

State of Rhode Island and Providence Plantations

Executive Summary



Fiscal Year 2009

Donald L. Carcieri, Governor

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Overview

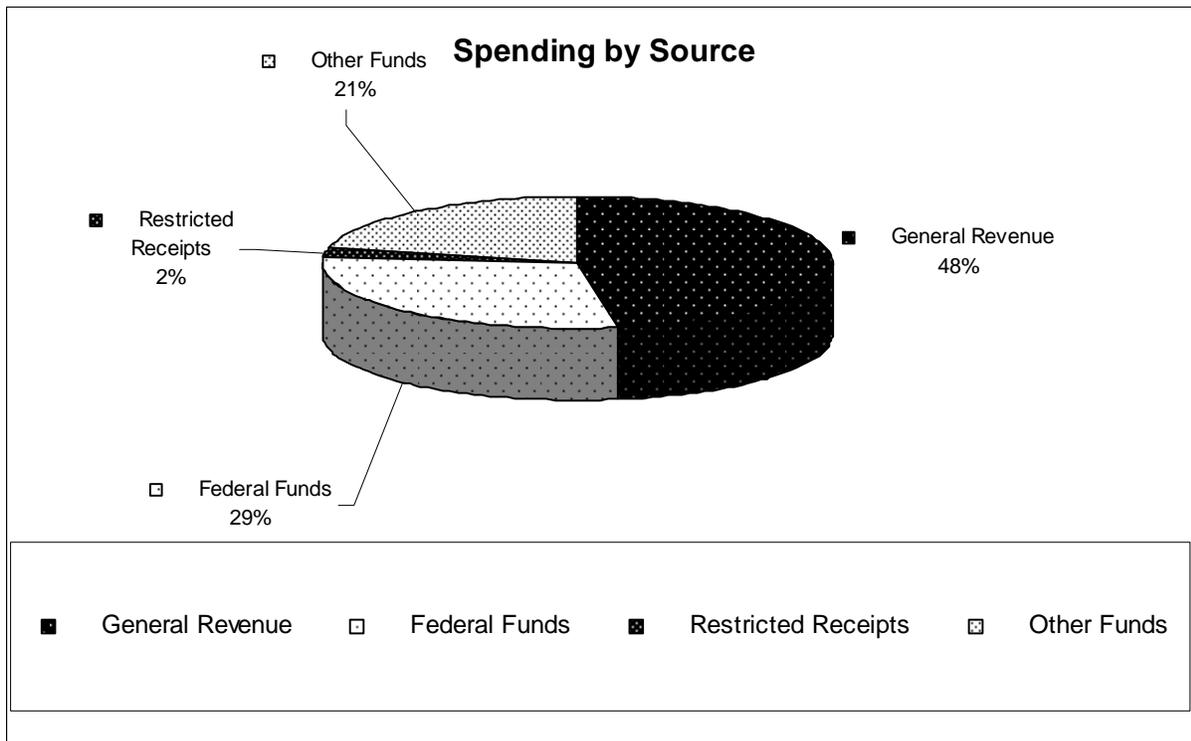
Rhode Island Governments are at a Crossroad

State and local governments are at a crossroad. The path that is chosen will impact state and local governments' ability to provide necessary services to Rhode Islanders at a cost that is affordable in the future. The Governor's budget recommendations for FY 2009 present a path leading the State to a position of fiscal balance. In order to achieve structural balance, we must constrain our expenditure growth to a rate less than the rate of growth for our revenues. To do this, we must make major changes in the way the State

provides services to its citizens and how they are financed. The FY 2009 budget reflects changes in the three largest categories of expenditures: personnel, assistance grants and benefits, and local aid. Savings in personnel, which commenced during FY 2008, will continue in the FY 2009 budget. State government will operate with fewer state employees and contract employees. The State's retiree health benefits will be funded for the first time on an actuarially sound basis, providing for a transparent view of the cost of the promises made to current and future retirees. Major changes to the ways in which Medicaid services are procured and delivered are recommended. The Family Independence Program will be restructured to promote work participation and family units. With respect to local government spending, the Governor recommends legislation which will help local governments take control of their spending and be more accountable to their property taxpayers.

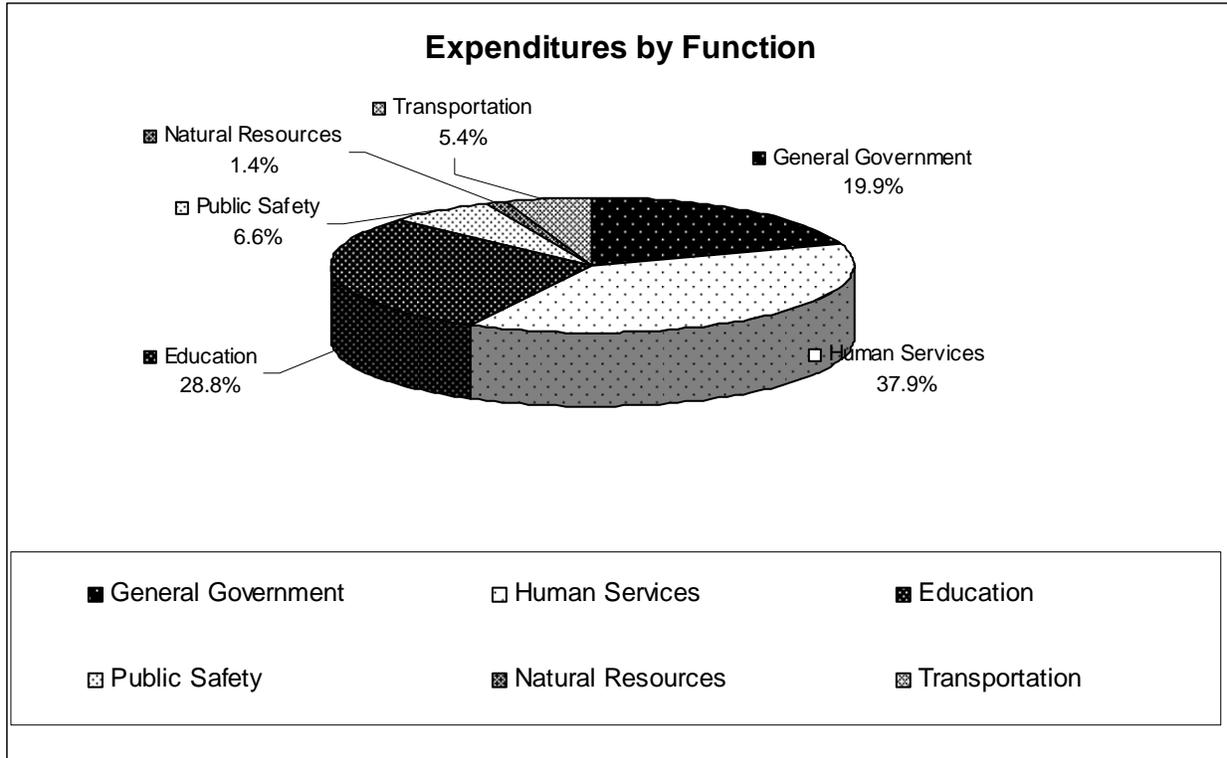
General revenue funded expenditures in FY 2009 total \$3.272 billion. This is \$130.9 million less than the FY 2008 enacted budget, a 3.8% reduction. All funds expenditures for FY 2009 are \$6.889 billion. Of this total, \$3.273 billion, or 47.5 percent, is from general revenue, \$1.990 billion, or 28.9 percent, from federal funds, \$1.468 billion, or 21.3 percent, from other sources, and \$158.2 million, or 2.3 percent, is from restricted or dedicated fee funds.

State General Revenue Spending in FY2009 is Less than in FY2008



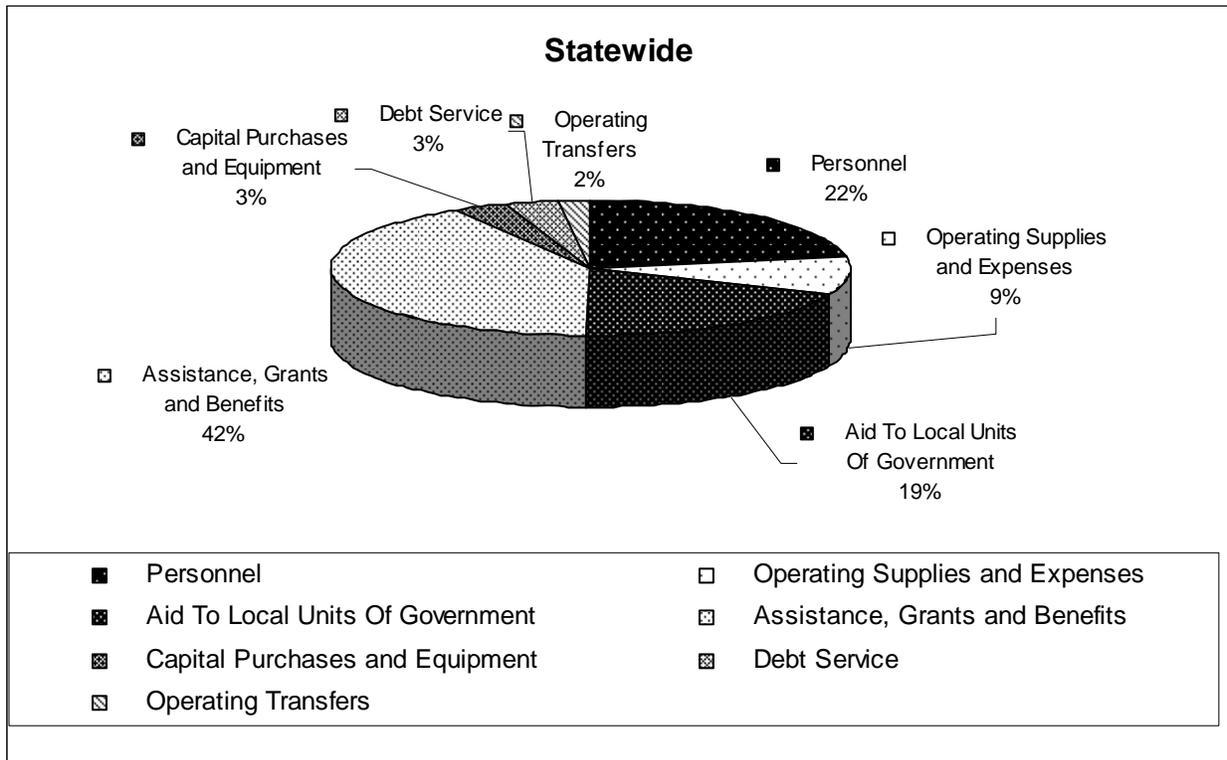
Overview

On a functional basis, the largest share of expenditures are made in the Human Services area, which comprise \$2.613 billion, or 37.9 percent of the total budget. This is followed by spending for Education of \$1.985 billion, which comprises 28.8 percent of all spending, and expenditures for General Government of \$1.373 billion, equaling 19.9 percent. Public Safety, Natural Resources and Transportation expenditures make up the balance, totaling 917.2 million, or 13.4 percent of the total budget.



The second way to view expenditures is by major category. On this basis, the largest share of the FY 2009 budget is for assistance, grants and benefits equaling \$2.831 billion or 41.1 percent of the total. This is followed by personnel expenditures, which comprise 22.5 percent, or \$1.549 billion, and local aid expenditures, which make up 18.8 percent, or \$1.297 billion of the total budget. Expenditures for capital purchases and debt service total \$456.8 million or 6.6 percent, with the balance of spending used to finance operating expenditures and transfers of \$139.7 million, or 2.0 percent.

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Expenditures from general revenues total \$3.273 billion for FY 2009. By function, spending by Human Services agencies represents the largest share with expenditures, totaling \$1.179 billion, or 36.0 percent of the general revenue budget. This is followed by spending for Education, which totals \$1.126 billion, or 34.4 percent. General revenue expenditures for General Government and Public Safety comprise \$552.2 million (16.9 percent), and \$377.5 million (11.5 percent), respectively. Expenditures for Natural Resources comprise \$38.3 million, or 1.2 percent of total general revenue spending. Transportation expenditures are financed by dedicated gasoline taxes and are not a component of general revenue spending.

General revenue expenditures by category are primarily devoted to financing grants, local aid and personnel. The largest component is local aid expenditures of \$1.135 billion, comprising 34.7 percent of total general revenue spending. Grant based expenditures of \$1.004 billion represent 30.7 percent of total spending; personnel expenditures of \$806.1 million comprise 24.6 percent of the budget; operating expenditures and operating transfers total \$159.9 million, or 4.9 percent of the budget; and, capital expenditures and debt service total \$167.4 million, or 5.1 percent of the total general revenue budget.

The Fiscal Year 2008 budget enacted by the General Assembly contained language requiring the Governor to plan for two new major consolidations. This is in addition to the consolidation of certain Office of Health and Human Services functions, which are reflected as FTE transfers from the agencies within the Office of Health and Human Services for FY 2009. For ease in comparing data, the Governor's budget for FY 2009 reflects historical data associated with the Public Safety and Advocacy on a consolidated basis. The two new major consolidations are described in the following paragraphs.

Consolidation of Agencies

Overview

***Department of Elderly
Affairs and
Advocacy***

The Governor recommends the formation of the Department of Elderly Affairs and Advocacy. In the FY 2008 Appropriations Act, Section 11 of Article 3 Relating to Reorganization provided for the following:

SECTION 11. The general assembly hereby requires the governor to submit, as part of his FY 2009 budget, necessary legislation to create a department of advocacy, with an effective date of no sooner than July 1, 2008, and no later than January 1, 2009.

The governor shall consult with the child advocate, mental health advocate, commission on the deaf and hard of hearing, developmental disabilities council, and the commission on disabilities in developing the department.

The department shall include the child advocate, mental health advocate, commission on the deaf and hard of hearing, developmental disabilities council, and the commission on disabilities.

The governor with advice and consent of the senate shall appoint the child advocate and the mental health advocate, as detailed in existing statutes. All agencies combined into this new department shall maintain existing duties as set forth in current law.

The Governor has reviewed the proposed composition of the department and recommended only three of the five agencies be merged into the existing Department of Elderly Affairs to create the new Department of Elderly Affairs and Advocacy. Under the leadership of an existing cabinet director, the functions of these agencies would be best integrated within the Health and Human Services Secretariat. It is recommended that the Office of the Child Advocate and Office of the Mental Health Advocate remain independent.

For purposes of budget presentation, the following agencies have been merged into the new Department of Elderly Affairs and Advocacy: Department of Elderly Affairs, Commission on the Deaf and Hard of Hearing, Developmental Disabilities Council, and the Governor's Commission on Disabilities.

The Governor recommends the formation of the Department of Public Safety. In the FY 2008 Appropriations Act, Section 14 of Article 3 Relating to Reorganization provided for the following:

***Department of
Public
Safety***

SECTION 14. The general assembly hereby requires the governor to submit, as part of his FY 2009 budget necessary recommended legislation to create a department of public safety, with an effective date of no sooner than July 1, 2008, and no later than January 1, 2009. The director of the department shall be the superintendent of the state police who shall be appointed by the governor with the advice and consent of the senate.

The governor shall include the state police, E-911, emergency telephone system division, the state fire marshal who shall be appointed by the governor with the advice and consent of the senate, fire safety code board of appeal and review, justice commission, municipal police training academy, sheriffs and capitol police.

The department shall consolidate communications and overhead expenditures.

Overview

The Governor has reviewed the proposed composition of the department and recommends one modification. It is recommended that the Fire Safety Code Board of Appeal and Review remain independent due to opinion that it is not directly related to emergency response, law enforcement and security services, but might be better aligned to the Building Code Commission within the Department of Administration.

For purposes of budget presentation, the following agencies have been merged into the new Department of Public Safety: State Police, E-911 Emergency Telephone System, State Fire Marshal, Municipal Police Training Academy, Sheriffs, Capitol Police, and the Governor's Justice Commission.

***Department of
Environmental
Management Assumes
All Environmental
Functions***

For FY 2009, the Governor also recommends merging the Coastal Resources Management Council and the Water Resources Board into the Department of Environmental Management in order to reduce overhead costs and duplication of efforts. The savings will be realized by eliminating 9.0 FTE positions and replacing contract legal services with a state employee, thereby reducing the number of FTEs required to perform the functions of the Council from 30.0 positions to 22.0 positions. The Water Resources Board will be merged into the Office of Water Resources, and savings will be realized by eliminating 5.0 FTE positions and adding an accountant position and a chairperson position, thereby reducing the number of FTEs required to perform the functions of the Board from 9.0 positions to 6.0 positions.

***Movement of State
Agencies from Rental
Space for Efficiencies
and Savings***

For FY 2009, the Governor also recommends the movement of several state agencies from their physical locations to create operating efficiencies and savings of taxpayer dollars. This includes agencies moving between state owned properties as is the case of the hospital consolidation plan, the centralization of back office functions within the Office of Health and Human Services, and the consolidation of the advocacy agencies with the Department of Elderly Affairs. The plan also includes the movement of agencies from private rental property to state facilities. The plan includes the movement of the Department of Business Regulation from rented space to the Center General Building as a co-occupant with the Department of Labor and Training, and the movement of the Office of Higher Education, the Labor and Training Board of Review, to the Hazard Building. These moves will save over \$1.0 million in FY 2009. Additionally, the State Police will remain at their Scituate location, with Rhode Island Capital Plan funds providing for expanded facilities rather than use the general obligation bonds which were authorized for a larger, more expensive facility. The Governor does not recommend the construction of a new Blackstone Valley Courthouse. The Governor recommends the state re-use of the DCYF Administration/School Building which will be vacated upon completion of the new DCYF facilities. The capital budget uses funds available in the enacted budget to renovate the building for use as the state's Data Center. This will allow for the centralization of all Information Technology personnel at one location, and movement of hardware from the Johnston site.

Overview

During FY 2007, the Governor and legislative leaders of the General Assembly requested technical assistance from the Council of State Governments (CSG) Justice Center to develop policy options that would address the accelerated growth in inmate population from 15 percent in the period 1994-2004 to a possible 21 percent over the next ten years. These options were intended to reduce inmate populations (thus reducing spending for corrections), increase public safety, and improve conditions in the neighborhoods to which released offenders would return.

***Corrections
Reform***

In April 2007, a “working group”, consisting of representatives from the District Court, Superior Court, the Attorney General, the Public Defender, the Senate Majority Leader, the House Finance Committee, the Office of the Governor, the Department of Corrections and the Council of State Government, was formed to consider the policy options generated by the CSG. After discussion and suggestions from all members were considered, the group formulated the following measures which are included in Article 7 of the FY 2008 Supplemental Budget request:

Standardized Earned Time for Good Behavior: The current statute allows for good behavior awards at a rate of one day per month for each year of sentence up to ten years, capped at ten days per month, and limited to inmates serving sentences greater than six months. The proposed change would, following the practice in other jurisdictions, extend the reduction to all short-term (one month or more) inmates (except those serving for life or a sentence for violation of sexual offenses). The option is expected reduce the inmate population by an average of 84 in FY 2009, 104 in FY 2010, and 259 in FY 2013.

Earned Time for Participation in Rehabilitation Programs: The proposed change would award a sentence reduction of up to five days per month for each month of active participation in a substance abuse, job training, or other rehabilitative program that has been identified as meeting a need specifically identified in the inmate’s case plan, and a thirty day reduction upon completion of such a program. The proposal would create incentives for offenders to use programs that would increase the likelihood of successfully transitioning to the community upon release, and thus would reduce recidivism. The option is expected reduce the inmate population by an average of 55 in FY 2009 and 58 in FY 2010.

Improve Parole Board Use of Data: The proposal directs the Board to develop guidelines for the release of an offender based on his risk to public safety, as determined by a risk assessment analysis being developed by the Board. The proposal would ensure that the decision-making process is both data-driven and science based. The option is expected reduce the inmate population by an average of 43 in FY 2009 and 45 in FY 2010.

***Entitlement
Reform***

In order to secure long-term balance in the state’s expenditures, the Governor proposes to redesign both of the state’s two largest entitlement programs, Medicaid and Family Independence cash assistance. Reform legislation is included in the budget act for both programs. For Medicaid, the reform will convert the service delivery model from provider based to client-centered in programs in the Departments of Human Services, Children, Youth and Families, and Mental Health Retardation and Hospitals. The program will emphasize personal responsibility, home and community-based solutions, innovative delivery of services. Work First, the new cash assistance program, will also emphasize personal responsibility, with an emphasis on moving parents to unsubsidized employment and stabilizing families. Job search and orientation supports will be combined with transportation and child care to create a setting and mindset leading to successful employment outcomes. These reforms will lead to \$66.7 million of general revenue savings in FY 2009.

Overview

For FY 2009, the Governor recommends maintenance of total state aid at revised FY 2008 levels. Furthermore, he has proposed a number of initiatives to assist municipalities in reducing costs. In his “Municipal Fiscal Control and Responsibility Act”, the Governor proposes initiation of a library collection of all municipal labor contracts. This is supplemented by an Article in the Appropriations Act which requires fiscal impact statements for all new municipal collective bargaining agreements two weeks before they can be signed. The Governor has also proposed applying the property tax cap to fire districts and revisions to retirement age and years of service requirements for municipal employees in the 32 communities which participate in the state administered municipal employees retirement system. This will make the municipal system comparable to the state reforms enacted. This change is projected to save over \$4 million per year. In the FY 2008 Supplemental Appropriations Act, the Governor has proposed a statewide health insurance contract which would result in lower administrative fees and would provide for standardized plan designs. He has also proposed that municipal employees be required to share the costs of health insurance at the same levels as state employees. For municipal employees, these two changes would result in annualized savings of over \$7.5 million. Savings would be even greater for school district employees. Lastly, he has proposed in the new Appropriation Act that new accounting standards be formulated that are comparable with the new standards recently implemented for all school districts.

***Local Government Aid
and Spending***

The Governor recommends that state government operate with fewer state employees and that several measures be taken to reduce the overall cost of the workforce. The Governor recommends targeted reductions and layoffs in personnel in certain agencies based upon specific programmatic reductions (629.7 FTE), reflected as “program reductions”. It is projected that this reduction will save \$618,473 from all funds in FY 2008 and \$31.0 million in FY 2009 in salaries alone. Savings including benefits are estimated to be \$41.0 million in FY 2009. These savings are budgeted in the various departments and agencies. These are reflected as program reductions in each agency, and can include both filled and vacant FTE positions. The recommendation also includes \$60.6 million in savings, of which \$33.4 million is general revenues, for personnel savings that are currently being discussed with union leadership. For display purposes, \$33.6 million is reflected in medical benefit savings and \$27.0 million in salary and benefit savings. Additionally, the Governor’s recommendation assumes \$30.5 million in savings from all sources, \$16.8 million from general revenues, from permanent position eliminations as a result of retirements for FY 2009. There are currently over 3,100 employees eligible to retire, whether by age or years of service. The Governor’s recommendation assumes that 300 non-critical positions will be eliminated upon the incumbent’s retirement. Overall, the state employee full time equivalent positions will be reduced from the FY 2008 enacted level of 15,987.3 to 14,796.6 in FY 2009, a reduction of 1,190.8 positions. Additionally, it is the Governor’s goal to reduce contract employees by the 158.4 full time equivalent positions.

***Statewide Personnel
Savings and Reduction
in Force***

***Uncompensated
Leave Days***

The Governor’s recommendation includes six uncompensated leave days for all state employees in FY 2008 that will reduce salary and benefit expenditures by 2.3 percent. The budget assumes all state employees will receive less pay either for one day less pay per month (two days in May) or reduced paychecks for the remainder of the year. Employees will be credited one day of personnel leave in the pay period in which the salary reduction occurred. The personal

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leave must be discharged by December 31, 2008, and is not eligible for carry over to the next calendar year or for severance payments upon separation from state service. There are no exemptions for any class of employee, although limited period or seasonal employees will not be affected. Implementation of this measure will save \$14.8 million in general revenues, and \$25.6 million from all fund sources in FY 2008. These savings are depicted within each department or agency.

The Governor recommends that the state fund retiree health benefits on an actuarial basis and amortize the unfunded liability over a thirty year period. This funding mechanism will provide transparency with respect to the true cost of the benefit offered to state employees after employment. In compliance with GASB Statements 43 and 45, "Other Post Employment Benefits," in July 2007, the State obtained an actuarial estimate of the unfunded liability relating to retiree medical benefits. The unfunded liability as of June 30, 2005 was estimated to be approximately \$534.3 million, including \$427.3 million for State employees, \$54.6 million for the Board of Governors, \$32.2 million for State Police, \$17.7 million for the State's share for teachers, \$2.6 million for Legislators, and \$68,000 for Judges. This was calculated using a long term investment rate of return of 8.25%. The annual required contribution as a percentage of payroll would be 5.46%, 2.81%, 20.06%, .015%, 14.61% and .09% respectively. The enacted FY 2008 budget does not include funding on an actuarial basis, but continues to provide funding for the pay-as-you go costs.

***Retiree Health
Unfunded Liability
and Recommended
Changes in Eligibility
and Co-Share***

In order to address this unfunded liability and reduce the ongoing cost to the taxpayer, the Governor recommends modifying eligibility requirements and co-share percentages for retiree health. Employees retiring after June 30, 2008 would be eligible for retiree health coverage through the state if they are age 59 or over with a minimum of 20 years of service. Currently an employee with over 10 years of service as of July 1, 2005 is eligible for retirement with at least 28 years of service at any age, or at least 10 years of service and at least age 60, and is therefore eligible for retiree health. For those employees with less than 10 years of service prior to July 1, 2005, the employee must be age 59 with at least 29 years of service, age 65 with ten years of service, or age 55 with 20 years of service. The Governor's proposal also modifies the co-share percentage to require a 20 percent co-share on the full cost of the early retiree or post-65 plan in which the retiree is enrolled. Currently, early retirees pay a co-share based on years of service on the active employee rate. For employees over age 60 with at least 28 years of service, the state pays 100 percent of the cost of the plan. The rate of payroll would be reduced from the actuarial required rate of 5.46% without any changes, to 3.86% with the proposed changes. According to the actuary, the rate of payroll charge under the current pay as you go system would be 3.28%. These changes are projected to save \$6.1 million from general revenues and \$9.8 from all funds in FY 2009.

***Savings in Employee
Medical Benefits***

The Governor's recommendation utilizes a surplus generated in the health insurance fund to offset the costs of FY 2008 medical benefits. State agencies will not be charged for the cost of employees medical benefits for the last three pay periods in FY 2008. This is estimated to save \$11.0 million from general revenues and \$19.3 million from all fund sources, net of corresponding percent of premium co-share reductions.

For FY 2009, the Governor's recommendation lowers the cost of budgeted medical insurance based upon current employee claims data adjusted for inflationary increases of 9.9 percent. This is estimated to save

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\$6.2 million from general revenue sources and \$11.2 million from all fund sources compared to current service levels, which is a reduction of 6.5 percent.

In FY 2008, the Governor began a comprehensive review of all contract employee positions in state government. A total of 657 positions were identified in the Executive Branch, and these positions were categorized to determine which positions should remain as contractors and which should be eliminated. Those positions that are either financed exclusively through a federal grant, highly technical, or on-call/intermittent were maintained as contract employees. A total of 193 positions, which comprised a full-time equivalent of 158.4 positions, were identified for elimination. This reduction is estimated to save \$9.8 million from all sources of funds in FY 2009. Through the end of December 2007, 58 positions, equating to 50.6 FTEs, have been eliminated resulting in \$2.8 million of savings.

***Contract Employee
Reductions***

***Privatization of
Dietary and
Housekeeping Services***

The Governor recommends the privatization of Housekeeping and dietary services at the Eleanor Slater Hospital and dietary services at the Veterans' Home in FY 2009, saving an estimated \$4.8 million from all sources of funds, of which \$2.5 million is from general revenues.

The Governor's recommendation includes the privatization of dietary services at the Pastore and Zambarano campuses of the Eleanor Slater Hospital. Currently, these services are performed in-house. There are 88.0 FTE positions involved in providing dietary services to the patients at Eleanor Slater Hospital. The total personnel costs associated with these positions in FY 2009 are projected at \$5.5 million and the cost of food is \$1.3 million. The cost to privatize this function is estimated at \$2.1 million, which is derived by multiplying the industry estimate (\$5.23) per meal by the total number of meals (410,734). It is estimated that privatization of dietary services in FY 2009 will save \$3.5 million from all funds, of which \$1.5 million is general revenues, net of unemployment benefits and medical severance costs.

The Governor recommends privatizing the housekeeping services at the Pastore and Zambarano campuses of the Eleanor Slater Hospital. Currently, these services are performed in-house. There are currently 67.0 FTE positions involved in providing housekeeping services to the patients at Eleanor Slater Hospital. The total personnel costs associated with these positions in FY 2009 are projected at \$3.9 million. The cost to privatize this function is \$2.4 million (\$5.50 per cleanable square foot), as determined by a response to a Request for Proposals. It is estimated that privatization of housekeeping services in FY 2009 will save \$578,833 from all funds, of which \$260,475 is general revenues, net of unemployment benefits and medical severance costs.

The Governor recommends privatizing the dietary services at Rhode Island Veteran's Home. Currently, these services are performed in-house. There are 28.0 FTE positions involved in providing dietary services to the patients at the Veterans' Home. The total personnel costs associated with these positions in FY 2009 are projected at \$1.8 million and the cost of food is \$812,000. The cost to privatize this function is estimated at \$1.5 million which is derived by multiplying the institution estimate (\$5.40) per meal by the total number of meals (285,138). It is estimated that privatization of dietary services in FY 2009 will save \$686,911 from general revenues.

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***Privatization of
Corrections
Functions***

The Governor recommends the privatization of the following activities in the Department of Corrections:

The Governor recommends the privatization of the counseling and case management function. Currently this unit is responsible for the initial classification of inmates (gathering information to assess the risk factors involved in facility assignment), counseling inmates during periodic reclassifications and discipline board actions, counseling concerning good time and other information, and providing information to the Parole Board that enters into the grant of parole. The privatization would change the focus of the unit efforts to initial re-entry services by stressing case management and programming suited to individual inmates. The Department feels that there are several community-based agencies with specialized expertise in providing services, as well as providing a link in the community once the inmate is released. The Department proposes a staff reduction of 33.0 FTE's (27.0 adult counselors, 4.0 classification counselors, 1.0 counseling services coordinator, and 1.0 coordinator of education) with savings of \$2.7 million, as well as contract services for counseling and case management services of \$2.3 million, for a net savings of \$451,247. The budget recommendation also includes \$551,370 in unemployment and medical benefit severance costs, for a net additional cost of the proposal of \$100,024.

The Governor recommends the issuance of a statewide master contract for dental services, eliminating the need for state employees. Currently a majority of dental services are provided by contracted community based suppliers. Savings from elimination of state employees of \$542,498 would be offset by an estimated contract addition of \$300,000 for such services. The budget recommendation also includes \$100,249 in unemployment and medical benefit severance costs, for a net savings of the proposal of \$142,249. This would affect 4.0 FTE's and 10 contract employees (6.0 dentists, 2.0 dental assistants, and 2.0 dental hygienists) would be affected.

The Governor recommends privatization of the Central Distribution Center (CDC). Currently the CDC is responsible for purchasing food staples, janitorial items, and other items for warehousing, and delivery to state agencies, distributing USDA commodities under the Emergency Food Assistance Program to local community action agencies, the Food Bank, soup kitchens, etc., and distributing USDA commodities under the school lunch program to local school districts. Because of increasing salary and benefit costs, the surcharge charged to other state agencies has increased. Despite position eliminations, the program has operated at a deficit for the past two years. Sales have also decreased as agencies seek more economical means of obtaining supplies. Alternative models in such states as Connecticut, Colorado, Oklahoma, Maryland, North Dakota, and Mississippi use private companies and direct distribution, rather than centralized warehousing. The recommendation involves a reduction of 14.0 FTEs in the Internal Service Fund program, as well as a reduction in merchandise purchasing and warehousing expenditures, a total of \$6.1 million. The Governor's recommended budget includes \$409,258 in general revenue operating savings to be achieved by contracting with a private firm to perform the warehousing function, which would reduce the surcharge on purchased goods. It is expected that savings would occur by reducing the surcharge on food items from 25 percent to 10 percent. Funding of \$211,535 was added to the Internal Service Fund budget for unemployment and medical benefit severance costs.

Overview

***Privatization of Davies
and School for the
Deaf Janitorial
Services***

The Governor recommends the privatization of all janitorial services at both the Davies Career and Technical School and the Rhode Island School for the Deaf. Currently there are 6.0 FTEs at Davies and 3.0 FTEs at Deaf that perform janitorial services, for a total personnel cost of \$602,912. The cost to privatize these services is estimated at \$358,696. Net of unemployment and medical severance costs, this proposal is estimated to save \$122,839 from general revenues in FY 2009.

Transportation and the environment continue to be high priorities of the Governor. The FY 2009 budget includes two proposed bond referenda for the November 2008 ballot. These are a \$35.0 million referendum for open space, farmland preservation, recreational development, and Narragansett Bay and Watershed Restoration and an \$87.2 million referendum for transportation, including commuter rail and RIPTA buses.

***Capital Budget Calls
for Limited New Debt
Financing***

Due to the current fiscal environment facing the state, the Governor has chosen to significantly limit the number and amount of bond referenda this year. The capital improvement plan includes several new bond initiatives, particularly in higher education, that would be proposed for inclusion on the November 2010 ballot.

The Governor is also requesting approval for two new Certificates of Participation issuances in FY 2009. The first would authorize \$23.9 million in debt to renovate two buildings at the Pastore Government Center, one for use as office space by human services agencies and the other for use by the Registry of Motor Vehicles as their new headquarters. Once completed, the state will save significant funding due to the elimination of outside rental costs.

The second request is for a \$52.0 debt issuance to fund energy conservation projects at both the Pastore Government Center and the Zambarano Campus of the Eleanor Slater Hospital. These projects, once completed, will result in significant reductions in energy use and thereby expenditure savings more than sufficient to cover the debt service costs. To undertake these projects, the State will enter into a contract with an energy services company that will guarantee the savings over the term of the debt issuance.

The Economy

Introduction

The Consensus Revenue Estimating Conference (REC) convenes at least twice each year, typically 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. During the 1998 legislative session, the Revenue Estimating Conference statutes were modified to also require the adoption of a consensus economic forecast. Prior to the November 2001 conference, the conferees adopted a forecast for Rhode Island total employment, Rhode Island personal income, and the U.S. consumer price index for all urban consumers (CPI-U) covering the state's prior fiscal year, its current fiscal year, and the budget year.

In 2001 the Rhode Island Division of Taxation procured an updated personal income tax simulation model. This acquisition required that additional economic variables be forecasted at the Revenue Estimating Conferences beginning with the November 2001 conference. Thus, in addition to Rhode Island total employment, Rhode Island personal income and the U.S. CPI-U, forecasts for Rhode Island wage and salary income, Rhode Island farm income, Rhode Island non-farm business income, Rhode Island dividends, interest and rent, Rhode Island total transfer payments, the Rhode Island unemployment rate, the interest rate for ten year U.S. Treasury notes, and the interest rate for three month U.S. Treasury bills are also agreed upon at the Revenue Estimating Conference. Finally, the consensus forecast of these economic variables now includes the prior calendar and fiscal years, the current calendar and fiscal years, the budget calendar and fiscal years, and the next seven calendar and fiscal years.

ECONOMIC FORECAST

This section describes the economic forecast used as input for the Revenue Estimating Conference's consensus revenue estimates.

The Revenue Estimating Conference incorporates a range of economic forecasts and economic information in making revenue estimates. During its November 2007 meeting, forecasts were presented by Moody's Economy.com and Global Insight. The Rhode Island Department of Labor and Training (DLT) also presented current employment and labor force trends.

As reported at the November 2007 Revenue Estimating Conference, Rhode Island's labor market continues to display a shift from a manufacturing to a service based economy resulting in a gradual and positive rate of employment growth. The Rhode Island Department of Labor and Training reported that the unemployment rate rose slightly through the third quarter of CY 2007. Rhode Island's total unemployment has consistently been below last year's unemployment figures through the three quarters of CY 2007. Rhode Island's unemployment rate remained above the national average for the fifth straight month in September 2007. Between September 2006 and September 2007, employment gains were made overall (+5,300) and in the following sectors: Leisure and Hospitality (+1,200); Professional and Business Services (+1,800); Educational & Health Services (+1,600); Construction (+1,100); Other Services (+400); Financial Activities (+200); and Information (+100). The sectors experiencing year-over-year losses were Manufacturing (-1,400); Government (-700); and Trade, Transportation & Utilities (-100). At the November 2007 Revenue Estimating Conference, fiscal year forecasts for the following economic variables were agreed upon (all measures are for Rhode Island unless otherwise noted): total employment, total personal income, wage and salary income, dividends, interest and rent, the unemployment rate, the U.S. consumer price index, the interest rate for ten year

The Economy

U.S. Treasury notes, and the interest rate for three month U.S. Treasury bills. Furthermore, the forecast of these economic variables includes the relevant calendar years and covers the period from 2008 through 2013.

The principals agreed that total non-farm employment would grow from 496.1 thousand jobs in FY 2007 to 501.2 thousand jobs in FY 2008 and 506.2 thousand jobs in FY 2009. This gain of approximately 5,050 jobs in FY 2008 is about 1,283 more than forecasted in May 2007. In addition, the November 2007 REC forecasted job growth in FY 2009 of approximately 5,050 jobs, or 1.0 percent growth, is about 800 more than forecasted in May 2007. Further, forecasted job growth for FY 2010 of 5,300 jobs, or 1.1 percent, is 500 jobs more than forecasted in May 2007. The adopted growth rates for non-farm employment from FY 2011 and FY 2012 of 4,300 and 3,900 represent a revision downward from the May 2007 Conference estimates of 5,100 jobs, or 1.0 percent growth and 5,100 jobs, or 1.0 percent growth, respectively. In November 2007, FY 2013 non-farm employment was estimated, for the first time, at the rate of 0.8 percent, or 3,900 jobs. This employment refers to the number of Rhode Island residents working, as opposed to the number of jobs in Rhode Island establishments.

In addition, Rhode Island's unemployment rate is forecasted to increase to 4.9 percent in FY 2008 from 4.8 percent in FY 2007 and then remain at its steady state equilibrium at 5.0 percent for the period through FY 2013.

The November 2007 Conference forecasted that personal income peaked in FY 2007 and will slow through FY 2009 before accelerating in FY 2010 followed by a trailing off through FY 2013. The November 2007 Conference estimates for personal income growth represented an upward revision in FY 2008 from 4.5 percent growth to 4.9 percent growth followed by downward revisions through 2012, averaging 4.3 percent growth for the FY 2009 through FY 2012 period down from an average of 4.8 percent growth. Like non-farm employment growth, personal income growth is expected to jump from 4.3 percent in FY 2009 to 4.5 percent growth in FY 2010 followed by a slowing trend. In FY 2009 personal income growth is expected to grow at a rate of 4.3 percent. The new consensus estimate for FY 2013 is 4.2 percent growth, consistent with the principals' FY 2012 consensus estimate of 4.2 percent personal income growth.

The November 2007 Conference forecasts consumer price inflation to slow to 2.4 percent in FY 2008 from 2.6 percent in FY 2007, bottom out at the trough with 1.9 percent growth in FY 2009, before climbing back to 2.0 percent growth in both FY 2010 and FY 2011, rising further to 2.1 in FY 2012 and FY 2013. The average CPI is 2.1 percent for the six year fiscal period from FY 2008 through FY 2013. Testimony provided by Moody's Economy.com and Global Insight indicated that should oil prices remain in the \$90 plus per barrel price range for longer than anticipated, there could be an impact on consumer goods prices that rely on oil as an input or in transport costs.

The consensus economic forecast for the fiscal years 2008 to 2013 agreed upon by the conferees at the November 2007 Revenue Estimating Conference is shown in the following table. This consensus economic forecast reflects the belief that the employment and income growth will remain slow but positive while the unemployment rate remains steady through FY 2013, with lower paying jobs as well as moderating consumer prices which will maintain moderate economic growth in Rhode Island with the regional risk of the positive impacts from continued job creation diminished by lower pay as well as nationwide risk from oil price, financial market, and credit market uncertainty.

The Economy

The November 2007 Consensus Economic Forecast						
Rates of Growth	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Total Employment	1.0%	1.0%	1.1%	0.9%	0.8%	0.8%
Personal Income	4.9%	4.3%	4.5%	4.3%	4.2%	4.2%
Wage and Salary Income	4.5%	3.7%	4.0%	3.9%	3.8%	3.7%
Dividends, Interest and Rent	6.5%	6.1%	6.4%	6.0%	5.4%	4.9%
Nominal Levels						
U.S. CPI-U	2.4%	1.9%	2.0%	2.0%	2.1%	2.1%
Unemployment Rate	4.9%	5.0%	5.0%	5.0%	5.0%	5.0%
Ten Year Treasury Notes	5.0%	5.3%	5.5%	5.5%	5.5%	5.5%
Three Month Treasury Bills	4.3%	4.3%	4.6%	4.6%	4.5%	4.5%

General Revenues

Introduction

The Governor's recommended budget is based on estimated general revenues of \$3.440 billion in FY 2008 and \$3.347 billion in FY 2009. Annual estimated growth during FY 2008 and FY 2009 is 6.5 percent and -2.7 percent, respectively. Estimated deposits of \$68.8 million and \$73.7 million will be made to the Budget Reserve and Cash Stabilization Fund during these fiscal years. The contributions to the Budget Reserve and Cash Stabilization Fund are funded by limiting annual appropriations to 98 percent of estimated revenues in FY 2008 and 97.8 percent of estimated revenues in FY 2009. The revenue estimates contained in the Governor's FY 2008 supplemental and FY 2009 recommended budgets are predicated upon the revenue estimates adopted at the November 2007 Consensus Revenue Estimating Conference (REC) and the Governor's recommended changes to the adopted general revenues.

The Consensus Revenue Estimating Conference is required by statute to convene at least twice annually to forecast general revenues for the current year and the budget year, based upon current law and collection trends, and the consensus economic forecast. The Conference members are the State Budget Officer, the House Fiscal Advisor, and the Senate Fiscal Advisor. Typically, the two required meetings of the Consensus Revenue Estimating Conference occur in November and May of each fiscal year.

FY 2008 Revised Revenues

The November 2007 REC revised the enacted FY 2008 revenue estimate down by \$113.3 million, a decrease of 3.3 percent. As shown in the *General Revenue Changes to Adopted Estimates* table in Appendix A of this document, the Governor's revised FY 2008 budget recommends an increase of \$80.6 million in revenues. This \$80.6 million in recommended changes to the FY 2008 adopted estimates breaks down as follows:

- \$26.0 million from repayment from RI Housing and Mortgage Finance Corporation for expenditures related to the Neighborhood Opportunities Program;
- \$24.8 million in various taxes (primarily Personal Income Tax) from capping the usage of Historic Structure Tax Credits at \$20.0 million;
- \$14.7 million resulting from advancing the Eleanor Slater Uncompensated Care Distribution;
- \$5.2 million from adjusting the November Revenue Estimating Conference Business Corporations Tax estimate to avoid double counting the FY 2007 audit adjustment for APC ;
- \$5.0 million transfer from the RI Resource Recovery ;
- \$2.0 million transfer from the available cash in the Underground Storage Tank (UST) Replacement Fund;
- \$1.3 million from transferring the available cash in the Correctional Industries Fund;
- \$700,000 for the payment resulting from the Medical Malpractice suit decision;
- \$323,976 from transferring the available cash from the Refunding Bond Authority;
- \$300,000 from increasing the grant from RI Housing and Mortgage Finance Corporation for providing emergency housing assistance vouchers to eligible clients;

General Revenues

- \$275,000 for requiring fees be paid for Traffic Tribunal court costs equal to the amount of the fine assessed in lieu of the fine assessed when the violation is dismissed for a good driving record; and
- \$87,500 from fines associated with prohibiting handheld mobile telephone use while driving.

FY 2008 Revised Revenues vs. FY 2007 Unaudited Revenues

Recommended revenues for FY 2008 are based upon a \$228.7 million increase in total general revenues over unaudited FY 2007, or growth of 6.5 percent. The largest contributing factor to this increase is the securitization of tobacco settlement proceeds which resulted in general revenues of \$42.5 million in FY 2007 and \$124.0 million in FY 2008, an increase of \$81.5 million. About half of the tax categories are expected to exhibit increased collections. The increases can be found in Personal Income Taxes, Business Corporate Taxes, Public Utilities Gross Earnings Taxes, Insurance Companies Gross Earnings Taxes, Bank Deposit Taxes, the Health Care Provider Assessment, and Alcohol Taxes.

Personal Income Tax collections are forecasted to increase by \$4.1 million, or 0.4 percent, due to increased income tax withholding payments of \$13.4 million. This increase is largely offset by expected decreases in estimated payments of \$7.9 million, final tax payments of \$614,790, and increased income tax refund payments of \$1.0 million. The revenue gains in personal income tax collections are reduced due to the utilization of the State's Historic Structures Tax Credit (HSTC) program. The HSTC program is estimated to cost the State \$38.8 million in personal income tax revenues in FY 2008. The increased Investment Tax Credit (ITC) and Research and Development (R&D) Tax Credits also continue to impact tax collections in FY 2007, as individuals and businesses continue to reap the benefits of an improved tax structure in Rhode Island. Personal income taxes are expected to comprise 31.1 percent of all general revenues collected in FY 2008 and total \$1.070 billion.

General Business Tax collections are projected to increase by \$34.6 million, due primarily to increases in Insurance Companies taxes of \$17.5 million and Business Corporations taxes of \$15.4 million. The estimated increase in Business Corporations taxes is mainly due to the estimated \$8.3 million in anticipated revenues from including deductible interest expenses and costs and intangible expenses and costs as net income enacted in the 2007 session and \$3.5 million anticipated from including gross sales of tangible personal property shipped out of Rhode Island to a state where the taxpayer is not taxable as now taxable enacted in the 2007 session. Insurance Companies taxes are anticipated to generate \$74.1 million in FY 2008. The increase in Insurance Companies taxes is mainly due to the expected \$15.2 million from the tax on insurance companies to provide for a 1.1 percent gross premium tax on health maintenance organizations, any non-profit hospital or medical service corporations, excluding any business related to Title XIX of the Social Security Act enacted in the 2007 session. Both Business Corporations and the Insurance Companies taxes are impacted by the Historic Structures Tax Credit program. The estimated foregone revenue in Business Corporations taxes is \$1.8 million in FY 2008. For Insurance Companies taxes, an estimated \$3.8 million less in collections is due to the HSTC program. Public Utilities Gross Earnings taxes are expected to generate \$104.0 million in FY 2008. The Health Care Provider Assessment is estimated to yield \$52.3 million in FY 2008, an increase of \$4.3 million over the \$48.0 million collected in audited FY 2007. The Financial Institutions Tax is projected to decrease by \$4.5 million in FY 2008 to -\$100,000.

Sales and Use tax collections are forecasted to decrease by \$8.2 million or -0.9 percent over audited FY 2007 collections. Sales and Use taxes represent 25.1 percent of total general revenues in FY 2008.

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The strength in sales and use tax collections in Rhode Island is very dependent on the State's housing market. In prior fiscal years, historically low long-term interest rates and multiple rounds of mortgage refinancings by homeowners had made available a significant source of income that was used to remodel primary residences, purchase appliances, and retire personal debt. From the State's perspective, the distribution of this consumption activity is vital, as most of the spending had been concentrated on items that are subject to the 7.0 percent state sales tax. As long-term interest rates began to rise, the State's housing sector cooled substantially and this reduced housing sector activity has slowed the rate of growth in the sales and use tax collections. For FY 2008 sales and use tax collections are projected to be \$865.0 million.

Excise Taxes other than the sales and use tax are expected to decrease by \$3.6 million in FY 2008. Motor vehicle operators license and vehicle registration fees are expected to reach \$44.5 million in FY 2008, a decrease of 5.1 percent from FY 2007 collections. The Motor Fuel tax estimate of \$1.2 million is 8.5 percent lower than FY 2007 collections. The revised FY 2008 Cigarette Tax estimate of \$119.1 million represents a 1.1 percent decrease over FY 2007 collections. Cigarette Tax collections are expected to decrease by \$1.4 million. The State did not change its cigarette excise tax in FY 2007. The cigarette floor stock tax is a one-time revenue that occurs only when the State's cigarette excise tax is increased. No increase in the State's cigarette excise tax was enacted in FY 2007 or FY 2008. As a result, no cigarette floor stock taxes were collected.

Other Taxes are expected to decrease \$6.0 million in FY 2008 relative to audited FY 2007. Of the total decrease in Other Taxes, Inheritance and Racing and Athletics tax collections constitute a \$121,166 decrease, the Realty Transfer tax constitutes a \$1.3 million decrease, and Inheritance and Gift Taxes are expected to yield \$4.6 million less in FY 2008 than in audited FY 2007, with estimated collections of \$30.1 million. This expected decrease in Inheritance and Gift Tax collections is due to the nature of the tax itself, which can be affected markedly by the passing of a single wealthy taxpayer. Racing and Athletic Taxes are expected to continue their downward trend in FY 2008 totaling \$2.8 million, a decrease of 4.1 percent from FY 2007 levels. Realty Transfer Taxes are expected to total \$11.4 million in FY 2008, a decrease of 10.5 percent from audited FY 2007 collections.

In the Governor's FY 2008 supplemental budget, Departmental Receipts are estimated at \$338.8 million, an increase of \$61.0 million from audited FY 2007 collections, or 22.0 percent.

In addition to the above general revenue components, increases are forecasted in FY 2008 for the Other Miscellaneous general revenue category, the Unclaimed Property Transfer to the general fund, and the Lottery transfer to the general fund whereas the Gas Tax Transfer to the general fund is forecasted to decrease in FY 2008. In the case of the Gas Tax Transfer, a decrease of \$19,602 is forecasted.

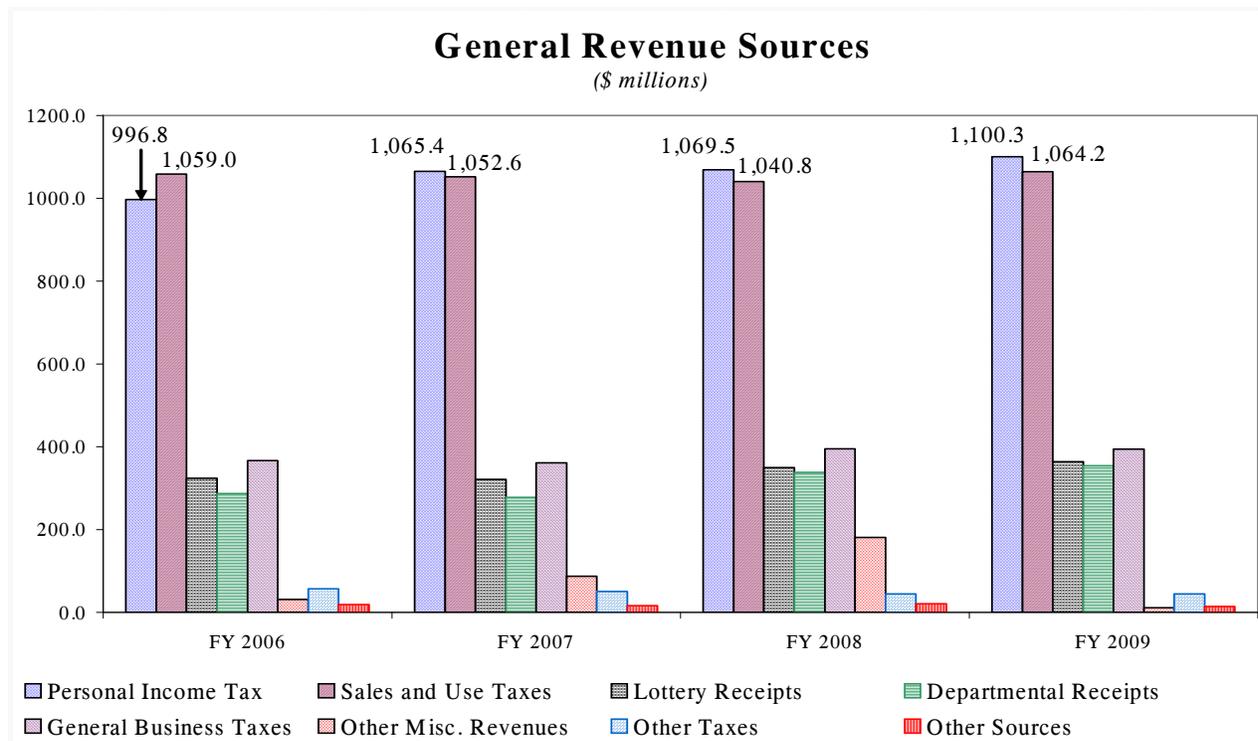
In the case of the Lottery Transfer, an increase of \$28.5 million to \$349.5 million is projected for FY 2008. It is an increase of 8.9 percent from the audited FY 2007 transfer. This increase is attributable primarily to the year-to-date experience of quickening growth in video lottery net terminal and may also possibly be affected by the completion of construction at the Twin Rivers (formerly Lincoln Park) gambling facility as the new owners have refurbished and revamped much of the facility.

In the case of Other Miscellaneous general revenues, a \$94.3 million increase to \$181.2 million is projected. For FY 2008, Other Miscellaneous revenues are expected to make up 5.3 percent of recommended general revenues. FY 2007 Other Miscellaneous revenues include a proposed adjustment of \$19.4 million for the transfer from the Budget Reserve Fund needed to close final FY 2007 with a

General Revenues

balanced budget, particularly in light of the proposed audit adjustment to reflect a \$19.0 million liability for Financial Institutions Taxes.

The chart below shows the sources of general revenues for the period FY 2006 – FY 2009. The values of the two major sources of general revenues, personal income taxes and sales and use taxes, are highlighted.



FY 2009 Proposed Revenues

The Governor's recommended FY 2009 budget estimates general revenues of \$3.347 billion, a decrease of 2.7 percent from the revised FY 2008 level. The Governor's recommendation is comprised of \$3.193 billion of revenue estimated at the November 2007 Revenue Estimating Conference and \$154.2 million of changes to the adopted estimates. These changes are shown in the schedule *General Revenue Changes to Adopted Estimates* located in Appendix A of this document.

The largest source of FY 2009 general revenues is the Personal Income Tax, with estimated receipts of \$1.100 billion, \$18.2 million more than the November 2007 REC estimate for FY 2009. Personal Income Taxes are expected to comprise 32.9 percent of total general revenues in FY 2009. The \$18.2 million increase over the adopted estimate in Personal Income Tax collections is due to the Governor's proposal to limit taxpayer usage of the Historic Structures Tax Credit to \$40.0 million. It should be noted that the Budget Office estimates that the FY 2009 Personal Income Tax estimate adopted at the November 2007 REC incorporated \$52.9 million in revenue lost to the Historic Structures Tax Credit (HSTC) program. Relative to the revised FY 2008 budget, recommended FY 2009 Personal Income Taxes are \$30.8 million greater, a growth rate of 2.9 percent.

General Revenues

Sales and Use Tax collections are expected to total \$888.4 million in FY 2009, or no change from the FY 2009 estimate agreed upon at the November 2007 Revenue Estimating Conference. The Governor's FY 2009 recommended estimate signifies growth of 2.7 percent over the FY 2008 revised estimate. Sales and Use Taxes are anticipated to contribute 26.5 percent to total general revenues in FY 2009.

Motor Vehicle operator license and vehicle registration fees are forecasted to equal \$46.3 million in FY 2009, a decrease of \$132,452 from the November 2007 REC estimate. This decrease is the result of the Governor's proposal to pay the refunds for the Unified Carrier Registration Act (UCRA) out of general revenue receipts rather than through a restricted receipt account. Motor Carrier Fuel Use Taxes are estimated to reach \$1.2 million in FY 2009, the same as the November 2007 REC estimate. The other components of excise taxes, namely Cigarettes Taxes and Alcohol Taxes, remain at the levels adopted by the conferees of the November 2007 Revenue Estimating Conference. Cigarettes Taxes are estimated to decline by \$1.8 million, or 1.5 percent, from the revised FY 2008 estimate. This decrease is a result of the estimated drop in cigarette consumption. Alcohol Tax revenues, however, are projected to remain unchanged in FY 2009 from the revised FY 2008 estimate.

General Business taxes represent 11.8 percent of total general revenue collections in the FY 2009 budget year. Business Corporation Tax revenues are expected to yield \$160.3 million, an increase of 0.2 percent, or \$300,000 from the FY 2009 estimate agreed to at the November 2007 REC. This increase is the result of the Governor's previously referenced proposal to cap usage of Historic Structures Tax Credit which is expected to increase Business Corporations Tax collections by \$300,000. Business Corporations Tax collections are projected to be 2.0 percent lower than the revised FY 2008 estimate. The FY 2009 Business Corporations Tax estimate includes a Budget Office estimate of \$2.5 million in revenues lost to the use of Historic Structures Tax Credits by corporate income tax filers. Business Corporations taxes are expected to constitute 4.8 percent of total general revenues in FY 2009.

Bank Deposits Taxes are estimated at the levels adopted at the November 2007 Revenue Estimating Conference. Health Care Provider Assessments are estimated to be \$275,000 lower than the levels adopted at the November 2007 Revenue Estimating Conference as a result of the Governor's proposal to reduce reimbursements to the nursing home labor cost center principles payments to nursing homes by \$5.0 million which will result in a corresponding decrease in the Nursing Home Tax of 5.5 percent of gross revenues. Insurance Premiums Taxes are estimated to be \$75.1 million in FY 2009 and are forecasted to be 1.3 percent higher than in the revised FY 2008 budget. They will comprise 2.2 percent of total general revenues in FY 2009. Recommended Insurance Premiums Taxes are higher than the November 2007 REC estimate by \$2.1 million as a result of the previously referenced Historic Structures Tax Credit buyback program. The Budget Office estimates that the FY 2009 Insurance Premiums Taxes will be reduced by \$5.2 million as a result of the use of Historic Structures Tax Credits. This estimated revenue loss is included in the November 2007 REC estimate for Insurance Premiums taxes. Financial Institution Taxes are estimated at \$19.4 million more than adopted levels for FY 2009. The Governor's proposed Historic Structures Tax Credit buyback program is expected to recover \$400,000 in Financial Institution Taxes. Further, the Governor has recommended adjusting the November 2007 REC FY 2009 estimate by \$19.0 million to account for the proposed audit adjustment to FY 2007. The Department testified that a Financial Institutions taxpayer overpaid their taxes by \$19.0 million as testified to at the November 2007 REC by the Department of Taxation. The principals of the conference recorded the liability in FY 2009 based upon the Department's testimony that the taxpayer intended to request a refund in FY 2009, however the Auditor General has proposed to record

General Revenues

the refund as a liability against the year in which the overpayment was made. Finally, the Public Utilities Gross Earnings Taxes remain unchanged from the November 2007 REC estimate of \$104.0 million which comprises 3.1 percent of general revenues.

Inheritance and Gift Taxes are projected to reach \$30.1 million in FY 2009; no change from the level adopted at the November 2007 Revenue Estimating Conference. Realty Transfer Taxes are also estimated at the same level adopted at the November 2007 Revenue Estimating Conference. Thus, Realty Transfer Taxes are expected to grow 2.6 percent from their revised FY 2008 levels, with anticipated collections of \$11.7 million. Racing and Athletics Taxes are also estimated at the level adopted at the November 2007 REC. This estimate represents a decline of \$200,000, or -7.1 percent, from the revised FY 2008 estimate. Total Racing and Athletics Taxes projected in FY 2009 is \$2.6 million. The total of Other Taxes is 1.3 percent of total general revenues in FY 2009.

FY 2009 departmental receipts are expected to generate \$15.8 million more than the revised FY 2008 budget. Including all of the Governor's proposed changes to departmental receipts, total departmental revenues are expected to be \$354.6 million in FY 2009, or 10.6 percent of total general revenues. In the licenses and fees category of departmental receipts, \$111.3 million is expected as a result of the Governor's proposals. Most of this increase is attributable to the hospital licensing fee. The Governor recommends that the hospital licensing fee be reinstated for one year yielding \$78.0 million in FY 2009 in addition to increasing the rate of assessment to 4.94 percent which will yield another \$32.7 million. The FY 2009 recommended departmental revenues figure includes the following proposals:

- \$78.0 million from reinstating the Hospital Licensing Fee;
- \$32.7 million from increasing the Hospital Licensing Fee rate of assessment to 4.94 percent;
- \$1.1 million from requiring court costs equivalent to fine amounts for good driving dismissals;
- \$611,919 for charging a permitting fee on cases of bottled water;
- \$350,000 (approximately) for fines derived from driving while using mobile phone violations;
- \$300,000 million in RI Housing and Mortgage Financing Corporation grants;
- \$275,868 from increased Community Corrections fees;
- \$1.3 million resulting from licensing mortgage loan originators;
- \$100,000 in cost recoveries from proposed restricted receipt accounts for the Energy Office;
- a decrease of \$11,900 from discontinuing licensing of massage parlors;
- a decrease of \$275,000 from replacing the writ service with constable service;
- a decrease of \$1.7 million for converting the newborn hearing and screening fees to restricted receipts; and
- a decrease of \$2.1 million for converting the demand side energy grant to restricted receipts.

The Other Sources component total of \$389.3 million in FY 2009 represents a decrease of 29.4 percent, or \$162.1 million, compared to the revised revenue estimate for FY 2008. The change in other sources of revenue affects only the Other Miscellaneous Revenues.

The Governor's recommended FY 2009 budget for Other Miscellaneous Revenues is \$170.0 million lower than the revised FY 2008 level, a decrease of 93.8 percent. This decrease is due in large part to the inclusion of tobacco securitization proceeds worth \$124.0 million in FY 2008 that do not repeat in FY 2009. Other Miscellaneous Revenues are anticipated to be \$11.3 million in FY 2009, amounting to 0.3 percent of all general revenues.

General Revenues

Within the Gas Tax Transfer component, the Governor's FY 2009 budget shows no change from the revised FY 2008 level. The Gas Tax Transfer is expected to total \$4.7 million, comprising 0.1 percent of total general revenues in FY 2009.

Within the Lottery category, the recommended FY 2009 budget is \$14.4 million greater than the revised FY 2008 budget, an increase of 4.1 percent. The Governor recommends no changes from the November 2007 REC estimate for Lottery. In FY 2009, the Lottery Transfer is expected to be \$363.9 million and comprise 10.9 percent of total general revenues.

The final category of general revenue receipts is the Unclaimed Property transfer. In FY 2009, this transfer is expected to decrease by \$6.6 million, or 41.3 percent, from the revised FY 2008 estimate. The source of this decrease is primarily due to the nonrecurring demutualization of FY 2008. The Unclaimed Property transfer is projected to be \$9.4 million in FY 2009, and comprise 0.3 percent of all general revenues.

All Sources

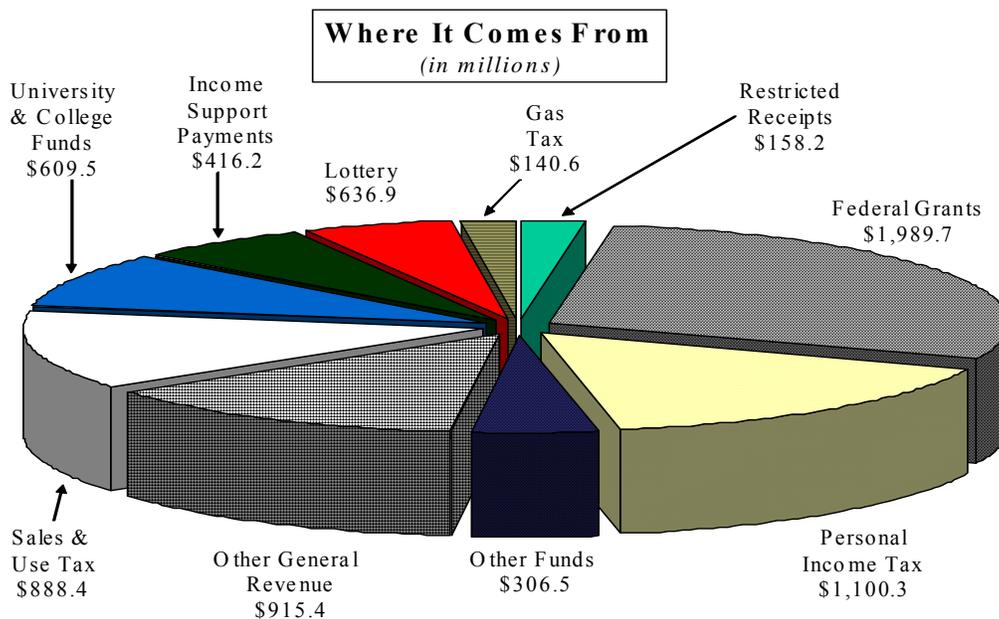
The total budget of \$6,888.8 million includes all sources of funds from which state agencies make expenditures.

Federal funds represent 28.9 percent of all funds. Over 69.0 percent of federal funds are expended for human services, primarily for Medicaid.

Income and Sales and Use Taxes combined represent 28.9 percent of all revenue sources.

University and College Funds, and Income Support Benefit payments represent 8.8 percent, and 6.0 percent of the total, respectively.

Remaining sources include: Other General Revenues (13.3 percent); Gas Tax Revenues (2.0 percent); Lottery Transfers (5.3 percent); Restricted Receipts (2.3 percent); and Other Funds (4.4 percent).



All Expenditures

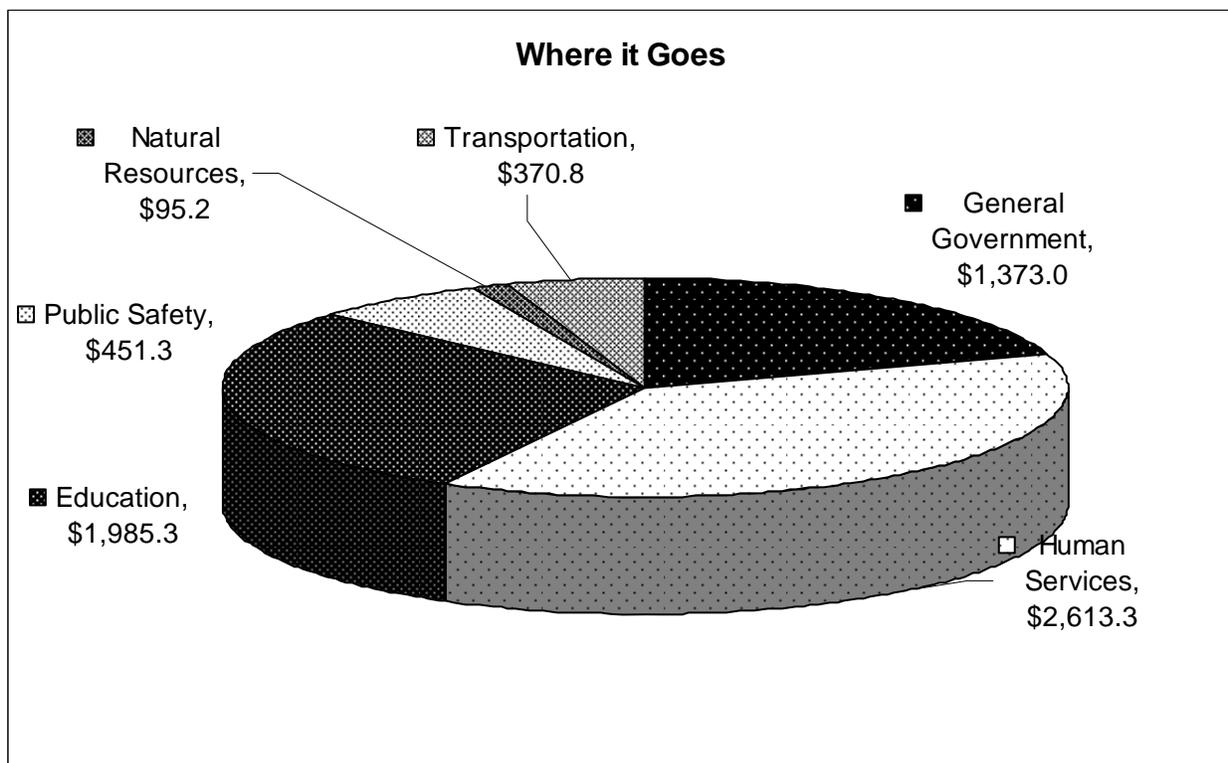
Approximately sixty-seven percent of all expenditures are for human services and education programs. The budgets for the human service agencies total \$2.613 billion, or approximately thirty-eight percent of all expenditures. These programs constitute the state's safety net.

Education expenditures comprise approximately twenty-nine percent of total expenditures, or \$1.985 billion. Of this total, \$1.051 billion represents funding for aid to local units of government. This is approximately fifty-three percent of all education expenditures, including higher education.

Approximately thirty-five percent of the \$1.373 billion 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 five 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 decrease by 5.8 percent from the revised FY 2008 budget.



General Government

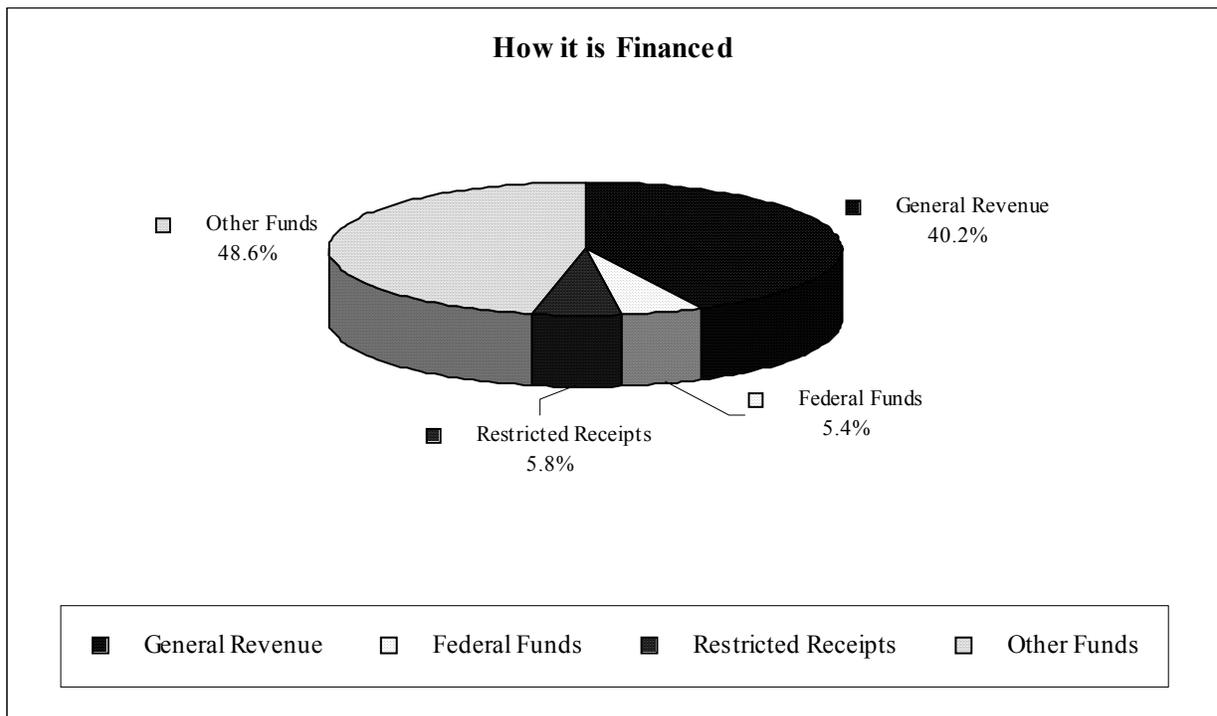
General Government

Summary

General Government includes agencies that provide general administrative services to all other state agencies, and those that perform 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 Revenue, 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 Governor recommends 2,360.7 FTE positions in FY 2008 and 2,012.4 FTE positions in FY 2009 within general government agencies.

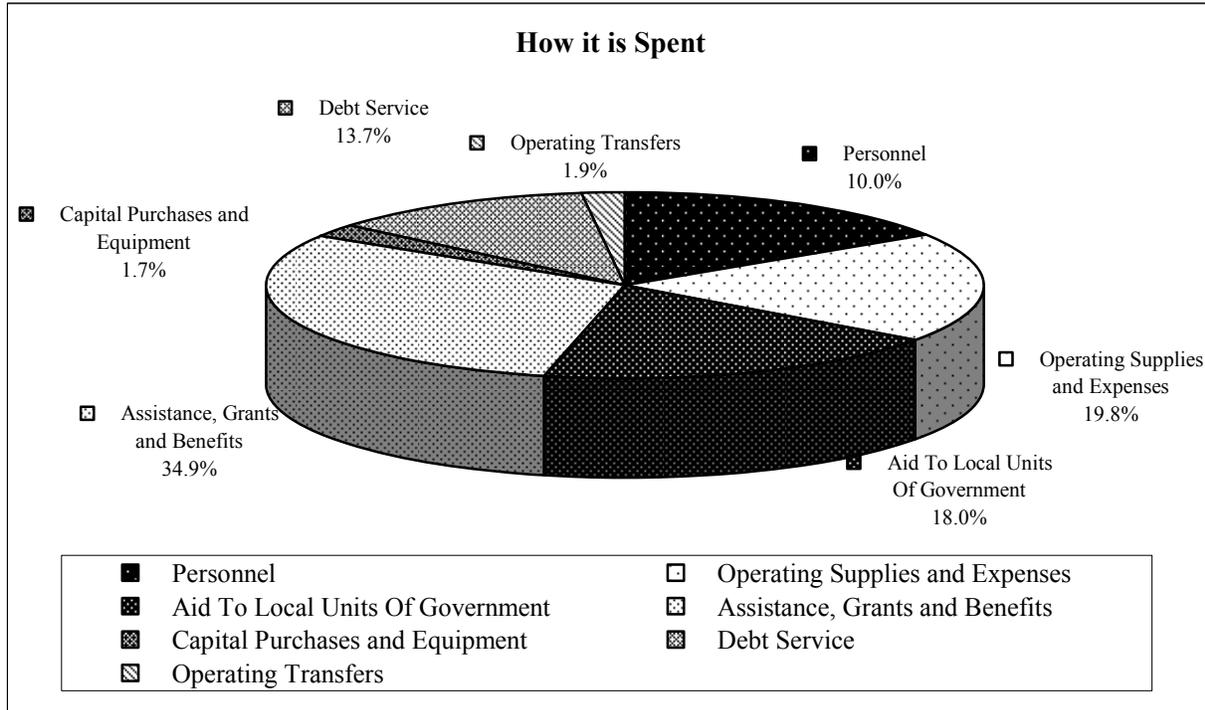
The FY 2008 revised budget for General Government agencies totals \$1.458 billion, including \$611.5 million in general revenues, \$86.8 million in federal funds, \$78.2 million in restricted receipts, and \$681.2 million in other funds. The revised budget from all fund sources for General Government agencies is \$18.8 million, or 1.3 percent, more than the FY 2008 enacted budget of \$1.439 billion. Of the \$1.458 billion recommended for FY 2008, \$464.9 million is for grants and benefits, \$265.0 million is for operating, \$242.9 million is for local aid, \$218.9 million is for personnel, \$170.2 million is for debt service, \$39.3 million is for capital, and \$56.6 million is for operating transfers.

For FY 2009, the Governor recommends expenditures of \$1.373 billion for General Government programs. The programs are financed with \$552.2 million of general revenues, \$74.1 million of federal funds, \$79.2 million of restricted receipts, and \$667.4 million of other funds. The FY 2009 recommendation for General Government agencies is \$66.0 million, or 4.6 percent, less than the FY 2008 enacted level.



General Government

Of the \$1.373 billion recommended for FY 2009, \$478.9 million is for grants and benefits, \$271.9 million is for operating, \$246.5 million is for local aid, \$137.2 million is personnel, \$188.0 million is for debt service, \$23.6 million is for capital, and \$26.8 million is for operating transfers. The General Government function represents 19.9 percent of the total budget for Rhode Island.



General revenue financing for General Government agencies in FY 2009 decreases by \$42.6 million, or 7.2 percent, from the FY 2008 enacted level. This decrease is primarily in the Department of Administration (\$39.0 million). Other notable changes include decreases in the Department of Revenue (\$1.2 million), the Department of Business Regulation (\$1.3 million), Legislature (\$341,159), Labor and Training (\$283,170), General Treasurer (\$344,783), Public Utilities Commission (\$661,246), and the Governor's Office (\$263,085) offset by increases in the Board of Elections (\$75,660) and the Secretary of State (\$742,008).

In FY 2009, federal funds in General Government agencies decrease by \$4.6 million, or 5.8 percent, from the FY 2008 enacted level. The change results from decreases in the Department of Administration (\$11.6 million) and General Treasurer (\$746,065) offset by an increase in the Department of Labor and Training of (\$7.3 million) and Department of Revenue (\$558,950). Restricted receipts decrease by \$3.7 million, or 4.4 percent, which includes decreases of \$9.2 million in the Department of Labor and Training and \$4.3 million in the General Treasurer offset by increases of \$9.3 million in the Department of Administration and \$433,950 in the Public Utilities Commission. Other funds decrease by \$15.2 million, or 2.2 percent, from the FY 2008 enacted level. This change results from decreases in the Department of Administration (\$29.3 million) and Department of Revenue (\$7.1 million) offset by an increase of \$21.3 million in the Department of Labor and Training.

General Government

Department of Administration

The Governor recommends revised appropriations of \$627.9 million in FY 2008 for the Department of Administration, excluding internal service funds. This includes \$505.2 million in general revenues, \$46.6 million in federal funds, \$9.2 million in restricted receipts, and \$66.9 million in other funds.

The revised FY 2008 budget is \$14.3 million greater than the enacted budget. This includes an increase in general revenue appropriations of \$19.8 million, an increase in federal funds of \$1.0 million, a decrease in restricted receipts of \$2.9 million, and a decrease in other funds of \$3.3 million. Funding for internal service funds within the Department of Administration decreases from \$331.9 million to \$322.7 million, or \$9.2 million, primarily due to lower projected claims in the Health Insurance Fund in FY 2008.

The FY 2008 revised budget for the Department of Administration includes the following statewide reductions totaling \$3.1 million: savings from lower than anticipated employee health benefit claims experience, \$910,461; savings from six uncompensated personal leave days, \$1.4 million; and statewide operating, contracts and grants reductions of 2.7 percent from revised levels, \$805,915.

Of the \$19.6 million increase in general revenue appropriations, \$1.6 million is attributable to core departmental programs, while the balance is for statewide personnel, state aid, debt service, and other non-department specific programs. The major general revenue changes within core departmental programs include:

- Additional personnel funding of \$88,419 in the Central Management program to fund the restoration of the Executive Director position and the transfer of a financial position from the Information Technology, offset by the transfer of an administrative position to the Governor's Office.
- Additional personnel funding of \$480,182 in the Legal Services program to fund staff, including a share of positions transferred from the Department of Transportation, and \$164,054 for outside legal services to assist in labor negotiations.
- Additional personnel funding of \$334,322 in the Accounts and Control program to fund 8.0 new FTE positions resulting from the centralization of accounts payable functions among Executive Branch agencies. Thirteen (13.0) FTE positions performing these functions in various agencies have been eliminated as a result of this centralization.
- Additional funding of \$77,000 in the Budget Office program to fund actuarial studies, specifically relating to retiree health benefits.
- Additional funding of \$76,079 in the Human Resources program to fund analysis and audit of the state's medical benefits programs.
- Additional funding of \$15,600 for legal services in the Personnel Appeal Board.
- Additional funding of \$3.0 million in the Facilities Management program to fund utility expenses due to increased energy costs. This increase is offset by a reduction of \$2.5 million in various operating and capital expenses based on revised requirements.
- Savings of \$773,700 in the Information Technology program due to a delay in the implementation of new modules for the Rhode Island Financial Accounting Network System (RI-FANS).

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- Net additional general revenue personnel funding of \$1.6 million in the Information Technology program due primarily to two factors. First, the adjustment in the allocation of costs among funding sources for the centralized IT function based on the latest projected billings for FY 2008 results in an increase to general revenue costs and a reduction in other sources of funds. Second, the FY 2008 revised budget includes the addition of 39.4 FTE positions in the Information Technology program to allow for the replacement of more expensive contract employees with full-time state employees to perform various IT functions, such as programming, database management, help desk assistance, etc. These positions are funded for part of the fiscal year within the FY 2008 budget, the additional cost of which will be offset by reduced funding for contractors.
- Additional funding of \$250,000 in the Security Services program for estimated overtime resulting from staff shortages in courtrooms. In addition, funding of \$67,000 is added in this program for contractual stipends for Sheriffs and Capitol Police.

The FY 2008 enacted budget for the Department of Administration included a negative appropriation of \$9.1 million in general revenues for state employee turnover. This negative appropriation was to be allocated to each agency by the State Budget Office after enactment of the 2008 budget. This allocation is reflected in the revised FY 2008 budget recommendations and results in a net increase to the Department of Administration's budget of \$9.1 million. The department's share of the turnover savings was \$0.5 million, which is allocated to various programs in the revised FY 2008 budget. Negative appropriations were also included for federal funds, \$2.6 million; restricted receipts, \$418,650; and other funds, \$2.7 million.

The most significant change in general revenue appropriations in the revised FY 2008 budget is a result of audit adjustments that negatively impacted the FY 2007 closing. In January 2008, the Auditor General presented the State Controller with two large audit adjustments totaling \$24.1 million, which when combined with other smaller adjustments, would result in a FY 2007 closing deficit of \$15.4 million. In order to maintain a balanced budget as required by the State Constitution, a transfer from the budget reserve fund is required. In order to return the ending General Fund balance for FY 2007 back to zero and provide for \$3.6 million of statutory reappropriations for the Judiciary and the General Assembly, the required transfer is \$19.4 million. This transfer must be repaid in FY 2008 and therefore, the revised budget contains \$19.4 million in appropriations to replenish the Rhode Island Capital Plan Fund, which would not receive its full transfer because the budget reserve fund will not be at its three percent maximum level by the close of FY 2008.

Local aid funding decreases in the revised FY 2008 budget by \$10.2 million. This includes a decrease of \$10.0 million in General Revenue Sharing and a reduction of \$183,500 for the Motor Vehicle Excise Tax Phase-out program. The Governor recommends a change to the latter's statutory formula to require that only ninety-eight percent (98.0%) of the exemption value be paid to communities, based on the fact that communities do not normally have one-hundred percent collection rates. Without this statutory change, funding for FY 2008, based on the latest tax roll data provided by cities and towns, would have needed to increase by \$2.5 million over the enacted level.

Debt service adjustments account for \$5.0 million in additional general revenue appropriations, increasing from \$126.2 million to \$131.2 million. The increase is the result of several factors. The largest component of the increase is the restoration of a \$3.0 million negative appropriation included in the enacted budget for debt service savings. The assumption behind this savings amount was that a smaller debt issuance

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resulting from the newly enacted requirement that bond premiums be used to reduce the amount of general obligation bonds issued would result in lower debt service costs. Although this is true, the actual savings will occur over the entire twenty-year payback of the recently issued debt and not in the first year. As a result, the majority of these savings will not be achieved in FY 2008 and thus, funding is increased to offset this negative appropriation. The issuance of tax anticipation notes (TANS) requires the addition of \$1.9 million in general revenue appropriations and \$4.8 million in all funds. The non-general revenue share of this cost is funded from bond premium received at the time of issuance and interest earnings on the borrowed funds until used by the state for cash flow requirements.

The Governor recommends a delay of \$4.1 million from FY 2008 to FY 2009 in the funding for the Dunkin Donuts Center Renovations project based on the latest cash flow requirements provided by the Convention Center Authority. These funds are primarily earmarked for the seat replacement phase of the project, which will not commence until after the end of FY 2008, thereby allowing for the reduction in funding this fiscal year.

The FY 2008 revised budget includes a reduction to the teachers' retiree health insurance subsidy of \$1.4 million. This reduction is the result of a higher balance in the insurance fund and claims lower than anticipated. There is no change to coverage as a result of this reduced funding.

Net of the \$2.6 million increase attributable to the statewide personnel turnover described above, federal funds decrease by \$1.6 million from the FY 2008 enacted level. The majority of this decrease is due to the reallocation of costs for the centralized IT functions among various funding sources. As described above, the general revenue share of these costs have increased, while other sources, including federal, are projected to be charged a smaller share of costs as compared to the enacted budget.

Net of the \$418,650 increase attributable to the statewide personnel turnover described above, restricted receipts decrease by \$3.4 million due to several factors. First, bond premium and estimated interest earnings on TANS of \$2.9 million, as described above, are budgeted to pay debt service on the TANS. Second, funding of \$1.2 million budgeted for debt service on the COPS issuance for the new Registry of Motor Vehicles computer system are not required in FY 2008 due to a delay in the issuance of this debt. Fees on all Registry transactions are being received into a restricted receipt account to cover the cost of the debt service on this issuance, but no funds will be expended in FY 2008. Third, increased funding of approximately \$1.0 million in the Office of Energy Resources is attributable to the establishment of two new restricted accounts in the revised FY 2008 budget for administrative support of the office and to an increase in the use of oil overcharge interest earnings for various energy projects. Finally, a reduction of \$6.35 million in the State Fleet Replacement Restricted Receipt account occurs due to the Governor's proposal to establish this new revolving loan fund as an Internal Service Fund into which these funds are transferred in the revised budget.

Net of the \$2.7 million increase attributable to the statewide personnel turnover described above, other funds decrease by \$6.0 million. Of this decrease, almost \$1.9 million is in Transportation debt service due to savings from refunded bonds in recent years. In addition, there is a net reduction of \$4.6 million in funding for capital projects funded from the Rhode Island Capital Plan Fund. The largest decrease is the withdrawal of \$7.5 million for the Neighborhood Opportunities Program, due to delayed cash requirements for the program. In August 2007, the State provided the \$7.5 million authorized for FY 2007 projects. The recommendation is to transition program expenditures to Rhode Island Housing, where similar programs have been funded. Commitments made for projects that require cash in FY 2008 or thereafter will be reviewed in the context of the RI Capital Plan Fund balances and RI Housing's cash

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position. This reduction in RICAP funding is offset by increases in various other capital projects primarily due to carry over funding from FY 2007 and the transfer of \$1.2 million from the Department of Human Services for Forand Building Exterior Shell repairs, which will be managed by the Capital Projects division within the Department of Administration. New RICAP funding totaling \$400,000 is provided for architectural and engineering work on a proposed renovation to the Forand Building for use as the new Registry of Motor Vehicles headquarters. Finally, there is an increase in other funds of approximately \$850,000 in the Information Technology program due to reallocation of costs for the centralized IT functions among various funding sources.

The Governor recommends a total of 1,032.8 FTE positions in the revised FY 2008 budget, a decrease of 0.1 FTE positions from the enacted level of 1,032.9 FTE positions. This minor change is actually comprised of a number of offsetting increases and decreases in FTE positions. As part of the statewide personnel turnover savings allocated to each agency, the Department of Administration eliminated 45.5 vacant FTE positions from various programs. The Department transferred 2.0 FTE positions to the Department of Labor and Training, 3.0 FTE positions to the Department of Children, Youth and Families and 3.0 FTE positions to the Department of Environmental Management. Conversely, the Department received 3.0 FTE positions from the Department of Transportation, and 4.0 FTE positions from the Department of Human Services. A net of 7.0 FTE positions are added for the Accounts Payable centralization within the Accounts and Control program, as described above. This includes 8.0 new FTE positions and the elimination of 1.0 vacant FTE position in the Facilities Management program that previously had accounts payable responsibilities. Finally, as described above, there is an increase of 39.4 FTE positions in the Information Technology program to allow for the hiring of full-time state employees to replace IT contractors.

The Governor recommends total expenditures for FY 2009 of \$542.7 million for the Department of Administration, excluding internal service funds. This includes \$446.4 million in general revenues, \$33.9 million in federal funds, \$21.4 million in restricted receipts, and \$40.9 million in other funds. Overall, this represents a decrease of \$70.6 from the enacted FY 2008 budget. General revenue funds decrease by \$39.0 million, federal funds decrease by \$11.6 million, restricted receipts increase by \$9.3 million and other funds decrease by \$29.3 million. Funding for internal service funds increases by \$5.2 million from the enacted FY 2008 level, primarily attributable to increases in the utilities fund due to increased energy costs.

The FY 2009 budget for the Department of Administration includes statewide reductions totaling \$50.2 million in general revenues and \$90.1 million in all funds. These savings, targeted for personnel in the form of compensation, medical plan design and co-share changes, and extraordinary retirements, are shown within the Department of Administration to be reallocated to all agencies at a later date. The recommendation includes \$60.6 million, of which \$33.4 million is general revenues, for personnel savings that are currently being discussed with union leadership. For display purposes, \$33.6 million is reflected in medical benefit savings and \$27.0 million in salary and benefit savings. Additionally, the Governor's recommendation assumes \$30.5 million in savings from all sources, \$16.8 million from general revenues, from permanent position eliminations as a result of retirements for FY 2009. There are currently over 3,100 employees eligible to retire, whether by age or years of service. The Governor's recommendation assumes that 300 non-critical positions will be eliminated from retirements in FY 2009.

Of the \$39.0 million decrease in general revenue appropriations, \$5.0 million is attributable to core departmental programs, while the balance is for statewide personnel reductions, described above, state aid, debt service and other non-department specific programs. The major general revenue changes within

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core departmental programs, as compared to the enacted FY 2008 budget include:

- Transfer of 2.0 FTE positions from the Central Management program to the new Department of Public Safety, resulting in a decrease in general revenue personnel funding of \$93,096. These positions supported the Fire Marshal and Rhode Island Justice Commission agencies and a portion of their costs were allocated to federal resources.
- Additional personnel funding of \$570,338 in the Legal Services program to fully fund their current staff, including positions transferred from the Department of Transportation in FY 2008, and a current vacancy
- Additional personnel funding of \$563,667 in the Accounts and Control program to fund the full year costs of 8.0 new FTE positions resulting from the centralization of accounts payable functions among Executive Branch agencies. Thirteen (13.0) FTE positions performing these functions in various agencies have been eliminated as a result of this centralization.
- Additional funding of \$78,000 in the Budget Office program to fund actuarial studies, specifically relating to retiree health benefits.
- Additional funding of \$87,000 in the Human Resources program to fund analysis and audit of the state's medical benefits programs.
- Additional funding of \$15,000 for legal services in the Personnel Appeal Board.
- Additional funding of \$4.0 million in the Facilities Management program to fund utility expenses due to increased energy costs. This increase is offset by a reduction of \$2.7 million in various operating and capital expenses based on revised requirements. The increase in utility expenses is also offset by guaranteed savings of \$432,906 from the energy conservation improvements made to various capitol area buildings as a result of the energy services contract funded through a debt issuance this past year. These savings will be used to pay the debt service costs.
- Savings of \$366,416 in the Information Technology program due to a delay in the implementation of new modules for the Rhode Island Financial Accounting Network System (RI-FANS).
- Net additional general revenue personnel funding of \$3.1 million in the Information Technology program due primarily to two factors. First, the same adjustment in the allocation of costs among funding sources for the centralized IT function that occurred in FY 2008 carries over into FY 2009 and results in an increase to general revenue costs and a reduction in other sources of funds. Second, as described above, the FY 2008 revised budget included the addition of 39.4 FTE positions in the Information Technology program to allow for the replacement of more expensive contract employees with full-time state employees to perform various IT functions. These positions were funded for part of the fiscal year within the FY 2008 budget and are funded for the entire year in FY 2009 with some turnover assumed for staggered hiring. The additional cost of these positions will be offset by reduced funding for contractors that had been budgeted in various agency budgets.
- Additional funding of \$700,000 in the Information Technology program to fund software maintenance agreements.
- Decreased funding of \$2.2 million in the Office of Energy Resources due to the shift of certain funding from general revenues to restricted receipts. This includes both staff costs, as well as

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grant funding received from utility distribution companies for energy efficiency projects.

The Governor recommends a net decrease for state aid programs of \$6.6 million. General Revenue sharing is recommended to decrease by \$10.0 million compared to the FY 2008 enacted budget, the same reduction as proposed in the revised FY 2008 budget. The Distressed Communities Relief Fund is level funded at the FY 2008 enacted level of \$10.4 million. The Payment-in-lieu-of-taxes (PILOT) program is also level funded at the FY 2008 funding level of \$27.8 million. State Library Aid is also level funded at the FY 2008 enacted level of \$8.8 million. The Library Construction Aid program is fully funded based on outstanding agreements at \$2.8 million, a reduction of \$47,412 from the enacted FY 2008 budget. The Governor recommends continuing the proposal to reimburse communities for ninety-eight percent (98.0%) of the exemption value under the Motor Vehicle Excise Tax Phase-Out program at the \$6,000 exemption level. Funding of \$139.6 million, an increase of \$4.1 million, is recommended from general revenues. Distributions to communities under each of these state aid programs will be based on the latest property values, tax data and other indicators, as required by the statutes governing the respective aid programs.

The Governor recommends eliminating the Municipal Police and Firemen Incentive Pay programs for savings of \$675,000 in FY 2009.

The Governor recommends an increase of \$172,000 for the Property Valuation program, which reimburses communities for statistical updates and/or revaluations of real property required to be conducted by state law.

The Governor recommends level funding for most economic development initiatives included in the FY 2008 budget. This includes \$3.0 million for the Slater Technology Fund, \$100,000 for the Science and Technology Council, \$100,000 for the Business Innovation Factory, and \$1.5 million for the Research Alliance. Funding for the Economic Development Corporation is also level funded at the FY 2008 enacted level of \$6.2 million, but funding for various legislative grants funded through the EDC is recommended to decrease by \$0.7 million or half the FY 2008 enacted funding. In addition, the Governor recommends that the Economic Development Corporation assume responsibility for the staff support to the Economic Policy Council and as such eliminates the stand alone funding for the Council of \$300,000.

The FY 2009 budget includes funding of \$4.1 million delayed from FY 2008 to complete renovations to the Dunkin Donuts Center. This is a reduction of \$8.4 million from the enacted FY 2008 funding level. In addition, the Governor recommends restoration of funding for the Governor's Contingency Fund to \$1.0 million.

In the Debt Service category, general revenue funding increases by \$13.7 million over the FY 2008 enacted level and by \$22.2 million in all funds. Debt service for general obligation bonds increases by a net of \$6.2 million in general revenues and \$12.3 million in all funds. This net increase includes \$3.0 million to restore savings built into the FY 2008 enacted budget, as described above; a \$2.0 million increase for economic development-related G.O. debt (Quonset Point and Third Rail); a \$1.3 million increase for the recently approved Affordable Housing bond; a \$6.1 million increase for transportation-related debt funded by the gas tax; and various reductions to outstanding debt as bonds are paid off annually.

Funding for various Certificates of Participation projects increases by \$7.0 million in general revenue funds and \$6.6 million in all funds. Previously approved projects for which debt service will be newly required in FY 2009 include the School for the Deaf, \$2.6 million and the Energy Conservation project, from which utility savings will offset the \$432,906 debt service payment. A new project proposed by the Governor in the Capital Budget involves the renovation of the Forand Building at the Pastore Government

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Center for use by the Registry of Motor Vehicles as its new main headquarters. The goal of this project is to provide a more centrally located, customer-friendly facility and at the same time save operating costs from the rental of outside property. The Governor proposes a \$23.9 million Certificates of Participation issuance, which will require an estimated first year debt service payment of \$658,000. Finally, the FY 2008 budget included projected savings of almost \$3.0 million from a planned refunding of outstanding COPS issues. This refunding occurred in FY 2008 and resulted in first year savings to several projects, but will have less of an impact in FY 2009, thereby requiring the restoration of the majority of this savings amount.

Funding for debt service on previous Public Buildings Authority projects, now managed by the Refunding Bond Authority, decreases by \$802,306 in general revenues and \$852,317 in all funds. Since the former PBA is no longer in existence and therefore no new projects will be funded under this entity, debt service will decrease annually as these projects are paid off.

The FY 2009 budget also includes funding for an anticipated issuance of Tax Anticipation Notes, as was required in FY 2008. The same level of funding, both general revenue and restricted receipts, as requested in FY 2008, \$1.9 million and \$2.6 million, respectively, is requested for FY 2009. Actual requirements will depend on the amount issued and interest rates on the debt at that time, and thus these figures will likely be refined in the FY 2009 supplemental budget.

The FY 2009 budget includes a reduction to the teachers' retiree health insurance subsidy of \$962,522 from the FY 2008 enacted funding level of \$1.4 million. This reduction is the result of projected balances in the insurance fund and anticipated claims based on current year experience. There is no change to coverage as a result of this reduced funding.

The Governor also proposes to reduce by half the majority of legislative grants that are funded through the Department of Administration for general revenue savings of \$260,456. The exception is the grant for the RI Service Alliance, which will remain at the FY 2008 enacted funding level of \$140,000. These funds are used to match federal dollars and support the AmeriCorps program.

Net of the \$15.0 million decrease attributable to the new statewide personnel savings described above, which is offset by a \$2.6 million increase relating to FY 2008 statewide personnel savings, federal funds increase by \$1.0 million in FY 2009 from the FY 2008 enacted budget. The largest single program change in federal funds is an increase of approximately \$3.0 million in the Statewide Planning program, primarily the result of new Community Development Block Grant funds. Funding within the three centralizations fluctuate based on the projected allocation of costs among the various funding sources, including a decrease of \$193,889 in Human Resources, and increase of \$1.3 million in Facilities Management and a decrease of \$722,676 in Information Technology. Federal funding within the Office of Energy Resource decreases by \$1.6 million, primarily in the LIHEAP heating assistance program. Finally, federal funding for debt service costs on the Center General Building decreases by \$442,606 based on a revised allocation of costs due to the plan to move a new state agency into this facility.

Net of the \$3.1 million decrease attributable to the new statewide personnel savings described above, which is offset by a \$418,650 increase relating to FY 2008 statewide personnel savings, restricted receipts increase by \$12.4 million in FY 2009 from the FY 2008 enacted budget. The largest single program change in restricted receipts is in the Office of Energy Resources where the Governor is recommending the establishment of several new restricted receipt accounts. The largest of these is \$10.0 million for the Regional Greenhouse Gas Initiative, which will receive funds from the sale of carbon dioxide emission allowances. Also in this office, there is funding of \$1.9 million budgeted for the first time for the

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Affordable Energy Fund and \$2.1 million for Demand Side Management Grants received from utility distribution companies. In other programs, restricted receipt funds increase by \$2.9 million for the interest earnings and bond premium projected to be received from the issuance of Tax Anticipation Notes; decrease by \$6.3 million in Facilities Management, primarily due to the shift of the State Fleet Replacement account to an internal service fund; and increase by \$638,208 in Information Technology due to the updated allocation of costs among various funding sources.

Net of the \$22.8 million decrease attributable to the new statewide personnel savings described above, which is offset by a \$2.7 million increase relating to FY 2008 statewide personnel savings, other funds, excluding RICAP funds, increase by \$6.8 million in FY 2009 from the FY 2008 enacted budget. This increase is primarily attributable to two items. First, an increase of \$1.0 million in Information Technology due to the updated allocation of costs among various funding sources for services provided to agencies. Second, there is an increase of \$5.9 million in debt service, mostly for Transportation G.O. Debt.

In the Rhode Island Capital Plan Fund, funding decreases by \$15.8 million from the FY 2008 enacted budget. The largest single change is the elimination of \$8.8 million in funding for the DOIT Data Center. This funding was initially enacted for the purpose of purchasing and outfitting an existing facility, but after an RFP process, no suitable facility could be identified. The Governor now recommends that this funding be used to renovate the soon to be vacated DCYF Training School Administration Building at the Pastore Government Center for use as the new DOIT Data Center. This is a one-time project and thus this funding will not be required again in FY 2009. In addition, funding of \$7.5 million for the Neighborhood Opportunities Program is not provided in the FY 2009 budget.

The Governor recommends a total of 775.8 FTE positions in the FY 2009 budget, a decrease of 257.0 FTE positions from the revised FY 2008 budget. The majority of this decrease is the 241.0 FTE positions from Security Services (Sheriffs and Capitol Police) that are transferred to the new Department of Public Safety. Two positions from the Central Business Office are also transferred to Department of Public Safety. Two positions are transferred in from the Governor's Office, one to the Central Business Office and one to the Information Technology program. The Department of Administration also has program reductions proposed for FY 2009 that would result in the elimination of 16.0 FTE positions. First, the Human Resources program will have a reduction of 13.0 FTE positions primarily due to further consolidations within the human service centers as a result of the new Office of Health and Human Services structure. Finally, 2.0 FTE position will be eliminated within the Statewide Planning program and 1.0 FTE will also be eliminated in the Facilities Management program.

Department of Business Regulation

The Governor recommends a revised FY 2008 budget of \$12.8 million, including \$10.9 million in general revenue, \$201,742 in federal funds, and \$1.7 million in restricted receipts. General revenues decrease \$579,487 from the enacted level, reflecting current services adjustments, and the following statewide adjustments: savings from lower than anticipated employee health benefits claims experience, \$115,756; savings from six uncompensated personal leave days for all state employees, \$200,015; and, statewide operating, contracts, and grants reductions of 2.7 percent from revised levels, \$17,945. The Governor recommends 102.0 FTE positions in FY 2008, a reduction of four vacant positions and \$333,666 in personnel savings from the Department including the Board of Design Professionals. Federal funds increase \$150,000 for a grant to the Office of Health Insurance Commissioner to study quality of high risk pool insurance. Restricted receipts increase a net \$60,000, including insurance regulation increases of

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\$113,000 primarily for costs of rate assessment and commercial licensing decreases of \$53,000 for licensing activities.

For FY 2009, the Governor recommends \$11.7 million, including \$10.2 million in general revenue and \$1.5 million in restricted receipts. General revenues decrease \$1.3 million from the FY 2008 enacted level. The Governor recommends a total of 98.0 FTE positions in FY 2009, a program reduction of an additional 4.0 FTE positions from FY 2008 revised (a total of 8.0 FTE positions from the enacted level) and a savings from the enacted level of \$620,780. Reduced trend growth in medical benefits saves \$68,449, and funding for retiree health benefits in FY 2009 on an actuarial basis recognizing reduced benefits for new retirees saves \$98,509. Relocation of the department from leased space to state owned property is a savings of \$709,690 in general revenue. Personnel current services and adjustments including assessed fringe benefits and contract and operating savings are a net increase of \$212,506. The Governor recommends transfer of burglar alarm regulation to the Department of Labor and Training, assuming of proprietary school review from the Office of Higher Education, and elimination of hearings for auto body disputes and review upon complaint.

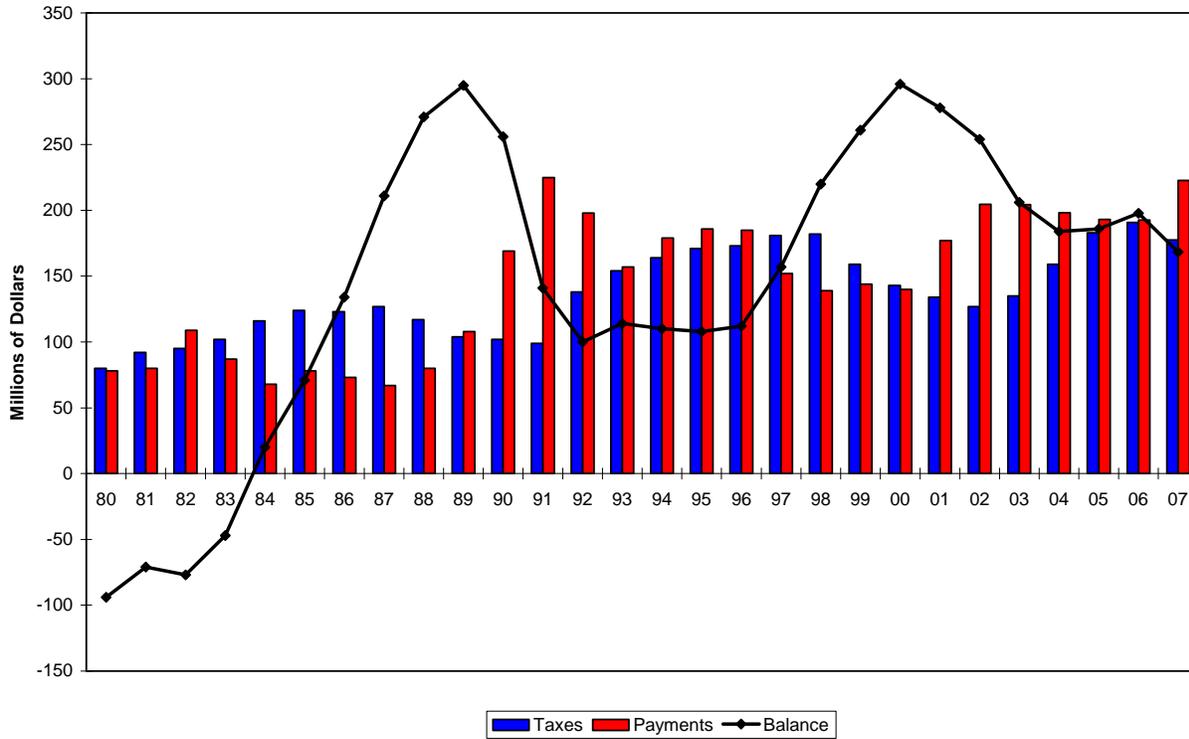
Department of Labor and Training

The Governor recommends revised FY 2008 expenditures of \$477.0 million for the Department of Labor and Training, including \$6.4 million in general revenue, \$35.0 million in federal funds, \$25.1 million in restricted receipts, and \$410.5 million in other funds. General revenues decrease \$205,975 from the enacted budget, reflecting current services adjustments, and the following statewide adjustments: savings from lower than anticipated employee health benefits claims experience, \$39,085; savings from six uncompensated personal leave days for all state employees, \$58,723; and, statewide operating, contracts, and grants reductions of 2.7 percent from revised levels, \$17,057. The Governor recommends 417.5 FTE positions in FY 2008, a reduction of 37.4 positions with savings in general revenue of \$245,412. Increases include biology tax credit operations (\$3,994), teacher arbitration services (\$25,296), and revised police and fire fighter benefits estimates (\$128,507).

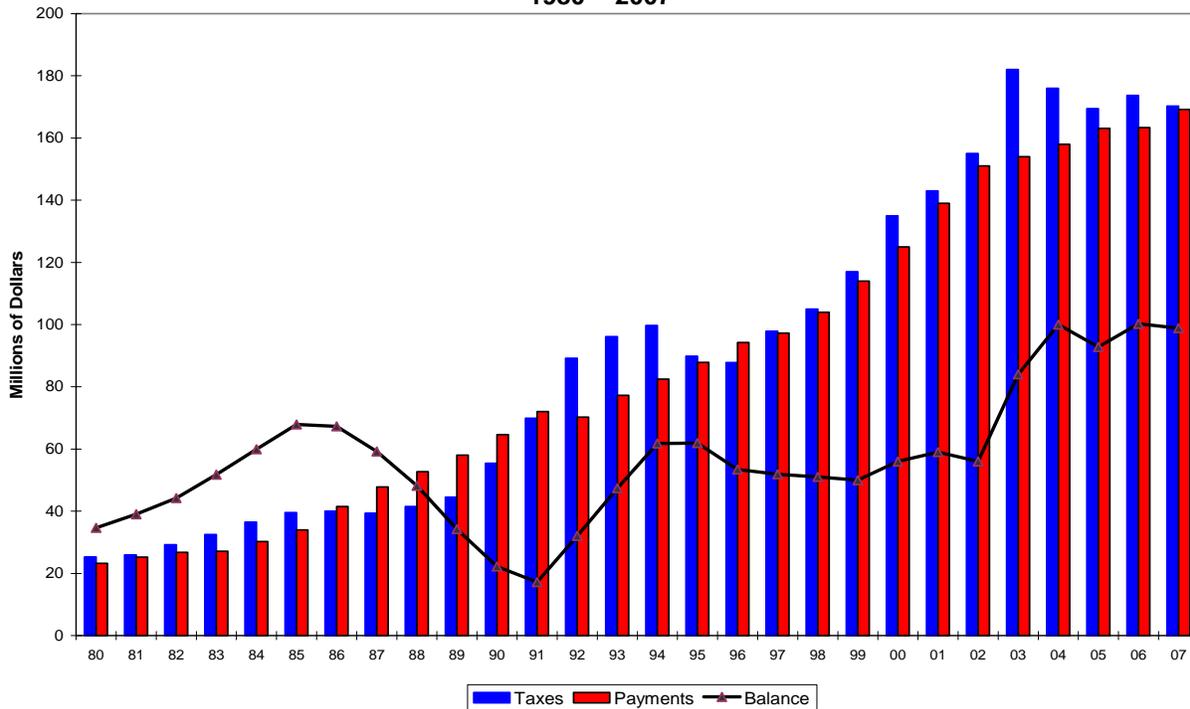
The recent fund balance trends for both the Employment Security Trust Fund and the Temporary Disability Insurance (TDI) Trust Fund are shown in the graphs below. It should be noted that Rhode Island's Employment Security Fund is in stable condition relative to other states. At the end of 2007, the Employment Security Trust Fund and TDI Trust Fund had balances of approximately \$168 million and \$99 million, respectively.

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**Unemployment Insurance Fund Activity
1980 - 2007**



**Temporary Disability Insurance Fund Activity
1980 - 2007**



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For FY 2009, the Governor recommends \$478.5 million, including \$6.3 million in general revenue, \$35.4 million in federal funds, \$19.1 million in restricted receipts, and \$417.7 million in other funds. This is an increase of \$19.0 million over the FY 2008 enacted budget, and includes \$283,170 less general revenue, \$7.2 million more federal funds, \$9.2 million less in restricted receipts, and \$21.4 million more other funds. The Governor recommends an FTE authorization of 407.2 FTE positions for the Department of Labor and Training, or 10.3 FTE less than revised FY 2008, including a 21.0 FTE program reduction, 6.3 adjustment reductions, and 17.0 additional FTE positions to staff a work first program for human services clients funded from \$1.7 million of federal grants from the Department of Human Services. A majority of the federal fund increase is related to increased grant awards for Workforce Development and Training Programs (\$6.9 million). The decreased restricted receipt expenditures are from the Human Resource Investment Council program (\$9.2 million). The increase in other funds is for the Income Support Program for unemployment benefits (\$25.2 million).

Department of Revenue

In the 2006 Session, the General Assembly created the new Department of Revenue, comprised primarily of programs transferred from the Department of Administration. These programs include the Office of Property Valuation (formerly Municipal Affairs), the Division of Taxation, the Registry of Motor Vehicles, and the Lottery. New programs created with this department include the Director of Revenue and the Office of Revenue Analysis.

The Governor recommends \$241.8 million in expenditures for the Department of Revenue in the FY 2008 revised budget, including \$35.2 million in general revenues, \$2.1 million in federal funds, \$203.6 million in other funds, and \$892,006 of restricted receipts. This includes a decrease of \$3.4 million or 8.8 percent in general revenues, including \$2.7 million in personnel savings from additional turnover savings due to delays in filling several new positions, including the Director of Revenue, elimination of vacant positions and various statewide reductions. The statewide reductions include \$539,014 for six uncompensated personal leave days for all state employees, \$421,613 in savings from lower than anticipated employee health benefit claims experience, and \$169,134 for statewide operating, contracts and grants reduction of 2.7 percent from revised funding levels. Federal funds increase by \$793,852 or 59.5 percent due to the carry forward of several grants in the Registry of Motor Vehicles. Restricted receipts increased by \$46,500 or 5.5 percent as a result of indirect cost recovery funds not included in the enacted budget. Other funds decrease by \$14.6 million or 5.7 percent, primarily due to an estimated reduction in the Lottery collections, which translates into lower commission payments and other expenses at the Lottery Division.

The Governor recommends \$248.7 million in expenditures from all funds for the Department of Revenue for FY 2009, including \$37.4 million in general revenues, \$1.9 million in federal funds, \$208.5 million in other funds, and \$925,663 of restricted receipts. This represents an all funds decrease of \$7.7 million from the enacted FY 2008 budget. This includes decreases in general revenue expenditures of \$1.2 million, or 3.1 percent, primarily due to positions being eliminated in FY 2009. Federal funds increase by \$558,950, or 41.9 percent, due to the continuation of several federal grants received by the Registry of Motor Vehicles. Restricted receipts increase \$80,157, or 9.5 percent, due again to indirect cost recovery funds not included in the FY 2008 enacted budget. Other funds decrease by \$7.1 million, or 3.3 percent. As with the revised FY 2008 budget, this change is primarily due to estimated changes in Lottery collections, which have a corresponding impact on Lottery expenditures.

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Major changes recommended in the FY 2009 budget include:

- Registry of Motor Vehicles – Require only one license plate on vehicles beginning in FY 2009 to save \$239,000 in production costs;
- Registry of Motor Vehicles - Close the West Warwick branch, eliminating four (4.0) FTE positions, and transferring three (3.0) FTE positions to the main registry branch. In concert with this recommendation, the Governor proposes a capital project to renovate the Forand Building at the Pastore Government Center in Cranston to house the main branch of the Registry. RICAP funding of \$400,000 is included in the Department of Administration's budget to begin the planning for this project. A Certificates of Participation debt issuance is proposed for FY 2009 to fund this project, which is estimated to be completed within two to three years.

The Governor recommends 465.0 FTE positions in FY 2008, a decrease of 10.0 FTE from the enacted level and 460.0 FTE positions in FY 2009, a decrease of 5.0 FTE from the revised FY 2008 level. The FY 2008 decrease is due to the elimination of ten vacancies, 1.0 FTE from the Director's Office, 0.5 FTE from Lottery, 4.0 FTE from Taxation, and 4.5 FTE from the Registry of Motor Vehicles. In FY 2009, there are 4.0 program reductions in the Registry of Motor Vehicles and 1.0 vacant position that will be eliminated from the Office of Property Valuation.

Legislature

The Governor's revised FY 2008 budget for the Legislature is \$37.6 million, including \$36.1 million in general revenue and \$1.5 million in restricted receipts. The recommendation includes an increase of \$1.7 million resulting from reappropriation of \$2.5 million in carry forward balances from FY 2007 that are budgeted as legislative grants. This is offset by personnel savings due to current services adjustments, contract services savings primarily in the Joint Committee on Legislative Services, and the following statewide adjustments: savings from lower than anticipated employee health benefit claims experience, \$482,709; savings from six uncompensated personal leave days for all state employees, \$548,025; and, statewide operating, contracts and grants reductions of 2.7 percent from revised levels, \$163,129.

For FY 2009, the Governor recommends \$35.6 million, including \$34.1 million in general revenue and \$1.5 million in restricted receipts. The general revenue decrease of \$341,159 from FY 2008 enacted budget is primarily a result of decreases in contract services in the Joint Committee on Legislative Services. Personnel savings of \$57,289 reflect adjustments for salary and employee benefits requirements. Personnel costs include no cost of living adjustment for state employees, but do include a 9.9 percent trend growth in employee medical benefit costs and also include funding for retiree health benefits on an actuarial basis beginning in FY 2009, recognizing reduced health benefits for new retirees. The Governor recommends the enacted level of 297.9 FTE positions in FY 2008 and FY 2009.

Office of the Lieutenant Governor

The Governor's revised FY 2008 budget for the Office of the Lieutenant Governor is \$839,816 from general revenues. The recommendation is a decrease of \$85,296 from the enacted budget, reflecting reductions of \$60,345 for current services adjustments for personnel requirements, \$4,689 for operating expenses, and the following statewide adjustments: savings from lower than anticipated employee health benefit claims experience, \$6,801; savings from six uncompensated personal leave days for all state employees, \$17,251; and, statewide operating, contracts and grants reductions of 2.7 percent from revised levels, \$899.

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For FY 2009, the Governor recommends \$884,920 from general revenues. This is \$40,192 less than the enacted budget and includes reductions of \$35,507 for salaries and benefits, \$5,060 for operating expenses. The personnel savings includes adjustments for salary and employee benefits requirements offset by a program reduction of 1.0 FTE position to be determined by the Office. Personnel costs include no cost of living adjustment for state employees, but do include a 9.9 percent trend growth in employee medical benefit costs and also include funding for retiree health benefits on an actuarial basis beginning in FY 2009, recognizing reduced health benefits for new retirees. The Governor recommends 9.0 FTE positions in FY 2008 and 8.0 FTE positions in FY 2009.

Secretary of State

The Governor's revised FY 2008 budget for the Secretary of State is \$6.2 million, including \$5.0 million in general revenue, \$572,503 in federal funds, and \$558,502 in restricted receipts. The recommendation includes an increase of \$6,553 to general revenue appropriations, reflecting current services adjustments, and the following statewide adjustments: savings from lower than anticipated employee health benefit claims experience, \$52,030; savings from six uncompensated personal leave days for all state employees, \$81,362; and, statewide operating, contracts and grants reductions of 2.7 percent from revised levels, \$21,500. A reallocation of \$88,909 from general revenue to restricted receipts is due to the recently enacted two dollar fee increase to sustain the Historical Records Trust Fund. General revenue decreases are offset by increases of \$62,970 to finance e-government initiative costs, \$48,428 for Presidential Preference Primary costs, and \$27,436 primarily for the payment of the printing of the RI Owner's Manual which was incurred in FY 2007.

Federal funds included in the revised budget decrease by \$14,241 as the Department continues to implement the remaining mandates of the Help America Vote Act (HAVA) of 2002. The revised FY 2008 Budget reflects federal HAVA funding for the ongoing payment of the maintenance portion of the State's Optical Scan Voting Equipment, which is split between the Board of Elections and the Office of the Secretary of State. The Governor recommends the enacted level of 58.0 FTE positions in FY 2008.

For FY 2009, the Governor recommends \$6.9 million, including \$5.8 million in general revenue, \$541,139 of federal funds, and \$555,581 in restricted receipts. The general revenue increase of \$742,008 from the enacted FY 2008 budget includes an increase of \$756,159 for Presidential Election ballot and referenda printing costs and reflects adjustments required for salary and employee benefits requirements. Personnel costs include no cost of living adjustment for state employees, but do include a 9.9 percent trend growth in employee medical benefit costs and also include funding for retiree health benefits on an actuarial basis beginning in FY 2009, recognizing reduced health benefits for new retirees. A decrease of \$150,322 from the enacted level represents reductions in various community service grants.

In order to address expenditure forecasts statewide in excess of enacted appropriations, the Governor proposes the following for initiation in FY 2009:

- Eliminating the requirement for the printing of the RI Owner's Manual which will save \$25,000. The Secretary of State would continue to provide the manual on its official website as currently done.
- Transferring the cost for the printing of ballots where only special town or city elections take place to the municipality will save \$10,000, and eliminating the requirement of printing local

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ballot questions on distinctive colored background will save approximately \$40,000.

- Initiating a volunteer-based State House Tours program will save \$13,440.

The Governor recommends 55.0 FTE positions for FY 2009, 3.0 FTEs less than the enacted FY 2008 level.

Office of the General Treasurer

The Governor recommends a revised FY 2008 budget of \$37.4 million for the Office of the Treasurer, including \$2.8 million in general revenue, \$1.1 million in federal funds, \$33.2 million in restricted receipts, and \$239,985 in other funds. The revised budget for all funds represents an increase of 1.3 percent from the enacted all funds level. Changes to the enacted budget include \$134,783 less in general revenues, \$765,960 less in federal funds, \$1.4 million more in restricted receipts, \$53,155 less in other funds. Of the reduction in general revenues, \$80,882 is associated with statewide adjustments, and \$50,901 is associated with agency specific adjustments. The statewide adjustments consist of: savings from lower than anticipated employee health benefit claims experience, \$28,052; savings from six uncompensated personal leave days for all state employees, \$45,015; and statewide operating, contracts and grants reductions of 2.7 percent from revised levels, \$10,815. Agency specific general revenue adjustments include turnover savings of \$72,042 and purchased service savings of \$1,355; and operating increases of \$7,624 and capital purchases and equipment increases of \$14,872.

For FY 2009, the Governor recommends total expenditures of \$31.4 million, which includes \$2.6 million from general revenues, \$1.2 million from federal funds, \$27.5 million from restricted receipts, and \$253,375 from other funds. The general revenue expenditures decrease of \$344,783 compared to the FY 2008 enacted budget include the following changes: decreases of \$346,715 for personnel costs and \$2,736 for operating costs; and an increase of \$4,668 for capital purchases and equipment. A decrease in restricted receipt expenditures of \$4.3 million in FY 2009 compared to the FY 2008 enacted budget is associated with a one-time appropriation for the transfer of unclaimed property revenues to the general fund, as adopted by the November 2007 Revenue Estimating Conference. The reduction is associated with the non-recurrence of the share demutualization in FY 2008.

The Governor recommends 88.0 FTE positions in FY 2008 and 86.0 FTE positions in FY 2009. The FY 2009 recommendation includes FTE reductions of 2.0 positions due to the consolidation of operations, including 1.0 position in the Crime Victim Compensation program and 1.0 position in the General Treasury program.

Board of Elections

The Governor's revised FY 2008 budget for the Board of Elections is \$1.9 million, including \$1.3 million in general revenue and \$631,328 in federal funds. The recommendation includes a decrease of \$147,267 to general revenue appropriations, reflecting current services adjustments, and the following statewide adjustments: savings from lower than anticipated employee health benefit claims experience, \$15,546; savings from six uncompensated personal leave days for all state employees, \$21,162; and, statewide operating, contracts and grants reductions of 2.7 percent from revised levels, \$6,196. The Board's turnover savings total \$161,552, which includes board member vacancy savings and the reallocation of a new position to federal funds. The decrease is primarily offset by increases associated with the

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Presidential Preference Primary for temporary staffing, legal services, and printing costs. Federal funds increase by \$44,434 compared to the enacted budget, due to the hiring of a Clerk/Machine Operator to perform service and maintenance on Automark election equipment. The Board of Elections is working in concert with the Secretary of State's Office to implement the remaining requirements of the Federal election reform legislation of 2002. The revised FY 2008 budget reflects federal Help America Vote Act (HAVA) funding for the payment of the State's Optical Scan Voting Equipment service and maintenance contract, which is split between the Board of Elections and the Office of the Secretary of State.

For FY 2009, the Governor recommends \$2.2 million, including \$1.5 million in general revenue and \$662,344 of federal funds. The general revenue increase of \$75,660 from the enacted FY 2008 budget reflects adjustments required for salary and employee benefits requirements. Personnel costs include no cost of living adjustment for state employees, but do include a 9.9 percent trend growth in employee medical benefit costs and also include funding for retiree health benefits on an actuarial basis beginning in FY 2009, recognizing reduced health benefits for new retirees. An increase of \$75,110 relates primarily to Presidential Election costs. The Governor recommends the enacted level of 14.0 FTE positions in FY 2008 and FY 2009.

Rhode Island Ethics Commission

The Governor recommends a revised FY 2008 budget for the Rhode Island Ethics Commission of \$1.3 million composed entirely of general revenues. This is \$79,991 less than the FY 2008 enacted level. This includes reductions of: \$44,913 for turnover savings and \$36,048 for statewide reductions. The statewide reductions include \$24,337 for uncompensated leave days, \$9,303 for savings in employee medical benefits, and \$2,408 for statewide operating, contracts and grants reductions of 2.7 percent. An increase of \$980 for operating expenditures is recommended to maintain the current level of services in FY 2008.

For FY 2009, the Governor recommends \$1.4 million composed entirely of general revenues. The general revenue decrease of \$5,142 from the enacted FY 2008 budget also reflects adjustments required for salary and employee benefits requirements. Personnel costs include no cost of living adjustment for state employees, but do include a 9.9 percent trend growth in employee medical benefit costs and also include funding for retiree health benefits on an actuarial basis beginning in FY 2009, recognizing reduced health benefits for new retirees. The Governor recommends the enacted level of 12.0 FTE positions in FY 2008 and FY 2009.

Office of the Governor

The Governor's revised FY 2008 budget for the Office of the Governor is \$4.8 million from general revenues. The recommendation includes a decrease of \$147,968 reflecting current services adjustments, including the full-year transfer of 1.0 FTE from the Department of Administration and the mid-year transfer of 2.0 FTE to the Department of Administration and the following statewide adjustments: savings from than anticipated employee health benefit claims experience, \$44,261; savings from six uncompensated personal leave days for all state employees, \$92,573; and, statewide operating, contracts and grant reductions of 2.7 percent from revised levels, \$11,134, as well as \$64,398 from operating and contract services savings.

For FY 2009, the Governor recommends \$4.7 million from general revenues, which is a decrease of \$263,085 compared to the FY 2008 enacted budget. The \$98,687 decrease in personnel includes adjustments for salary and employee benefits requirements, offset by a program reduction of 4.0 FTE

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positions. Personnel costs include no cost of living adjustment for state employees, but do include a 9.9 percent trend growth in employee medical benefit costs and also include funding for retiree health benefits on an actuarial basis beginning in FY 2009, recognizing reduced health benefits for new retirees. Operating and contract services savings of \$64,398 are consistent with the FY 2008 revised budget. Additionally, the Governor's recommendation eliminates \$100,000 for the Contingency Fund, which is reallocated to the Department of Administration's budget. The Governor recommends 45.0 FTE positions in FY 2008 and 39.0 FTE positions in FY 2009.

Rhode Island Commission for Human Rights

The Governor's revised FY 2008 budget totals \$1.3 million and consists of \$951,677 in general revenue and \$370,890 in federal funds. This revised level of funding is \$66,373 or 4.8 percent less than the level enacted by the Legislature. It consists of \$32,520 in less general revenue and \$33,853 in less federal funds.

The general revenue decrease reflects statewide cost savings for lower than anticipated employee health benefit claims experience of \$15,220; six uncompensated personal leave days for all state employees of 416,590 and statewide operating contracts and grants reductions of 2.7 percent from revised levels of \$710. Other changes to 2008 enacted federal funds expenditures include a current service adjustment for lower than anticipated federal spending of \$25,553 and statewide cost savings of \$8,300 for lower than anticipated health benefit claims experience, six uncompensated personal leave days for all state employees and statewide operating contracts and grants reductions of 2.7 percent from revised levels.

For FY 2009, the Governor recommends total expenditures of \$1.4 million, comprising \$991,659 in general revenue and \$391,309 in federal funds. Compared to FY 2008 original authorization, this recommended funding level includes \$7,462 more general revenue and \$13,434 less federal funds, all of which reflect statewide cost adjustments for retiree health benefits, employee medical costs and assessed fringe benefit rate.

The Governor recommends enacted FY 2008 authorized full time equivalent (FTE) positions of 14.5 for both FY 2008 and FY 2009 respectively.

Public Utilities Commission

For FY 2008, the Governor recommends total expenditures of \$6.9 million for the Public Utilities Commission. This funding is comprised of \$647,628 in general revenue, \$97,097 in federal funds, and \$6.2 million in restricted receipts. This recommendation is \$157,635 less than the enacted budget, and consists of \$13,618 less general revenue, \$3,027 less federal funds and \$140,990 less restricted receipts. The net reduction in general revenue relates to statewide adjustments savings related to lower than anticipated employee health benefit claims experience of 42,669, six uncompensated personal leave days for all state employees equal to \$7,978 and operating contracts and grants reductions of 2.7 percent from revised levels of \$2,971. For restricted receipts financing the net reduction from FY 2008 enacted level represents current service adjustment for lower than anticipated costs, including statewide cost savings for health benefit rates, six uncompensated personal leave days, and operating, contracts and grants reductions equal to 2.7 percent of revised level. Change in Federal Funds expenditures relate primarily to statewide savings for health benefit rates, six uncompensated personal leave days, and operating, contracts and grants reductions equal to 2.7 percent of revised level.

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For FY 2009, the Governor recommends total expenditures of \$6.9 million, consisting of \$100,547 in federal funds and \$6.8 million in restricted receipts. This reflects a net decrease of \$226,873, or 3.2 percent, from FY 2008 original authorizations. This revised recommendation includes \$661,246 less in general revenue, \$423 more in federal funds and \$433,950 more in restricted receipts. Compared to the General Assembly original enacted spending level, the reduction in general revenue funding reflects a shift to restricted receipts of all general revenue expenditures for savings in general revenues in FY 2009 and beyond. Conversely, the net increase in restricted receipts reflects the reallocation of general revenue expenditures to restricted receipts and the following statewide adjustments: savings from lower than anticipated employee health benefit claims experience, \$42,275; and savings from six uncompensated personal leave days for all state employees, \$85,842.

The Governor recommends 45.0 FTE positions for FY 2008 revised operations, which is 0.7 FTE less than the level authorized by the legislature. It represents program staffing reduction mandated by the Governor. For FY 2009, the Governor recommends full time equivalent positions ceiling of 44.0 or 1.0 FTE less than the FY 2008 revised level for program reduction in FY 2009. For FY 2008 and FY 2009, the Governor did not recommend FTE program expansions for two FTE commissioners required by statute and included in agency's FY 2008 revised and FY 2009 requests; estimated current service requirements were \$123,171 and \$260,344 respectively.

Rhode Island Commission on Women

The Governor recommends a revised FY 2008 budget for the Rhode Island Commission on Women of \$104,330 in general revenue funds. This reflects a decrease of \$3,873 from the FY 2008 enacted level. This reduction is related to current service adjustments and the following statewide adjustments: savings from lower than anticipated employee health benefit claims experience, \$551; savings from six uncompensated personal leave days for all state employees, \$2,079; and, statewide operating, contracts and grants reductions of 2.7 percent from revised levels, \$293.

In FY 2009, the Governor recommends a general revenue budget of \$107,208, representing a \$995 decrease from the FY 2008 enacted budget, which finances the current service costs for one staff position and associated operating costs. Personnel costs include no cost of living adjustment for state employees, but do include a 9.9 percent trend growth in employee medical benefit costs and also include funding for retiree health benefits on an actuarial basis beginning in FY 2009, recognizing reduced health benefits for new retirees. Continued financing is provided for the Woman of the Year banquet in FY 2008. The Governor recommends 1.0 FTE position for FY 2008 and FY 2009, consistent with the enacted budget.

Human Services

Human Services

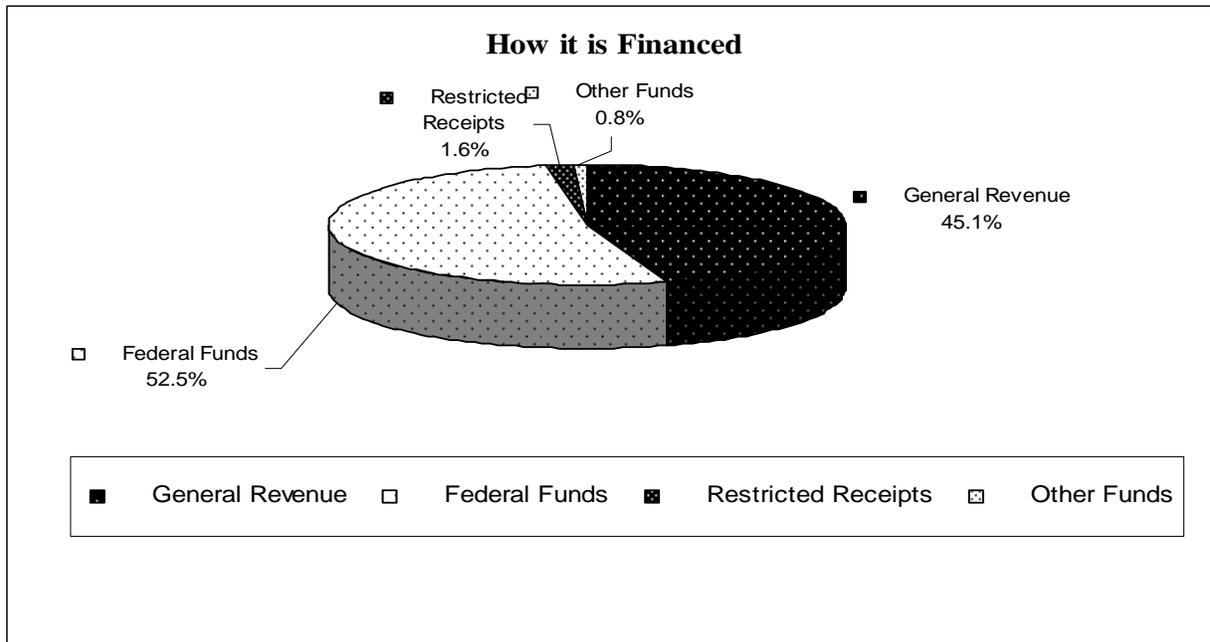
Summary

The Human Services function of state government engages in a broad spectrum of activities including, but not limited to, income supports, client subsidies, case management and residential supports, and medical regulation, prevention, treatment, and rehabilitation services.

For FY 2008, the Governor recommends a revised all funds budget of \$2.707 billion. Of this total, \$1.234 billion is general revenue, a decrease of \$25.4 million from enacted levels. The Governor recommends 4,020.9 full-time equivalent positions in FY 2008, and 3,638.3 in FY 2009, a reduction of 382.6 FTE.

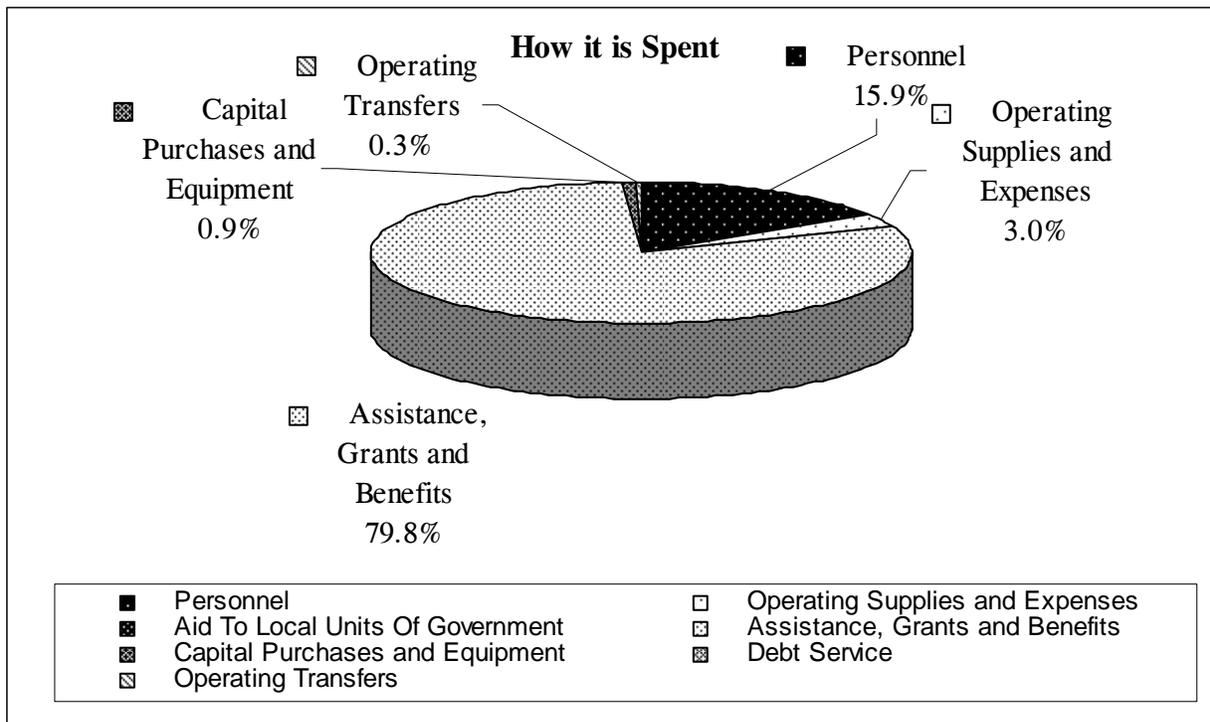
For FY 2008, the Human Services departments and agencies continue to leverage their resources so that both individuals and families achieve maximum potential and self-sufficiency. The social and economic needs of clients continue to be provided by the Office and Health and Human Services, Departments of Children, Youth, and Families; Elderly Affairs and Advocacy; Health; Human Services; and Mental Health, Retardation, and Hospitals. The Governor is committed to preventing child abuse and neglect, intervening for and on behalf of abused and neglected children and youths, and rehabilitating delinquent youth through education and training. The dual role of advocacy and education continues to be provided by agencies including Human Rights, Office of the Child Advocate, and Office of the Mental Health Advocate.

The Governor's proposed funding level of \$2.613 billion for FY 2009 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 persons with physical disabilities. This proposal consists of \$1.179 billion in general revenue, \$1.373 billion in federal funds, \$41.6 million in restricted receipts, and \$20.4 million in other funds. The recommendation constitutes 37.9 percent of the total proposed expenditures for the state. Social services block grants and cash and medical assistance programs constitute the major sources of federal funding. The chart below displays funding by source for the Governor's FY 2009 recommendation for the human service agencies and departments.



Human Services

The Governor's FY 2009 recommendation includes direct and purchased services for residential care, medical care, and preventive health services, cash payments to individuals, and grant funding for non-governmental agencies. The operating costs associated with the administration of these social services programs are also included. Personnel, which includes purchased services, accounts for \$415.3 million, or 15.9 percent, of all expenditures programmed for human services. Other operating expenditures are recommended at \$79.6 million, or 3.0 percent of proposed total human services expenditures, with capital projects slated for \$22.8 million, or 0.9 percent. Grants and benefits expenditures of \$2.087 billion account for the largest outflow of identified resources, reflecting 79.8 percent of the total human services function. The chart below shows the outflows of all resources by category of expenditure for the human services function.



Executive Office of Health and Human Services

The Governor's revised FY 2008 budget for the Executive Office of Health and Human Services is \$7.9 million, including \$387,176 in general revenue, \$7.2 million in federal funds, and \$314,371 in restricted receipts. The recommendation includes an increase of \$80,024 to general revenue appropriations, reflecting additions for one FTE position transferred from the Department of Human Services, realized turnover, and the following statewide adjustments: savings from lower than anticipated employee health benefit claims experience, \$3,916; savings from six uncompensated personal leave days for all state employees, \$8,237; and, statewide operating, contracts and grants reductions of 2.7 percent from revised levels, \$125. Increased federal funds of \$1.3 million, primarily for contractors, reflects new and expanded grants awards.

For FY 2009, the Governor recommends \$15.7 million, including \$5.7 million in general revenue, \$7.9 million of federal funds, and \$2.1 million of restricted receipts. The general revenue increase of \$5.4 million from the enacted FY 2008 budget includes additions of \$5.2 million for 96.2 FTE positions transferred from constituent human services function agencies and also reflects adjustments required for

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salary and employee benefits requirements. The FTE transfers will accomplish centralization of business, legal and recordkeeping activities currently performed in these five agencies. Restricted receipts increase \$1.7 million, also in support of the centralization initiative. Personnel costs include no cost of living adjustment for state employees, but do include a 9.9 percent trend growth in employee medical benefit costs and also include funding for retiree health benefits on an actuarial basis beginning in FY 2009, recognizing reduced health benefits for new retirees. The Governor recommends the 6.0 FTE positions in FY 2008 and 102.2 in FY 2009.

Department of Children, Youth & Families

The Governor recommends total expenditures of \$234.2 million for the revised FY 2008 budget, including \$151.9 million in general revenues, \$79.6 million in federal funds, \$855,135 in other funds, and \$1.7 million in restricted receipts. The Governor's revised budget includes a net increase of \$2.7 million in general revenue expenditures, which represents a 1.8 percent increase over the enacted budget.

The enacted budget included savings related to the termination of Family Court jurisdiction for youth at the age of 18 receiving child welfare services. The youth could voluntarily elect to receive eligible after care services at that age. The Family Court has determined this legislation to be prospective and, therefore, any youth in DCYF custody prior to July 1, 2007 would not be subject to this statutory change. New legislation has been submitted to achieve the savings in future years; however, the full reduction will not be achieved in FY 2008 requiring an addition of \$7.3 million from the enacted level. Other contributing factors to the increase in general revenue fund are:

- An addition of \$600,000 in the Children's Behavioral Health Program for the psychiatric hospital initiative that had been erroneously budgeted in the Department of Human Service.
- An increase of \$2.3 million for personnel and overtime at the Rhode Island Training School, which is related to reductions enacted in the FY 2008 budget from reduced staffing associated with the end of jurisdiction at age 17. This law has been repealed, requiring restoration of the anticipated savings in the enacted budget.
- The transfer of 3.0 FTE from the Department of Administration to the Department of Children, Youth & Families for maintenance services contributed to an increase of \$252,615.
- The Department continues its success in controlling the number of night-to-night residential placements, which had been an on-going problem. The Department has restructured programs into a more community-based system of support. The goal of the restructuring is to deliver more children's services in the home and community settings, giving the children, guardians, and community the benefit of inclusion in the rehabilitative process, and to allow the development of more natural supports. For FY 2008 revised, the reprogramming of Children's Behavioral Health Services and the Child Welfare program produced a net reduction of approximately \$1.0 million.
- Vacancy savings of \$2.4 million in general revenues are recognized to achieve personnel savings appropriated to the Department of Administration in the FY 2008 enacted budget. The revised budget includes other reductions associated with the following statewide adjustments: savings from lower than anticipated employee health benefit claims experience, \$716,283; savings from six uncompensated personal leave days for all state employees, \$1.1 million; and, statewide operating, contracts and grants reductions of 2.7 percent from the revised levels, \$2.5 million. For FY 2008 revised, the Governor recommends 788.5 FTE, which is 16.5 FTE less than the enacted authorized level. The recommended level reflects the reduction of 75% of the vacancies as of September 15, 2007 with the exception of the 3.0 additional FTE for maintenance services.

Human Services

- The Governor recommends total expenditures of \$209.6 million in FY 2009 for the Department of Children, Youth & Families. This is comprised of \$137.0 million in general revenue, \$69.6 million in federal funds, \$1.2 million in other funds, and \$1.8 million in restricted receipts. The recommended FY 2009 general revenue budget decreases by \$12.3 million from the enacted FY 2008 budget.
- Medical assistance programs are redesigned significantly in FY 2009. The Ocean State Waiver initiative seeks to transform Medicaid benefits from provider-centric to a person-centered, opportunity driven, outcome based system of coordinated health care across all provider types and all agency Medicaid programs statewide. Personal responsibility, choice, consumer empowerment and independence are all essential goals of the initiative. In the Department of Children, Youth and Families programs, these goals are reflected in the following areas:
 - Savings of \$3.7 million based on DCYF program re-design. This will reduce residential placements by 300 youth, which 60 of these children are out of state placements.
 - Savings of \$1.4 million related to shortening the length of stay for youth at the Rhode Island Training School.
- Other reductions within the Department of Children, Youth & Families were the result of a thorough examination of agency programs and identification of services that could be improved to operate in a manner that would prove to be cost effective and produce efficient services for the population it attends to. This process produced approximately \$12.5 million in savings, \$8.7 million in general revenues. These reductions include:
 - Savings of \$125,000 in general revenues for a reduction in Child Welfare Institute trainings;
 - Savings of \$1.1 million, including \$689,618 in general revenues, by shifting in-patient diagnostic assessment screening evaluations to community-based providers;
 - Savings of \$155,796 general revenues from the elimination of probation and parole monitoring of adults;
 - Savings of \$329,546 general revenues by restructuring the delivery of educational services at the Rhode Island Training School (RITS);
 - Savings of \$250,000 general revenues by reducing the number youth that require one-on-one supervision at the RITS;
 - Savings of \$60,000 general revenues at the RITS by incorporating more services into the medical services contract;
 - Savings of \$150,000 general revenues by transferring responsibilities of the RITS clinical social workers to treatment rather than case management;
 - Savings of \$292,869 general revenues for a re-structured Systems of Care Oversight;
 - Savings of \$5.1 million, including \$3.4 million in general revenues, associated with the transformation of services provided to youth and to no legal status children;
 - Savings of \$33,672 general revenues with the utilization of employee flex-time, which would reduce overtime;
 - Savings of \$277,834 general revenues by changing the status of family members that have unlicensed foster care to guardianship;
 - Savings of \$4.0 million, including \$2.4 million in general revenues, with the restructuring of clinical/case review functions;
 - Savings of \$393,879 general revenues by converting beds to community-based individual wraparound services;

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- Savings of \$163,395 general revenues reflecting funding at half of enacted levels for legislative grants;
 - Savings of \$151,143 general revenues with the assumption that no services will be overlapped between providers; and
 - Savings of \$49,607 general revenues with the requirement that local educational authorities provide financing for youth that are court ordered to receive educational assessments.
-
- The reductions for FY 2009 from the FY 2008 enacted level were offset by the transfer of 3.0 FTE from the Department of Administration to the Department of Children, Youth & Families for maintenance services, which contributed to an increase of \$252,615. Associated operating expenses related to this transfer totaled \$456,300.
 - Recommended program FTE position reductions and transfers for the Department of Children, Youth & Families are consistent with those proposed by the agency, Office of Health and Human Service consolidations, and Medicaid reform initiatives. The following list displays the result of the agencies' reductions and transfers.
 - The Office of Health and Human Services will centralize the management and budget, purchasing, and legal functions that are performed by the five cabinet level human service agencies in order to coordinate and administer programs in a more efficient manner.
 - Program reduction of 7.0 FTE.
 - Transfer of 22.0 FTE and \$1.4 million to the Office of Health and Human Services.
 - Program reduction of 12.5 FTE, which relates to elimination of youth receiving services from the department that fall under the no legal status category.
 - Program reduction of 13.5 FTE, from reductions in beds at the Rhode Island Training School.
 - The Governor's recommendation for FY 2009 is 733.5 FTE.

Department of Elderly Affairs and Advocacy

Department of Elderly Affairs. The Governor recommends a revised budget for FY 2008 for the Department of Elderly Affairs of \$36.3 million. Expenditures are comprised of \$4.7 million in gas tax receipts, \$17.4 million in general revenue, \$12.9 million in federal funds, and \$1.3 million in restricted receipts. The revised financing level is a decrease of \$730,088 or 1.9 percent, from the FY 2008 enacted budget. The revised recommendation includes \$1.2 million or 6.4 percent less in general revenue; \$151,332 or 1.2 percent less in federal funds; \$640,000 or 92.8 percent more in restricted receipts; and, \$36,551, or 0.7 percent more in gas tax financing.

Major changes in general revenue expenditures from FY 2008 original appropriations include the following:

- (\$663,771) for savings in payroll costs related to Governor-mandated program staffing reduction and normal turnover
- \$423,000 in added expenditures to finance "RIDE" (statewide Para transit) transportation services at FY 2007 levels
- (\$956,578) in reduced general revenue support for RIPAE drug formulary benefits, including transfer of \$710,000 to RIPAE Rebates (restricted receipts).
- (\$414,841) in statewide savings, including \$326,182 in non-payroll management savings in operating, contracts and grants.

Human Services

- \$119,371 in added payroll costs for the transfer of one full time equivalent position from the Department of Mental Health Retardation and Hospitals.

Major changes in federal funds expenditures from FY 2008 original enacted levels include the following:

- (\$53,348) in reduced Title III expenditures due to lower than anticipated costs, including statewide savings for employee health benefits and six uncompensated personal leave days.
- (\$33,938) in reduced eligible MEDICAID expenditures including statewide savings for employee health benefits and six uncompensated personal leave days.

The major change in restricted receipts expenditures from FY 2008 original authorizations is due to the shift from general revenues for RIPAE drug formulary benefits of \$710,000.

Commission on the Deaf and Hard of Hearing. The Governor recommends FY 2008 revised financing of \$326,595, consisting solely of general revenues, to finance the Commission's personnel, operating and interpreter referral services. This represents a decrease of \$43,559, or 11.8 percent, from the FY 2008 enacted level. The downward adjustment is primarily attributable to savings generated from the partial-year vacancy of an interpreter referral specialist as well as the following statewide adjustments: savings from lower than anticipated employee health benefit claims experience, \$4,007; savings from six uncompensated personal leave days for all state employees, \$4,998; and, statewide operating, contracts and grants reductions of 2.7 percent from revised levels, \$2,191. Federal financing of \$17,500 included in the enacted budget has been withdrawn due to the exhaustion of a grant for emergency interpreters. Staffing authorizations remain level at 3.0 FTE.

Developmental Disabilities Council. The Governor recommends revised FY 2008 expenditures of \$405,702, all of which is federal funds from the Administration on Developmental Disabilities, US Department of Health and Human Services. This revised level is \$55,409 less than the level appropriated by the legislature and includes statewide cost savings of \$5,717, comprising six uncompensated personal leave days equal to \$3,452 and lower than anticipated employee health benefit claim experience of \$2,265.

The Governor's revised FTE ceiling recommendation is the FY 2008 enacted ceiling of 2.0 full time equivalent positions.

For FY 2009, the Governor recommends the integration, consolidation and merger of the agency into the Department of Elderly Affairs and Advocacy in compliance with Article 3 of the FY 2008 Budget Act. For the purpose of maintaining comparability across programs and at the agency level, historical expenditures have been reflected as a program within the newly created department.

Governor's Commission on Disabilities. The Governor recommends revised expenditures of \$780,912 for FY 2008. This consists of \$350,626 in general revenue, \$179,380 in federal funds, \$236,551 in Rhode Island Capital Plan funds, and \$14,355 in restricted receipts. The revised general revenue funding level is \$185,149 less than the FY 2008 enacted level. The majority of this decrease reflects a savings of \$168,431 in personnel expenses due to 2.0 FTE positions becoming vacant in July of 2007, which authorization to fill these positions was not granted for FY 2008. Others savings are related to the following statewide adjustments: savings from lower than anticipated employee health benefit claims experience, \$3,787; savings from six uncompensated personal leave days for all state employees, \$5,856; and, statewide operating, contracts and grants reductions of 2.7 percent from revised levels, \$1,928. For FY 2009, the Governor's Commission on Disabilities will be consolidated into the Department of Elderly Affairs and Advocacy.

Human Services

The Governor recommends total expenditures of \$911,985 in FY 2009, including \$413,651 in general revenue funds, \$189,769 in federal funds, \$8,565 in restricted receipts, and \$300,000 in Rhode Island Capital Plan funds. The recommended general revenue funding in FY 2009 is \$122,124 less than FY 2008 enacted levels. This decrease reflects the reduction of 1.0 FTE for FY 2009 compared to the FY 2008 enacted budget. Personnel costs include no cost of living adjustment for state employees, but do include a 9.9 percent trend growth in employee medical benefit costs and also include funding for retiree health benefits on an actuarial basis beginning in FY 2009, recognizing reduced health benefits for new retirees. The recommended FTE ceiling for FY 2008 is 5.6 FTE and 4.6 FTE for FY 2009.

Pursuant to action of the Legislature in Article 3 of the FY 2008 Budget Act, the Governor's recommended FY 2009 budget includes the combination of the Commission on the Deaf and Hard of Hearing, Rhode Island Developmental Disabilities Council, the Governor's Commission on Disabilities and Department of Elderly Affairs in a new Department of Elderly Affairs and Advocacy. It should be noted that while the FY 2008 supplemental appropriations act reflects the constituent agencies as independent entities, consistent with enacted appropriations, the FY 2009 appropriations act recognizes the combination of the agencies as programs within the new department. However, to achieve orderly and coherent comparisons of the history, enacted appropriations, and two recommendation years, these documents display the agencies as a combined entity in FY 2008 as well as FY 2009. Thus, for FY 2009, the Governor recommends total expenditures of \$35.3 million, consisting of \$4.7 million in gas tax receipts, \$300,000 in Rhode Island Capital Plan Funds, \$16.8 million in general revenue, \$12.9 million in federal funds, and \$628,565 in restricted receipts. Rhode Island Capital Plan financing appears in the Department's recommendation in the amount of \$300,000, for implementation of and compliance with Americans with Disabilities Act projects related to accessibility. The recommended budget for all funds is \$3.6 million or 9.1 percent less than the FY 2008 enacted budget. General revenues decrease by \$2.7 million or 13.9 percent, federal funds decrease by \$818,985 or 6.0 percent, restricted receipts decrease by \$112,047 or 15.1 percent, and other RICAP funds increase by \$100,000 or 50.0%.

Major changes in general revenue expenditures from FY 2008 original appropriations include the following:

- (\$727,927) in reduced expenditures for savings in payroll costs related to Governor-mandated program staffing reduction and normal turnover
- (\$421,028) in reduced costs for the Home and Community Care Co-pay programs by increasing client co-payments
- (\$187,595) in reduced expenditures for savings in customer information service grant funding
- (\$319,076) in reduced spending for savings in the "RIDE" transportation program due to an increase in clients co-payments
- (\$122,502) in reduced payroll costs due to the transfer of two full time equivalent positions to the Executive Office of Health and Human Services (EOHHS)
- \$234,075 in increased expenditures for unachieved Buy Rite Value-based purchasing savings
- (\$650,000) in reduced drug purchases under the RIPAE program due to benefit changes recommended by the Governor
- (\$1.1 million) in reduced activities for various community service objectives under the aegis of the General Assembly

Major changes in federal funds expenditures from FY 2008 original enacted levels include the following:

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- (\$465,739) in reduced Senior Community Service Employment program expenditures due to its transfer to the Department of Labor and Training.
- (\$198,725) in reduced Title III expenditures due to lower than anticipated costs, including net statewide savings for employee health benefits, retiree health and assessed fringe benefits rates.
- (\$52,847) in reduced eligible MEDICAID expenditures including net statewide savings for employee health benefits, retiree health and assessed fringe benefits rates.

Changes in restricted receipts expenditures compared to FY 2008 original authorizations include current service adjustments for available cash resources and other statewide adjustments to health benefit, retiree health benefits and assessed fringe benefits rates, which total \$112,047 in reduced spending.

The Governor recommends an FTE position ceiling of 54.6 in the FY 2008 revised budget, which is 2.0 FTEs less than the level originally authorized for FY 2008 and reflects programs staffing reductions. For FY 2009, the Governor recommends 44.6 FTEs or 10.0 FTEs less than the revised level recommended for FY 2008, which includes the transfers of two FTEs to the Executive Office of Health and Human Services (EOHHS). Other changes from FY 2008 revised level include the transfer of one FTE from the Department of Mental Health, Retardation and Hospitals and program reductions totaling 11.0 FTEs.

Department of Health

The Governor recommends total expenditures of \$132.3 million in the FY 2008 revised budget. It includes \$29,410 in other funds, \$32.3 million in general revenue, \$74.8 million in federal funds and \$25.1 million in restricted receipts. It also represents a net increase of \$7.1 million from FY 2008 enacted authorizations, which consists of increases in other funds of \$5,734 and \$9.5 million in federal funds offset by decreases in general revenue of \$2.2 million and restricted receipts of \$310,946.

Major changes in general revenue expenditures from fiscal 2008 original authorizations include the following:

- (\$1.0 million) in statewide savings, consisting of \$28,134 for records center charges, \$249,493 for lower than anticipated employee health benefit claims experience, \$429,950 for six uncompensated personal leave days for all state employees, and \$310,090 for statewide operating contracts and grants reductions of 2.7 percent from revised levels.
- \$369,892 in general revenue addition to reimburse certain disallowed costs for Disease Control grants to the department.
- (\$1.3 million) withdrawal from 2008 enacted appropriations for leased space cost, which will not be incurred due to the decision not to sell the Chapin Building, which houses the Health Laboratories.
- (\$868,408) in related payroll savings for turnover, overtime and program staffing reductions.

Major changes to FY 2008 enacted federal funds expenditures include:

- \$1.8 million in increased funding for public health and social services bioterrorism preparedness program.
- \$0.9 million net increased funding from the Centers for Disease Control Pandemic Influenza Planning program to procure necessary equipment and medication.
- \$0.1 million in increased funding from the EPA for a safe public water supply
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- \$0.2 million in increased Justice Research and Development funding pertinent to the application of DNA and CODIS technology for the prosecution of criminal suspects.
- \$1.3 million for the development and implementation of a secured statewide health information exchange system that allows the sharing of health information between health professionals and patients.
- \$4.2 million in increased Special Supplemental Food benefits from the US Department of Agriculture for the Women and Infant Child (WIC) nutrition program
- \$0.2 million in increased Family Planning Services for low income persons
- (\$0.4 million) in reduced funding for Payment to States for Child Care services
- \$0.2 million increase for the federal share of medical assistance benefits to low income persons for the Family Outreach Program, which seeks to bring families into contact with the various services offered by the department.
- \$0.4 million in increased funding under the Ryan White Act for families afflicted with HIV
- \$0.3 million in increased funding for HIV prevention programs, education and training.
- \$0.2 million in increased funding for diabetes care and education
- \$0.4 million in increased funding for the surveillance of emerging pathogens
- \$0.4 million in increased funding to promote the health and wellness of disabled persons
- (\$0.4 million) in net reduced funding for comprehensive cancer control, including breast, cervical, and colorectal cancers.

Major changes to FY 2008 enacted restricted receipts expenditures include:

- \$0.6 million in increased expenditures due to anticipated increases in billings for federal grants administered.
- \$0.1 million in non-recurring funding for Common Ground---a collaborative between the state and local public health agencies to improve preparedness and chronic disease prevention and control.
- \$1.0 million for the purchase of pandemic flu equipment and medication financed from health insurers assessments.
- (\$1.8 million) in reduced expenditures from enacted anticipated levels for infant and children immunization.

For FY 2009, the Governor recommends total expenditures of \$124.2 million for the Department of Health. This includes \$29,410 from other funds, \$30.8 million from general revenues, \$68.1 million from federal funds, and \$25.4 million from restricted receipts. This level of funding is \$1 million, or 0.8 percent less than original authorizations by the General Assembly for FY 2008. This reduced level of funding consists of increases in federal funds of \$2.8 million and other funds of \$734 that were offset by decreases in general revenues of \$3.7 million and restricted receipts of \$43,990.

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Major changes to general revenue expenditures in FY 2009 compared to FY 2008 original authorizations include the following:

- (\$0.9 million) in net statewide savings consisting of increased funding for assessed fringe benefit charges of \$79,509 that were offset by savings in record center charges of \$23,692, legislative community service objective grants of \$583,712, health benefit rates of \$149,542 and retiree health benefits of \$214,315.
- (\$0.7 million) in related payroll savings for turnover, overtime and staffing reductions.
- (\$1.3 million) adjustment for FY 2008 appropriations for leased space cost due to the decision not to sell the Chapin Building, which houses the Health Laboratories.
- (1.5 million) reduction for conversion to restricted receipts of the newborn screening and hearing programs recommended in the FY 2009 budget act along with an increase in fees to make the program self-supporting.

Major decreases to federal funds expenditures compared to original FY 2008 authorizations include the following:

- (\$1.7 million) in anticipated reduced Centers for Disease Control funding for bioterrorism activities
- \$0.2 million in increased continuous Justice Research and Development funding pertinent to the application of DNA and CODIS technology for the prosecution of criminal suspects.
- \$0.6 million for the continuous development and implementation of a secured statewide health information exchange system that allows the sharing of health information between health professionals and patients.
- \$4.2 million in increased continuous Special Supplemental Food benefits from the US Department of Agriculture for the Women and Infant Child (WIC) nutrition program.
- (\$0.4 million) in expired funding for the health and wellness of disabled persons
- (\$0.4 million) in net reduced funding for comprehensive cancer control, including breast, cervical, and colorectal cancers.
- (\$0.4 million) in reduced funding for Payment to States for Child Care services
- \$0.4 million in increased funding under the Ryan White Act for families afflicted with HIV
- \$0.3 million in increased funding for HIV prevention programs, education and training.
- \$0.2 million in increased funding for diabetes care and education

The Governor recommends full time equivalent positions of 437.1, which is a reduction of 21.9 vacant full time equivalent positions from the level originally enacted for FY 2008. For FY 2009, the Governor recommends 409.5 FTEs, a net reduction of 49.5 FTEs from FY 2008 enacted level. The reduction includes 16.6 FTEs transfer to the Executive Office of Health and Human Services, one FTE transfer from the Department of Mental Health Retardation and Hospitals, and program staffing reductions equal to 10.0

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FTEs in the various programs of the department.

Department of Human Services

The Governor recommends revised appropriations of \$1.812 billion for FY 2008, including \$795.9 million of general revenues, \$1.006 billion of federal funds, and \$10.1 million of restricted receipts and other funds. This represents an increase of \$567,707, on an all funds basis, from the enacted budget. The revised budget for FY 2008 includes a reduction of \$15.3 million in general revenue expenditures, an increase of \$16.2 million in federal funds, and a reduction of \$400,000 in restricted and other funds.

The general revenue change includes the following statewide adjustments: savings from lower than anticipated employee health benefit claims experience, \$840,526; savings from six uncompensated personal leave days for all state employees, \$1,077,747; and, statewide operating, contracts and grants reductions of 2.7 percent from revised levels, \$21,135,431. An additional reduction of \$19.9 million of Medicaid funds is included for the statewide operating, contracts and grants reductions of 2.7 percent.

Revised FY 2008 Medical Benefit expenditure estimates adopted by the November 2007 Caseload Estimating Conference (CEC) increased \$9.0 million from general revenue enacted levels, and by \$20.2 million all funds. The net general revenue addition attributable to CEC adopted caseloads for cash assistance and child care is \$2.9 million. The Governor's proposed supplemental recognizes the availability of \$8.0 million in additional federal Medicaid funds available to offset transportation and S-CHIP managed care expenditures recognized as general revenue costs in the adopted CEC totals; these changes reduce general revenue and increase federal expenditures in this amount. The Governor also recommends the addition of appropriations of \$7.0 million general revenue funds and \$14.7 million all funds in FY 2008 for an accelerated uncompensated care distribution to Slater Hospital; this will result in increased FY 2008 general revenue receipts of \$14.7 million.

In order to address statewide expenditure forecasts in excess of enacted appropriations, the Governor proposes several benefits reductions for initiation in FY 2008:

- Savings of \$666,667, all general revenue funds, from removing approximately 2,000 children from state-only managed care health care coverage. This change requires revision of state statute.
- Savings of \$2.0 million, including \$1.0 million general revenue funds, from revising reimbursement schedules for health benefits for SSI eligible populations, primarily children in Department of Children, Youth and Family caseloads.
- Savings of \$2.7 million, including \$1.3 million general revenue funds, from revising utilization and authorization levels, and from revising reimbursement schemes for Children's Intensive Services benefits.
- Savings of \$313,775, including \$150,000 general revenue funds, from requiring prior authorization for high-cost imaging procedures for Medicaid clients.

For FY 2009, the Governor recommends total expenditures of \$1.765 billion for the Department of Human Services. This total includes \$767.9 million from general revenue, \$987.3 million from federal funds, \$125,000 from RICAP funds, and \$9.4 million from restricted receipts.

Personnel costs include no cost of living adjustment for state employees, but do include a 9.9 percent trend growth in employee medical benefit costs and also include funding for retiree health benefits on an actuarial basis beginning in FY 2009, recognizing reduced health benefits for new retirees.

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The agency budget continues to finance: cash and medical assistance programs at caseload conference consensus values, except as noted below; training and support services for family assistance programs; continued services to veterans, the blind and visually impaired, and other assisted populations. Seventy-six percent of the agency's expenditures are for medical benefits payments.

The general revenue decrease in program Central Management from the enacted FY 2008 budget includes a reduction of \$2,734,126, reflecting funding at half of enacted levels for legislative grants, and a reduction of \$3,324,830 from eliminating the state supplement to federal Head Start programming. The reduction of \$925,656 in the program's restricted indirect cost recovery fund reflects transfer of 21.0 filled FTE positions to the Executive Office of Health and Human Services, due to centralization of legal and fiscal positions in that agency.

In program Child Support Enforcement, a decrease of \$1.9 million, including \$1.1 million general revenue funds from enacted FY 2008 levels primarily reflects personnel reductions in the program, including: abandonment of seven vacant positions effective September, 2007; layoff and elimination of 5.6 filled FTE positions; transfer of one position to DOA central services; and, transfer of 11.6 filled FTE positions to the Executive Office of Health and Human Services, reflecting centralization of legal and fiscal positions in that agency.

In program Individual and Family Support, a decrease of \$1.7 million, general revenue funds from enacted FY 2008 levels includes a reduction of \$1.0 million from Family Independence Program education and training vouchers, to be replaced by Work First program reforms, and from personnel reductions in the program including: abandonment of 15.4 vacant FTE positions effective September, 2007; layoff and elimination of 18.0 filled FTE positions; transfer of three positions to DOA central services; and, transfer of 7.0 filled FTE positions to the Executive Office of Health and Human Services, reflecting centralization of legal and fiscal positions in that agency.

The Governor's budget recommendations for both FY 2008 and FY 2009 finances the operation of the Rhode Island Veterans' Home and the Rhode Island Veterans' Cemetery, and include \$5.9 million from federal and restricted resources for capital improvements and equipment in FY 2008, and \$3.8 million in FY 2009. Increases of \$582,553 general revenues compared to FY 2008 enacted levels reflect Veterans' Home operational current services costs, which are not being reduced, aside from 2.3 vacant and unfunded turnover positions, and two vacant and funded positions transferred to DOA and to the Executive Office of Health and Human Services. Savings from elimination of 28.0 filled FTE positions and associated food costs, minus added costs for a privatization contractor and for employee severance costs, reduce general revenue requirements by a net amount of \$686,411, but these items were not financed in enacted appropriations, and have no material difference when compared to enacted levels.

In program Health Care Quality, a decrease of \$4.7 million, including \$2.0 million general revenue funds, from enacted FY 2008 levels, includes a reduction of \$1.0 million all funds and \$512,102 general revenues for information management contractors, and from personnel reductions in the program including: abandonment of 12.7 vacant FTE positions effective September, 2007; layoff and elimination of 5.0 filled FTE positions; and, transfer of 2.0 filled FTE positions to the Executive Office of Health and Human Services, reflecting centralization of fiscal positions in that agency.

In FY 2009, current payment standards are maintained for clients receiving cash payments under the Family Independence Program (FIP). After reaching a peak caseload of 64,000 persons in 1994, the number of persons receiving cash assistance continues to decline. The November 2007 consensus caseload conference (CEC) estimated that 25,100 persons would receive Family Independence Program cash assistance in FY 2008, a 14.5 percent reduction from FY 2007 experience, declining to 23,000 persons in FY 2009, a reduction of an additional 8.4 percent. Consensus caseload conference estimates

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project 8,400 subsidized childcare slots in FY 2008, and 7,900 slots in FY 2009, a decrease of six percent, as clients achieve exit from the program. Decline in both of these benefits reflects the goal of placing clients into unsubsidized employment, and the Governor's stated principle that benefits should be extended only to eligible and entitled clients and only after all federal and third party participation has been maximized.

The Governor's FY 2009 Budget includes statutory language to establish Work First, a replacement program for the Family Independence Act. The program will provide employment and support Services along with temporary cash assistance so that parents can participate in the workforce rather than depend on public assistance to support themselves and their children. In FY 2009, revisions to expenditures will occur solely within federal appropriations, due to maintenance of efforts requirements on general revenue funding. The actual reallocations among federal accounts are not yet recorded in the Technical Appendix document.

Adopted consensus caseload conference estimates for cash assistance payments in FY 2009 decreased by \$2.1 million compared to adopted FY 2008 levels. This reflects savings of \$3.8 million from the reduction in FIP caseloads offset by additions of \$752,000 for child care slots, due to recognition of a provider rate increase (see revisions below) offset by the reduction in the number of slots, plus increased SSI estimates of \$675,818 and increased estimates for General Public Assistance of \$268,290.

The Governor's recommended FY 2009 Budget includes revisions for child care benefits compared to adopted CEC estimates:

- Savings of \$500,000, all general revenue funds, from restricting reimbursements to non-certified and unlicensed providers.
- Savings of \$4.0 million, all general revenue funds, from eliminating a provider rate increase, estimated at eight percent, scheduled for July 1, 2008. This will require statute change.

The Supplemental Security Income (SSI) caseload historically has increased on a continuous basis. The adopted caseload conference estimates are 31,725 recipients in FY 2008, and 32,200 in FY 2009, compared to actual cases of 31,285 in FY 2007. The 1.5 percent annual growth rate results from a continued growth in the disabled component and a slight decline in the state's elderly population.

- For FY 2009, the Governor proposes to maintain client eligibility, but to reduce the state's supplement in an amount equivalent to the proposed federal cost-of-living adjustment scheduled for January 1, 2009. The client will receive the same payment as in December, 2008. This is estimated to reduce general revenue costs by \$2.7 million.

The General Public Assistance Bridge Program will be maintained in FY 2009, providing limited cash assistance to eligible persons and a medical program of restricted scope. The caseload conference estimate is 415 persons in FY 2008 and 420 persons in FY 2009.

Medical assistance programs are redesigned significantly in FY 2009. This initiative seeks to transform Medicaid benefits from provider-centric to a person-centered, opportunity driven outcome based system of coordinated health care across all provider types and all agency Medicaid programs statewide. Personal responsibility, choice, consumer empowerment and independence are all essential goals of the initiative. Within Department of Human Services programs, these goals are reflected in the following areas:

- Hospitals- savings of \$6.3 million, including \$3.0 million general revenues, from reimbursement redesign for inpatient psychiatric placements.

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- Hospitals- savings of \$737,930, including \$350,000 general revenues, from reimbursement redesign for outpatient procedures.
- Nursing Homes- savings of \$46.6 million, including \$22.1 million general revenues from diversion of placement to community and home based care settings on a voluntary basis. Offsetting costs for expanded community and home based alternatives are recognized and are available in adopted CEC totals pursuant to statutory diversion formula.
- Managed Care- savings of \$6.4 million, including \$3.0 million general revenues from establishment of consumer directed health care plans, which reinforce wellness and wise purchasing behaviors.
- Managed Care- savings of \$2.3 million, including \$1.1 million general revenues from establishment of wraparound, preventive and follow-up programs for adults in the program.
- Managed Care- savings of \$4.7 million, including \$2.2 million general revenues from accountability initiatives regarding premium formulation and enforcement.
- Managed Care- savings of \$2.6 million, including \$1.3 million general revenues from mandatory enrollment requirements.
- Managed Care- savings of \$3.3 million, including \$1.6 million general revenues from Fair Share third party liability efforts to ensure that Medicaid is the payer of last resort.
- Managed Care- savings of \$10.9 million, including \$5.2 million general revenues from Selective Contracting to purchase at competitive best prices all appropriate procedures.
- Managed Care- savings of \$6.6 million, including \$3.1 million general revenues from revising managed care administration reimbursement principles.
- Managed Care- savings of \$2.7 million, including \$1.3 million general revenues from mandatory adult health care management programs.
- Managed Care- savings of \$7.4 million, including \$3.5 million general revenues from adult primary care coordination activities.
- Pharmaceuticals- savings of \$1.1 million, including \$500,000 general revenues from revisions to dispensing fee schedules.
- Pharmaceuticals- savings of \$1.1 million, including \$500,000 general revenues from establishment of a preferred drug list for mental health medications.
- Pharmaceuticals- savings of \$316,256, including \$150,000 general revenues from maximizing rebates for medications administered in a hospital setting.

Other initiatives modifying CEC adopted baselines for Medicaid programs include:

- Hospitals- savings of \$2.5 million, including \$1.2 million general revenues, from establishment of protocols for assessments and interventions for high cost and multi-disciplinary (interdepartmental) cases.
- Hospitals- addition of \$8.4 million, including \$4.0 million general revenues, from establishment of a Diagnostic-related (DRG) model to replace the current prospective payment methodology.
- Nursing Homes- savings of \$5.0 million, including \$2.4 million general revenues from revisions to the labor reimbursement ceilings in the nursing homes principles of reimbursement.
- Nursing Homes- addition of \$500,000, including \$237,150 general revenues from conversion of tracheotomy placements from Eleanor Slater Hospital to private nursing facilities.

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- Nursing Homes- savings of \$2.5 million, including \$1.2 million general revenues from establishment of protocols for assessments and interventions for high cost and multi-disciplinary (interdepartmental) cases.
- Nursing Homes- savings of \$4.0 million, including \$1.9 million general revenues from deferral of a scheduled annual provider adjustment from October 1, 2008 to April 1, 2009.
- Managed Care- full-year savings of \$4.0 million, all general revenues, from removing approximately 2000 children from state-only managed care health care coverage.
- Managed Care- annual savings of \$11.0 million, including \$5.2 million general revenue funds, from selective contracting of hospital and children's services.
- Managed Care- savings of \$558,718, including \$265,000 general revenues from expanding Rite Share efforts to maintain Medicaid-eligible clients in employer-sponsored health coverage plans.
- Managed Care- savings of \$23.1 million, including \$10.9 million general revenue funds, from restricting eligibility for adults in managed care to below 133 percent of the federal poverty limit (FPL) from the current 185% FPL.
- Managed Care- savings of \$5.0 million, all general revenues, from funds reserved by the November CEC for obligations to RIPTA for transportation for managed care clients; this obligation will instead be financed from establishment of a transportation benefit from federal TANF funds within the FIP/ Work First program.
- Managed Care- savings of \$1.3 million, all general revenues, from elimination of subsidies for health care coverage for state child care providers.
- Other- annual savings of \$906,444, including \$430,000 general revenue funds, from requiring prior authorization for high-cost imaging procedures for Medicaid clients.
- Other- savings of \$1,000,000 from transfer of general revenue costs to restricted receipts from expansion of the Children's Health Account assessment on health care provider plans.

Uncompensated Care payments to community hospitals are recommended at \$114.2 million, including \$54.2 million general revenues, as adopted by the November CEC. Reallocation of \$2.6 million adopted general revenues to federal S-CHIP funds is recognized, pursuant to the latest federal awards schedule.

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 incomes including pregnant women denied federal assistance due to their immigration status; and, persons meeting the criteria for the Categorically Needy Program. 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.

Recommended FTE positions for FY 2008 total 1,067.6, a reduction from the enacted ceiling of 1,109.0 FTE, reflecting abandonment of 37.4 FTE positions vacant as of September, 2007, and transfer of four positions to DOA central services. Reductions in FY 2009 include elimination of 28.0 positions in Veterans' Home Dietary operations, 30.6 FTE positions for other layoffs, and reallocation of 42.6 positions to the Executive Office of Health and Human Services, reflecting centralization of legal and fiscal positions in that agency. The total recommendation for FY 2009 is 966.4 FTE positions.

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Department of Mental Health, Retardation, and Hospitals

The Governor's revised FY 2008 budget for the Department of Mental Health, Retardation, and Hospitals totals \$482.1 million, including \$234.2 million in general revenues, \$234.9 million in federal funds, \$2.6 million in restricted receipts, and \$10.4 million in other funds. On an all funds basis, the \$482.1 million revised budget amount is \$16.8 million less than the FY 2008 enacted budget, consisting of the following changes: decreases of \$9.3 million in general revenues, \$9.1 million in federal funds, and \$446,166 in restricted receipts; and an increase of \$2.0 million in other funds.

The \$9.3 million reduction in general revenue expenditures in the FY 2008 revised budget includes the following changes: reduction of \$6.8 million in personnel costs, including \$5.3 million in payroll and \$1.5 million in purchased contract services; reduction of \$4.9 million in operating; reduction of \$68,760 in capital purchases and equipment; and an increase of \$2.5 million for grants and assistance payments. Of the \$9.3 million reduction in general revenue expenditures, \$6.8 million is associated with statewide expenditure adjustments while \$2.5 million is associated with other department-wide adjustments. The statewide adjustments consist of : savings from lower than anticipated employee health benefit claims experience, \$1.0 million; savings from six uncompensated personal leave days for all state employees, \$1,221,620; and statewide operating, contracts, and grant reductions of 2.7 percent from revised levels, \$4.6 million. Major programmatic funding changes for FY 2008, excluding statewide changes, are described below:

For the *Central Management* program, the Governor recommends additional general revenues of \$1.1 million, including: an increase of \$2.0 million for unachieved Buy RItE contracting initiative savings; a decrease of \$589,934 for payroll savings associated with employee turnover; a decrease of \$266,169 for the transfer of 2.0 FTE to other departments; and an increase of \$96,854 for operating.

For the *Hospital and Community Support Program*, the Governor recommends a reduction in general revenues of \$493,856, including a decrease of \$567,619 for turnover savings/layoffs, and increases of \$40,045 for operating costs and \$38,626 for contract services.

For the *Services for the Developmentally Disabled Program*, the Governor recommends additional general revenues of \$562,198, including increases of \$1.0 million for unachieved Buy RItE contracting initiative savings and \$371,806 for operating costs, and decreases of \$219,646 for turnover savings/layoffs and \$580,624 for grant and assistance payments to providers.

For the *Integrated Mental Health Program*, the Governor recommends a reduction in general revenues of \$81,961. Significant changes include increases of \$1.0 million for unachieved Buy RItE savings and \$76,954 for purchased contract services; and decreases of \$551,824 for community medical assistance plan pharmaceutical expenditures, \$489,734 for community mental health provider payments, and \$108,701 for turnover savings/layoffs.

For the *Hospital and Community Rehabilitation Services Program*, the Governor recommends a reduction in general revenues of \$3.5 million. The major changes include: decreases of \$1.1 million for turnover savings/layoffs, \$1.7 million for pharmaceutical costs transferred to Medicare Part D restricted receipts, and \$474,675 for grants and assistance.

For the *Substance Abuse Program*, the Governor recommends a reduction in general revenues of \$97,079, including decreases of \$416,660 for delayed implementation of the Adjudicated Offender Residential Treatment program and \$146,345 for turnover savings/layoffs; and increases of \$446,841 for treatment and prevention services provider payments and \$18,056 for purchased consultant services.

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The Governor's FY 2009 recommendation totals \$462.8 million, including \$219.6 million of general revenues, \$226.7 million of federal funds, \$2.4 million of restricted receipts, and \$14.1 million of other funds. The general revenue portion of the budget reflects a decrease of approximately \$23.8 million, or 9.8 percent, from the FY 2008 enacted budget. The Governor's FY 2009 budget continues the restructuring of the Department, which was begun in FY 2008, to manage and control the growth in state expenditures. The major initiatives include the following:

Services for the Developmentally Disabled

- Savings of \$35.6 million, including \$16.9 million in general revenue funds, from the planning and phase-in of a new less institutional, more diverse service delivery model that is *consumer driven and community designed*. This will allow the Department to redistribute dollars and to offer more persons with developmental disabilities a wider range of independent living options stressing family and natural supports, employment opportunities and diverse housing options ranging from the traditional 24-hour support system in group homes to shared living arrangements. The Department proposes to provide persons with developmental disabilities with vouchers (supplementing SSI stipends) to allow persons with developmental disabilities and their families to choose the support system and setting that they find is the most appropriate. This is part of the statewide Medicaid Reform initiative to create a flexible delivery system.
- Savings of \$1,613,977, including \$766,649 in general revenue funds, by continuing to right size the Rhode Island Community Living and Supports (RICLAS) system. The Department proposes to close three additional residential RICLAS group homes in FY 2009, which will reduce the number of RICLAS homes to 35. Supports for DD clients in RICLAS group homes cost approximately \$137,886 per client with \$55,154 in general revenue. The Department will consolidate vacancies across the system in preparation for the closure of the homes.

Integrated Mental Health Services

- Savings of \$1.5 in general revenue funds, by restructuring purchase of service arrangement for inpatient psychiatric service, for uninsured patients with serious and persistent mental illness by providing lower cost alternatives to hospitalization. This is part of a Medicaid Reform Initiative to create a competitive fee-for-service delivery system.
- Savings of \$1.1 million, including \$500,000 in general revenue funds, by relocating mental health patients into from community hospitals into less restrictive settings. This is part of the Medicaid Reform initiative to create a flexible system that provides clients a range of options for intensive community based therapeutic care.

Hospital and Community Rehabilitative Services

- Savings of \$3.9 million, including \$1,831,985 in general revenue funds, from the privatization of dietary and housekeeping services at the Eleanor Slater Hospital. In the second year, savings from the privatizations are estimated to increase to \$6.1 million, including \$2.7 million in general revenue. The Governor continues to believe that these services should be privatized.
- Savings of \$5.7 million, including \$2.7 million in general revenue funds, by closing the Virks building and transferring geriatric/psych patients to other units in the hospital or to a less restrictive setting in the community. Approximately 28 patients will be transferred to community nursing homes. This will allow the Department to reduce staff by 70.0 FTE positions, and

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transfer the fully vacated building to the Department of Administration. The Virks buildings will then be renovated for use as office space for human services agencies.

- Savings of \$3.0 million, including \$1.4 million in general revenue funds will be managed by MHRH in collaboration with DHS by “Braiding” funding, to create a care continuum with a unified care management approach such as an Administrative Services Organization (ASO) based in the community, reducing inpatient hospital days and creating long overdue community alternatives and establishing a short term crisis stabilization unit at Eleanor Slater Hospital to divert people away from inappropriate use of community hospital emergency rooms.
- Savings of \$5.4 million, including \$2.5 million in general revenue funds, by reducing personnel costs in the Hospital by restructuring various function in the hospital and reducing staff. This includes eliminating the hospital staffing office; restructuring and reducing the medical staff, consolidating the nursing staff, consolidating the nursing central supply function with the pharmacy.

Substance Abuse Program

- Savings of \$520,000 in general revenue funds by eliminating the Treatment and Alternatives to Street Crime TASC program also known as Treatment and Alternatives to Safe Communities.
- Savings of \$2.0 million, including \$1.0 million in general revenue funds, by reforming the substance abuse treatment reimbursement system. The Department proposes that the savings be realized through a reform of payment models for substance abuse treatment services, and performance.
- Savings of \$241,172 in general revenue funds by a 50 percent reduction in legislative grants to substance abuse-related organizations.

For FY 2008 the Governor recommends an authorized FTE level of 1,675.6 positions. The reduction of 103.4 FTE positions from the enacted FTE level of 1,761.0 is associated with abandoning 101.4 vacant FTE positions, many of which were unfunded, and the transfer of 2.0 FTE to other departments

For FY 2009, the Governor recommends an authorized FTE level of 1,372.6 positions, which is 285.0 FTE less than the FY 2008 revised budget. Reductions in FY 2009 include the following: 88.0 positions in Eleanor Slater Hospital Dietary operations; 67.0 positions in Eleanor Slater Hospital Housekeeping operations; 105.0 positions in Eleanor Slater Hospital associated with program reductions, including 70.0 due to the closing of the Virks building and 11.0 due to general consolidation of financial and accounts payable functions; 13.0 positions transferred to OHHS as part of the consolidation of operations; 6.0 positions for the elimination of the Treatment Alternatives for Street Communities (TASC) program; and 6.0 positions in support functions department-wide.

Office of the Child Advocate

The Governor’s revised FY 2008 budget for the Office of the Child Advocate is \$522,070, including \$484,569 in general revenue and \$37,501 in federal funds. The general revenue appropriation in the revised FY 2008 is \$36,188 less than the enacted budget of \$520,757, reflecting agency specific reductions of \$19,529, most of which are associated with turnover savings of \$28,533, and statewide adjustments of \$16,659. The statewide adjustments consist of: savings from lower than anticipated

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employee health benefit claims experience, \$6,539; savings from six uncompensated personal leave days for all state employees, \$9,294; and, statewide operating, contracts and grants reductions of 2.7 percent from revised levels, \$829.

For FY 2009, the Governor recommends total expenditures \$558,800, including \$519,657 in general revenues and \$39,143 in federal funds. The general revenue decrease of \$1,100 compared to the FY 2008 enacted budget includes a \$1,760 decrease for personnel costs and a \$660 increase for operating costs. Personnel costs include no cost of living adjustment for state employees, but do include a 9.9 percent trend growth in employee medical benefit costs and also include funding for retiree health benefits on an actuarial basis beginning in FY 2009, recognizing reduced health benefits for new retirees. The Governor recommends the enacted level of 5.8 FTE positions in FY 2008 and FY 2009.

The Governor does not recommend merging the Office of the Child Advocate into a new Department of Advocacy. Instead, the Governor recommends that Office of the Child Advocate remain an autonomous agency in FY 2009.

Office of the Mental Health Advocate

The Governor recommends revised FY 2008 general revenue expenditures of \$405,456, a decrease of \$18,797 from the enacted level. The reduction is primarily attributable to the following statewide adjustments: savings from lower than anticipated employee health benefit claims experience, \$5,044; savings from six uncompensated personal leave days for all state employees, \$8,162; and, statewide operating, contracts and grants reductions of 2.7 percent from revised levels, \$349. A small amount of additional savings were also generated through a longer than anticipated lag in the hiring of a new Staff Attorney. The supplemental recommendation finances the operation of this office at the current service level.

The Governor recommends total FY 2009 general revenue expenditures of \$431,171, reflecting full funding for agency current services and an increase of \$6,828 over enacted FY 2008 levels. Personnel costs include no cost of living adjustment for state employees, but do include a 9.9 percent trend growth in employee medical benefit costs and also include funding for retiree health benefits on an actuarial basis beginning in FY 2009, recognizing reduced health benefits for new retirees. The Governor recommends the enacted staffing authorization of 3.7 FTE positions for both FY 2008 and FY 2009.

Education

Education

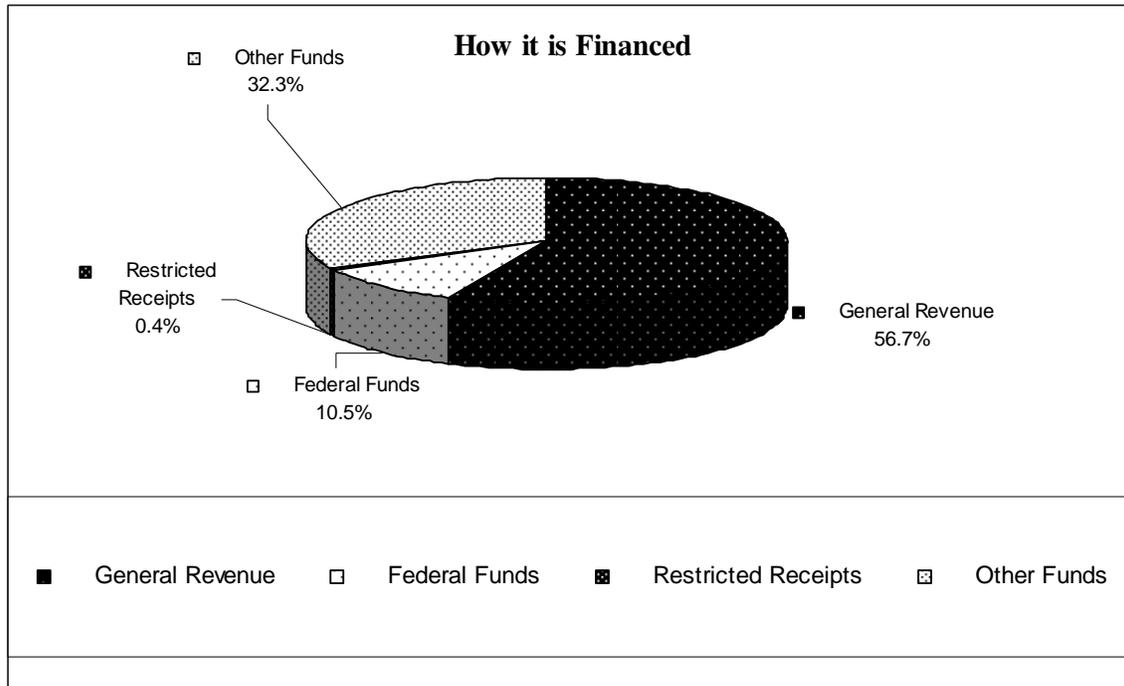
Summary

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. The Governor recommends 3,979.2 FTE positions in FY 2008 and 3,915.3 FTE positions in FY 2009.

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 Central Falls School District, and the three state schools: the School for the Deaf, the Davies Career and Technical School, the Metropolitan Career and Technical School. 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 FY 2008 revised recommendation for Education agencies totals \$1,927 billion, or \$17.7 million more than enacted appropriations of \$1,909 billion. As compared to the enacted budget, general revenue decreases \$10.2 million, or 0.9 percent, federal funds increase \$11.8 million or 6.0 percent, restricted receipts increase \$376,793 or 4.4 percent, and other funds increase \$15.6 million, or 2.7 percent.

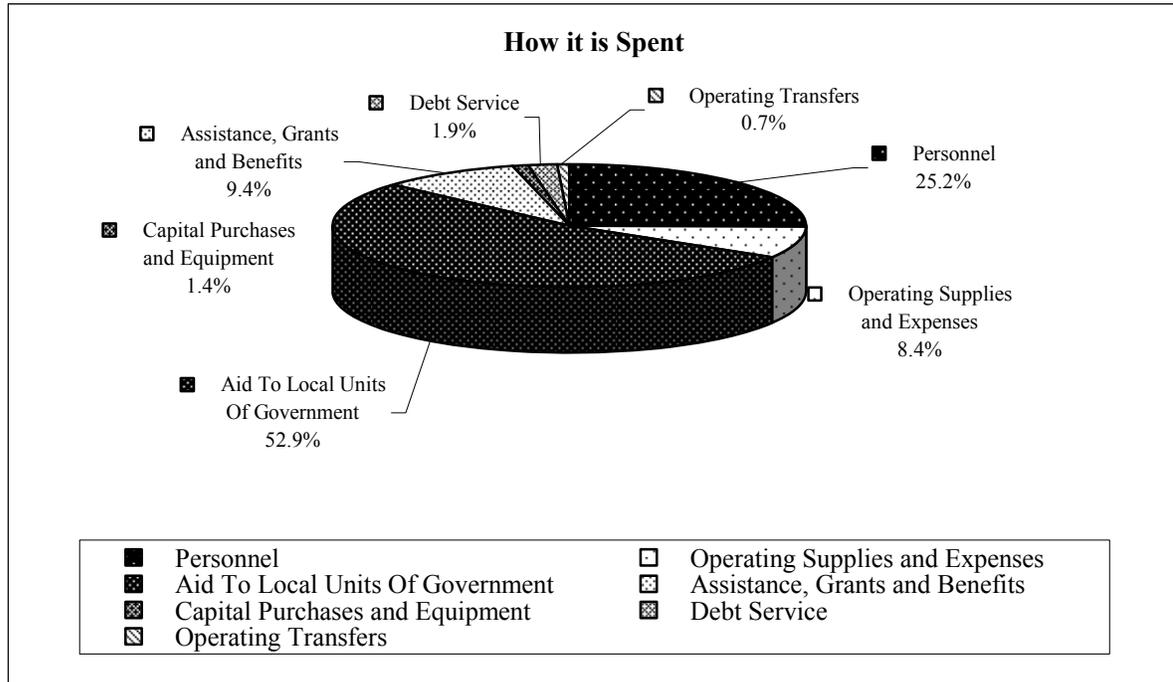
In the Education function of state government, other funds consist of: Rhode Island Capital Plan Funds, Institutional Revenues, Sponsored Research Programs, Scholarships and Fellowships, Auxiliary Enterprises in Public Higher Education, and the Corporation for Public Broadcasting grant to the Rhode Island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



The Governor recommends total expenditures of \$1.985 billion for Education in FY 2009, including

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\$1.126 billion from general revenue, \$208.8 million from federal funds, \$8.9 million from restricted receipts, and \$641.7 million from other funds.



The Governor’s general revenue recommendation of \$1.126 billion for Education for FY 2009 is an increase of \$2.8 million, or 0.2 percent over FY 2008 enacted levels.

Aid to Local Units of Government accounts for 52.9 percent of all education expenditures. State operations expenditures, which include personnel and operating, account for 33.6 percent of total education expenditures. Most of these expenditures occur in Public Higher Education. The remaining 13.5 percent of expenditures occur in grants and benefits and capital outlays.

Elementary and Secondary Education

The Governor recommends \$1.103 billion in revised expenditures from all funds for the Department of Elementary and Secondary Education for FY 2008, an increase of 0.6 percent from the enacted level of \$1.096 billion. Of this total, \$906.4 million is general revenue expenditures, \$188.6 million is federal grants, \$7.1 million is restricted receipt funds, and \$1.3 million is other fund expenditures. General revenue expenditures decrease by \$3.0 million, federal expenditures increase by \$10.2 million, restricted receipt expenditures decrease by \$18,885, and other fund expenditures increase by \$10,305. The reduction to general revenues reflects in part the following statewide adjustments: savings from lower than anticipated employee health benefit claims experience, \$340,581; savings from six uncompensated personal leave days for all state employees, \$552,983; and, statewide operating, contracts and grants reductions of 2.7 percent from revised levels, \$386,953.

The Governor’s revised FY 2008 budget includes a variety of reductions to enacted general revenues. The most significant general revenue declines in the FY 2008 revised budget are witnessed in two distinct aid programs; each is a recalculation of a formula-based entitlement based upon updated data. The state contribution for teachers’ retirement increases \$2.2 million

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from the enacted level, reflecting a newly revised growth rate in covered teacher payroll. Further, revised local reimbursements under the Housing Aid program are recommended at \$49.7 million, or \$3.2 million less than enacted.

General revenue support for the Davies School and the School for the Deaf decreases from the enacted level by \$523,849 and \$236,799, respectively. Financing of the Administration of the Comprehensive Education Strategy (ACES) was reduced by \$743,740, owing primarily to the withdrawal of personnel financing for vacant positions, tuition savings at the Perkins School for the Blind, and the Elimination of the Rhode Island Middle Level Educators (RIMLE) grant. Additionally, the Governor recommends a reduction of \$140,148 for aid to Charter Schools, reflecting mid-year adjustments for October enrollments. Also recommended is a zero-sum redirection of \$379,189 in financing for the Central Falls School District from general revenues to the Permanent School Fund.

The Governor recommends \$1.130 billion in expenditures from all funds for the Department of Elementary and Secondary Education in FY 2009. Of this total, \$930.5 million is from general revenue, \$191.0 million is from federal funds, \$7.7 million is restricted receipts, and \$1.2 million is from other funds. This financing level represents an increase in general revenue expenditures of \$21.0 million, or 2.3 percent, from the enacted FY 2008 level, an increase of \$12.6 million in federal expenditures, an increase of \$564,479 in restricted expenditures, and a decrease of \$885 in other fund expenditures. Personnel costs include no cost of living adjustment for state employees, but do include a 9.9 percent trend growth in employee medical benefit costs and also include funding for retiree health benefits on an actuarial basis beginning in FY 2009, recognizing reduced health benefits for new retirees.

Despite the distressed fiscal climate of the State, the Governor's steadfast commitment to Rhode Island's public education system is clearly exhibited in the FY 2009 Budget. Education aid distributed to local school districts totals \$691.7 million in general revenue funds for FY 2009, including \$45.1 million for Central Falls, a fully state-supported school district. The Governor's recommendation for all but six districts and Central Falls includes education aid equivalent to each community's final FY 2008 aid allocation. Other salient portions of the Governor's recommendation for total education aid in FY 2009 include the following:

- Direct Charter School Aid totaling \$29.8 million, an increase of \$2.8 million from the enacted FY 2008 level. As in previous years, the Governor's budget fully supports the approximately 3,000 students attending eleven Charter Schools.
- Support of the State Schools (Davies Career and Technical School, Rhode Island School for the Deaf, and the Metropolitan Career and Technical School) totaling \$33.5 million, an increase of \$598,087 from the enacted FY 2008 level. Included within this recommendation are savings due to the privatization of janitorial services at both the Davies School and the School for the Deaf, and anticipated savings due to an increased student/teacher special education ratio at the Met School.
- Financing for the Teachers' Retirement program of \$94.8 million, an increase of \$16.7 million from the enacted FY 2008 level. This program reimburses 40 percent of employer contributions made on behalf of teachers to the State Employees Retirement System, with the remaining 60 percent financed by the applicable school district. This increase reflects projected increases in the revised teacher payroll base of 4.25% and an increase in the employer actuarial contribution rate from 22.01 to 25.03 percent. For FY 2009, the local share of this rate equals 14.86 percent, while the state share is 10.17

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percent. Note that retired teacher health subsidy costs are reflected in the Department of Administration budget.

- School Housing Aid in the amount of \$57.0 million, an increase of \$4.1 million from the enacted FY 2008 level. This recommendation includes savings of \$500,000 resulting from the planned refunding of school construction bonds in the City of Central Falls.
- An appropriation of \$45.1 million in support of the operations of the Central Falls School District, an increase of \$1.3 million, or 3.0 percent, from the enacted FY 2008 level. Legislation mandating the investigation of the City of Central Falls' ability to contribute to the local school budget was included within the FY 2008 Revised Appropriations Act.
- The elimination of the grant to Hasbro Children's Hospital for support of its educational program, in the amount of \$100,000.
- The elimination of the School Breakfast reimbursement subsidy, in the amount of \$600,000. This program reimburses those school districts that participate in state breakfast programs on a per-breakfast basis.
- The phase-out of the state funded match for the Federal E-Rate program, to be supplanted by an increase to the access line surcharge authorized under the Rhode Island Telecommunications Education Access Fund (RITEAF), RIGL 39-1-61.
- Redesign and realignment of the School Accountability for Learning and Teaching (SALT) process, yielding savings of approximately \$275,000.

In FY 2009, the Governor recommends \$20.1 million in general revenue for the Department's administration program, the Administration of the Comprehensive Education Strategy (ACES), a reduction of \$2.3 million from the enacted level. This includes a reduction of \$662,160, reflecting funding at half of enacted levels for legislative grants. The remainder of the reduction, or \$1.7 million, reflects a host of savings initiatives undertaken pursuant to the deliberations on departmental priorities conducted by the Governor during the summer of 2007. For the ACES program, these initiatives include, but are not limited to:

- Elimination of a Deputy Commissioner position and a Public Information Officer through attrition and the elimination of two Staff Assistants.
- Reorganization of the Office of Human Resources and consolidation of the Offices of Instruction and Assessment & Accountability.
- Redirection of personnel financing for school construction oversight to a restricted receipt account financed via a grant from the Rhode Island Health and Educational Building Corporation (RIHEBC).
- Redesign of the SALT survey, the Information Works! publication, and SALT visits.
- Suspension of the design and implementation of statewide system(s) of student transportation.

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- Elimination of financing for the Rhode Island Skills Commission, which provides a system of technical assistance to schools administering the new Middle School and High School Regulations.

For the entire Department, which includes the State Schools, the Governor recommends staffing authorizations totaling 332.0 FTE positions in FY 2008 and 330.0 FTE in FY 2009.

Public Higher Education

The Governor recommends a revised FY 2008 budget of \$783.7 million, including \$190.0 million in general revenue, \$5.3 million in federal funds, \$570.4 million in other funds, \$1.1 million in restricted receipts, and \$16.9 million in Rhode Island Capital Plan funds. General revenues decrease \$6,084,999 from the enacted level, reflecting current services adjustments, and the following statewide adjustments: savings from lower than anticipated employee health benefits claims experience, \$1,507,319; savings from six uncompensated personal leave days for all state employees, \$2,018,705; and, statewide operating, contracts, and grants reductions of 2.7 percent from revised levels, \$1,158,020. The Governor recommends 4,334.8 FTE positions in FY 2008, the enacted authorization. The Governor's other proposals to address expenditure forecasts in excess of enacted appropriations are General Obligation debt service adjustments saving \$880,208 and Office of Higher Education acceptance of statewide enacted personnel savings of \$519,000.

For FY 2009, the Governor recommends \$816.3 million for Public Higher Education, including \$180.0 million in general revenue, \$3.6 million in federal funds, \$620.8 million in other funds, \$641,526 in restricted receipts, and \$11.3 million in Rhode Island Capital Plan funds. General revenues decrease \$16.2 million from the FY 2008 enacted level. The Governor recommends a total of 4,273.9 FTE positions, a reduction of 60.9 positions, including 30.0 FTE positions at the University, and 15.0 FTE positions at both the College and the Community College. Reduced trend growth in medical benefits saves \$785,826 and funding for retiree health benefits in FY 2009 on an actuarial basis recognizing reduced benefits for new retirees saves \$137,267. Debt service adjustments adding \$2.4 million and personnel and operating adding \$3.0 million. In order to address expenditure forecasts statewide in excess of revenue estimates the Governor proposes several reductions:

- Relocation of Office of Higher Education to State property saving \$233,732
- Increased vacancy savings of \$8.6 million
- Operating and capital savings requested of \$533,492 at target
- Staff efficiency savings of \$10.2 million
- Legislative grant reductions of half awards saving \$1.0 million

The budget proposed by the Governor includes total tuition and fees revenues growth of \$29.8 million, including \$20.5 million at the University, \$5.8 million at the College, and \$3.5 million at the Community College. Pursuant to FY 2007 legislation, both the FY 2008 appropriation and FY 2009 recommended budgets include debt service appropriations within Public Higher Education that were formerly in the Department of Administration. In FY 2008, debt service is \$15.1

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million, a decrease of \$880,208 from enacted levels and in FY 2009, \$17.5 million is included, an increase of \$2.4 million from all sources.

For FY 2009, the Governor recommends 4,273.9 FTE positions reflecting 60.9 FTE less than the FY 2008 enacted level.

The College Crusade of Rhode Island and other legislative grant awards in FY 2009 are recommended at fifty percent of enacted levels.

Rhode Island Council on the Arts

The Governor's revised FY 2008 budget for the Rhode Island Council on the Arts is \$4.6 million, including \$2.7 million in general revenue, \$671,643 in federal funds, and \$1.2 million in restricted receipts and other funds. The recommendation includes a decrease of \$78,650 to general revenue appropriations, reflecting current services adjustments, and the following statewide adjustments: savings from lower than anticipated employee health benefit claims experience, \$8,435; savings from six uncompensated personal leave days for all state employees, \$13,727; and, statewide operating, contracts and grants reductions of 2.7 percent from revised levels, \$56,488. One time restricted receipts funds are estimated at \$200,000 from proceeds of a dedicated arts lottery ticket.

For FY 2009, the Governor recommends \$3.3 million, including \$2.1 million in general revenue, \$741,355 of federal funds, and \$439,453 in other funds. The general revenue decrease of \$682,797 from the enacted FY 2008 budget includes a reduction of \$620,720 reflecting funding at half of enacted levels for legislative grants, and reduction of \$58,153 from enacted levels for the discretionary arts grants program, and also reflects adjustments required for salary and employee benefits requirements. Personnel costs include no cost of living adjustment for state employees, but do include a 9.9 percent trend growth in employee medical benefit costs and also include funding for retiree health benefits on an actuarial basis beginning in FY 2009, recognizing reduced health benefits for new retirees. A decrease in other funds from \$3.0 million enacted in FY 2008 to \$439,453 in FY 2009 reflects exhaustion of one time resources for state capital projects for arts installations at airport, public safety and educational projects. The Governor recommends the enacted level of 8.6 FTE positions in FY 2008 and FY 2009.

Rhode Island Atomic Energy Commission

The Governor's revised FY 2008 budget for the Rhode Island Atomic Energy Commission is \$1.6 million including \$798,827 in general revenue, \$537,277 in federal funds, and \$289,759 in other funds. The recommendation includes a decrease of \$21,042 to general revenue appropriations, reflecting current services adjustments, and the following statewide adjustments: savings from lower than anticipated employee health benefit claims experience, \$5,295; savings from six uncompensated personal leave days for all state employees, \$14,893; and, statewide operating, contracts and grants reductions of 2.7 percent from revised levels, \$854. The governor recommends amending law to permit an overhead fee on research at the reactor for the University of Rhode Island radiation safety program, in addition to the current sponsored research, which reduces the general revenue requirement in FY 2008 by \$62,475 and in FY 2009 by \$66,155.

For FY 2009, the Governor recommends \$1.53 million, including \$824,470 in general revenue, \$407,277 in federal funds, and \$301,153 in other funds. The increase of \$4,601 in general revenue from FY 2008 enacted recognizes reduced trend growth in medical benefits saving

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\$3,204, and funding for retiree health benefits in FY 2009 on an actuarial basis recognizing reduced benefits for new retirees saving \$8,001, and increases of \$15,806 for statewide benefits and assessments. The Governor recommends 8.6 FTE positions in FY 2008 and 8.6 FTE positions in FY 2009.

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 enable the Commission to explore additional commercial uses for the RINSC, including new technology involved in cancer research

Rhode Island Higher Education Assistance Authority

The Governor recommends a revised FY 2008 budget of \$28.9 million, including \$10.2 million in general revenue, \$12.4 million in federal grants, and \$6.4 million in other funds. General revenue decrease \$799,892 from the enacted level, reflecting current services adjustments, and the following statewide adjustments: savings from lower than anticipated employee health benefits claims experience, \$6,075; savings from six uncompensated personal leave days for all state employees, \$11,031; and, statewide operating, contracts, and grants reductions of 2.7 percent from revised levels, \$268,139. Personnel and operating reductions are \$14,600. A reduction in state needs based scholarships of \$500,000 is the majority of the decrease.

For FY 2009, the Governor recommends \$29.2 million, including \$9.9 million in general revenue, \$12.6 million in federal funds, and \$6.8 million in other funds. General revenues decrease \$1,105,775 from the FY 2008 enacted level. The Governor recommends 42.6 FTE positions in FY 2008 and in FY 2009, a reduction of 3.4 vacant positions and a savings in general revenue of \$88,567. Reduced trend growth in medical benefits saves \$2,890, and funding for retiree health benefits in FY 2009 on an actuarial basis recognizing reduced benefits for new retirees saves \$5,560. Personnel current services and adjustments including assessed fringe benefits and capital and operations are a net increase of \$17,684. A reduction in state needs based scholarships of \$1,026,442 is the majority of the decrease in general revenue support, with total scholarship aid remaining level, reflecting increased scholarship grants from the Tuition Savings Program.

Rhode Island Historical Preservation and Heritage Commission

The Governor recommends total expenditures of \$2.5 million for the revised FY 2008 budget for the Rhode Island Historical Preservation and Heritage Commission. This consists of \$1.5 million in general revenue, \$528,895 in federal funds and \$491,993 in restricted receipt financing. The recommendation reflects a reduction of \$90,480, or 5.7 percent in general revenue appropriations from the enacted level, reflecting current service adjustments, additional turnover due to the vacant position of Historic Preservation Aide, and the following statewide adjustments: savings from lower than anticipated employee health benefit claims experience, \$16,539; savings from six uncompensated personal leave days for all state employees, \$19,734; and, statewide operating, contracts and grants reductions of 2.7 percent from revised levels, \$13,268. In the current fiscal year, there are no significant changes from enacted levels in non-general revenue sources of funds.

The Governor recommends total financing of \$2.3 million for FY 2009, including \$1.3 million in

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general revenue appropriations, \$479,640 in federal funds, and \$494,649 in restricted receipts. General revenue financing decreases by \$228,967 or 14.5 percent from the FY 2008 enacted level, reflecting a decrease of \$191,688 for legislative grants that were financed at half of enacted levels and the withdrawal of financing for the eliminated position of Historic Preservation Aide. Personnel costs include no cost of living adjustment for state employees, but do include a 9.9 percent trend growth in employee medical benefit costs and also include funding for retiree health benefits on an actuarial basis beginning in FY 2009, recognizing reduced health benefits for new retirees. Federal funds and restricted receipts decrease by \$49,438 and \$1,645, respectively, from enacted levels, due mainly to the realignment of allocable staff time to various funded projects and the exhaustion of the Blackstone Valley "Footsteps in History" grant. Staffing authorizations total 17.6 FTE in FY 2008 and 16.6 FTE in FY 2009, reflecting the elimination of the (vacated) position of Historic Preservation Aide.

Rhode Island Public Telecommunications Authority

The Governor recommends total expenditures of \$2.1 million for the revised FY 2008 budget of the Public Telecommunications Authority. This consists of \$734,035 in grant financing from the Corporation for Public Broadcasting (CPB) and general revenue financing of \$1.3 million. This recommendation reflects a decrease of \$47,458 in general revenue appropriations from the enacted level. This reduction is attributable a decrease of \$7,725 in insurance expense as well as the following statewide adjustments: savings from lower than anticipated employee health benefit claims experience, \$16,842; savings from six uncompensated personal leave days for all state employees, \$21,444; and, statewide operating, contracts and grants reductions of 2.7 percent from revised levels, \$1,447. The expenditure ceiling authorized under the CPB grant decreases by \$65,261 from the enacted level, partly as a result of statewide adjustments to personnel for medical trend savings and uncompensated personal leave days.

The Governor recommends total financing of \$2.1 million for FY 2009, including \$1.4 million in general revenue appropriations and \$767,060 from the Corporation for Public Broadcasting (CPB) grant. Compared to FY 2008 enacted levels, this represents a \$1,652 increase in general revenue financing reflecting minor adjustments for current service expenditures, and a decrease of \$32,596 in CPB support. Personnel costs include no cost of living adjustment for state employees, but do include a 9.9 percent trend growth in employee medical benefit costs and also include funding for retiree health benefits on an actuarial basis beginning in FY 2009, recognizing reduced health benefits for new retirees. The Governor recommends staffing authorizations remain level at 20.0 FTE positions in both FY 2008 and FY 2009.

Public Safety

Public Safety

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 seven agencies that expend 6.6 percent of the total FY 2009 State Budget from all sources of funds to provide public safety services to the state include: the Department of Corrections; the court system (Attorney General; the Judiciary; and the Office of the Public Defender); the homeland security system (Military Staff, including both the National Guard and the Emergency Management Agency); and public safety agencies (Fire Safety Code Board of Appeal and Review and the Department of Public Safety, comprising the State Police, Sheriffs & Capitol Police, E-911, State Fire Marshal; the Rhode Island Justice Commission; and Municipal Police Training Academy). The FTE recommendation for the FY 2008 revised budget is 3,291.7. The FTE recommendation for FY 2009 decreases to 3,215.4. Reductions due to privatizations and other actions are offset by the transfer of Sheriffs and Capitol Police to the newly-formed Department of Public Safety.

Pursuant to action of the Legislature in Article 3 of the FY 2008 Budget Act, the Governor's recommended FY 2009 budget includes the combination of the Rhode Island State Police, E-911 Emergency, Fire Marshal, Security Services (former program of the Department of Administration), and the Municipal Police Training Academy, in a new Department of Public Safety. The FY 2008 supplemental appropriations act reflects the constituent agencies as independent entities, consistent with enacted appropriations. The FY 2009 appropriations act recognizes the combination of the agencies as programs within the new departments. However, to achieve orderly and coherent comparisons of the history, enacted appropriations, and two recommendation years, these documents display the agencies as a combined entity in FY 2008 as well as FY 2009.

The largest share of funding within the Public Safety function is for the Department of Corrections, representing 40.8 percent of the total. Because the Adult Correctional Institutions, which include eight secure facilities, operate twenty-four hours per day, the department must provide continuous supervision of an annual average inmate population of 3,925. Additionally, the Community Corrections subprogram supervises 32,000 community-based offenders per year. The second largest share is for the courts system, at 28.5 percent of the total. This includes 21.0 percent of expenditures for the Judiciary, supporting six courts statewide, and 7.5 percent for the other agencies, Attorney General and Office of Public Defender. The next largest share is for the Department of Public Safety, at 24.1 percent. This agency was formed pursuant to Article 3 of the FY 2008 Budget Act, the combining the Rhode Island State Police, E-911 Emergency, State Fire Marshall, Security Services (formerly a program of the Department of Administration), the Rhode Island Justice Commission, and the Municipal Police Training Academy. The Military Staff comprises 6.5 percent of Public Safety expenditures.

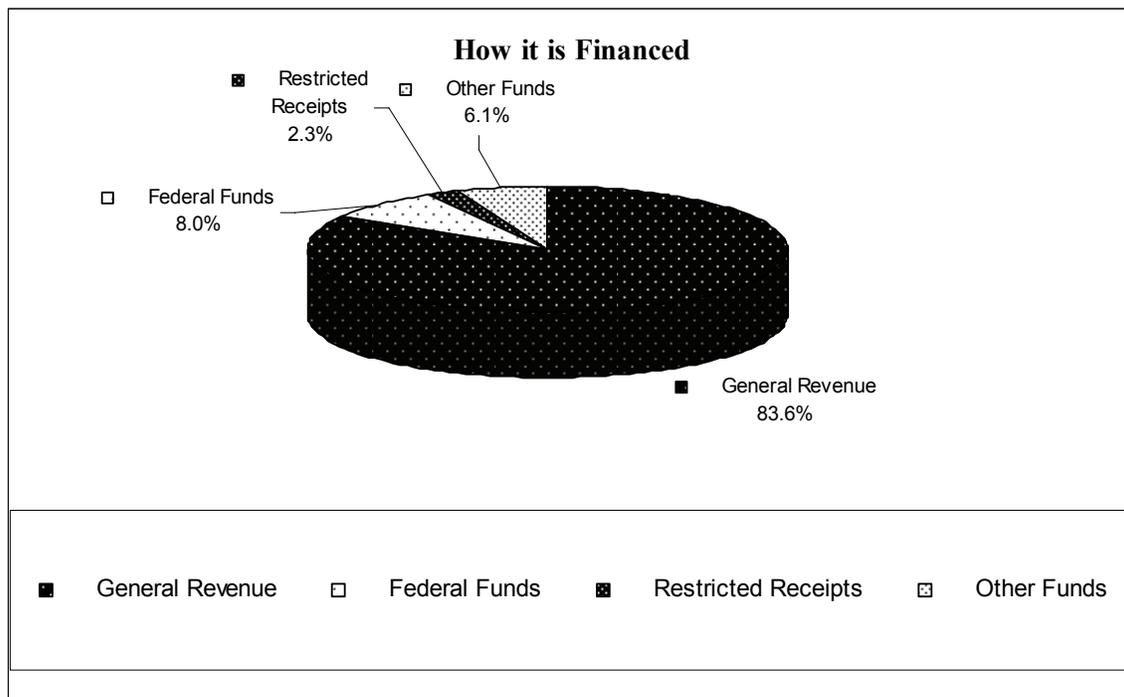
The Governor recommends a FY 2008 revised budget of \$455.3 million from all funds, an increase of \$6.9 million. Revised expenditures of \$378.5 million are recommended for general revenue, \$8.0 million, or 2.1 percent, less than enacted levels. Restricted receipt expenditures of \$10.4 million are \$166,667 less than enacted. This is offset by a \$13.9 million increase in federal funds and a \$1.1 million increase in other funds, primarily Rhode Island Capital Plan funds. Categorically, this includes a \$14.6 million decrease in personnel costs for salaries and benefits, and contract services. The decrease reflects vacancy reduction initiatives undertaken as part of the Governor's Personnel Reform Initiative. Expenditure for grants and benefits increases by \$16.8 million, primarily in the Military Staff for additional homeland security, disaster assistance and

Public Safety

other federal grants in Emergency Management. Operating expenditures increase by \$3.7 million, and capital purchases and equipment expenditures increase by \$1.0 million.

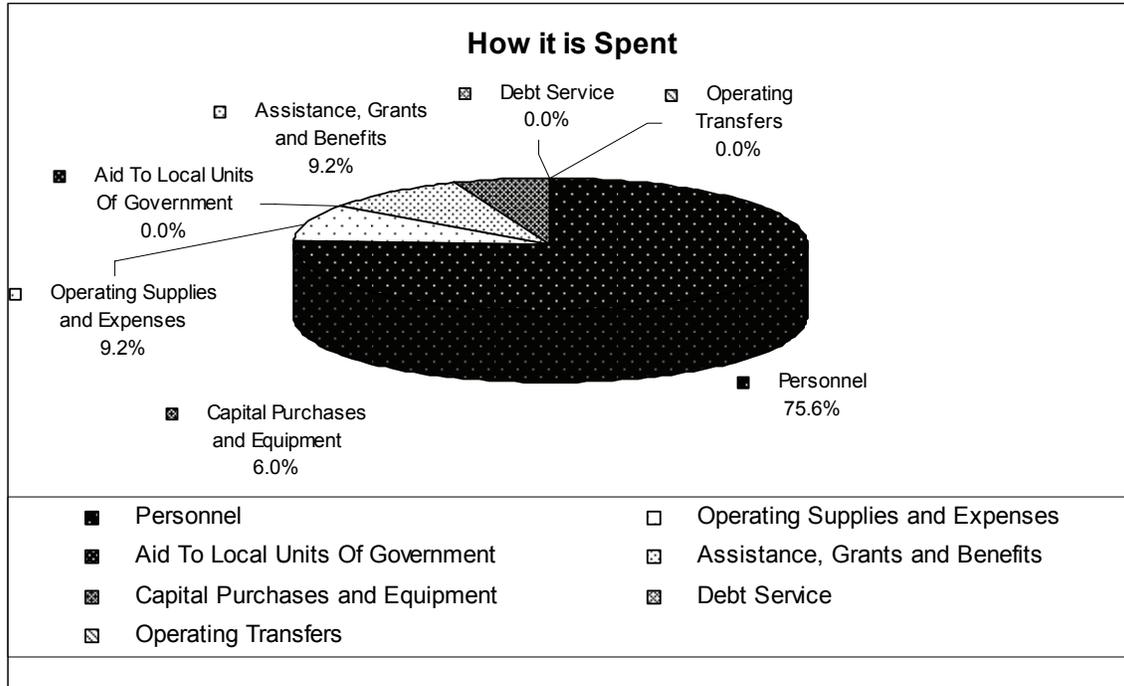
In FY 2009, the Governor recommends an all-funds budget of \$451.3 million for public safety programs. Of this amount, \$377.5 million is from general revenue, \$35.9 million is from federal funds, \$10.4 million is from restricted receipts, and \$27.4 million is from other funds. The FY 2009 general revenue budget increases by \$9.0 million from the FY 2008 enacted level. All funds spending increases only by \$2.8 million as compared to the enacted budget. There is an \$18.0 million all-funds decrease in personnel expenditures, a \$3.6 million increase in operating expenditures, a \$9.6 million increase for grants and benefits and a \$7.7 million increase for capital expenditures. Personnel decreases are due to privatization actions in the Department of Corrections, FTE reductions in Corrections and other agencies, and proposed employee contract changes in Corrections to reduce overtime spending. The Department of Corrections' budget includes an earned good time initiative program to reduce inmate population that will lead to substantial savings in supervisory overtime and per capita operating costs. Operating increases reflect in part move to a new state police headquarters and the move to newly completed courthouses. Grant increases of \$9.6 million reflect new State Police federal grants, as well as continue Emergency Management homeland security grants. .

Funding for the Public Safety function is derived mainly from state sources. 83.6 percent is general revenue and 6.1 percent is other funds (primarily Rhode Island Capital Plan funds for construction, repair and rehabilitation projects for Corrections, Military Staff, Judiciary, and State Police facilities). Federal funds comprise 8.0 percent of the total (Emergency Management homeland security expenditures and National Guard Bureau funding; adult education, discharge and reentry services, incarceration of undocumented aliens at Corrections; Child Support Enforcement in the Judiciary program). Restricted receipts account for the remaining 2.3 percent.



Public Safety

By category of expenditures, state operations, including personnel (75.6 percent, \$341.1 million) and other operating costs (9.2 percent, \$41.5 million), total \$382.6 million, or 84.8 percent of total expenditures, and are financed primarily from general revenues. Assistance, grants and benefits are \$41.6 million or 9.2 percent, and are funded from general revenue and federal funds. Capital improvement projects, \$27.1 million for 6.0 percent, include Rhode Island Capital Plan and federal funds.



Attorney General

The Governor recommends revised FY 2008 appropriations totaling \$23.3 million for the Attorney General, including \$20.6 million from general revenues, \$1.4 million from federal funds, \$940,574 from restricted receipts, and \$404,880 from Rhode Island Capital Plan funds. This is a general revenue decrease of \$708,876, or 3.3 percent, from total FY 2008 enacted levels. The majority of this decrease is attributable to new legislation being that would require the insurance companies to pay expert witness fees in advance rather than reimbursing the state at a later date. This reduction also includes the following statewide adjustments: savings from lower than anticipated employee health benefit claims experience, \$217,551; savings from six uncompensated personal leave days for all state employees, \$387,865; and, statewide operating, contracts and grants reductions of 2.7 percent from revised levels, \$52,293. These reductions were offset by an addition of \$607,144 for salary and benefits in the Criminal program, which is related to the anticipated turnover rate in the enacted budget not being achieved.

For FY 2009, the Governor recommends total expenditures of \$23.7 million, which includes \$21.2 million from general revenues, \$1.3 million from federal funds, \$980,866 from restricted receipts, and \$275,000 from Rhode Island Capital Plan funds. This includes a general revenue decrease of \$123,266, or 0.6 percent, from the FY 2008 enacted budget. This reduction includes a decrease in financing for insurance assessment costs, which is offset by increases in personnel expenses associated with unachieved turnover from the FY 2008 enacted level. Adjustments are included for salary and employee benefits requirements. Personnel costs consist of no cost of living adjustment for state employees, but do include a 9.9 percent trend growth in employee

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medical benefit costs and also include funding for retiree health benefits on an actuarial basis beginning in FY 2009, recognizing reduced health benefits for new retirees.

The Governor recommends 234.8 FTE positions in FY 2008 and 231.1 FTE positions in FY 2009. This program reduction of 3.7 FTE in FY 2009 consists of 1.7 FTE that had been previously financed through federal funds and 2.0 FTE vacant positions.

Department of Corrections

The Governor's revised FY 2008 budget for the Department of Corrections is \$197.4 million. This includes \$185.0 million in general revenue, \$3.6 million in federal funds, and \$8.8 million in other funds. The FY 2008 revised general revenue budget is \$2.95 million less than the enacted level of \$187.95 million. In addition to current service adjustments, including additional turnover to reflect existing vacancies, and additional general revenue for state/federal match requirements, inmate payroll, and physician's contracts, the Governor recommends the following statewide adjustments: savings from lower than anticipated employee health benefit claims experience, \$2,111,836; savings from six uncompensated personal leave days for all state employees, \$2,264,690; and statewide operating, contracts and grants reductions of 2.7 percent from revised levels, \$787,205, a total reduction of \$5.2 million. As for the offsetting \$2.2 million increase, the Governor recommends the following:

- **Correctional Officer Training:** The FY 2008 revised budget includes the following adjustments: 1) A delay of the next scheduled recruitment class, for a reduction of \$679,012 in stipends, overtime, salary & benefits, and operating, 2) A \$186,000 reduction in the stipend payment of the current recruitment class, reflecting a reduced class size and a per week rate reduction, and 3) Additional funds to begin recruitment of the next correctional officer class.
- **Electronic Medical Records System:** The Governor recommends \$450,000 to create a complete electronic medical record for each inmate in order to increase the efficiency and the efficacy of treatment in the facing of expanding (and aging) inmate population with chronic medical conditions. These funds were originally appropriated in FY 2007.
- **Earned Good Time Initiative Implementation:** In order to implement legislation introduced by the Governor that would increase good time rates for offenders sentenced to less than ten years, or to offenders who participate in rehabilitation programs, the budget includes funds for computer reprogramming, operating expenses, and 7.0 probation and parole FTE's. The total increase is \$439,953.
- **Inmate Population Increase:** To fund expenditures incurred by the recent increase in population projections from 3,289 to an estimated 3,925, an increase of 636 inmates, the Governor recommends \$4.8 million in funding for institutional overtime, reopened modules, increased in-patient hospitalizations with round the clock one-on-one custody requirements, and per diem operating expenses (linens, inmate clothing, program supplies, janitorial supplies, food, pharmaceutical and medical supplies, and medical contract services).

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- **Pastore Power Outage:** The Governor recommends an additional \$450,905 for generator rentals, fuel, equipment repair, contract services, and overtime expenditures resulting from the loss of power at the Pastore Complex in July 2007.
- **Retroactive Payments:** The Governor recommends an additional \$340,765 in the base wage estimate of unnegotiated COLA/Medical Co-Pay adjustments for anticipated but unsettled RIBCO contracts. These retroactive payments include \$1.5 million for FY 2005, \$5.2 million for FY 2006 and \$9.5 million for FY 2007 (the latter increases from \$9.2 million in the enacted budget).
- **Reintegration Center Delay:** The Governor recommends postponement of the opening of the soon-to-be-completed facility from July 2008 to July 2009, for a reduction of \$359,508 in personnel costs for four positions. The Center is a renovated building at the Pastore Center that will house up to 175 high-risk offenders who are within six months of release and who will receive intense reintegration assistance and programming.

For the FY 2009 budget, the Governor recommends \$184.1 million in total expenditures for the Department of Corrections. This consists of \$178.2 million in general revenue, \$2.6 million in federal funds, and \$3.3 million in other funds. The FY 2009 recommended general revenue budget decreases by 5.2 percent, or \$9.8 million, from the FY 2008 enacted level. The budget includes turnover adjustments, filling of critical vacancies (including correctional officers from the newly graduate training class), revised contract provisions for physicians, estimated funding for FY 2007 COLA/co-pay base adjustments, and statewide benefit changes. The latter also includes a total of \$2.1 million in adjustments required for a 9.9 percent trend growth in employee medical benefit costs, as well as funding for retiree health benefits on an actuarial basis beginning in FY 2009, recognizing reduced health benefits for new retirees. For the remaining \$7.7 million decrease, the Governor recommends the following:

- **Inmate Population:** The FY 2009 budget is built on a base inmate population projection of 4,152, as adjusted in FY 2008 by 93 inmates to 4,059. When adjusted for the reduction of 211 inmates resulting from the earned good time initiative discussed below, the revised population estimate is 3,848.
- **Correctional Officer Training:** The Governor recommends funds to conduct two classes in FY 2009, with graduation in December 2008 and May 2009 of 64 new correctional officers each.
- **Information Technology Contract Services:** The Governor recommends a reduction of \$668,360 in contract services, reflecting the transfer of programming functions to state employees in the Department of Administration.
- **Earned Good Time Initiative:** After consultations with interested parties in all three branches of government-executive, legislative, and judicial-the Governor has included in the FY 2009 budget a net reduction of \$1.0 million, reflecting an Earned Good Time initiative that would reduce sentenced days of offenders who maintain good behavior and/or complete rehabilitation programs. Offsetting per capita operating and staff reductions of \$2.2 million would be and additional \$996,638 in Community Corrections for 7.0 new probation officers and staff to ensure proper supervision of released inmates.

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- **Employee Contract Changes:** The FY 2009 budget includes reductions totaling \$3.6 million that would result from proposals submitted by the State to a three-person arbitration panel, for which a decision is expected in early 2008. The proposed changes to the current RIBCO contract would be as follows (all are savings in overtime): modified payment on sick time, elimination of double time overtime payments: elimination of I-9 recreation shift at Medium Moran and the Intake Service Center, and allowance of inter-facility transfers.
- **Litter Crews:** The Governor's FY 2009 budget includes the transfer of financing for litter crews to the Department of Transportation. Currently under a memorandum of understanding (MOU), the Department provides five work crews for litter control. The Department proposes using DOT funds for these purposes. General revenue savings of \$486,000 would be achieved in DOC overtime expenditures.
- **Dental Services Privatization:** The Governor recommends the issuance of a statewide master contract for dental services. Savings from the reduction of 4.0 state employees of \$542,498 would be offset by an estimated contract addition of \$300,000 for such services, as well as \$100,249 for severance costs (unemployment compensation and medical benefits), for a net savings of \$142,249 in FY 2009.
- **Inmate Counseling/Case Management Privatization:** The Governor's FY 2009 budget reflects the privatization of the inmate counseling and case management function. Currently this unit is responsible for the initial classification of inmates (gathering information to assess the risk factors involved in facility assignment), counseling inmates during periodic reclassifications and discipline board actions, counseling concerning good time and other information, and providing evaluations to the Parole Board. The focus of departmental efforts would shift to initial re-entry services by stressing case management and programming suited to individual inmates, to be performed by several community-based agencies with specialized expertise in providing services, as well as providing a link in the community once the inmate is released. Savings resulting from a staff reduction of 33.0 FTE's, \$2,708,081, would be offset by the provision of contract services for counseling and case management services of \$2,256,734, for a net savings of \$451,247. One-time severance costs (unemployment compensation and medical benefits) of \$551,370 are also included.
- **Central Distribution Center Privatization:** The Governor proposes to privatize the Central Distribution Center (CDC). Currently the CDC is responsible for purchasing food staples, janitorial items, and other items for warehousing, and delivery to state agencies. Because of increasing salary and benefit costs, the surcharge charged to other state agencies has increased. Sales have also decreased as agencies seek more economical means of obtaining supplies. The proposal involves a reduction of 14.0 FTEs in the Internal Service Fund program, as well as a reduction in merchandise purchasing and warehousing expenditures, a total of \$6,266,350, including severance costs. The FY 2009 budget includes a \$409,258 general revenue operating savings by reducing the surcharge on food items from 25 percent to 10 percent, a 15 percent savings.
- **FTE Reduction:** The FY 2009 budget includes the elimination of 6.0 filled FTEs, 2.0 each in Central Management, Institutional Corrections, and Community Corrections. Total savings are \$532,950.

Federal funds of \$2.6 million in FY 2009 will finance core personnel through the State Criminal Alien Assistance program (\$1.2 million), as well as adult inmate education, AIDS counseling and

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reentry services. In order to provide necessary repairs and renovations to the Department's aging facilities, the FY 2009 budget includes \$3.3 million in Rhode Island Capital Plan funds. Project funding is recommended in FY 2009, including \$2.5 million for various asset protection projects and \$100,000 to study various aspects of a new Women's Correctional Facility.

The Governor recommends 1,515.0 FTE positions in FY 2008, an increase of 7.0 FTE's in probation & parole from the enacted FY 2008 level of 1,508.0. The Governor recommends 1,464.0 in FY 2009, a reduction of 51.0 due to privatization reductions.

Judiciary

The Governor's revised FY 2008 budget for the Judiciary is \$95.6 million, including \$82.8 million in general revenue, \$2.6 million in federal funds, \$8.7 million in restricted receipts and \$1.5 million in other funds. The recommendation includes a reappropriation of \$1.1 million in carry forward balances from FY 2007, which is programmed for building repairs and maintenance. The recommendation is a decrease of \$2.2 million to general revenue appropriations, including the following statewide adjustments: savings from lower than anticipated employee health benefit claims experience, \$793,713; savings from six uncompensated personal leave days for all state employees, \$1.3 million; and, statewide operating, contracts and grants reductions of 2.7 percent from revised levels, \$311,405. The remaining \$214,677 increase is comprised of the following:

- \$319,950 more than enacted for pensions of retired judges based on the current retiree pension payroll;
- \$191,528 less for judicial technology projects due to the availability of Certificates of Participation funding;
- \$146,013 more for department-wide telephone and communications upgrades;
- \$35,239 less for property and casualty insurance expenses based on revised estimates from the state's risk manager;
- \$1.2 million more for facilities and operations expenses at the courthouses of which \$1.1 million is from the reappropriation mentioned above;
- \$484,248 less for operating expenses and capital equipment in Supreme Court, which includes reductions of \$87,163 for dues and subscriptions, \$17,000 for postage, \$144,227 for office supplies, \$51,520 for property rentals, and \$52,789 for lease payments;
- \$178,050 less for jury operations in Superior Court, primarily for salaries and benefits;
- \$150,200 less for personnel in Superior Court due to turnover savings;
- \$322,461 more for personnel in Family Court due to a change in budgeting for Child Support Enforcement in response to federal audit findings;
- \$502,218 less for personnel in District Court due to turnover savings; and
- \$89,973 less for contract services and operating expenses in the Traffic Tribunal.

For FY 2009, the Governor recommends \$95.0 million, including \$82.6 million in general revenue, \$1.9 million in federal funds, \$8.7 million for restricted receipts, and \$1.7 million from other funds. The general revenue decrease of \$2.3 million from the FY 2008 enacted budget includes a reduction of \$353,250 reflecting funding at half of enacted levels for legislative grants, and also reflects adjustments required for salary and employee benefits requirements. Personnel costs include no cost of living adjustment for state employees, but do include a 9.9 percent trend growth in employee medical benefit costs and also include funding for retiree health benefits on

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an actuarial basis beginning in FY 2009, recognizing reduced health benefits for new retirees. Other major general revenue changes include:

- \$47,746 more for judicial pensions,
- \$265,790 more for facilities and operations expense at the courthouses;
- \$72,886 less for operating expenses in Supreme Court;
- \$280,199 less for the Adult Drug Court, which is recommended for elimination in FY 2009 due to a loss of federal financing;
- \$178,050 less for jury operations in Superior Court, primarily for salaries and benefits; and
- \$577,108 less for other salaries and benefits due to the inclusion of turnover savings of 4.75 percent in all Courts.

The Governor recommends 732.3 FTE positions in FY 2008 and 729.3 positions in FY 2009.

Military Staff

The Governor's revised FY 2008 budget for the Military Staff is \$36.5 million, including \$2.5 million general revenues, \$20.96 million in federal funds, \$2.8 million in other funds, and \$301,504 of restricted receipts. The FY 2008 revised general revenue budget is \$65,869 less than the enacted budget. There are increases of \$10.4 million in federal funds and a decrease of \$106,000 in restricted receipts. Rhode Island Capital Plan funds increase by \$1.4 million. The recommendation includes the following statewide adjustments: savings from lower than anticipated employee health benefit claims experience \$21,408; savings from six uncompensated personal leave days for all state employees, \$28,840; and statewide operating, contracts and grants reductions of 2.7 percent from revised levels, \$15,621. In addition to salary and benefit adjustments to reflect current services, the Governor recommends the following:

- \$52,051 in salary costs related to the state activation of National Guard personnel for the Tall Ships Festival.
- Position reductions of 3.0 vacancies funded by both general revenue and federal funds in the National Guard, and 3.0 federal/restricted funded positions in the Emergency Management Agency.
- Additional federal grant funding for Emergency Management programs, including \$1.4 million in disaster assistance grants to municipalities, \$1.7 million in new urban areas security grants, and \$4.1 million in new state homeland security grants. The Governor recommends in FY 2008 total spending of \$14.4 million for various homeland security-related activities: state and municipal first responder equipment; equipment for local emergency response teams; interoperable communications; the Urban Search and Rescue program; municipal planning, exercises, and training; state homeland security equipment, training, exercise and planning activities; law enforcement terrorism prevention; and Citizens Corps and volunteer training programs.
- \$2.5 million in federal funds to purchase equipment to establish an interoperable communication system between state and local first responders.

For FY 2009 budget, the Governor recommends \$29.5 million for Military Staff programs, including \$3.7 million from general revenue, \$24.0 million from federal funds, \$315,321 from

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restricted receipts, and \$1.4 million from R.I. Capital Plan funds. Compared to the enacted FY 2008 budget, general revenue expenditures increase by \$1.2 million, federal funds increase by \$3.4 million, Rhode Island Capital Plan funds decrease by \$21,000, and restricted funds decrease by \$92,000.

The FY 2009 recommended budget reflects adjustments required for salary and employee benefit costs. Personnel costs include no cost of living adjustment for state employees, but do include a 9.9 percent trend growth in employee medical benefit costs, as well as funding for retiree health benefits on an actuarial basis beginning in FY 2009, recognizing reduced health benefits for new retirees. In addition to various adjustments for payroll projections and operating reductions, the Governor recommends the following:

- In addition to the 6.0 vacancy reductions in FY 2008, position reductions of 3.0 filled FTE's in the National Guard program funded by both general revenue and federal funds.
- Position reduction 1.0 FTE funded by general revenue and federal funds reflecting the centralization of the Accounts Payable function in the Department of Administration.
- Continued federal funding in the Emergency Management program for interoperable communications (\$2.5 million), and homeland security activities (\$8.4 million)
- \$1.3 million in general revenue funding for the operation of the Rhode Island Statewide Communications Network (RISCON), a radio communications system designed to provide interoperable communications between cities and towns and the state. Funds for hardware maintenance and positions to operate the system have been transferred from the Department of Public Safety-State Police to the Emergency Management program to work with federal Department of Homeland Security funding for interoperable communications, for which \$2.5 million is budgeted in both FY 2008 and FY 2009.

The Governor recommends 104.0 FTE positions in FY 2008 (a reduction of 6.0 from the enacted ceiling of 110.0 FTE) and 103.0 FTE positions in FY 2009, a reduction of 10.0 from the enacted ceiling offset by the addition of 3.0 FTE's in Emergency Management to operate the RISCON system.

Department of Public Safety

Pursuant to action of the Legislature in Article 3 of the FY 2008 Budget Act, the Governor's recommended FY 2009 budget includes the combination of the Rhode Island State Police, E-911 Emergency, Fire Marshal, Security Services (former program of the Department of Administration), and the Municipal Police Training Academy, in a new Department of Public Safety.

The FY 2008 supplemental appropriations act reflects the constituent agencies as independent entities, consistent with enacted appropriations. The FY 2009 appropriations act recognizes the combination of the agencies as programs within the new departments. However, to achieve orderly and coherent comparisons of the history, enacted appropriations, and two recommendation years, these documents display the agencies as a combined entity in FY 2008 as well as FY 2009.

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In FY 2009 the responsibilities of the Justice Commission will be transferred to the Central Management program in the Department of Public Safety. 4.0 FTE's will be added to this program to handle these responsibilities.

The Governor recommends \$109.6 million in expenditures for the Department of Public Safety in FY 2009, which includes \$82.0 million in general revenues, \$5.8 million in federal funds, \$21.3 million in other funds, and \$434,000 of restricted receipts. This recommendation represents an increase of \$2.0 million, or 2.5 percent, in general revenue expenditures from the FY 2008 enacted level. Other funds expenditures increase by \$12.6 million, or 143.6 percent, a significant part of this increase is the result of moving a portion of the financing for the State Police Headquarters from FY 2008 to FY 2009. Restricted receipts decrease by \$1.2 million, or 73.5 percent, from the enacted level and federal funds increased by \$710,721, or 5.6 percent. The FY 2008 enacted budget reference baseline is the combination of the FY 2008 enacted budget of the agencies described above.

E-911 Emergency Telephone System. The Governor recommends revised FY 2008 appropriations totaling \$6.3 million for the E-911 Emergency Telephone System, including \$4.9 million from general revenues, \$500,000 from federal funds, and \$874,715 from restricted receipts. The general revenue appropriation in the revised FY 2008 budget is \$146,258 higher than the enacted budget of \$4.7 million, reflecting agency specific changes that net to an increase of \$303,926 and statewide reductions of \$157,668. The agency specific changes include increases of \$269,798 for software maintenance agreements, \$122,687 for telephone service provider charges; \$62,881 for geographic information system (GIS) database development "rear load" charge; and \$5,000 for emergency equipment repairs. These increases are partially offset by decreases of: \$153,640 for payroll turnover savings and \$2,800 for operating. The statewide adjustments consist of: savings from lower than anticipated employee health benefit claims experience, \$59,725; savings from six uncompensated personal leave days for all state employees, \$68,617; and, statewide operating, contracts and grants reduction of 2.7 percent from revised levels, \$29,326.

For FY 2008, the Governor recommends an authorized FTE level of 53.5 positions. Beginning in FY 2009, the agency is a program within the Department of Public Safety. All appropriations for E-911 Emergency Telephone System are therefore included in the Department of Public Safety.

State Fire Marshal. The Governor recommends revised FY 2008 funding for the State Fire Marshal of \$2.7 million, including \$2.4 million in general revenue and \$363,477 in federal funds. The revised FY 2008 budget reflects a decrease of \$316,587 from enacted general revenue appropriations and an increase of \$135,505 in federal funding. Major adjustments to general revenue appropriations in FY 2008 include a decrease of \$229,217 for vacant position turnover savings and a decrease of \$52,086 for operating expenses, many of which were redirected to the Department of Administration following the Marshal's relocation to the Cranston Street Armory. Also reflected in the Governor's revised FY 2008 recommendation are the following statewide adjustments: savings from lower than anticipated employee health benefit claims experience, \$21,971; savings from six uncompensated personal leave days for all state employees, \$39,994; and, statewide operating, contracts and grants reductions of 2.7 percent from revised levels, \$7,990. In addition, financing of \$23,600 for completion of a quarry blasting study begun in FY 2007 is enfolded into the FY 2008 revised recommendation for the State Fire Marshal. Staffing authorizations are unchanged at 35.0 FTE in FY 2008. Beginning in FY 2009, the agency is a program within the Department of Public Safety. All appropriations for the State Fire Marshal are therefore included in the Department of Public Safety.

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Security Services. Security Services, comprising the Capitol Police and Sheriffs forces, is appropriated within the Department of Public Safety in FY 2008 enacted and supplemental appropriations. The Governor recommends a revised FY 2008 budget of \$19.7 million, all general revenues. The general revenue recommendation of \$19.7 million is \$264,678, or 1.3 percent, less than the FY 2008 enacted level of \$2.0 million. This includes an additional \$394,507 for unachieved turnover savings and \$651,551 for statewide reductions. The statewide reductions include \$362,314 for uncompensated leave days, \$266,692 for savings in employee medical benefits, and \$22,545 for statewide operating, contracts and grants reductions of 2.7 percent. There was also a reduction in contract services of \$7,634.

The Governor recommends total expenditures of \$19.2 million general revenues in FY 2009, \$700,238, or 3.5 percent, less than the FY 2008 enacted budget, attributable to statewide personnel adjustments and a program reduction of 11 positions.

The Governor recommends 234.0 FTE positions in FY 2008. With the program reduction of 11 FTE the Governor recommends 223.0 FTE positions in FY 2009. In FY 2009 the Security Services program will be a program within the Department of Public Safety.

Municipal Police Training Academy. The Governor recommends a revised FY 2008 budget of \$494,214, including \$427,814 of general revenue and \$66,400 of federal funds. The general revenue recommendation is \$1,438 less than the FY 2008 enacted level. This includes an additional \$15,632 for unachieved turnover savings and \$13,456 for statewide reductions. The statewide reductions include \$7,689 for uncompensated leave days, \$4,706 for savings in employee medical benefits, and \$1,061 for statewide operating, contracts and grants reductions of 2.7 percent. There was also a reduction in contract services of \$3,614. Federal funds are \$66,400, or 32.8 percent, higher than the enacted amount of \$50,000, adjusting for carry-over balances and annual awards through the Rhode Island Justice Commission for Hate Crimes Training and the Byrne Grant for In-Service Training.

The Governor recommends total expenditures of \$497,195 for the Academy in FY 2009, consisting of \$431,195 in general revenue and \$66,000 in federal funds, to maintain the recruit and in-service training programs for approximately 1,200 officers each year. The FY 2009 general revenue recommendation is 1,943 percent greater than the FY 2008 enacted budget, attributable to statewide personnel adjustments offset by adjustments for current service training and operating requirements. In FY 2009 the federal funds allotment, contributes financing for in-service, hate crime and homeland security courses, increases 33.0 percent or \$16,000 from the FY 2008 enacted budget. The Governor recommends 4.0 FTE positions in both FY 2008 and FY 2009. In FY 2009 the Municipal Police Training Academy will be a program within the Department of Public Safety.

State Police: The Governor recommends \$58.8 million in expenditures for the State Police in the FY 2008 revised budget, including \$50.7 million in general revenues, \$2.4 million in federal funds, \$5.3 million in other funds, and \$461,447 in restricted receipts. This recommendation represents a decrease of \$1.4 million in general revenue expenditures from FY 2008 enacted level. This includes a reduction of \$483,919 for turnover savings and \$861,481 for statewide reductions. The statewide reductions include \$455,697 for uncompensated leave days, \$334,375 for savings in employee medical benefits, and \$71,049 for statewide operating, contracts and grants reductions of 2.7 percent. There was also a reduction in operating of \$24,064. Other funds expenditures decrease by \$2.9 million, and reflects shifting a portion of the funding from FY 2008 to FY 2009. Restricted receipts increase by \$149,347 or 47.9 % from the enacted level and federal funds increased by \$1.3 million or 116.8%, which is mostly from two additional grants

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(2007 Intelligence/Information Sharing \$578,500, and USAI Cyber Terrorism Task Force \$234,500).

The Governor recommends \$76.6 million in expenditures from all funds for the State Police for FY 2009, including \$54.2 million in general revenues, \$1.4 million in federal funds, \$20.7 million in other funds, and \$301,000 of restricted receipts. This represents an increase in all funds of \$14.9 million from the FY 2008 enacted budget. This significant increase is primarily in other funds and is the result of starting the new police headquarters. The increase includes; increased general revenue expenditures of \$2.1 million, increased federal expenditures of \$309,783, and decreased restricted receipts of \$11,000. There was an increase in other funds of \$12.5 million, to finance RICAP projects in FY 2009.

The Governor recommends 268.0 FTE positions in FY 2008, and 266.0 FTE positions in FY 2009. Two new Intelligence Analysts were added in FY 2008, and two positions were part of a program reduction in FY 2009. In FY 2009 the Rhode Island State Police will be part of the Department of Public Safety.

Rhode Island Justice Commission. The Governor recommends total revised expenditures of \$4.7 million for FY 2008, including \$231,853 in general revenue and \$4.5 million in federal funds. This revised funding level is \$399,209 less than the FY 2008 authorized budget and consists of \$71,038 more general revenue, \$358,171 more federal funds, and \$30,000 less restricted receipts. The increase in general revenue from FY 2008 enacted appropriations level includes general revenue offset for reduced federal administrative and planning funds of \$79,271 and statewide cost savings of \$8,232, which consist of six uncompensated personal leave days equal to \$4,714 and lower than anticipated employee health benefit claim experience of \$3,518. The reduction in restricted receipts expenditures, compared to FY 2008 enacted levels, reflects a shift to the newly created Department of Public Safety's Central Management program. Major changes to FY 2008 enacted federal funds expenditures include the following:

- \$169,150 in net balance forwarded funding from FY 2007 for juvenile justice and delinquency activities and programs
- \$56,892 for balance forwarded funding from FY 2007 for activities and programs related to crime victims
- \$76,014 for balance forwarded funding from FY 2007 related to local law enforcement, including narcotics control, interdiction and prosecution
- \$42,568 for balance forwarded funding from FY 2007 for program and activities related to crimes against women

The Governor's revised FY 2008 FTE recommendation is the FY 2008 enacted ceiling of 7.6 full time equivalent positions.

For FY 2009, the Governor recommends the integration, consolidation and merger of the agency into the newly proposed Department of Public Safety in compliance with Article 3 of the FY 2008 Budget Act. For the purpose of maintaining comparability across programs and at the agency level, historical expenditures have been reflected within the Central Management program of the Department of Public Safety.

Public Safety

Fire Safety Code Board of Appeal and Review

For FY 2008 revised, the Governor recommends revised general revenue appropriations of \$289,830, a decrease of \$13,605 from the FY 2008 enacted level. The change reflects reductions for personnel and operating funding commensurate with current service levels. Also included are savings related to the following statewide adjustments: savings from lower than anticipated employee health benefit claims experience, \$3,620; savings from six uncompensated personal leave days for all state employees, \$5,561; and, statewide operating, contracts and grants reductions of 2.7 percent from revised levels, \$352.

The Governor recommends general revenues of \$306,552 for FY 2009, an increase of 1.1 percent from the FY 2008 enacted budget. This general revenue increase of \$3,117 finances the Board at its current service level, while recognizing savings in several operating categories based on anticipated expenditure patterns. Personnel costs include no cost of living adjustment for state employees, but do include a 9.9 percent trend growth in employee medical benefit costs and also include funding for retiree health benefits on an actuarial basis beginning in FY 2009, recognizing reduced health benefits for new retirees. Staffing authorizations remain unchanged at 3.0 FTE positions in FY 2008 and FY 2009.

Office of the Public Defender

The Governor' revised FY 2008 budget for the Office of the Public Defender is \$9.4 million, including \$9.0 million in general revenue and \$358,916 in federal funds. The general revenue recommendation is \$308,995 less than the FY 2008 enacted level. The recommendation includes the following statewide adjustments: savings from lower than anticipated employee health benefit claims experience \$103,725; savings from six uncompensated personal leave days for all state employees, \$163,580; and statewide operating, contracts and grants reductions of 2.7 percent from revised levels, \$11,029. The budget reduces payroll by \$35,147 due to a combination of current service adjustments for benefits and an additional vacancy allowance. The budget includes current service adjustments for operating expenditures, increasing the budget for office-related expenses and decrease property-related costs. The budget also includes a net increase in contract services for one time information technology services.

The Governor recommends total expenditures of \$9.7 million in FY 2009, including \$9.5 million in general revenue and \$248,470 in federal funds. The FY 2009 general revenue recommendation is \$143,308 greater than the FY 2008 enacted budget, while federal funds decrease by \$173,363. The budget reflects adjustments to current services required for salary and employee benefits requirements and salaries, as well as a reduction in the value of expected vacancies. Personnel costs include no cost of living adjustment for state employees, but do include a 9.9 percent trend growth in employee medical benefit costs, as well as funding for retiree health benefits on an actuarial basis beginning in FY 2009, recognizing reduced health benefits for new retirees. The Federal appropriations also reflect the loss of Byrne funds for the Adult Drug Court. The FY 2008 and FY 2009 recommendations are for 93.5 FTE, the same as the FY 2008 enacted level.

Natural Resources

Natural Resources

Summary

The Natural Resources function includes the Department of Environmental Management, the State Water Resources Board and the Coastal Resources Management Council. In FY 2009, the Governor recommends the merger of these three separate entities, resulting in one agency comprising the entire function. The Governor recommends total full-time equivalent positions of 518.0 FTE in FY 2008 and 501.0 in FY 2009 for the natural resource function. Up to 350 temporary positions may also be utilized for seasonal support at state parks and beaches. Certain debt service for general obligation bonds issued to finance capital projects of the Narragansett Bay Commission and the Rhode Island Clean Water Finance Agency are appropriated in the Department of Administration, though the agencies themselves are not part of the state budget.

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, Rhode Island Capital Plan funds, federal funds, restricted receipts and third-party sources (for land acquisition). Capital program activities include: acquisition and development of recreational, open space and agricultural lands; municipal and non-profit grant programs for land acquisition and development; improvements to state-owned ports and recreation facilities; Superfund federal mandates; construction of new state environmental facilities; 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; regulates discharges and uses of surface fresh and salt water; enforces game, fishing and boating regulations; coordinates a statewide forest fire protection plan; regulates air quality; and monitors the disposal of solid and hazardous wastes.

The Coastal Resource Management Council seeks to preserve, protect and 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, amends, 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; and serves as the aquaculture coordinator for permitting and planning actions. The council is the lead agency for all dredging and implements an extensive habitat restoration effort. It also conducts public outreach and public communication campaigns on its programs and activities, and coordinates its programs with other government agencies. The agency will be merged with the Department of Environmental Management in FY 2009, with the core functions of the agency and the Council remaining intact.

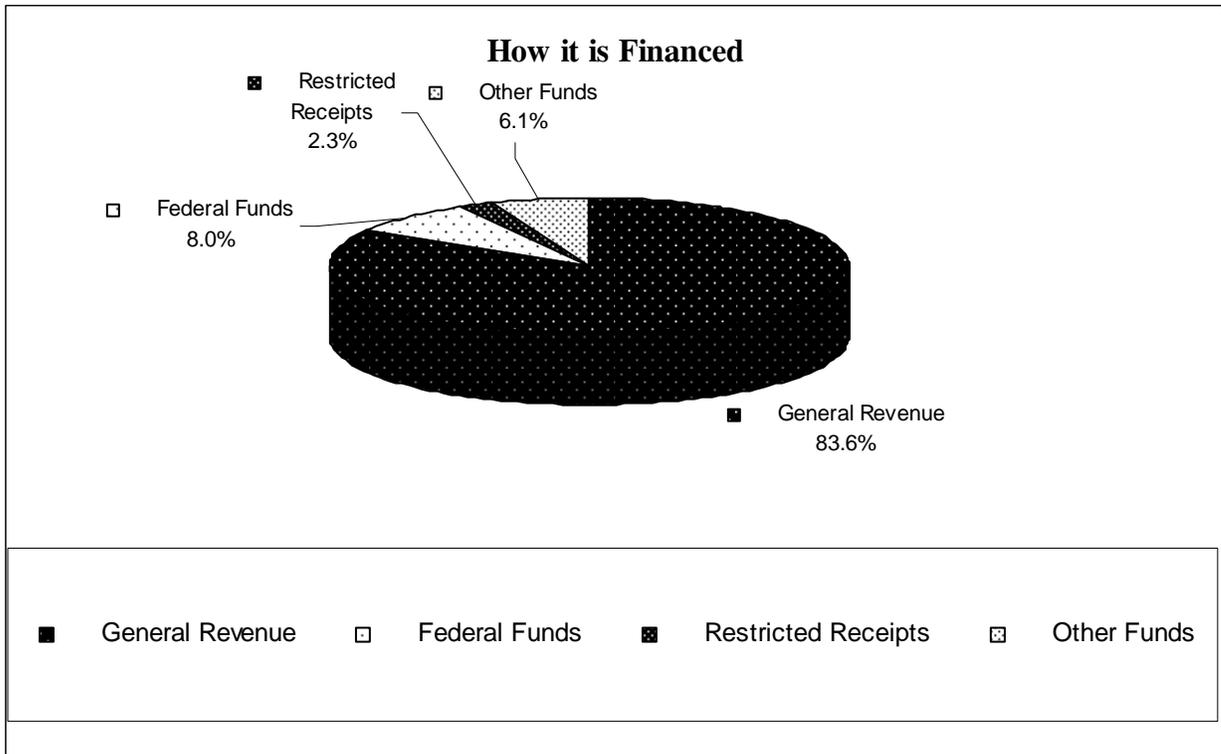
The State Water Resources Board is a water supply planning and development agency responsible for promoting the protection of developed and undeveloped drinking water supplies for the thirty-nine municipal water supply systems located in the state. The board regulates water supply distribution lines connecting water supply systems and is creating a computerized database for drought alert communication. The board also manages the Big River Management Area, a water supply reservation. The board is composed of thirteen appointed representatives from the public and from state and local government. The agency will be merged with the Department of

Natural Resources

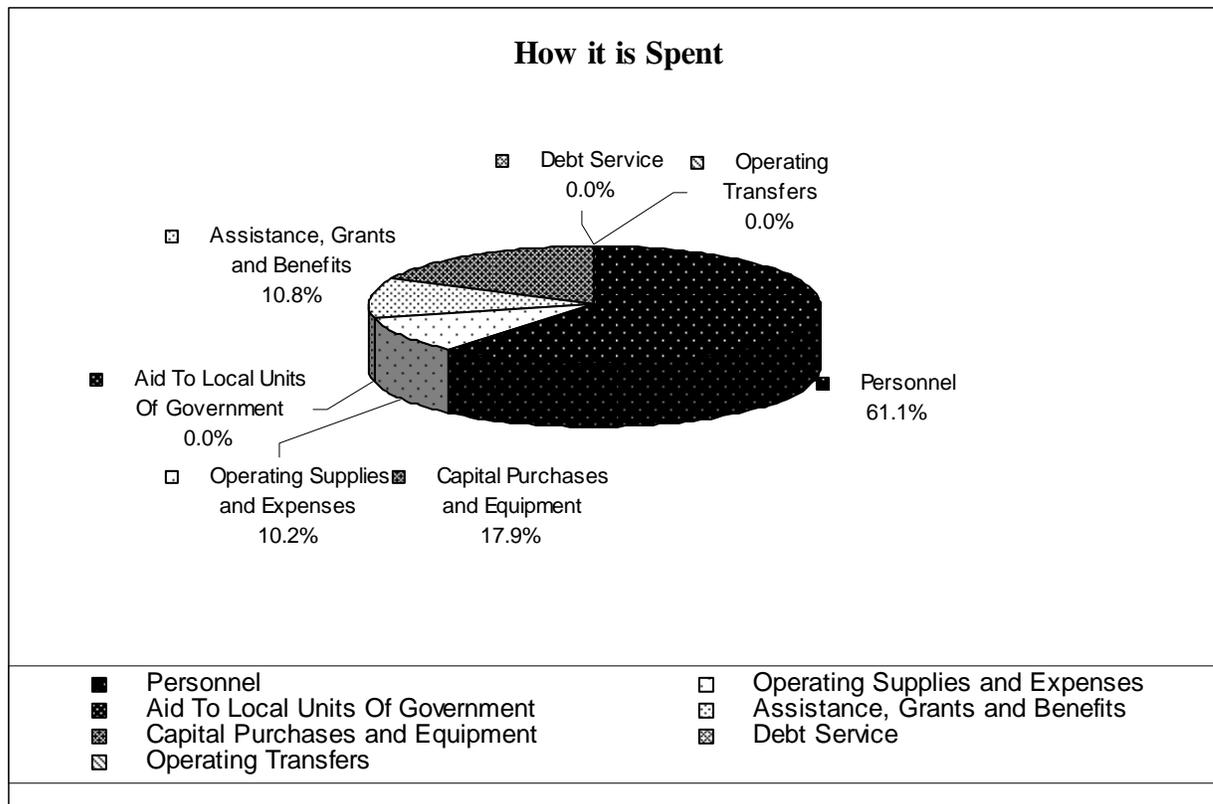
Environmental Management in FY 2009, with the core functions of the agency and the Board remaining intact.

The FY 2008 revised recommendation from all funds for natural resource agencies is \$94.8 million, or \$2.4 million above enacted appropriations of \$92.3 million. General revenues decrease by \$2.4 million, or 6.0 percent to a total allotment of \$37.8 million. Federal funds increase by \$2.8 million, or 9.4 percent, to \$32.6 million, attributable to carryover and new awards. Restricted receipts decrease by \$1.5 million to \$16.9 million, a decrease of 8.2 percent from the enacted. Other funds increase by \$3.5 million to \$7.5 million, an increase of 88.7 percent over the enacted level.

The Governor recommends total expenditures of \$95.2 million for the natural resource function in FY 2009, an increase of \$2.9 million, or 3.1 percent from the FY 2008 enacted level. Fiscal year 2009 financing consists of \$38.3 million in general revenue, \$34.8 million in federal grants, \$16.7 million in restricted receipts, and \$5.3 million in other funds.



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Of the \$95.2 million recommended for natural resources for FY 2009, personnel is budgeted at \$58.1 million; or 61.1 percent; operating at \$9.7 million, or 10.2 percent; capital improvements at \$17.0 million, or 17.9 percent; and assistance, grants, and benefits at \$10.3 million, or 10.8 percent.

Environmental Management

The Governor’s revised FY 2008 budget for the Department of Environmental Management is \$86.9 million, including \$34.2 million in general revenue, \$30.8 million in federal funds, \$16.1 million in restricted receipts and \$5.8 million in other funds. The recommendation includes a decrease of \$2.2 million to general revenue appropriations, reflecting the following statewide adjustments: savings from lower than anticipated employee health benefit claims experience, \$357,058; savings from six uncompensated personal leave days for all state employees, \$476,803; and, statewide operating, contracts and grants reductions of 2.7 percent from revised levels, \$121,534. Additional general revenue changes result in a savings of \$1.2 million as compared to the enacted budget and include:

- \$2,212,532 less for the Rose Hill Landfill, of which \$1,275,000 is shifted to Rhode Island Capital Plan funds and \$937,532 is savings achieved through project management;
- \$449,297 less resulting from offsets to restricted receipt accounts, including \$299,297 to the indirect cost recovery restricted account and \$150,000 to the Bays, Rivers, and Watershed restricted account;
- \$283,822 less due to turnover savings from layoffs achieved through program reductions;

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- \$600,000 more due to unachieved offsets related to the \$1 per ton commercial solid waste disposal surcharge that has not materialized from the Resource Recovery Corporation;
- \$315,908 more for the salaries and benefits of 3.0 Information Technology positions that are transferred from the Department of Administration;
- \$657,378 more for salaries and benefits, including \$37,905 more for other personnel in the Office of the Director, \$60,703 less for the Bureau of Natural Resources, and \$680,176 more for personnel in the Bureau of Environmental Protection;
- \$198,000 more for legal services related to the Tiverton soil contamination lawsuit;
- \$31,125 more for utilities and rent at the Promenade Street headquarters;
- \$50,813 more for overtime in the Bureau of Natural Resources, primarily in the Enforcement Division; and
- \$70,553 more for payments to beach host communities.

The Governor's recommendation for federal funds totals \$30.8 million in FY 2008, which is \$2.6 million more than enacted. A decrease of \$133,858 in the Office of the Director is primarily attributable to a reduction in financing for the Blackstone Valley Watershed project. In the Bureau of Natural Resources, the Governor's recommendation is \$750,541 more than enacted. Major changes include a reduction of \$2.1 million in the Division of Agriculture, primarily for the Specialty Crops Block grant; \$454,061 more in the Enforcement Division; \$1.3 million more in the Division of Fish and Wildlife including \$866,731 more for the Comprehensive Wildlife Management Plan grant and \$400,000 more for Boating Infrastructure; and \$975,666 more for the Division of Forestry. Federal funds in the Bureau of Environmental Protection increase \$2.0 million, \$1.8 million of which is for the Office of Waste Management. This increase includes \$767,098 more for the Leaking Underground Storage Tanks program and \$871,726 more for the Rosehill Landfill Superfunds Site.

For restricted receipts, the Governor recommends expenditures totaling \$16.1 million, a decrease of \$873,569 as compared to the enacted level. This includes reductions of \$577,977 in the Bureau of Environmental Protection as a result of the unachieved \$1 per ton surcharge discussed above and \$299,322 in the Bureau of Natural Resources of which \$104,946 is due to the Shellfish and Marine License receipt account and \$102,116 is in the Boating Registrations Account.

The Governor recommends expenditures of \$5.8 million from other funds, an increase of \$1.9 million over the enacted budget. Changes to the enacted budget include \$1.3 more for the Rosehill Landfill Superfund Site, which was previously financed with general revenues and \$713,894 due to carry forward of unexpended Rhode Island Capital funds from FY 2007.

The Governor recommends FY 2009 expenditures for the Department of Environmental Management totaling \$86.9 million, including \$38.3 million in general revenue, \$34.8 million in federal funds, \$16.7 million in restricted receipts and \$5.3 million in other funds. The Governor recommends merging the Coastal Resources Management Council and the Water Resources Board into the Department in FY 2009 in order to reduce overhead costs and duplication of effort. When adjusting for the merger, Departmental expenditures increase \$4.1 million compared to the

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enacted budget, including \$333,882 less from general revenues, \$5.3 million more federal funds, \$533,566 less from restricted receipts, and \$324,431 less from other funds.

Personnel costs include no cost of living adjustment for state employees, but do include a 9.9 percent trend growth in employee medical benefit costs and also include funding for retiree health benefits on an actuarial basis beginning in FY 2009, recognizing reduced health benefits for new retirees. Major general revenue changes to the enacted budget (excluding the Water Resources Board and the Coastal Resources Management Council merger) include:

- \$1,812,532 less for the Rose Hill Landfill due to completion of the construction phase of the project;
- \$472,548 less resulting from offsets to restricted receipt accounts, including \$277,174 to the indirect cost recovery restricted account and \$195,374 to the Bays, Rivers, and Watershed restricted account;
- \$671,038 less due to program reductions including elimination of 4.0 FTE's in the Director's Office, 1.0 FTE in the Bureau of Natural Resources, and 4.0 in the Bureau of Environmental Protection for a total savings of \$828,367, including \$671,038 from general revenues;
- \$600,000 more due to unachieved offsets related to the \$1 per ton commercial solid waste disposal surcharge that has not materialized from the Resource Recovery Corporation;
- \$198,775 more for overtime in the Bureau of Natural Resources, primarily in the Enforcement Division;
- \$320,323 more for the salaries and benefits of 3.0 Information Technology positions that are transferred from the Department of Administration;
- \$1.5 million more for salaries and benefits to finance current staffing levels;
- \$31,125 more for utilities and rent at the Promenade Street headquarters; and
- \$126,968 less for legislative grants due to a 50 percent statewide adjustment to all legislative grants.

Excluding the Coastal Resources Management Council and the Water Resources Board, the Governor's recommendation for federal funds totals \$33.4 million in FY 2009, \$5.3 million more than enacted. A decrease of \$19,584 in the Office of the Director is primarily attributable to the exhaustion of funding for the Pay-As-You-Throw program. In the Bureau of Natural Resources, the Governor's recommendation is \$4.4 million more than enacted. Major changes include increases of \$2.3 million in the Division of Forestry, primarily related to the Forest Legacy program, \$1.3 million in the Division of Fish and Wildlife, \$1.3 million more in the Office of the Associate Director for the Coastal Zone Management grant, and \$539,471 less in the Division of Agriculture for the Specialty Crops Block grant and the Pesticide Enforcement grant. Federal funds in the Bureau of Environmental Protection increase \$879,555, which includes an increase of \$1.0 million in the Office of Water Resources.

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For restricted receipts, the Governor recommends expenditures totaling \$16.4 million, a decrease of \$533,566 compared to the enacted level. This includes reductions of \$423,179 in the Bureau of Environmental Protection primarily as a result of the unachieved \$1 per ton surcharge noted above, and \$287,649 in the Bureau of Natural Resources, of which \$112,425 is due to the Shellfish and Marine License receipt account. These reductions are offset by an increase of \$177,262 in the Office of the Director due to an increase in the Indirect Cost Recovery account.

The Governor recommends expenditures of \$3.6 million from other funds, which is an increase of \$1.9 million from the enacted budget. Changes to the enacted budget include reductions of \$300,000 for dam repairs and \$700,000 less for upgrades at the Newport Pier offset by an increase of \$600,000 for repairs at the Port of Galilee.

For FY 2009, the Governor also recommends merging the Coastal Resources Management Council and the Water Resources Board into the Department of Environmental Management in order to reduce overhead costs and duplication of effort. The Coastal Resources Management Council will be merged into the Department as a separate program, resulting in a net addition to the Department of \$4.5 million from all sources of funds. The FY 2008 enacted budget for the Coastal Resources Management Council totaled \$4.5 million, including \$1.9 million from general revenues, \$1.6 million from federal funds, and \$1.0 million from restricted receipts. This agency will be merged into the Department, saving \$701,856 from general revenues compared to the enacted budget. The savings will be realized by eliminating 9.0 FTE positions and replacing contract legal services with a state employee, thereby reducing the number of FTEs required to perform the functions of the Council from 30.0 positions to 22.0 positions. Federal funds decrease by \$248,715 compared to the enacted budget, restricted receipts decrease by \$772,100 due to the elimination of financing for the South Coast and Brushneck Cove restoration projects, and other funds increase by \$1.5 million for the final payment of the Providence River Dredging project.

The Water Resources Board will be merged into the Office of Water Resources, resulting in a net addition to the Department of \$1.5 million from all sources of funds. The FY 2008 enacted budget for the Water Resources Board totaled \$2.4 million, including \$1.9 million from general revenues, \$400,000 from restricted receipts, and \$92,000 from other funds. This agency will be merged into the Department, saving \$492,636 from general revenues compared to the enacted budget. The savings will be realized by eliminating 5.0 FTE positions and adding an accountant position and a chairperson position, thereby reducing the number of FTEs required to perform the functions of the Board from 9.0 positions to 6.0 positions. An additional general revenue savings of \$22,443 occurs as a result of a statewide reduction in legislative grants. Restricted receipts decrease by \$400,000 due to the elimination of financing for the Supplemental Water Supplies projects, and other funds increase by \$8,000 for the Big River Management Area. The Water Resources Board Corporate will remain intact as a quasi-public agency.

The Governor recommends 482.0 positions in FY 2008, 3.0 more than enacted, due to the transfer of 3.0 Information Technology positions from the Department of Administration to the Department. The Governor recommends 501.0 positions for FY 2009, 19.0 more than enacted due to a withdrawal of 9.0 FTEs resulting from program reductions offset by the addition of 22.0 FTEs from the consolidation of the Coastal Resources Management Council and 6.0 FTEs from the consolidation of the Water Resources Board.

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Coastal Resources Management Council

The Governor's revised FY 2008 budget for the Coastal Resources Management Council is \$5.7 million. This includes \$1.9 million of general revenue, \$1.7 million of federal funds, and \$395,000 in restricted receipts. General revenue personnel and operating expenditures increase by \$61,086, reflecting both current service items and the following statewide adjustments: savings from lower than anticipated employee health benefit claims experience \$20,728; savings from six uncompensated personal leave days for all state employees, \$35,951; and statewide operating, contracts and grants reductions of 2.7 percent from revised levels, \$4,024. The FTE position ceiling for the council is unchanged at 30.0 for FY 2008. In addition to salary and benefit adjustments to reflect current services, the Governor recommends the following:

- Final payment of \$36,310 on a 27-foot marine survey vessel to provide for more frequent and more detailed inspection of marine resources.
- \$395,000 in restricted receipt expenditures for the Coastal and Estuary Habitat Restoration Program and Trust fund from the Oil Spill Prevention, Administration and Response Fund, consisting of unspent FY 2007 balances plus the annual \$250,000 appropriation, to be spent on specific projects to rehabilitate coastal habitats.
- \$1.59 million in Rhode Island Capital Plan funds for the state cost-share responsibilities for the Providence River Dredging project, as determined in a final closing and reconciliation process with the Army Corps of Engineers. The additional funding requirement arises due to federal formulas for calculating cost-share based on construction costs. An additional \$1.655 million is recommended for FY 2009.

In the FY 2009 budget, the Governor recommends the merger of the Agency with the Department of Environmental Management.

State Water Resources Board

The Governor's revised FY 2008 budget for the Water Resources Board is \$2.1 million, including \$1.6 million in general revenue, \$400,000 in restricted receipts and \$101,835 in other funds. General revenue personnel and operating expenditures decrease by \$264,111 from the FY 2008 enacted budget, reflecting adjustments for 3.0 vacant positions, increased funding for road maintenance and plowing within the Big River Management area, and increased operating and maintenance costs for stream gauges, and the following statewide adjustments: savings from lower than anticipated employee health benefit claims experience \$7,673; savings from six uncompensated personal leave days for all state employees, \$15,496; and statewide operating, contracts and grants reductions of 2.7 percent from revised levels, \$24,984. Restricted receipts are recommended at the enacted level of \$400,000, to accommodate adjunct financing made available by the Department of Health for the Supplemental Water Supplies project. Other funds increase by \$9,835 or 10.9 percent over the enacted level, for improvements to the Big River Management area projects financed from the Rhode Island Capital Plan Fund. The Governor recommends 6.0 FTE positions in FY 2008, 3.0 less than the enacted level.

In the FY 2009 budget, the Governor recommends the merger of the Agency with the Department of Environmental Management.

Transportation

Transportation

Summary

The transportation function of the state provides for the maintenance and construction of a quality infrastructure which reflects the transportation needs of the citizens of Rhode Island. The function is implemented by the Department of Transportation (DOT) through its core programs, transportation development and maintenance. Transportation development includes construction and design, traffic management, environmental and intermodal planning, capital programming, bridge rehabilitation replacement, and highway safety. The DOT maintenance section engages in the routine maintenance of state highways, bridges, and associated roadsides and highway appurtenances.

In FY 1994, the state established the Intermodal Surface Transportation Fund (ISTF), to provide financing for transportation expenditures from dedicated user-related revenue sources. This dedicated highway fund establishes a direct relationship between transportation project financing and the end-users of the projects, with a stable revenue stream capable of financing the projects on a pay-as-you-go basis.

For FY 2008, the Intermodal Surface Transportation Fund (ISTF) is supported by 29.0 of the state's 30.0-cent per gallon gasoline tax. Gasoline tax receipts finance operating and debt service expenditures of the Department of Transportation, as well as specific portions of transportation-related expenditures of the Rhode Island Public Transit Authority (RIPTA) and the Department of Elderly Affairs and Advocacy (DEAA).

The revenue generated by the state's gasoline tax is allocated to these recipients on an individual cent basis. State law governs the distribution of the cents to the agencies as well as the general fund. The anticipated current and upcoming fiscal year revenue collection for the gasoline tax is established at each Revenue Estimating Conference. The Conference estimates gasoline tax collections on a cent per gallon revenue yield. This yield is the basis for the development of budgets for the various gasoline tax supported operations.

Since the inception of this funding mechanism for transportation activities, there have been numerous revisions to the allocation plan. Each change has been initiated in order to direct more revenues to transportation operations rather than to the general fund. The last change to the disbursement schedule was in the enacted FY 2006 Budget which increased the RIPTA allocation by one cent, with an offsetting reduction in the allocation of gasoline tax directed to the general fund.

Current Law Gasoline Tax Allocation (in cents)							
<u>Recipient</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
DOT	20.5	20.75	20.75	20.75	20.75	20.75	20.75
RIPTA	6.25	6.55*	6.25	7.25	7.25	7.25	7.25
General Fund	2.25	1.70*	2.0	1.0	1.0	1.0	1.0
DEA	1.0						
Total:	30.0						

*Average rate for year.

Transportation

The Department of Transportation provides services through four programs: Central Management, Management and Budget, Infrastructure Engineering, and Infrastructure Maintenance. Primary funding for Rhode Island transportation and highway construction spending is provided through the Federal Highway Administration (FHWA), under the authority of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). This Act, passed in August 2005, authorizes funds for highway construction, highway safety programs, mass transit operations, and other surface transportation projects for the five-year period 2005 - 2009. The new Act combines the improvements scheduled for current programs with new initiatives for improving transportation safety and traffic flow efficiency, enhancing communities, and advancing economic growth.

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 matching funds which include general obligation bonds and proceeds from certain land sales. The HIP implements DOT's capital program as 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 a TIP 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 are selected by a twenty-seven member public body, known as the Transportation Advisory Committee (TAC), using criteria based on six major categories: mobility benefits; cost effectiveness; economic development; environmental impact; degree of support to local and state goals and plans; and safety/security/technology. 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, conducts a solicitation and evaluation of Congestion Mitigation and Air Quality (CMAQ) proposals. A TAC subcommittee reviews new bicycle/pedestrian projects, and a DOT advisory committee solicits and evaluates application for funds earmarked in SAFETEA-LU for transportation enhancement activities.

FY 2004 marked the beginning of a major effort on the part of Rhode Island government to address the rebuilding and modernization of the State's transportation systems. In November 2003, the State issued the first series in a bond program that authorizes \$709.6 million and currently programs \$668.1 million in construction funds for five major infrastructure projects to be completed over an 8 ½ year period. This undertaking will be primarily financed through two funding mechanisms. The majority of the costs (\$548.2 million) will be provided through Grant Anticipation Revenue Vehicle bonds (GARVEE). GARVEE represents a program approved by FHWA that allows states to borrow funds, which are backed and repaid by the annual allocation of Federal Highway Administration construction funds. A supplemental revenue bond issue known as the Motor Fuel Revenue Bonds program, which is secured by 2-cents of the department's gasoline tax allocation, will provide another \$119.9 million to this infrastructure initiative. The State has issued a second series of both the GARVEE and Motor Fuel Bonds program in 2006 and is planning the issuance of a third series in 2009. The projects being financed under this program are the I-195 Relocation, Washington Bridge Reconstruction, a new Sakonnet River Bridge, the construction of Quonset Rt. 403, and amounts for completion of the Freight Rail Improvement Program. The debt service on the GARVEE bonds in FY 2008 and FY 2009, to be paid through the FHWA allocation, is \$44.2 million and is reflected in the DOT's operating budget as a federal fund source. The gasoline tax revenue supported debt service on the Motor Fuel Tax revenue bonds dedicated to the trust account is estimated to be \$7.0 million in FY 2008 and FY 2009. Unlike general obligation debt service costs that are budgeted in the Department of Administration, these debt service payments are reflected in the DOT operating budget.

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The continued emphasis towards a more balanced multimodal transportation system extends to statewide mass transit programs. As noted above, operating assistance of \$33.3 million in FY 2008 and \$33.2 million in FY 2009 to the Rhode Island Public Transit Authority will be financed from a 7.25-cent allocation of the gasoline tax. Not recorded in the DOT budget, but presented in the RIPTA FY 2008 and FY 2009 financial plans is RIPTA's estimate of \$14.1 million in enhanced funding from Department of Human Services accounts for Medicaid client transit passes. Another cent of the gasoline tax not included in the Department of Transportation budget supports the efforts of the Department of Elderly Affairs and Advocacy to streamline and enhance elderly and handicapped transportation services. Much of this allocation is transferred to RIPTA to underwrite pass programs for the elderly, and to finance compliance costs statewide associated with Americans with Disabilities Act requirements.

The revised FY 2008 budget for DOT totals \$349.5 million including \$239.4 million in federal funds, \$108.6 million in other funds, and \$1.4 million in restricted receipts. This represents a \$24.6 million decrease in all funds from the FY 2008 enacted budget. Federal funds decrease a total of \$35.3 million while restricted receipts increase \$782,874 from the enacted budget. Other funds for the DOT increase a total of \$9.9 million from the enacted budget. The other funds total includes gasoline tax expenditures for the DOT, RIPTA, and GARVEE/Motor Fuel Revenue Bonds, as well as RICAP appropriations, land sale proceeds, nonland surplus property revenues, and other miscellaneous receipts.

The revised FY 2008 budget for the ISTEPA fund is \$140.6 million, which represents the revised gasoline tax yield estimate of \$4,685,000 per cent as well as a carry forward from FY 2007 totaling \$2.9 million. Gasoline tax funds within the Department of Transportation total \$93.6 million, \$50.9 is recommended for the operations of the DOT, \$33.3 is the operating transfer to finance RIPTA, and \$9.4 million is associated with the GARVEE/Motor Fuel Revenue Bonds program. Gasoline tax funds within the Department increase \$1.2 million from the enacted budget. The increase is primarily a result of the carry forward surplus from FY 2007. There were no revisions to the gasoline tax estimate compared to the FY 2008 enacted budget. Other adjustments to the total gasoline tax appropriation for the Department include projected transfers to the Department of Administration to finance transportation related general obligation bond debt service costs which total \$33.6 million for DOT and \$675,238 for RIPTA. The debt service adjustment to the DOT represents an increase of \$1.9 million from the enacted budget. A total of \$1.9 million represents the financing of Human Resources, Information Technology, and Legal Services positions consolidated within the Department of Administration. The total transfer amount of these positions represents an increase of \$750,240 from the FY 2008 enacted budget and is partially a result of the transfer of 3.0 Legal Services positions to the Department of Administration as part of the consolidation effort. The reduction also reflects the correct state matching proportion of the personnel costs based upon current year federal highway funding levels. The revised FY 2008 budget also takes into account a \$2.9 million carry forward surplus from FY 2007. The Governor recommends a \$4.3 million balance forecast for the end of FY 2008 to be carried forward into FY 2009 in order to finance a \$6.0 million increase in debt service costs.

A total recommendation of \$3.2 million from RICAP funds finances the Pawtucket-Central Falls Train Station Study, RIPTA Elmwood Expansion Project, the Cherry Hill/Lincoln Project, and Maintenance Facility improvements, which is consistent with the enacted budget.

Other funds increases also include essentially an additional \$7.3 million from the sale of land associated with the I-195 relocation project and a total of \$335,000 from the FCC's sale of the path between two towers used as a backup signal transponder for the analog system. DOT has opted to utilize the revenue to outfit Division of Maintenance and other select vehicles with digital radio sets which allows the DOT to join the RISCO system.

Transportation

Federal funds decrease a total of \$35.3 million from the enacted budget. The decrease is primarily due to a decrease of 30.8 million in Federal Highway Administration funds and represents the current expenditure estimate by the Department. GARVEE debt service is deducted from the total estimated obligation authority estimate for the federal highway fund, and totals \$44.2 million in the revised FY 2008 budget. The revised FY 2008 budget also includes a total of \$9.8 million related to personnel costs associated with the GARVEE program and general obligation bonds within the federal fund category. Federal transit grants total \$14.4 million, a decrease of \$8.9 million over the enacted budget primarily for the Fixed Guideway (Commuter Rail) project. A total of \$17.8 million is recommended for National Highway Safety Administration grants, which represents an increase of \$621,162 from the enacted FY 2008 budget.

Beginning in FY 2008 the Department has instituted a new Central Services Cost Allocation Plan which will allow the Department to maximize federal reimbursement of overhead costs through an indirect cost rate to be applied to direct labor charges charged to projects. Eligible charges are those that advance DOT's federal programs and projects.

Restricted receipts increase by \$782,874 million from the enacted budget and total \$1.4 million in the revised FY 2008 budget.

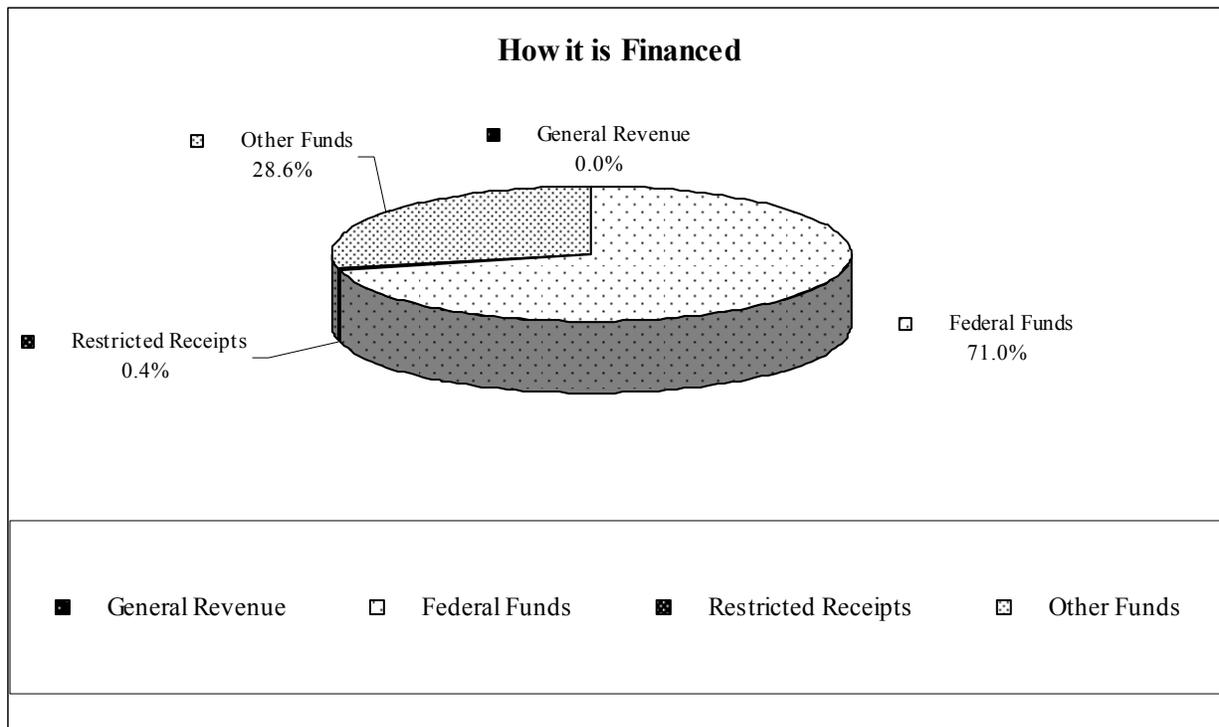
For the Department of Transportation the Governor recommends 733.2 FTE positions for FY 2008. This is a decrease of 40.5 FTEs from the enacted budget due to the elimination of 37.4 FTE positions vacant as of September 2007, and transfer of three legal positions to the Department of Administration.

In FY 2009, recommended expenditures from all sources for transportation activities total \$370.8 million, a decrease of \$3.4 million from the FY 2008 enacted budget.

The following chart illustrates departmental expenditures by source of financing for FY 2009.

This chart does not include general obligation bond expenditures, GARVEE expenditures, and GARVEE debt service payments, with the exception of personnel costs associated with the GARVEE program and general obligation bonds, which are represented.

Transportation



The other funds source represents 28.6 percent of the FY 2009 budget for the Department, or \$105.9 million. This represents an increase of \$7.1 million from the FY 2008 enacted budget, including a decrease of \$911,028 in gasoline tax funds for operating costs in order to appropriate additional funds towards increased debt service costs in FY 2009. Other funds is comprised of total gasoline tax expenditures of \$93.6 million, of which \$50.9 million represents the Department of Transportation budget, \$33.3 million is budgeted for RIPTA's allocation of the gasoline tax and \$9.4 million is budgeted for the Motor Fuel Bond allocation of the gasoline tax.

The budget for the ISTEA fund in FY 2009 is \$140.6 million, which represents a gasoline tax yield estimate of \$4,685,000 per cent. The total gasoline tax budget within the DOT represents a reduction of \$916,004 from the FY 2008 enacted budget. Included in the FY 2009 gasoline tax budget for the DOT is a general obligation bond debt service payment of \$41.5 million, an increase of \$6.0 million from the FY 2008 enacted budget. The RIPTA portion of the debt service payment in the Department of Administration totals \$765,484, an increase of \$4,976 from the FY 2008 enacted budget. A total of \$1.9 million represents reductions to the DOT's allocation of the gasoline tax in order to finance Human Resources, Legal Services and Information Technology positions consolidated within the Department of Administration. The transfer is an increase of \$759,268 from the FY 2008 enacted budget. The FY 2008 enacted budget also takes into account a \$4.3 million carry forward surplus budgeted from FY 2008. The Governor recommends budgeting a carry forward in order to supplement the Department's FY 2009 budget for increased debt service costs.

The recommendation includes RICAP expenditures totaling \$6.2 million of which \$2.8 million is for RIPTA Land and Buildings Elmwood Expansion project, \$190,400 is for Paratransit Vehicles, \$20,000 is for the Pawtucket – Central Falls Train Station Study, \$750,000 is for the Cherry Hill/Lincoln Facility project, \$862,000 is for the East Providence Facility project, \$1.4 million is for the Salt Storage Facilities project and \$1.5 million is recommended for outfitting of fire alarm systems for various maintenance facilities to comply with new fire code regulations.

Transportation

A total of \$2.0 million in other funds is from estimated land sale revenues. An additional \$3.6 million is estimated from land sales associated with the relocation of the I-195 project. The remaining other funds for the Department is comprised of \$1.3 million for the State Infrastructure Bank account, and \$279,323 for outdoor advertising and nonland surplus property collections for the budget year.

The Department estimates collecting a total of \$1.0 million in FY 2009 from a new revenue source: Utility Permit Applications. Currently, the Infrastructure Engineering division issues permits to perform utility work within a state right-of-way. The division averaged 923 utility permit applications yearly for the previous two fiscal years. Review and processing of applications is administered by two Engineering Technicians, a Billing Specialist, and a Senior Civil Engineer. The Department has developed a fee schedule for this work which it plans to implement in April 2008. There is no state law governing this DOT work or associated fees and departmental procedure governs this service. This revenue source has been recommended to supplement the Department's gasoline tax budget for highway lighting electricity costs.

The Department also estimates collecting \$100,000 in FY 2009 from administering a new state highway logo sign program. Unlike other states with such programs, the DOT currently does not charge any fee for oversight to businesses utilizing the program. Revenue raised in FY 2009 is recommended to be used for operating expenses within the Division of Engineering which do not qualify for federal reimbursement.

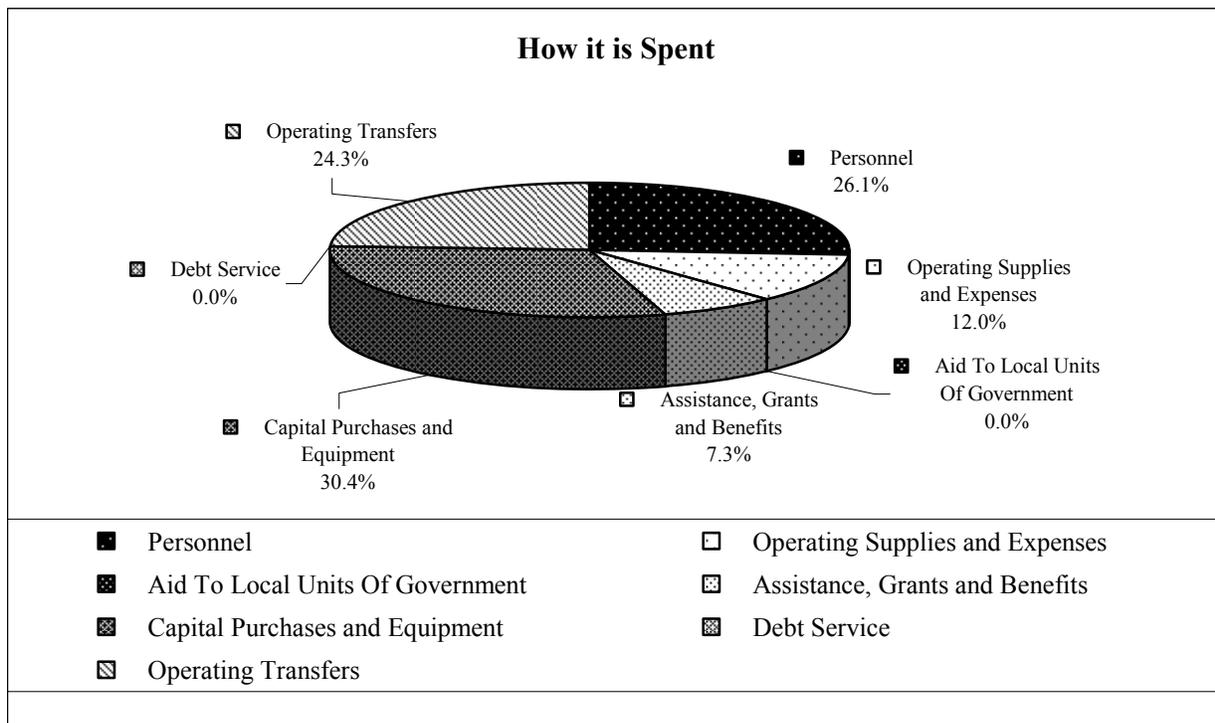
The total budget for federal grants for the department represents 71.0 percent of the budget, or \$263.4 million, of which \$169.2 million is federal highway funds, a total of \$44.2 is GARVEE debt service payments from federal highway funds, \$4.8 million has been budgeted to account for personnel costs transferred to the GARVEE construction program, and \$5.6 million represents personnel costs allocated to general obligation bonds. Other federal grants for the Department are comprised of a total of \$15.4 million in Federal Transit funds and \$17.4 million in National Highway Safety funds. Federal transit funds decrease by \$7.9 million in FY 2009 primarily for the acceleration of the Fixed Guideway (Commuter Rail) project. National Highway Safety funds increase by \$204,826 over the FY 2008 enacted budget.

Restricted receipts represent 0.4 percent of the total budget or \$1.4 million. Restricted receipts increase \$785,412 from the FY 2008 enacted budget.

For FY 2009 the Governor recommends 729.2 FTE positions for the Department of Transportation, which represents a 44.5 position decrease from the FY 2008 enacted budget and a four FTE elimination from the FY 2008 revised budget. The positions are located within the Infrastructure Engineering Division.

The following chart illustrates departmental expenditures on an all funds basis by category of expenditure for FY 2009.

Transportation



The capital category of expenditure represents 30.4 percent of the total DOT budget. Capital consists primarily of federal highway dollars located within the Engineering program for infrastructure construction costs. Included in the Engineering program is \$5.6 million in estimated revenue from the sale and/or lease of DOT properties. This revenue, along with \$40.0 million in general obligation bond funds (not included in the operating budget), is utilized to meet matching requirements to federal highway funds provided under SAFETEA-LU.

A total of 26.1 percent represents personnel costs of the DOT. Initiated in FY 2008, the Department's new federal indirect cost recovery plan will allow a portion of personnel as well as contract services and operating costs to be eligible for federal reimbursement. A total of \$18.5 million of personnel costs are located within the Maintenance program where the source of funding is the gasoline tax.

RIPTA's portion of the state gasoline tax net of debt service costs, as well as the two cents allocated to the GARVEE/Motor Fuel revenue bonds are also appropriated within the Engineering program and represent 48.1 percent of the operating transfer category. A total of 49.1 percent of the operating transfer category represents GARVEE debt service.

The operating category represents 12.0 percent of all funds total spending for the DOT with 43.4 percent of the category representing Maintenance activities, which include pavement repair, crack sealing, pothole repair, litter collection, vehicle fleet maintenance, street and sidewalk sweeping, signage, highway light maintenance, and bridge washing. Snow and ice removal operations also fall under the management of this program.

Assistance, grants, and benefits represent 7.3 percent of the FY 2009 budget and represent primarily \$18.3 million in National Highway Transportation Safety Administration federal grant funds.

Appendix A

Schedules

General Revenue Budget Surplus Statement

	FY2006 Audited	FY2007 Unaudited	FY2008 Enacted	FY2008 Revised	FY2009 Recommended
Surplus					
Opening Surplus	\$ 38,698,361	\$ 38,330,947	\$ 174,323	\$ -	\$ 742,986
Audit adjustment		202			
Reappropriated Surplus	13,489,214	17,381,365	-	3,640,364	-
Subtotal	52,187,575	55,712,514	174,323	3,640,364	742,986
General Taxes	2,479,553,794	2,529,241,036	2,610,859,886	2,610,859,886	2,564,000,000
Revenue estimators' revision			-	(90,659,886)	
Changes to Adopted Estimates				29,966,847	39,592,548
Subtotal	2,479,553,794	2,529,241,036	2,610,859,886	2,550,166,847	2,603,592,548
Departmental Revenues	287,314,592	277,790,450	362,869,788	362,869,788	240,000,000
Revenue estimators' revision			-	(39,469,788)	
Changes to Adopted Estimates				15,376,315	109,298,081
Subtotal	287,314,592	277,790,450	362,869,788	338,776,315	349,298,081
Other Sources					
Gas Tax Transfers	4,322,195	4,704,602	4,685,000	4,685,000	4,685,000
Revenue estimators' revision		-	-	-	-
Other Miscellaneous	31,163,069	67,471,487	140,279,158	140,279,158	11,300,000
Rev Estimators' revision-Miscellaneous			-	5,620,842	
Changes to Adopted Estimates				35,294,223	5,301,100
Transfer from Budget Reserve Fund		19,423,025			
Lottery	323,899,490	320,989,832	339,700,000	339,700,000	363,900,000
Revenue Estimators' revision-Lottery		-	-	9,800,000	
Unclaimed Property	14,243,183	11,456,513	14,600,000	14,600,000	9,400,000
Revenue Estimators' revision-Unclaimed		-	-	1,400,000	
Subtotal	373,627,937	424,045,459	499,264,158	551,379,223	394,586,100
Total Revenues	\$ 3,140,496,323	\$ 3,231,076,945	\$ 3,472,993,832	\$ 3,440,322,385	\$ 3,347,476,729
Budget Stabilization	(63,583,898)	(65,388,158)	(69,463,363)	(68,806,448)	(73,660,834)
Total Available	\$ 3,129,100,000	\$ 3,221,401,301	\$ 3,403,704,792	\$ 3,375,156,301	\$ 3,274,558,881
Actual/Enacted Expenditures	\$ 3,073,387,688	\$ 3,217,760,937	\$ 3,403,638,116	\$ 3,403,638,116	\$ 3,272,710,433
Reappropriations	-	-	-	3,640,364	
Supplemental - Repayment to RI Capital Fund				19,423,025	
Supplemental Appropriations	-	-	-	(52,288,190)	
Total Expenditures	\$ 3,073,387,688	\$ 3,217,760,937	\$ 3,403,638,116	\$ 3,374,413,315	\$ 3,272,710,433
Free Surplus	\$ 38,330,947	\$ 0	\$ 66,676	\$ 742,986	\$ 1,848,448
Reappropriations	17,381,365	3,640,364	-	-	-
Transfer to Retirement Fund					
Total Ending Balances	\$ 55,712,312	\$ 3,640,364	\$ 66,676	\$ 742,986	\$ 1,848,448
Budget Reserve and Cash					
Stabilization Account	\$ 95,375,847	\$ 78,659,212	\$ 104,195,045	\$ 103,209,672	\$ 113,839,470

Expenditures from All Funds

	FY 2006	FY2007	FY 2008	FY 2008	FY 2009
	Actual	Unaudited	Enacted	Revised	Recommended
General Government					
Administration(1)	\$484,712,222	\$ 579,840,522	\$613,268,743	\$627,870,496	\$542,654,775
Business Regulation	10,818,327	11,619,331	13,135,623	12,765,050	11,748,704
Labor and Training	437,643,846	446,997,208	459,385,094	477,003,037	478,470,405
Revenue(1)	260,392,914	233,997,808	256,364,161	241,755,281	248,663,791
Legislature	30,706,758	32,350,516	35,964,082	37,567,738	35,615,553
Lieutenant Governor	900,055	874,724	925,112	839,816	884,920
Secretary of State	12,173,340	7,397,016	6,066,356	6,173,694	6,874,864
General Treasurer	37,344,072	24,775,355	36,890,123	37,357,591	31,448,068
Board of Elections	2,392,935	4,392,090	2,024,108	1,921,275	2,175,218
Rhode Island Ethics Commission	1,156,118	1,222,289	1,410,451	1,330,460	1,405,309
Governor's Office	4,929,963	4,738,217	4,921,696	4,773,728	4,658,611
Commission for Human Rights	1,181,941	1,247,126	1,388,940	1,322,567	1,382,968
Public Utilities Commission	5,179,216	5,473,869	7,096,087	6,938,452	6,869,214
Rhode Island Commission on Women	89,442	98,629	108,203	104,330	107,208
Subtotal - General Government	\$1,289,621,149	\$ 1,355,024,700	\$1,438,948,779	\$1,457,723,515	\$1,372,959,608
Human Services					
Office of Health & Human Services	-	640,980	6,578,965	7,860,219	15,744,177
Children, Youth, and Families	285,549,240	311,770,977	232,749,891	234,189,270	209,585,164
Elderly Affairs and Advocacy(2)	46,001,123	37,526,122	38,852,980	37,819,257	35,301,058
Health	108,187,155	104,636,981	125,224,331	132,285,433	124,235,173
Human Services	1,683,206,936	1,574,255,614	1,811,144,472	1,811,712,179	1,764,717,231
Mental Health, Retardation, & Hospitals	493,607,151	481,493,542	498,887,743	482,120,822	462,764,628
Office of the Child Advocate	456,409	551,198	560,757	522,070	558,800
Office of the Mental Health Advocate	377,376	385,295	424,343	405,546	431,171
Subtotal - Human Services	\$2,617,385,390	\$ 2,511,260,709	\$2,714,423,482	\$2,706,914,796	\$2,613,337,402
Education					
Elementary and Secondary	1,018,058,997	1,067,364,092	1,096,216,347	1,103,408,482	1,130,427,074
Higher Education - Board of Governors	680,079,328	728,911,092	770,836,024	783,663,952	816,325,009
RI Council on the Arts	2,626,161	2,922,282	6,484,097	4,570,637	3,275,655
RI Atomic Energy Commission	1,095,360	1,087,486	1,481,463	1,625,863	1,532,900
Higher Education Assistance Authority	22,973,871	23,939,108	29,350,404	28,939,692	29,240,665
Historical Preservation and Heritage Comm.	2,284,109	2,209,943	2,603,164	2,508,200	2,323,114
Public Telecommunications Authority	3,387,939	2,395,158	2,163,310	2,050,231	2,132,366
Subtotal - Education	\$1,730,505,765	\$ 1,828,829,161	\$1,909,134,809	\$1,926,767,057	\$1,985,256,783

Expenditures from All Funds

	FY 2006 Actual	FY2007 Unaudited	FY 2008 Enacted	FY 2008 Revised	FY 2009 Recommended
Public Safety					
Attorney General	22,225,476	21,914,607	23,903,316	23,339,313	23,731,514
Corrections	161,859,194	170,117,178	197,210,155	197,362,237	184,094,239
Judicial(3)	89,178,661	91,679,517	96,997,828	95,644,472	94,972,646
Military Staff	28,188,402	32,572,998	24,960,095	36,546,380	29,469,843
Public Safety(4)	82,700,322	91,197,828	95,327,452	92,784,191	108,978,402
Fire Safety Code Board of Appeal & Review	295,118	285,015	303,435	289,830	306,552
Office Of Public Defender	8,397,923	8,778,424	9,746,784	9,374,872	9,716,729
Subtotal - Public Safety	\$392,845,096	\$ 416,545,567	\$448,449,065	\$455,341,295	\$451,269,925
Natural Resources					
Environmental Management(5)	68,197,576	76,027,147	85,417,860	86,924,013	95,179,682
Coastal Resources Management Council(5)	4,483,026	3,897,901	4,508,659	5,702,171	-
Water Resources Board(5)	1,973,950	1,792,984	2,385,081	2,130,805	-
Subtotal - Natural Resources	\$74,654,552	\$ 81,718,032	\$92,311,600	\$94,756,989	\$95,179,682
Transportation					
Transportation	402,521,803	355,852,171	374,140,874	349,511,682	370,784,490
Subtotal - Transportation	\$402,521,803	\$ 355,852,171	\$374,140,874	\$349,511,682	\$370,784,490
Total	\$ 6,507,533,755	\$ 6,549,230,340	\$ 6,977,408,609	\$ 6,991,015,334	\$ 6,888,787,890
Proposed Audit adjustments		250,000			
		6,549,480,340			

(1) Department of Administration history adjusted for Taxation and Division of Motor Vehicles transferred in FY2007 to new Department of Revenue.

(2) Agencies merged with Department of Elderly Affairs and Advocacy include Commission on Deaf and Hard of Hearing, Governor's Commission on Disabilities, and the Developmental Disabilities Council.

(3) Judicial includes Judicial Tenure and Discipline.

(4) Agencies merged with Department of Public Safety include State Police, E-911 Emergency Telephone System, Municipal Police Training Academy, Sheriffs, Capitol Police, and the Governor's Justice Commission.

(5) Agencies to be merged with Department of Environmental Management include Coastal Resources Management and Water Resources Board.

Expenditures from General Revenues

	FY 2006 Actual	FY2007 Unaudited	FY 2008 Enacted	FY 2008 Revised	FY 2009 Recommended
General Government					
Administration(1)	\$375,154,137	\$448,583,808	\$485,351,641	\$505,196,446	\$446,358,182
Business Regulation	10,149,419	10,859,699	11,475,916	10,896,429	10,203,066
Labor and Training	7,324,546	7,146,779	6,583,162	6,377,187	6,299,992
Revenue(1)	35,740,584	34,528,687	38,575,957	35,165,844	37,374,032
Legislature	29,355,254	30,941,664	34,440,361	36,116,203	34,099,202
Lieutenant Governor	900,055	874,724	925,112	839,816	884,920
Secretary of State	5,218,294	6,150,444	5,036,136	5,042,689	5,778,144
General Treasurer	2,748,742	2,636,773	2,908,550	2,773,767	2,563,767
Board of Elections	1,439,759	3,625,842	1,437,214	1,289,947	1,512,874
Rhode Island Ethics Commission	1,156,118	1,222,289	1,410,451	1,330,460	1,405,309
Governor's Office	4,763,179	4,672,436	4,921,696	4,773,728	4,658,611
Commission for Human Rights	984,270	987,833	984,197	951,677	991,659
Public Utilities Commission	656,682	499,163	661,246	647,628	-
Rhode Island Commission on Women	89,442	98,629	108,203	104,330	107,208
Subtotal - General Government	\$475,680,481	\$552,828,770	\$594,819,842	\$611,506,151	\$552,236,966
Human Services					
Office of Health & Human Services	-	250,294	307,152	387,176	5,754,966
Children, Youth, and Families	167,965,207	189,391,301	149,249,856	151,956,515	136,984,222
Elderly Affairs and Advocacy(2)	22,963,972	19,630,145	19,510,134	18,062,670	16,789,244
Health	37,324,506	31,490,512	34,487,126	32,320,612	30,757,908
Human Services	718,532,156	704,559,182	811,185,218	795,931,661	767,944,841
Mental Health, Retardation, & Hospitals	249,867,986	238,316,374	243,459,229	234,197,334	219,609,438
Office of the Child Advocate	445,876	513,524	520,757	484,569	519,657
Office of the Mental Health Advocate	377,376	385,295	424,343	405,546	431,171
Subtotal - Human Services	\$1,197,477,079	\$1,184,536,627	\$1,259,143,815	\$1,233,746,083	\$1,178,791,447
Education					
Elementary and Secondary	834,246,326	888,448,124	909,429,659	906,392,019	930,464,291
Higher Education - Board of Governors	180,371,797	189,489,620	196,068,047	189,983,048	179,856,018
RI Council on the Arts	1,987,617	2,112,363	2,777,644	2,698,994	2,094,847
RI Atomic Energy Commission	799,460	827,654	819,869	798,827	824,470
Higher Education Assistance Authority	7,729,028	6,708,495	11,019,684	10,219,792	9,913,909
Historical Preservation and Heritage Comm.	1,395,341	1,615,594	1,577,792	1,487,312	1,348,825
Public Telecommunications Authority	1,257,552	1,312,264	1,363,654	1,316,196	1,365,306
Subtotal - Education	\$1,027,787,121	\$1,090,514,114	\$1,123,056,349	\$1,112,896,188	\$1,125,867,666

Expenditures from General Revenues

	FY 2006 Actual	FY2007 Unaudited	FY 2008 Enacted	FY 2008 Revised	FY 2009 Recommended
Public Safety					
Attorney General	\$19,895,945	\$19,799,873	\$21,335,305	\$20,626,429	\$21,212,039
Corrections	151,117,191	155,796,271	187,954,532	185,001,095	178,173,504
Judicial(3)	77,771,437	82,039,512	84,964,917	82,799,916	82,622,926
Military Staff	2,982,041	2,533,905	2,563,864	2,497,995	3,739,948
Public Safety(4)	70,980,886	79,871,941	79,985,466	78,250,595	81,956,037
Fire Safety Code Board of Appeal & Review	295,118	285,015	303,435	289,830	306,552
Office Of Public Defender	8,270,299	8,564,734	9,324,951	9,015,956	9,468,259
Subtotal - Public Safety	\$331,312,917	\$348,891,251	\$386,432,470	\$378,481,816	\$377,479,265
Natural Resources					
Environmental Management(5)	38,089,630	38,071,851	36,413,000	34,213,462	38,335,089
Coastal Resources Management Council(5)	1,681,767	2,076,370	1,879,559	1,940,645	-
Water Resources Board(5)	1,358,690	1,648,213	1,893,081	1,628,970	-
Subtotal - Natural Resources	\$41,130,087	\$41,796,434	\$40,185,640	\$37,783,077	\$38,335,089
Transportation					
Transportation	-	-	-	-	-
Subtotal - Transportation	-	-	-	-	-
Total	\$3,073,387,685	\$3,218,567,196	\$3,403,638,116	\$3,374,413,315	\$3,272,710,433
Proposed Audit adjustments		(806,258)			
		3,217,760,938			

(1) Department of Administration history adjusted for Taxation and Division of Motor Vehicles transferred in FY2007 to new Department of Revenue.

(2) Agencies merged with Department of Elderly Affairs and Advocacy include Commission on Deaf and Hard of Hearing, Governor's Commission on Disabilities, and the Developmental Disabilities Council.

(3) Judicial includes Judicial Tenure and Discipline.

(4) Agencies merged with Department of Public Safety include State Police, E-911 Emergency Telephone System, Municipal Police Training Academy, Sheriffs, Capitol Police, and the Governor's Justice Commission.

(5) Agencies to be merged with Department of Environmental Management include Coastal Resources Management and Water Resources Board.

Expenditures from Federal Funds

	FY 2006	FY2007	FY 2008	FY 2008	FY 2009
	Actual	Unaudited	Enacted	Revised	Recommended
General Government					
Administration(1)	\$28,843,073	\$46,312,586	\$45,581,896	\$46,591,786	\$33,952,039
Business Regulation	-	43,291	51,742	201,742	-
Labor and Training	33,831,488	29,931,444	28,124,845	35,037,304	35,395,196
Revenue(1)	1,529,556	1,147,679	1,335,145	2,128,997	1,894,095
Legislature	-	-	-	-	-
Lieutenant Governor	-	-	-	-	-
Secretary of State	6,496,305	976,109	586,744	572,503	541,139
General Treasurer	594,151	476,081	1,916,146	1,150,186	1,170,081
Board of Elections	953,176	766,248	586,894	631,328	662,344
Rhode Island Ethics Commission	-	-	-	-	-
Governor's Office	-	-	-	-	-
Commission for Human Rights	197,671	259,293	404,743	370,890	391,309
Public Utilities Commission	76,230	92,650	100,124	97,097	100,547
Rhode Island Commission on Women	-	-	-	-	-
Subtotal - General Government	\$72,521,650	\$80,005,381	\$78,688,279	\$86,781,833	\$74,106,750
Human Services					
Office of Health & Human Services	-	93,852	5,826,265	7,158,672	7,891,563
Children, Youth, and Families	114,995,314	120,424,524	80,211,094	79,619,679	69,633,001
Elderly Affairs and Advocacy(2)	15,736,403	12,646,234	13,717,234	13,490,681	12,898,249
Health	59,868,983	60,912,006	65,305,387	74,843,215	68,088,703
Human Services	961,465,758	866,755,175	989,435,533	1,005,657,588	987,279,551
Mental Health, Retardation, & Hospitals	240,348,945	240,445,805	243,971,014	234,903,609	226,713,559
Office of the Child Advocate	10,533	37,674	40,000	37,501	39,143
Office of the Mental Health Advocate	-	-	-	-	-
Subtotal - Human Services	\$1,392,425,936	\$1,301,315,270	\$1,398,506,527	\$1,415,710,945	\$1,372,543,769
Education					
Elementary and Secondary	\$180,108,204	\$174,313,592	\$178,395,910	\$188,634,265	\$191,008,411
Higher Education - Board of Governors	1,347,949	2,871,077	3,526,446	5,300,814	3,646,277
RI Council on the Arts	584,039	653,685	706,453	671,643	741,355
RI Atomic Energy Commission	136,215	101,942	420,940	537,277	407,277
Higher Education Assistance Authority	9,185,706	8,846,030	12,612,204	12,366,402	12,550,536
Historical Preservation and Heritage Comm.	581,658	508,937	529,078	528,895	479,640
Public Telecommunications Authority	-	-	-	-	-
Subtotal - Education	\$191,943,771	\$187,295,263	\$196,191,031	\$208,039,296	\$208,833,496

Expenditures from Federal Funds

	FY 2006 Actual	FY2007 Unaudited	FY 2008 Enacted	FY 2008 Revised	FY 2009 Recommended
Public Safety					
Attorney General	\$1,390,957	\$1,274,491	\$1,379,464	\$1,367,430	\$1,263,609
Corrections	9,064,113	9,252,613	2,807,500	3,553,559	2,640,735
Judicial(3)	2,334,472	1,412,645	2,064,119	2,649,752	1,939,312
Military Staff	24,913,198	27,561,826	20,594,699	30,966,740	23,999,074
Public Safety(4)	6,776,732	6,130,210	5,521,399	7,807,107	5,832,120
Fire Safety Code Board of Appeal & Review	-	-	-	-	-
Office Of Public Defender	127,624	213,690	421,833	358,916	248,470
Subtotal - Public Safety	\$44,607,096	\$45,845,475	\$32,789,014	\$46,703,504	\$35,923,320
Natural Resources					
Environmental Management(5)	\$18,683,990	\$21,320,143	\$28,153,533	\$30,791,460	\$34,845,754
Coastal Resources Management Council(5)	2,086,789	1,659,031	1,607,000	1,770,436	-
Water Resources Board(5)	203,685	64,170	-	-	-
Subtotal - Natural Resources	\$20,974,464	\$23,043,344	\$29,760,533	\$32,561,896	\$34,845,754
Transportation					
Transportation	\$258,876,586	\$225,339,560	\$274,706,956	\$239,425,158	\$263,437,353
Subtotal - Transportation	\$258,876,586	\$225,339,560	\$274,706,956	\$239,425,158	\$263,437,353
Total	\$1,981,349,503	\$1,862,844,293	\$2,010,642,340	\$2,029,222,632	\$1,989,690,442
Proposed Audit adjustments		1,056,258			
		1,863,900,551			

(1) Department of Administration history adjusted for Taxation and Division of Motor Vehicles transferred in FY2007 to new Department of Revenue.

(2) Agencies merged with Department of Elderly Affairs and Advocacy include Commission on Deaf and Hard of Hearing, Governor's Commission on Disabilities, and the Developmental Disabilities Council.

(3) Judicial includes Judicial Tenure and Discipline.

(4) Agencies merged with Department of Public Safety include State Police, E-911 Emergency Telephone System, Municipal Police Training Academy, Sheriffs, Capitol Police, and the Governor's Justice Commission.

(5) Agencies to be merged with Department of Environmental Management include Coastal Resources Management and Water Resources Board.

Expenditures from Restricted Receipts

	FY 2006	FY2007	FY 2008	FY 2008	FY 2009
	Actual	Unaudited	Enacted	Revised	Recommended
General Government					
Administration(1)	\$1,861,763	\$6,784,585	\$12,109,406	\$9,173,841	\$21,406,394
Business Regulation	668,908	716,341	1,607,965	1,666,879	1,545,638
Labor and Training	15,355,905	15,552,019	28,283,698	25,075,274	19,068,769
Revenue(1)	691,133	705,160	845,506	892,006	925,663
Legislature	1,351,504	1,408,852	1,523,721	1,451,535	1,516,351
Lieutenant Governor	-	-	-	-	-
Secretary of State	458,741	270,463	443,476	558,502	555,581
General Treasurer	28,150,156	21,474,116	31,772,287	33,193,653	27,460,845
Board of Elections	-	-	-	-	-
Rhode Island Ethics Commission	-	-	-	-	-
Governor's Office	117,777	(3,617)	-	-	-
Commission for Human Rights	-	-	-	-	-
Public Utilities Commission	4,446,304	4,882,056	6,334,717	6,193,727	6,768,667
Rhode Island Commission on Women	-	-	-	-	-
Subtotal - General Government	\$53,102,191	\$51,789,975	\$82,920,776	\$78,205,417	\$79,247,908
Human Services					
Office of Health & Human Services	-	\$296,834	\$445,548	\$314,371	\$2,097,648
Children, Youth, and Families	2,033,284	1,767,022	1,753,941	1,757,941	1,757,941
Elderly Affairs and Advocacy(2)	2,429,412	742,692	740,612	\$1,344,355	\$628,565
Health	10,972,385	12,204,991	25,403,142	25,092,196	25,359,152
Human Services	3,159,071	2,941,257	9,223,721	10,022,930	9,367,839
Mental Health, Retardation, & Hospitals	6,776	183,295	3,040,000	2,593,834	2,390,000
Office of the Child Advocate	-	-	-	-	-
Office of the Mental Health Advocate	-	-	-	-	-
Subtotal - Human Services	\$18,600,928	\$18,136,091	\$40,606,964	\$41,125,627	\$41,601,145
Education					
Elementary and Secondary	\$3,496,007	\$4,432,359	\$7,149,893	\$7,131,008	\$7,714,372
Higher Education - Board of Governors	762,134	1,067,062	893,520	1,093,499	641,526
RI Council on the Arts	-	-	-	200,000	-
RI Atomic Energy Commission	-	-	-	-	-
Higher Education Assistance Authority	-	-	-	-	-
Historical Preservation and Heritage Comm.	307,110	85,412	496,294	491,993	494,649
Public Telecommunications Authority	-	-	-	-	-
Subtotal - Education	\$4,565,251	\$5,584,833	\$8,539,707	\$8,916,500	\$8,850,547

Expenditures from Restricted Receipts

	FY 2006	FY2007	FY 2008	FY 2008	FY 2009
	Actual	Unaudited	Enacted	Revised	Recommended
Public Safety					
Attorney General	\$719,263	\$678,356	\$973,547	\$940,574	\$980,866
Corrections	2,423	-	-	-	-
Judicial(3)	7,631,618	7,272,677	8,518,792	8,661,007	8,710,408
Military Staff	264,966	242,449	407,532	301,504	315,321
Public Safety(4)	1,911,680	1,905,648	1,639,043	1,469,162	434,000
Fire Safety Code Board of Appeal & Review	-	-	-	-	-
Office Of Public Defender	-	-	-	-	-
Subtotal - Public Safety	\$10,529,950	\$10,099,130	\$11,538,914	\$11,372,247	\$10,440,595
Natural Resources					
Environmental Management(5)	\$9,817,750	\$15,257,111	\$16,945,441	\$16,071,872	\$16,661,875
Coastal Resources Management Council(5)	669,970	162,500	1,022,100	395,000	-
Water Resources Board(5)	327,254	-	400,000	400,000	-
Subtotal - Natural Resources	\$10,814,974	\$15,419,611	\$18,367,541	\$16,866,872	\$16,661,875
Transportation					
Transportation	-\$11,959	\$1,451,760	\$661,834	\$1,444,708	\$1,447,246
Subtotal - Transportation	-\$11,959	\$1,451,760	\$661,834	\$1,444,708	\$1,447,246
Total	\$97,601,335	\$102,481,400	\$162,635,736	\$157,931,371	\$158,249,316
Proposed Audit adjustments		-			
		\$102,481,400			

(1) Department of Administration history adjusted for Taxation and Division of Motor Vehicles transferred in FY2007 to new Department of Revenue.

(2) Agencies merged with Department of Elderly Affairs and Advocacy include Commission on Deaf and Hard of Hearing, Governor's Commission on Disabilities, and the Developmental Disabilities Council.

(3) Judicial includes Judicial Tenure and Discipline.

(4) Agencies merged with Department of Public Safety include State Police, E-911 Emergency Telephone System, Municipal Police Training Academy, Sheriffs, Capitol Police, and the Governor's Justice Commission.

(5) Agencies to be merged with Department of Environmental Management include Coastal Resources Management and Water Resources Board.

Expenditures from Other Funds

	FY 2006 Actual	FY2007 Unaudited	FY 2008 Enacted	FY 2008 Revised	FY 2009 Recommended
General Government					
Administration(1)	\$78,853,249	\$78,159,543	\$70,225,800	\$66,908,423	\$40,938,160
Business Regulation	-	-	-	-	-
Labor and Training	381,131,907	394,366,966	396,393,389	410,513,272	417,706,448
Revenue(1)	222,431,641	197,616,282	215,607,553	203,568,434	208,470,001
Legislature	-	-	-	-	-
Lieutenant Governor	-	-	-	-	-
Secretary of State	-	-	-	-	-
General Treasurer	5,851,023	188,385	293,140	239,985	253,375
Board of Elections	-	-	-	-	-
Rhode Island Ethics Commission	-	-	-	-	-
Governor's Office	49,007	69,398	-	-	-
Commission for Human Rights	-	-	-	-	-
Public Utilities Commission	-	-	-	-	-
Rhode Island Commission on Women	-	-	-	-	-
Subtotal - General Government	\$688,316,827	\$670,400,574	\$682,519,882	\$681,230,114	\$667,367,984
Human Services					
Office of Health & Human Services	-	-	-	-	-
Children, Youth, and Families	555,435	188,130	1,535,000	855,135	1,210,000
Elderly Affairs and Advocacy(2)	4,871,336	4,507,051	4,885,000	4,921,551	4,985,000
Health	21,281	29,472	28,676	29,410	29,410
Human Services	49,951	-	1,300,000	100,000	125,000
Mental Health, Retardation, & Hospitals	3,383,444	2,548,068	8,417,500	10,426,045	14,051,631
Office of the Child Advocate	-	-	-	-	-
Office of the Mental Health Advocate	-	-	-	-	-
Subtotal - Human Services	\$8,881,447	\$7,272,721	\$16,166,176	\$16,332,141	\$20,401,041
Education					
Elementary and Secondary	\$208,460	\$170,017	\$1,240,885	\$1,251,190	\$1,240,000
Higher Education - Board of Governors	497,597,448	535,483,333	570,348,011	587,286,591	632,181,188
RI Council on the Arts	54,505	156,234	3,000,000	1,000,000	439,453
RI Atomic Energy Commission	159,685	157,890	240,654	289,759	301,153
Higher Education Assistance Authority	6,059,137	8,384,583	5,718,516	6,353,498	6,776,220
Historical Preservation and Heritage Comm	-	-	-	-	-
Public Telecommunications Authority	2,130,387	1,082,894	799,656	734,035	767,060
Subtotal - Education	\$506,209,622	\$545,434,951	\$581,347,722	\$596,915,073	\$641,705,074

Expenditures from Other Funds

	FY 2006 Actual	FY2007 Unaudited	FY 2008 Enacted	FY 2008 Revised	FY 2009 Recommended
Public Safety					
Attorney General	\$219,311	\$161,887	\$215,000	\$404,880	\$275,000
Corrections	1,675,467	5,068,294	6,448,123	8,807,583	3,280,000
Judicial(3)	1,441,134	954,683	1,450,000	1,533,797	1,700,000
Military Staff	28,197	2,234,818	1,394,000	2,780,141	1,415,500
Public Safety(4)	3,031,024	3,290,029	8,181,544	5,257,327	20,756,245
Fire Safety Code Board of Appeal & Review	-	-	-	-	-
Office Of Public Defender	-	-	-	-	-
Subtotal - Public Safety	\$6,395,133	\$11,709,711	\$17,688,667	\$18,783,728	\$27,426,745
Natural Resources					
Environmental Management(5)	\$1,606,206	\$1,378,042	\$3,905,886	\$5,847,219	\$5,336,964
Coastal Resources Management Council(5)	44,500	-	-	1,596,090	-
Water Resources Board(5)	84,321	80,601	92,000	101,835	-
Subtotal - Natural Resources	\$1,735,027	\$1,458,643	\$3,997,886	\$7,545,144	\$5,336,964
Transportation					
Transportation	\$143,657,176	\$129,060,851	\$98,772,084	\$108,641,816	\$105,899,891
Subtotal - Transportation	\$143,657,176	\$129,060,851	\$98,772,084	\$108,641,816	\$105,899,891
Total	\$1,355,195,232	\$1,365,337,451	\$1,400,492,417	\$1,429,448,016	\$1,468,137,699
Proposed Audit adjustments		-			
		\$1,365,337,451			

(1) Department of Administration history adjusted for Taxation and Division of Motor Vehicles transferred in FY2007 to new Department of Revenue.

(2) Agencies merged with Department of Elderly Affairs and Advocacy include Commission on Deaf and Hard of Hearing, Governor's Commission on Disabilities, and the Developmental Disabilities Council.

(3) Judicial includes Judicial Tenure and Discipline.

(4) Agencies merged with Department of Public Safety include State Police, E-911 Emergency Telephone System, Municipal Police Training Academy, Sheriffs, Capitol Police, and the Governor's Justice Commission.

(5) Agencies to be merged with Department of Environmental Management include Coastal Resources Management and Water Resources Board.

Full-Time Equivalent Positions

	FY 2006	FY 2007	FY 2008	FY 2008 Revised	FY 2009
General Government					
Administration	777.9	1,065.2	1,032.9	791.8	775.8
Statwide Retirement Vacancies	-	-	-	-	(300.0)
Business Regulation	110.0	103.0	105.0	102.0	98.0
Labor & Training	510.7	467.9	454.9	417.5	407.2
Revenue	492.0	473.0	475.0	465.0	460.0
Legislature	289.0	294.0	298.2	297.9	297.9
Office of the Lieutenant Governor	10.0	9.5	9.5	9.0	8.0
Secretary of State	59.0	56.0	58.0	58.0	55.0
General Treasurer	87.5	86.5	88.0	88.0	86.0
Boards for Design Professionals	4.0	4.0	-	-	-
Board Of Elections	15.0	14.0	14.0	14.0	14.0
Rhode Island Ethics Commission	12.0	12.0	12.0	12.0	12.0
Office of the Governor	49.5	46.0	44.0	45.0	39.0
Commission for Human Rights	15.0	14.5	14.5	14.5	14.5
Public Utilities Commission	46.0	45.7	45.7	45.0	44.0
Rhode Island Commission on Women	1.0	1.0	1.0	1.0	1.0
Subtotal - General Government	2,478.6	2,692.3	2,652.7	2,360.7	2,012.4
Human Services					
Office of Health and Human Services		5.0	5.0	6.0	102.2
Children, Youth, and Families	849.8	789.0	805.0	788.5	733.5
Elderly Affairs and Advocacy	52.0	48.0	46.0	54.6	44.6
Health	499.4	465.6	459.0	437.1	409.5
Human Services	1,173.4	1,111.0	1,109.0	1,067.6	966.4
Mental Health, Retardation, & Hospitals	1,992.7	1,824.3	1,761.0	1,657.6	1,372.6
Office of the Child Advocate	6.1	5.8	5.8	5.8	5.8
Commission On the Deaf & Hard of Hearing (1)	3.0	3.0	3.0	-	-
RI Developmental Disabilities Council (1)	2.0	2.0	2.0	-	-
Governor's Commission on Disabilities (1)	6.6	6.6	5.6	-	-
Office of the Mental Health Advocate	3.7	3.7	3.7	3.7	3.7
Subtotal - Human Services	4,588.7	4,264.0	4,205.1	4,020.9	3,638.3
Education					
Elementary and Secondary Education	339.1	131.2	134.2	133.2	140.2
Davies	-	133.0	133.0	133.0	127.0
School for the Deaf	-	68.0	68.0	65.8	62.8
Elementary Secondary Education - Total	339.1	332.2	335.2	332.0	330.0
Office of Higher Education Non-Sponsored Research	22.0	21.0	21.0	21.0	20.1
URI Non-Sponsored Research	1,959.6	1,940.1	1,930.1	1,930.1	1,900.1
RIC Non-Sponsored Research	859.2	843.5	850.5	850.5	835.5
CCRI Non-Sponsored Research	748.9	750.2	748.2	748.2	733.2
Higher Education - Total Non-Sponsored	3,589.7	3,554.8	3,549.8	3,549.8	3,488.9

Full-Time Equivalent Positions

	FY 2006	FY 2007	FY 2008	FY 2008 Revised	FY 2009
RI Council On The Arts	8.0	8.6	8.6	8.6	8.6
RI Atomic Energy Commission	8.6	8.6	8.6	8.6	8.6
Higher Education Assistance Authority	46.0	46.0	46.0	42.6	42.6
Historical Preservation and Heritage Commission	17.6	17.6	17.6	17.6	16.6
Public Telecommunications Authority	22.0	20.0	20.0	20.0	20.0
Subtotal - Education	4,031.0	3,987.8	3,985.8	3,979.2	3,915.3
Public Safety					
Attorney General	234.5	234.8	234.8	234.8	231.1
Corrections	1,589.0	1,498.6	1,508.6	1,515.0	1,464.0
Judicial	742.0	732.5	732.5	732.3	729.3
Military Staff	105.0	109.0	110.0	104.0	103.0
Public Safety	-	-	-	609.1	591.5
E-911 (2)	53.6	53.6	53.6	-	-
RI State Fire Marshal (2)	38.0	36.0	35.0	-	-
Commission on Judicial Tenure and Discipline	1.0	1.0	-	-	-
Rhode Island Justice Commission (2)	8.5	7.6	7.6	-	-
Municipal Police Training Academy (2)	4.0	4.0	4.0	-	-
State Police (2)	282.0	273.0	272.0	-	-
Fire Safety Code Board of Appeal and Review	3.0	3.0	3.0	3.0	3.0
Office of the Public Defender	93.5	93.5	93.5	93.5	93.5
Subtotal - Public Safety	3,154.1	3,046.6	3,054.6	3,291.7	3,215.4
Natural Resources					
Environmental Management	531.3	505.3	491.4	482.0	501.0
Coastal Resources Management Council (3)	30.0	30.0	30.0	30.0	-
Water Resources Board (3)	9.0	9.0	9.0	6.0	-
Subtotal - Natural Resources	570.3	544.3	530.4	518.0	501.0
Transportation					
Transportation	809.7	786.7	773.7	733.2	729.2
Subtotal - Transportation	809.7	786.7	773.7	733.2	729.2
Total Non Sponsored	15,632.4	15,321.7	15,202.3	14,903.7	14,011.6
Higher Education Sponsored Research *					
Office	1.0	1.0	1.0	1.0	1.0
CCRI	100.0	100.0	100.0	100.0	100.0
RIC	82.0	82.0	82.0	82.0	82.0
URI	602.0	602.0	602.0	602.0	602.0
Subtotal Sponsored Research	785.0	785.0	785.0	785.0	785.0
Total Personnel Authorizations	16,417.4	16,106.7	15,987.3	15,688.7	14,796.6
Total Personnel **	16,417.4	16,106.7	15,987.3	15,688.7	14,796.6

*A total of 785.0 FTE positions in Higher Education in FY 2008 and FY 2009 represent FTE's supported by sponsored res funds. Commencing in FY2005, these positions were included in the overall FTE Cap. In addition, there are separate caps for each program and for sponsored/non-sponsored research FTE's.

- (1) Agencies merged with Department of Elderly Affairs and Advocacy.
- (2) Agencies merged with Department of Public Safety
- (3) Agencies to be merged with Department of Environmental Management

General Revenues as Recommended

	FY 2006 Actual	FY 2007 Unaudited	FY 2008 Revised	FY 2009 Recommended
Personal Income Tax	\$996,792,298	\$1,065,367,487	\$1,069,500,000	\$1,100,300,000
General Business Taxes				
Business Corporations	165,054,033	148,149,226	163,566,847	160,300,000
Public Utilities Gross Earnings	96,027,349	102,109,351	104,000,000	104,000,000
Financial Institutions	3,988,509	4,423,263	(100,000)	400,000
Insurance Companies	52,877,704	56,624,296	74,100,000	75,100,000
Bank Deposits	1,494,366	1,673,925	1,700,000	1,700,000
Health Care Provider Assessment	47,002,360	47,969,855	52,300,000	53,225,000
Sales and Use Taxes				
Sales and Use	869,162,931	873,203,817	865,000,000	888,400,000
Motor Vehicle	52,625,943	46,878,903	44,500,000	46,267,548
Motor Fuel	31,099	1,311,762	1,200,000	1,200,000
Cigarettes	126,340,938	120,480,817	119,100,000	117,300,000
Alcohol	10,870,193	10,705,751	11,000,000	11,000,000
Other Taxes				
Inheritance and Gift	39,204,438	34,683,979	30,100,000	30,100,000
Racing and Athletics	3,489,811	2,921,166	2,800,000	2,600,000
Realty Transfer	14,591,822	12,737,438	11,400,000	11,700,000
Total Taxes	2,479,553,794	2,529,241,036	2,550,166,847	2,603,592,548
Departmental Receipts	287,314,592	277,790,450	338,776,315	349,298,081
Taxes and Departmentals	2,766,868,386	2,807,031,486	2,888,943,162	2,952,890,629
Other Sources				
Gas Tax Transfer	4,322,195	4,704,602	4,685,000	4,685,000
Other Miscellaneous	31,163,069	86,894,512	145,900,000	16,601,100
Lottery	323,899,490	320,989,832	384,794,223	363,900,000
Unclaimed Property	14,243,183	11,456,513	16,000,000	9,400,000
Other Sources	373,627,937	424,045,459	551,379,223	394,586,100
Total General Revenues	\$3,140,496,323	\$3,231,076,945	\$3,440,322,385	\$3,347,476,729

Changes to FY 2008 Enacted Revenue Estimates

	Enacted	Revenue Estimating Conference Estimates	Changes to Adopted Estimates	Total
Personal Income Tax	\$1,082,856,883	(\$34,756,883)	\$21,400,000	\$1,069,500,000
General Business Taxes				
Business Corporations	167,207,055	(9,207,055)	5,566,847	163,566,847
Public Utilities Gross Earnings	109,300,000	(5,300,000)	-	104,000,000
Financial Institutions	2,003,344	(2,603,344)	500,000	(100,000)
Insurance Companies	68,833,704	2,766,296	2,500,000	74,100,000
Bank Deposits	1,600,000	100,000	-	1,700,000
Health Care Provider Assessment	48,900,000	3,400,000	-	52,300,000
Sales and Use Taxes				
Sales and Use	908,723,500	(43,723,500)	-	865,000,000
Motor Vehicle	50,235,400	(5,735,400)	-	44,500,000
Motor Fuel	1,100,000	100,000	-	1,200,000
Cigarettes	112,500,000	6,600,000	-	119,100,000
Alcohol	11,100,000	(100,000)	-	11,000,000
Other Taxes				
Inheritance and Gift	30,100,000	-	-	30,100,000
Racing and Athletics	2,600,000	200,000	-	2,800,000
Realty Transfer	13,800,000	(2,400,000)	-	11,400,000
Total Taxes	\$2,610,859,886	(\$90,659,886)	\$29,966,847	\$2,550,166,847
Departmental Receipts	\$362,869,788	(\$39,469,788)	\$15,376,315	\$338,776,315
Taxes and Departmentals	\$2,973,729,674	(\$130,129,674)	\$45,343,162	\$2,888,943,162
Other Sources				
Gas Tax Transfer	\$4,685,000	\$0	\$0	\$4,685,000
Other Miscellaneous	140,279,158	5,620,842	-	145,900,000
Lottery	339,700,000	9,800,000	35,294,223	384,794,223
Unclaimed Property	14,600,000	1,400,000	-	16,000,000
Other Sources	\$499,264,158	\$16,820,842	\$35,294,223	\$551,379,223
Total General Revenues	\$3,472,993,832	(\$113,308,832)	\$80,637,385	\$3,440,322,385

Changes to FY 2009 Adopted Revenue Estimates

	Revenue Estimating Conference Estimates	Changes to the Adopted Estimates	Total
Personal Income Tax	\$1,082,100,000	\$18,200,000	\$1,100,300,000
General Business Taxes			
Business Corporations	160,000,000	300,000	160,300,000
Public Utilities Gross Earnings	104,000,000	-	104,000,000
Financial Institutions	(19,000,000)	19,400,000	400,000
Insurance Companies	73,000,000	2,100,000	75,100,000
Bank Deposits	1,700,000	-	1,700,000
Health Care Provider Assessme	53,500,000	(275,000)	53,225,000
Sales and Use Taxes			
Sales and Use	888,400,000	-	888,400,000
Motor Vehicle	46,400,000	(132,452)	46,267,548
Motor Fuel	1,200,000	-	1,200,000
Cigarettes	117,300,000	-	117,300,000
Alcohol	11,000,000	-	11,000,000
Other Taxes			
Inheritance and Gift	30,100,000	-	30,100,000
Racing and Athletics	2,600,000	-	2,600,000
Realty Transfer	11,700,000	-	11,700,000
Total Taxes	\$2,564,000,000	\$39,592,548	\$2,603,592,548
Departmental Receipts	\$240,000,000	\$109,298,081	\$349,298,081
Taxes and Departmentals	\$2,804,000,000	\$148,890,629	\$2,952,890,629
Other Sources			
Gas Tax Transfer	\$4,685,000	\$0	\$4,685,000
Other Miscellaneous	11,300,000	5,301,100	16,601,100
Lottery	363,900,000	-	363,900,000
Unclaimed Property	9,400,000	-	9,400,000
Other Sources	\$389,285,000	\$5,301,100	\$394,586,100
Total General Revenues	\$3,193,285,000	\$154,191,729	\$3,347,476,729

General Revenue Changes to Adopted Estimates

FY 2008

Taxes

Personal Income Taxes

Limit Historic Structures Tax Credits to \$20.0 million \$21,400,000

Subtotal: Personal Income Taxes **\$21,400,000**

General Business Taxes

Insurance: Limit Historic Structures Tax Credits to \$20.0 million \$2,500,000

Financial Institutions: Limit Historic Structures Tax Credits to \$20.0 million 500,000

Business Corporations: Adjust REC Estimate for FY 07 Audit Adjustment 5,166,847

Business Corporations: Limit Historic Structures Tax Credits to \$20.0 million 400,000

Subtotal: General Business Taxes **\$8,566,847**

Subtotal: All Taxes **\$29,966,847**

Departmental Revenues

Fines and Penalties

Judiciary: Make Driving while using a Handheld Device an Offense \$87,500

Judiciary: Require Court Costs in lieu of Fines for Good Driving Dismissals 275,000

Subtotal: Fines and Penalties **\$362,500**

Sales and Services

DHS: Advance Slater Uncompensated Care Distributions \$14,713,815

Subtotal: Sales and Service **\$14,713,815**

Miscellaneous Departmental Revenues

DHS: RI Housing Grants \$300,000

Subtotal: Miscellaneous Departmental Revenues **\$300,000**

Subtotal: All Departmental Revenues **\$15,376,315**

Other Sources

Other Miscellaneous

Transfer from RI Housing \$26,020,247

Transfer from RI Resource Recovery 5,000,000

DEM: Access All Available Resources in U.S.T. Replacement Fund 2,000,000

DOC: Transfer Excess from Correctional Industries 1,250,000

MHRH/AG: Medmal Settlement 700,000

Treasury: Transfer Excess from Bond Refunding Authority 323,976

Subtotal: Other Miscellaneous **\$35,294,223**

Subtotal: Other Sources **\$35,294,223**

Total FY 2008 General Revenue Adjustments **\$80,637,385**

General Revenue Changes to Adopted Estimates

FY 2009

Taxes

Personal Income Taxes

Limit Historic Structures Tax Credits to \$40.0 million \$18,200,000

Subtotal: Personal Income Taxes **\$18,200,000**

General Business Taxes

Financial Institutions: Adjust REC Estimate for FY 07 Audit Adjustment \$19,000,000

Insurance: Limit Historic Structures Tax Credits to \$40.0 million 2,100,000

Financial Institutions: Limit Historic Structures Tax Credits to \$40.0 million 400,000

Business Corporate: Limit Historic Structures Tax Credits to \$40.0 million 300,000

Provider Tax: Reduce Nursing Home Reimbursement Rate (275,000)

Subtotal: General Business Taxes **\$21,525,000**

Sales and Use Taxes

Motor Carrier Single State Registration Refunds (132,452)

Subtotal: Sales and Use Taxes **(\$132,452)**

Subtotal: All Taxes **\$39,592,548**

Departmental Revenues

Licenses and Fees

DHS: Reinststitute the Hospital Licensing Fee \$77,991,212

DHS: Expand Hospital Licensing Fee to 4.94% of hospital net patient revenue 32,720,450

Taxation: Include Bottled Water in Hard-to-Dispose Taxable Beverages 611,919

DOC: Increase Community Corrections Fees 275,868

DOH: Discontinue Licensing of Massage Parlors (11,900)

DOA: Replace Writ Service by State Employees with Constable Service (275,000)

Subtotal: Licenses and Fees **\$111,312,549**

Fines and Penalties

Judiciary: Require Court Costs in lieu of Fines for Good Driving Dismissals \$1,100,000

Judiciary: Make Driving while using a Handheld Mobile Telephone an Offense 350,000

Subtotal: Fines and Penalties **\$1,450,000**

General Revenue Changes to Adopted Estimates

FY 2009

Sales and Services

DOH: Convert Newborn Screening and Hearing Fees to Restricted Receipts (\$1,733,160)

Subtotal: Sales and Services (\$1,733,160)

Miscellaneous Departmental Revenues

DHS: RI Housing Grants \$300,000

DOA: Cost Recoveries from New and Converted Restricted Receipts 100,000

DOA: Convert Energy Grants to Restricted Receipts (2,131,308)

Subtotal: Miscellaneous Departmental Revenues (\$1,731,308)

Subtotal: All Departmental Revenues \$109,298,081

Other Sources

Other Miscellaneous

Transfer from Resource Recovery to General Fund \$4,000,000

Prior Year Supplier Overpayments Credit as Determined by Audit 825,000

DHS: Recognize federal from DEFRA Child Support Benefit 476,100

Subtotal: Other Miscellaneous \$5,301,100

Subtotal: Other Sources \$5,301,100

Total FY 2009 General Revenue Adjustments \$154,191,729

Other Revenue Enhancements

FY 2008

Other Sources

DOT: Accept Payment for Upgrading Radio System \$335,000

Subtotal: Other Sources \$335,000

Total FY 2008 Other Revenue Adjustments \$335,000

FY 2009

Restricted Receipts

DOH: Convert Newborn Screening and Hearing Fees to Restricted Receipts \$1,733,160

DOH: Increase Newborn Screening and Hearing Fees 515,130

RIDE: Increase RITEAF Line Surcharge by \$0.07 320,544

Subtotal: Restricted Receipts 2,568,834

Other Sources

DOT: Charge Utility Permit Fees for Work on Highway Right-of-Way \$ 1,000,000

DOT: Charge Logo Sign Fees 100,000

Subtotal: Other Sources \$ 1,100,000

Total FY 2009 Other Revenue Adjustments \$3,668,834

Appendix B
Changes to FY 2008

Change to FY 2008 General Revenue Budget Surplus

	FY2008 Enacted(1)	FY2008 Revised(2)	Variance(3)
Surplus			
Opening Surplus	\$ 174,323	\$ -	\$ (174,323)
Reappropriated Surplus	-	3,640,364	3,640,364
Subtotal	174,323	3,640,364	3,466,041
General Taxes	2,610,859,886	2,610,859,886	-
Revenue estimators' revision		(90,659,886)	(90,659,886)
Changes to the Adopted Estimates		29,966,847	29,966,847
Subtotal	2,610,859,886	2,550,166,847	(60,693,039)
Departmental Revenues	362,869,788	362,869,788	-
Revenue estimators' revision		(39,469,788)	(39,469,788)
Changes to the Adopted Estimates		15,376,315	15,376,315
Subtotal	362,869,788	338,776,315	(24,093,473)
Other Sources			
Gas Tax Transfers	4,685,000	4,685,000	-
Revenue estimators' revision	-	-	-
Other Miscellaneous	140,279,158	140,279,158	-
Rev Estimators' revision-Miscellaneous	-	5,620,842	5,620,842
Changes to the Adopted Estimates		35,294,223	35,294,223
Lottery	339,700,000	339,700,000	-
Revenue Estimators' revision-Lottery	-	9,800,000	9,800,000
Unclaimed Property	14,600,000	14,600,000	-
Revenue Estimators' revision-Unclaimed	-	1,400,000	1,400,000
Subtotal	499,264,158	551,379,223	52,115,065
Total Revenues	\$ 3,472,993,832	\$ 3,440,322,385	\$ (32,671,447)
Budget Stabilization	(69,463,363)	(68,806,448)	656,915
Total Available	\$ 3,403,704,792	\$ 3,375,156,301	\$ (28,548,491)
Actual/Enacted Expenditures	\$ 3,403,638,116	\$ 3,403,638,116	-
Reappropriations	-	3,640,364	3,640,364
Supplemental - repay Transfer(RICAP)		19,423,025	19,423,025
Supplemental Appropriations	-	(52,288,190)	(52,288,190)
Total Expenditures	\$ 3,403,638,116	\$ 3,374,413,315	\$ (29,224,801)
Free Surplus	\$ 66,676	\$ 742,986	\$ 676,310
Reappropriations	-	-	-
Total Ending Balances	\$ 66,676	\$ 742,986	\$ 676,310
Budget Reserve and Cash Stabilization Account	\$ 104,195,045	\$ 103,209,672	(985,373)

⁽¹⁾Reflects the FY 2008 budget adopted by the General Assembly in June 2007.

⁽²⁾Reflects the FY 2008 budget enacted by the General Assembly (including known proposed audit adjustments to the FY 2007 surplus), as modified by the changes to revenues estimated by the November 2007 Revenue Estimating Conference, and changes to enacted expenditures as proposed by the Governor. Assumes an estimated \$19,423,025 is drawn from the Budget Reserve Fund for the FY2007 closing, and that a repayment of \$19,423,025 is appropriated in FY2008. Statutory reappropriations(\$3,640,364) are provided. When the final closing is known, an exact amount will be transferred such that the State will have a balanced FY2007 budget.

⁽³⁾ The difference between the enacted and projected results for FY 2008, as reflected in the second and third columns above.

Changes to FY 2008 Enacted General Revenue Expenditures

	FY 2008 Enacted	Reappro- priations	Redistribution Of Enacted Personnel Savings	Projected Changes	Projected Expenditures	Change From Enacted
General Government						
Administration	\$505,284,261	-	\$9,159,833	\$10,420,294	\$524,864,388	\$19,580,127
Business Regulation	11,475,916	-	(\$368,948)	(210,539)	10,896,429	(579,487)
Labor and Training	6,583,162	-	(\$147,207)	(58,768)	6,377,187	(205,975)
Department of Revenue	38,575,957	-	(2,677,978)	(732,135)	35,165,844	(3,410,113)
Legislature	34,440,361	2,532,016	-	(856,174)	36,116,203	1,675,842
Lieutenant Governor	925,112	-	(56,024)	(29,272)	839,816	(85,296)
Secretary of State	5,036,136	-	(94,983)	101,536	5,042,689	6,553
General Treasurer	2,908,550	-	(84,802)	(49,981)	2,773,767	(134,783)
Board of Elections	1,437,214	-	(146,481)	(786)	1,289,947	(147,267)
Rhode Island Ethics Commission	1,410,451	-	(44,913)	(35,078)	1,330,460	(79,991)
Governor's Office	4,921,696	-	-	(147,968)	4,773,728	(147,968)
Commission for Human Rights	984,197	-	-	(32,520)	951,677	(32,520)
Public Utilities Commission	661,246	-	(4,460)	(9,158)	647,628	(13,618)
Rhode Island Commission on Women	108,203	-	(49)	(3,824)	-	(3,873)
Subtotal - General Government	614,752,462	2,532,016	5,533,988	8,355,627	631,174,093	16,421,631
Human Services						
Office of Health & Human Services	307,152	-	(57,965)	137,989	387,176	80,024
Children, Youth, and Families	149,249,856	-	(2,447,599)	5,154,258	151,956,515	2,706,659
Elderly Affairs	18,604,205	-	(66,640)	(1,152,116)	17,385,449	(1,218,756)
Health	34,487,126	-	(232,240)	(1,934,274)	32,320,612	(2,166,514)
Human Services	811,185,218	-	(2,264,242)	(12,989,315)	795,931,661	(15,253,557)
Mental Health, Retardation, & Hosp.	243,459,229	-	(5,285,047)	(3,976,848)	234,197,334	(9,261,895)
Office of the Child Advocate	520,757	-	-	(36,188)	484,569	(36,188)
Comm. on Deaf & Hard of Hearing	370,154	-	(25,627)	(17,932)	326,595	(43,559)
RI Developmental Disabilities Council	-	-	-	-	-	-
Governor's Commission on Disabilities	535,775	-	(168,431)	(16,718)	350,626	(185,149)
Office of the Mental Health Advocate	424,343	-	(5,426)	(13,371)	405,546	(18,797)
Subtotal - Human Services	1,259,143,815	-	(10,553,217)	(14,844,515)	1,233,746,083	(25,397,732)
Education						
Elementary and Secondary	909,429,659	-	(309,160)	(2,728,480)	906,392,019	(3,037,640)
Higher Education - Board of Governors	196,068,047	-	-	(6,084,999)	189,983,048	(6,084,999)
RI Council on the Arts	2,777,644	-	-	(78,650)	2,698,994	(78,650)
RI Atomic Energy Commission	819,869	-	-	(21,042)	798,827	(21,042)
Higher Education Assistance Authority	11,019,684	-	(41,561)	(758,331)	10,219,792	(799,892)
Historical Preservation & Heritage Comm	1,577,792	-	(46,074)	(44,406)	1,487,312	(90,480)
Public Telecommunications Authority	1,363,654	-	-	(47,458)	1,316,196	(47,458)
Subtotal - Education	1,123,056,349	-	(396,795)	(9,763,366)	1,112,896,188	(10,160,161)
Public Safety						
Attorney General	\$21,335,305	-	(78,693)	(630,183)	20,626,429	(708,876)
Corrections	187,954,532	-	(155,629)	(2,797,808)	185,001,095	(2,953,437)
Judicial	84,964,917	1,108,348	(407,617)	(2,865,732)	82,799,916	(2,165,001)
Military Staff	2,563,864	-	(28,016)	(37,853)	2,497,995	(65,869)
E-911	4,733,109	-	-	146,258	4,879,367	146,258
Fire Safety Code Bd. of Appeal	303,435	-	(2,875)	(10,730)	289,830	(13,605)
Fire Safety & Training Academy	2,671,285	-	(229,217)	(87,370)	2,354,698	(316,587)
Rhode Island Justice Commission	160,815	-	-	71,038	231,853	71,038
Municipal Police Training Academy	429,252	-	-	(1,438)	427,814	(1,438)
State Police	52,058,385	-	(582,216)	(787,248)	50,688,921	(1,369,464)
Office Of Public Defender	9,324,951	-	(102,511)	(206,484)	9,015,956	(308,995)
Subtotal - Public Safety	366,499,850	1,108,348	(1,586,774)	(7,207,550)	358,813,874	(7,685,976)
Natural Resources						
Environmental Management	36,413,000	-	-	(2,199,538)	34,213,462	(2,199,538)
Coastal Resources Management Council	1,879,559	-	-	61,086	1,940,645	61,086
Water Resources Board	1,893,081	-	(212,951)	(51,160)	1,628,970	(264,111)
Subtotal - Natural Resources	40,185,640	-	(212,951)	(2,189,612)	37,783,077	(2,402,563)
Total	3,403,638,116	3,640,364	(7,215,749)	(25,649,416)	3,374,413,315	(29,224,801)

Changes to FY 2008 Enacted General Revenue Expenditures

	Change From Enacted	Explanation of Variance			
		Uncompensated Leave Days (6)	Medical Savings	Contracts/Grants Provider Savings	Other
General Government					
Administration	\$19,580,127	(1,376,326)	(910,461)	(805,915)	22,672,829
Business Regulation	(579,487)	(200,015)	(115,716)	(17,945)	(245,811)
Labor and Training	(205,975)	(58,723)	(39,085)	(17,057)	(91,110)
Department of Revenue	(3,410,113)	(539,014)	(421,613)	(169,134)	(2,280,352)
Legislature	1,675,842	(548,025)	(482,709)	(163,129)	2,869,705
Lieutenant Governor	(85,296)	(17,258)	(6,801)	(899)	(60,338)
Secretary of State	6,553	(81,362)	(52,030)	(21,500)	161,445
General Treasurer	(134,783)	(45,015)	(28,052)	(10,815)	(50,901)
Board of Elections	(147,267)	(21,162)	(15,546)	(6,196)	(104,363)
Rhode Island Ethics Commission	(79,991)	(24,337)	(9,303)	(2,408)	(43,943)
Governor's Office	(147,968)	(92,573)	(44,261)	(11,134)	-
Commission for Human Rights	(32,520)	(16,590)	(15,220)	(710)	-
Public Utilities Commission	(13,618)	(7,978)	(2,669)	(2,971)	-
Rhode Island Commission on Women	(3,873)	(2,079)	(551)	(293)	(950)
Subtotal - General Government	16,421,631	(3,030,457)	(2,144,017)	(1,230,106)	22,826,211
Human Services					
Office of Health & Human Services	80,024	(8,237)	(3,916)	(125)	92,302
Children, Youth, and Families	2,706,659	(1,092,423)	(716,283)	(2,534,524)	7,049,889
Elderly Affairs	(1,218,756)	(58,373)	(35,291)	(328,254)	(796,838)
Health	(2,166,514)	(429,950)	(249,493)	(310,090)	(1,176,981)
Human Services	(15,253,557)	(1,077,747)	(840,526)	(21,135,431)	7,800,147
Mental Health, Retardation, & Hosp.	(9,261,895)	(1,221,620)	(1,019,514)	(4,596,490)	(2,424,271)
Office of the Child Advocate	(36,188)	(9,294)	(6,536)	(829)	(19,529)
Comm. on Deaf & Hard of Hearing	(43,559)	(4,998)	(4,007)	(2,191)	(32,363)
RI Developmental Disabilities Council	-	-	-	-	-
Governor's Commission on Disabilities	(185,149)	(5,856)	(3,787)	(1,928)	(173,578)
Office of the Mental Health Advocate	(18,797)	(8,162)	(5,044)	(349)	(5,242)
Subtotal - Human Services	(25,397,732)	(3,916,660)	(2,884,397)	(28,910,211)	10,313,536
Education					
Elementary and Secondary	(3,037,640)	(552,983)	(340,581)	(386,953)	(1,757,123)
Higher Education - Board of Governors	(6,084,999)	(2,018,705)	(1,507,319)	(1,158,020)	(1,400,955)
RI Council on the Arts	(78,650)	(13,727)	(8,435)	(56,488)	-
RI Atomic Energy Commission	(21,042)	(14,893)	(5,295)	(854)	-
Higher Education Assistance Authority	(799,892)	(11,031)	(6,075)	(268,139)	(514,647)
Historical Preservation & Heritage Comm	(90,480)	(19,734)	(16,539)	(13,268)	(40,939)
Public Telecommunications Authority	(47,458)	(21,444)	(16,842)	(1,447)	(7,725)
Subtotal - Education	(10,160,161)	(2,652,517)	(1,901,086)	(1,885,169)	(3,721,389)
Public Safety					
Attorney General	(708,876)	(387,865)	(217,551)	(52,293)	(51,167)
Corrections	(2,953,437)	(2,264,690)	(2,111,836)	(787,205)	2,210,294
Judicial	(2,165,001)	(1,274,560)	(793,713)	(311,405)	214,677
Military Staff	(65,869)	(28,840)	(21,408)	(15,621)	-
E-911	146,258	(68,617)	(59,725)	(29,326)	303,926
Fire Safety Code Bd. of Appeal	(13,605)	(5,561)	(3,620)	(352)	(4,072)
Fire Safety & Training Academy	(316,587)	(39,994)	(21,971)	(7,990)	(246,632)
Rhode Island Justice Commission	71,038	(4,714)	(3,518)	-	79,270
Municipal Police Training Academy	(1,438)	(7,689)	(4,706)	(1,061)	12,018
State Police	(1,369,464)	(455,697)	(334,375)	(71,409)	(507,983)
Office of Public Defender	(308,995)	(163,580)	(103,725)	(11,029)	(30,661)
Subtotal - Public Safety	(7,685,976)	(4,701,807)	(3,676,148)	(1,287,691)	1,979,670
Natural Resources					
Environmental Management	(2,199,538)	(476,803)	(357,058)	(121,534)	(1,244,143)
Coastal Resources Management Council	61,086	(35,951)	(20,728)	(4,024)	121,789
Water Resources Board	(264,111)	(15,496)	(7,673)	(24,984)	(215,958)
Subtotal - Natural Resources	(2,402,563)	(528,250)	(385,459)	(150,542)	(1,338,312)
Total	(29,224,801)	(14,829,691)	(10,991,107)	(33,463,719)	30,059,716

Changes to FY 2008 Enacted Agency General Revenue Expenditures

	FY2008 Enacted Appropriation	Original July Redistribution Of Enacted Personnel Savings	Projected Changes	FY 2008 Projected Expenditures	Projected Surplus/(Deficit)
<u>General Government</u>					
Administration					
Central Management	1,549,780				
Restore Executive Director/Transfer from DOIT			88,419		
Uncompensated Leave Days(6)			(32,709)		
Health Benefits Holiday			(14,834)		
Operating			(361)		
Capital			1,993		
Statewide Savings - Operating/Contracts/Grants			(1,557)		
	1,549,780	-	40,951	1,590,731	(40,951)
Legal Services	1,836,817				
Personnel - Transfer 3.0 FTE from DOT			480,182		
Outside Legal Services (Labor Negotiations)			164,054		
Uncompensated Leave Days(6)			(44,650)		
Health Benefits Holiday			(22,704)		
Operating			(3,757)		
Capital			5,286		
Statewide Savings - Operating/Contracts/Grants			(8,456)		
	1,836,817	-	569,955	2,406,772	(569,955)
Accounts & Control	3,252,968				
Personnel - Add 8.0 FTE for AP Centralization			334,322		
Uncompensated Leave Days(6)			(69,146)		
Health Benefits Holiday			(50,790)		
Operating			31,723		
Grants			208		
Statewide Savings - Operating/Contracts/Grants			(1,270)		
	3,252,968	-	245,047	3,498,015	(245,047)
Budgeting	2,090,800				
FY 2008 Personnel Savings Distribution		(119,457)			
Actuarial Services - Retiree Health			77,000		
Contract Services (Econometric, Appraisal, Interpreter)			3,375		
Uncompensated Leave Days(6)			(38,660)		
Health Benefits Holiday			(16,520)		
Operating			790		
Capital			-		
Statewide Savings - Operating/Contracts/Grants			(5,249)		
	2,090,800	(119,457)	20,736	1,992,079	98,721
Purchasing	2,398,789				
FY 2008 Personnel Savings Distribution		(123,418)			
Contract Services			(25,693)		
Uncompensated Leave Days(6)			(42,122)		
Health Benefits Holiday			(33,678)		
Operating			8,775		
Capital			1,061		
Statewide Savings - Operating/Contracts/Grants			(2,378)		
	2,398,789	(123,418)	(94,035)	2,181,336	217,453
Auditing	1,792,239				
FY 2008 Personnel Savings Distribution		(39,807)			
Uncompensated Leave Days(6)			(34,774)		

Changes to FY 2008 Enacted Agency General Revenue Expenditures

	FY2008 Enacted Appropriation	Original July Redistribution Of Enacted Personnel Savings	Projected Changes	FY 2008 Projected Expenditures	Projected Surplus/(Deficit)
Health Benefits Holiday			(14,698)		
Operating			(23,056)		
Capital			10,056		
Statewide Savings - Operating/Contracts/Grants			(2,107)		
	1,792,239	(39,807)	(64,579)	1,687,853	104,386
Human Resources	10,067,133				
Personnel		354,686			
Hewitt Contract			76,079		
Uncompensated Leave Days(6)			(201,045)		
Health Benefits Holiday			(119,550)		
Operating			(9,837)		
Capital			11,094		
Statewide Savings - Operating/Contracts/Grants			(14,041)		
	10,067,133	354,686	(257,300)	10,164,519	(97,386)
Personnel Appeal Board	96,793				
FY 2008 Personnel Savings Distribution		(680)			
Uncompensated Leave Days(6)			(690)		
Health Benefits Holiday			(276)		
Legal Services			15,600		
Statewide Savings - Operating/Contracts/Grants			(1,134)		
	96,793	(680)	13,500	109,613	(12,820)
Facilities Management	36,055,887				
Personnel			296,764		
Transfer 3.0 FTE back to DCYF			(252,615)		
Uncompensated Leave Days(6)			(161,842)		
Health Benefits Holiday			(157,016)		
Contract Services			337,728		
Operating			(1,751,173)		
Energy/Utility Costs			3,006,624		
Grants			(1,366)		
Capital			(796,635)		
Statewide Savings - Operating/Contracts/Grants			(229,895)		
	36,055,887	-	290,574	36,346,461	(290,574)
Capital Projects and Property Management	3,748,880				
FY 2008 Personnel Savings Distribution		(36,206)			
Uncompensated Leave Days(6)			(65,822)		
Health Benefits Holiday			(36,496)		
Operating			(281,457)		
Capital			5,286		
Statewide Savings - Operating/Contracts/Grants			(5,273)		
	3,748,880	(36,206)	(383,762)	3,328,912	419,968
Information Technology	17,650,147				
Personnel			1,794,707		
Transfer 2.0 FTE back to DEM			(315,908)		
Transfer 1.0 FTE from Governor's Office			129,620		
Uncompensated Leave Days(6)			(263,517)		
Health Benefits Holiday			(145,075)		
Contract Services			482,053		
Operating			998,135		
Capital			(72,509)		

Changes to FY 2008 Enacted Agency General Revenue Expenditures

	FY2008 Enacted Appropriation	Original July Redistribution Of Enacted Personnel Savings	Projected Changes	FY 2008 Projected Expenditures	Projected Surplus/(Deficit)
RIFANS			(773,700)		
Grants			(453)		
Statewide Savings- Operating/Contracts/Grants			(189,038)		
	17,650,147	-	1,644,315	19,294,462	(1,644,315)
Library and Information Services	1,100,791				
FY 2008 Personnel Savings Distribution		(92,857)			
Uncompensated Leave Days(6)			(18,744)		
Health Benefits Holiday			(8,408)		
Operating			4,836		
Statewide Savings - Operating/Contracts/Grants			(2,852)		
	1,100,791	(92,857)	(25,168)	982,766	118,025
Statewide Planning	3,792,553				
Personnel		34,631			
Uncompensated Leave Days(6)			(32,558)		
Health Benefits Holiday			(18,655)		
Operating			1,804		
Capital			3,989		
Statewide Savings - Operating/Contracts/Grants			(60,323)		
	3,792,553	34,631	(105,743)	3,721,441	71,112
Security Services	19,932,620				
Personnel		77,507			
Overtime			250,000		
Uncompensated Leave Days(6)			(362,314)		
Health Benefits Holiday			(266,692)		
Contractual Stipends			67,000		
Contract Services			(6,600)		
Operating & Capital Expenses			(1,034)		
Statewide Savings - Operating/Contracts/Grants			(22,545)		
	19,932,620	77,507	(342,185)	19,667,942	264,678
Energy Resources	2,236,989				
Energy Resources Personnel			(3,640)		
Uncompensated Leave Days(6)			(7,733)		
Health Benefits Holiday			(5,069)		
Energy Resources Grants (National Grid)			59,257		
Statewide Savings - Operating/Contracts/Grants			(51,435)		
	2,236,989	-	(8,620)	2,228,369	8,620
General	280,626,459				
Contingency Fund			387,431		
Airport Impact Aid			(3,766)		
Channel 36 Back Pay Settlement (Torts)			8,112		
Teachers Retiree Health			(1,442,024)		
Dunkin Donuts Center Renovation (delay to 09)			(4,100,000)		
Transfer to RICAP (Due to 07 Withdrawal from Budget Reserve)			19,423,025		
General Revenue Sharing			(10,000,000)		
Motor Vehicle Excise Tax Phase - Cut to 98%			(183,500)		
Statewide Savings - Operating/Contracts/Grants					
Contingency Fund			(10,461)		
Economic Development Corporation			(39,437)		
Research Alliance (EPScore)			(40,500)		

Changes to FY 2008 Enacted Agency General Revenue Expenditures

	FY2008 Enacted Appropriation	Original July Redistribution Of Enacted Personnel Savings	Projected Changes	FY 2008 Projected Expenditures	Projected Surplus/(Deficit)
Slater Centers of Excellence			(81,000)		
Economic Policy Council			(8,100)		
Torts			(11,019)		
DOA Miscellaneous Legislative Grants			(17,845)		
	280,626,459	-	3,880,916	284,507,375	(3,880,916)
Debt Service Payments	126,160,050				
Tax Anticipation Notes - \$220 million (net cost)			1,941,675		
General Obligation Bonds			2,853,251		
Certificates of Participation			483,207		
Refunding Bond Authority (PBA)			272,851		
Fidelity Job Rent Credits			(490,665)		
Masonic Temple Historic Tax Credits			(42,317)		
Neighborhood Opportunities Program (RIHMFC)			(22,310)		
	126,160,050	-	4,995,692	131,155,742	(4,995,692)
Undistributed Personnel Savings	(9,105,434)	9,105,434			
	(9,105,434)	9,105,434	-	-	(9,105,434)
	505,284,261	9,159,833	10,420,294	524,864,388	(19,580,127)
Business Regulation					
Central Management	1,283,012				
FY 2008 Personnel Savings Distribution		(97,597)			
Personnel			111,458		
Uncompensated Leave Days(6)			(21,408)		
Health Benefits Holiday			(11,813)		
Purchased Services			813		
Operating			14,951		
Statewide Savings- Operating/Contracts/Grants			(1,314)		
	1,283,012	(97,597)	92,687	1,278,102	4,910
Insurance Regulation	5,184,809				
FY 2008 Personnel Savings Distribution		(48,781)			
Personnel			15,365		
Uncompensated Leave Days(6)			(95,047)		
Health Benefits Holiday			(48,492)		
Purchased Services			1,219		
Operating			229		
Grants			25,000		
Statewide Savings- Operating/Contracts/Grants			(10,451)		
	5,184,809	(48,781)	(112,177)	5,023,851	160,958
Board of Accountancy	155,449				
Personnel			(559)		
Uncompensated Leave Days(6)			(2,680)		
Health Benefits Holiday			(2,096)		
Purchased Services			3,797		
Operating			(2,001)		
Statewide Savings- Operating/Contracts/Grants			(551)		
	155,449	-	(4,090)	151,359	4,090
Banking and Securities	3,083,499				
Personnel			(35,801)		

Changes to FY 2008 Enacted Agency General Revenue Expenditures

	FY2008 Enacted Appropriation	Original July Redistribution Of Enacted Personnel Savings	Projected Changes	FY 2008 Projected Expenditures	Projected Surplus/(Deficit)
Uncompensated Leave Days(6)			(56,112)		
Health Benefits Holiday			(33,621)		
Purchased Services			1,576		
Operating			(635)		
Statewide Savings- Operating/Contracts/Grants			(1,392)		
	3,083,499	-	(125,985)	2,957,514	125,985
Commercial Licensing, Racing & Athletics	1,362,961				
FY 2008 Personnel Savings Distribution		(207,619)			
Personnel			(49,645)		
Uncompensated Leave Days(6)			(19,008)		
Health Benefits Holiday			(13,180)		
Purchased Services			1,473		
Operating			20,243		
Statewide Savings- Operating/Contracts/Grants			(1,862)		
	1,362,961	(207,619)	(61,979)	1,093,363	269,598
Board of Design Professionals	406,186				
FY 2008 Personnel Savings Distribution		(14,951)			
Personnel			15,070		
Uncompensated Leave Days(6)			(5,760)		
Health Benefits Holiday			(6,514)		
Operating			584		
Statewide Savings- Operating/Contracts/Grants			(2,375)		
	406,186	(14,951)	1,005	392,240	13,946
Total	11,475,916	(368,948)	(210,539)	10,896,429	579,487
Labor and Training					
Central Management	195,297				
FY 2008 Personnel Savings Distribution		(37,207)			
Agency turnover			22,335		
Uncompensated Leave Days(6)			(2,844)		
Health Benefits Holiday			(1,696)		
Purchased Services			10,485		
Operating			(9,946)		
Grants and Benefits			7,080		
Statewide Savings- Operating/Contracts/Grants			(920)		
	195,297	(37,207)	24,494	182,584	12,713
Workforce Development	2,500				
Uncompensated Leave Days(6)			(68)		
Health Benefits Holiday			(45)		
Biotechnology Tax Credit			3,994		
Statewide Savings- Operating/Contracts/Grants			(85)		
	2,500	-	3,796	6,296	(3,796)
Workforce Regulation and Safety	2,736,797				
FY 2008 Personnel Savings Distribution		(110,000)			
Agency turnover			(86,889)		
Uncompensated Leave Days(6)			(46,283)		
Health Benefits Holiday			(31,511)		
Purchased Services			12,972		
Operating			11,102		
Grants and Benefits			18		
Statewide Savings- Operating/Contracts/Grants			(6,597)		

Changes to FY 2008 Enacted Agency General Revenue Expenditures

	FY2008 Enacted Appropriation	Original July Redistribution Of Enacted Personnel Savings	Projected Changes	FY 2008 Projected Expenditures	Projected Surplus/(Deficit)
	2,736,797	(110,000)	(147,188)	2,479,609	257,188
Income Support	3,175,354				
Police and Fire Pension Benefits			348,021		
Agency turnover			(3,488)		
Uncompensated Leave Days(6)			(1,738)		
Health Benefits Holiday			(1,628)		
Purchased Services			70		
Operating			(2,814)		
Tardy and Interest Transfer			(225,059)		
Statewide Savings- Operating/Contracts/Grants			(7,762)		
	3,175,354	-	105,602	3,280,956	(105,602)
Labor Relations Board	473,214				
Agency turnover			(32,129)		
Uncompensated Leave Days(6)			(7,790)		
Health Benefits Holiday			(4,205)		
Purchased Services			1,755		
Operating			(1,485)		
Grants and Benefits			75		
Statewide Savings- Operating/Contracts/Grants			(1,693)		
	473,214	-	(45,472)	427,742	45,472
Total	6,583,162	(147,207)	(58,768)	6,377,187	205,975
Legislature					
Legislature	34,440,361				
Personnel Savings/Turnover			(348,891)		
Consultants			(287,400)		
Operating			(81,620)		
Legislative Grants			1,000,000		
Capital Equipment			55,600		
Statewide Savings- Operating/Contracts/Grants			(163,129)		
Health Benefits Holiday			(482,709)		
Uncompensated Leave Days(6)			(548,025)		
Total	34,440,361	-	(856,174)	36,116,203	(1,675,842)
Office of the Lieutenant Governor					
Lt. Governor's Office - General	925,112				
FY 2008 Personnel Savings Distribution		(56,024)			
Operating			(4,314)		
Statewide Savings- Operating/Contracts/Grants			(899)		
Health Benefits Holiday			(6,801)		
Uncompensated Leave Days(6)			(17,258)		
Total	925,112	(56,024)	(29,272)	839,816	85,296
Secretary of State					
Administration	1,685,414				
Unachieved Turnover			36,159		
Health Benefits Holiday			(14,887)		
Uncompensated Leave Days(6)			(33,340)		
Statewide Savings- Operating/Contracts/Grants			(1,714)		
Consultants			(30,000)		
Operating			11,258		
Capital Equipment			5,573		
	1,685,414	-	(26,951)	1,658,463	26,951

Changes to FY 2008 Enacted Agency General Revenue Expenditures

	FY2008 Enacted Appropriation	Original July Redistribution Of Enacted Personnel Savings	Projected Changes	FY 2008 Projected Expenditures	Projected Surplus/(Deficit)
Corporations	1,798,880				
Unachieved Turnover			10,786		
Health Benefits Holiday			(25,329)		
Uncompensated Leave Days(6)			(27,553)		
Statewide Savings- Operating/Contracts/Grants			(6,425)		
Operating/E-Government Initiative			89,629		
Capital Equipment			13,600		
	1,798,880	-	54,708	1,853,588	(54,708)
State Archives	88,909				
FY 2008 Personnel Savings Distribution		(88,572)			
Purchased Services			(337)		
	88,909	(88,572)	(337)	-	88,909
Elections	583,210				
FY 2008 Personnel Savings Distribution		(6,411)			
Health Benefits Holiday			(5,832)		
Uncompensated Leave Days(6)			(9,100)		
Statewide Savings- Operating/Contracts/Grants			(2,779)		
Purchased Services			2,000		
Operating			46,428		
Capital Equipment			3,830		
	583,210	(6,411)	34,547	611,346	(28,136)
State Library	689,592				
Unachieved Turnover			752		
Health Benefits Holiday			(5,431)		
Uncompensated Leave Days(6)			(6,933)		
Statewide Savings- Operating/Contracts/Grants			(9,248)		
Operating			26,341		
Capital Equipment			(19,790)		
	689,592	-	(14,309)	675,283	14,309
Office of Public Information	190,131				
Unachieved Turnover			30,896		
Health Benefits Holiday			(551)		
Uncompensated Leave Days(6)			(4,436)		
Statewide Savings- Operating/Contracts/Grants			(1,334)		
Purchased Services			(1,436)		
Operating			27,436		
Capital Equipment			3,303		
	190,131	-	53,878	244,009	(53,878)
Total	5,036,136	(94,983)	101,536	5,042,689	(6,553)
Office of the General Treasurer					
Treasury	2,589,641				
FY 2008 Personnel Savings Distribution		(84,802)			
Operating			20,631		
Health Benefits Holiday			(25,118)		
Uncompensated Leave Days(6)			(39,549)		
Computer Equipment and Security Enhancemnt			13,804		
Statewide Savings- Operating/Contracts/Grants			(9,930)		
	2,589,641	(84,802)	(40,162)	2464677	124,964

Changes to FY 2008 Enacted Agency General Revenue Expenditures

	FY2008 Enacted Appropriation	Original July Redistribution Of Enacted Personnel Savings	Projected Changes	FY 2008 Projected Expenditures	Projected Surplus/(Deficit)
RI Refunding Bond Authority	40,349				
Unachieved Turnover			1,269		
Legal Services			(1,500)		
Health Benefits Holiday			(252)		
Uncompensated Leave Days(6)			(463)		
Trustee Management Fees			(2,500)		
Statewide Savings- Operating/Contracts/Grants			(407)		
	40,349	0	(3,853)	36,496	3,853
Crime Victim Compensation Program	278,560				
FY 2008 Personnel Savings Distribution					
Unachieved Turnover			11,491		
Stenographic Services			145		
Operating			(10,507)		
Health Benefits Holiday			(2,682)		
Uncompensated Leave Days(6)			(5,003)		
Computer Equipment			1,068		
Statewide Savings- Operating/Contracts/Grants			(478)		
	278,560	-	(5,966)	272,594	5,966
Total	2,908,550	(84,802)	(49,981)	2,773,767	134,783
Board of Elections					
Board Of Elections	1,437,214				
FY 2008 Personnel Savings Distribution		(146,481)			
Health Benefits Holiday			(15,546)		
Uncompensated Leave Days(6)			(21,162)		
Statewide Savings- Operating/Contracts/Grants			(6,196)		
Board Member Turnover Savings			(15,071)		
Reallocation of Clerk/Machine Demonstrator position to HAVA			(56,856)		
Temporary Election Staff & Nursing Home Supervisors			5,383		
Adjust Reappropriation Amount			(63)		
Matching Public Funds Allocation for Auditing Services			51,063		
Contract Services			17,760		
Presidential Election/Operating Costs			23,226		
Waste Disposal of Asbestos Filing Cabinets			10,000		
Capital			6,676		
Total	1,437,214	(146,481)	(786)	1,289,947	147,267
RI Ethics Commissions					
RI Ethics Commission	1,410,451				
FY 2008 Personnel Savings Distribution		(44,913)			
Health Benefits Holiday			(9,303)		
Uncompensated Leave Days(6)			(24,337)		
Operating			980		
Capital Equipment			(10)		
Statewide Savings- Operating/Contracts/Grants			(2,408)		
Total	1,410,451	(44,913)	(35,078)	1,330,460	79,991
Office of the Governor					
Office Of Governor	4,921,696				
Personnel			138,063		
Centralization Transfer to DOA			(73,665)		
Contract Services			(9,000)		
Operating			(55,398)		

Changes to FY 2008 Enacted Agency General Revenue Expenditures

	FY2008 Enacted Appropriation	Original July Redistribution Of Enacted Personnel Savings	Projected Changes	FY 2008 Projected Expenditures	Projected Surplus/(Deficit)
Statewide Savings- Operating/Contracts/Grants			(11,134)		
Health Benefits Holiday			(44,261)		
Uncompensated Leave Days(6)			(92,573)		
Total	4,921,696	-	(147,968)	4,773,728	147,968
Commission for Human Rights	984,197				
Payroll Current Service Adjustment			(5,427)		
Contract Services Rebased			(10,000)		
Health Benefits Holiday - Statewide			(15,220)		
Uncompensated Leave Days(6) - Statewide			(16,590)		
Statewide Savings- Operating/Contracts/Grants			(710)		
Operating - Recouped Federal Offsets			15,427		
Total	984,197	-	(32,520)	951,677	32,520
Public Utilities Commission					
Public Utilities Commission	661,246				
FY 2008 Personnel Savings Distribution		(4,460)			
Payroll Turnover Savings			(8,421)		
Contract Services			(824)		
Health Benefits Holiday - Statewide			(2,669)		
Uncompensated Leave Days(6) - Statewide			(7,978)		
Statewide Savings- Operating/Contracts/Grants			(2,971)		
Other Operating Supplies and Expense			13,705		
Total	661,246	(4,460)	(9,158)	647,628	13,618
Rhode Island Commission on Women					
Rhode Island Commission on Women	108,203				
FY 2008 Personnel Savings Distribution		(49)			
Operating			(901)		
Uncompensated Leave Days(6)			(2,079)		
Health Benefits Holiday			(551)		
Statewide Savings- Operating/Contracts/Grants			(293)		
Total	108,203	(49)	(3,824)	104,330	3,873
Department of Revenue					
Director of Revenue	751,500				
FY 2008 Personnel Savings Distribution		(305,490)			
Uncompensated Leave Days(6)			(8,376)		
Health Benefits Holiday			(5,610)		
Statewide Savings- Operating/Contracts/Grants			(810)		
Total	751,500	(305,490)	(14,796)	431,214	320,286
Office of Revenue Analysis	750,003				
FY 2008 Personnel Savings Distribution					
Employees not starting until April 1st		(305,720)			
Uncompensated Leave Days(6)			(2,841)		
Health Benefits Holiday			(2,246)		
Operating- Data tools (Computers,soft)		(75,000)			
Statewide Savings- Operating/Contracts/Grants			(6,075)		
Total	750,003	(380,720)	(11,162)	358,121	391,882
Office of Property Valuation	849,819				
FY 2008 Personnel Savings Distribution		(40,921)			
Uncompensated Leave Days(6)			(15,163)		
Health Benefits Holiday			(7,835)		
Operating Savings			(5,331)		

Changes to FY 2008 Enacted Agency General Revenue Expenditures

	FY2008 Enacted Appropriation	Original July Redistribution Of Enacted Personnel Savings	Projected Changes	FY 2008 Projected Expenditures	Projected Surplus/(Deficit)
Contract - Tax equalization study			10,000		
Statewide Savings- Operating/Contracts/Grants			(2,046)		
	849,819	(40,921)	(20,375)	788,523	61,296
Taxation	17,820,994				
FY 2008 Personnel Savings Distribution		(1,549,486)			
Uncompensated Leave Days(6)			(273,593)		
Health Benefits Holiday			(195,429)		
Contract - Brinks/Bank of America			46,100		
Operating - Various Items			216,300		
Capital - Computer upgrades			28,980		
Statewide Savings- Operating/Contracts/Grants			(56,578)		
	17,820,994	(1,549,486)	(234,220)	16,037,288	1,783,706
Registry	18,403,641				
FY 2008 Personnel Savings Distribution		(401,361)			
Uncompensated Leave Days(6)			(239,041)		
Health Benefits Holiday			(210,493)		
Contract			37,286		
Operating			64,291		
Statewide Savings- Operating/Contracts/Grants			(103,625)		
	18,403,641	(401,361)	(451,582)	17,550,698	852,943
Total	38,575,957	(2,677,978)	(732,135)	35,165,844	3,410,113
Sub-Total General Government	614,752,462	5,533,988	8,355,627	631,174,093	(16,421,631)
<u>Human Services</u>					
Office of Health and Human Services					
Office of Health and Human Services	307,152				
Uncompensated Leave Days(6)			(8,237)		
Health Benefits Holiday			(3,916)		
Statewide Savings- Operating/Contracts/Grants			(125)		
Achieved Vacancy Savings		(57,965)			
Operating			2,200		
Transfer FTE from MHRH			148,067		
	307,152	(57,965)	137,989	387,176	(80,024)
Children, Youth, and Families					
Central Management	5,903,045				
FY 2008 Personnel Savings Distribution		(97,196)			
Contracted Professional Services			74,732		
Operating			(16,928)		
Uncompensated Leave Days(6)			(86,581)		
Health Benefits Holiday			(52,358)		
Buy Rite			1,216,402		
Statewide Savings- Operating/Contracts/Grants			(53,420)		
	5,903,045	(97,196)	1,081,847	6,887,696	(984,651)
Children's Behavioral Health	18,805,572				
FY 2008 Personnel Savings Distribution		(154,307)			
Contracted Professional Services			22,385		

Changes to FY 2008 Enacted Agency General Revenue Expenditures

	FY2008 Enacted Appropriation	Original July Redistribution Of Enacted Personnel Savings	Projected Changes	FY 2008 Projected Expenditures	Projected Surplus/(Deficit)
Operating			40,856		
Grants and Benefits- Shift to Child Welfare			(2,501,780)		
Transfer from DHS/Psych. Hospital Initiative			600,000		
Capital Purchases and Equipment			(14)		
Uncompensated Leave Days(6)			(30,842)		
Health Benefits Holiday			(17,179)		
Statewide Savings- Operating/Contracts/Grants			(411,177)		
	18,805,572	(154,307)	(2,297,751)	16,353,514	2,452,058
Juvenile Corrections	29,680,225				
FY 2008 Personnel Savings Distribution		(576,310)			
Holiday Pay			154,990		
Juvenile Education Program- Teachers/17 and older			1,332,753		
Overtime- Shift from Grants and Benefits			2,040,684		
Contracted Professional Services			26,867		
Operating			(18,003)		
Grants and Benefits- Shift to Overtime			(1,148,895)		
Maintenance from Administration (3.0 FTE)			252,615		
Uncompensated Leave Days(6)			(446,489)		
Health Benefits Holiday			(322,743)		
Statewide Savings- Operating/Contracts/Grants			(170,309)		
	29,680,225	(576,310)	1,701,470	30,805,385	(1,125,160)
Child Welfare	94,661,014				
FY 2008 Personnel Savings Distribution		(1,619,786)			
Overtime			(25,590)		
Contracted Professional Services			(74,888)		
Operating			113,736		
18 and Older Population			7,306,033		
Grants and Benefits- Shift from Children's Behavioral Health			1,317,935		
Uncompensated Leave Days(6)			(528,511)		
Health Benefits Holiday			(324,003)		
Residential Contract Reduction Savings			(1,216,402)		
Statewide Savings- Operating/Contracts/Grants			(1,894,218)		
	94,661,014	(1,619,786)	4,674,092	97,715,320	(3,054,306)
Higher Education Opportunity Incentive Grant	200,000				
Statewide Savings- Operating/Contracts/Grants			(5,400)		
	200,000	-	(5,400)	194,600	5,400
Total	149,249,856	(2,447,599)	5,154,258	151,956,515	(2,706,659)
Elderly Affairs					
Elderly Affairs	18,604,205				
FY 2008 Personnel Savings Distribution		(66,640)			
Interdepartmental FTE Transfer (from MHRH)			119,371		
Program Staffing Reduction			(428,700)		
Unachieved Buy- Rite Value-based Purchasing Savings			58,647		
RIPAE - Benefit Manager			44,924		
Contracts - IT System Support, etc			15,725		
Health Benefits Holiday - Statewide			(27,497)		
Uncompensated Leave Days(6) - Statewide			(47,519)		
Statewide Savings- Operating/Contracts/Grants			(328,254)		
Other Operating & Capital Outlay			6,765		
Unobligated Customer Information Service Grantees			(32,000)		
"RIDE" transportation program direct service costs at FY 2007 levels			423,000		

Changes to FY 2008 Enacted Agency General Revenue Expenditures

	FY2008 Enacted Appropriation	Original July Redistribution Of Enacted Personnel Savings	Projected Changes	FY 2008 Projected Expenditures	Projected Surplus/(Deficit)
RIPAE Drug benefit cost shift to available restricted receipts resources			(956,578)		
Total	18,604,205	(66,640)	(1,152,116)	17,385,449	1,218,756
Health					
Central Management	4,901,329				
Payroll - Gov-mandated workforce reduction and turnover additional savings			(196,755)		
Vital Records "Back Data Entry Project" Contracts			(169,111)		
Centers for Disease Control (CDC) Disallowed Charges Reimbursement			369,892		
Vital Records Software License Fees and Maintenance			45,200		
Other Operating Supplies and Expense			37,660		
Health Benefits Holiday - Statewide			(26,649)		
Uncompensated Leave Days(6) - Statewide			(46,190)		
Records Center Charges - Statewide			(2,844)		
Statewide Savings- Operating/Contracts/Grants			(60,613)		
Unachieved Buy Rite Value-based Purchasing Savings			47,197		
Measuring Quality/Hospital Care - Payroll Savings			(90,000)		
Worksite Wellness Grantee Services			(20,000)		
Total	4,901,329	-	(112,213)	4,789,116	112,213
State Medical Examiner	2,156,986				
Payroll - Staff overtime and holiday pay			33,000		
Payroll - Gov-mandated workforce reduction and turnover additional savings			(33,548)		
Contracts - Health and other allied professionals			23,000		
Other operating supplies and expense			36,684		
Health Benefits Holiday - Statewide			(17,882)		
Uncompensated Leave Days(6) - Statewide			(38,090)		
Records Center Charges - Statewide			(3,501)		
Statewide Savings- Operating/Contracts/Grants			(7,878)		
Motor Vehicle Purchase Savings			(15,000)		
Total	2,156,986	-	(23,215)	2,133,771	23,215
Family Health	2,588,535				
Payroll - Gov-mandated workforce reduction and turnover additional savings			(85,000)		
Other operating supplies and expense			(1,472)		
Health Benefits Holiday - Statewide			(9,942)		
Uncompensated Leave Days(6) - Statewide			(18,915)		
Statewide Savings- Operating/Contracts/Grants			(43,886)		
Grantee Services - Children with Special Health Care Needs & Family Health			46,740		
Total	2,588,535	-	(112,475)	2,476,060	112,475
Health Services Regulation	6,522,612				
Payroll - Current Service Adjustment, including inter-program allocations			25,329		
Contracts - Legal, temporary and clerical			(28,011)		
Health Benefits Holiday - Statewide			(63,999)		
Uncompensated Leave Days(6) - Statewide			(113,532)		
Records Center Charges - Statewide			(7,906)		
Statewide Savings- Operating/Contracts/Grants			(26,596)		
License 2000 Software Fees and Maintenance			73,500		
Other Operating Supplies and Expense			21,596		
Total	6,522,612	-	(119,619)	6,402,993	119,619
Environmental Health	3,999,516				
Payroll - Gov-mandated workforce reduction and turnover additional savings			(45,376)		
Information technology service contract - Food Protection			(14,712)		
Health Benefits Holiday - Statewide			(52,962)		
Uncompensated Leave Days(6) - Statewide			(73,288)		
Records Center Charges - Statewide			(5,745)		
Statewide Savings- Operating/Contracts/Grants			(4,698)		
Net Other operating Supplies & Expense			(25,646)		

Changes to FY 2008 Enacted Agency General Revenue Expenditures

	FY2008 Enacted Appropriation	Original July Redistribution Of Enacted Personnel Savings	Projected Changes	FY 2008 Projected Expenditures	Projected Surplus/(Deficit)
Total	3,999,516	-	(222,427)	3,777,089	222,427
Health Laboratories	8,170,513				
Payroll - Current Service Adjustment, including inter-program allocations			22,505		
Other temporary and clerical services			18,540		
Unused Chapin Building Leaseback Withdrawal			(1,283,560)		
Health Benefits Holiday - Statewide			(61,231)		
Uncompensated Leave Days(6) - Statewide			(108,882)		
Statewide Savings- Operating/Contracts/Grants			(42,046)		
Records Center Charges - Statewide			(8,138)		
Net other operating and medical supplies and expense			72,328		
Total	8,170,513	-	(1,390,484)	6,780,029	1,390,484
Disease Prevention and Control	6,147,635				
FY 2008 Personnel Savings Distribution		(232,240)			
Payroll - Current Service Adjustment, including inter-program allocations			323,120		
Health Benefits Holiday - Statewide			(16,828)		
Uncompensated Leave Days(6) - Statewide			(31,053)		
Statewide Savings- Operating/Contracts/Grants			(124,373)		
Grantee Service Contracts - Tobacco control program			(104,707)		
Total	6,147,635	(232,240)	46,159	5,961,554	186,081
Total	34,487,126	(232,240)	(1,934,274)	32,320,612	2,166,514
Human Services					
Central Management	9,113,855				
Personnel Current Services			1,782		
Reallocate Buy-Rite to Health Care Quality and Individual and Family Services			350,000		
Unachieved Buy Rite Savings			1,146,880		
Uncompensated Leave Days(6)			(50,331)		
Statewide Savings- Operating/Contracts/Grants			(274,908)		
Health Benefits Holiday			575		
Head Start			(25,830)		
Increased Grant Award from RI Housing			300,000		
Increased offsets to Indirect Cost Recoveries			(248,682)		
Contracts and Operating			10,885		
Total	9,113,855	-	1,210,371	10,324,226	(1,210,371)
Child Support Enforcement	3,830,853				
FY 2008 Personnel Savings Distribution		(208,781)			
Reallocate centralization position to DOA			(34,856)		
Uncompensated Leave Days(6)			(46,810)		
Statewide Savings- Operating/Contracts/Grants			(17,760)		
Health Benefits Holiday			(34,961)		
Reallocate contractual costs to dedicated federal incentive receipts			(306,000)		
Other Operating and Contracts			36,240		
Total	3,830,853	(208,781)	(404,147)	3,217,925	612,928
Individual and Family Support	24,754,511				
FY 2008 Personnel Savings Distribution		(511,365)			
Reallocate centralization position to DOA			(160,130)		
Uncompensated Leave Days(6)			(434,598)		
Statewide Savings- Operating/Contracts/Grants			(201,054)		
Health Benefits Holiday			(339,851)		
Reallocate Buy-Rite from Central Management			(100,000)		
Contract Services			239,564		
Reallocation of operating codes from Health Care Quality			119,387		

Changes to FY 2008 Enacted Agency General Revenue Expenditures

	FY2008 Enacted Appropriation	Original July Redistribution Of Enacted Personnel Savings	Projected Changes	FY 2008 Projected Expenditures	Projected Surplus/(Deficit)
Reallocate Contracts to Food Stamp Bonus			(600,000)		
Other Operating, Grants and Capital	24,754,511	(511,365)	(129,557)	22,636,907	2,117,604
Veterans' Affairs	17,109,472				
FY 2008 Personnel Savings Distribution		(213,277)			
Overtime			484,312		
Medical Contracts			552,953		
Reverse Dietary Contract			(1,492,272)		
Uncompensated Leave Days(6)			(352,244)		
Statewide Savings- Operating/Contracts/Grants			(110,979)		
Health Benefits Holiday			(326,342)		
Reverse Dietary Food Savings			740,500		
Reverse Dietary Staff Reductions			1,519,822		
Reduced federal per diem reimbursements			115,373		
Veterans' Home Food			47,500		
Other Operating			(6,006)		
	17,109,472	(213,277)	1,172,617	18,068,812	(959,340)
Health Care Quality, Financing and Purchasing	23,023,393				
FY 2008 Personnel Savings Distribution		(1,330,819)			
IT Projects			475,000		
Reallocation of operating codes to Individual and Family Support			(119,387)		
Uncompensated Leave Days(6)			(193,764)		
Statewide Savings- Operating/Contracts/Grants			(310,066)		
Health Benefits Holiday			(139,947)		
Reallocate Buy-Rite from Central Management			(250,000)		
Other Contract Services			(115,065)		
Other Operating and Grants			(27,958)		
	23,023,393	(1,330,819)	(681,187)	21,011,387	2,012,006
Medical Benefits	677,406,914				
Pharmacy- Delay in Co-pay, fee-for-service			254,624		
Hospitals- abandon ER rate restructuring			482,280		
No implementation, SPMI care management			808,485		
Managed Care- Reduced federal S-CHIP funds			2,653,086		
Managed Care- Reduced federal transportation funding			2,800,000		
Managed Care- DCYF Population, Behavioral Health			3,483,310		
Managed Care- DCYF Population, Contractor Revisions			(968,071)		
Managed Care- Revise CIS Rates and Utilization			(1,306,250)		
Managed Care- Terminate non-Citizen Children April 1			(666,667)		
Managed Care- Restored federal S-CHIP funds			(5,805,872)		
Managed Care- Restored federal transportation funding			(2,214,536)		
Accelerate Uncompensated Care Payment to Slater Hospital			6,989,063		
Other- Prior Authorization for High Cost Imaging			(150,000)		
Statewide Savings- Operating/Contracts/Grants			(19,402,234)		
Caseload Estimating Conference- Balance of Medical Benefits			(1,488,699)		
	677,406,914	-	(14,531,481)	662,875,433	14,531,481
S.S.I. Program- Caseload Conference	28,455,740				
November Caseload Estimating Conference			(152,598)		
	28,455,740	-	(152,598)	28,303,142	152,598
Family Independence Program	23,400,404				
Caseload Estimating Conference- FIP			329,500		
Child Care- Delay in Partial Day Rates			385,200		
Child Care- Delay in Over Age 13 Eligibility			270,000		

Changes to FY 2008 Enacted Agency General Revenue Expenditures

	FY2008 Enacted Appropriation	Original July Redistribution Of Enacted Personnel Savings	Projected Changes	FY 2008 Projected Expenditures	Projected Surplus/(Deficit)
Child Care- Delay in Increased Co-payments			211,500		
Child Care- Delay in Reduced Income Eligibility Limits			1,466,300		
Statewide Savings- Operating/Contracts/Grants			(721,571)		
Caseload Conference- Balance of Child Care			661,985		
	23,400,404	-	2,602,914	26,003,318	(2,602,914)
State Funded Programs	4,090,076				
Caseload Estimating Conference			(253,786)		
Statewide Savings- Operating/Contracts/Grants			(96,859)		
GPA Hardship Grants			(248,920)		
	4,090,076	-	(599,565)	3,490,511	599,565
Total	811,185,218	(2,264,242)	(12,989,315)	795,931,661	15,253,557
Mental Health, Retardation, & Hospitals					
Central Management	740,606				
FY 2008 Personnel Savings Distribution		(539,584)			
Transfer FTE from MHRH to DEA			(119,371)		
Transfer FTE from MHRH to OHHS			(146,798)		
Payroll			(50,350)		
Purchased Services			-		
Operating			96,854		
Capital Purchases and Equipment			(63,760)		
Unachieved Buy RlTe Savings			2,031,495		
Health Benefits Holiday			(20,053)		
Statewide Savings- Operating/Contracts/Grants			(4,962)		
Uncompensated Leave Days(6)			(35,782)		
Grants and Benefits (supplemental pensions)			522		
	740,606	(539,584)	1,687,795	1,888,817	(1,148,211)
Hosp. & Community System Support	4,238,069				
FY 2008 Personnel Savings Distribution		(345,170)			
Turnover Savings			(222,449)		
Contracted Professional Services			38,626		
Operating			40,045		
Furniture and equipment			(5,000)		
Grants and Benefits (supplemental pensions)			92		
Statewide Savings- Operating/Contracts/Grants			(7,366)		
Health Benefits Holiday			(38,633)		
Uncompensated Leave Days(6)			(68,373)		
Total	4,238,069	(345,170)	(263,058)	3,629,841	608,228
Services. for the Developmentally Disabled	120,497,502				
FY 2008 Personnel Savings Distribution		-			
DD Payroll			(219,646)		
Grants and Assistance			(580,624)		
Contracted Professional Services			(9,338)		
Operating			371,806		
Health Benefits Holiday			(279,158)		
Statewide Savings- Operating/Contracts/Grants			(2,734,773)		
Uncompensated Leave Days(6)			(320,857)		
Unachieved Buy RlTe Savings			1,000,000		
	120,497,502	-	(2,772,590)	117,724,912	2,772,590
Integrated Mental Health Services	43,958,899				
FY 2008 Personnel Savings Distribution		(108,701)			
Purchased temporary services/consultants			76,954		
Operating			(8,656)		

Changes to FY 2008 Enacted Agency General Revenue Expenditures

	FY2008 Enacted Appropriation	Original July Redistribution Of Enacted Personnel Savings	Projected Changes	FY 2008 Projected Expenditures	Projected Surplus/(Deficit)
CMAP Pharmaceutical Expenditures			(551,824)		
Grants and Assistance			(489,734)		
Unachieved Buy RlTe Savings			1,000,000		
Statewide Savings- Operating/Contracts/Grants			(1,151,505)		
Health Benefits Holiday			(11,906)		
Uncompensated Leave Days(6)			(25,139)		
	43,958,899	(108,701)	(1,161,810)	42,688,388	1,270,511
Hosp. & Community Rehab. Services	57,019,642				
FY 2008 Personnel Savings Distribution		(4,270,760)			
Physicians Retroactive COLAs from FY 05 -FY 07			179,221		
Other Payroll			(999,509)		
Contracted Medical/Other Purchased Services			122,482		
Hospital Operating			894,055		
Pharmacy - Contract Pharmacy Services			144,000		
Contracted Security Services (Zambarano)			122,868		
Contractual Food Preparation Services Priv.			(1,009,625)		
Unbudgeted Food Costs Related to Privatization			561,874		
Payroll - Failed Dietary Privatization			2,142,033		
Contractual Housekeeping Services Priv.			(1,000,256)		
Grants and Assistance			(474,675)		
Shift Pharmaceutical Costs to Restricted			(1,744,093)		
Payroll - Failed Housekeeping Privatization			1,809,804		
Statewide Savings- Operating/Contracts/Grants			(290,819)		
Health Benefits Holiday			(644,008)		
Uncompensated Leave Days(6)			(734,908)		
	57,019,642	(4,270,760)	(921,556)	51,827,326	5,192,316
Substance Abuse	17,004,511				
FY 2008 Personnel Savings Distribution		(20,832)			
Other Payroll			(125,513)		
Purchased Consultant Services			18,056		
Operating			1,029		
Delayed Adjudicated Offender Residential Treatmnt			(416,660)		
Health Benefits Holiday			(25,756)		
Statewide Savings- Operating/Contracts/Grants			(407,065)		
Uncompensated Leave Days(6)			(36,561)		
Treatment and Prev. Svcs Provider Payments			446,841		
	17,004,511	(20,832)	(545,629)	16,438,050	566,461
Total	243,459,229	(5,285,047)	(3,976,848)	234,197,334	9,261,895
Office of the Child Advocate	520,757				
FY 2008 Personnel Savings Distribution					
Turnover Savings			(28,533)		
Purchased Services savings			(2,000)		
Statewide Savings- Operating/Contracts/Grants			(829)		
Health Benefits Holiday			(6,536)		
Uncompensated Leave Days(6)			(9,294)		
Operating/Equip costs due to Pastore Center move			11,004		
Total	520,757	-	(36,188)	484,569	36,188
Commission on Deaf and Hard of Hearing	370,154				
FY 2008 Personnel Savings Distribution		(25,627)			
Operating/Equipment			(6,736)		
Uncompensated Leave Days(6) - Statewide			(4,998)		

Changes to FY 2008 Enacted Agency General Revenue Expenditures

	FY2008 Enacted Appropriation	Original July Redistribution Of Enacted Personnel Savings	Projected Changes	FY 2008 Projected Expenditures	Projected Surplus/(Deficit)
Health Benefits Holiday - Statewide			(4,007)		
Statewide Savings- Operating/Contracts/Grants			(2,191)		
Total	370,154	(25,627)	(17,932)	326,595	43,559
Governor's Commission on Disabilities	535,775				
FY 2008 Personnel Savings Distribution		(168,431)			
Contracted Professional Services			(10,291)		
Operating			5,144		
Uncompensated Leave Days(6)			(5,856)		
Health Benefits Holiday			(3,787)		
Statewide Savings- Operating/Contracts/Grants			(1,928)		
Total	535,775	(168,431)	(16,718)	350,626	185,149
Office of the Mental Health Advocate	424,343				
FY 2008 Personnel Savings Distribution		(5,426)			
Operating			184		
Uncompensated Leave Days(6)			(8,162)		
Health Benefits Holiday			(5,044)		
Statewide Savings- Operating/Contracts/Grants			(349)		
Total	424,343	(5,426)	(13,371)	405,546	18,797
Sub-Total Human Services	1,259,143,815	(10,553,217)	(14,844,515)	1,233,746,083	25,397,732
<u>Education</u>					
Elementary and Secondary Education					
State Education Aid	679,417,316				
FY 2008 Personnel Savings Distribution					
Group Home Aid			165,000		
Charter School Aid			(140,148)		
Other Personnel			4,782		
Interprogram Transfer- ELL position			(65,000)		
Uncompensated Leave Days(6)			(7,511)		
Health Benefits Holiday			(3,145)		
Statewide Savings- Operating/Contracts/Grants			(64,152)		
	679,417,316	-	(110,174)	679,307,142	110,174
School Housing Aid	52,861,510				
Current Services			(3,197,534)		
	52,861,510	-	(3,197,534)	49,663,976	3,197,534
Teachers' Retirement	78,071,710				
State Share Adjustment			2,153,645		
	78,071,710	-	2,153,645	80,225,355	(2,153,645)
RI School for the Deaf	6,807,792				
Fire Safety			6,797		
Personnel		(57,420)			
Other Operating/Contract Services			31,998		
Uncompensated Leave Days(6)			(114,479)		
Health Benefits Holiday			(90,041)		
Statewide Savings- Operating/Contracts/Grants			(13,654)		

Changes to FY 2008 Enacted Agency General Revenue Expenditures

	FY2008 Enacted Appropriation	Original July Redistribution Of Enacted Personnel Savings	Projected Changes	FY 2008 Projected Expenditures	Projected Surplus/(Deficit)
	6,807,792	(57,420)	(179,379)	6,570,993	236,799
Central Falls School District	43,795,411				
Shift to Permanent School Fund			(379,189)		
	43,795,411	-	(379,189)	43,416,222	379,189
Davies Career & Technical School	14,571,572				
Personnel			14,532		
Operating/Equipment			(97,101)		
Uncompensated Leave Days(6)			(246,681)		
Health Benefits Holiday			(157,055)		
Statewide Savings- Operating/Contracts/Grants			(37,544)		
	14,571,572	-	(523,849)	14,047,723	523,849
Met. Career & Tech. School	11,487,734				
	11,487,734	-	-	11,487,734	-
Administration of the Comp. Education Strategy	22,416,614				
Interprogram Transfer- ELL Position		-	65,000		
2 Position Elimination		(251,740)			
RIMLE Grant			(50,000)		
Perkins Tuition Savings			(54,737)		
Other Operating			42,429		
Local Aid			(96,900)		
Contract Services			169,200		
Other Personnel			(20,737)		
Uncompensated Leave Days(6)			(184,312)		
Health Benefits Holiday			(90,340)		
Statewide Savings- Operating/Contracts/Grants			(271,603)		
	22,416,614	(251,740)	(492,000)	21,672,874	743,740
Total	909,429,659	(309,160)	(2,728,480)	906,392,019	3,037,640
Higher Education					
Board of Governors/Office of Higher Education	8,135,640				
Personnel			2,988		
Uncompensated Leave Days(6)			(32,865)		
Health Benefits Holiday			(26,924)		
Purchased Services			(10,923)		
Operating			3,000		
Capital			(3,000)		
Statewide Savings- Operating/Contracts/Grants			(159,768)		
	8,135,640	-	(227,492)	7,908,148	227,492
University of Rhode Island	77,035,968				
Personnel			(1,182,175)		
Uncompensated Leave Days(6)			(829,928)		
Health Benefits Holiday			(514,274)		
Purchased Services			643,621		
Operating			(282,456)		
Grants			1,025,598		
Capital			(409,145)		
Debt Service Adjustment	11,203,337		(765,551)		
Statewide Savings- Operating/Contracts/Grants			(590,684)		

Changes to FY 2008 Enacted Agency General Revenue Expenditures

	FY2008 Enacted Appropriation	Original July Redistribution Of Enacted Personnel Savings	Projected Changes	FY 2008 Projected Expenditures	Projected Surplus/(Deficit)
	88,239,305	-	(2,904,994)	85,334,311	2,904,994
Rhode Island College	45,750,547				
Personnel			(433,468)		
Uncompensated Leave Days(6)			(560,592)		
Health Benefits Holiday			(460,292)		
Purchased Services			53,855		
Operating			54,711		
Grants			242,866		
Capital			(61,606)		
RIRBA - Rhode Island	336,386				
Debt Service Adjustment	2,944,957		(89,027)		
Statewide Savings- Operating/Contracts/Grants			(239,301)		
	49,031,890	-	(1,492,854)	47,539,036	1,492,854
Community College of Rhode Island	49,254,318				
Personnel			235,774		
Uncompensated Leave Days(6)			(595,320)		
Health Benefits Holiday			(505,829)		
Purchased Services			109,476		
Operating			133,967		
Grants			(575,872)		
Capital			(67,958)		
Debt Service Adjustment	1,406,894	-	(25,630)		
Statewide Savings- Operating/Contracts/Grants			(168,267)		
	50,661,212	-	(1,459,659)	49,201,553	1,459,659
Total	196,068,047	-	(6,084,999)	189,983,048	6,084,999
RI Council On The Arts					
	2,777,644				
Personnel Current Services			11,235		
Uncompensated Leave Days(6)			(13,727)		
Statewide Savings- Operating/Contracts/Grants			(56,488)		
Health Benefits Holiday			(8,435)		
Operating Current Services			(11,235)		
Total	2,777,644	-	(78,650)	2,698,994	78,650
RI Atomic Energy Commission					
Atomic Energy Commission	819,869				
Unachieved Turnover			29,063		
Uncompensated Leave Days(6)			(14,893)		
Health Benefits Holiday			(5,295)		
Operating			33,412		
Research Allocation			(62,475)		
Statewide Savings- Operating/Contracts/Grants			(854)		
Total	819,869	-	(21,042)	798,827	21,042
RI Higher Education Assistance Authority					
FY 2008 Personnel Savings Distribution	11,019,684	(41,561)			
Uncompensated Leave Days(6)			(11,031)		
Health Benefits Holiday			(6,075)		
Operating			26,914		
Scholarships			(500,000)		
Statewide Savings- Operating/Contracts/Grants			(268,139)		

Changes to FY 2008 Enacted Agency General Revenue Expenditures

	FY2008 Enacted Appropriation	Original July Redistribution Of Enacted Personnel Savings	Projected Changes	FY 2008 Projected Expenditures	Projected Surplus/(Deficit)
Total	11,019,684	(41,561)	(758,331)	10,219,792	799,892
RI Historical Preservation & Heritage Commission					
	1,577,792				
FY 2008 Personnel Savings Distribution		(46,074)			
Operating			5,035		
Contract Services- Fire Protection			100		
Uncompensated Leave Days(6)			(19,734)		
Health Benefits Holiday			(16,539)		
Statewide Savings- Operating/Contracts/Grants			(13,268)		
Total	1,577,792	(46,074)	(44,406)	1,487,312	90,480
RI Public Telecommunications Authority					
	1,363,654				
Insurance			(7,725)		
Uncompensated Leave Days(6)			(21,444)		
Health Benefits Holiday			(16,842)		
Statewide Savings- Operating/Contracts/Grants			(1,447)		
Total	1,363,654	-	(47,458)	1,316,196	47,458
Sub-Total Education	1,123,056,349	(396,795)	(9,763,366)	1,112,896,188	10,160,161
<u>Public Safety</u>					
Attorney General					
Criminal	12,988,267				
FY 2008 Personnel Savings Distribution					
Turnover			607,144		
Traffic Resource Prosecutor			36,777		
Criminal - Other Contract Services			(87,244)		
Criminal - Operating			(72,873)		
Criminal - Capital Purchases and Equipment			1,565		
Uncompensated Leave Days(6)			(245,118)		
Health Benefits Holiday			(138,103)		
Statewide Savings- Operating/Contracts/Grants			(35,909)		
	12,988,267	-	66,239	13,054,506	(66,239)
Civil					
FY 2008 Personnel Savings Distribution	4,897,204	(70,206)			
Insurance Rate Filing Experts			(589,750)		
Civil - Other Contract Services			35,929		
Civil - Operating Expenses and Capital Purchases			(7,000)		
Uncompensated Leave Days(6)			(76,358)		
Health Benefits Holiday			(44,939)		
Statewide Savings- Operating/Contracts/Grants			(11,932)		
	4,897,204	(70,206)	(694,050)	4,132,948	764,256
Bureau of Criminal Identification					
FY 2008 Personnel Savings Distribution	1,017,634	(8,487)			
BCI - Contract Services			(10,154)		
BCI - Operating Expenses and Capital Purchases			(3,729)		
Uncompensated Leave Days(6)			(18,207)		
Health Benefits Holiday			(9,426)		
Statewide Savings- Operating/Contracts/Grants			(2,455)		

Changes to FY 2008 Enacted Agency General Revenue Expenditures

	FY2008 Enacted Appropriation	Original July Redistribution Of Enacted Personnel Savings	Projected Changes	FY 2008 Projected Expenditures	Projected Surplus/(Deficit)
	1,017,634	(8,487)	(43,971)	965,176	52,458
General	2,432,200				
FY 2008 Personnel Savings Distribution					
Unachieved Turnover			7,398		
General - Contract Services			(2,000)		
General - Operating Expenses and Capital Purchases			111,463		
Uncompensated Leave Days(6)			(48,182)		
Health Benefits Holiday			(25,083)		
Statewide Savings- Operating/Contracts/Grants			(1,997)		
	2,432,200	-	41,599	2,473,799	(41,599)
Total	21,335,305	(78,693)	(630,183)	20,626,429	708,876
Corrections					
Central Management	10,466,116				
FY 2008 Personnel Savings Distribution					
Payroll Turnover		(115,305)	(258,540)		
Training Class Stipends Savings			(186,900)		
Training Class Elimination			(679,012)		
Training Class Recruitment			46,532		
State Match Change-Community Dialogue Program			19,093		
Electronic Medical Records System			450,000		
Length of Sentence IT Changes			250,000		
Other Contract Services			2,640		
Other Operating			(2,640)		
Health Benefits Holiday			(88,068)		
Uncompensated Leave Days(6)			(124,924)		
Statewide Savings- Operating/Contracts/Grants			(85,619)		
	10,466,116	(115,305)	(657,438)	9,693,373	772,743
Parole Board	1,259,056				
FY 2008 Personnel Savings Distribution					
Payroll Turnover			(7,624)		
Health Benefits Holiday			(15,248)		
Uncompensated Leave Days(6)			(21,872)		
Statewide Savings- Operating/Contracts/Grants			(3,854)		
	1,259,056	-	(48,598)	1,210,458	48,598
Institutional Corrections	160,571,643				
FY 2008 Personnel Savings Distribution					
Payroll Turnover			(2,610,718)		
Training Class			10,907		
COLA Retro Revised Estimate			340,765		
State Criminal Alien Assistance Federal Funds Transfer			(456,863)		
Pastore Power Outage-Overtime Costs			178,366		
Population Related Overtime			2,618,574		
Reintegration Center Delay			(359,508)		
Physicians Union Salary Adjustment			100,111		
Population-Related Contract Services			518,732		
Population-Related Operating			2,611,028		
State Match Change			90,149		
Pastore Power Outage			272,539		
Inmate Payroll			273,144		
Insurance			(64,102)		
Vehicle Lease Purchase			25,101		
Length of Sentence Operating Changes			54,783		

Changes to FY 2008 Enacted Agency General Revenue Expenditures

	FY2008 Enacted Appropriation	Original July Redistribution Of Enacted Personnel Savings	Projected Changes	FY 2008 Projected Expenditures	Projected Surplus/(Deficit)
Health Benefits Holiday			(1,833,844)		
Uncompensated Leave Days(6)			(1,855,636)		
Statewide Savings- Operating/Contracts/Grants			(674,254)		
	160,571,643	-	(760,726)	159,810,917	760,726
Community Corrections	15,657,717				
FY 2008 Personnel Savings Distribution					
Payroll Turnover		(40,324)	(93,381)		
Training Class			45,022		
Pastore Power Outage-Overtime			537		
Contract Services			(10,294)		
Unachieved Inmate Reduction Offsets			(985,250)		
State Match Change			25,806		
Rental Property			10,294		
All Other Operating			1,462		
Length of Sentance FTE's			135,170		
Health Benefits Holiday			(174,646)		
Uncompensated Leave Days(6)			(262,288)		
Statewide Savings- Operating/Contracts/Grants			(23,478)		
	15,657,717	(40,324)	(1,331,046)	14,286,347	1,371,370
Total	187,954,532	(155,629)	(2,797,808)	185,001,095	2,953,437
Judiciary					
Supreme Court	29,088,532				
Personnel			15,586		
Court Computer Technology			(191,528)		
Telephone and Communications			146,013		
Insurance			(94,290)		
Facilities and Operations			86,710		
Other Contract Services			(45,830)		
Other Operating Expenses			300,990		
Judicial Pensions			2,819		
Other Grants and Benefits			840		
Capital Purchases and Equipment			(785,238)		
Statewide Savings- Operating/Contracts/Grants			(255,917)		
Health Benefits Holiday			(179,658)		
Uncompensated Leave Days(6)			(306,145)		
	29,088,532	-	(1,305,648)	28,891,232	197,300
Superior Court	20,417,996				
Adult Drug Court			(7,879)		
Jury Operations			(178,050)		
Other Personnel			(150,200)		
Other Contract Services			(2,500)		
Telephone and Communications			23,000		
Insurance			61,025		
Other Operating Expenses			(10,944)		
Judicial Pensions			10,978		
Other Grants and Benefits			18		
Statewide Savings- Operating/Contracts/Grants			(28,202)		
Health Benefits Holiday			(202,585)		
Uncompensated Leave Days(6)			(337,692)		
	20,417,996	-	(823,031)	19,594,965	823,031

Changes to FY 2008 Enacted Agency General Revenue Expenditures

	FY2008 Enacted Appropriation	Original July Redistribution Of Enacted Personnel Savings	Projected Changes	FY 2008 Projected Expenditures	Projected Surplus/(Deficit)
Family Court	17,793,670				
Child Support Enforcement			(582,759)		
Other Personnel			905,220		
Other Contract Services			(9,219)		
Insurance			(7,632)		
Other Operating Expenses			(42,200)		
Judicial Pensions			167,138		
Other Grants and Benefits			(1,138)		
Statewide Savings- Operating/Contracts/Grants			(10,276)		
Health Benefits Holiday			(212,433)		
Uncompensated Leave Days(6)			(342,988)		
	17,793,670	-	(136,287)	17,657,383	136,287
District Court	10,505,649				
District - Personnel		(407,617)	(94,601)		
District - Other Contract Services			30,600		
Insurance			(4,255)		
District - Other Operating			(67,369)		
Judicial Pensions			163,230		
District - Other Capital Purchases and Equipment			(2,402)		
Statewide Savings- Operating/Contracts/Grants			(11,028)		
Health Benefits Holiday			(110,132)		
Uncompensated Leave Days(6)			(165,796)		
	10,505,649	(407,617)	(261,753)	9,836,279	669,370
Traffic Tribunal	7,159,070				
Other Personnel			(46,977)		
Other Contract Services			(40,000)		
Telephone and Communications			34,000		
Insurance			9,913		
Other Operating Expenses			(49,978)		
Judicial Pensions			(24,215)		
Capital Purchases and Equipment			(4,930)		
Statewide Savings- Operating/Contracts/Grants			(5,982)		
Health Benefits Holiday			(88,905)		
Uncompensated Leave Days(6)			(121,939)		
	7,159,070	-	(339,013)	6,820,057	339,013
Total	84,964,917	(407,617)	(2,865,732)	82,799,916	2,165,001
Military Staff					
National Guard	1,761,132				
Tall Ships (payment moved forward to FY 2008)			52,051		
FY 2008 Personnel Savings Distribution		(28,016)			
Turnover Adjustment			(38,056)		
Planning Value Adjustment			(12,883)		
Contract Services					
Distance Learning Center			(5,000)		
Groundskeeping Services			(13,171)		
Environmental/Medical			(905)		
Operating					
Repair & Maintenance			58,074		
Waste Disposal			34,799		
Electricity/Fuel Oil/Natural Gas			(8,411)		
Lease Financing/State Fleet Costs			8,054		
Insurance			(9,029)		
Office/Other Operating			(1,612)		
Health Benefits Holiday			(12,280)		

Changes to FY 2008 Enacted Agency General Revenue Expenditures

	FY2008 Enacted Appropriation	Original July Redistribution Of Enacted Personnel Savings	Projected Changes	FY 2008 Projected Expenditures	Projected Surplus/(Deficit)
Uncompensated Leave Days(6)			(14,063)		
Statewide Savings- Operating/Contracts/Grants			(15,169)		
	1,761,132	(28,016)	22,399	1,755,515	5,617
Emergency Management	802,732				
FY 2008 Personnel Savings Distribution					
Fringe Benefit Adjustments			17,180		
Cost Allocation Change			22,422		
Payroll Adjustments			81,460		
Turnover Adjustment			(17,148)		
Internal Service Funds (IT/Mail)			(32,000)		
Operating					
Insurance			(7,984)		
Vehicle Repair			(12,000)		
Repair and Maintenance			(6,000)		
Electricity/Fuel Oil/Natural Gas			(6,711)		
Office/Other			(75,114)		
Health Benefits Holiday			(9,128)		
Uncompensated Leave Days(6)			(14,777)		
Statewide Savings- Operating/Contracts/Grants			(452)		
	802,732	-	(60,252)	742,480	60,252
Total	2,563,864	(28,016)	(37,853)	2,497,995	65,869
E-911 Emergency Telephone System					
E-911 Emergency Telephone System	4,733,109				
Payroll			(153,640)		
Verizon/Other Provider Monthly Svc Charges			122,687		
Software Maintenance Agreements			269,798		
Operating			(2,800)		
Emergency Equipment Repairs			5,000		
Health Benefits Rate			(59,725)		
Uncompensated Leave Days(6)			(68,617)		
GIS MicroData 'Rear Load' Charge			62,881		
Statewide Savings- Operating/Contracts/Grants			(29,326)		
	4,733,109	-	146,258	4,879,367	(146,258)
Fire Safety Code Commission					
Fire Code Commission	303,435				
FY 2008 Personnel Savings Distribution		(2,875)			
Operating			(1,197)		
Uncompensated Leave Days(6)			(5,561)		
Health Benefits Holiday			(3,620)		
Statewide Savings- Operating/Contracts/Grants			(352)		
	303,435	(2,875)	(10,730)	289,830	13,605
State Fire Marshal					
State Fire Marshal	2,671,285				
FY 2008 Personnel Savings Distribution		(229,217)			
Operating			(52,086)		
Equipment Lease			6,024		
Contract Services			28,647		
Uncompensated Leave Days(6)			(39,994)		
Health Benefits Holiday			(21,971)		
Statewide Savings- Operating/Contracts/Grants			(7,990)		

Changes to FY 2008 Enacted Agency General Revenue Expenditures

	FY2008 Enacted Appropriation	Original July Redistribution Of Enacted Personnel Savings	Projected Changes	FY 2008 Projected Expenditures	Projected Surplus/(Deficit)
Total	2,671,285	(229,217)	(87,370)	2,354,698	316,587
Rhode Island Justice Commission					
Rhode Island Justice Commission	160,815				
Payroll - Reduced Federal Admin Funds			83,181		
Health Benefits Holiday - Statewide			(3,518)		
Uncompensated Leave Days(6) - Statewide			(4,714)		
Other Operating			(3,911)		
Total	160,815	-	71,038	231,853	(71,038)
Municipal Police Training Academy					
Municipal Police Training Academy	429,252				
Payroll - Unachieved Turnover Savings			15,632		
Health Benefits Holiday - Statewide			(4,706)		
Uncompensated Leave Days(6) - Statewide			(7,689)		
Contract Services			(6,000)		
Other Operating			2,386		
Statewide Savings- Operating/Contracts/Grants			(1,061)		
Total	429,252	-	(1,438)	427,814	1,438
State Police					
State Police	52,058,385				
Turnover: 272 funded, 265 filled		(235,777)			
Take out 3 vacant network positions		(346,439)			
Pay-as-you-go Retiree medical			57,331		
Program reduction subtract 2 FTE			(58,600)		
Analyst positions add 2 FTE			99,566		
Health Benefits Holiday - Statewide			(334,375)		
Uncompensated Leave Days(6) - Statewide			(455,697)		
Contract Services			3,709		
COPS payments			30,543		
Vehicle Maintenance			120,000		
Operating			(200,049)		
Pay-as-you-go Pension,			1,933		
Capital			19,800		
Statewide Savings- Operating/Contracts/Grants			(71,409)		
Total	52,058,385	(582,216)	(787,248)	50,688,921	1,369,464
Office Of Public Defender					
Office Of Public Defender	9,324,951				
Medical Benefit Adjustment			67,364		
Turnover Adjustment		(88,370)			
Vacancy Adjustment		(14,141)			
Contract Services					
Security Services			5,886		
IT Services			9,125		
Operating/Capital					
Property Costs			(23,158)		
Insurance			(748)		
Office Expenses/Equipment Repair			7,843		
Furniture-Kent County Courthouse			5,538		
Health Benefits Holiday			(103,725)		
Uncompensated Leave Days(6)			(163,580)		
Statewide Savings- Operating/Contracts/Grants			(11,029)		

Changes to FY 2008 Enacted Agency General Revenue Expenditures

	FY2008 Enacted Appropriation	Original July Redistribution Of Enacted Personnel Savings	Projected Changes	FY 2008 Projected Expenditures	Projected Surplus/(Deficit)
Total	9,324,951	(102,511)	(206,484)	9,015,956	308,995
sps	366,499,850	(1,586,774)	(7,207,550)	358,813,874	7,685,976
<u>Natural Resources</u>					
Environmental Management					
Office of the Director	6,043,464				
FY 2008 Personnel Savings Distribution					
Offsets to Indirect Account			(224,906)		
Program Reductions/Reallocations			(169,537)		
Legal Services Offset Reversal - \$1/Ton Surcharge			136,990		
Bays, Rivers, Watershed Salary offset/Grant Reduction			(150,000)		
Other Salaries and Benefits			37,905		
Legal Services - Tiverton Soil Contamination Lawsuit			198,000		
Other Contract Services			6,293		
Headquarters Utilities and Rent			31,125		
Other Operating Expenses			4,106		
Capital Purchases and Equipment			(27,000)		
Statewide Savings- Operating/Contracts/Grants			(22,230)		
Health Benefits Holiday			(34,590)		
Uncompensated Leave Days(6)			(52,872)		
	6,043,464	-	(266,716)	5,776,748	266,716
Natural Resources	18,318,004				
Unachieved Turnover					
Offsets to Indirect Account			1,200		
Program Reductions/Reallocations			(18,537)		
Enforcement Offset Reversal - \$1/Ton Surcharge			59,924		
Seasonal Programs			(2,362)		
Overtime (Enforcement)			50,813		
Elimination of Vacancies			[(796,607)]		
Enforcement Salaries and Benefits			151,890		
Forest Environment Salaries and Benefits			(346,794)		
Parks and Recreation Salaries and Benefits			(341,915)		
Agriculture Salaries and Benefits			142,038		
Fish and Wildlife Salaries and Benefits			(60,242)		
Planning and Development IT Transfer from DOA (1 FTE)			108,407		
Administration Salaries and Benefits			177,506		
Other Contract Services			(23,078)		
Parks and Recreation Operating Expenses			34,526		
Fish and Wildlife Operating Expenses			6,268		
Other Operating Expenses			25,566		
Payments to Host Beach Communities			70,553		
Other Grants and Benefits			400		
Fish and Wildlife Vehicle Purchase			(17,151)		
Statewide Savings- Operating/Contracts/Grants			(87,419)		
Health Benefits Holiday			(167,586)		
Uncompensated Leave Days(6)			(217,522)		
	18,318,004	-	(453,515)	17,864,489	453,515
Environmental Protection	12,051,532				
Unachieved Turnover					
Offsets to Indirect Account			(75,591)		
Tech & Customer Assistance Offset Reversal - \$1/Ton Surcharge			28,284		
OT&CA IT Transfer from DOA (2 FTE)			207,501		
Other Tech & Customer Assistance Salaries and Benefits			231,014		

Changes to FY 2008 Enacted Agency General Revenue Expenditures

	FY2008 Enacted Appropriation	Original July Redistribution Of Enacted Personnel Savings	Projected Changes	FY 2008 Projected Expenditures	Projected Surplus/(Deficit)
Compliance & Inspection Offset Reversal - \$1/Ton Surcharge			374,802		
Other Compliance & Inspection Salaries and Benefits			53,868		
Air Resources Salaries and Benefits			99,271		
Program Reductions/Reallocations			(95,808)		
Water Resources Salaries and Benefits			396,111		
Other Salaries and Benefits			(4,280)		
Other Contract Services			2,000		
Other Operating Expenses			(81,771)		
Rose Hill Landfill Savings/Offset to RICAP			(2,212,532)		
Compliance & Inspection Vehicle Purchase			(29,000)		
Statewide Savings- Operating/Contracts/Grants			(11,885)		
Health Benefits Holiday			(154,882)		
Uncompensated Leave Days(6)			(206,409)		
	12,051,532	-	(1,479,307)	10,572,225	1,479,307
Total	36,413,000	-	(2,199,538)	34,213,462	2,199,538
Coastal Resources Management Council	1,879,559				
FY 2008 Personnel Savings Distribution					
Personnel-Turnover Adjustment			97,813		
Contract Services			(9,900)		
Other Operating			(2,434)		
Marine Survey Vessel Payment			36,310		
Health Benefits Holiday			(20,728)		
Uncompensated Leave Days(6)			(35,951)		
Statewide Savings- Operating/Contracts/Grants			(4,024)		
Total	1,879,559	-	61,086	1,940,645	(61,086)
State Water Resources Board	1,893,081				
FY 2008 Personnel Savings Distribution					
FY 2008 Vacancy Savings		(212,951)			
Stream Gauging			9,900		
Big River Well Development			130,000		
Water Allocation Plan			(130,000)		
Operating					
Road Maintenance			7,000		
Postage			200		
Other Operating			(7,200)		
Insurance			(12,907)		
Health Benefits Holiday			(7,673)		
Uncompensated Leave Days(6)			(15,496)		
Statewide Savings- Operating/Contracts/Grants			(24,984)		
Total	1,893,081	(212,951)	(51,160)	1,628,970	264,111
Sub-Total Environment	40,185,640	(212,951)	(2,189,612)	37,783,077	2,402,563
Statewide General Revenue Total	3,403,638,116	(7,215,749)	(25,649,416)	3,374,413,315	29,224,801

Appendix C
Aid to Cities and
Towns

Formula Aid to Cities and Towns

The Governor's FY 2009 budget recommends formula aid to cities and towns totaling \$273.6 million. This represents a 2.2 percent, or \$6.2 million decrease from the FY 2008 enacted level of funding. The tables on the following pages display FY 2008 enacted, FY 2008 revised, and FY 2009 recommended levels of funding for formula aid to cities and towns by community. In general, formula state aid programs were level funded from the revised level with the exception of the motor vehicle excise tax reimbursement program which was increased by 3.2% to reflect increased valuation of exempted vehicles. The narrative below describes each of the programs included on the tables. It should also be noted that updated formula drivers were incorporated for FY 2009. This results in increases and decreases by community depending on changes in relative wealth and other factors which are incorporated in determining entitlements.

General Revenue Sharing - 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 was to increase annually. In FY 2009 such distribution was to total 3.0 percent of state tax revenues. 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. The Governor proposes that funding for this program in FY 2009 be set at \$55.0 million, nearly the same amount as in FY 2008 revised, and to fix future distributions at three percent (3.0%) of tax revenues in FY 2010 and thereafter. For FY 2009, the entitlements by community have been adjusted to reflect the most current tax and spending data. There have been modest adjustments downward incorporated for four communities so as to eliminate appropriated increased entitlements from FY 2008 enacted.

Payment in Lieu of Taxes - Legislation creating this program requires the State of Rhode Island to reimburse cities and towns for property taxes that would have been due on certain types of real property that are exempted from taxation by state law. This includes property owned by nonprofit educational institutions, nonprofit hospitals, or any state owned hospital, veteran's facility, or correctional facility. Reimbursement is made for twenty-seven percent of all tax that would have been collected had the property been taxable, prorated to the amount appropriated for a given year. The program has been level funded for FY 2009; however, the entitlements by community have been adjusted to reflect revenue which would have been lost resulting from eligible properties in the statutory reference year.

Distressed Communities Relief Fund - This program provides state assistance to those Rhode Island communities with the highest property tax burdens relative to the wealth of taxpayers. The Governor proposes to set the amount of total funding distributed under this program to the amount enacted in the annual appropriations act. Entitlements for FY 2009 by community reflect computations based upon the latest available qualifying data.

State Library Aid - 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. Although total funding is level funded at the FY 2008 enacted level, distributions by community/library have been calculated based upon the latest available qualifying data from the statutory reference year.

Motor Vehicle Excise Tax - Legislation enacted during the 1999 General Assembly provides for a phase-out of the local excise tax on motor vehicles and trailers. This legislation was amended in 2002 to make the full phase out of the tax subject to the annual review and appropriation of the General Assembly. For fiscal year 2007, the value of the exemption from local taxes was increased to \$6,000

Formula Aid to Cities and Towns

per vehicle. The FY 2009 budget maintains that \$6,000 exemption and assumes a 3.2% growth in the value of exempted vehicles which will be reimbursed by the state. The FY 2009 budget also incorporates the proposal to reimburse only 98 percent of the exemption value in FY 2008 and FY 2009, reflecting comparability with municipal motor vehicle tax collection rates.

Public Service Corporation Tax - The tangible personal property of telegraph, cable and telecommunications corporations is exempt from local taxation, but is subject to taxation by the state at the average property tax statewide. 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.

Meals and Beverage Local Sales and Use Tax - During the January 2003 session, the General Assembly enacted a one percent gross receipts tax on retail sales of meals and beverages in or from eating and/or drinking establishments. The taxes are collected by the Division of Taxation and distributed at least quarterly to the city or town where the meals and beverages were delivered. The budget assumes that this pass through aid will increase by 2.6% for each community compared to the FY 2008 revised projection.

Fiscal Year 2008 State Aid to Cities and Towns

City or Town	General Revenue Sharing	Payment In Lieu of Tax Exempt Property	Distressed Community Relief Fund	State Library Aid	Motor Vehicle Excise Tax Reimbursement Value of Exemption	FY 2008 Total Appropriated State Aid
Barrington	243,363	53,865	-	314,971	2,946,287	3,558,485
Bristol	991,817	560,835	-	57,181	1,519,761	3,129,594
Burrillville	706,306	78,891	299,245	79,855	2,785,388	3,949,685
Central Falls	1,693,857	-	300,986	66,132	1,530,370	3,591,345
Charlestown	407,811	-	-	45,568	525,676	979,055
Coventry	1,014,646	-	-	167,177	2,956,856	4,138,679
Cranston	5,428,521	3,583,905	-	548,485	12,367,584	21,928,495
Cumberland	1,560,119	139	-	240,606	2,475,294	4,276,158
East Greenwich	176,808	7,940	-	102,399	1,364,541	1,651,687
East Providence	2,681,452	61,629	-	499,380	6,503,593	9,746,053
Exeter	90,542	-	-	28,066	994,621	1,113,229
Foster	310,304	270	-	29,271	836,356	1,176,201
Glocester	567,421	-	-	64,709	1,194,096	1,826,225
Hopkinton	225,882	-	-	31,238	825,667	1,082,787
Jamestown	146,604	-	-	70,379	431,308	648,292
Johnston	2,554,218	-	-	121,452	5,152,508	7,828,178
Lincoln	959,290	-	-	172,879	2,948,236	4,080,405
Little Compton	105,828	-	-	25,425	294,918	426,171
Middletown	979,346	-	-	149,936	1,110,711	2,239,993
Narragansett	882,212	-	-	111,496	1,251,427	2,245,135
Newport	1,846,695	658,326	-	346,433	1,893,005	4,744,459
New Shoreham	91,497	-	-	88,246	86,203	265,946
North Kingstown	890,042	6,836	-	234,608	2,874,655	4,006,140
North Providence	2,404,365	533,146	1,120,853	174,550	5,023,024	9,255,938
North Smithfield	656,282	38,817	-	60,768	2,018,242	2,774,109
Pawtucket	5,476,767	330,377	1,573,062	395,734	10,156,439	17,932,378
Portsmouth	654,697	-	-	109,462	1,564,269	2,328,427
Providence	15,536,990	20,124,158	5,294,376	1,285,939	23,229,041	65,470,504
Richmond	148,322	627	-	22,769	811,759	983,477
Scituate	452,695	-	-	93,610	1,564,020	2,110,324
Smithfield	1,867,355	437,602	-	240,145	3,556,692	6,101,794
South Kingstown	1,015,804	121,138	-	194,843	2,153,071	3,484,855
Tiverton	646,245	-	-	87,145	1,409,003	2,142,393
Warren	502,159	-	-	46,087	1,132,491	1,680,737
Warwick	4,872,914	862,977	-	666,767	14,003,363	20,406,021
Westerly	757,697	132,288	-	287,135	2,989,956	4,167,076
West Greenwich	223,293	-	-	21,394	564,034	808,721
West Warwick	1,473,614	-	950,453	196,189	3,152,643	5,772,899
Woonsocket	3,868,095	173,199	845,483	219,987	5,427,097	10,533,860
Subtotal	\$65,111,876	27,766,967	10,384,458	\$7,698,411	133,624,205	\$244,585,915
Statewide Reference Library Resource Grant (Providence)				\$1,012,378		1,012,378
Library Construction Reimbursement				2,813,141		2,813,141
Motor Vehicle Excise Tax Reimbursement - Fire Districts					1,875,837	1,875,837
Total	\$65,111,876	\$27,766,967	\$10,384,458	\$11,523,930	\$135,500,042	\$250,287,271

Fiscal Year 2008 Pass Through Aid to Cities & Towns

City or Town	Public Service Corporation Tax	Meals and Beverage Tax	FY 2008 Total Shared Taxes State Aid	FY 2008 Total Shared & Appropriated Aid
Barrington	165,956	108,806	274,762	3,833,247
Bristol	221,816	282,872	504,688	3,634,282
Burrillville	156,192	161,699	317,891	4,267,576
Central Falls	186,716	116,878	303,595	3,894,940
Charlestown	77,318	114,720	192,038	1,171,093
Coventry	332,049	324,799	656,848	4,795,528
Cranston	782,494	1,322,972	2,105,466	24,033,961
Cumberland	313,933	336,266	650,199	4,926,357
East Greenwich	127,677	388,789	516,466	2,168,154
East Providence	481,518	812,988	1,294,506	11,040,560
Exeter	59,589	50,270	109,859	1,223,088
Foster	42,243	19,929	62,173	1,238,374
Glocester	98,122	62,604	160,727	1,986,952
Hopkinton	77,193	27,973	105,166	1,187,954
Jamestown	55,400	93,945	149,345	797,637
Johnston	278,198	413,516	691,714	8,519,892
Lincoln	205,799	428,481	634,280	4,714,685
Little Compton	35,441	30,404	65,845	492,016
Middletown	171,805	510,026	681,832	2,921,825
Narragansett	161,330	408,207	569,537	2,814,671
Newport	262,039	1,527,942	1,789,981	6,534,440
New Shoreham	9,937	178,907	188,844	454,791
North Kingstown	259,512	378,984	638,496	4,644,636
North Providence	320,185	421,327	741,511	9,997,450
North Smithfield	104,890	183,760	288,650	3,062,760
Pawtucket	720,845	663,986	1,384,831	19,317,209
Portsmouth	169,383	171,308	340,691	2,669,118
Providence	1,712,408	4,026,739	5,739,147	71,209,651
Richmond	70,903	127,089	197,992	1,181,469
Scituate	101,885	38,177	140,062	2,250,386
Smithfield	203,327	487,331	690,659	6,792,452
South Kingstown	275,088	493,282	768,370	4,253,225
Tiverton	150,556	115,037	265,593	2,407,985
Warren	112,258	255,602	367,860	2,048,597
Warwick	847,803	2,404,530	3,252,333	23,658,354
Westerly	226,600	631,473	858,074	5,025,149
West Greenwich	49,855	84,035	133,890	942,611
West Warwick	292,223	410,000	702,222	6,475,122
Woonsocket	427,271	510,202	937,473	11,471,334
Subtotal	\$10,347,757	\$19,125,855	\$29,473,615	\$274,059,529
Statewide Reference Library Resource Grant (Providence)				1,012,378
Library Construction Reimbursement				2,813,141
Motor Vehicle Excise Tax Reimbursement - Fire Districts				1,875,837
Total				\$279,760,885

Fiscal Year 2008 Revised State Aid to Cities and Towns

City or Town	General Revenue Sharing	Payment In Lieu of Tax Exempt Property	Distressed Community Relief Fund	State Library Aid	Motor Vehicle Excise Tax Reimbursement Value of Exemption	FY 2008 Total Appropriated State Aid
Barrington	206,205	53,865		314,971	3,008,871	3,583,912
Bristol	840,384	560,835		57,181	1,521,189	2,979,589
Burrillville	597,138	78,891	299,245	79,855	2,785,136	3,840,265
Central Falls	1,432,052	-	300,986	66,132	1,510,701	3,309,871
Charlestown	345,546			45,568	521,431	912,545
Coventry	859,728			167,177	2,952,306	3,979,211
Cranston	4,599,682	3,583,905		548,485	12,241,745	20,973,817
Cumberland	1,321,917	139		240,606	2,767,479	4,330,141
East Greenwich	149,812	7,940		102,399	1,355,447	1,615,598
East Providence	2,272,041	61,629		499,380	6,283,312	9,116,362
Exeter	76,718			28,066	1,010,207	1,114,991
Foster	262,926	270		29,271	838,207	1,130,674
Glocester	480,785			64,709	1,214,279	1,759,773
Hopkinton	191,394			31,238	840,132	1,062,764
Jamestown	124,221			70,379	426,909	621,509
Johnston	2,164,234			121,452	5,078,225	7,363,911
Lincoln	812,823			172,879	2,923,529	3,909,231
Little Compton	89,670			25,425	295,563	410,658
Middletown	829,817			149,936	1,090,083	2,069,836
Narragansett	747,514			111,496	1,225,392	2,084,402
Newport	1,564,738	658,326		346,433	1,850,022	4,419,519
New Shoreham	77,527			88,246	86,417	252,190
North Kingstown	754,148	6,836		234,608	2,813,829	3,809,421
North Providence	2,032,742	533,146	1,120,853	174,550	4,979,357	8,840,648
North Smithfield	556,080	38,817		60,768	2,036,436	2,692,101
Pawtucket	4,630,267	330,377	1,573,062	395,734	10,057,076	16,986,516
Portsmouth	554,736			109,462	1,555,855	2,220,053
Providence	13,135,563	20,124,158	5,294,376	1,285,939	23,494,586	63,334,622
Richmond	125,676	627		22,769	757,368	906,440
Scituate	383,576			93,610	1,572,577	2,049,763
Smithfield	1,582,243	437,602		240,145	3,537,577	5,797,567
South Kingstown	860,708	121,138		194,843	2,167,848	3,344,537
Tiverton	547,575			87,145	1,404,450	2,039,170
Warren	425,488			46,087	1,126,195	1,597,770
Warwick	4,128,906	862,977		666,767	13,998,167	19,656,817
Westerly	642,010	132,288		287,135	3,156,078	4,217,511
West Greenwich	189,200			21,394	575,828	786,422
West Warwick	1,245,850		950,453	196,189	2,987,738	5,380,230
Woonsocket	3,270,235	173,199	845,483	219,987	5,393,158	9,902,062
Subtotal	\$55,111,875	27,766,967	\$10,384,458	\$7,698,411	133,440,705	\$234,402,414
Statewide Reference Library Resource Grant (Providence)				\$1,012,378		1,012,378
Library Construction Reimbursement				2,813,141		2,813,141
Motor Vehicle Excise Tax Reimbursement - Fire Districts					1,875,837	1,875,837
Total	\$55,111,875	\$27,766,967	\$10,384,458	\$11,523,930	\$135,316,542	\$240,103,770

Fiscal Year 2008 Pass Through Aid to Cities & Towns

City or Town	Public Service Corporation Tax	Meals and Beverage Tax	FY 2008 Total Shared Taxes State Aid	FY 2008 Total Shared & Appropriated Aid
Barrington	163,725	97,355	261,080	3,844,991
Bristol	218,726	314,610	533,336	3,512,924
Burrillville	153,767	163,038	316,805	4,157,070
Central Falls	184,256	85,211	269,467	3,579,338
Charlestown	76,504	113,369	189,873	1,102,418
Coventry	327,743	311,692	639,435	4,618,646
Cranston	771,648	1,329,706	2,101,354	23,075,171
Cumberland	309,948	335,721	645,669	4,975,810
East Greenwich	126,043	374,161	500,204	2,115,802
East Providence	473,956	695,080	1,169,036	10,285,398
Exeter	58,845	49,486	108,331	1,223,321
Foster	41,605	16,547	58,152	1,188,826
Glocester	96,839	54,881	151,720	1,911,492
Hopkinton	76,280	47,135	123,415	1,186,179
Jamestown	54,728	100,559	155,287	776,796
Johnston	274,466	442,368	716,834	8,080,745
Lincoln	203,433	570,769	774,202	4,683,433
Little Compton	34,976	28,489	63,465	474,123
Middletown	168,739	537,222	705,961	2,775,797
Narragansett	159,267	366,116	525,383	2,609,785
Newport	257,722	1,602,080	1,859,802	6,279,321
New Shoreham	9,832	238,087	247,919	500,109
North Kingstown	256,272	438,219	694,491	4,503,912
North Providence	315,506	387,100	702,606	9,543,254
North Smithfield	103,361	149,003	252,364	2,944,465
Pawtucket	710,213	616,145	1,326,358	18,312,874
Portsmouth	166,938	150,933	317,871	2,537,924
Providence	1,690,093	3,878,564	5,568,657	68,903,279
Richmond	70,303	100,959	171,262	1,077,702
Scituate	100,499	45,218	145,717	2,195,480
Smithfield	200,658	484,183	684,841	6,482,407
South Kingstown	271,798	472,658	744,456	4,088,993
Tiverton	148,549	148,070	296,619	2,335,789
Warren	110,584	229,894	340,478	1,938,248
Warwick	835,302	2,180,676	3,015,978	22,672,795
Westerly	223,564	612,366	835,930	5,053,441
West Greenwich	49,500	76,537	126,037	912,459
West Warwick	287,958	343,255	631,213	6,011,443
Woonsocket	420,766	473,363	894,129	10,796,191
Subtotal	10,204,912	18,660,826	\$28,865,738	\$263,268,152
Statewide Reference Library Resource Grant (Providence)				1,012,378
Library Construction Reimbursement				2,813,141
Motor Vehicle Excise Tax Reimbursement - Fire Districts				1,875,837
Total				\$268,969,508

Changes in Formula Aid - FY 2008 Revised vs. FY 2008 Enacted

City or Town	General Revenue Sharing	Payment In Lieu of Tax Exempt Property	Distressed Community Relief Fund	State Library Aid	Motor Vehicle Excise Tax Reimbursement	Total Appropriated Difference
Barrington	(37,158)	-	-	-	62,584	25,426
Bristol	(151,433)	-	-	-	1,428	(150,005)
Burrillville	(109,168)	-	-	-	(252)	(109,420)
Central Falls	(261,805)	-	-	-	(19,669)	(281,474)
Charlestown	(62,265)	-	-	-	(4,245)	(66,510)
Coventry	(154,918)	-	-	-	(4,550)	(159,468)
Cranston	(828,839)	-	-	-	(125,839)	(954,678)
Cumberland	(238,202)	-	-	-	292,185	53,983
East Greenwich	(26,996)	-	-	-	(9,094)	(36,090)
East Providence	(409,411)	-	-	-	(220,281)	(629,692)
Exeter	(13,824)	-	-	-	15,586	1,762
Foster	(47,378)	-	-	-	1,851	(45,527)
Glocester	(86,636)	-	-	-	20,183	(66,453)
Hopkinton	(34,488)	-	-	-	14,465	(20,023)
Jamestown	(22,383)	-	-	-	(4,399)	(26,782)
Johnston	(389,984)	-	-	-	(74,283)	(464,267)
Lincoln	(146,467)	-	-	-	(24,707)	(171,174)
Little Compton	(16,158)	-	-	-	645	(15,513)
Middletown	(149,529)	-	-	-	(20,628)	(170,157)
Narragansett	(134,698)	-	-	-	(26,035)	(160,733)
Newport	(281,957)	-	-	-	(42,983)	(324,940)
New Shoreham	(13,970)	-	-	-	214	(13,756)
North Kingstown	(135,894)	-	-	-	(60,826)	(196,720)
North Providence	(371,623)	-	-	-	(43,667)	(415,290)
North Smithfield	(100,202)	-	-	-	18,194	(82,008)
Pawtucket	(846,500)	-	-	-	(99,363)	(945,863)
Portsmouth	(99,961)	-	-	-	(8,414)	(108,375)
Providence	(2,401,427)	-	-	-	265,545	(2,135,882)
Richmond	(22,646)	-	-	-	(54,391)	(77,037)
Scituate	(69,119)	-	-	-	8,557	(60,562)
Smithfield	(285,112)	-	-	-	(19,115)	(304,227)
South Kingstown	(155,096)	-	-	-	14,777	(140,319)
Tiverton	(98,670)	-	-	-	(4,553)	(103,223)
Warren	(76,671)	-	-	-	(6,296)	(82,967)
Warwick	(744,008)	-	-	-	(5,196)	(749,204)
Westerly	(115,687)	-	-	-	166,122	50,435
West Greenwich	(34,093)	-	-	-	11,794	(22,299)
West Warwick	(227,764)	-	-	-	(164,905)	(392,669)
Woonsocket	(597,860)	-	-	-	(33,939)	(631,799)
Subtotal	(10,000,000)	\$0	\$0	\$0	(\$183,500)	(\$10,183,501)
Statewide Reference Library Resource Grant (Providence)				42,056	-	42,056
Library Construction Reimbursement				(36,306)	-	(36,306)
Motor Vehicle Excise Tax Reimbursement - Fire Districts				-	-	-
Total	(\$10,000,000)	\$0	\$0	\$5,750	(\$183,500)	(\$10,177,751)

Changes in Pass Through and All Aid - FY 2008 Rev vs FY 2008 Enacted

City or Town	Public Service Corporation Tax	Meals and Beverage Tax	Total Pass Through State Aid Difference	Total All State Aid Difference
Barrington	(2,231)	(11,451)	(13,682)	11,745
Bristol	(3,090)	31,738	28,648	(121,357)
Burrillville	(2,425)	1,340	(1,085)	(110,505)
Central Falls	(2,460)	(31,667)	(34,128)	(315,602)
Charlestown	(814)	(1,351)	(2,165)	(68,675)
Coventry	(4,306)	(13,107)	(17,413)	(176,881)
Cranston	(10,846)	6,734	(4,112)	(958,791)
Cumberland	(3,985)	(545)	(4,530)	49,453
East Greenwich	(1,634)	(14,628)	(16,262)	(52,352)
East Providence	(7,562)	(117,908)	(125,470)	(755,161)
Exeter	(744)	(785)	(1,529)	233
Foster	(638)	(3,383)	(4,021)	(49,548)
Glocester	(1,283)	(7,724)	(9,007)	(75,460)
Hopkinton	(913)	19,162	18,249	(1,774)
Jamestown	(672)	6,613	5,942	(20,841)
Johnston	(3,732)	28,851	25,120	(439,147)
Lincoln	(2,366)	142,288	139,923	(31,251)
Little Compton	(465)	(1,914)	(2,379)	(17,893)
Middletown	(3,066)	27,196	24,130	(146,028)
Narragansett	(2,063)	(42,090)	(44,154)	(204,887)
Newport	(4,317)	74,138	69,821	(255,119)
New Shoreham	(105)	59,180	59,075	45,318
North Kingstown	(3,240)	59,235	55,995	(140,724)
North Providence	(4,679)	(34,226)	(38,905)	(454,195)
North Smithfield	(1,529)	(34,757)	(36,287)	(118,295)
Pawtucket	(10,632)	(47,841)	(58,473)	(1,004,335)
Portsmouth	(2,445)	(20,374)	(22,819)	(131,194)
Providence	(22,315)	(148,175)	(170,490)	(2,306,372)
Richmond	(600)	(26,129)	(26,730)	(103,766)
Scituate	(1,386)	7,041	5,655	(54,907)
Smithfield	(2,669)	(3,148)	(5,818)	(310,045)
South Kingstown	(3,290)	(20,624)	(23,914)	(164,233)
Tiverton	(2,007)	33,034	31,027	(72,197)
Warren	(1,674)	(25,708)	(27,382)	(110,349)
Warwick	(12,501)	(223,854)	(236,355)	(985,559)
Westerly	(3,036)	(19,108)	(22,144)	28,291
West Greenwich	(355)	(7,498)	(7,853)	(30,152)
West Warwick	(4,265)	(66,745)	(71,010)	(463,679)
Woonsocket	(6,505)	(36,839)	(43,344)	(675,143)
Subtotal	(\$142,847)	(\$465,029)	(\$607,876)	(\$10,791,377)
Statewide Reference Library Resource Grant (Providence)				-
Library Construction Reimbursement				-
Motor Vehicle Excise Tax Reimbursement - Fire Districts				-
Total	(\$142,847)	(\$465,029)	(\$607,876)	(\$10,791,377)

Fiscal Year 2009 State Aid to Cities and Towns

City or Town	General Revenue Sharing	Payment In Lieu of Tax Exempt Property	Distressed Community Relief Fund	State Library Aid	Motor Vehicle Excise Tax Reimbursement Value of Exemption	FY 2009 Total Appropriated State Aid
Barrington	216,234	49,199		317,722	3,105,155	3,688,310
Bristol	864,188	584,813		57,817	1,569,867	3,076,685
Burrillville	668,947	73,011	504,713	80,245	2,874,260	4,201,176
Central Falls	1,432,052	20,927	288,852	77,237	1,559,044	3,378,112
Charlestown	352,494			45,205	538,116	935,815
Coventry	782,528			186,831	3,046,780	4,016,139
Cranston	4,155,762	3,820,082		572,241	12,633,481	21,181,566
Cumberland	1,103,654	140		248,544	2,856,038	4,208,376
East Greenwich	177,367	8,008		105,141	1,398,821	1,689,337
East Providence	2,688,856	60,645		467,926	6,484,378	9,701,805
Exeter	39,429			32,415	1,042,533	1,114,377
Foster	235,970	437		33,195	865,030	1,134,632
Glocester	495,177			65,133	1,253,136	1,813,446
Hopkinton	227,065			28,963	867,017	1,123,045
Jamestown	136,846			71,068	440,570	648,484
Johnston	2,164,904			122,433	5,240,728	7,528,065
Lincoln	792,759			174,946	3,017,082	3,984,787
Little Compton	106,193			25,296	305,021	436,510
Middletown	834,794			143,075	1,124,966	2,102,835
Narragansett	717,780			117,559	1,264,605	2,099,944
Newport	1,485,559	753,317		348,867	1,909,223	4,496,966
New Shoreham	77,551			92,970	89,183	259,704
North Kingstown	709,085	6,591		234,918	2,903,871	3,854,465
North Providence	2,177,880	513,661	1,024,798	178,999	5,138,697	9,034,035
North Smithfield	521,072	48,733		58,075	2,101,602	2,729,482
Pawtucket	4,955,929	353,035	1,499,940	409,610	10,378,902	17,597,416
Portsmouth	505,140			103,586	1,605,642	2,214,368
Providence	13,135,563	19,570,192	5,299,786	1,239,749	24,246,412	63,491,702
Richmond	88,937			25,637	781,604	896,178
Scituate	368,509			91,895	1,622,899	2,083,303
Smithfield	1,582,733	466,237		236,390	3,650,779	5,936,139
South Kingstown	817,311	118,511		189,662	2,237,219	3,362,703
Tiverton	492,063			86,606	1,449,392	2,028,061
Warren	431,817			44,050	1,162,233	1,638,100
Warwick	4,046,449	1,028,280		675,910	14,446,109	20,196,748
Westerly	703,826	127,296		281,881	3,257,073	4,370,076
West Greenwich	150,833			22,136	594,255	767,224
West Warwick	1,302,377		935,710	190,207	3,083,345	5,511,639
Woonsocket	3,270,235	163,852	830,661	214,271	5,565,739	10,044,758
Subtotal	55,015,867	\$27,766,967	10,384,458	\$7,698,411	137,710,808	\$238,576,512
Statewide Reference Library Resource Grant (Providence)				1,012,378		1,012,378
Library Construction Reimbursement				2,765,729		2,765,729
Motor Vehicle Excise Tax Reimbursement - Fire Districts					1,875,837	1,875,837
Total	\$55,015,867	\$27,766,967	\$10,384,458	\$11,476,518	\$139,586,645	\$244,230,456

Fiscal Year 2009 Pass Through Aid to Cities & Towns

City or Town	Public Service Corporation Tax	Meals and Beverage Tax	FY 2009 Total Shared Taxes State Aid	FY 2009 Total Shared & Appropriated Aid
Barrington	163,725	99,983	263,708	3,952,018
Bristol	218,726	323,104	541,830	3,618,515
Burrillville	153,767	167,440	321,207	4,522,383
Central Falls	184,256	87,512	271,768	3,649,880
Charlestown	76,504	116,430	192,934	1,128,749
Coventry	327,743	320,108	647,851	4,663,990
Cranston	771,648	1,365,608	2,137,256	23,318,822
Cumberland	309,948	344,786	654,734	4,863,110
East Greenwich	126,043	384,263	510,306	2,199,643
East Providence	473,956	713,848	1,187,804	10,889,608
Exeter	58,845	50,822	109,667	1,224,044
Foster	41,605	16,993	58,598	1,193,230
Glocester	96,839	56,362	153,201	1,966,647
Hopkinton	76,280	48,408	124,688	1,247,733
Jamestown	54,728	103,274	158,002	806,486
Johnston	274,466	454,311	728,777	8,256,842
Lincoln	203,433	586,180	789,613	4,774,400
Little Compton	34,976	29,258	64,234	500,744
Middletown	168,739	551,727	720,466	2,823,301
Narragansett	159,267	376,001	535,268	2,635,212
Newport	257,722	1,645,336	1,903,058	6,400,024
New Shoreham	9,832	244,515	254,347	514,051
North Kingstown	256,272	450,051	706,323	4,560,788
North Providence	315,506	397,552	713,058	9,747,093
North Smithfield	103,361	153,026	256,387	2,985,869
Pawtucket	710,213	632,781	1,342,994	18,940,410
Portsmouth	166,938	155,008	321,946	2,536,314
Providence	1,690,093	3,983,285	5,673,378	69,165,080
Richmond	70,303	103,685	173,988	1,070,166
Scituate	100,499	46,439	146,938	2,230,241
Smithfield	200,658	497,256	697,914	6,634,053
South Kingstown	271,798	485,420	757,218	4,119,921
Tiverton	148,549	152,068	300,617	2,328,678
Warren	110,584	236,101	346,685	1,984,785
Warwick	835,302	2,239,554	3,074,856	23,271,604
Westerly	223,564	628,900	852,464	5,222,540
West Greenwich	49,500	78,603	128,103	895,327
West Warwick	287,958	352,523	640,481	6,152,120
Woonsocket	420,766	486,144	906,910	10,951,668
Subtotal	10,204,912	\$19,164,669	\$29,369,581	\$267,946,093
Statewide Reference Library Resource Grant (Providence)				1,012,378
Library Construction Reimbursement				2,765,729
Motor Vehicle Excise Tax Reimbursement - Fire Districts				1,875,837
Total				\$273,600,037

Changes in Formula Aid - FY 2009 vs. FY 2008 Revised

City or Town	General Revenue Sharing	Payment In Lieu of Tax Exempt Property	Distressed Community Relief Fund	State Library Aid	Motor Vehicle Excise Tax Reimbursement	Total Appropriated Difference
Barrington	10,029	(4,666)	-	2,752	96,284	104,399
Bristol	23,804	23,978	-	637	48,678	97,097
Burrillville	71,809	(5,880)	205,468	390	89,124	360,911
Central Falls	-	20,927	(12,134)	11,105	48,343	68,241
Charlestown	6,948	-	-	(363)	16,685	23,270
Coventry	(77,200)	-	-	19,654	94,474	36,928
Cranston	(443,920)	236,177	-	23,756	391,736	207,749
Cumberland	(218,263)	1	-	7,938	88,559	(121,765)
East Greenwich	27,555	68	-	2,742	43,374	73,739
East Providence	416,815	(984)	-	(31,454)	201,066	585,443
Exeter	(37,289)	-	-	4,349	32,326	(614)
Foster	(26,956)	167	-	3,924	26,823	3,958
Glocester	14,392	-	-	425	38,857	53,674
Hopkinton	35,671	-	-	(2,275)	26,885	60,281
Jamestown	12,625	-	-	689	13,661	26,975
Johnston	670	-	-	981	162,503	164,154
Lincoln	(20,064)	-	-	2,067	93,553	75,556
Little Compton	16,523	-	-	(129)	9,458	25,852
Middletown	4,977	-	-	(6,861)	34,883	32,999
Narragansett	(29,734)	-	-	6,064	39,213	15,543
Newport	(79,179)	94,991	-	2,434	59,201	77,447
New Shoreham	24	-	-	4,724	2,766	7,514
North Kingstown	(45,063)	(245)	-	310	90,042	45,044
North Providence	145,138	(19,485)	(96,055)	4,449	159,340	193,387
North Smithfield	(35,008)	9,916	-	(2,693)	65,166	37,381
Pawtucket	325,662	22,658	(73,122)	13,876	321,826	610,900
Portsmouth	(49,596)	-	-	(5,876)	49,787	(5,685)
Providence	-	(553,966)	5,410	(46,190)	751,826	157,080
Richmond	(36,739)	(627)	-	2,868	24,236	(10,262)
Scituate	(15,067)	-	-	(1,715)	50,322	33,541
Smithfield	490	28,635	-	(3,755)	113,202	138,573
South Kingstown	(43,397)	(2,627)	-	(5,181)	69,371	18,167
Tiverton	(55,512)	-	-	(539)	44,942	(11,109)
Warren	6,329	-	-	(2,037)	36,038	40,330
Warwick	(82,457)	165,303	-	9,143	447,942	539,931
Westerly	61,816	(4,992)	-	(5,254)	100,995	152,565
West Greenwich	(38,367)	-	-	742	18,427	(19,198)
West Warwick	56,527	-	(14,743)	(5,982)	95,607	131,409
Woonsocket	-	(9,347)	(14,822)	(5,716)	172,581	142,696
Subtotal	(\$96,008)	\$0	\$0	\$0	\$4,270,102	\$4,174,098
Statewide Reference Library Resource Grant (Providence)				42,056	-	42,056
Library Construction Reimbursement				(36,306)	-	(36,306)
Motor Vehicle Excise Tax Reimbursement - Fire Districts				-	-	-
Total	(\$96,008)	\$0	\$0	\$5,750	\$4,270,102	\$4,179,848

Changes in Pass Through and All Aid - FY 2009 vs. FY 2008 Revised

City or Town	Public Service Corporation Tax	Meals and Beverage Tax	Total Pass Through State Aid Difference	Total All State Aid Difference
Barrington	-	2,629	2,629	107,027
Bristol	-	8,494	8,494	105,591
Burrillville	-	4,402	4,402	365,313
Central Falls	-	2,301	2,301	70,542
Charlestown	-	3,061	3,061	26,331
Coventry	-	8,416	8,416	45,344
Cranston	-	35,902	35,902	243,651
Cumberland	-	9,064	9,064	(112,701)
East Greenwich	-	10,102	10,102	83,841
East Providence	-	18,767	18,767	604,210
Exeter	-	1,336	1,336	722
Foster	-	447	447	4,405
Glocester	-	1,482	1,482	55,155
Hopkinton	-	1,273	1,273	61,553
Jamestown	-	2,715	2,715	29,690
Johnston	-	11,944	11,944	176,098
Lincoln	-	15,411	15,411	90,967
Little Compton	-	769	769	26,621
Middletown	-	14,505	14,505	47,504
Narragansett	-	9,885	9,885	25,428
Newport	-	43,256	43,256	120,703
New Shoreham	-	6,428	6,428	13,942
North Kingstown	-	11,832	11,832	56,876
North Providence	-	10,452	10,452	203,839
North Smithfield	-	4,023	4,023	41,404
Pawtucket	-	16,636	16,636	627,536
Portsmouth	-	4,075	4,075	(1,610)
Providence	-	104,721	104,721	261,801
Richmond	-	2,726	2,726	(7,536)
Scituate	-	1,221	1,221	34,761
Smithfield	-	13,073	13,073	151,645
South Kingstown	-	12,762	12,762	30,928
Tiverton	-	3,998	3,998	(7,111)
Warren	-	6,207	6,207	46,537
Warwick	-	58,878	58,878	598,809
Westerly	-	16,534	16,534	169,099
West Greenwich	-	2,066	2,066	(17,132)
West Warwick	-	9,268	9,268	140,677
Woonsocket	-	12,781	12,781	155,477
Subtotal	\$0	\$503,842	\$503,842	\$4,677,941
Statewide Reference Library Resource Grant (Providence)				42,056
Library Construction Reimbursement				(36,306)
Motor Vehicle Excise Tax Reimbursement - Fire Districts				-
Total		\$503,842	\$503,842	\$4,683,691

Appendix D

Aid to Schools

Education Aid to Local Units of Government

Education Aid to Local Governments

Education Aid to Local Governments totals \$910.4 million in FY 2009, a \$25.7 million increase in total state funding relative to the FY 2008 revised budget, and a 2.9 percent increase in the state's commitment to financing public education within Rhode Island. Total Education Aid is defined to include local public schools, the School for the Deaf, Davies Career and Technical School, the Charter Schools, the Central Falls School District and the Metropolitan Career and Technical School, as well as support for teacher retirement and school housing aid. The following sections summarize changes to the various aid categories that comprise total FY 2009 Education Aid.

Distributed Aid- Maintenance of the State's Effort with Continued Support for Central Falls

In the extremely distressed fiscal environment surrounding the formulation of the FY 2009 Budget, the Governor has again reaffirmed his commitment to Local Education Agencies (LEAs) by proposing level funding of distributed education aid for each community. The single exception to this policy relates to those six communities that have experienced declines in the number of certified (aid-eligible) group home beds between March 14, 2007 and December 31, 2007. Per statutory changes enacted by the 2007 General Assembly, group home aid to these six districts (Cranston, Johnston, Providence, Woonsocket, Bristol/Warren, and Exeter/W. Greenwich) will be reduced by a total of \$885,000, corresponding to a total statewide bed decrease of 59 certified, aid-eligible beds. Further, to continue financing essential district operations while leveraging municipal fiscal participation, state support of the Central Falls school district increases by 3.9 percent, or \$1.7 million, relative to the revised FY 2008 level. Combining these two changes yields total FY 2009 distributed aid appropriations of \$691.7 million, a \$.8 million increase from the revised FY 2008 level.

State Schools

The State Schools- Davies Career and Technical School, Metropolitan Career and Technical School, and the Rhode Island School for the Deaf are collectively financed at \$33.5 million in general revenue, which constitutes a \$1.4 million increase from the revised FY 2008 Budget. This reflects financing of current services at each school, and continued support of the expansion of the Metropolitan School to an East Bay campus on Aquidneck Island. This campus commenced operations during the 2006-2007 school year and maintains a current enrollment of approximately 60 students.

Non-Distributed Aid

Several significant adjustments for the non-distributed categories of state education aid are also recommended for FY 2009. Notable among these are the elimination of both the Hasbro Children's Hospital educational grant and the School Breakfast subsidy, and a significant reduction in financing for SALT (On-Site) Visits. These modifications to the education aid program were determined following intensive deliberations on departmental priorities conducted by the Governor during the summer of 2007. The general revenue match for federal support of telecommunications access for public schools and libraries (the so-called E-Rate program) was likewise removed, to be funded exclusively through receipts of the Rhode Island Telecommunications Education Access Fund (RITEAF) beginning in FY 2009. The Progressive Support and Intervention (PS&I) Fund, which finances corrective intervention activities in the State's underperforming districts, is financed at \$2.7 million. The single largest component of non-distributed aid, direct aid to charter schools, increases \$2.9 million from the FY 2008 revised level to a total of \$29.8 million in FY 2009.

Education Aid to Local Units of Government

Other Aid

The FY 2009 budget also includes increases in other aid of \$21.9 million; \$7.3 million in school housing aid reimbursements and \$14.6 million in state contributions for teachers' retirement.

FY 2009 Education Aid Increases (Decreases) From the Revised FY 2008 Budget

- Group Home Funding: (\$885,000)
- Central Falls School District: \$1,693,051
- Professional Development: \$2,960
- Hasbro Children's Hospital: (\$97,300)
- School Breakfast: (\$600,000)
- Telecommunications Access: (\$270,460)
- On-Site Visits (SALT):(\$251,057)
- Direct Charter School Aid: \$2,931,910
- Progressive Support and Intervention: (\$105,183)
- Metropolitan Career and Technical School: \$814,812
- School for the Deaf: \$53,805
- Davies Career and Technical School: \$490,118
- Teachers' Retirement: \$14,560,467
- School Housing Aid: \$7,332,272

Explanation of LEA Table

The following table displays the FY 2008 and FY 2009 education aid budgets and their corresponding apportionment among the state's local and regional education agencies (LEAs). "Distributed LEA Aid" consists of the various categories of aid that are directly distributed to school districts on a regular (usually monthly) basis, such as General Aid, Targeted Aid, and funds for Student Equity. For completeness, general revenue financing of the Central Falls School District (including an allocation for indirect Charter School Aid) is also displayed in this section. "State Schools" include the Metropolitan School, Davies, and School for the Deaf. "Non-Distributed Aid" includes several categories of aid that are either utilized at the departmental level or are not distributed regularly to school districts. "Other Aid" consists of allocations for School Housing Aid and state contributions to the Teachers' Retirement Fund. For the purposes of this table, direct aid to charter schools is categorized as non-distributed.

Education Aid to Local Units of Government

	FY 2008 Revised	FY 2009 Recommend	Difference*
Distributed LEA Aid			
Barrington	\$2,599,526	\$2,599,526	-
Burrillville	13,854,743	13,854,743	-
Charlestown	2,002,838	2,002,838	-
Coventry	20,075,081	20,075,081	-
Cranston	35,580,911	35,475,911	(105,000)
Cumberland	13,257,009	13,257,009	-
East Greenwich	1,949,761	1,949,761	-
East Providence	26,888,254	26,888,254	-
Foster	1,416,463	1,416,463	-
Glocester	3,213,847	3,213,847	-
Hopkinton	6,241,352	6,241,352	-
Jamestown	531,908	531,908	-
Johnston	10,915,364	10,750,364	(165,000)
Lincoln	7,403,268	7,403,268	-
Little Compton	368,810	368,810	-
Middletown	10,497,116	10,497,116	-
Narragansett	1,897,159	1,897,159	-
Newport	11,871,080	11,871,080	-
New Shoreham	106,345	106,345	-
North Kingstown	11,986,005	11,986,005	-
North Providence	13,382,872	13,382,872	-
North Smithfield	4,834,237	4,834,237	-
Pawtucket	67,023,559	67,023,559	-
Portsmouth	6,700,042	6,700,042	-
Providence	194,109,756	193,869,756	(240,000)
Richmond	6,188,615	6,188,615	-
Scituate	3,407,183	3,407,183	-
Smithfield	5,743,568	5,743,568	-
South Kingstown	10,548,698	10,548,698	-
Tiverton	5,932,058	5,932,058	-
Warwick	37,626,000	37,626,000	-
Westerly	6,843,077	6,843,077	-
West Warwick	20,440,547	20,440,547	-
Woonsocket	47,661,613	47,421,613	(240,000)
Bristol/Warren	20,498,190	20,438,190	(60,000)
Exeter/W Greenwich	7,661,019	7,586,019	(75,000)
Chariho District	398,334	398,334	-
Foster/Glocester	5,729,861	5,729,861	-
Central Falls	43,494,684	45,187,735	1,693,051
Subtotal	\$690,880,753	\$691,688,804	\$808,051

**For all communities, decreases from FY 2008 Revised to FY 2009 represent drops in certified group home bed counts.*

Education Aid to Local Units of Government

	FY 2008 Revised	FY 2009 Recommend	Difference
Non-Distributed Aid			
On-Site Visits	\$396,921	\$145,864	(\$251,057)
Textbook Expansion	240,000	240,000	-
Hasbro Children's Hospital	97,300	-	(\$97,300)
School Breakfast	600,000	-	(\$600,000)
Professional Development	592,040	595,000	2,960
Charter School-Direct Aid	26,844,840	29,776,750	2,931,910
Progressive Support & Intervention	2,801,050	2,695,867	(105,183)
Speech Pathologist Salary Supplemer	-	-	-
Telecommunications Access	270,460	-	(270,460)
Subtotal	\$31,842,611	\$33,453,481	1,610,870
State Schools			
Metropolitan School	\$11,487,734	\$12,302,546	\$814,812
School for the Deaf	6,570,993	6,624,798	53,805
Davies School	14,047,723	14,537,841	490,118
Subtotal	\$32,106,450	\$33,465,185	\$1,358,735
Other Aid			
Teachers' Retirement	\$80,225,355	\$94,785,822	\$14,560,467
School Housing Aid	49,663,976	56,996,248	7,332,272
Subtotal	\$129,889,331	\$151,782,070	\$21,892,739
LEA Subtotal	\$690,880,753	\$691,688,804	\$808,051
Total	\$884,719,145	\$910,389,540	\$25,670,395

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Performance Measures