resources Board and the Coastal Resources Management Council. The Narragansett Bay Commission and the Rhode Island Clean Water Finance Agency are quasi-public agencies created by the state. While the operations of these quasi-public agencies are separate from the state and not included in the state budget, certain debt service for general obligation bonds issued to finance capital projects through these agencies are appropriated in the state budget within the Department of Administration.

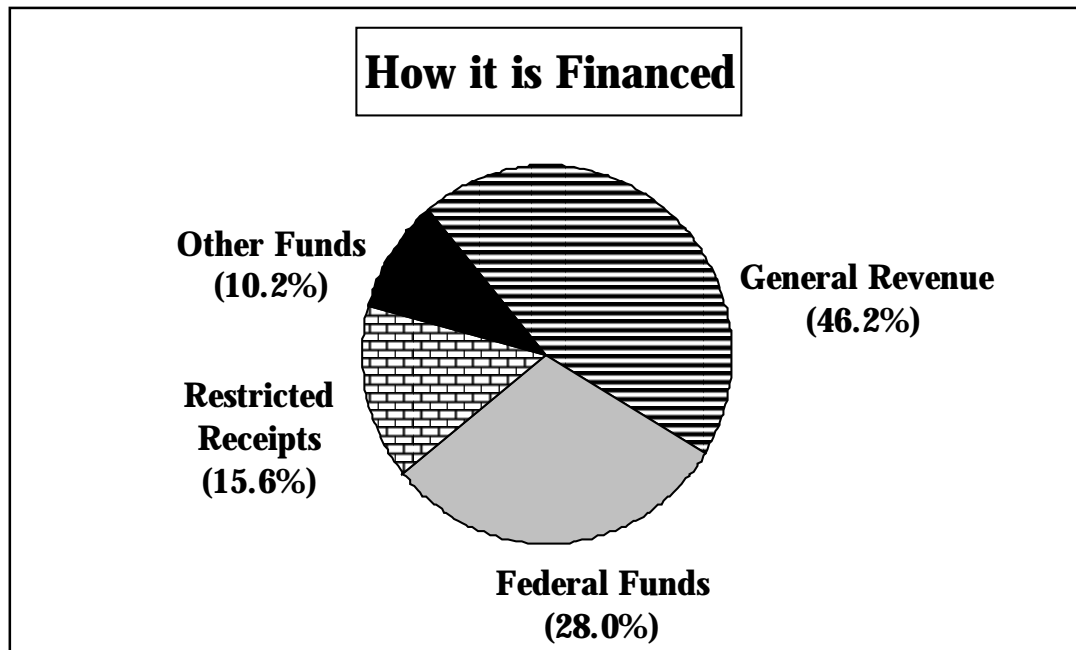
The Department of Environmental Management manages and protects Rhode Island's public and common natural assets, including land, air and water resources. It manages state-owned lands, including state parks and beaches, forests, port facilities, and fish and wildlife management areas. The department administers a capital management program financed by general obligation bonds and Rhode Island Capital Plan funds. The program's activities include: acquisition and development of state recreational and open space lands; municipal and non-profit grant programs for recreational and open space acquisition and development; municipal wastewater facility construction grant programs; and, grants to non-governmental entities for specified water quality improvement projects. The department also: monitors the use and quality of state groundwater, surface fresh and salt water; enforces game, fishing and boating regulations; and, regulates air quality and the disposal of solid and hazardous wastes.

The Coastal Resource Management Council preserves, protects, regulates, develops, and seeks to restore the coastal resources of the state. The council is administered by sixteen appointed representatives from the public and from state and local government, and is staffed with professional engineers, biologists, environmental scientists and marine resource specialists. The council issues permits regarding proposed changes in coastal facilities within an area from three miles offshore to two hundred feet inland from coastal features, including all freshwater wetlands within the coastal zone. The council formulates, develops amendments, and enforces violations of the Rhode Island Coastal Resources Management Plan and Special Area Management plans. The council: develops guidelines and advises communities on harbor management plans; develops a Submerged Lands Management licensing program for public trust areas; designates public rights-of-way to the shore; acts as the coordinator for all dredging projects; and serves as the aquaculture coordinator for permitting and planning actions. The council also conducts public outreach and public communication campaigns on its programs and activities, and coordinates its programs with other government agencies.

The State Water Resources Board is a water supply planning and development agency responsible for promoting drinking water supplies through the thirty-four municipal water supply systems located in the state. The board also regulates water supply transmission lines connecting water supply systems. The board manages the Big River Management Area, a water supply reservation. The board is composed of thirteen members, including six public members appointed by the Governor. One is a member of the House of Representatives appointed by the Speaker of the House; one member is from the Senate, appointed by the Majority Leader of the Senate. The five remaining members are the Director of the Department of Environmental Management, the Director of the Economic Development Corporation, the Director of the Department of Health, the Director of the Department of Administration, and the Chairman of the Joint Committee on Water Resources, all of whom serve ex-officio.

# Natural Resources

The Governor recommends total expenditures of \$75.4 million for natural resource agencies in FY 2002. This amount is a decrease of 3.6 percent from the revised FY 2001 level of \$78.2 million. Fiscal year 2002 funding consists of \$34.9 million in general revenue, \$21.1 million in federal grants, \$11.7 million in restricted receipt revenues, and \$7.7 million in other funds. Of the expenditures recommended in FY 2002 for natural resource agencies, \$71.4 million, or 94.6 percent, is for the Department of Environmental Management, \$1.7 million, or 2.3 percent is for the State Water Resources Board, and \$2.3 million, or 3.1 percent is for the Coastal Resources Management Council.



The recommended FY 2002 general revenue appropriation is 2.0 percent greater than the FY 2001 revised budget. The increase is primarily for program additions and current service requirements at the Department of Environmental Management. Continuing items include: appropriations for the completion of the permit-streamlining project; funding for seasonal staff at the state's beaches, parks and forestlands; asset protection activities at state-owned recreational facilities; and, funding for West Nile Virus controls in the event of an outbreak in the summer of 2001. The primary item for the increased funding is for remediation costs for the Superfund project at the Rose Hill landfill in South Kingstown. An employee cost-of-living adjustment and increased utility costs are partially offset by expenditure transfers to federal and restricted funds.

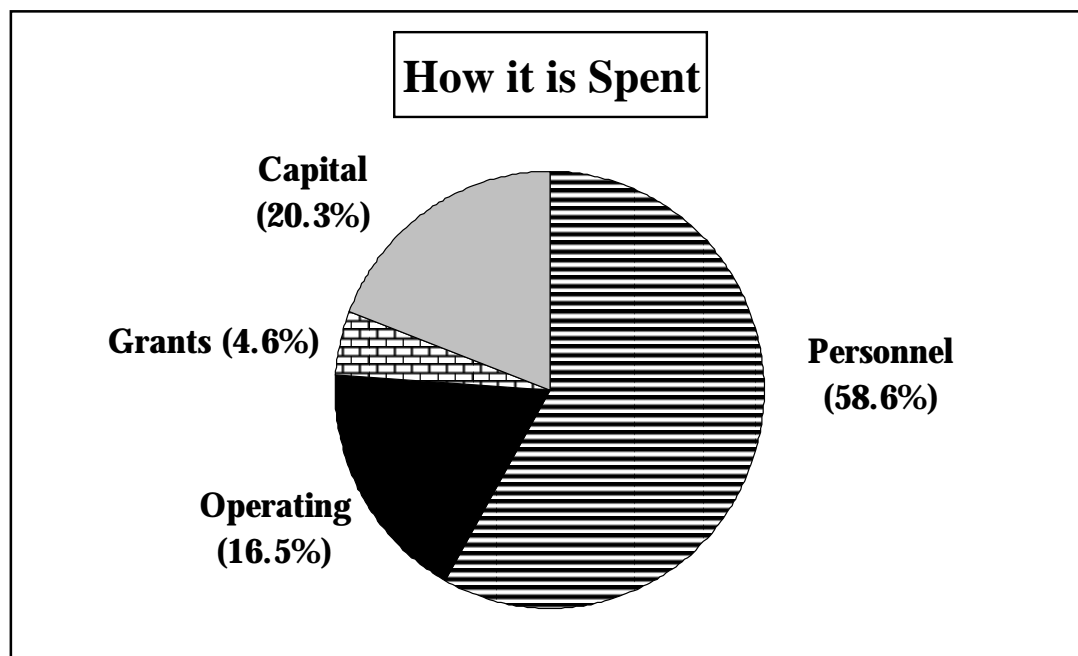
General revenues in FY 2002 for the State Water Resources Board decrease by less than one percent from FY 2001 revised budget levels. The net decrease results from salary and benefits increases offset by retirement and utility rate decreases. In FY 2002, general revenues at the Coastal Resources Management Council increase by 4.7 percent over revised FY 2001 levels, primarily for employee cost-of-living and other state-wide adjustments.

# Natural Resources

Federal funds for natural resource agencies are expected to decrease by 10.7 percent between the FY 2001 revised and the FY 2002 recommended budgets. The agencies are budgeted at \$23.7 million in the revised FY 2001 and \$21.1 million in the recommended FY 2002 budget. The decrease in federal expenditures of \$2.5 million results primarily from the completion of one-time projects for acquisition, development and assessment initiatives by the Department of Environmental Management.

Restricted receipt expenditures for natural resource agencies are expected to increase from \$11.5 million in the FY 2001 revised budget to \$11.7 million in FY 2002. The increase of \$238,296, or 2.1 percent, reflects net activity in the Department of Environmental Management, including the end of one-time funding for various construction projects, and exhaustion of revenues in the Natural Heritage Revolving Loan Fund, offset by increases in indirect cost recovery and penalty and fee collection accounts.

Other funds expenditures for natural resources total \$7.7 million in the FY 2002 recommended budget, a decrease of \$1.2 million, or 13.8 percent, from FY 2001 revised levels. Other funds will finance capital/asset protection improvements funded by the Rhode Island Capital Plan Fund, as well as projects financed from federal highway funds. These projects include: the South Coast restoration project by the Coastal Resources Management Council; various construction projects at state owned facilities by the Department of Environmental Management, including design and renovation expenditures at state-owned dams; and asset protection expenditures in the Big River Management Area by the State Water Resources Board.



Of the \$75.4 million total budget recommended for natural resources for FY 2002, personnel is budgeted at \$44.2 million, or 58.6 percent, operating at \$12.5 million, or 16.5 percent, capital improvements at \$15.3 million, or 20.3 percent, and \$3.5 million, or 4.6 percent, for assistance, grants, and benefits.

## *Department of Environmental Management*

The Governor recommends revised appropriations of \$74.0 million in FY 2001 for the Department of Environmental Management. This includes \$32.1 million in general revenue, \$22.5 million in federal funds, \$11.5 million in restricted receipts, and \$7.9 million in other funds. The department's revised general revenue appropriation is \$2.5 million greater than the FY 2001 enacted budget. The primary change is the reappropriation of \$1.4 million for the permit-streamlining project. This project has redesigned and simplified the public application process for the department's various environmental use permits, and allows for more efficient and timely permitting by the department. Staffing costs, primarily in the Natural Resources divisions, require the addition of \$197,315; most of the increase is related to salaries and overtime costs at the department's seasonal facilities, offset by marginal adjustments to turnover expectancy. Operational costs, again primarily at Natural Resources facilities, including parks, beaches, forests, piers and management areas, require the addition of \$218,612. The Governor recommends the addition of \$304,765 for an estimated state employee cost-of-living adjustment; the actual cost is subject to collective bargaining agreements not yet concluded. An addition of \$56,222 is recommended for estimated energy supply costs greater than anticipated levels. The Governor also recommends the addition of \$290,000 to support the costs associated with West Nile Virus efforts in the summer of calendar year 2000, including seasonal staffing, testing materials, pesticides, and application hardware.

For FY 2002, the Governor recommends appropriations of \$71.4 million for the department. Of this amount, \$32.7 million is financed from general revenues, \$20.1 million is from federal grants, \$11.7 million is financed from restricted receipts, and \$6.8 million is from other funds. Recommended general revenue appropriations for FY 2002 increase from FY 2001 revised levels by a net amount of \$638,049. The Governor recommends a net decrease of \$1.1 million from the FY 2001 revised budget for the permit-streamlining project, reflecting completion of the design and acquisition phase, with FY 2002 funding included for implementation and maintenance. The Governor recommends \$125,000 for personnel and operating costs for West Nile Virus monitoring in FY 2002, a net decrease of \$165,000 from FY 2001 recommended levels. The Governor recommends the addition of \$375,000 for equipment purchases, vehicle replacements, and asset protection repairs to facilities at Rhode Island's parks and beaches. The Governor also recommends appropriation of \$200,000 for dam safety management planning grants to communities. These grants will be used to conduct an initial assessment of the dam infrastructure needs in each community. The Governor also recommends general revenue appropriation in the amount of \$1.2 million in FY 2002 for the Rose Hill Landfill Superfund site in South Kingstown; Rhode Island Capital Plan Fund dollars are not eligible for this project because the site is not on state-owned property. The Governor proposes the transfer of the Eco-Depot and Youth Litter programs from the Environmental Coordination program to the Resource Recovery Corporation.

A statewide increase for employee cost-of-living allowances for the department is partially offset by increased cost allocations, primarily to increased marine license receipts, indirect cost recoveries, and appropriated penalty and permit fee revenues.

Federal funds recommended for FY 2002 are \$2.4 million less than FY 2001 revised levels. Contributing factors include the exhaustion of grant balances from FY 2001, and expiration of federal awards for completed programs and projects. The department has endeavored to reduce its federal grant award ceilings to historical expenditure levels.

Restricted receipt appropriations for FY 2002 are recommended at a level \$238,296 greater than FY 2001 revised levels. A reduction of \$75,000 in the Natural Heritage Revolving Loan Fund reflects a

forecast of no loans in FY 2002. Completion of the horse barn at Goddard Park results in a reduction of \$125,000 in Champlin grant funds for that project. Increases in fee accounts for environmental permits and penalties, fishing licenses, marine licenses, trout stamps and boating registration accounts contribute to the overall increase in restricted receipts for FY 2002.

Other funds recommended for the department are primarily Rhode Island Capital Plan funds for facility construction and renovation. The net reduction of \$1.1 million from revised FY 2001 levels is due to completion of expenditures for the Allendale Dam on the Woonsquatucket River, the Westerly Boat Ramp, and Brenton Point in Newport. Other projects financed from Rhode Island Capital Plan funds, including the marine fisheries research facility at Fort Wetherill in Jamestown and the state owned piers in Galilee and Newport, are nearing the end of the construction plans, and show declining expenditures in FY 2002.

### ***Coastal Resources Management Council***

The Governor recommends revised appropriations for the Coastal Resources Management Council of \$2.5 million in FY 2001. This includes \$1.0 million of general revenue, \$1.2 million of federal funds, and \$208,000 of other funds. The Governor recommends additional appropriations of \$172,000 in Rhode Island Capital Plan funds for the coastal habitat restoration at Allin's Cove in Barrington. The Governor also recommends an initial expenditure of \$36,000 in Rhode Island Capital Plan funds in FY 2001 for the South Coast Restoration program to dredge breachways and tidal deltas for habitat restoration, beach replenishment, and fish restoration efforts. The council's current service operations are fully funded. The recommendation includes \$10,363 in general revenue reappropriations for retroactive pay reallocations and contractual costs incurred in FY 2000. Salaries and benefits also increase by a net of \$21,000 due to position reclassifications and an employee cost-of-living adjustment. Dredging consultant services decrease by \$10,000. The net general revenue increase is \$21,363. Federal funds increase by \$137,502, reflecting \$56,426 in unspent FY 2000 grants for automobile purchases and other obligations, and an increase in grants for salt-marsh studies.

The Governor recommends appropriations of \$2.3 million for the council in FY 2002. Of this amount, \$1.1 million is financed with general revenue, \$1.1 million is financed from federal funds, and \$145,000 from other funds. General revenue funds increase by \$51,331 compared to FY 2001 revised levels, reflecting an estimated employee cost of living increase and other statewide benefit adjustments. The increase is partially offset by program reductions in operating and clerical services, and the reduction of consultant services dredging reviews for the Port of Quonset. Federal funds decrease by \$104,729, reflecting the current grant level in the Coastal Zone Management Program. The Governor recommends the expenditure of \$145,000 in Rhode Island Capital Plan funds in FY 2002 for the South Coast Restoration program. Total expenditure for the program will be \$2.9 million. The FTE position level for the council is unchanged at 28.0 for both FY 2001 and FY 2002.

### ***State Water Resources Board***

The Governor recommends revised appropriations for the Water Resources Board of \$1.8 million for FY 2001, an increase at \$73,163 from enacted levels. The increase consists of \$8,644 of general revenue for estimate employee cost of living adjustments, and reappropriation of \$64,529 in the Rhode Island Capital Plan Fund from FY 2000 balances.

The Governor recommends FY 2002 expenditures of \$1.7 million, including \$977,631 of general revenue. The FY 2002 budget decreases by \$118,479, or 6.5 percent, from the FY 2001 revised



## **Natural Resources**

---

budget, reflecting a decrease in Rhode Island Capital Plan funds from \$841,605 to \$730,000. Capital Plan funds continuing in both years are for: continuous asset protection expenditures for commercial and residential properties in the Big River Management Area, leased to private parties; a Water Acquisition Plan and a Supplemental Water Supplies Identification and Development Program. Current activities of the board are fully funded.

# Transportation

---

## *Summary*

Transportation includes road and bridge construction and maintenance, mass transit, and planning activities of the Department of Transportation. In FY 1994, the state established the Intermodal Surface Transportation Fund (ISTF), to establish financing of transportation expenditures from dedicated user-related revenue sources. This dedicated highway fund establishes a direct relationship for financing transportation projects with those who utilize their services. It is also intended to provide a stable revenue stream capable of financing transportation projects on a pay-as-you-go basis.

The Intermodal Surface Transportation Fund is supported by the state's twenty-eight cent gasoline tax. These receipts finance operating and debt service expenditures of the Department of Transportation (DOT), as well as specific portions of transportation related expenditures of the Rhode Island Public Transit Authority (RIPTA) and the Department of Elderly Affairs (DEA).

Beginning in FY 1998, the Governor began a process of addressing the state's neglected infrastructure needs by recommending the dedication of increased gasoline tax revenues to the Department of Transportation. Legislation was enacted increasing the department's share of the total tax in FY 1998 by two cents, bringing the department's allotment to sixteen cents, and reducing the general revenue share to eight cents. For FY 1999 and beyond, the department was to receive an additional one cent each year until fiscal year 2006, when the general fund would no longer receive gasoline tax revenues.

In FY 1999, the Governor continued efforts to aggressively address the infrastructure needs of the state by increasing the DOT allocation of gas tax by one and one half cents rather than one cent, as was required by statute at the time. The Governor also increased the level of the gas tax allocation to the Rhode Island Public Transit Authority from 3.0 cents to 5.0 cents. This increase equated to an additional \$9.0 million per year for public mass transit operations. This new plan would result in all gas tax proceeds being fully dedicated to transportation functions in FY 2004.

As part of the enacted FY 2000 budget, the plan was amended by reducing the additional 1.0 cent allocation of gas tax to DOT by one half cent in FY 2000 and increasing the RIPTA share by the same amount. In FY 2001, the portion of gas tax dedicated to DOT increased to 19.5 cents, as required prior to the revision to the FY 2000 allocation schedule. The one half cent increase to RIPTA will continue permanently, and is offset by a decrease in the amount of gas tax originally scheduled for transfer to the general fund. The amended allocation plan results in all gasoline tax revenue being dedicated to transportation functions by FY 2003.

The gasoline tax allocation plan was again amended in the enacted FY 2001 budget. The plan was altered to increase the RIPTA's share of revenue by one fourth of one cent for a new allocation level of 5.75 cents. The increase was offset by a corresponding decrease in gas tax revenue dedicated to the general fund. All gas tax proceeds will still be dedicated in FY 2003, but the DOT share that year will increase by 0.75 of a cent, as opposed to one full cent as originally planned.

The Federal Highway Administration (FHWA), under the authority of the six-year (FY 1992 - FY 1998) Intermodal Surface Transportation Efficiency Act (ISTEA), provided approximately \$100.0 million annually in Highway Trust Funds, which the state matched at an average of twenty percent of the total project cost. In June 1998, the President signed into law the Transportation Equity Act for the 21<sup>st</sup> Century (TEA-21). The act authorizes funding for highway, highway safety, transit and other surface transportation for the following six years. Under this program, Rhode Island is expected to receive an average of \$180.0 million per year. TEA-21 builds on the initiatives established through ISTEA. The act

# Transportation

---

combines the improvements in current programs with new initiatives for improving transportation safety and traffic flow efficiency, enhancing communities, and advancing economic growth. All projects not eligible for federal funds are financed with general obligation debt and gas tax proceeds.

The DOT Highway Improvement Program (HIP) includes highway and intermodal projects that utilize federal funds administered by the FHWA, and highway transportation infrastructure projects financed by state funds (gas tax and bonds). The HIP implements DOT's capital program as it is identified in the state's Transportation Improvement Program (TIP). The TIP is a listing of transportation projects that the state plans to finance over a six-year period from federal highway funds. The Federal Highway Administration requires that all projects utilizing federal funds shall appear in an approved TIP. The TIP is adopted by the State Planning Council and approved by the Governor.

In Rhode Island, the TIP is the product of extensive public outreach to all communities, public interest groups, and citizens throughout the state by the agencies involved in transportation planning and project implementation. Following extensive public solicitation for the current TIP, highway projects were selected by a twenty-six member public body, known as the Transportation Advisory Committee (TAC), using criteria based on five major categories: mobility and benefits; cost effectiveness; economic development impact; environmental impact; and agreement with local and state goals and plans. Certain projects are reviewed by special public committees prior to selection for the TIP by the TAC. The transportation air quality subcommittee, assisted by DOT staff, conducted a solicitation and evaluation of Congestion Mitigation and Air Quality (CMAQ) proposals. A TAC subcommittee reviewed new bicycle/pedestrian projects, and a DOT advisory committee solicited and evaluated application for funds earmarked in TEA21 for Transportation Enhancement activities.

The DOT Highway Improvement Program and Transportation Improvement Program emphasize the Governor's priorities for maintaining Rhode Island's existing transportation infrastructure, before initiating large scale projects. After years of under-investment in preventive maintenance, the focus has shifted to addressing the deteriorated state of the transportation system infrastructure.

---

# Transportation

---

## Current Law Gas Tax Allocation

<u>Recipient</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
DOT	14	16	17.5	18.0	19.5	20.5	21.25
RIPTA	3	3	5	5.5	5.75	5.75	5.75
General Fund	10	8	4.5	3.5	1.75	0.75	0
DEA	1	1	1	1	1	1	1
<b>Total:</b>	<b>28</b>	<b>28</b>	<b>28</b>	<b>28</b>	<b>28</b>	<b>28</b>	<b>28</b>

Establishing this type of funding mechanism to meet the state's highway infrastructure needs has allowed for more road and bridge rehabilitation and construction projects on a "pay-as-you-go basis," thus reducing outyear requirements for bond funding and increased debt service costs.

The department's revised FY 2001 gasoline tax funds increase by \$1.1 million from the enacted level of \$77.4 million. This increase is the result of several factors. The revised FY 2001 budget includes \$4.9 million in unspent but obligated funds from FY 2000, primarily for highway maintenance activities including road resurfacing and bridge repairs. The department will experience a reduction in available operating revenue as the result of a decrease in the estimated yield of the gasoline tax, determined by the November 2000 Consensus Revenue Estimating Conference. The estimated yield has been revised from enacted estimates of \$4.8 million to \$4.667 million percent. The decrease results in a loss of revenue to DOT of \$2.6 million, and a reduction to RIPTA of \$764,750. Debt service costs will increase by \$476,501.

The revised FY 2001 budget also includes \$30.0 million in bond funds matching FHWA funds. The revised budget also reflects \$3.5 million in anticipated revenue from the lease and sale of land, also used to match FHWA funds.

The FY 2001 revised budget for federal funds increases \$26.0 million, reflecting additional funds from the Revenue Aligned Budget Authority (RABA) provision of TEA-21. This provision allocates additional federal gas tax funds to states based on actual collections. Total RABA funding to Rhode Island in FY 2001 is anticipated to be \$17.0 million. The increase in federal funds also recognizes targeted Congressional appropriations above TEA-21 allocations. The allocations include the Washington Bridge (westbound), the T.F. Green Intermodal Facility, and the I-95 relocation project. The Department's Office of Highway Safety's federal funds increase by \$1.6 million for activities aimed at reducing the incidence of driving under the influence of alcohol.

# Transportation

---

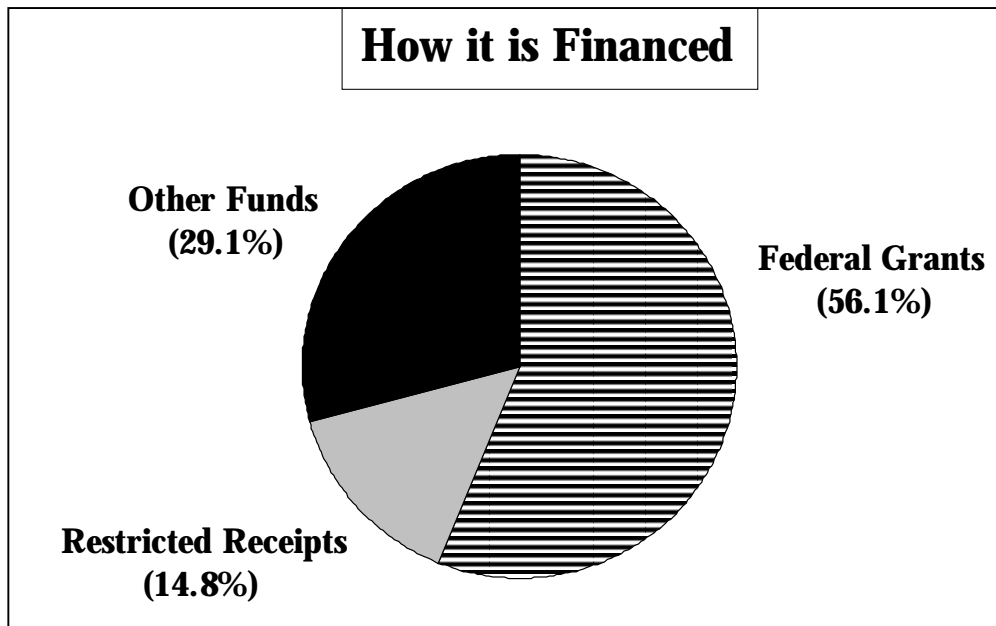
The department's FY 2001 revised budget for restricted receipt revenue totals \$25.1 million. The reduction of \$43.5 million from the enacted FY 2001 levels reflects revised schedules for expenditures related to the Freight Rail Improvement Program.

For FY 2002, the total amount of gas tax estimated for the ISTF will be \$123.6 million, including \$96.6 million for the Department of Transportation and \$27.1 million allocated to RIPTA. Fund resources are reduced by projected transfers to the Department of Administration to finance transportation related debt service. After transfers from DOT and RIPTA of \$42.6 million and \$783,391, respectively, net gas tax resources are projected to be \$53.9 million for DOT, and \$26.3 million for RIPTA, and \$80.2 million total.

The addition of one cent to DOT's gas tax allocation will provide the department with \$4.7 million in additional revenue in FY 2002. This is based on the gas tax yield as estimated by the November 2000 Consensus Revenue Estimating Conference. This revenue will finance additional personnel costs, continue the transition of personnel costs from bond proceeds, and anticipated increases in energy costs.

Starting in FY 2000, the department initiated an effort to change the financing of personnel costs from bond proceeds to gas tax funding. This reallocation allows more state bond funds to match state highway related capital improvements and reduces the need for bond funds to match additional federal funds available under TEA-21.

In FY 2002, recommended expenditures for transportation activities total \$413.8 million. The chart below illustrates the sources of financing for these expenditures.

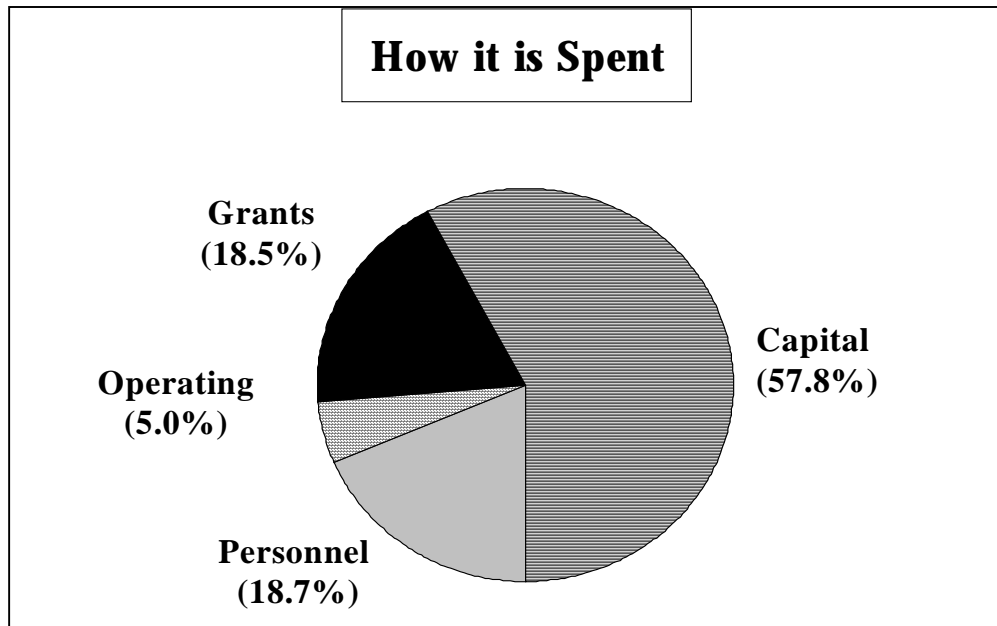


# Transportation

Other/Gasoline Tax Funds total 29.1 percent, or \$120.3 million of the expenditures of the Transportation function. Of this total, \$71.8 million in gasoline taxes support transportation operations, \$22.1 million supports personnel, and \$26.3 million provides operating assistance for RIPTA. Federal funds total \$232.3 million. Federal funding equates to 56.1 percent of total transportation related expenditures. Federal Transit Administration funds totaling \$46.0 million support mass transit activities. Federal Highway Safety funds totaling \$4.3 million support grants to municipalities and other activities to promote highway safety. Restricted receipts totaling \$61.3 million represent costs associated with the ongoing Freight Rail Improvement Project (FRIP).

Personnel expenditures financed from federal funds, gasoline tax, and restricted receipts are \$77.2 million or 18.7 percent, and operating expenditures are \$20.5 million, or 5.0 percent of total expenditures. Grants and benefits, which include funds for rail/mass transit planning and operating expenses, total \$76.7 million or 18.5 percent.

Capital improvements totaling \$239.4 million comprises 57.8 percent of the expenditures in the Transportation function.



The department will continue to emphasize road and bridge construction and rehabilitation, maintenance of existing facilities, support of mass transit services, and planning for both highway and mass transit operations.

The majority of the department's spending is concentrated in the Infrastructure program, which includes the Maintenance and Engineering subprograms. The department will continue to devote funds to the maintenance program in order to preserve road and bridge physical assets critical to the state's economic growth. Total Infrastructure program spending in FY 2001 is recommended at \$402.5 million. This spending consists of gas tax expenditures of \$76.2 million, federal funding of \$228.0 million and restricted receipts of \$61.3 million. Restricted revenue spending reflects anticipated expenditures related to the Freight Rail Improvement Project. Also included in the Infrastructure program is \$30.0 million in bond funds, \$8.0 million in estimated revenue from the sale and lease of land, and \$1.0 million from the

State Infrastructure Bank. Revenue from land sales and bond funds provide the state match to funding provided under TEA-21.

Appropriations of \$36.2 million from the gas tax for the Maintenance subprogram will finance pavement management, resurfacing and crack sealing, pothole repair, sweeping, signage, and other light maintenance activities. Snow and ice removal operations are also managed by this division. The Engineering subprogram, which totals \$368.3 million, funds supervisory personnel in the public works, real estate, research and technology, construction, design, materials, and intermodal planning sections. RIPTA's portion of the gasoline tax, which totals \$26.3 million in FY 2002, is appropriated within this subprogram.

Another essential part of the Infrastructure program is the Highway Improvement Program, which funds both construction and personnel costs associated with the reconstruction and repair of the state's existing roads and bridges, and with new projects, including the I-195 relocation project. This program is financed partly from the gasoline tax and partly from Federal Highway Administration funds, as mandated by the Transportation Equity Act for the 21<sup>st</sup> Century.

Although road reconstruction will continue to be a major focus, the department continues to place greater emphasis on preventive maintenance for the existing state highways, as described above in the discussions on additional gas tax allotments, usage, and the Highway Improvement Program. The department will also continue its federal management programs that will allow for more flexibility in financing traditional maintenance operations, such as crack sealing and pavement overlay.

The continued emphasis towards a more balanced multimodal transportation system extends to statewide mass transit programs. Operating assistance of \$26.3 million to the Rhode Island Public Transit Authority is financed from a 5.75 cent allocation of the gasoline tax. One cent of the gas tax is not included in the Department of Transportation budget, and supports the efforts of the Department of Elderly Affairs to streamline and enhance elderly and handicapped transportation services. Much of this allocation is transferred to RIPTA, providing support for elderly fares and financing statewide compliance costs associated with Americans with Disabilities Act requirements.

This Five Year Financial Projection has been prepared 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 projection includes tables which present anticipated revenues and expenditures during the five fiscal years ending in June 2006. Tables which detail planning values are also included. 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 utilized as a benchmark in assessing the affordability and desirability of alternative policy options, caution should be exercised in the interpretation of the forecast.

The economic outlook presents the greatest risk to the forecast. While the economic outlook is based upon forecasts published by Economy.com and Standard & Poor's DRI (DRI), it is important to recognize that the forecasts are baseline forecasts, which anticipate moderate growth in the absence of any major economic crisis. These forecasts are based upon history data, but may include disparities in economic assumptions for the future. A more detailed discussion regarding the state's key economic drivers is included in ***The Economy*** section of this document.

Another risk to the forecast is inherent in tax law changes which have been implemented, as well as external fiscal changes. It is necessary to calculate the direct, as well as indirect, effects of such a change on the economic outlook. For example, the Investment Tax Credit and Research and Development Tax Credit were increased with the objective of attracting and retaining competitive industries in Rhode Island. In forecasting the impact of these tax law changes, it is necessary to estimate the direct revenue loss attributable to the increased tax credit, as well as the secondary effects, such as increased employment and personal income levels. Measuring behavioral responses to tax law changes is an enormous challenge. These include decisions of businesses to relocate to or remain in Rhode Island, as well as individual responses, such as changes in spending or savings patterns resulting from changing levels of disposable income.

The revenues in the five year projection include several adjustments each year. Personal income tax revenue projections include the phased rate reduction which began on January 1, 1998. Prior to January 1, 1998, Rhode Island taxed personal income at the rate of 27.5 percent of federal income tax liability; beginning with tax year 1998, the state's tax rate will decline by one-half percentage annually, so that by tax year 2002, the Rhode Island personal income tax rate will be 25.0 percent of federal tax liability.

The Governor recommends a phased elimination on income tax payable on net long-term capital gains beginning in tax year 2002. The Governor recommends that the portion of gains which are taxable be reduced by twenty percent per year until no such gains are taxable, in tax year 2006 and thereafter. Due to the time at which income taxes are payable, it is estimated that taxpayers would save \$20.0 million in FY 2003, \$33.0 million in FY 2004, \$45.0 million in FY 2005, \$58.0 million in FY 2006, and \$62.0 million thereafter. It should be noted that actual taxpayer savings (and related revenue



---

## **FY 2002 – FY 2006 Overview**

---

losses) would depend upon the time at which taxpayers realize capital gains, as well as the value gained on the capital asset. Value gained or lost on capital assets would in turn depend on the level of economic growth, and on when assets were originally purchased. Estimated taxpayer savings is based upon the assumption that capital gains realizations remain at levels experienced in recent years.

The five-year projection includes the continued dedication of gas tax to transportation purposes. By fiscal year 2003, all gas tax revenues will be dedicated to transportation funding.

Beginning in fiscal year 2000, income on bond proceeds were no longer included in general revenue. Instead, the income has been dedicated to a sinking fund used to defease outstanding debt, pursuant to legislation enacted by the 1998 General Assembly. In the FY 2002 budget, the Governor recommends that income on bond proceeds once again be included in the general fund.

Expenditure side risks must also be addressed within the five-year projection. The greatest expenditure side risk relates to an economic downturn, which could dramatically increase cash assistance caseloads while shrinking the revenue base. Federal policy changes also significantly impact funding for grant programs such as Medicaid. In addition, demographic shifts such as the aging of the baby-boomer population will present a greater need to enhance and expand the infrastructure for elderly care towards the end of the five year horizon.

Another major risk is inflation, which drives the cost component of most programs. Medical inflation is particularly influential, since a significant part of the budget is driven by medical costs. Other expenditure side risks include changes in employee contracts, correctional policy, education aid, other local aid, and debt control.

The five year projection anticipates average annual revenue growth of approximately 2.9 percent beyond the budget year, based upon the Economy.com forecast for the Rhode Island economy. The forecasts used here do not assume any significant downward swings in the economy. Personal income is forecast to grow at an annual rate of 4.6 percent, employment at 0.8 percent, and wage and salary disbursements at 4.8 percent. These variables and other assumptions are shown in the tables that follow.

Expenditures are estimated to increase at an annual rate of 4.2 percent from the FY 2002 base to FY 2006. Inflation, as measured by the CPI, is expected to grow at an annual rate of 2.4 percent. A number of factors are responsible for the rate of growth above inflation.

The largest factor in overall spending growth is anticipated to occur in the category of local aid. While local aid accounts for approximately 32.0 percent of the current state budget base, more than 45.0 percent of the total *increase* in state expenditures is expected to result from increases in aid to local governments.

Growth in this area is projected to average 5.9 percent and reflects long-term policies in several key areas (see Local Aid discussion below).

Demand for services in the areas of RItCare, Developmental Disabilities, pharmaceuticals for the elderly, and child welfare and behavioral services are all anticipated to contribute to growth exceeding the rate of inflation over the five-year interval. Average increases of 3.6 percent are forecast in the grants and benefits category as a result of expected increases in both caseloads and utilization. Underlying assumptions may be found in the planning values table.

Debt service expenditures are also anticipated to exceed rates of inflation, averaging 4.8 percent as compared to forecasted inflation of 2.4 percent over the forecast period. This rate of increase reflects

---

## **FY 2002 – FY 2006 Overview**

---

the issuance of debt related to a number of projects, including Combined Sewage Overflow and other clean water related projects, court facilities, prison and detention facilities, higher education facilities, the Metropolitan Career and Regional Center, and the Freight Rail Improvement Project.

Pressures to enhance educational services as well as programs for the more vulnerable segments of the population are predicted to result in expenditure growth which outpaces revenue generation. By fiscal year 2006, it is estimated that expenditures will exceed revenues by \$277.1 million.

### ***Personnel and Other Operations***

This analysis assumes that salary and fringe benefits costs for existing staff will largely mirror the rate of inflation. However, as shown in the expenditure tables, additional staffing is assumed to be required due to estimated caseload growth in the Department of Children, Youth and Families and Corrections. This increases the overall personnel requirements to finance these additional staffing needs. Contract negotiations are not assumed to alter other statewide staffing requirements during the five-year horizon.

Caseloads in the Department of Children, Youth and Families are projected to grow 12.3 percent through the forecast period. When combined with cost inflation, this growth increases personnel and operating expenditures by \$10.7 million, and payments for provider services by \$17.5 million during the FY 2002 - FY 2006 period. The projections are based upon an analysis of actual caseload growth trends since FY 1990. Caseload growth translates directly into increased costs for supporting services, contracted and purchase-of-service slots, and caseworker salaries because of caseload maximums governed by arbitration.

Projections of inmate growth for the Department of Corrections are also a key determinant in projecting statewide staffing needs. Over the last ten years, the inmate population has grown at an average rate of 2.7 percent per year during the period spanning FY 1990 to FY 2000. The population is expected to continue to grow, but at a slower rate. Prison population is forecast to increase from 3,464 inmates in FY 2002 to 3,609 inmates in FY 2006. This reflects *total* growth of 4.2 percent for the five-year period, or approximately 29 additional inmates per year. The estimate is based upon national prison population trends and includes Immigration and Naturalization Service (INS) detainees. The Bureau of Justice Statistics' Bulletin, "Prisoners in 1999", reports that nationally the prison growth rate continues to decrease, with the prison population rising at the lowest rate since 1979.

The slowing population growth within the correctional institutions should provide an opportunity to explore programs and alternatives to address the growing community-based offender population, consisting of those under the supervision of the probation, parole, and home confinement programs. The number of adult probationers and parolees serviced has increased by an average of 6.8 percent per year since FY 1990. According to the Bureau of Justice Statistics' report on Probation and Parole in 1998, Rhode Island has the nation's fourth highest rate of probation supervision or population in supervised probation per 100,000 residents. The most recent annual report from the Criminal Justice Institute shows that Rhode Island probation officers have the third highest probation caseload in the country. Additionally, Rhode Island's home confinement population grew 43.0 percent between FY 1995 and FY 2000.

The slower overall growth rates in institutional corrections are masking trends among the subsets of the offender population, including female offenders. Nationally, since 1990, the female inmate population has increased at a higher rate than male inmates. In Rhode Island, the female population has grown 30.9 percent

---

## **FY 2002 – FY 2006 Overview**

---

since FY 1995.

The Department has taken a number of actions to address bed space shortages in the women's facilities. Currently, a wing in the Dix Facility is being renovated to provide an additional 45 beds for low to medium security female offenders. The project is being financed with \$406,000 received from the federal Violent Offender Incarceration – Truth in Sentencing Act (VOI-TIS), and a state match of ten percent. The second phase of the project, which includes related improvements not eligible for VOI-TIS funding, is being financed with \$589,000 through the Rhode Island Capital Plan Fund.

The Department is beginning the renovation of an additional building at the Pastore Center for use as a Reintegration Center beginning in July 2004. The \$10.1 million renovation, also funded primarily with VOI-TIS funds, will add 150 new beds for male inmates. The Center will house inmates who are within six months of release, but who have not qualified for lower custody status. Intensive evaluation and services will be provided to residents in an effort to successfully reintegrate them into community life.

To date, Rhode Island has received \$12.3 million in VOI-TIS funding. Most of these funds are restricted to construction or expansion of facilities to increase bed capacity for violent offenders. All funds must be expended by September 30, 2004. Besides the aforementioned renovation of a wing in the Women's Dix facility, a portion of the funds have been used to renovate two areas of the Medium Security Donald Price facility. Additionally, the Department utilized the funds to conduct a Siting and Construction Options Study. This study provided an in-depth analysis of offender populations and trends, offering critical guidance for future new construction and facility renovations.

Exploration of construction and programming options is crucial even with the anticipated slower growth of the inmate population. In 1980, there were 730 inmates at the Adult Correctional Institutions (ACI). The inmate population in fiscal year 2000 was 3,193, representing growth of 337 percent over the twenty year period. Assuming that the forecast growth trend continues, the inmate population is anticipated to approach the current operational capacity within the next ten years. Of particular concern are the populations held in the Maximum Security facility, the Price and Moran medium security facilities, and the women's McDonald facility. All are very near capacity, and have been for a number of years. Bed space availability in other facilities cannot be used to alleviate overcrowding in the above-mentioned facilities, as they are not designed to house inmates classified at different security levels.

The Siting and Construction Options Study has allowed the department to develop a comprehensive ten-year plan that considers the various sub-populations, overall population forecasts, efficiency and effectiveness of existing facilities, and future construction needs for both institutional and community-based facilities. In addition to the impact of the forecast population, the age and design of the facilities at the ACI are factors in planning for capital development. The estimated debt service costs of this extensive capital plan are contained in the five-year forecast.

### ***Grants and Benefits***

Grants and Benefits are projected to increase by 3.6 percent annually, largely reflecting projected inflation for medical care costs, and policy assumptions for long term care.

The forecast for Department of Human Services grants and benefits is based on the assumption that the

---

## **FY 2002 – FY 2006 Overview**

---

federal Temporary Assistance to Needy Families (TANF) cash assistance program and the Rhode Island Family Independence Program (FIP) will meet their stated objectives during the forecast period.

Eligibility standards for TANF/FIP cash assistance are maintained at current levels throughout the forecast period, but economic data indicate that caseloads will drop by approximately 4.2 percent annually. More influential effects of welfare reform are forecast from caseload reductions starting in FY 2002. During the last two months of that period, the first clients will reach the end of a five-year eligibility period. Beginning in May 1997, each new client certification included a job development plan and a limitation on benefits to five years, per federal mandate. By April 2003, approximately thirty-five percent of clients enrolled before May 1997 will also reach the five year limitation, corresponding to job development plan completions during FY 1998. More dramatic effects are anticipated in FY 2004, when the entire caseload from FY 1998 reaches eligibility limits. Adult clients reaching the time limit will be removed from cash assistance. Federal provisions require the state to achieve eighty percent closure of these adult clients; children in such households will continue to receive cash assistance. Due to maintenance of effort requirements for general revenue support, savings accrue to the federal block grant account.

Savings in cash assistance will be offset by substantial additions in child care payments, which continue even after entry of cash assistance clients to unsubsidized employment. Child care slots are assumed to increase annually through the forecast period, and include adjustments for increased utilization by clients exhausting cash assistance. A three percent market rate adjustment is assumed in mid-FY 2004. The addition of clients due to an expansion in child care eligibility to 250 percent of the federal poverty limit, deferred in the Governor's FY 2002 Budget recommendation, is recognized in FY 2003. These effects are reflected in the tables.

However, the full impact of additions to child care costs is not represented in the net general revenue costs. It is assumed that, as in the past, TANF federal block grant funds can be reallocated to finance child care costs. The continuous expansion of child care caseloads results in an increase in general revenue costs through FY 2003, but substantial offsets to the block grant, resulting from the cash assistance caseload declines noted above, are available beginning in FY 2004. By FY 2006, cash assistance savings are estimated to reduce general revenue expenditures for child care by \$29.4 million. This amount, along with cash assistance expenditures and other eligible support costs, is still greater than the required maintenance of effort from general revenue funds to qualify the state for continued TANF block grant eligibility. The net result is that total annual general revenue expenditures for cash assistance and child care increase less than \$800,000 during the forecast period.

SSI caseloads will increase marginally, as the elderly population is forecast to decrease over the five year period. This effect partially offsets continued increases in the disabled population. Annual cost of living adjustments of 3.5 percent are assumed.

Medicaid costs are assumed to reflect changes in service delivery systems, such as reduced institutional care and greater participation in independent living and treatment arrangements. Based upon population trend data, marginal decreases in long-term care caseloads are projected. Transition of caseloads, however, is anticipated in long-term care service delivery. For each of the forecast years, it is assumed that 1.2 percent of nursing home placements will be diverted to home health care programs, at a sixty percent savings for each case. For an additional 1.8 percent of placements, diversion to other long-term care alternative programs is assumed, at twenty five percent savings for each case. Nursing home costs are forecast to inflate by 3.2 percent annually. Home health costs are forecast to inflate by 3.5 percent

---

## **FY 2002 – FY 2006 Overview**

---

annually.

All other Medicaid costs, except RIte Care, are estimated to increase by 2.8 percent annually. This category assumes a continuation of uncompensated care payments to community hospitals in each year. RIte Care

caseload projections assume a one percent increase annually in the forecast period, with a rate of inflation of four percent annually. The RIte Care forecast base also includes the impact of Health Reform 2000 legislation, as recognized in the consensus conference forecasts; the legislation is intended to mitigate the migration of clients from employer-based health care plans into the state managed care program. All Medicaid costs also expand by 0.7 percent in FY 2003, to recognize the annualization of a reduction in the federal participation rate effective October 2001.

### ***Local Aid***

Local aid expenditures include education aid, aid to local libraries, the PILOT program, Aid to Distressed Communities, Police and Fire Incentive payments, the Motor Vehicle Excise Tax Reimbursement, General Revenue Sharing and the Property Reevaluation program. As noted above, the single biggest factor driving expenditure growth is aid to local units of government. Within this component, only two areas of spending are not expected to exceed inflation. In percentage terms, the largest driving force behind expenditure growth is accounted for by the General Revenue Sharing program. Average increases of over 16 percent are anticipated, reflecting the commitment under current law to increase the share of state tax revenues to communities from 2.0 percent in fiscal 2001 to 3.7 percent by fiscal 2006. In dollar terms, this translates into additional state expenditures of close to \$37.0 million.

Payments for the Motor Vehicle Tax Reimbursement program are anticipated to add \$18.1 million to expenditure requirements by FY 2006. This reflects the growth in reimbursements due to the CPI adjustment as applied to local tax rates by community and to the Governor's proposal to freeze the motor vehicle exemption amount at \$3,500 and values as of December 31, 1999.

In dollar terms, the largest driver influencing expenditure growth will be aid to local governments for educational purposes. This component is expected to display average growth of 5.2 percent, and reflects the Governor's commitment to improve and support local education agencies. Total additional requirements are forecast to equal \$152.6 million by fiscal year 2006.

### ***Capital***

Recognizing continued concerns over the state's relatively high debt levels, the Governor's FY 2002 – FY 2006 Capital Improvement Plan supports the effort to reduce the reliance on tax supported bonds for financing. The Governor's proposed plan would reduce net tax supported debt as a percent of personal income from 8.5 percent in 1994 to 4.36 percent by 2006. This will be achieved by targeting current resources to the infrastructure needs of the state, and by the pursuit of a moderated debt reduction plan. The use of one hundred percent of the Rhode Island Capital Plan Fund for capital projects statewide and the dedication of existing gas tax resources to investments in the state's transportation infrastructure will reduce the outyear burden of deferred maintenance costs and high debt service costs. However, over the next two years these actions will also reduce resources available to fund other operating expenditures. In FY 2002, the Governor proposes that all Rhode Island Capital Plan Funds, totaling \$52.9 million, will finance capital projects, rather than debt service. By FY2003, all gas tax will be dedicated to transportation.

---

## **FY 2002 – FY 2006 Overview**

---

Forecasts for capital expenditures are consistent with debt service projections in the FY 2002 – FY 2006 Capital Improvement Plan. The plan projects that general revenue funded debt service and capital disbursements to increase from \$134.1 million in FY 2002 to \$145.2 million in FY 2003, \$154.7 million in FY 2004, \$156.1 million in FY 2005, and \$161.3 million in FY 2006. It is assumed that general revenue funded general obligation bond debt service in fiscal years 2002 through 2006 will total \$75.0 million, \$82.5 million, \$84.6 million, \$83.9 million, and \$87.8 million respectively. The Capital Budget calls for

the issuance of general obligation bonds in fiscal years 2002 through 2006 of \$141.4 million, \$105.7 million, \$87.4 million, \$70.0 million, and \$70.0 million, respectively.

It is assumed that interest on the bonds issued will be 5.8 percent for twenty year fixed rate debt, and that variable rate debt will bear an annual average interest rate of 4.7 percent.

The projected general revenue requirements for debt service are dependent upon the allocation of some debt service costs to other sources of funds. The projection assumes that Rhode Island Capital Plan (RICAP) funding for debt service will decline from \$7.2 million in FY 2001 to zero in FY 2002. This in turn will allow 100 percent of all RICAP funds to be devoted to financing asset protection projects. Project disbursements of \$52.9 million, \$54.1 million, \$51.3 million, \$52.6 million, and \$54.1 million are projected over fiscal years 2002 to 2006. Since these disbursements are reflected as Rhode Island Capital Plan Fund expenditures, and no longer require general revenue appropriations, they are not reflected in the five year report in the operational budget.

It is assumed that Department of Transportation funding from gas tax revenues in fiscal years 2002 through 2006 will total \$42.6 million, \$44.5 million, \$45.9 million, \$47.9 million, and \$49.4 million respectively. This is based upon the issuance of bonds consistent with the FY 2002 - FY 2006 capital budget. It reflects \$30.0 million in FY 2002, and \$32.5 million, \$34.3 million, \$33.6 million, \$30.0 million, in fiscal years 2003 through 2006 for the Department of Transportation. It assumes that the Rhode Island Public Transit Authority debt service funded by gas tax revenues in fiscal years 2002 through 2006 will total \$0.8 million, \$1.0 million, \$1.1 million, \$1.3 million, and \$1.4 million, respectively. It reflects issuance of \$2.5 million in FY 2002, and \$0.8 million, \$1.6 million, \$1.3 million and \$0.3 million in fiscal years 2003 to 2006 for the Rhode Island Public Transit Authority.

It is assumed that 84 percent of the costs for the lease payments associated with the issuance of \$24.0 million of certificates of participation for the renovation of the former Center General Hospital for use by the Department of Labor and Training will be financed from non-general revenue funds.

The interest rate on obligations previously issued for renovations to McCoy Stadium is estimated at 4.5 percent, reflecting an average estimate of the variable rate interest costs to be paid on the balance of this debt. The five-year forecast includes the costs of all outstanding issues, including the Pastore Center Power Plant project, which was financed in FY2001. Obligations arising from the Kent County Courthouse (\$50.0 million), Traffic Tribunal Court (\$30.0 million), Juvenile Training School (\$40.0 million), and the Department of Corrections Master Plan (\$125.0 million) are assumed to be financed by general revenues and interest is assumed at 5.8 percent.

The obligations arising from the performance-based contracts between the Rhode Island Economic Development Corporation and private entities are projected to require state appropriations due to the achievement of performance targets. Fiscal years 2002 and thereafter include \$2.5 million for Fidelity

---

## **FY 2002 – FY 2006 Overview**

---

Investments (FMR) and \$3.7 million for the Providence Place Mall. Fiscal years 2003 and thereafter also include \$0.3 million for Fleet Bank. These contracts enhance the state's economic health by providing incentives for job creation, provided that state benchmarks are met.

It is assumed that there will be no cost associated with the issuance of tax anticipation notes.

The projection also recognizes that disbursements for capital projects from general revenues of \$2.9 million in FY 2002, and \$2.9 million thereafter.

### ***Debt Refundings and Defeasance***

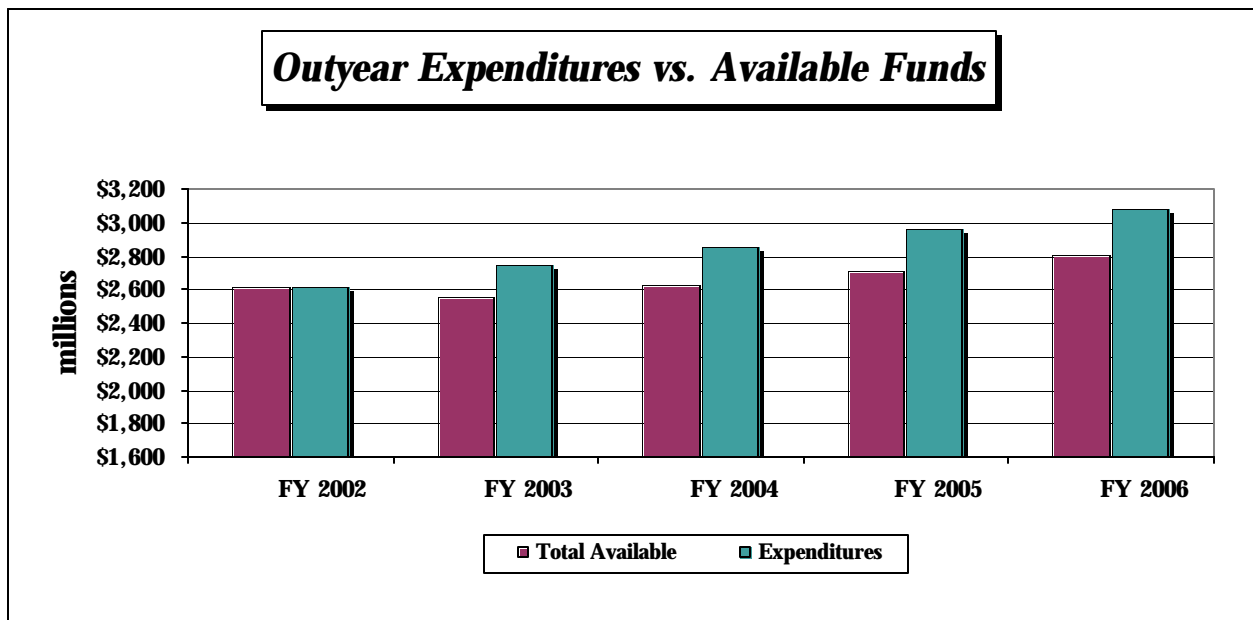
The debt service projections do not project the potential cost savings of refunding opportunities or the impact of a moderated debt reduction policy using Sinking Fund proceeds. Refunding savings are market driven and therefore, are impossible to forecast with certainty. As shown in Appendices D of the Capital Budget document, Sinking Fund proceeds are expected to accumulate, as no specific bonds have been programmed in the budget for defeasance. Any estimate of these savings could change based upon decisions of the Sinking Fund Commission identifying the bonds to be defeased, the funding source of such debt (general revenues vs. gas tax), and the timing of such action.

# General Revenue Outyear Estimates FY 2002 - FY 2006

	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
<b>Opening Surplus</b>	<b>\$116.6</b>	<b>\$0.2</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>
<b>Plus:</b>					
Taxes and Departmentals	2,275.5	2,342.6	2,420.2	2,503.2	2,590.2
Other Sources	278.4	262.2	259.8	264.5	270.9
Budget Stabilization Fund	(53.4)	(52.1)	(53.6)	(55.4)	(57.2)
<b>Total Available</b>	<b>2,617.1</b>	<b>2,552.9</b>	<b>2,626.4</b>	<b>2,712.3</b>	<b>2,803.9</b>
<b>Minus Expenditures</b>	<b>2,616.9</b>	<b>2,743.7</b>	<b>2,854.9</b>	<b>2,963.4</b>	<b>3,081.0</b>
<b>Equals Ending Balance</b>	<b>\$0.2</b>	<b>(\$190.8)</b>	<b>(\$228.5)</b>	<b>(\$251.1)</b>	<b>(\$277.1)</b>
<b>Operating Surplus or Deficit</b>	<b>(\$116.4)</b>	<b>(\$191.0)</b>	<b>(\$228.5)</b>	<b>(\$251.1)</b>	<b>(\$277.1)</b>

### Rhode Island Capital Fund

Budget Stabilization Balance	\$80.1	\$78.1	\$80.4	\$83.0	\$85.8
Capital Fund Balance	0.0	0.0	0.0	0.0	0.0
<i>Debt Service Disbursements</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
<i>Capital Projects Disbursements</i>	<i>52.9</i>	<i>54.1</i>	<i>51.3</i>	<i>52.8</i>	<i>54.4</i>
<i>Total Disbursements</i>	<i>\$52.9</i>	<i>\$54.1</i>	<i>\$51.3</i>	<i>\$52.8</i>	<i>\$54.4</i>





# General Revenue Outyear Estimates

	FY 2003	FY 2004	FY 2005	FY 2006
<b>Personal Income Tax</b>	\$924,300,000	\$956,500,000	\$990,000,000	\$1,024,800,000
<b>General Business Taxes:</b>				
Business Corporations	71,600,000	75,200,000	79,000,000	83,000,000
Franchise	8,000,000	8,200,000	8,400,000	8,600,000
Public Utilities	74,800,000	76,600,000	78,300,000	80,300,000
Financial Institutions	6,200,000	6,300,000	6,400,000	6,600,000
Insurance Companies	32,100,000	32,900,000	33,600,000	34,400,000
Bank Deposits	1,000,000	1,000,000	1,100,000	1,100,000
Health Care Provider	27,400,000	28,300,000	29,100,000	30,000,000
<b>General Business Taxes</b>	<b>\$221,100,000</b>	<b>\$228,500,000</b>	<b>\$235,900,000</b>	<b>\$244,000,000</b>
<b>Sales and Use Taxes:</b>				
Sales and Use	812,100,000	844,300,000	880,700,000	918,800,000
Motor Vehicle	46,700,000	47,300,000	48,000,000	48,700,000
Motor Fuel	600,000	700,000	700,000	700,000
Cigarettes	56,100,000	55,600,000	55,000,000	54,400,000
Alcohol	9,500,000	9,800,000	10,000,000	10,200,000
Controlled Substances	-	-	-	-
<b>Sales and Use Taxes</b>	<b>\$925,000,000</b>	<b>\$957,700,000</b>	<b>\$994,400,000</b>	<b>\$1,032,800,000</b>
<b>Other Taxes:</b>				
Inheritance and Gift	31,800,000	32,500,000	33,300,000	34,100,000
Racing and Athletics	5,300,000	5,300,000	5,300,000	5,300,000
Realty Transfer Tax	2,300,000	2,300,000	2,400,000	2,400,000
<b>Other Taxes</b>	<b>\$39,400,000</b>	<b>\$40,100,000</b>	<b>\$41,000,000</b>	<b>\$41,800,000</b>
<b>Total Taxes</b>	<b>\$2,109,800,000</b>	<b>\$2,182,800,000</b>	<b>\$2,261,300,000</b>	<b>\$2,343,400,000</b>
<b>Departmental Receipts</b>				
Licenses and Fees	131,800,000	133,700,000	135,500,000	137,500,000
Fines and Penalties	23,600,000	24,100,000	24,700,000	25,300,000
Sales and Services	25,400,000	26,300,000	27,100,000	28,000,000
Miscellaneous	52,000,000	53,300,000	54,600,000	56,000,000
<b>Total Departmental Receipts</b>	<b>\$232,800,000</b>	<b>\$237,400,000</b>	<b>\$241,900,000</b>	<b>\$246,800,000</b>
<b>Taxes and Departmentals</b>	<b>\$2,342,600,000</b>	<b>\$2,420,200,000</b>	<b>\$2,503,200,000</b>	<b>\$2,590,200,000</b>
<b>Other Sources</b>				
Gas Tax Transfers	-	-	-	-
Other Miscellaneous	66,800,000	59,800,000	60,200,000	61,600,000
Lottery Commission Receipts	191,900,000	196,500,000	200,800,000	205,800,000
Unclaimed Property	3,500,000	3,500,000	3,500,000	3,500,000
<b>Other Sources</b>	<b>\$262,200,000</b>	<b>\$259,800,000</b>	<b>\$264,500,000</b>	<b>\$270,900,000</b>
<b>Total General Revenues</b>	<b>\$2,604,800,000</b>	<b>\$2,680,000,000</b>	<b>\$2,767,700,000</b>	<b>\$2,861,100,000</b>

# General Revenue Outyear Estimates

	FY 2003	FY 2004	FY 2005	FY 2006
<b>Personal Income Tax</b>	2.0%	3.5%	3.5%	3.5%
<b>General Business Taxes:</b>				
Business Corporations	5.3%	5.1%	5.0%	5.0%
Franchise	2.5%	2.4%	2.2%	2.5%
Public Utilities	2.5%	2.4%	2.2%	2.5%
Financial Institutions	2.5%	2.4%	2.2%	2.5%
Insurance Companies	2.5%	2.4%	2.2%	2.5%
Bank Deposits	2.5%	2.4%	2.2%	2.5%
Health Care Provider	3.1%	3.1%	3.1%	3.1%
<b>General Business Taxes</b>	<b>3.5%</b>	<b>3.4%</b>	<b>3.2%</b>	<b>3.4%</b>
<b>Sales and Use Taxes:</b>				
Sales and Use	4.7%	4.0%	4.3%	4.3%
Motor Vehicle	1.4%	1.4%	1.5%	1.5%
Motor Fuel	1.2%	1.1%	1.0%	1.0%
Cigarettes	-1.5%	-1.0%	-1.0%	-1.0%
Alcohol	2.5%	2.4%	2.2%	2.5%
Controlled Substances				
<b>Sales and Use Taxes</b>	<b>4.1%</b>	<b>3.5%</b>	<b>3.8%</b>	<b>3.9%</b>
<b>Other Taxes:</b>				
Inheritance and Gift	2.5%	2.4%	2.2%	2.5%
Racing and Athletics	-	-	-	-
Realty Transfer Tax	2.5%	2.4%	2.2%	2.5%
<b>Other Taxes</b>	<b>2.2%</b>	<b>2.1%</b>	<b>1.9%</b>	<b>2.2%</b>
<b>Total Taxes</b>	<b>3.0%</b>	<b>3.5%</b>	<b>3.6%</b>	<b>3.6%</b>
<b>Departmental Receipts</b>				
Licenses and Fees	1.5%	1.4%	1.3%	1.5%
Fines and Penalties	2.5%	2.4%	2.2%	2.5%
Sales and Services	3.4%	3.3%	3.2%	3.3%
Miscellaneous	3.0%	2.5%	2.4%	2.6%
<b>Total Departmental Receipts</b>	<b>2.1%</b>	<b>2.0%</b>	<b>1.8%</b>	<b>2.1%</b>
<b>Taxes and Departmentals</b>	<b>2.9%</b>	<b>3.3%</b>	<b>3.4%</b>	<b>3.5%</b>
<b>Other Sources</b>				
Gas Tax Transfers	-	-	-	-
Other Miscellaneous	-20.7%	-10.5%	0.7%	2.2%
Lottery Commission Receipts	2.5%	2.4%	2.2%	2.5%
Unclaimed Property	-	-	-	-
<b>Other Sources</b>	<b>-5.8%</b>	<b>-0.9%</b>	<b>1.8%</b>	<b>2.4%</b>
<b>Total General Revenues</b>	<b>2.0%</b>	<b>2.9%</b>	<b>3.3%</b>	<b>3.4%</b>

# General Revenue Outyear Expenditure Estimates

	FY 2003	FY 2004	FY 2005	FY 2006
<b>State Operations</b>				
Personnel	\$693,090,572	\$708,885,745	\$724,411,559	\$741,290,362
Other State Operations	166,000,000	170,000,000	173,700,000	178,000,000
DCYF Caseload Growth	1,400,000	3,000,000	4,500,000	6,200,000
DOC Inmate Growth	3,300,000	5,900,000	7,700,000	8,700,000
<b>Subtotal</b>	<b>\$863,790,572</b>	<b>\$887,785,745</b>	<b>\$910,311,559</b>	<b>\$934,190,362</b>
<b>Grants and Benefits</b>				
DCYF Services	\$78,800,000	\$83,100,000	\$87,400,000	\$92,100,000
TANF Cash	16,800,000	16,800,000	16,800,000	16,800,000
Child Care/MOE	53,400,000	50,800,000	52,000,000	54,200,000
SSI Cash	30,100,000	31,800,000	33,600,000	35,600,000
Home Health Care-DEA	4,800,000	4,900,000	5,100,000	5,300,000
Nursing Home Care	115,700,000	115,800,000	116,000,000	116,100,000
MHRH MR\DD	79,600,000	85,000,000	90,600,000	96,300,000
Other Medicaid	187,200,000	194,600,000	202,200,000	210,100,000
RIPAE	9,500,000	10,100,000	10,800,000	11,500,000
RITE CARE	117,000,000	122,900,000	129,100,000	135,600,000
Other Grants and Benefits	161,100,000	165,000,000	168,600,000	172,800,000
<b>Subtotal</b>	<b>\$854,000,000</b>	<b>\$880,800,000</b>	<b>\$912,200,000</b>	<b>\$946,400,000</b>
<b>Local Aid</b>				
Education Aid	711,200,000	748,400,000	787,100,000	827,400,000
General Revenue Sharing	53,500,000	61,400,000	71,600,000	80,500,000
Motor Vehicle Tax Reimbursements	79,400,000	83,900,000	88,400,000	92,900,000
PILOT	18,600,000	19,100,000	19,500,000	19,900,000
Distressed Communities	6,200,000	6,200,000	6,200,000	6,200,000
Library Aid	9,000,000	9,100,000	9,300,000	9,400,000
Property Revaluation Prgm	1,600,000	2,200,000	1,200,000	1,200,000
Police/Fire Incentive Payments	1,200,000	1,300,000	1,500,000	1,600,000
<b>Subtotal</b>	<b>\$880,700,000</b>	<b>\$931,600,000</b>	<b>\$984,800,000</b>	<b>\$1,039,100,000</b>
<b>Capital</b>				
<i>Debt Service</i>				
General Obligation	\$82,493,656	\$84,588,002	83,934,715	\$87,789,890
Refunding Bond Authority	19,671,560	19,427,246	19,681,687	19,683,577
COPS/Other Leases	15,332,025	22,995,327	24,784,325	26,303,448
Convention Center	18,328,217	18,328,719	18,332,627	18,332,682
Performance Based	6,461,017	6,460,490	6,461,305	6,340,220
<i>Capital Improvements</i>				
Other Projects	2,900,000	2,900,000	2,900,000	2,900,000
<b>Subtotal</b>	<b>\$145,186,475</b>	<b>\$154,699,784</b>	<b>\$156,094,659</b>	<b>\$161,349,817</b>
<b>Total</b>	<b>\$2,743,677,047</b>	<b>\$2,854,885,529</b>	<b>\$2,963,406,218</b>	<b>\$3,081,040,179</b>

# General Revenue Outyear Expenditure Estimates

	FY 2003	FY 2004	FY 2005	FY 2006
<b>State Operations</b>				
Personnel	3.45%	2.28%	2.19%	2.33%
Other State Operations	2.53%	2.41%	2.18%	2.48%
DCYF Annual Caseload Growth	3.10%	3.00%	2.90%	2.80%
DOC Annual Inmate Growth	2.70%	2.00%	1.30%	0.60%
<b>Subtotal</b>	<b>3.83%</b>	<b>2.78%</b>	<b>2.54%</b>	<b>2.62%</b>
<b>Grants and Benefits</b>				
DCYF Services	5.66%	5.46%	5.17%	5.38%
TANF Cash	-0.15%	0.00%	0.00%	0.00%
Child Care/MOE	0.07%	-4.87%	2.36%	4.23%
SSI Cash	5.84%	5.65%	5.66%	5.95%
Home Health Care-DEA	4.02%	2.08%	4.08%	3.92%
Nursing Home Care	1.25%	0.09%	0.17%	0.09%
MHRH MR\DD	7.02%	6.78%	6.59%	6.29%
Other Medicaid	4.04%	3.95%	3.91%	3.91%
RIPAE	6.02%	6.32%	6.93%	6.48%
RITE CARE	5.82%	5.04%	5.04%	5.03%
Other Grants and Benefits	2.48%	2.42%	2.18%	2.49%
<b>Subtotal</b>	<b>3.75%</b>	<b>3.14%</b>	<b>3.56%</b>	<b>3.75%</b>
<b>Local Aid</b>				
Education Aid	5.39%	5.23%	5.17%	5.12%
General Revenue Sharing	22.65%	14.77%	16.61%	12.43%
Motor Vehicle Tax Reimbursements	6.20%	5.67%	5.36%	5.09%
PILOT	5.58%	2.69%	2.09%	2.05%
Distressed Communities	0.61%	0.00%	0.00%	0.00%
Library Aid	4.66%	1.11%	2.20%	1.08%
Property Revaluation Prgm	49.07%	37.50%	-45.45%	0.00%
Police/Fire Incentive Payments	9.28%	8.33%	15.38%	6.67%
<b>Subtotal</b>	<b>6.40%</b>	<b>5.78%</b>	<b>5.71%</b>	<b>5.51%</b>
<b>Capital</b>				
<i>Debt Service</i>				
General Obligation	10.05%	2.54%	-0.77%	4.59%
Refunding Bond Authority	0.88%	-1.24%	1.31%	0.01%
COPS/Other Leases	24.63%	49.98%	7.78%	6.13%
Convention Center	0.00%	0.00%	0.02%	0.00%
Performance Based	4.74%	-0.01%	0.01%	-1.87%
<i>Capital Improvements</i>				
Other Projects	0.97%	0.00%	0.00%	0.00%
<b>Subtotal</b>	<b>8.24%</b>	<b>6.55%</b>	<b>0.90%</b>	<b>3.37%</b>
<b>Total</b>	<b>4.84%</b>	<b>4.05%</b>	<b>3.80%</b>	<b>3.97%</b>

# General Revenue Outyear Planning Values

<b>Estimates and Growth</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
<b>Personal Income (billions) [1]</b>	\$35.3	\$36.9	\$38.4	\$40.2
<i>Change</i>	5.1%	4.5%	4.1%	4.8%
<b>Nonfarm Employment (thousands) [1]</b>	481.6	484.9	488.4	492.3
<i>Change</i>	0.8%	0.7%	0.7%	0.8%
<b>Personal Income Tax</b>				
Wages and Salaries [1]	5.2%	4.4%	4.8%	4.8%
Taxable Nonwage [1]	6.0%	4.2%	4.1%	4.1%
Elasticity [2]	1.0	1.0	1.0	1.0
<b>Business Corporation Tax</b>	Corporate Pre Tax Profits [1]			
<b>Provider Tax</b>	Medical Inflation [8]			
<b>Sales Tax</b>				
Wages and Salaries [1]	5.2%	4.4%	4.8%	4.8%
Elasticity [2]	0.9	0.9	0.9	0.9
<b>Gasoline Tax</b>				
Real Consumption [1]	1.2%	1.1%	1.0%	1.0%
<b>Other Taxes and Departmentals</b>	CPI	CPI	CPI	CPI
<b>CPI-U Boston [1]</b>	2.5%	2.4%	2.2%	2.5%
<b>Salaries and Fringe Benefits</b>	3.0%	CPI	CPI	CPI
<b>Corrections Population, Including INS Detainees</b>	3,534	3,582	3,608	3,609
<i>Change</i>	2.0%	1.4%	0.7%	0.0%
<b>Children in State Care</b>	8,602	8,860	9,117	9,372
Caseload Change [2]	3.1%	3.0%	2.9%	2.8%
<b>FIP Caseloads [2]</b>	39,841	35,461	31,935	28,462
<i>Change</i>	-10.0%	-11.0%	-9.9%	-10.9%

# General Revenue Outyear Planning Values

<b>Estimates and Growth</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
<b>SSI Caseload [2]</b>	29,469	30,212	30,988	31,798
Caseload Change	2.5%	2.5%	2.6%	2.6%
Percent Disabled	79.3%	80.0%	80.7%	81.3%
Estimated Disabled	23,376	24,173	24,998	25,850
Disabled Growth	3.4%	3.4%	3.4%	3.4%
Percent Elderly	20.7%	20.0%	19.3%	18.7%
Estimated Elderly	6,093	6,038	5,990	5,948
Growth Elderly [6]	-1.0%	-0.9%	-0.8%	-0.7%
<b>Home Health Care</b>				
Cost Change - [3]	3.5%	3.5%	3.5%	3.5%
<b>Nursing Home Care</b>				
Cost Change - [4]	3.2%	3.2%	3.2%	3.2%
<b>Other Medicaid</b>				
Cost Change [5]	2.8%	2.8%	2.8%	2.8%
<b>RIPAE</b>				
Caseloads	36,871	37,977	39,116	40,289
Caseload Change [2]	3.0%	3.0%	3.0%	3.0%
Cost Change [7]	3.3%	3.3%	3.3%	3.3%
<b>RITE CARE</b>				
Cost Change [5]	2.8%	2.8%	2.8%	2.8%
<b>Education Aid</b>	5.0%	5.0%	5.0%	5.0%

[1] *Economy.com Forecast of the RI Economy, December 2000*

[2] *State of Rhode Island Budget Office*

[3] *DRI/McGraw Hill Health Care Cost Review, Third Quarter 2000, Table 6.4*

[4] *DRI/McGraw Hill Health Care Cost Review, Third Quarter 2000, Table 6.5*

[5] *DRI/McGraw Hill Health Care Cost Review, Third Quarter 2000, Table 6.2*

[6] *New England Economic Project, October 2000 and Budget Office Estimates*

[7] *DRI/McGraw Hill Health Care Cost Review, Third Quarter 2000, Table 5.1*

[8] *DRI/McGraw Hill Health Care Cost Review, Third Quarter 2000, Tables 6.2 and 6.5*

# General Revenue Budget Surplus Statement

	FY1999 Audited	FY2000 Unaudited	FY2001 Revised	FY2002 Recommended
<b>Surplus</b>				
Opening Surplus	\$132,040,419	\$98,299,618	\$92,325,455	\$116,634,022
Anticipated Audit adjustments			\$3,139,737	
Reappropriated Surplus	13,928,523	16,123,307	21,738,955	
Subtotal	<b>145,968,942</b>	<b>114,422,925</b>	<b>117,204,147</b>	<b>116,634,022</b>
<b>General Taxes</b>	1,674,802,478	1,817,559,552	1,837,678,175	2,047,441,000
Revenue estimators' revision			136,862,825	
Proposed changes to adopted estimates			7,079,320	
Subtotal	<b>1,674,802,478</b>	<b>1,817,559,552</b>	<b>1,981,620,320</b>	<b>2,047,441,000</b>
<b>Departmental Revenues</b>	199,644,809	204,991,741	243,830,918	177,700,000
Revenue estimators' revision			8,169,082	
Proposed changes to adopted estimates			(600,000)	50,328,956
Subtotal	<b>199,644,809</b>	<b>204,991,741</b>	<b>251,400,000</b>	<b>228,028,956</b>
<b>Other Sources</b>				
Gas Tax Transfers	20,041,618	14,320,229	8,400,000	3,532,500
Rev Estimators' revision-Gas Tax			(232,750)	
Proposed changes to adopted estimates			1,148,663	
Other Miscellaneous	15,891,757	83,412,911	117,452,542	59,193,763
Rev Estimators' revision-Miscellaneous			(41,261,745)	
Proposed changes to adopted estimates			24,328,740	25,000,000
Lottery	133,475,047	150,283,635	178,165,586	187,200,000
Revenue Estimators' revision-Lottery			(965,586)	
Unclaimed Property	4,488,559	3,520,488	3,500,000	3,500,000
Revenue Estimators' revision-Unclaimed				
Subtotal	<b>173,896,981</b>	<b>251,537,263</b>	<b>290,535,450</b>	<b>278,426,263</b>
<b>Total Revenues</b>	<b>\$2,048,344,268</b>	<b>\$2,274,088,556</b>	<b>\$2,523,555,770</b>	<b>\$2,553,896,219</b>
<b>Budget Stabilization</b>	<b>(43,607,694)</b>	<b>(47,447,763)</b>	<b>(52,380,419)</b>	<b>(53,410,605)</b>
<b>Total Available</b>	<b>\$2,150,705,516</b>	<b>2,341,063,717</b>	<b>\$2,588,379,498</b>	<b>2,617,119,636</b>
Actual/Enacted Expenditures	<b>\$2,036,282,591</b>	<b>\$2,226,999,307</b>	<b>\$2,414,089,790</b>	<b>\$2,616,933,861</b>
Reappropriations			21,738,955	
Projected over/under expenditure			35,916,731	
<b>Total Expenditures</b>	<b>\$2,036,282,591</b>	<b>\$2,226,999,307</b>	<b>\$2,471,745,476</b>	<b>\$2,616,933,861</b>
<b>Free Surplus</b>	<b>\$98,299,618</b>	<b>\$92,325,455</b>	<b>\$116,634,022</b>	<b>\$185,775</b>
<b>Reappropriations</b>	<b>16,123,307</b>	<b>21,738,955</b>	<b>-</b>	
<b>Total Ending Balances</b>	<b>\$114,422,925</b>	<b>\$114,064,410</b>	<b>\$116,634,022</b>	<b>\$185,775</b>
<b>Budget Reserve and Cash Stabilization Account</b>	<b>\$65,411,541</b>	<b>\$71,171,645</b>	<b>\$78,570,629</b>	<b>\$80,115,907</b>

# Expenditures from All Funds

	<b>FY 1999 Audited</b>	<b>FY 2000 Unaudited</b>	<b>FY 2001 Revised</b>	<b>FY 2002 Recommended</b>
<b>General Government</b>				
Administration	\$293,080,563	\$460,952,048	\$459,744,745	\$513,374,056
Business Regulation	7,542,130	8,070,472	8,874,930	9,708,037
Labor and Training	327,052,706	342,259,825	359,908,504	361,033,866
Legislature	21,725,140	22,945,560	32,546,783	25,344,178
Lieutenant Governor	629,328	685,387	710,163	761,543
Secretary of State	5,441,466	4,562,464	5,670,081	4,802,494
General Treasurer	22,729,227	26,304,551	29,478,024	29,847,290
Boards for Design Professionals	340,956	340,377	325,566	300,275
Board of Elections	4,572,787	2,055,786	2,330,624	2,757,346
Rhode Island Ethics Commission	722,055	726,788	839,602	847,427
Governor's Office	3,676,444	3,787,150	4,019,228	4,181,777
Public Utilities Commission	3,622,115	3,913,105	5,581,568	5,521,634
Rhode Island Commission on Women	115,922	122,479	133,014	139,140
<b>Subtotal - General Government</b>	<b>691,250,839</b>	<b>876,725,992</b>	<b>910,162,832</b>	<b>958,619,063</b>
<b>Human Services</b>				
Children, Youth, and Families	179,684,536	192,605,366	204,214,787	210,077,875
Elderly Affairs	29,363,953	31,909,639	36,376,450	36,370,960
Health	73,301,874	77,094,624	84,659,763	85,110,394
Human Services	1,012,794,794	1,078,503,399	1,249,916,797	1,268,982,055
Mental Health, Retardation, & Hospitals	358,232,887	374,523,803	400,802,454	410,806,427
Office of the Child Advocate	741,534	784,215	816,648	865,868
Commission on Deaf & Hard of Hearing	149,885	230,478	248,322	257,890
RI Developmental Disabilities Council	337,163	436,352	455,589	408,984
Governor's Commission on Disabilities	260,446	278,686	317,477	334,613
Commission for Human Rights	733,803	875,760	1,067,187	1,127,285
Office of the Mental Health Advocate	216,162	232,528	243,525	254,878
<b>Subtotal - Human Services</b>	<b>1,655,817,037</b>	<b>1,757,474,850</b>	<b>1,979,118,999</b>	<b>2,014,597,229</b>
<b>Education</b>				
Elementary and Secondary	653,442,532	710,358,023	791,844,914	820,969,308
Higher Education - Board of Governors	461,258,347	480,211,267	509,859,475	533,390,440
RI Council on the Arts	1,410,619	1,523,744	1,978,770	2,077,889
RI Atomic Energy Commission	659,238	735,261	1,570,461	1,603,920
Higher Education Assistance Authority	8,895,411	11,665,072	14,460,634	14,590,802
Historical Preservation and Heritage Commissior	2,985,612	2,478,737	1,901,917	1,599,320
Public Telecommunications Authority	2,190,356	1,532,325	3,028,747	2,612,558
<b>Subtotal - Education</b>	<b>1,130,842,115</b>	<b>1,208,504,429</b>	<b>1,324,644,918</b>	<b>1,376,844,237</b>



# Expenditures from All Funds

	<b>FY 1999 Audited</b>	<b>FY 2000 Unaudited</b>	<b>FY 2001 Revised</b>	<b>FY 2002 Recommended</b>
<b>Public Safety</b>				
Attorney General	14,927,384	15,137,028	16,332,840	16,536,856
Corrections	133,051,958	121,911,711	139,246,915	146,835,834
Judicial	61,109,569	61,083,015	63,326,185	66,155,399
Military Staff	8,093,489	8,923,348	11,082,571	11,905,298
E-911 Emergency Telephone System	2,851,594	3,265,079	3,170,405	3,635,519
Fire Safety Code Board of Appeal & Review	176,862	164,708	166,143	210,116
State Fire Marshal	1,243,692	1,342,698	1,488,940	1,364,265
Commission on Judicial Tenure & Discipline	89,757	109,158	101,202	99,523
Rhode Island Justice Commission	3,344,727	4,037,348	5,006,934	4,967,812
Municipal Police Training Academy	333,105	606,959	568,474	338,427
State Police	34,400,433	37,724,490	39,623,489	39,470,982
Office Of Public Defender	5,150,724	5,105,813	5,760,626	5,781,799
Sheriffs of Several Counties	8,396,738	8,261,430	8,787,905	8,821,284
<b>Subtotal - Public Safety</b>	<b>273,170,032</b>	<b>267,672,785</b>	<b>294,662,629</b>	<b>306,123,114</b>
<b>Natural Resources</b>				
Environmental Management	76,572,588	52,776,569	73,960,459	71,359,547
Coastal Resources Management Council	2,090,737	1,852,751	2,456,073	2,339,675
Water Resources Board	3,653,169	1,495,013	1,826,110	1,707,631
<b>Subtotal - Natural Resources</b>	<b>82,316,494</b>	<b>56,124,333</b>	<b>78,242,642</b>	<b>75,406,853</b>
<b>Transportation</b>				
Transportation	296,435,245	264,588,266	369,314,929	413,822,197
<b>Subtotal - Transportation</b>	<b>296,435,245</b>	<b>264,588,266</b>	<b>369,314,929</b>	<b>413,822,197</b>
<b>Total</b>	<b>\$4,129,831,762</b>	<b>\$4,431,090,655</b>	<b>\$4,956,146,949</b>	<b>\$5,145,412,693</b>

# Expenditures from General Revenues

	<b>FY 1999 Audited</b>	<b>FY 2000 Unaudited</b>	<b>FY 2001 Revised</b>	<b>FY 2002 Recommended</b>
<b>General Government</b>				
Administration	\$194,998,423	\$299,291,192	\$347,132,979	\$401,285,063
Business Regulation	6,733,959	7,829,950	8,420,606	9,250,572
Labor and Training	6,587,743	6,693,891	6,935,480	6,911,093
Legislature	20,966,470	22,015,951	31,818,568	24,586,849
Lieutenant Governor	629,328	685,387	710,163	761,543
Secretary of State	5,302,823	4,422,428	5,460,304	4,590,526
General Treasurer	2,626,857	4,767,465	4,982,170	5,072,453
Boards for Design Professionals	340,956	340,377	325,566	300,275
Board of Elections	4,572,787	2,055,786	2,330,624	2,757,346
Rhode Island Ethics Commission	722,055	726,788	839,602	847,427
Governor's Office	3,607,299	3,728,678	4,019,228	4,181,777
Public Utilities Commission	706,370	742,169	735,228	731,240
Rhode Island Commission on Women	115,131	121,997	133,014	139,140
<b>Subtotal - General Government</b>	<b>247,910,201</b>	<b>353,422,059</b>	<b>413,843,532</b>	<b>461,415,304</b>
<b>Human Services</b>				
Children, Youth, and Families	110,719,504	116,192,209	122,340,358	127,853,492
Elderly Affairs	18,296,740	19,555,225	22,921,128	23,030,727
Health	27,687,207	29,131,192	31,654,329	32,840,765
Human Services	435,388,992	467,905,415	551,910,890	572,690,411
Mental Health, Retardation, & Hospitals	193,043,474	196,424,224	201,801,934	209,753,521
Office of the Child Advocate	425,444	425,938	465,598	479,583
Commission on Deaf & Hard of Hearing	149,285	230,478	248,322	257,890
RI Developmental Disabilities Council	-	-	-	-
Governor's Commission on Disabilities	245,474	268,701	288,101	305,032
Commission for Human Rights	579,717	686,150	753,548	782,565
Office of the Mental Health Advocate	216,162	232,528	243,525	254,878
<b>Subtotal - Human Services</b>	<b>786,751,999</b>	<b>831,052,060</b>	<b>932,627,733</b>	<b>968,248,864</b>
<b>Education</b>				
Elementary and Secondary	563,299,688	615,254,166	669,684,386	705,769,018
Higher Education - Board of Governors	153,719,601	152,110,006	162,841,878	175,213,876
RI Council on the Arts	877,730	972,210	1,173,738	1,314,094
RI Atomic Energy Commission	544,774	576,744	629,790	649,456
Higher Education Assistance Authority	7,076,902	7,611,009	7,558,026	7,512,431
Historical Preservation and Heritage Commissio	2,161,789	1,755,721	888,049	727,130
Public Telecommunications Authority	1,728,666	1,028,823	1,243,915	1,158,004
<b>Subtotal - Education</b>	<b>729,409,150</b>	<b>779,308,679</b>	<b>844,019,782</b>	<b>892,344,009</b>

# Expenditures from General Revenues

	<b>FY 1999 Audited</b>	<b>FY 2000 Unaudited</b>	<b>FY 2001 Revised</b>	<b>FY 2002 Recommended</b>
<b>Public Safety</b>				
Attorney General	12,486,493	12,952,277	14,396,707	14,746,456
Corrections	127,271,319	116,328,001	123,642,372	133,087,606
Judicial	51,818,746	51,713,328	52,762,264	54,390,723
Military Staff	2,005,517	2,245,775	2,290,965	2,233,099
E-911 Emergency Telephone System	-	-	3,170,405	3,635,519
Fire Safety Code Board of Appeal & Review	176,862	164,708	166,143	210,116
State Fire Marshal	1,200,871	1,248,143	1,308,427	1,309,125
Commission on Judicial Tenure and Discipline	89,757	109,158	101,202	99,523
Rhode Island Justice Commission	213,795	184,855	181,243	177,710
Municipal Police Training Academy	322,744	546,468	478,555	322,148
State Police	29,341,284	32,458,939	34,387,298	35,510,992
Office Of Public Defender	4,750,679	4,862,356	5,410,459	5,528,393
Sheriffs of Several Counties	8,396,738	8,261,430	8,787,905	8,821,284
<b>Subtotal - Public Safety</b>	<b>238,074,805</b>	<b>231,075,438</b>	<b>247,083,945</b>	<b>260,072,694</b>
<b>Natural Resources</b>				
Environmental Management	29,316,735	30,288,364	32,098,265	32,736,314
Coastal Resources Management Council	1,220,909	937,344	1,087,714	1,139,045
Water Resources Board	3,598,796	915,363	984,505	977,631
<b>Subtotal - Natural Resources</b>	<b>34,136,440</b>	<b>32,141,071</b>	<b>34,170,484</b>	<b>34,852,990</b>
<b>Transportation</b>				
Transportation	-	-	-	-
<b>Subtotal - Transportation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>\$2,036,282,595</b>	<b>\$2,226,999,307</b>	<b>\$2,471,745,476</b>	<b>\$2,616,933,861</b>

## Expenditures from Federal Funds

	<b>FY 1999 Audited</b>	<b>FY 2000 Unaudited</b>	<b>FY 2001 Revised</b>	<b>FY 2002 Recommended</b>
<b>General Government</b>				
Administration	\$23,111,937	\$27,294,882	\$35,504,383	\$39,872,317
Business Regulation	-	-	-	-
Labor and Training	42,571,904	44,430,719	48,360,549	38,633,085
Legislature	-	-	-	-
Lieutenant Governor	-	-	-	-
Secretary of State	-	-	28,275	18,631
General Treasurer	648,538	1,514,331	1,629,453	1,762,277
Boards for Design Professionals	-	-	-	-
Board of Elections	-	-	-	-
Rhode Island Ethics Commission	-	-	-	-
Governor's Office	69,145	58,472	-	-
Public Utilities Commission	41,855	57,819	61,549	61,538
Rhode Island Commission on Women	791	482	-	-
<b>Subtotal - General Government</b>	<b>66,444,170</b>	<b>73,356,705</b>	<b>85,584,209</b>	<b>80,347,848</b>
<b>Human Services</b>				
Children, Youth, and Families	66,993,017	74,980,208	80,310,022	80,449,532
Elderly Affairs	6,704,121	7,504,008	8,788,322	8,630,233
Health	42,070,611	42,223,447	46,072,209	45,762,619
Human Services	573,777,947	607,127,607	692,729,178	692,960,011
Mental Health, Retardation, & Hospitals	164,851,057	176,829,884	195,889,493	198,257,906
Office of the Child Advocate	307,942	354,686	351,050	386,285
Commission on Deaf & Hard of Hearing	600	-	-	-
RI Developmental Disabilities Council	337,163	436,352	455,589	408,984
Governor's Commission on Disabilities	11,770	6,607	27,626	28,181
Commission for Human Rights	154,086	189,610	313,639	344,720
Office of the Mental Health Advocate	-	-	-	-
<b>Subtotal - Human Services</b>	<b>855,208,314</b>	<b>909,652,409</b>	<b>1,024,937,128</b>	<b>1,027,228,471</b>
<b>Education</b>				
Elementary and Secondary	88,921,416	93,803,298	119,725,024	113,561,096
Higher Education - Board of Governors	702,100	973,744	2,307,565	2,040,118
RI Council on the Arts	505,662	553,464	541,662	513,795
RI Atomic Energy Commission	12,249	1,635	763,000	753,000
Higher Education Assistance Authority	1,773,761	3,970,919	6,683,401	6,848,965
Historical Preservation and Heritage Commissio	512,897	570,147	538,905	540,500
Public Telecommunications Authority	5,192	-	350,000	350,000
<b>Subtotal - Education</b>	<b>92,433,277</b>	<b>99,873,207</b>	<b>130,909,557</b>	<b>124,607,474</b>

# Expenditures from Federal Funds

	<b>FY 1999 Audited</b>	<b>FY 2000 Unaudited</b>	<b>FY 2001 Revised</b>	<b>FY 2002 Recommended</b>
<b>Public Safety</b>				
Attorney General	1,884,409	1,522,014	1,375,345	1,202,906
Corrections	3,627,856	3,632,681	4,656,615	6,457,378
Judicial	3,283,770	4,443,475	2,887,048	3,128,810
Military Staff	5,610,502	5,842,256	7,846,216	8,426,521
E-911 Emergency Telephone System	-	-	-	-
Fire Safety Code Board of Appeal & Review	-	-	-	-
State Fire Marshal	42,821	94,555	180,513	55,140
Commission on Judicial Tenure & Discipline	-	-	-	-
Rhode Island Justice Commission	3,130,550	3,840,098	4,825,691	4,790,102
Municipal Police Training Academy	10,361	60,491	89,919	16,279
State Police	1,171,087	1,355,115	1,622,113	700,059
Office Of Public Defender	400,045	243,457	350,167	253,406
Sheriffs of Several Counties	-	-	-	-
<b>Subtotal - Public Safety</b>	<b>19,161,401</b>	<b>21,034,142</b>	<b>23,833,627</b>	<b>25,030,601</b>
<b>Natural Resources</b>				
Environmental Management	12,369,064	11,073,984	22,503,640	20,080,381
Coastal Resources Management Council	869,828	915,407	1,160,359	1,055,630
Water Resources Board	-	-	-	-
<b>Subtotal - Natural Resources</b>	<b>13,238,892</b>	<b>11,989,391</b>	<b>23,663,999</b>	<b>21,136,011</b>
<b>Transportation</b>				
Transportation	184,723,274	175,454,955	231,761,639	232,282,790
<b>Subtotal - Transportation</b>	<b>184,723,274</b>	<b>175,454,955</b>	<b>231,761,639</b>	<b>232,282,790</b>
<b>Total</b>	<b>\$1,231,209,328</b>	<b>\$1,291,360,809</b>	<b>\$1,520,690,159</b>	<b>\$1,510,633,195</b>

# Expenditures from Restricted Receipts

	<b>FY 1999 Audited</b>	<b>FY 2000 Unaudited</b>	<b>FY 2001 Revised</b>	<b>FY 2002 Recommended</b>
<b>General Government</b>				
Administration	\$60,493,082	\$60,030,564	\$7,656,015	\$7,939,262
Business Regulation	808,171	240,522	454,324	457,465
Labor and Training	16,125,123	17,395,871	21,430,070	21,829,155
Legislature	758,670	929,609	728,215	757,329
Lieutenant Governor	-	-	-	-
Secretary of State	138,643	140,036	181,502	193,337
General Treasurer	16,438,762	16,779,202	11,033,713	11,126,146
Boards for Design Professionals	-	-	-	-
Board of Elections	-	-	-	-
Rhode Island Ethics Commission	-	-	-	-
Governor's Office	-	-	-	-
Public Utilities Commission	2,873,890	3,113,117	4,784,791	4,728,856
Rhode Island Commission on Women	-	-	-	-
<b>Subtotal - General Government</b>	<b>97,636,341</b>	<b>98,628,921</b>	<b>46,268,630</b>	<b>47,031,550</b>
<b>Human Services</b>				
Children, Youth, and Families	1,768,686	1,329,895	1,265,407	1,395,191
Elderly Affairs	-	-	-	-
Health	3,447,940	5,722,083	6,728,602	6,403,901
Human Services	3,627,855	2,797,981	4,687,354	3,291,633
Mental Health, Retardation, & Hospitals	50,000	50,000	55,000	55,000
Office of the Child Advocate	8,148	3,591	-	-
Commission on Deaf & Hard of Hearing	-	-	-	-
RI Developmental Disabilities Council	-	-	-	-
Governor's Commission on Disabilities	3,202	3,378	1,750	1,400
Commission for Human Rights	-	-	-	-
Office of the Mental Health Advocate	-	-	-	-
<b>Subtotal - Human Services</b>	<b>8,905,831</b>	<b>9,906,928</b>	<b>12,738,113</b>	<b>11,147,125</b>
<b>Education</b>				
Elementary and Secondary	890,111	861,773	635,219	689,194
Higher Education - Board of Governors	-	-	-	-
RI Council on the Arts	27,227	(1,930)	263,370	250,000
RI Atomic Energy Commission	-	-	-	-
Higher Education Assistance Authority	-	-	-	-
Historical Preservation and Heritage Commissior	310,926	152,869	324,963	331,690
Public Telecommunications Authority	-	-	-	-
<b>Subtotal - Education</b>	<b>1,228,264</b>	<b>1,012,712</b>	<b>1,223,552</b>	<b>1,270,884</b>

## Expenditures from Restricted Receipts

	FY 1999 Audited	FY 2000 Unaudited	FY 2001 Revised	FY 2002 Recommended
<b>Public Safety</b>				
Attorney General	556,482	662,737	560,788	587,494
Corrections	672,000	475,074	3,539,944	3,466,850
Judicial	5,710,477	4,863,986	5,657,099	5,859,760
Military Staff	2,664	1,645	103,610	111,432
E-911 Emergency Telephone System	2,851,594	3,265,079	-	-
Fire Safety Code Board of Appeal & Review	-	-	-	-
State Fire Marshal	-	-	-	-
Commission on Judicial Tenure & Discipline	-	-	-	-
Rhode Island Justice Commission	382	12,395	-	-
Municipal Police Training Academy	-	-	-	-
State Police	1,506,185	1,561,551	741,837	217,797
Office Of Public Defender	-	-	-	-
Sheriffs of Several Counties	-	-	-	-
<b>Subtotal - Public Safety</b>	<b>11,299,784</b>	<b>10,842,467</b>	<b>10,603,278</b>	<b>10,243,333</b>
<b>Natural Resources</b>				
Environmental Management	6,695,150	8,241,125	11,505,770	11,744,066
Coastal Resources Management Council	-	-	-	-
Water Resources Board	-	16,402	-	-
<b>Subtotal - Natural Resources</b>	<b>6,695,150</b>	<b>8,257,527</b>	<b>11,505,770</b>	<b>11,744,066</b>
<b>Transportation</b>				
Transportation	4,921,146	15,342,890	25,060,600	61,285,260
<b>Subtotal - Transportation</b>	<b>4,921,146</b>	<b>15,342,890</b>	<b>25,060,600</b>	<b>61,285,260</b>
<b>Total</b>	<b>\$130,686,516</b>	<b>\$143,991,445</b>	<b>\$107,399,943</b>	<b>\$142,722,218</b>

## Expenditures from Other Funds

	<b>FY 1999 Audited</b>	<b>FY 2000 Unaudited</b>	<b>FY 2001 Revised</b>	<b>FY 2002 Recommended</b>
<b>General Government</b>				
Administration	\$14,477,121	\$74,335,410	\$69,451,368	\$64,277,414
Business Regulation	-	-	-	-
Labor and Training	261,767,936	273,739,344	283,182,405	293,660,533
Legislature	-	-	-	-
Lieutenant Governor	-	-	-	-
Secretary of State	-	-	-	-
General Treasurer	3,015,070	3,243,553	11,832,688	11,886,414
Boards for Design Professionals	-	-	-	-
Board of Elections	-	-	-	-
Rhode Island Ethics Commission	-	-	-	-
Governor's Office	-	-	-	-
Public Utilities Commission	-	-	-	-
Rhode Island Commission on Women	-	-	-	-
<b>Subtotal - General Government</b>	<b>279,260,127</b>	<b>351,318,307</b>	<b>364,466,461</b>	<b>369,824,361</b>
<b>Human Services</b>				
Children, Youth, and Families	203,329	103,054	299,000	379,660
Elderly Affairs	4,363,092	4,850,406	4,667,000	4,710,000
Health	96,116	17,902	204,623	103,109
Human Services	-	672,396	589,375	40,000
Mental Health, Retardation, & Hospitals	288,356	1,219,695	3,056,027	2,740,000
Office of the Child Advocate	-	-	-	-
Commission on Deaf & Hard of Hearing	-	-	-	-
RI Developmental Disabilities Council	-	-	-	-
Governor's Commission on Disabilities	-	-	-	-
Commission for Human Rights	-	-	-	-
Office of the Mental Health Advocate	-	-	-	-
<b>Subtotal - Human Services</b>	<b>4,950,893</b>	<b>6,863,453</b>	<b>8,816,025</b>	<b>7,972,769</b>
<b>Education</b>				
Elementary and Secondary	331,317	438,786	1,800,285	950,000
Higher Education - Board of Governors	306,836,646	327,127,517	344,710,032	356,136,446
RI Council on the Arts	-	-	-	-
RI Atomic Energy Commission	102,215	156,882	177,671	201,464
Higher Education Assistance Authority	44,748	83,144	219,207	229,406
Historical Preservation and Heritage Commissior	-	-	150,000	-
Public Telecommunications Authority	456,498	503,502	1,434,832	1,104,554
<b>Subtotal - Education</b>	<b>307,771,424</b>	<b>328,309,831</b>	<b>348,492,027</b>	<b>358,621,870</b>



## Expenditures from Other Funds

	<b>FY 1999 Audited</b>	<b>FY 2000 Unaudited</b>	<b>FY 2001 Revised</b>	<b>FY 2002 Recommended</b>
<b>Public Safety</b>				
Attorney General	-	-	-	-
Corrections	1,480,783	1,475,955	7,407,984	3,824,000
Judicial	296,576	62,226	2,019,774	2,776,106
Military Staff	474,806	833,672	841,780	1,134,246
E-911 Emergency Telephone System	-	-	-	-
Fire Safety Code Board of Appeal & Review	-	-	-	-
State Fire Marshal	-	-	-	-
Commission on Judicial Tenure & Discipline	-	-	-	-
Rhode Island Justice Commission	-	-	-	-
Municipal Police Training Academy	-	-	-	-
State Police	2,381,877	2,348,885	2,872,241	3,042,134
Office Of Public Defender	-	-	-	-
Sheriffs of Several Counties	-	-	-	-
<b>Subtotal - Public Safety</b>	<b>4,634,042</b>	<b>4,720,738</b>	<b>13,141,779</b>	<b>10,776,486</b>
<b>Natural Resources</b>				
Environmental Management	28,191,639	3,173,096	7,852,784	6,798,786
Coastal Resources Management Council	-	-	208,000	145,000
Water Resources Board	54,373	563,248	841,605	730,000
<b>Subtotal - Natural Resources</b>	<b>28,246,012</b>	<b>3,736,344</b>	<b>8,902,389</b>	<b>7,673,786</b>
<b>Transportation</b>				
Transportation	106,790,825	73,790,421	112,492,690	120,254,147
<b>Subtotal - Transportation</b>	<b>106,790,825</b>	<b>73,790,421</b>	<b>112,492,690</b>	<b>120,254,147</b>
<b>Total</b>	<b>\$731,653,323</b>	<b>\$768,739,094</b>	<b>\$856,311,371</b>	<b>\$875,123,419</b>

## Full-Time Equivalent Positions

	FY 1999	FY 2000	FY 2001 Revised	FY 2002
<b>General Government</b>				
Administration	1,137.0	1,135.0	1,137.0	1,144.0
Business Regulation	109.0	110.0	111.0	111.0
Labor & Training	596.4	600.0	561.0	558.0
Legislature	260.0	260.0	280.0	280.0
Lieutenant Governor	10.0	10.0	10.0	10.0
Secretary of State	57.2	57.2	57.2	57.2
General Treasurer	86.5	86.5	87.5	87.5
Board Of Design Professionals	4.0	4.0	4.0	4.0
Board Of Elections	21.3	21.3	21.3	21.3
Rhode Island Ethics Commission	10.0	10.0	10.0	10.0
Office of the Governor	50.0	50.0	50.0	50.0
Public Utilities Commission	42.0	42.0	44.0	45.0
Rhode Island Commission on Women	2.0	2.0	2.0	2.0
<b>Subtotal - General Government</b>	<b>2,385.4</b>	<b>2,388.0</b>	<b>2,375.0</b>	<b>2,380.0</b>
<b>Human Services</b>				
Children, Youth, and Families	875.9	875.9	875.9	875.9
Elderly Affairs	61.6	61.6	60.6	60.6
Health	462.6	463.6	476.1	488.1
Human Services	1,142.9	1,142.9	1,142.9	1,139.9
Mental Health, Retardation, & Hospitals	2,172.0	2,138.0	2,138.0	2,138.0
Office of the Child Advocate	13.5	13.0	13.0	13.0
Commission On the Deaf & Hard of Hearing	3.0	3.0	3.0	3.0
RI Developmental Disabilities Council	3.0	3.0	3.0	3.0
Governor's Commission on Disabilities	4.0	4.3	4.6	4.6
Commission for Human Rights	13.0	15.0	15.0	15.0
Office of the Mental Health Advocate	3.3	3.3	3.3	3.3
<b>Subtotal - Human Services</b>	<b>4,754.8</b>	<b>4,723.6</b>	<b>4,735.4</b>	<b>4,744.4</b>
<b>Education</b>				
Elementary and Secondary	344.1	344.1	343.2	345.2
Higher Education - Board of Governors*	3,850.0	3,850.0	3,503.9	3,507.9
RI State Council On The Arts	6.0	6.0	6.0	6.0
RI Atomic Energy Commission	7.6	8.6	8.6	8.6
Higher Education Assistance Authority	46.6	46.6	46.6	46.6
Historical Preservation and Heritage Commission	17.6	17.6	17.6	17.6
Public Telecommunications Authority	22.0	22.0	22.0	22.0
<b>Subtotal - Education</b>	<b>4,293.9</b>	<b>4,294.9</b>	<b>3,947.9</b>	<b>3,953.9</b>

## Full-Time Equivalent Positions

	FY 1999	FY 2000	FY 2001 Revised	FY 2002
<b>Public Safety</b>				
Attorney General	220.0	227.0	228.0	228.0
Corrections	1,541.0	1,608.0	1,596.6	1,596.6
Judicial	666.0	682.4	700.0	700.0
Military Staff	97.0	95.0	94.0	94.0
E-911	47.6	47.6	47.6	48.6
Fire Safety Code Board of Appeal and Review	2.0	2.0	2.0	3.0
RI State Fire Marshal	21.0	21.5	21.5	21.5
Commission on Judicial Tenure and Discipline	1.0	1.0	1.0	1.0
Rhode Island Justice Commission	8.0	9.0	9.0	9.0
Municipal Police Training Academy	4.0	4.0	4.0	4.0
State Police	254.0	254.0	266.0	267.0
Office of the Public Defender	75.5	75.5	75.5	78.5
Sheriffs of Several Counties	167.0	167.0	167.0	167.0
<b>Subtotal - Public Safety</b>	<b>3,104.1</b>	<b>3,194.0</b>	<b>3,212.2</b>	<b>3,218.2</b>
<b>Natural Resources</b>				
Environmental Management	549.0	570.5	584.5	584.5
Coastal Resources Management Council	26.0	28.0	28.0	28.0
Water Resources Board	9.0	9.0	9.0	9.0
<b>Subtotal - Natural Resources</b>	<b>584.0</b>	<b>607.5</b>	<b>621.5</b>	<b>621.5</b>
<b>Transportation</b>				
Transportation	864.3	864.3	864.3	864.3
<b>Subtotal - Transportation</b>	<b>864.3</b>	<b>864.3</b>	<b>864.3</b>	<b>864.3</b>
<b>Total</b>	<b>15,986.5</b>	<b>16,072.3</b>	<b>15,756.3</b>	<b>15,782.3</b>
*Higher Education Federal/Sponsored Research-Exempt	-	-	330.4	330.4
Total Higher Education	3,850.0	3,850.0	3,834.3	3,838.3
<b>Total</b>	<b>15,986.5</b>	<b>16,072.3</b>	<b>16,086.7</b>	<b>16,112.7</b>

## General Revenues as Recommended

	FY 1999 Audited	FY 2000 Unaudited	FY 2001 Revised	FY 2002 Recommended
<b>Personal Income Tax</b>	757,557,456	817,079,620	863,699,400	906,500,000
<b>General Business Taxes</b>				
Business Corporations	66,497,243	68,505,553	74,367,593	68,000,000
Franchise	7,896,372	7,746,246	7,934,554	7,800,000
Public Utilities Gross Earnings	66,349,690	73,011,717	73,000,000	73,000,000
Financial Institutions	(1,639,532)	7,683,012	9,163,000	6,000,000
Insurance Companies	31,648,918	31,324,916	31,487,800	31,300,000
Bank Deposits	(612,474)	947,979	1,029,362	1,000,000
Health Care Provider Assessment	23,974,976	24,641,523	27,261,076	26,600,000
<b>Sales and Use Taxes</b>				
Sales and Use	564,807,963	631,304,598	741,340,980	775,800,000
Motor Vehicle	41,991,608	42,960,129	45,233,521	46,000,000
Motor Fuel	1,010,393	641,041	676,874	641,000
Cigarettes	61,576,289	59,392,252	58,343,545	57,000,000
Alcohol	9,027,601	9,209,855	9,304,496	9,300,000
Controlled Substances	0	165		
<b>Other Taxes</b>				
Inheritance and Gift	36,324,715	35,563,398	31,000,000	31,000,000
Racing and Athletics	5,806,170	5,374,515	5,349,495	5,300,000
Realty Transfer	2,585,090	2,173,033	2,428,624	2,200,000
<b>Total Taxes</b>	<b>1,674,802,478</b>	<b>1,817,559,552</b>	<b>1,981,620,320</b>	<b>2,047,441,000</b>
<b>Departmental Receipts</b>				-
Licenses and Fees	103,243,938	108,899,760	146,700,000	129,938,956
Fines and Penalties	27,648,766	27,946,627	23,000,000	23,000,000
Sales and Services	32,137,957	33,386,484	24,800,000	24,600,000
Miscellaneous	36,614,148	34,758,870	56,900,000	50,490,000
<b>Total Departmental Receipts</b>	<b>199,644,809</b>	<b>204,991,741</b>	<b>251,400,000</b>	<b>228,028,956</b>
<b>Taxes and Departmentals</b>	<b>1,874,447,287</b>	<b>2,022,551,293</b>	<b>2,233,020,320</b>	<b>2,275,469,956</b>
<b>Other Sources</b>				
Gas Tax Transfer	20,041,618	14,320,229	9,315,913	3,532,500
Other Miscellaneous	15,891,757	83,412,911	100,519,537	84,193,763
Lottery	133,475,047	150,283,635	177,200,000	187,200,000
Unclaimed Property	4,488,559	3,520,488	3,500,000	3,500,000
<b>Other Sources</b>	<b>173,896,981</b>	<b>251,537,263</b>	<b>290,535,450</b>	<b>278,426,263</b>
<b>Total General Revenues</b>	<b>2,048,344,268</b>	<b>2,274,088,556</b>	<b>2,523,555,770</b>	<b>2,553,896,219</b>

---

## General Revenue Changes to Adopted Estimates

---

### FY 2001

#### Taxes

Accrual of all taxes (GASB 33)	7,809,004
Motor Vehicle Tax Audit Adjustment	(729,684)
<i>Subtotal: Taxes</i>	<b>7,079,320</b>

#### Departmental Revenues

##### *Miscellaneous Departmental Revenues*

Hotel Tax Rate Reduction	(600,000)
--------------------------	-----------

*Subtotal: Departmental Revenues* **(600,000)**

#### Other Sources

Gas Tax Transfer - reversal of FY 2000 allocation error	1,148,663
Bond Capital Interest Earnings and Sinking Fund Assets	11,975,457
E-911 Restricted Account Converted to General Revenue	353,283
DEPCO Reallocation of Proceeds	12,000,000

*Subtotal: Other Sources* **25,477,403**

**Total FY 2001 Adjustments** **\$31,956,723**

---

## General Revenue Changes to Adopted Estimates

---

**FY 2002**

**Departmental Revenues**

*Licenses and Fees*

Hospital Licensing Fee	53,831,251
Health Care Professional Regulation Fee Increase	708,504
Food Protection Fee Increase	171,445
Radiation Control Fee Increase	109,106
HIV Test Fee Increase	92,000
Hospital Quality Assurance & Complaint Fee Increase	426,650

*Miscellaneous Departmental Revenues*

Corrections Commissary	(2,610,000)
Hotel Tax Rate Reduction	(2,400,000)

***Subtotal: Departmental Revenues*** **50,328,956**

**Other Sources**

Resource Recovery Transfer	3,000,000
Bond Capital Interest Earnings	7,000,000
DEPCO Reallocation of Proceeds	15,000,000

***Subtotal: Other Sources*** **25,000,000**

**Total FY 2002 Adjustments** **\$75,328,956**

## Changes to FY 2001 Enacted General Revenue Budget

	FY2001 Enacted	FY2001 Revised	Difference
<b>Surplus</b>			
Opening Surplus	\$74,426,382	\$92,325,455	\$17,899,073
Anticipated Audit adjustments		3,139,737	3,139,737
Reappropriated Surplus		21,738,955	21,738,955
<b>Subtotal</b>	<b>74,426,382</b>	<b>117,204,147</b>	<b>42,777,765</b>
<b>General Taxes</b>	1,837,678,175	1,837,678,175	-
Revenue estimators' revision		136,862,825	136,862,825
Proposed changes to adopted estimates		7,079,320	7,079,320
<b>Subtotal</b>	<b>1,837,678,175</b>	<b>1,981,620,320</b>	<b>143,942,145</b>
<b>Departmental Revenues</b>	243,830,918	243,830,918	-
Revenue estimators' revision		8,169,082	8,169,082
Proposed changes to adopted estimates		(600,000)	(600,000)
<b>Subtotal</b>	<b>243,830,918</b>	<b>251,400,000</b>	<b>7,569,082</b>
<b>Other Sources</b>			
Gas Tax Transfers	8,400,000	8,400,000	-
Rev Estimators' revision-Gas Tax		(232,750)	(232,750)
Proposed changes to adopted estimates		1,148,663	1,148,663
Other Miscellaneous	117,452,542	117,452,542	-
Rev Estimators' revision-Miscellaneous		(41,261,745)	(41,261,745)
Proposed changes to adopted estimates		24,328,740	24,328,740
Lottery	178,165,586	178,165,586	-
Revenue Estimators' revision-Lottery		(965,586)	(965,586)
Unclaimed Property	3,500,000	3,500,000	-
Revenue Estimators' revision-Unclaimed			-
<b>Subtotal</b>	<b>307,518,128</b>	<b>290,535,450</b>	<b>(16,982,678)</b>
<b>Total Revenues</b>	<b>\$2,389,027,221</b>	<b>\$2,523,555,770</b>	<b>\$134,528,549</b>
<b>Budget Stabilization</b>	<b>(49,269,072)</b>	<b>(52,380,419)</b>	<b>(3,111,348)</b>
<b>Total Available</b>	<b>\$2,414,184,531</b>	<b>\$2,588,379,498</b>	<b>\$174,194,966</b>
Actual/Enacted Expenditures	<b>\$2,414,089,790</b>	<b>\$2,414,089,790</b>	-
Reappropriations		21,738,955	21,738,955
Projected over/under expenditure		35,916,731	35,916,731
<b>Total Expenditures</b>	<b>\$2,414,089,790</b>	<b>\$2,471,745,476</b>	<b>\$57,655,686</b>
<b>Free Surplus</b>	<b>\$94,741</b>	<b>\$116,634,022</b>	<b>\$116,539,280</b>
<b>Reappropriations</b>		-	-
<b>Total Ending Balances</b>	<b>\$94,741</b>	<b>\$116,634,022</b>	<b>\$116,539,280</b>
<b>Budget Reserve and Cash Stabilization Account</b>	<b>\$73,903,608</b>	<b>\$78,570,629</b>	<b>\$4,667,021</b>

## Changes to FY 2001 Enacted Revenues

	Enacted	Estimators	Governor	Total
<b>Personal Income Tax</b>	825,402,344	38,097,656	199,400	863,699,400
<b>General Business Taxes</b>				
Business Corporations	62,700,000	7,300,000	4,367,593	74,367,593
Franchise	7,800,000	-	134,554	7,934,554
Public Utilities Gross Earnings	70,400,000	2,600,000	-	73,000,000
Financial Institutions	2,800,000	6,300,000	63,000	9,163,000
Insurance Companies	33,500,000	(2,200,000)	187,800	31,487,800
Bank Deposits	900,000	100,000	29,362	1,029,362
Health Care Provider Assessment	25,300,000	200,000	1,761,076	27,261,076
<b>Sales and Use Taxes</b>				
Sales and Use	657,965,831	83,334,169	40,980	741,340,980
Motor Vehicle	45,400,000	-	(166,479)	45,233,521
Motor Fuel	1,010,000	(369,000)	35,874	676,874
Cigarettes	57,300,000	900,000	143,545	58,343,545
Alcohol	9,000,000	300,000	4,496	9,304,496
Controlled Substances	-	-	-	-
<b>Other Taxes</b>				
Inheritance and Gift	31,000,000	-	-	31,000,000
Racing and Athletics	5,000,000	300,000	49,495	5,349,495
Realty Transfer	2,200,000	-	228,624	2,428,624
<b>Total Taxes</b>	<b>1,837,678,175</b>	<b>136,862,825</b>	<b>7,079,320</b>	<b>1,981,620,320</b>
<b>Departmental Receipts</b>				
Licenses and Fees	136,527,377	10,172,623	-	146,700,000
Fines and Penalties	23,000,000	-	-	23,000,000
Sales and Services	31,612,029	(6,812,029)	-	24,800,000
Miscellaneous	52,691,512	4,808,488	(600,000)	56,900,000
<b>Total Departmental Receipts</b>	<b>243,830,918</b>	<b>8,169,082</b>	<b>(600,000)</b>	<b>251,400,000</b>
<b>Taxes and Departmentals</b>	<b>2,081,509,093</b>	<b>145,031,907</b>	<b>6,479,320</b>	<b>2,233,020,320</b>
<b>Other Sources</b>				
Gas Tax Transfer	8,400,000	(232,750)	1,148,663	9,315,913
Other Miscellaneous	117,452,542	(41,261,745)	24,328,740	100,519,537
Lottery	178,165,586	(965,586)	-	177,200,000
Unclaimed Property	3,500,000	-	-	3,500,000
<b>Other Sources</b>	<b>307,518,128</b>	<b>(42,460,081)</b>	<b>25,477,403</b>	<b>290,535,450</b>
<b>Total General Revenues</b>	<b>2,389,027,221</b>	<b>102,571,826</b>	<b>31,956,723</b>	<b>2,523,555,770</b>



# Changes to FY 2001 Enacted General Revenue Expenditures

	FY2001 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Supplemental Changes	FY 2001 Revised Budget
<b><u>General Government</u></b>				
<b>Administration</b>				
Central Management	1,753,884			
Legal Services		42,230		
Estimated Employee COLA			22,162	
	1,753,884	42,230	22,162	1,818,276
Accounts & Control	6,085,504			
Personnel			147,520	
Retiree Health Subsidy			(178,270)	
Estimated Employee COLA			28,865	
Information Processing			70,675	
Operating			10,049	
	6,085,504	-	78,839	6,164,343
Budgeting	2,062,238			
Computer Equipment		34,450		
Estimated Employee COLA			25,770	
	2,062,238	34,450	25,770	2,122,458
Municipal Affairs	1,153,125			
Personnel			31,127	
Estimated Employee COLA			14,432	
Information Processing			36,000	
Operating			16,366	
	1,153,125	-	97,925	1,251,050
Purchasing	1,946,259			
Computer Software		226,063		
Estimated Employee COLA			23,457	
	1,946,259	226,063	23,457	2,195,779
Auditing	1,315,867			
Personnel			134,623	
Estimated Employee COLA			19,052	
Operating			(1,470)	
	1,315,867	-	152,205	1,468,072
Human Resources	5,920,439			
Diversity Training		83,000		
Personnel			343,536	
Legal Services			50,000	
Estimated Employee COLA			61,191	
Operating			(198)	

# Changes to FY 2001 Enacted General Revenue Expenditures

	FY2001 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Supplemental Changes	FY 2001 Revised Budget
	5,920,439	83,000	454,529	6,457,968
Personnel Appeal Board	130,552			
Estimated Employee COLA			1,304	
	130,552	-	1,304	131,856
Taxation	29,548,671			
Taxation - Personnel			636,943	
Taxation - Purchased Services			242,599	
Taxation - Operating			40,000	
Taxation - Printing and Binding			(86,600)	
Taxation - Information Processing			-	
Taxation - Document Processors			353,626	
Registry - Personnel			439,660	
Registry - Purchased Services			150,660	
Registry - Operating			127,908	
Registry - License Plates			-	
Registry - Information Processing			32,434	
Child Support - Personnel			10,049	
Child Support - Operating			74,576	
Child Support - Information Processing			71,767	
Child Support - Paternity Testing			21,304	
Child Support - Office Equipment			57,035	
Child Support - Computer Equipment			24,480	
Child Support - Purchased Services			115,334	
Statewide Utility Adjustment			(2,479)	
Estimated Employee COLA			293,025	
	29,548,671	-	2,602,321	32,150,992
Central Services	11,940,745			
State Energy Office - Personnel			50,963	
State Energy Office - Operating			23,242	
State Energy Office - Grants			(74,205)	
Capitol Police - Personnel			78,811	
Capitol Police - Operating			16,741	
Property Management - Personnel			31,558	
Property Management - Purchased Services			(29,440)	
Property Management - Operating			117,229	
Property Management - Grants			(146,366)	
Environmental Compliance - Purchased Services			8,565	
Building Commission - Personnel			57,113	
Building Commission - Operating			1,871	
Transfer Airport Costs to Capital Plan			(550,000)	
Decrease Insurance Premiums			(45,062)	
Shift Funding to Capitol Police for State House Security			(95,552)	

# Changes to FY 2001 Enacted General Revenue Expenditures

	FY2001 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Supplemental Changes	FY 2001 Revised Budget
Oil Reserve Fund			571,536	
Statewide Utility Adjustment			608,345	
Estimated Employee COLA			92,281	
	11,940,745	-	717,630	12,658,375
Office of Library & Information Services	2,581,365			
Personnel			(42,897)	
Estimated Employee COLA			32,119	
Operating			6,243	
	2,581,365	-	(4,535)	2,576,830
General	158,063,566			
Grants		5,924		
Gravity Games - Year 1 Payment				
Race & Police Community Relations		8,917		
Torts			600,000	
Property Revaluation		28,000		
Workers' Compensation Fund				
Property Tax Relief				
Capital Properties Judgment				
Shepard's Building Parking/Operating				
Fox Point Hurricane Barrier				
Slater Technology Fund		2,000,000		
Economic Development Corp				
Centers for Excellence		250,000		
Housing Resources Act		100,560	250,000	
Motor Vehicle Excise Tax Program			4,522,560	
General Revenue Sharing Program				
Payment in Lieu of Tax Exempt Properties				
Distressed Communities Relief Program				
Resource Sharing & State Library Aid				
Library Construction Aid			50,000	
Circuit Breaker				
Statewide Utility Adjustment			34,268	
Estimated Employee COLA			2,666	
	158,063,566	2,393,401	5,459,494	165,916,461
Debt Service Payments	114,031,786			
General Obligation Debt Service			(691,168)	
Sinking Fund			(189,350)	
McCoy Stadium Variable Rate Debt Service			79,780	
COPS - E-911 Transfer into DOA			369,815	
COPS - Pastore Power Plant			(546,330)	
COPS - Center General			(22,512)	
COPS - DLT Furniture			(58,248)	
COPS - Pastore Telecommunications			155,148	

---

## Changes to FY 2001 Enacted General Revenue Expenditures

---

	<b>FY2001 Enacted Appropriation</b>	<b>Reappropriation/ Appropriation Transfer</b>	<b>Supplemental Changes</b>	<b>FY 2001 Revised Budget</b>
COPS - Traffic Tribunal			(313,800)	
COPS - Intake Center			(602)	
Fleet Job Rent Credits			(100,000)	

# Changes to FY 2001 Enacted General Revenue Expenditures

	FY2001 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Supplemental Changes	FY 2001 Revised Budget
Fidelity Job Rent Credits	114,031,786	-	(494,000) (1,811,267)	112,220,519
<b>Total</b>	<b>336,534,001</b>	<b>2,779,144</b>	<b>7,819,834</b>	<b>347,132,979</b>
<b>Business Regulation</b>				
Central Management	1,379,857			
Legal Staff Reorganization			20,000	
Personnel and Operating			(33,230)	
Estimated Employee COLA			13,676	
Utility Adjustment			1,624	
	1,379,857	-	2,070	1,381,927
Banking Regulation	1,305,835			
Personnel and Operating			(13,094)	
Estimated Employee COLA			15,636	
Utility Adjustment			1,071	
	1,305,835	-	3,613	1,309,448
Securities Regulation	590,054			
Personnel and Operating			72,730	
Estimated Employee COLA			6,931	
Utility Adjustment			1,170	
	590,054	-	80,831	670,885
Commercial Licensing and Regulation	1,114,508			
Personnel and Operating			(2,508)	
Estimated Employee COLA			11,002	
Utility Adjustment			1,682	
	1,114,508	-	10,176	1,124,684
Racing and Athletics	659,801			
Personnel and Operating			1,665	
Estimated Employee COLA			8,076	
Utility Adjustment			893	
	659,801	-	10,634	670,435
Insurance Regulation	3,124,216			
Labor Settlement			83,944	
Personnel and Operating			15,133	
Estimated Employee COLA			38,128	
Utility Adjustment			1,806	
	3,124,216	-	139,011	3,263,227

# Changes to FY 2001 Enacted General Revenue Expenditures

	FY2001 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Supplemental Changes	FY 2001 Revised Budget
<b>Total</b>	<b>8,174,271</b>	-	<b>246,335</b>	<b>8,420,606</b>
<b>Labor and Training</b>				
Central Management	267,977			
Shift Personnel and Oper. From Workforce Reg			97,176	
Unbudgeted Tax Escalation Cost-Manton Ave.			1,624	
Estimated Employee COLA			4,200	
	267,977	-	103,000	370,977
Workforce Regulation and Safety	3,575,702			
Shift Pers. & Oper. To CM and Income Support			(108,632)	
Plumbing Investigator			26,966	
Unbudgeted Tax Escalation Cost-Manton Ave.			10,157	
Estimated Employee COLA			39,217	
	3,575,702	-	(32,292)	3,543,410
Income Support	2,647,174			
Shift Operating from Workforce Regulation			6,778	
Increase Police and Fire Relief Benefits			37,071	
Estimated Employee COLA			774	
	2,647,174	-	44,623	2,691,797
Labor Relations Board	348,380			
Unbudgeted Tax Escalation Cost-Manton Ave.			1,422	
Personnel and Operating			(23,845)	
Estimated Employee COLA			3,339	
	348,380	-	(19,084)	329,296
<b>Total</b>	<b>6,839,233</b>	<b>-</b>	<b>96,247</b>	<b>6,935,480</b>
<b>Legislature</b>				
Legislature	23,049,750	8,768,818		31,818,568
<b>Total</b>	<b>23,049,750</b>	<b>8,768,818</b>	<b>-</b>	<b>31,818,568</b>
<b>Office of the Lieutenant Governor</b>				
Lt. Governor's Office - General	698,987		-	
Out of State Travel		2,612		

---

## Changes to FY 2001 Enacted General Revenue Expenditures

---

	<b>FY2001 Enacted Appropriation</b>	<b>Reappropriation/ Appropriation Transfer</b>	<b>Supplemental Changes</b>	<b>FY 2001 Revised Budget</b>
Estimated Employee COLA			8,564	
<b>Total</b>	<b>698,987</b>	<b>2,612</b>	<b>8,564</b>	<b>710,163</b>

# Changes to FY 2001 Enacted General Revenue Expenditures

	FY2001 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Supplemental Changes	FY 2001 Revised Budget
<b>Secretary of State</b>				
Administration	1,209,426			
Salary & Fringe			(91,932)	
Estimated Employee COLA			11,048	
Operating			(5,245)	
	1,209,426	-	(86,129)	1,123,297
Corporations	1,270,396			
Salary & Fringe			62,498	
Estimated Employee COLA			13,532	
Consultants			25,000	
Operating			(273)	
	1,270,396	-	100,757	1,371,153
State Archives	250,906			
Operating			9,156	
Estimated Employee COLA			1,195	
Salary and Fringe			4,652	
	250,906	-	15,003	265,909
Elections	1,533,356			
Purchased Services			(5,000)	
Salary and Fringe			7,843	
Estimated Employee COLA			1,425	
Operating			(15,191)	
	1,533,356	-	(10,923)	1,522,433
State Library	706,801			
Salary & Fringe			5,208	
Estimated Employee COLA			2,609	
	706,801	-	7,817	714,618
Office of Public Information	507,631			
Salary & Fringe			(50,321)	
Estimated Employee COLA			5,084	
Purchased Services			-	
Operating			500	
	507,631	-	(44,737)	<b>462,894</b>



# Changes to FY 2001 Enacted General Revenue Expenditures

	FY2001 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Supplemental Changes	FY 2001 Revised Budget
<b>Total</b>	<b>5,478,516</b>	-	<b>(18,212)</b>	<b>5,460,304</b>
<b>Office of the General Treasurer</b>				
Treasury	2,451,423			
Personnel		16,470		
Projected Turnover, consulting, & operating savings			(12,433)	
Estimated Employee COLA			23,960	
	2,451,423	16,470	11,527	2,479,420
RI Refunding Bond Authority	79,221		6,476	
Estimated Employee COLA			400	
	79,221	-	6,876	86,097
Crime Victim Compensation Program	2,424,759			
Claims payable to Victims of Violent Crimes		3,036		
Projected Turnover, consulting, & operating savings			(13,549)	
Estimated Employee COLA			2,407	
	2,424,759	3,036	(11,142)	2,416,653
<b>Total</b>	<b>4,955,403</b>	<b>19,506</b>	<b>7,261</b>	<b>4,982,170</b>
<b>Boards For Design Professionals</b>				
Boards For Design Professionals	291,087			
Increase Operating Expenditures			7,241	
Increase Office Furniture			11,140	
Estimated Employee COLA			2,186	
Increase Personnel Expenditures			3,870	
Increase Legal Expenditures			4,200	
Increase Central Information Processing			4,500	
Increase Insurance Expenditures			1,342	
<b>Total</b>	<b>291,087</b>	-	<b>34,479</b>	<b>325,566</b>
<b>Board of Elections</b>				
Board Of Elections	2,295,544			
Salary & Fringe			(6,857)	
Estimated Employee Cola			12,237	
Consultant			1,191	
Operating			30,446	
Grants			(1,937)	
	2,295,544	-	35,080	2,330,624
<b>Total</b>	<b>2,295,544</b>	-	<b>35,080</b>	<b>2,330,624</b>

---

# **Changes to FY 2001 Enacted General Revenue Expenditures**

---

<b>FY2001 Enacted Appropriation</b>	<b>Reappropriation/ Appropriation Transfer</b>	<b>Supplemental Changes</b>	<b>FY 2001 Revised Budget</b>
---	--	---------------------------------	---------------------------------------

# Changes to FY 2001 Enacted General Revenue Expenditures

	FY2001 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Supplemental Changes	FY 2001 Revised Budget
<b>RI Ethics Commissions</b>				
RI Ethics Commission	816,448			
Financial Disclosures Conversion Completion		50,000		
Projected Turnover Savings			(85,545)	
Anticipated Increases in Legal Costs			37,874	
Anticipated Increases in Other Operating			12,260	
Statewide Utility Adjustment			1,923	
Estimated Employee COLA			6,642	
<b>Total</b>	<b>816,448</b>	<b>50,000</b>	<b>(26,846)</b>	<b>839,602</b>
<b>Office of the Governor</b>				
Office Of Governor	3,975,054			
Personnel Increases			21,823	
Operating Reductions			(21,823)	
Estimated Employee COLA			44,174	
<b>Total</b>	<b>3,975,054</b>	-	<b>44,174</b>	<b>4,019,228</b>
<b>Public Utilities Commission</b>				
Public Utilities Commission	730,664			
Personnel			(1,122)	
Operating			(2,878)	
Single State Registration Fees			4,000	
Estimated Employee COLA			4,564	
<b>Total</b>	<b>730,664</b>	-	<b>4,564</b>	<b>735,228</b>
<b>Rhode Island Commission on Women</b>				
Rhode Island Commission on Women	129,400	1,006	1,090	
Estimated Employee COLA			1,518	
<b>Total</b>	<b>129,400</b>	<b>1,006</b>	<b>2,608</b>	<b>133,014</b>
<b>Sub-Total General Government</b>	<b>393,968,358</b>	<b>11,621,086</b>	<b>8,254,088</b>	<b>413,843,532</b>
<b><u>Human Services</u></b>				
<b>Children, Youth, and Families</b>				
Central Management	7,810,067			
Friendship St. Renovations		3,524		
Friendship St. Workstations/Furniture			525,000	

# Changes to FY 2001 Enacted General Revenue Expenditures

	FY2001 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Supplemental Changes	FY 2001 Revised Budget
Personnel			195,232	
Data Control Clerk Reallocations			67,301	
Estimated Employee COLA			50,391	
Caseload Overage			23,216	
Rental Increases			136,593	
Purchased Services			(151,432)	
Operating			(64,756)	
Utility Adjustment			36,496	
	7,810,067	3,524	818,041	8,631,632
<b>Children's Behavioral Health</b>	<b>19,324,799</b>			
Personnel			(3,180)	
Rent Adjustment			49,980	
Operating			(27,011)	
Estimated Employee COLA			9,891	
Psychiatric Hospitalization			588,830	
Deferred Start of RCC			(283,000)	
Project Reach/CIS			119,462	
	19,324,799	-	454,972	19,779,771
<b>Juvenile Corrections</b>	<b>22,999,468</b>			
Personnel			1,275	
Estimated Employee COLA			225,642	
RITSY - Overtime			423,711	
Utility Adjustment			28,101	
Purchased Services			281,789	
Operating			(101,369)	
Grants & Benefits			(86,195)	
RI Hospital Contract			(268,460)	
	22,999,468	-	504,494	23,503,962
<b>Child Welfare</b>	<b>71,140,020</b>			
<b>Children's Trust Fund</b>	<b>55,500</b>			
Personnel			335,524	
Estimated Employee COLA			223,364	
Purchased Services			(15,486)	
Parent Education & Counseling Svcs.			229,708	
Operating			(716,347)	
Rent - Friendship St.			82,434	
Caseload Overages			683,151	
Foster Care & Adoption			(226,687)	
Child Abuse & Neglect			(857,485)	
POS Placements			254,127	

# Changes to FY 2001 Enacted General Revenue Expenditures

	FY2001 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Supplemental Changes	FY 2001 Revised Budget
Grants & Benefits			(686,998)	
New 8-bed Staff Secure Facility			78,000	
Increased Therapeutic Svcs. - Shelter Programs			100,000	
Day Care Caseload Increase			248,177	
HHS Adoption Bonus			(141,459)	
Night to Night Savings			(131,672)	
Administrative Case Management Revenue Increase			(300,000)	
Project Early Start MMIS Payments			(40,317)	
	71,195,520	-	(881,966)	70,313,554
Higher Education Opportunity Incentive Grant	100,000			
Education Grants		11,439		
	100,000	11,439	-	111,439
<b>Total</b>	<b>121,429,854</b>	<b>14,963</b>	<b>895,541</b>	<b>122,340,358</b>
<b>Elderly Affairs</b>		(121,429,854)		
Elderly Affairs	22,158,691			
Reappropriation - Provider Costs		35,000		
RIPAE Program			696,619	
Statewide Utility Adjustment			3,025	
Estimated Employee COLA			26,793	
	22,158,691	35,000	726,437	22,920,128
Safety and Care for the Elderly	1,000			
	1,000	-	-	1,000
<b>Total</b>	<b>22,159,691</b>	<b>35,000</b>	<b>726,437</b>	<b>22,921,128</b>
<b>Health</b>				
Central Management	3,105,219			
Hospital Conversion Act			(250,000)	
Certificate of Need program transfer			(287,065)	
Vital Records			30,755	
Payroll			(80,233)	
Estimated Employee COLA			24,085	
Purchased Services			6,044	
Operating			34,946	
Grants			(164)	
	3,105,219	-	(521,632)	2,583,587
State Medical Examiner	1,592,991			

# Changes to FY 2001 Enacted General Revenue Expenditures

	FY2001 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Supplemental Changes	FY 2001 Revised Budget
Payroll			(53,046)	
Estimated Employee COLA			18,168	
Purchased Services			1,000	
Operating/Grants			52,046	
	1,592,991	-	18,168	1,611,159
<b>Family Health</b>				
<b>General</b>	7,773,290			
School Based Health Centers			59,000	
Newborn Metabolic Testing program transfer			401,410	
Payroll			(27,052)	
Estimated Employee COLA			15,138	
Purchased Services			88,327	
Operating			(25,702)	
Grants			(45,309)	
Poison Control	200,000	52,932		52,932
	7,973,290	52,932	465,812	8,492,034
<b>Health Services Regulation</b>				
<b>General</b>	3,888,059			
Certificate of Need program transfer			282,706	
Payroll			(104,029)	
Estimated Employee COLA			47,410	
Purchased Services			(56,998)	
Operating/Grants			165,389	
Hospital Care Consultant report	300,000		2,736	
	4,188,059	-	337,214	4,525,273
<b>Environmental Health</b>	3,961,913			
Payroll			(43,694)	
Estimated Employee COLA			45,049	
Purchased Services			(15,941)	
Operating			68,340	
Grants			(8,705)	
	3,961,913	-	45,049	4,006,962
<b>Health Laboratories</b>	5,675,767			
Health Lab Reclassifications			43,312	
Newborn Metabolic Testing program transfer			(347,420)	
Laboratory Supplies			116,823	
Laboratory Equipment			(78,288)	
Payroll			23,108	

# Changes to FY 2001 Enacted General Revenue Expenditures

	FY2001 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Supplemental Changes	FY 2001 Revised Budget
Estimated Employee COLA			50,269	
Purchased Services			27,125	
Operating/Grants			(131,480)	
	5,675,767	-	(296,551)	5,379,216
Disease Prevention and Control	5,039,540			
Loan Repayment program			(25,000)	
Payroll			(203,731)	
Estimated Employee COLA			12,948	
Purchased Services			-	
Operating			117,396	
Grants			114,945	
	5,039,540	-	16,558	5,056,098
<b>Total</b>	<b>31,536,779</b>	<b>52,932</b>	<b>64,618</b>	<b>31,654,329</b>

## Human Services

Central Management	6,781,123			
Reallocate homeless grants to DOA			(250,000)	
Estimated Employee COLA			42,993	
Personnel Costs/ Energy			97,786	
	6,781,123	-	(109,221)	6,671,902
Individual and Family Support	20,684,808			
Reallocation to Medical Assistance- per Legislative Intent Letter			(1,622,133)	
Estimated Employee COLA			261,124	
Operating			119,440	
	20,684,808	-	(1,241,569)	19,443,239
Veterans' Affairs	12,089,354			
WWI Veterans' Memorial- Legislative Grant		74,539	461	
Estimated Employee COLA			165,350	
Energy Adjustment			46,317	
All other items			(3,922)	
	12,089,354	74,539	208,206	12,372,099
Health Care Quality, Financing and Purchasing	23,007,381			
Personnel Costs			129,183	
Estimated Employee COLA			109,627	
Contract Services			(170,821)	
Operating			7,370	
	23,007,381	-	75,359	23,082,740

# Changes to FY 2001 Enacted General Revenue Expenditures

	FY2001 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Supplemental Changes	FY 2001 Revised Budget
Medical Benefits				
Hospitals- Caseload Conference	88,797,631		4,391,314	
Nursing Facilities- Caseload Conference	111,585,802	-	446,968	
Managed Care- Caseload Conference	99,195,663		3,490,486	
Other-Caseload Conference	66,796,740		5,401,666	
Special Education	9,493,730		-	
	375,869,566		13,730,434	389,600,000
S.S.I. Program- Caseload Conference	27,756,775		(444,702)	
	27,756,775	-	(444,702)	27,312,073
Family Independence Program				
Child Care- Caseload Conference	50,911,639		(293,675)	
TANF /F.I.P. - Caseload Conference	21,046,236		(3,288,743)	
Child Care- Federal Offsets			(272,000)	
	71,957,875	-	(3,854,418)	68,103,457
State Funded Programs				
General Public Assistance- Case. Conference	1,829,704		(32,754)	
Food Stamp Replacement for Immigrants	1,667,390		42,040	
Weatherization One Time Payment	1,748,200		(29,200)	
Citizen Participation Program	100,000		-	
	5,345,294	-	(19,914)	5,325,380
<b>Total</b>	<b>543,492,176</b>	<b>74,539</b>	<b>8,344,175</b>	<b>551,910,890</b>

## Mental Health, Retardation, & Hospitals

Central Management	1,470,501			
Estimated Employee Cola			19,065	
Network Support Consultants			8,967	
	1,470,501	-	28,032	1,498,533
Hosp. & Community System Support	16,373,004			
Salary & Fringe Benefits			(51,399)	
Estimated Employee COLA			115,267	
Consultants			5,273	



# Changes to FY 2001 Enacted General Revenue Expenditures

	FY2001 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Supplemental Changes	FY 2001 Revised Budget
Howard Center Utility Increases	16,373,004	-	1,734,877 1,804,018	18,177,022
Services. for the Developmentally Disabled	90,477,440			
Piravano Trust		289,085		
Day-Program Provider Settlement		349,888		
Salary & Fringe			233,002	
Estimated Employee COLA			222,478	
Consultant Services			136,021	

# Changes to FY 2001 Enacted General Revenue Expenditures

	FY2001 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Supplemental Changes	FY 2001 Revised Budget
Operating			161,126	
Grants			(100,378)	
	90,477,440	638,973	652,249	91,768,662
<b>Integrated Mental Health Services</b>	<b>29,586,271</b>			
Salary & Fringe			182,480	
Estimated Employee COLA			16,553	
Consultant Services			17,872	
Capital - Operating			(200,000)	
Grants - Federal Reimbursement-Butler			(817,457)	
	29,586,271	-	(800,552)	28,785,719
<b>Hosp. &amp; Community Rehab. Services</b>	<b>45,438,439</b>			
Salary & Fringe			740,000	
Estimated Employee COLA			274,933	
Consultants			43,137	
Operating/Pharmaceuticals			577,235	
Grants/Benefits			(689)	
	45,438,439	-	1,634,616	47,073,055
<b>Substance Abuse</b>	<b>14,262,978</b>			
Salary & Fringe			36,754	
Estimated Employee COLA			22,965	
Consultants			21,933	
Operating			(25,000)	
Grants & Benefits			(33,687)	
Providence Community Action	213,000		-	213,000
	14,475,978		22,965	14,498,943
<b>Total</b>	<b>197,821,633</b>	<b>638,973</b>	<b>3,341,328</b>	<b>201,801,934</b>
<b>Office of the Child Advocate</b>	<b>458,875</b>			
Estimated Employee COLA			4,790	
Utilities Adjustment			1,933	
<b>Total</b>	<b>458,875</b>	-	<b>6,723</b>	<b>465,598</b>
<b>Commission on Deaf and Hard of Hearing</b>	<b>246,761</b>			
Salary & Fringe			(31,713)	
Estimated Employee Cola			1,561	
Consultants			28,918	
Operating			2,795	

# Changes to FY 2001 Enacted General Revenue Expenditures

	FY2001 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Supplemental Changes	FY 2001 Revised Budget
<b>Total</b>	<b>246,761</b>	-	<b>1,561</b>	<b>248,322</b>
<b>Governor's Commission on Disabilities</b>	284,704			
Decrease Personnel Expenditures			(2,250)	
Increase Operating Expenditures			2,250	
Estimated Employee COLA			3,397	
<b>Total</b>	<b>284,704</b>	-	<b>3,397</b>	<b>288,101</b>
<b>Commission for Human Rights</b>	694,547			
Operating Lease - Office Space		7,777	39,112	
Estimated Employee COLA			7,969	
Statewide Utility Adjustment			4,143	
<b>Total</b>	<b>694,547</b>	<b>7,777</b>	<b>51,224</b>	<b>753,548</b>
<b>Office of the Mental Health Advocate</b>	240,730			
Consultants			(398)	
Estimated Employee Cola			2,795	
Operating			(207)	
Medical Benefits			605	
<b>Total</b>	<b>240,730</b>	-	<b>2,795</b>	<b>243,525</b>
<b>Sub-Total Human Services</b>	<b>918,365,750</b>	<b>824,184</b>	<b>13,437,799</b>	<b>932,627,733</b>
<b><u>Education</u></b>				
<b>Elementary and Secondary Education</b>				
Education Aid	538,603,756			538,603,756
School Housing Aid	26,100,280			
School Housing Aid Adjustment			4,675,494	
	26,100,280	-	4,675,494	30,775,774
Teacher's Retirement	35,412,346			
Teacher Retirement Adjustment			784,838	
	35,412,346	-	784,838	36,197,184
RI School for the Deaf	5,466,314			
Personnel Turnover			(70,231)	
Utility Adjustment			38,973	

# Changes to FY 2001 Enacted General Revenue Expenditures

	FY2001 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Supplemental Changes	FY 2001 Revised Budget
Estimated Employee COLA			16,962	
	5,466,314	-	(14,296)	5,452,018
Central Falls School District	31,495,887			
	31,495,887	-	-	31,495,887
Davies Career & Technical School	10,208,410	27,964		
Personnel Turnover			(118,263)	
Utility Adjustment			(15,506)	
Estimated Employee COLA			25,828	
	10,208,410	27,964	(107,941)	10,128,433
Met. Career & Tech. School	1,980,000			
	1,980,000	-	-	1,980,000
Program Operations	15,023,184			
Amer-I-Can Transfer			(50,000)	
Unachieved Turnover			109,754	
Grant Reduction			(108,824)	
Estimated Employee COLA			77,220	
	15,023,184	-	28,150	15,051,334
<b>Total</b>	<b>664,290,177</b>	<b>27,964</b>	<b>5,366,245</b>	<b>669,684,386</b>
<b>Higher Education</b>				
Higher Education - Board of Governors	162,841,878			
<b>Total</b>	<b>162,841,878</b>	<b>-</b>	<b>-</b>	<b>162,841,878</b>
<b>RI Council On The Arts</b>				
Operating Support	357,407			
Estimated COLA Adjustment			3,831	
Grants	812,500			
<b>Total</b>	<b>1,169,907</b>	<b>-</b>	<b>3,831</b>	<b>1,173,738</b>
<b>RI Atomic Energy Commission</b>				
Atomic Energy Commission	620,263			
Estimated Employee COLA			7,430	

---

## Changes to FY 2001 Enacted General Revenue Expenditures

---

	<b>FY2001 Enacted Appropriation</b>	<b>Reappropriation/ Appropriation Transfer</b>	<b>Supplemental Changes</b>	<b>FY 2001 Revised Budget</b>
Utilities Adjustment			2,097	
<b>Total</b>	<b>620,263</b>	<b>-</b>	<b>9,527</b>	<b>629,790</b>

# Changes to FY 2001 Enacted General Revenue Expenditures

	FY2001 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Supplemental Changes	FY 2001 Revised Budget
<b>RI Higher Education Assistance Authority</b>				
Need Based Grants & Work Opportunities	6,397,372			
Reappropriation-Scholarships		122,539		
	6,397,372	122,539	-	6,519,911
Authority Operations & Other Grants	1,031,099			
Estimated Employee COLA			7,016	
	1,031,099	-	7,016	1,038,115
<b>Total</b>	<b>7,428,471</b>	<b>122,539</b>	<b>7,016</b>	<b>7,558,026</b>
<b>RI Historical Preservation &amp; Heritage Commission</b>				
General	889,137			
Personnel Expenditures		5,246		
Decrease Personnel Expenditures			(12,620)	
Heritage Harbor Museum	2,000,000		(2,000,000)	
Statewide Energy Adjustment			783	
Estimated Employee COLA			5,503	
<b>Total</b>	<b>2,889,137</b>	<b>5,246</b>	<b>(2,006,334)</b>	<b>888,049</b>
<b>RI Public Telecommunications Authority</b>				
Utility Adjustment	1,272,132		(40,039)	
Estimated Employee COLA			11,822	
	<b>1,272,132</b>	-	<b>(28,217)</b>	<b>1,243,915</b>
<b>Sub-Total Education</b>	<b>840,511,965</b>	<b>155,749</b>	<b>3,352,068</b>	<b>844,019,782</b>
<b><u>Public Safety</u></b>				
<b>Attorney General</b>				
Criminal	8,752,346			
Reapprop-Lobby Security Upgrades		83,500		
Reapprop-Database Conversion Project		17,777		
Reapprop-Vehicle and Other Operating		19,704		
Witness Protection Program			31,000	
Personnel Turnover			(136,799)	
Statewide Utility Adjustment			11,962	
Purchased Services/Operating			33,292	
Estimated Employee COLA			100,185	
	8,752,346	120,981	39,640	8,912,967
Civil	3,709,305			

# Changes to FY 2001 Enacted General Revenue Expenditures

	FY2001 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Supplemental Changes	FY 2001 Revised Budget
Reapprop-Lobby Security Upgrades		83,500		
Reapprop-Printing/Other Operating		9,812		
Purchased Services (Consultant Costs)			(243,000)	
Payroll Deficiency			61,248	
Statewide Utility Adjustment			(3,037)	
Computer Purchases/Other Operating			(93,839)	
Estimated Employee COLA			33,368	
	3,709,305	93,312	(245,260)	3,557,357
<b>Bureau of Criminal Identification</b>	<b>506,484</b>			
Reapprop-State of CT AFIS Contract		8,700		
Payroll Turnover			(21,949)	
Purchased Services			13,480	
Statewide Utility Adjustment			(1,304)	
Operating			7,373	
Estimated Employee COLA			5,439	
	506,484	8,700	3,039	518,223
<b>General</b>	<b>1,357,108</b>			
Payroll Deficiency			30,997	
Operating			7,168	
Grants			(1,430)	
Statewide Utility Adjustment			(2,411)	
Purchased Services			(468)	
Estimated Employee COLA			17,196	
	1,357,108	-	51,052	1,408,160
<b>Total</b>	<b>14,325,243</b>	<b>222,993</b>	<b>(151,529)</b>	<b>14,396,707</b>

## Corrections

Central Management	8,902,823			
HRMS Conversion		250,000		
MIS Items		211,227		
Personnel			(138,217)	
RIBCO - 13.65% Base Increase			264,807	
Estimated Employee COLA			80,222	
Contingency Planning			20,000	
Operating			(124,390)	
Insurance			9,497	
Records & ID Unit to Institutional Corrections			(910,051)	
	8,902,823	461,227	(798,132)	8,565,918

# Changes to FY 2001 Enacted General Revenue Expenditures

	FY2001 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Supplemental Changes	FY 2001 Revised Budget
Parole Board	845,691			
Operating Reappropriation		19,900		
RIBCO Settlement		3,385	(3,385)	
Personnel			(28,335)	
Estimated Employee COLA			8,201	
Purchased Services			(5,776)	
Operating			(1,774)	
	845,691	23,285	(27,684)	841,292
Institutions Corrections	88,968,770			
RIBCO Settlement		5,152,583	1,559,420	
Medium Security Waterline		113,224		
Inmate Clothing		77,611		
Capital Repairs		646,582		
Personnel			(169,698)	
RIBCO - Stipend Increase			855,636	
INS Detainees			1,888,556	
Workers Compensation (BOC 270&273)			103,829	
Estimated Employee COLA			1,020,960	
Utility Adjustment			17,662	
Victim Services State Match to Community Corrections			(12,500)	
Victim Notification			69,825	
Inmate Payroll			100,000	
Operating			175,000	
Population Increase - Operating			587,816	
Rehab. Operating to Community Corrections			(32,729)	
Failure of Federal Offset - In-patient Hospitalization			125,000	
Insurance			(100,030)	
Capital			(11,769)	
Grants & Benefits			(45,593)	
Inmate Commissary			3,060,159	
Reimburse City of Cranston			3,093	
Amer-I-Can			50,000	
Records & ID Unit to Institutional Corrections			910,051	
	88,968,770	5,990,000	10,154,688	105,113,458
Community Corrections	9,526,339			
RIBCO Settlement		131,781	(6,778)	
Operating		12,014		
Personnel			(415,472)	
Estimated Employee COLA			104,936	



# Changes to FY 2001 Enacted General Revenue Expenditures

	FY2001 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Supplemental Changes	FY 2001 Revised Budget
Purchased Services			(6,250)	
Workers Compensation (BOC 273)			2,677	
Victim Services State Match to Community Corrections Operating			12,500 (62,280)	
Rehab. Operating to Community Corrections			32,729	
Delayed Implementation of Risk Assessment Unit			(114,411)	
Grants & Benefits			(1,081)	
Women's Transitional Housing			(95,000)	
	9,526,339	143,795	(548,430)	9,121,704
<b>Total</b>	<b>108,243,623</b>	<b>6,618,307</b>	<b>8,780,442</b>	<b>123,642,372</b>
 <b>Judiciary</b>				
Supreme Court	13,665,872			
General				
Payroll Reallocation			212,035	
Judicial Pensions			53,946	
Retiree Health Insurance			(1,590)	
Utilities (oil/electricity/telephone)			108,231	
Estimated Employee COLA			118,536	
Defense of Indigents	1,500,000			
Caseloads			50,000	
	15,165,872	-	541,158	15,707,030
Justice Link	1,621,705			
Purchased Services/Software		266,059	-	
	1,621,705	266,059	-	1,887,764
Superior Court	14,332,691			
Payroll Reallocation			(624,461)	
Judicial Pensions			(39,382)	
Jurors Fees			(50,000)	
Witness Fees			(51,500)	
Jurors Expenses			10,000	
Retiree Health Insurance			(1,435)	
Estimated Employee COLA			149,984	
	14,332,691	-	(606,794)	13,725,897
Family Court	9,979,021			
Payroll Reallocation			(116,436)	
Judicial Pensions			76,523	

# Changes to FY 2001 Enacted General Revenue Expenditures

	FY2001 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Supplemental Changes	FY 2001 Revised Budget
Witness Fees			(1,000)	
Retiree Health Insurance			(1,207)	
Operating			(1,683)	
Estimated Employee COLA			115,097	
	9,979,021	-	71,294	10,050,315
District Court	6,350,259			
Payroll Reallocation			(149,909)	
Retiree Health Insurance			468	
Witness Fees			(2,000)	
Estimated Employee COLA			69,425	
	6,350,259	-	(82,016)	6,268,243
Traffic Tribunal	4,692,307			
New Building Lease-Harris Avenue			86,747	
Judicial Pensions			12,026	
Payroll			212,317	
OLIS Computer Services			70,000	
Retiree Health Insurance			167	
Purchased Services			(3,953)	
Estimated Employee COLA			53,404	
	4,692,307	-	430,708	5,123,015
<b>Total</b>	<b>52,141,855</b>	<b>266,059</b>	<b>354,350</b>	<b>52,762,264</b>
<b>Military Staff</b>				
National Guard	1,638,242			
Tall Ships/ACI Call Ups			211,038	
Veterans Bonus			1,000	
Armorers' Expenses			500	
Firing Squads			10,592	
Above Ground Fuel Tank			13,115	
Security Force			(54,535)	
Personnel				
Adjustments			(7,735)	
Firefighter's Overtime			(8,835)	
Engineer-State Share			12,500	
Estimated Employee COLA			12,678	
Operating			30,641	
Utility Adjustment			31,905	
	1,638,242	-	252,864	1,891,106

---

## Changes to FY 2001 Enacted General Revenue Expenditures

---

	FY2001 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Supplemental Changes	FY 2001 Revised Budget
Emergency Management	396,735			
Tall Ships			3,802	
Personnel			(5,183)	
Estimated Employee COLA			4,505	
	396,735	-	3,124	399,859
<b>Total</b>	<b>2,034,977</b>	-	<b>255,988</b>	<b>2,290,965</b>

# Changes to FY 2001 Enacted General Revenue Expenditures

	FY2001 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Supplemental Changes	FY 2001 Revised Budget
<b>E-911 Emergency Telephone System</b>				
E-911	3,563,041			
Payroll Deficiency			84,208	
Software Maintenance Contract			46,750	
Bell Atlantic Contract Savings			(232,434)	
Estimated Employee COLA			32,282	
Shift Equip Purchase Cost to DOA-COPS			(369,815)	
Unfunded Equipment Purchase			46,373	
<b>Total</b>	<b>3,563,041</b>	-	<b>(392,636)</b>	<b>3,170,405</b>
<b>Fire Safety Code Commission</b>				
Fire Code Commission	164,108			
Estimated Employee COLA			2,035	
<b>Total</b>	<b>164,108</b>	-	<b>2,035</b>	<b>166,143</b>
<b>State Fire Marshal</b>				
State Fire Marshal	1,266,541			
Reappropriation-Training		4,680		
Reappropriation-Vehicle Replacement		18,724		
Estimated Employee COLA			13,784	
Utilities Adjustment			4,698	
<b>Total</b>	<b>1,266,541</b>	<b>23,404</b>	<b>18,482</b>	<b>1,308,427</b>
<b>Commission on Judicial Tenure and Discipline</b>				
	92,606			
Reapprop-Personnel and Operating		7,595		
Estimated Employee COLA			1,001	
<b>Total</b>	<b>92,606</b>	<b>7,595</b>	<b>1,001</b>	<b>101,202</b>
<b>Rhode Island Justice Commission</b>				
Rhode Island Justice Commission	179,638	-	-	
Estimated Employee COLA			1,605	
<b>Total</b>	<b>179,638</b>	-	<b>1,605</b>	<b>181,243</b>
<b>Municipal Police Training Academy</b>				
Municipal Police Academy	444,798			
Automated External Defibrillator Training		19,695		
Range 2000 Equipment & Staff Training		8,765		
Estimated Employee COLA			3,052	
Recruit Training			2,245	
<b>Total</b>	<b>444,798</b>	<b>28,460</b>	<b>5,297</b>	<b>478,555</b>

---

# **Changes to FY 2001 Enacted General Revenue Expenditures**

---

<b>FY2001 Enacted Appropriation</b>	<b>Reappropriation/ Appropriation Transfer</b>	<b>Supplemental Changes</b>	<b>FY 2001 Revised Budget</b>
---	--	---------------------------------	---------------------------------------

# Changes to FY 2001 Enacted General Revenue Expenditures

	FY2001 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Supplemental Changes	FY 2001 Revised Budget
<b>State Police</b>				
State Police	33,124,140			
Tower Lease Revenue			139,000	
Contractual Services			6,339	
Overtime			184,130	
Garcia Overtime			222,402	
Retirement Reductions			(132,777)	
Vehicle Purchases			29,378	
Vehicle Maintenance			(165,345)	
Utility Adjustment			21,069	
Assessed Fringe Benefits			73,661	
Union Settlement - Retro			529,320	
Union Settlement			97,678	
Estimated Employee COLA			258,303	
<b>Total</b>	<b>33,124,140</b>	-	<b>1,263,158</b>	<b>34,387,298</b>
<b>Office Of Public Defender</b>				
Public Defenders Office	5,264,386			
Reappropriation - Arbitration Award		12,500		
Reappropriation - Operating Purch.		63,256		
Personnel Costs			(95,711)	
Contract Services			30,260	
Operating Costs			65,451	
Estimated Employee COLA			67,650	
Statewide Utility Adjustment			2,667	
<b>Total</b>	<b>5,264,386</b>	<b>75,756</b>	<b>70,317</b>	<b>5,410,459</b>
<b>Sheriffs of Several Counties</b>				
Sheriffs of Several Counties	8,767,198			
Personnel reductions			(165,159)	
Operating Increases			81,975	
Estimated Employee COLA			103,891	
<b>Total</b>	<b>8,767,198</b>	-	<b>20,707</b>	<b>8,787,905</b>
<b>Sub-Total Public Safety</b>	<b>229,612,154</b>	<b>7,242,574</b>	<b>10,229,217</b>	<b>247,083,945</b>
<b><u>Natural Resources</u></b>				
<b>Environmental Management</b>				
Policy and Administration	7,473,539			
Permit Streamlining		1,885,000	(443,000)	
Net Turnover			(60,150)	
All other current services			25,341	

# Changes to FY 2001 Enacted General Revenue Expenditures

	FY2001 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Supplemental Changes	FY 2001 Revised Budget
Estimated Employee COLA			70,140	
	7,473,539	1,885,000	(407,669)	8,950,870
Natural Resources	13,399,743			
West Nile Virus- Evaluation and Response			290,000	
Seasonal facilities staffing			218,956	
Adjust beach host communities fees to actual			(23,679)	
Unachieved Turnover			76,503	
Operational expenditures- Parks, beaches and forests			283,370	
Energy Adjustment			59,853	
All other operating and contractual			(85,939)	
Estimated Employee COLA			117,466	
	13,399,743	-	936,530	14,336,273
Environmental Protection	8,716,069			
Operating			(22,106)	
Estimated Employee COLA			117,159	
	8,716,069	-	95,053	8,811,122
<b>Total</b>	<b>29,589,351</b>	<b>1,885,000</b>	<b>623,914</b>	<b>32,098,265</b>
<b>Coastal Resources Management Council</b>				
Coastal Resources Management Cnl	1,066,351			
Retroactive Reclassifications		7,700		
Palazzo Litigation Costs		1,500		
Dredging Consultant		1,163		
Payroll (inlc. retirement)			8,694	
Estimated Employee COLA			12,306	
Purchased Services			(10,000)	
	1,066,351	10,363	11,000	1,087,714
<b>State Water Resources Board</b>				
Water Resources Board	975,861			
Personnel - Turnover			(9,735)	
Purchased Services			1,936	
Personnel and Operating			7,799	
Estimated Employee COLA			8,644	
	975,861	-	8,644	984,505
<b>Sub-Total Environment</b>	<b>31,631,563</b>	<b>1,895,363</b>	<b>643,558</b>	<b>34,170,484</b>

---

## **Changes to FY 2001 Enacted General Revenue Expenditures**

---

	<b>FY2001 Enacted Appropriation</b>	<b>Reappropriation/ Appropriation Transfer</b>	<b>Supplemental Changes</b>	<b>FY 2001 Revised Budget</b>
<b>Statewide General Revenue Total</b>	<b>2,414,089,790</b>	<b>21,738,956</b>	<b>35,916,730</b>	<b>2,471,745,476</b>



# Changes to FY 2001 Enacted Transportation Expenditures

	FY2001 Enacted Appropriation	Carry Over From FY2000 Appropriations	(Decrease)/ Increase	FY2001 Revised
<b>Transportation ISTEPA Fund Changes</b>				
<b>Central Management</b>	3,073,533			
Personnel Adjustment			(219,126)	
COLA			36,631	
Purchased Services			(6,353)	
Reappropriation - Legal Settlement		125,000	-	
Operating			16,331	
	3,073,533	125,000	(172,517)	3,026,016
<b>Management &amp; Budget</b>	1,677,900			
Personnel Adjustment			121,509	
COLA			23,483	
Operating			573,486	
Capital Improvements			(550,687)	
	1,677,900	-	167,791	1,845,691
<b>Infrastructure-Maintenance</b>	35,117,987			
Personnel Adjustment			(401,128)	
COLA			174,005	
Operating			4,358	
Utilities Adjustment			1,304,798	
Gas Tax Yield Decrease - DOT			(2,593,500)	
Debt Service Increase - DOT			(478,579)	
Capital Improvements			(1,304,798)	
Adjustment - DOA Planning			9,717	
Reappropriation - Highway Projects		4,752,714		
	35,117,987	4,752,714	(3,285,127)	36,585,574
<b>Infrastructure-Engineering</b>	37,570,590			
Payroll			167,924	
COLA			35,279	
Operating			24,288	
Gas Tax Yield Decrease - RIPTA			(764,750)	
Debt Service Decrease - RIPTA			2,078	
	37,570,590	-	(535,181)	37,035,409
<b>Total Transportation</b>	<b>77,440,010</b>	<b>4,877,714</b>	<b>(3,825,034)</b>	<b>78,492,690</b>
<b>Gas tax budgeted in DOA-debt service</b>	<b>43,729,990</b>		<b>476,501</b>	<b>44,206,491</b>
<b>Gas tax budgeted in DOA-planning</b>	<b>30,000</b>		<b>(9,717)</b>	<b>20,283</b>
<b>Total Gas Tax for Transportation</b>	<b>121,200,000</b>	<b>4,877,714</b>	<b>(3,358,250)</b>	<b>122,719,464</b>

Changes are reflective of gas tax funding only. Excludes changes to anticipated revenue from land sales and usage of State Infrastructure Bank funds.

The Department's revised FY 2001 budget for Capital Improvements increases by \$30.0 million over the enacted budget due to the display of general obligation bond funds. This fund is used as a direct match to Federal Highway Funds. Previously, this fund was only displayed in the Governor's Capital Budget.

The carry over of \$4.9 million reflects funds appropriated and obligated in FY 2000 but not spent.

# Formula Aid to Cities and Towns

---

The Governor's FY 2002 budget recommends formula aid to cities and towns totaling \$165.5 million. This represents a 10.3 percent, or \$15.4 million, increase from the FY 2001 level of funding. The tables on the following pages display FY 2001 and FY 2002 recommended levels of funding for formula aid to cities and towns by community. The narrative below describes each of the programs included on the tables.

Beginning in FY 1994, one percent of total state tax revenues from the second prior fiscal year was earmarked for general state aid to cities and towns. Beginning in FY 1999, this percentage will be increased annually until reaching 4.7 percent by FY 2009. These funds are distributed based on a legislated formula encompassing per-capita income and the taxes imposed by each city or town for public purposes, excluding amounts allocated to education expenses.

Legislation creating this program enables the State of Rhode Island to reimburse cities and towns for property taxes that would have been due on certain types of real property which are exempted from taxation by state law. This includes property owned by nonprofit educational institutions, nonprofit hospitals, or any state owned hospital, veterans' residential facility, airport or correctional facility. Reimbursement is made for twenty-seven percent of all tax that would have been collected had the property been taxable, prorated by the amount appropriated for a given fiscal year.

This program provides state assistance to those Rhode Island communities with the highest property tax burdens relative to the wealth of taxpayers.

The tangible personal property of telegraph, cable and telecommunications corporations is exempted from local taxation, but is subject to taxation by the state. Funds collected from this tax are distributed to cities and towns within the state on the basis of the ratio of the city or town population to the population of the State as a whole.

This program provides financial support for local public library services, and for the construction and capital improvement of any free public library. A portion of library aid is disbursed directly to local libraries, including private libraries, while other aid is disbursed to the individual cities and towns.

Legislation enacted during the 1999 General Assembly provides for a phase-out of the local excise tax on motor vehicles and trailers. The Governor proposes to reimburse cities and towns for revenues lost as a result of providing a \$3,500 exemption on each vehicle.

## Fiscal Year 2001 State Aid to Cities and Towns

City or Town	General Revenue Sharing	Payment In Lieu of Tax Exempt Property	Distressed Community Relief Fund	Public Service Corporation Tax	State Library Aid	Motor Vehicle Excise Tax Reimbursement	FY 2001 Total State Aid
Barrington	176,164	65,589	-	216,627	204,445	1,533,994	2,196,819
Bristol	606,181	431,055	-	295,575	75,665	736,594	2,145,070
Burrillville	454,979	70,682	-	221,835	60,946	1,326,015	2,134,457
Central Falls	853,659	18,708	161,786	241,066	63,470	695,927	2,034,616
Charlestown	199,870	-	-	88,543	39,288	264,977	592,678
Coventry	627,743	-	-	424,848	131,074	1,455,632	2,639,297
Cranston	2,302,804	2,412,465	-	1,039,602	414,917	6,424,968	12,594,756
Cumberland	594,906	1,624	-	396,897	147,213	1,350,040	2,490,680
East Greenwich	109,330	2,414	-	162,173	65,961	644,812	984,690
East Providence	1,532,607	58,921	-	688,603	346,721	2,989,628	5,616,480
Exeter	111,384	-	-	74,642	7,949	426,661	620,636
Foster	148,512	254	-	58,992	37,500	392,516	637,774
Glocester	249,598	-	-	126,116	57,839	566,386	999,939
Hopkinton	229,764	-	-	93,941	40,759	379,815	744,279
Jamestown	118,315	4	-	68,327	43,226	218,467	448,339
Johnston	1,182,485	-	-	362,781	96,043	2,497,674	4,138,983
Lincoln	478,822	-	-	246,642	115,307	1,479,581	2,320,352
Little Compton	56,209	-	-	45,638	22,962	142,967	267,776
Middletown	512,309	-	-	265,983	99,575	573,072	1,450,939
Narragansett	451,779	-	-	204,818	76,630	743,779	1,477,006
Newport	1,061,386	526,943	-	385,812	199,829	1,021,108	3,195,078
New Shoreham	40,464	-	-	11,427	39,863	30,841	122,595
North Kingstown	493,802	5,468	-	325,112	180,866	1,423,916	2,429,164
North Providence	1,182,759	124,644	-	438,612	145,257	2,611,805	4,503,077
North Smithfield	319,388	49,652	-	143,475	48,674	1,030,884	1,592,073
Pawtucket	2,633,815	475,323	1,139,782	992,912	289,425	5,466,495	10,997,752
Portsmouth	345,261	-	-	230,405	83,479	831,462	1,490,607
Providence	7,779,494	11,845,126	3,623,229	2,196,861	649,496	12,731,575	38,825,781
Richmond	111,711	417	-	73,138	24,792	390,876	600,934
Scituate	227,591	-	-	133,894	64,244	792,263	1,217,992
Smithfield	835,823	438,858	-	261,923	146,092	1,759,685	3,442,381
South Kingstown	626,143	124,154	-	336,661	117,948	1,037,224	2,242,130
Tiverton	331,187	-	-	195,619	58,697	646,419	1,231,922
Warren	280,052	-	-	155,612	43,788	579,505	1,058,957
Warwick	2,928,527	676,711	-	1,167,632	427,740	7,358,730	12,559,340
Westerly	331,264	131,997	-	295,301	83,061	1,495,313	2,336,936
West Greenwich	94,075	-	-	47,729	21,264	255,106	418,174
West Warwick	863,562	-	606,821	400,041	138,456	1,634,220	3,643,100
Woonsocket	2,012,328	153,794	630,882	599,719	175,177	2,758,344	6,330,244
<b>Subtotal</b>	<b>33,496,050</b>	<b>17,614,803</b>	<b>6,162,500</b>	<b>13,715,535</b>	<b>5,085,640</b>	<b>68,699,276</b>	<b>144,773,802</b>
Statewide Reference Library Resource Grant (Providence)							880,111
Library Construction Reimbursement							2,050,000
Motor Vehicle Excise Tax Reimbursement - Fire Districts							1,400,000
<b>Total</b>							<b>149,103,913</b>

<sup>1</sup> Totals may not add due to rounding; formula data for some communities remains incomplete, thus distribution is subject to change.

<sup>2</sup> Motor Vehicle Excise Tax amounts are subject to change pending receipt of tax roll information, CPI data and prior year adjustments.

<sup>3</sup> Some library aid is paid directly to libraries within a community and not to the city or town.

<sup>4</sup> Public Service Corporation Tax is a pass-thru of funds and is not appropriated as general revenues.

## Fiscal Year 2002 State Aid to Cities and Towns

City or Town	General Revenue Sharing	Payment In Lieu of Tax Exempt Property	Distressed Community Relief Fund	Public Service Corporation Tax	State Library Aid	Motor Vehicle Excise Tax Reimbursement	FY 2002 Total State Aid
Barrington	229,302	63,879	-	216,627	237,475	1,650,784	2,398,067
Bristol	763,108	423,524	-	295,575	75,665	783,984	2,341,856
Burrillville	624,050	71,186	-	221,835	60,946	1,400,678	2,378,695
Central Falls	1,111,708	18,156	157,482	241,066	63,470	727,940	2,319,822
Charlestown	288,511	-	-	88,543	39,288	281,834	698,176
Coventry	838,754	-	-	424,848	131,074	1,543,942	2,938,618
Cranston	2,662,518	2,341,321	-	1,039,602	443,433	6,850,628	13,337,502
Cumberland	747,029	1,731	-	396,897	165,237	1,438,536	2,749,430
East Greenwich	135,521	2,526	-	162,173	70,894	698,975	1,070,089
East Providence	1,946,920	55,943	-	688,603	385,914	3,563,564	6,640,944
Exeter	109,609	-	-	74,642	8,495	453,745	646,491
Foster	177,323	238	-	58,992	37,500	416,839	690,892
Glocester	379,735	-	-	126,116	57,839	601,498	1,165,188
Hopkinton	296,776	-	-	93,941	40,759	402,987	834,463
Jamestown	156,004	4	-	68,327	49,972	234,434	508,741
Johnston	1,673,015	-	-	362,781	96,043	2,688,839	4,820,678
Lincoln	753,490	-	-	246,642	123,404	1,581,035	2,704,571
Little Compton	78,559	-	-	45,638	22,962	152,812	299,971
Middletown	662,761	-	-	265,983	106,997	610,217	1,645,958
Narragansett	632,284	-	-	204,818	79,475	796,409	1,712,986
Newport	1,409,787	516,877	-	385,812	225,716	1,088,684	3,626,876
New Shoreham	52,695	-	-	11,427	44,317	32,505	140,944
North Kingstown	721,682	4,334	-	325,112	198,407	1,521,153	2,770,688
North Providence	1,648,772	120,968	-	438,612	146,798	2,779,960	5,135,110
North Smithfield	435,143	57,527	-	143,475	48,674	1,097,619	1,782,438
Pawtucket	3,534,226	263,308	1,133,311	992,912	289,425	5,764,449	11,977,631
Portsmouth	435,241	-	-	230,405	85,219	872,967	1,623,832
Providence	10,131,124	12,073,385	3,675,582	2,196,861	666,407	13,454,017	42,197,376
Richmond	135,225	414	-	73,138	24,792	411,048	644,617
Scituate	300,389	-	-	133,894	64,244	842,396	1,340,923
Smithfield	985,602	442,648	-	261,923	162,396	1,880,389	3,732,958
South Kingstown	840,519	124,265	-	336,661	125,838	1,105,037	2,532,320
Tiverton	432,796	-	-	195,619	58,697	686,300	1,373,412
Warren	372,576	-	-	155,612	43,788	615,520	1,187,496
Warwick	3,647,051	742,458	-	1,167,632	495,872	7,832,815	13,885,828
Westerly	427,731	123,366	-	295,301	83,061	1,588,875	2,518,334
West Greenwich	126,461	-	-	47,729	21,264	271,798	467,252
West Warwick	1,166,742	-	610,103	400,041	147,234	1,733,648	4,057,768
Woonsocket	2,550,690	168,131	586,023	599,719	175,177	2,908,142	6,987,882
<b>Subtotal</b>	<b>43,621,430</b>	<b>17,616,190</b>	<b>6,162,500</b>	<b>13,715,535</b>	<b>5,404,167</b>	<b>73,367,000</b>	<b>159,886,823</b>
Statewide Reference Library Resource Grant (Providence)							880,111
Library Construction Reimbursement							2,280,669
Motor Vehicle Excise Tax Reimbursement - Fire Districts							1,400,000
<b>Total</b>							<b>164,447,603</b>

<sup>1</sup> Totals may not add due to rounding; formula data for some communities remains incomplete, thus distribution is subject to change.

<sup>2</sup> Motor Vehicle Excise Tax amounts are subject to change pending receipt of tax roll information, CPI data and prior year adjustments.

<sup>3</sup> Some library aid is paid directly to libraries within a community and not to the city or town.

<sup>4</sup> Public Service Corporation Tax is a pass-thru of funds and is not appropriated as general revenues.

## Changes in Formula Aid - FY 2002 vs. FY 2001

City or Town	General Revenue Sharing	Payment In Lieu of Tax Exempt Property	Distressed Community Relief Fund	Public Service Corporation Tax	State Library Aid	Motor Vehicle Excise Tax Reimbursement	Total Difference
Barrington	53,138	(1,710)	-	-	33,030	116,790	201,248
Bristol	156,927	(7,531)	-	-	-	47,390	196,786
Burrillville	169,071	504	-	-	-	74,663	244,238
Central Falls	258,049	(552)	(4,304)	-	-	32,013	285,206
Charlestown	88,641	-	-	-	-	16,857	105,498
Coventry	211,011	-	-	-	-	88,310	299,321
Cranston	359,714	(71,144)	-	-	28,516	425,660	742,746
Cumberland	152,123	107	-	-	18,024	88,496	258,750
East Greenwich	26,191	112	-	-	4,933	54,163	85,399
East Providence	414,313	(2,978)	-	-	39,193	573,936	1,024,464
Exeter	(1,775)	-	-	-	546	27,084	25,855
Foster	28,811	(16)	-	-	-	24,323	53,118
Glocester	130,137	-	-	-	-	35,112	165,249
Hopkinton	67,012	-	-	-	-	23,172	90,184
Jamestown	37,689	-	-	-	6,746	15,967	60,402
Johnston	490,530	-	-	-	-	191,165	681,695
Lincoln	274,668	-	-	-	8,097	101,454	384,219
Little Compton	22,350	-	-	-	-	9,845	32,195
Middletown	150,452	-	-	-	7,422	37,145	195,019
Narragansett	180,505	-	-	-	2,845	52,630	235,980
Newport	348,401	(10,066)	-	-	25,887	67,576	431,798
New Shoreham	12,231	-	-	-	4,454	1,664	18,349
North Kingstown	227,880	(1,134)	-	-	17,541	97,237	341,524
North Providence	466,013	(3,676)	-	-	1,541	168,155	632,033
North Smithfield	115,755	7,875	-	-	-	66,735	190,365
Pawtucket	900,411	(212,015)	(6,471)	-	-	297,954	979,879
Portsmouth	89,980	-	-	-	1,740	41,505	133,225
Providence	2,351,630	228,259	52,353	-	16,911	722,442	3,371,595
Richmond	23,514	(3)	-	-	-	20,172	43,683
Scituate	72,798	-	-	-	-	50,133	122,931
Smithfield	149,779	3,790	-	-	16,304	120,704	290,577
South Kingstown	214,376	111	-	-	7,890	67,813	290,190
Tiverton	101,609	-	-	-	-	39,881	141,490
Warren	92,524	-	-	-	-	36,015	128,539
Warwick	718,524	65,747	-	-	68,132	474,085	1,326,488
Westerly	96,467	(8,631)	-	-	-	93,562	181,398
West Greenwich	32,386	-	-	-	-	16,692	49,078
West Warwick	303,180	-	3,282	-	8,778	99,428	414,668
Woonsocket	538,362	14,337	(44,859)	-	-	149,798	657,638
<b>Total</b>	<b>10,125,380</b>	<b>1,387</b>	<b>-</b>	<b>-</b>	<b>318,527</b>	<b>4,667,724</b>	<b>15,113,021</b>
Statewide Reference Library Resource Grant (Providence)							-
Library Construction Reimbursement							230,669
Motor Vehicle Excise Tax Reimbursement - Fire Districts							-
<b>Total</b>							<b>15,343,690</b>

---

## Education Aid to Local Units of Government

---

Education Aid to Local Governments totals \$670.7 million in FY 2002, a \$33.6 million increase in state support relative to the FY 2001 revised budget. The Governor's FY 2002 Education Aid distribution guarantees each school district a minimum education aid increase of 2.5 percent. The FY 2002 distribution employs the most recent school data for all communities, from which their share of the total is derived.

Distributions of \$26.3 million in increased education aid will use a new methodology recommended by the Governor's Taskforce on Education Financing. It is distributed in three categories of education aid:

- Student Equity/Need, \$10.5 million to address excess education costs associated with student need;
- Tax Equity, \$10.5 million to high tax effort, low capacity districts to ensure a more equitable education for all Rhode Island students;
- Per Pupil Distribution, \$5.3 million to provide a threshold level of support for all communities;

Additional education aid is recommended in existing categories for:

- Central Falls, \$1.6 million;
- General Operations Aid, \$0.3 million; and,
- Charter School, \$1.0 million.

Full-Day Kindergarten increases over FY 2001 by \$713,000, but, for the first time, the full allocation of \$3.1 million is distributed to eligible local school districts separate from education aid distributions. These funds are not included in calculating each school district's minimum education aid increase.

Additional funds of \$250,000 are included in the Governor's budget for mentoring grants to local districts.

Beginning in FY 2001, and continuing in FY 2002, claiming of the federal reimbursements for special education programs has been expanded significantly by increasing the types of eligible services, student eligibility criteria, and by establishing reimbursement, for the first time, for administrative costs associated with operating special education programs.

Finally, \$1.0 million is required for Teacher Retirement obligations.

The following table displays the FY 2001 and FY 2002 education aid budgets. Definitions for the columns in the Education Aid table are noted below.

FY 2001 Total Education Aid: FY 2000 Education Aid includes the following categories: State Operations Aid, Literacy Set Aside, and the Student Investment Funds named: Student Technology, Core Instructional Equity, Student Equity, Early Childhood, Student Language Assistance, Targeted Aid, Professional Development, On-Site Visits, Charter Schools, Full Day Kindergarten, and Progressive Support and Intervention, Vocational Equity, Textbook Expansion, and Hasbro Children's Hospital.

For both years, allocations for Capital Construction Aid, state contributions to the Teacher Retirement

---

## **Education Aid to Local Units of Government**

---

Fund, funds for the Hasbro Children's Hospital, funds for Textbook Expansion, and funds for On-Site Visits are included as lump sums and are not displayed by community.

FY 2002 Total Education Aid: FY 2002 Education Aid includes all of the categories noted above for FY 2001, plus new initiatives for Per Pupil Distribution, Tax Equity, and Mentoring.

# Education Aid to Local Units of Government

Local Education Authorities	FY 2001	FY 2002	Difference
Barrington	2,168,873	2,294,840	125,967
Burrillville	11,593,651	11,995,096	401,445
Central Falls	31,496,700	33,071,624	1,574,924
Charlestown	1,705,909	1,776,443	70,534
Coventry	17,491,176	17,923,895	432,719
Cranston	29,062,257	30,502,393	1,440,136
Cumberland	11,417,319	11,739,032	321,713
East Greenwich	1,533,092	1,642,030	108,938
East Providence	22,271,132	23,252,949	981,817
Foster	1,215,376	1,245,420	30,044
Glocester	2,774,666	2,843,352	68,686
Hopkinton	5,468,492	5,604,021	135,529
Jamestown	415,535	453,231	37,696
Johnston	8,963,511	9,528,295	564,784
Lincoln	6,443,726	6,658,622	214,896
Little Compton	288,426	312,417	23,991
Middletown	8,770,837	9,103,868	333,031
Narragansett	1,505,383	1,616,920	111,537
Newport	9,569,026	10,050,419	481,393
New Shoreham	67,076	79,523	12,447
North Kingstown	10,478,908	10,758,526	279,618
North Providence	11,064,498	11,752,289	687,791
North Smithfield	4,068,328	4,218,522	150,194
Pawtucket	52,978,940	56,354,542	3,375,602
Portsmouth	5,348,784	5,485,207	136,423
Providence	151,980,243	165,141,552	13,161,309
Richmond	5,400,935	5,534,864	133,929
Scituate	2,957,624	3,057,760	100,136
Smithfield	4,759,338	4,891,918	132,580
South Kingstown	8,892,982	9,145,158	252,176
Tiverton	5,144,427	5,286,305	141,878
Warwick	32,347,660	33,256,791	909,131
Westerly	5,691,315	5,994,381	303,066
West Warwick	16,432,161	17,381,553	949,392
Woonsocket	38,728,073	41,162,764	2,434,691
Bristol/Warren	17,764,213	18,211,653	447,440
Exeter/W Greenwich	6,369,693	6,527,323	157,630
Chariho District	327,760	335,954	8,194
Foster/Glocester	4,998,829	5,122,660	123,831
<b>Subtotal</b>	<b>\$559,956,874</b>	<b>\$591,314,112</b>	<b>\$31,357,238</b>
Teacher Retirement	36,197,184	37,243,558	1,046,374
Capital Construction	30,775,774	30,775,774	
On-Site Visits	658,635	658,635	
Prog Support & Intervention	4,727,587	4,727,589	2
Professional Development	555,000	555,000	
Textbook Expansion	320,000	320,000	
Hasbro Children's Hospital	100,000	100,000	
Direct Aid-Charter Schools	3,781,547	4,742,278	960,731
Mentoring		250,000	250,000
<b>Subtotal</b>	<b>77,115,727</b>	<b>79,372,834</b>	<b>2,257,107</b>
<b>Total</b>	<b>\$637,072,601</b>	<b>\$670,686,946</b>	<b>\$33,614,345</b>

Please note that FY 2001 has been restated for more accurate comparison purposes. Direct Charter School Aid to Central Falls (\$14,355), Cranston (\$14,758), East Providence (\$3,465), Johnston (\$6,163), Providence (\$3,729,451), and Warwick (\$13,354) are reflected in the statewide total as Direct Aid-Charter Schools.



# Summary of Proposed Bond Issuance by Agency

<u>Agency</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>Totals</u>
Administration	-	-	5,000,000	5,000,000	5,000,000	15,000,000
Economic Development Corporation	445,000	9,685,000	7,500,000	-	10,000,000	27,630,000
<b>Subtotal: General Government</b>	445,000	9,685,000	12,500,000	5,000,000	15,000,000	42,630,000
Children, Youth and Families	-	-	-	-	-	-
Health	-	-	-	-	-	-
Human Services	-	-	-	-	-	-
Mental Health, Retardation & Hospitals	5,548,000	5,200,000	4,385,960	2,000,000	1,607,500	18,741,460
Governor's Commission on Disabilities	-	-	-	-	-	-
<b>Subtotal: Human Services</b>	5,548,000	5,200,000	4,385,960	2,000,000	1,607,500	18,741,460
Elementary & Secondary Education	3,000,000	5,115,000	-	-	-	8,115,000
Higher Education	13,880,689	30,486,179	15,506,618	-	-	59,873,486
Atomic Energy Commission	-	-	-	-	-	-
Historical Preservation & Heritage Comm.	-	-	-	-	-	-
Public Telecommunications Authority	-	-	-	-	-	-
<b>Subtotal: Education</b>	16,880,689	35,601,179	15,506,618	-	-	67,988,486
Corrections	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Military Staff	-	-	-	-	-	-
State Police	-	-	-	-	-	-
<b>Subtotal: Public Safety</b>	-	-	-	-	-	-
Environmental Management	15,274,600	14,437,936	12,595,000	9,100,000	4,004,003	55,411,539
Coastal Resources Management Council	-	-	-	-	-	-
Clean Water Finance Agency	61,200,000	4,900,000	4,900,000	2,960,000	-	73,960,000
Narragansett Bay Commission	9,110,000	-	-	-	-	9,110,000
Water Resources Board	422,000	2,281,000	1,720,000	411,000	36,000	4,870,000
<b>Subtotal: Natural Resources</b>	86,006,600	21,618,936	19,215,000	12,471,000	4,040,003	143,351,539
Transportation	30,000,000	32,447,240	34,263,650	33,621,250	30,000,000	160,332,140
Airport Corporation	-	310,000	-	-	-	310,000
RI Public Transit Authority	2,486,000	840,000	1,562,000	1,254,000	260,000	6,402,000
<b>Subtotal: Transportation</b>	32,486,000	33,597,240	35,825,650	34,875,250	30,260,000	167,044,140
<b>Totals</b>	<b>141,366,289</b>	<b>105,702,355</b>	<b>87,433,228</b>	<b>54,346,250</b>	<b>50,907,503</b>	<b>439,755,625</b>

# Statewide Summary by Source of Funds

	<u>Pre-FY 2001</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>
<b><u>By Source of Funds</u></b>				
General Obligation - Issued Proceeds	457,159,380	143,761,698	42,702,924	1,441,980
General Obligation - Unissued Proceeds	-	-	141,366,289	105,702,355
General Obligation - New Referenda	-	-	-	-
Certificates of Participation	-	6,875,000	18,000,000	75,141,430
Rhode Island Capital Plan Fund	30,021,573	54,919,581	52,884,896	53,379,852
Federal Funds	1,566,773	4,052,534	11,472,172	34,303,155
Federal Highway Administration (TEA21)	217,684,110	180,300,000	180,300,000	180,300,000
Federal Transit Administration	30,381,180	20,277,000	26,392,000	40,772,000
Federal - Environmental Protection Agency	95,085,176	32,250,000	23,126,558	16,136,250
Federal Aviation Administration	14,913,024	11,187,374	6,780,334	11,828,297
Federal Railroad Administration	11,830,065	16,152,035	10,169,000	7,653,100
Federal - Department of Agriculture	7,693,091	2,455,800	586,774	-
Federal - Economic Development Administration	-	2,500,000	4,250,000	-
Federal Emergency Management Agency	-	13,115	45,000	-
National Guard Bureau - Federal	-	300,000	1,170,000	450,000
Airport Corporation Capital Funds	2,710,725	1,093,735	2,880,708	5,027,732
Airport Corporation General Revenues	500,000	500,000	500,000	-
Foundation Funding	-	212,000	-	-
Gas Tax	27,275,781	14,956,284	14,318,544	14,709,100
General Revenue	3,891,909	4,338,885	1,150,000	1,950,000
Insurance Proceeds	387,549	540,605	-	-
Interest Earnings on Bond Funds	1,103,647	497,000	142,000	(80,000)
Internal Service Funds	-	120,000	100,000	84,000
Lease Financing	-	-	2,700,000	2,700,000
Loan Repayments	494,000	133,104	168,111	168,118
Local Funds	107,264	18,000	-	-
Oil Overcharge Funds	177,787	11,799	-	-
Other Funds	4,940,639	8,800,000	8,800,000	10,072,000
Passenger Facility Charge	-	1,638,889	3,338,958	2,783,416
Private Funding	3,551,258	3,625,843	10,663,617	3,463,000
Restricted Receipt Funds	525,595	1,946,444	792,095	160,000
Revenue Bonds	139,347,707	62,459,000	131,975,000	138,305,000
Revolved Capitalization Grants	2,237,258	1,000,000	11,148,442	22,625,000
RIHEBC Bonds	9,242,864	39,283,415	2,395,552	4,851,051
RIPTA Operating Funds	3,862,276	1,143,200	1,300,000	1,700,000
RIPTA Revolving Loan Fund	-	1,716,800	-	-
State Infrastructure Bank	-	500,000	1,000,000	-
Third Party Financing	37,293	361,400	9,130,581	12,922,159
Transportation Soft Match	831,535	1,610,000	-	-
Turnpike and Bridge Authority	10,000,000	-	-	-
University/College Funds	509,974	115,667	850,571	266,985
<b>Totals</b>	<b>1,078,069,433</b>	<b>621,666,207</b>	<b>722,600,126</b>	<b>748,815,980</b>

# Statewide Summary by Source of Funds

	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>Post-FY 2006</u>	<u>Totals</u>
<b><u>By Source of Funds</u></b>					
General Obligation - Issued Proceeds	-	-	-	-	645,065,982
General Obligation - Unissued Proceeds	47,844,338	14,471,000	5,647,503	3,326,909	318,358,394
General Obligation - New Referenda	39,588,890	39,875,250	45,260,000	20,000,000	144,724,140
Certificates of Participation	87,326,677	30,554,585	20,855,909	31,602,981	270,356,582
Rhode Island Capital Plan Fund	46,127,790	43,631,201	35,794,328	7,571,818	324,331,039
Federal Funds	21,455,941	6,244,277	2,700,000	-	81,794,852
Federal Highway Administration (TEA21)	180,300,000	180,300,000	180,300,000	-	1,299,484,110
Federal Transit Administration	35,467,546	17,968,000	13,713,600	3,600,000	188,571,326
Federal - Environmental Protection Agency	10,130,000	12,530,000	12,530,000	180,000	201,967,984
Federal Aviation Administration	15,530,000	2,600,000	-	-	62,839,029
Federal Railroad Administration	9,500,000	-	-	-	55,304,200
Federal - Department of Agriculture	-	-	-	-	10,735,665
Federal - Economic Development Administrati	-	-	3,100,000	-	9,850,000
Federal Emergency Management Agency	625,000	-	-	-	683,115
National Guard Bureau - Federal	200,000	-	-	-	2,120,000
Airport Corporation Capital Funds	3,216,639	-	-	-	14,929,539
Airport Corporation General Revenues	-	-	-	-	1,500,000
Foundation Funding	-	-	-	-	212,000
Gas Tax	15,111,373	15,525,715	15,952,486	-	117,849,283
General Revenue	1,600,000	1,100,000	1,600,000	-	15,630,794
Insurance Proceeds	-	-	-	-	928,154
Interest Earnings on Bond Funds	(16,000)	33,000	59,000	-	1,738,647
Internal Service Funds	40,000	40,000	-	-	384,000
Lease Financing	2,700,000	2,700,000	-	-	10,800,000
Loan Repayments	168,125	168,133	168,141	547,224	2,014,956
Local Funds	-	-	-	-	125,264
Oil Overcharge Funds	-	-	-	-	189,586
Other Funds	8,750,000	8,620,500	8,000,000	-	57,983,139
Passenger Facility Charge	2,844,472	-	-	-	10,605,735
Private Funding	2,864,000	1,373,000	940,400	-	26,481,118
Restricted Receipt Funds	835,000	200,000	-	-	4,459,134
Revenue Bonds	75,014,792	41,675,000	29,025,000	12,000,000	629,801,499
Revolved Capitalization Grants	23,753,945	14,520,270	13,686,250	6,400,000	95,371,165
RIHEBC Bonds	-	-	-	-	55,772,882
RIPTA Operating Funds	1,600,000	1,920,000	1,830,000	-	13,355,476
RIPTA Revolving Loan Fund	-	-	-	-	1,716,800
State Infrastrucutre Bank	-	-	-	-	1,500,000
Third Party Financing	3,541,660	600,000	600,000	600,000	27,793,093
Transportation Soft Match	-	-	-	-	2,441,535
Turnpike and Bridge Authority	-	-	-	-	10,000,000
University/College Funds	103,998	106,442	224,698	1,820,816	3,999,151
<b>Totals</b>	<b>636,224,186</b>	<b>436,756,373</b>	<b>391,987,315</b>	<b>87,649,748</b>	<b>4,723,769,368</b>

# Statewide Summary by Agency

	<u>Pre-FY 2001</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>
<b>By Agency</b>				
Administration	25,308,476	12,220,562	22,036,763	17,704,336
Legislature	-	4,000,000	-	4,000,000
Economic Development Corporation	35,513,797	42,898,103	30,495,000	18,138,100
<b>Subtotal: General Government</b>	<b>60,822,273</b>	<b>59,118,665</b>	<b>52,531,763</b>	<b>39,842,436</b>
Children, Youth & Families	210,395	525,601	399,660	23,852,500
Human Services	1,021,743	3,049,518	783,000	710,000
Mental Health, Retardation & Hospitals	34,199,681	15,562,290	25,826,094	12,918,000
Governor's Commission on Disabilities	624,621	203,410	107,000	100,000
<b>Subtotal: Human Services</b>	<b>36,056,440</b>	<b>19,340,819</b>	<b>27,115,754</b>	<b>37,580,500</b>
Elementary & Secondary Education	7,148,216	9,642,409	10,950,000	5,225,000
Higher Education	64,006,423	101,525,540	54,831,178	57,842,060
Atomic Energy Commission	170,000	703,600	671,400	-
Historical Preservation & Heritage Commission	566,479	173,596	-	-
Public Telecommunications Authority	-	1,286,568	882,799	2,858,432
<b>Subtotal: Education</b>	<b>71,891,118</b>	<b>113,331,713</b>	<b>67,335,377</b>	<b>65,925,492</b>
Corrections	2,639,296	8,110,810	5,816,786	25,039,076
Judicial	724,462	2,019,774	4,276,106	34,805,000
Military Staff	40,000	908,011	2,057,610	1,357,610
State Police	557,525	229,565	495,910	500,000
<b>Subtotal: Public Safety</b>	<b>3,961,283</b>	<b>11,268,160</b>	<b>12,646,412</b>	<b>61,701,686</b>
Environmental Management	173,362,782	33,687,806	29,738,646	25,342,936
Coastal Resources Management Council	370,359	862,670	414,280	24,263,797
Clean Water Finance Agency	250,213,887	77,167,124	162,493,111	113,004,368
Narragansett Bay Commission	37,452,000	10,496,000	9,110,000	-
Water Resources Board	19,590,259	2,954,931	8,044,739	12,102,980
<b>Subtotal: Natural Resources</b>	<b>480,989,287</b>	<b>125,168,531</b>	<b>209,800,776</b>	<b>174,714,081</b>
Transportation	358,775,370	236,348,669	249,192,544	267,242,340
Airport Corporation	27,212,999	31,539,998	77,875,000	81,629,445
RI Public Transit Authority	38,360,663	25,549,652	26,102,500	20,180,000
<b>Subtotal: Transportation</b>	<b>424,349,032</b>	<b>293,438,319</b>	<b>353,170,044</b>	<b>369,051,785</b>
<b>Totals</b>	<b>1,078,069,433</b>	<b>621,666,207</b>	<b>722,600,126</b>	<b>748,815,980</b>

# Statewide Summary by Agency

	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>Post-FY 2006</u>	<u>Totals</u>
<b>By Agency</b>					
Administration	13,178,242	14,447,270	9,845,000	10,000,000	124,740,649
Legislature	7,000,000	-	-	-	15,000,000
Economic Development Corporation	17,750,000	-	13,100,000	10,000,000	167,895,000
<b>Subtotal: General Government</b>	<b>37,928,242</b>	<b>14,447,270</b>	<b>22,945,000</b>	<b>20,000,000</b>	<b>307,635,649</b>
Children, Youth & Families	14,979,500	620,500	-	-	40,588,156
Human Services	1,175,000	340,000	140,000	-	7,219,261
Mental Health, Retardation & Hospitals	7,378,500	7,278,500	6,500,000	1,856,040	111,519,105
Governor's Commission on Disabilities	100,000	100,000	100,000	-	1,335,031
<b>Subtotal: Human Services</b>	<b>23,633,000</b>	<b>8,339,000</b>	<b>6,740,000</b>	<b>1,856,040</b>	<b>160,661,553</b>
Elementary & Secondary Education	100,000	100,000	100,000	80,000	33,345,625
Higher Education	32,329,602	14,890,606	15,500,749	3,963,634	344,889,792
Atomic Energy Commission	-	-	-	-	1,545,000
Historical Preservation & Heritage Commission	-	-	-	-	740,075
Public Telecommunications Authority	-	-	-	-	5,027,799
<b>Subtotal: Education</b>	<b>32,429,602</b>	<b>14,990,606</b>	<b>15,600,749</b>	<b>4,043,634</b>	<b>385,548,291</b>
Corrections	36,074,649	39,409,332	26,381,909	36,951,981	180,423,839
Judicial	44,000,000	390,000	410,777	-	86,626,119
Military Staff	2,250,000	1,325,000	700,000	-	8,638,231
State Police	412,500	490,000	-	-	2,685,500
<b>Subtotal: Public Safety</b>	<b>82,737,149</b>	<b>41,614,332</b>	<b>27,492,686</b>	<b>36,951,981</b>	<b>278,373,689</b>
Environmental Management	21,828,854	17,250,000	12,054,003	1,470,869	314,735,896
Coastal Resources Management Council	16,063,797	2,663,797	-	-	44,638,700
Clean Water Finance Agency	94,096,862	59,253,403	55,459,391	19,127,224	830,815,370
Narragansett Bay Commission	-	-	-	-	57,058,000
Water Resources Board	14,800,000	7,891,000	751,000	-	66,134,909
<b>Subtotal: Natural Resources</b>	<b>146,789,513</b>	<b>87,058,200</b>	<b>68,264,394</b>	<b>20,598,093</b>	<b>1,313,382,875</b>
Transportation	261,940,569	245,346,965	239,052,486	4,200,000	1,862,098,943
Airport Corporation	29,511,111	8,250,000	-	-	256,018,553
RI Public Transit Authority	21,255,000	16,710,000	11,892,000	-	160,049,815
<b>Subtotal: Transportation</b>	<b>312,706,680</b>	<b>270,306,965</b>	<b>250,944,486</b>	<b>4,200,000</b>	<b>2,278,167,311</b>
<b>Totals</b>	<b>636,224,186</b>	<b>436,756,373</b>	<b>391,987,315</b>	<b>87,649,748</b>	<b>4,723,769,368</b>

---

# Proposed New Bond Referenda

---

Ballot Item	Amount
<b>November 2000</b>	
<b>Question 1</b>	
Affordable Housing Initiative	\$25,000,000
<b>Total Referendum</b>	<b>\$25,000,000</b>
<b>Question 2</b>	
Transportation - Highways, Roads and Bridges	\$60,000,000
Facilities/Equipment Replacement	\$6,864,000
RIPTA Bus Purchases	\$2,860,140
<b>Total Referendum</b>	<b>\$69,724,140</b>
<b>Total November 2002 Referenda</b>	<b>\$94,724,140</b>
<b>November 2004</b>	
<b>Question 1</b>	
Quonset Point/Davisville Industrial Park	\$20,000,000
<b>Total Referendum</b>	<b>\$20,000,000</b>
<b>Question 2</b>	
Transportation - Highways, Roads and Bridges	\$60,000,000
<b>Total Referendum</b>	<b>\$60,000,000</b>
<b>Total November 2004 Referenda</b>	<b>\$80,000,000</b>