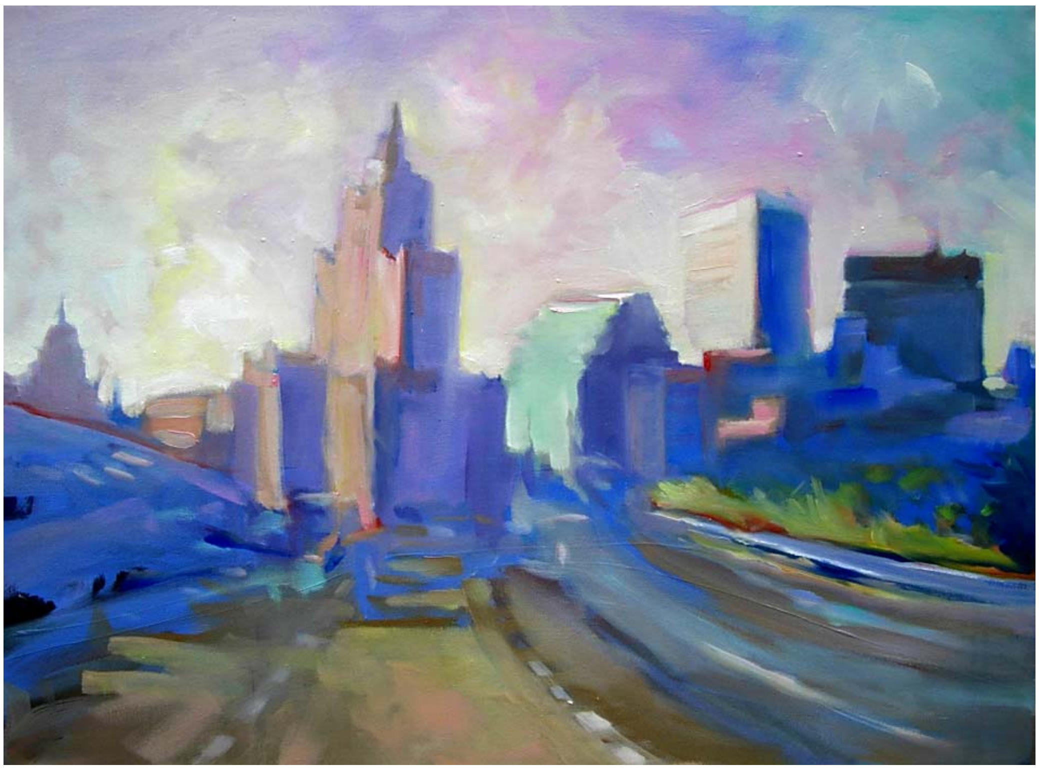
State of Rhode Island and Providence Plantations

Executive Summary



Fiscal Year 2009

Donald L. Carcieri, Governor

Human Services

Human Services

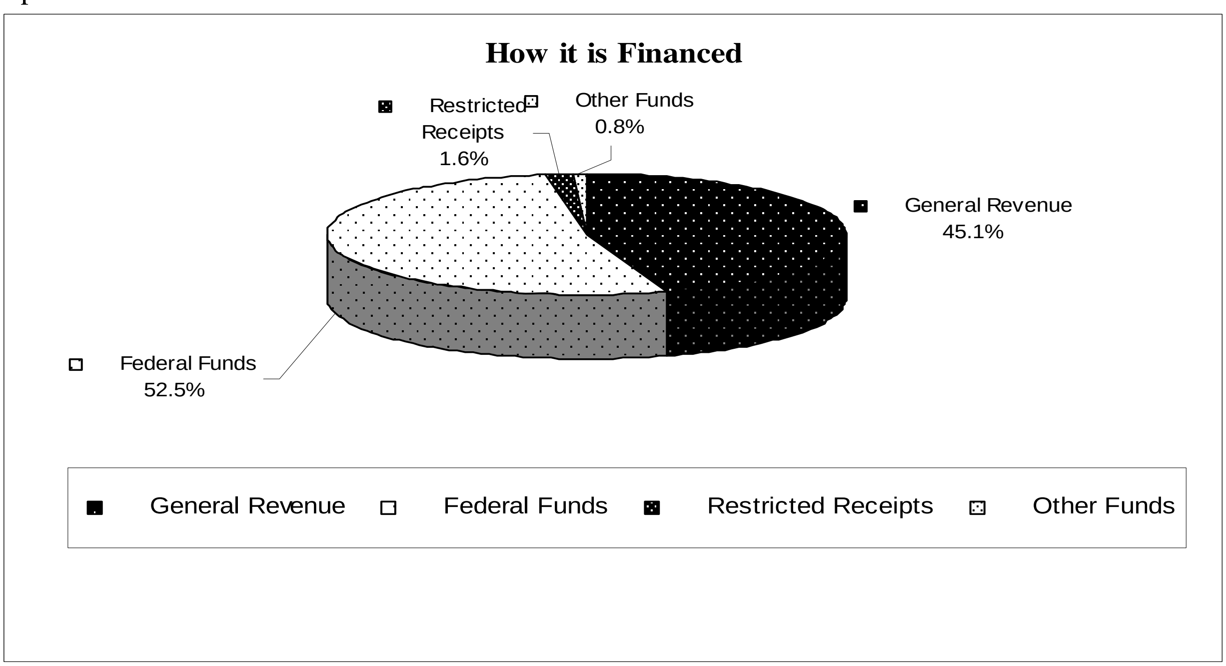
Summary

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.

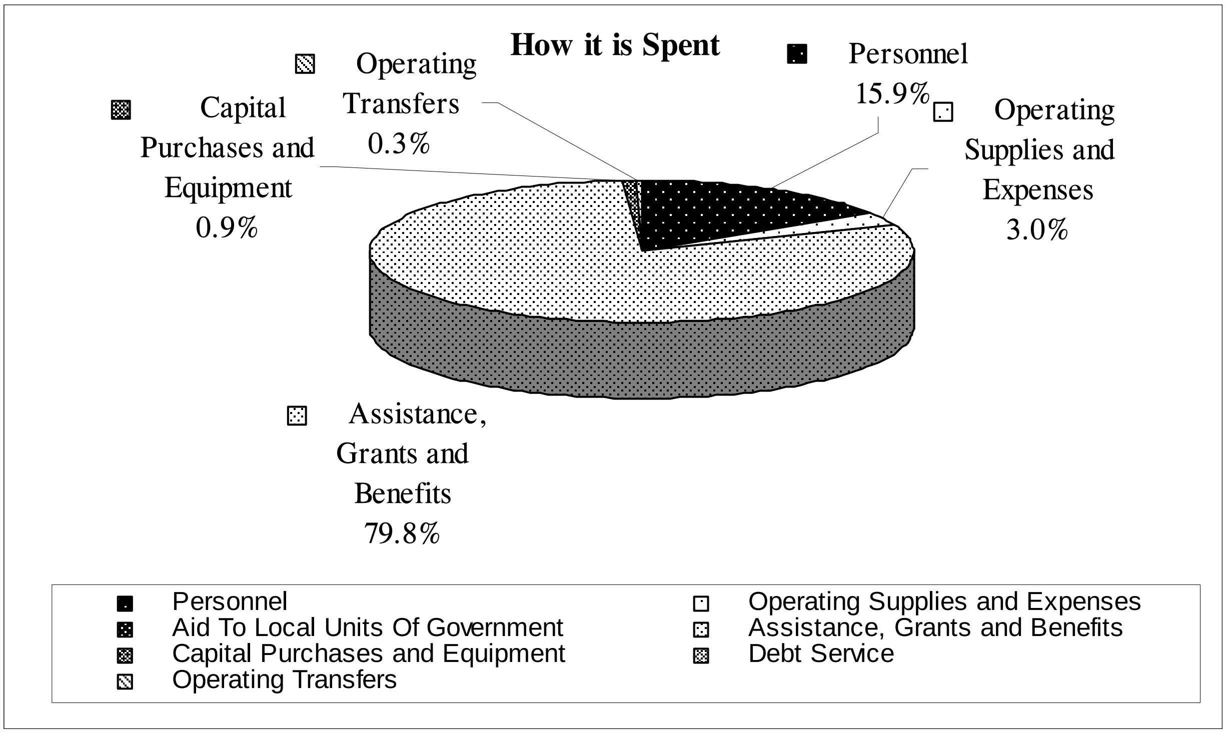
For FY 2008, the Human Services departments and agencies continue to leverage their resources so that both individuals and families achieve maximum potential and self-sufficiency. The social and economic needs of clients continue to be provided by the Office and Health and Human Services, Departments 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 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;

  - 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.

- $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:

- ($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.

Human Services

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

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.

Human Services

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 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.

- 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.

- 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.

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 is 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.

Human Services

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 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 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.