

State of Rhode Island and Providence Plantations

# Executive Summary



## Fiscal Year 2009

Donald L. Carcieri, Governor

# **General Government**



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# General Government

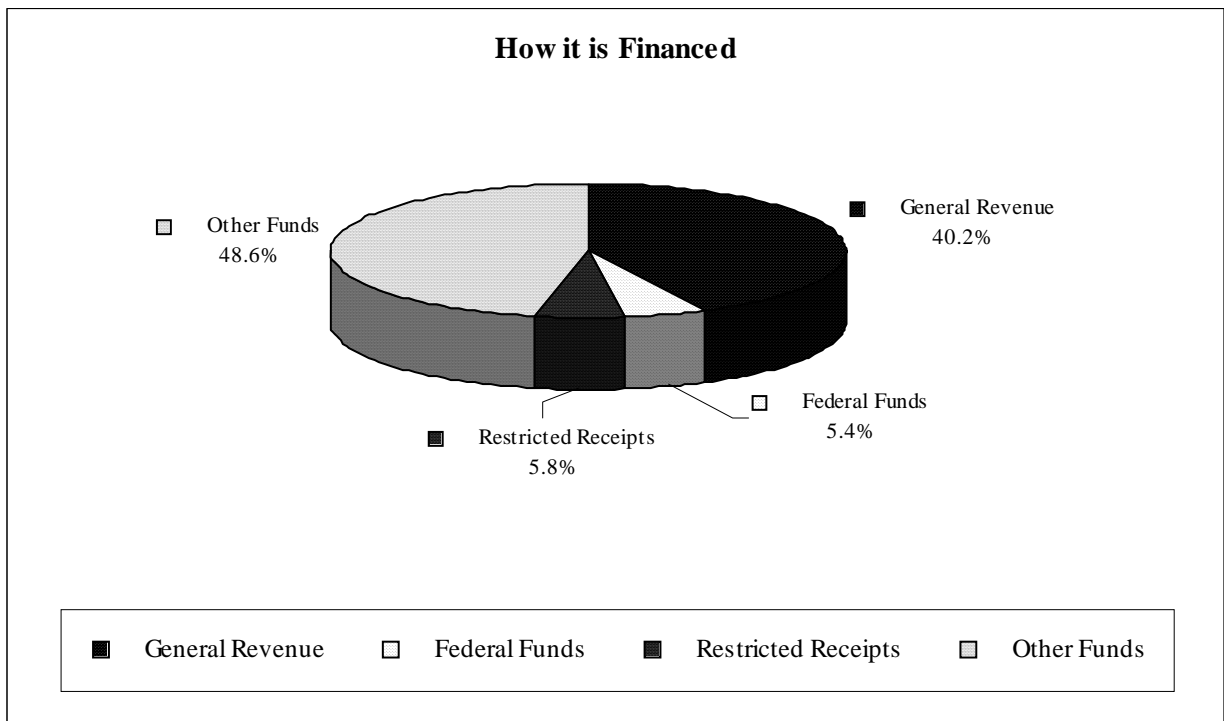
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## Summary

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.

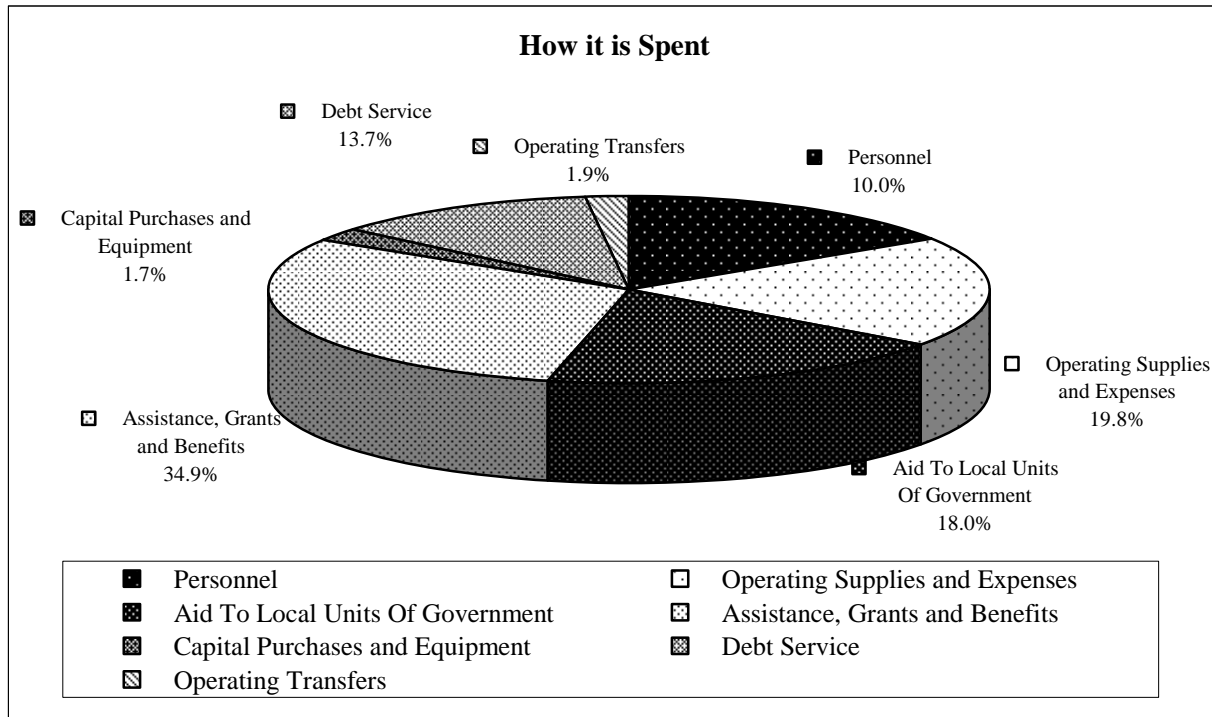
The FY 2008 revised budget for General Government agencies totals \$1.458 billion, including \$611.5 million in general revenues, \$86.8 million in federal funds, \$78.2 million in restricted receipts, and \$681.2 million in other funds. The revised budget from all fund sources for General Government 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.



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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.

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## *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.

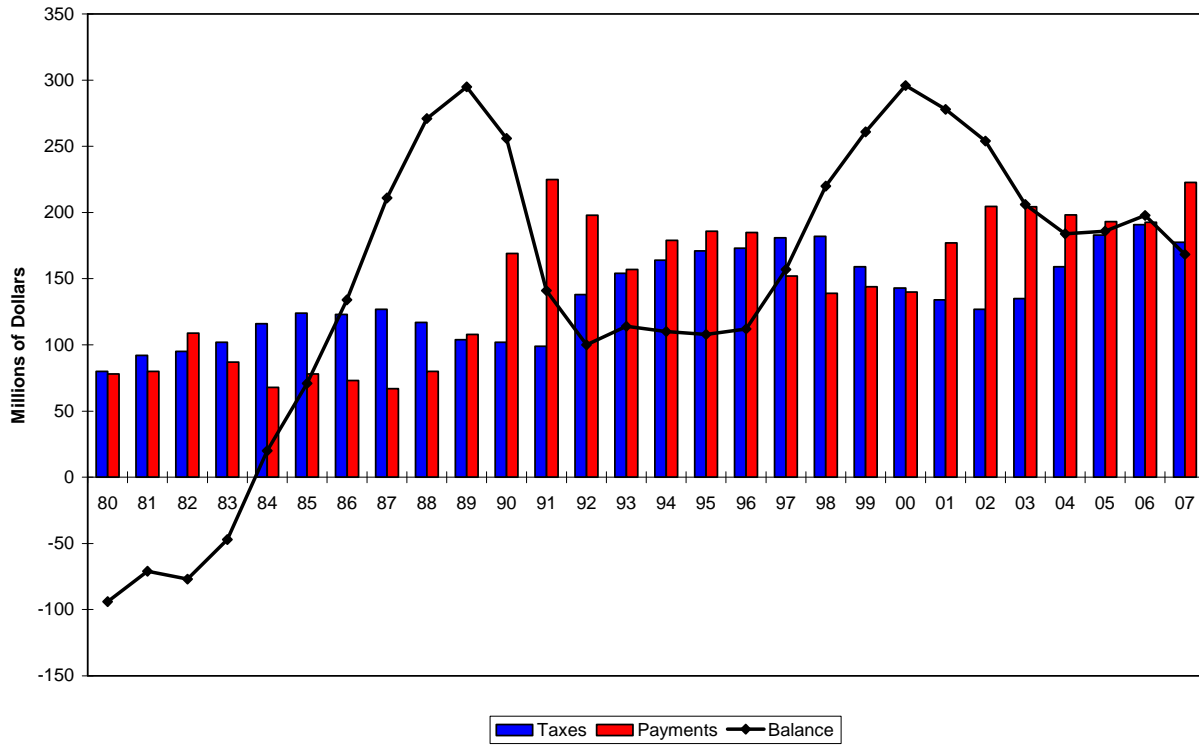
### *Department of Labor and Training*

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).

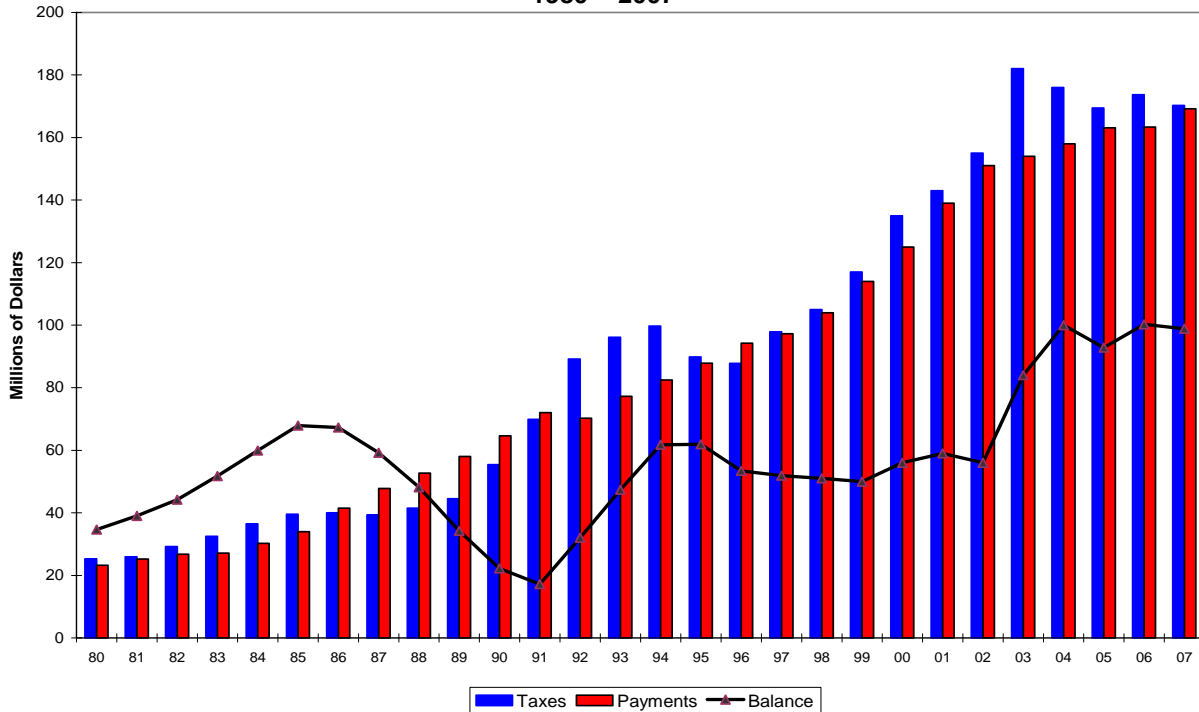
The recent fund balance trends for both the Employment Security Trust Fund and the Temporary Disability Insurance (TDI) Trust Fund are shown in the graphs below. It should be noted that Rhode Island's Employment Security Fund is in stable condition relative to other states. At the end of 2007, the Employment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

# General Government

**Unemployment Insurance Fund Activity  
1980 - 2007**



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



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## General Government

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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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## General Government

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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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## General Government

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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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## General Government

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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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## General Government

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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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## General Government

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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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## General Government

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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.

