

State of Rhode Island and Providence Plantations

# Executive Summary



Fiscal Year 2019

Gina M. Raimondo, Governor

# **General Government**



# General Government

## DEPARTMENT OF ADMINISTRATION

Source Of Funds	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Enacted	FY 2018 Revised	FY 2019 Recommended
General Revenue	\$212,928,494	\$217,802,032	\$216,198,914	\$185,759,136	\$183,043,234
Federal Funds	\$31,351,946	\$16,553,489	\$13,162,089	\$8,334,188	\$3,758,057
Restricted Receipts	\$29,970,285	\$26,458,599	\$33,225,906	\$29,307,551	\$25,861,669
Other Funds	\$55,888,580	\$57,205,557	\$55,493,175	\$46,958,054	\$46,086,455
Rhode Island Capital Plan Funds	\$19,484,046	\$31,517,232	\$41,146,000	\$47,177,231	\$38,840,000
<b>Total Funding</b>	<b>\$349,623,351</b>	<b>\$349,536,908</b>	<b>\$359,226,084</b>	<b>\$317,536,160</b>	<b>\$297,589,415</b>
<b>FTE Authorization</b>	712.7	708.7	696.7	696.7	667.7

### *FY 2018 Revised Budget*

The Governor recommends revised FY 2018 appropriations of \$317.5 million for the Department of Administration, including \$185.8 million from general revenue, \$8.3 million from federal funds, \$29.3 million from restricted receipts, \$47.0 million from other funds, and \$47.2 million from the Rhode Island Capital Plan Fund. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$30.4 million, federal financing decreases by \$4.8 million, restricted receipts financing decreases by \$3.9 million, other funds decreases by \$8.5 million, and Rhode Island Capital Plan Fund increases by \$6.0 million.

In the FY 2018 Appropriations Act, the General Assembly included the authorization to convert the Division of Capital Asset Management and Maintenance (DCAMM), Human Resources, and the Division of Information Technology (DoIT) to internal service funds. Internal service funds enable a “best practice” incentive structure for service by allocating the cost of these services directly to the benefiting agency, while increasing non-general revenue recovery of the services. The FY 2018 revised budget includes the allocation of the costs formally budgeted in the Department. The result is the Department of Administration’s general fund appropriation decreasing by \$60.8 million for this conversion. The agency’s share of these costs totals \$13.0 million. The net result within the Department of Administration is a decrease of \$47.7 million.

The revised FY 2018 recommendation includes a distribution of \$25.0 million to other state agencies for personnel, contract and programmatic efficiencies. The revised budget contains a statewide savings of \$184,996 for medical expenses. There is a reappropriation from FY 2017 of \$790,919, of which \$579,559 is for the State’s Classification and Compensation Study, \$58,526 is for the LEAN program, \$30,000 for fraud system development, and \$122,834 for staff training in the Division of Capital Asset Management and Maintenance program.

### **Central Management**

Within the Central Management program, the Governor recommends revised FY 2018 appropriations of \$3.1 million, all from general revenues. Relative to the FY 2018 enacted levels, recommended general revenue financing increases by \$26,272. This includes reductions of \$250,000 for software maintenance, \$100,000 for IT general services, and \$218,447 for increased turnover. The FY 2017 reappropriation for the classification study resides within this program; however, it was reduced from the original reappropriation of \$579,559 to \$379,599. Cybersecurity resides within this program, which includes 2.0 FTE positions and \$761,506 from general revenue.

### **Accounts and Control**

Within the Accounts and Control program, the Governor recommends revised FY 2018 appropriations of \$4.1 million, all from general revenues. Relative to the FY 2018 enacted levels, recommended general

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# General Government

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revenue financing decreases by \$243,531, of which the majority is related to an increase in turnover savings.

## Office of Management and Budget

Within the Office of Management and Budget program, the Governor recommends revised FY 2018 appropriations of \$10.8 million, including \$9.3 million from general revenue, \$409,356 from restricted receipts, and \$1.0 million from operating transfers. Relative to the FY 2018 enacted levels, recommended general revenue financing increases by \$458,104, of which \$88,526 was related to reappropriations and \$305,765 to personnel expenses.

## Purchasing

Within the Purchasing program, the Governor recommends revised FY 2018 appropriations of \$10.8 million, including \$9.3 million from general revenue and \$1.4 million from all other sources. Relative to the FY 2018 enacted levels, recommended general revenue financing decreases by \$139,358 and financing from all other sources increases by \$103,628. The decrease in general revenue is related to an increase in turnover savings.

## Human Resources

The Governor recommends revised FY 2018 appropriations of \$1.1 million from general revenue for the Human Resource Service Centers operating expenses. A total of \$10.1 million from all funds and 100 FTE positions have been shifted per the authorization provided by the General Assembly in the FY 2018 Appropriations Act to convert DCAMM-Facilities Management, HR, and DoIT to internal service funds.

## Personnel Appeal Board

Within the Personnel Appeal Board, the Governor recommends revised FY 2018 appropriations of \$147,461, all from general revenues. Relative to the FY 2018 enacted levels, recommended general revenue financing increases by \$2,331.

## General

The Governor recommends revised FY 2018 appropriations of \$62.2 million, including \$14.3 million from general revenue, \$700,000 from restricted receipts, and \$47.2 million from the Rhode Island Capital Plan Fund. There is an increase of \$6.0 million from the enacted level of \$41.1 million from the Rhode Island Capital Plan Fund. Major changes include the following:

- *Hospital Consolidation.* The Governor recommends \$7.8 million for the hospital reorganization project. \$3.5 million was previously budgeted in BHDDH budget.
- *Virks/Mathias Buildings.* The Governor includes an additional \$2.1 million for renovations to these facilities
- *Old State House.* The Governor decreases funds by \$850,000 for the Old State House.

## Debt Service

Within the Debt Service program, the Governor recommends revised FY 2018 appropriations of \$180.0 million, including \$137.2 million from general revenue, \$1.9 million from federal funds, and \$40.9 million from operating transfers. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$1.2 million, with minor adjustments in other sources of funds. The net decrease in general revenue funding was the result of several items. First, funding of \$1.4 million for debt service related to Higher Education debt has been transferred to budgets of the respective institutions based on the new general obligation bond issuance and refunding that took place in Spring 2017. Second, a refunding of several Certificates of Participation (COPS) issuances resulted in savings equal to those assumed in the enacted budget, but a portion of the savings was attributable to non-general revenue supported debt of the higher education institutions and thus general revenue funding for COPS debt service increased by

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approximately \$0.4 million. Third, the Convention Center Authority also completed a refunding in early FY 2018 that resulted in approximately \$0.2 million in savings above that included in the enacted budget. Finally, the I-195 Land Acquisition debt has a variable interest rate that has been rising in recent months, thus requiring an increase of \$0.2 million in debt service funding.

## **Energy Resources**

Within the Energy Resources program, the Governor recommends revised FY 2018 appropriations of \$10.5 million, of which \$9.7 million is from restricted receipts and \$731,772 from federal funds. The recommendation is \$1.7 million less than the enacted level. The majority of the decrease is related to the availability of federal funds related to the Regional Greenhouse Gas Initiative.

## **Legal Services**

Within the Legal Services program, the Governor recommends revised FY 2018 appropriations of \$2.1 million, all from general revenue. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$31,171, which is mostly related to personnel costs.

## **Information Technology**

The Governor recommends revised FY 2018 appropriations of \$11.7 million, including \$1.5 million from general revenue, \$182,000 from federal funds, \$10.0 from restricted receipts, and \$89,174 from other funds. Relative to FY 2018 enacted levels, recommended funding for this program decreases by \$32.1 million. A total of \$30.6 million from all funds and 194.0 FTE positions have been shifted per the authorization provided the General Assembly in the FY 2018 Appropriations Act to convert DCAMM-Facilities Management, HR, and DoIT to internal service funds.

## **Library and Information Services**

Within the Library and Information Services program, the Governor recommends revised FY 2018 appropriations of \$2.7 million, including \$1.5 million from general revenue and \$1.3 million from federal funds. General Revenues are consistent with the enacted level.

## **Planning**

Within the Division of Planning, the Governor recommends revised FY 2018 appropriations of \$5.0 million, including \$465,371 from general revenue, \$15,291 from federal funds, and \$4.5 million from other funds. From general revenues, there is a reduction of \$806,112 for personnel, which is related to turnover savings and the transfer of 3.0 FTE positions in the Water Resource Board to the Division of Public Utilities and Carriers, which would be funded through restricted receipts.

## **Construction, Permitting, Approvals, and Licensing**

Within the Construction, Permitting, Approvals, and Licensing program, the Governor recommends revised FY 2018 appropriations of \$3.5 million, including \$2.1 million from general revenue and \$1.4 million from restricted receipts. Relative to FY 2018 enacted levels, there is an all funds increase of \$264,353, which is related to a decrease in turnover, staff training, and information technology charges.

## **Rhode Island Health Benefits Exchange**

Within the Rhode Island Health Benefits Exchange, the Governor recommends revised FY 2018 appropriations of \$12.9 million, including \$2.6 million from general revenue, \$4.3 million from federal, and \$6.0 million from restricted receipts. Relative to FY 2018 enacted levels, there is an all funds increase of \$3.3 million, most of which is from federal funds, for management and IT consultants to provide continual support to maintain the system.

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## **The Office of Diversity, Equity, and Opportunity**

Within the Office of Diversity, Equity, and Opportunity, the Governor recommends revised FY 2018 appropriations of \$1.1 million, including \$1.0 million from general revenue. Relative to the enacted FY 2018 Budget, general revenue financing decreases by \$250,271, all of which is related to increased turnover savings.

## **Capital Asset Management and Maintenance**

Within the Division of Capital Asset Management and Maintenance (DCAMM), the Governor recommends revised FY 2018 appropriations of \$9.8 million, all of which is general revenue. A total of \$30.2 million from all funds has been shifted per the authorization provided the General Assembly in the FY 2018 Appropriations Act to convert DCAMM, HR, and DoIT to internal service funds.

### *FY 2019 Recommended Budget*

The Governor recommends FY 2019 appropriations of \$297.6 million for the Department of Administration, including \$183.0 million from general revenue, \$3.8 million from federal funds, \$25.9 million from restricted receipts, \$46.1 million from other funds, and \$38.8 million from the Rhode Island Capital Plan Fund. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$33.2 million. There are decreases of \$9.3 million from federal funds, \$7.3 million from restricted receipts, and \$9.4 million from other funds, and \$2.3 million from the Rhode Island Capital Plan Fund. Internal Service Funds increases by \$76.6 million, which is related to the authorization to convert the Division of Capital Asset Management and Maintenance (DCAMM), Human Resources, and the Division of Information Technology (DoIT) to internal service funds. The FY 2019 budget recommendation for the Department of Administration includes statewide increases of \$136,906 for assessed fringe benefits and rates. It also includes a statewide savings of \$6,688 for dental and \$102,299 for medical.

For FY 2019, the Governor's recommendation transfers the Construction, Permitting, Approvals, and Licensing program from the Department of Administration to the Department of Business Regulation. This move will improve the business climate of the state by providing a single point of contact for building and construction professionals seeking authorization (see DBR overview of the Executive Summary). There is also a statewide net savings of \$4.0 million from general revenue that is included in the Department of Administration for contract and insurance reduction initiatives. Several programs contained personnel reductions to adjust the base salaries related to elimination of longevities for employees that are anticipated to retire in FY 2018 through the Administration's Voluntary Retirement Incentive (VRI) initiative.

## **Central Management**

Within the Central Management program, the Governor recommends FY 2019 appropriations of \$2.9 million, all from general revenues. Relative to the enacted FY 2018 levels, recommended general revenue financing decreases by \$156,373. This decrease reflects savings associated with increased turnover rates and reduction of staff training, which is slightly offset by additional funds for IT General Services. Cybersecurity resides within this program, which includes 2.0 FTE positions and \$763,960 from general revenue. There is also \$250,000 in the internal service fund for enhanced network financing. We also intend to use the IT Investment Fund to further invest in our cybersecurity capabilities based on the recommendations of an ongoing cybersecurity assessment.

## **Accounts and Control**

The Governor recommends FY 2019 appropriations of \$4.3 million, all of which is from general revenue. Relative to the enacted FY 2018 levels, recommended general revenue financing decreases by \$6,338. There

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is a personnel savings of \$36,338 due to the elimination one full-time equivalent employee, which is offset by increases to statewide benefits and decreased turnover.

## Office of Management and Budget

Within the Office of Management and Budget program, the Governor recommends FY 2019 appropriations of \$10.2 million, including \$8.7 million in general revenue, \$300,000 in restricted receipts, and \$1.2 million in operating transfers. Relative to the enacted FY 2018 levels, recommended general revenue financing decreases by \$218,039. Major changes within this program are attributable to the following adjustments:

- *Personnel increase of \$986,341.* This increase assumes a decrease in the turnover rate assumed in the enacted budget.
- *Performance Management.* The Governor recommends a decrease of \$94,668, which is related to the elimination of one full-time equivalent employee.
- *Fraud and waste data tool.* The FY 2018 enacted and revised budget contains \$1.2 million for the implementation of the Fraud and Waste data tool. These funds are not needed in FY 2019. The Budget contains \$350,000 for the maintenance of this system.
- *New Budget System.* The recommendation includes \$150,000 for maintenance associated with the Budget Office budget development system.

## Purchasing

Within the Purchasing program, the Governor recommends FY 2019 appropriations of \$3.6 million, including \$2.6 million from general revenue, \$540,000 from restricted receipts, and \$462,538 in other funds. Relative to the FY 2018 enacted levels, recommended general revenue financing decreases by \$57,038, which is related to a shift for some personnel expenses from general revenue to other funds.

## Human Resources

The Governor recommends FY 2019 appropriations of \$1.3 million from general revenue for the Human Resource Service Centers operating expenses. There is a program reduction of 1.0 FTE position for a savings of \$77,668. A total of \$10.0 million from all funds and the 99.0 FTE positions have been shifted per the authorization provided by the General Assembly in the FY 2018 Appropriations Act to convert DCAMM, HR, and DoIT to internal service funds.

## Personnel Appeal Board

The Governor recommends FY 2019 appropriations of \$149,126 for the Personnel Appeal Board, all from general revenue. Relative to the FY 2018 enacted levels, recommended general revenue financing increases by \$3,996.

## General

The Governor recommends FY 2019 appropriations of \$53.9 million for the General program, including \$14.4 million from general revenue, \$700,000 from restricted receipts, and \$38.8 million from Rhode Island Capital Plan Fund. Relative to the FY 2018 enacted levels, recommended general revenue financing increased by \$14.943, which is attributable to an adjustment to the distribution of library construction aid, and Rhode Island Capital Plan Fund financing decreases by \$2.3 million.

## Debt Service

The Governor recommends FY 2019 appropriations of \$183.8 million for the Debt Service program, including \$141.8 from general revenue, \$1.9 million from federal funds, and \$40.1 million from operating transfers. Relative to the enacted FY 2018 enacted level, general revenue financing increases by \$3.4 million and operating transfers financing decreases by \$935,158. The net increase in general revenue funding was the result of several items. First, debt service for general obligation bonds increases by \$16.3



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million. This is due in part to new debt issuances, but also because debt refinancings in recent years have produce savings in the early years of the debt repayment schedule, resulting in increased debt service expense in future years. Second, COPS debt service increases by \$1.6 million. Similar to general obligation bonds, there is an increase for new debt issued in FY 2017, but also a result of refinancing savings taken in FY 2018 that do not reoccur. Third, the first issuance of the Historic Structures Tax Credit financing will be paid off in full in FY 2018, thus reducing debt service in FY 2019 by over \$21.6 million. This savings is partially offset by estimated interest of \$3.4 million on the planned third issuance of \$75.0 million under this program, expected to be completed in FY 2019. Fourth, the FY 2019 budget includes \$2.5 million in debt service for the new Garrahy Garage project, debt for which will be issued by the Convention Center Authority. Under the authorization for the issuance of \$45.0 million for the construction of this garage next to the Garrahy Courthouse and adjacent to the I-195 land under redevelopment, the State will be responsible for any debt service not covered by revenue from the operations of the garage. The garage is not expected to be operational until the Fall of 2019, and thus will not generate any revenue during FY 2019. Finally, interest only has been paid on the I-195 Land Acquisition debt through FY 2019, but beginning in FY 2019 the first principal payment of \$1.1 million will be due, thus requiring an increase in general revenue financing for this debt.

### **Legal Services**

Within the Legal Services program, the Governor recommends FY 2019 appropriations of \$2.4 million, all from general revenue. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$182,114, which is related to the attainment of outside legal services primarily related to representation for contractual negotiations and other labor issues.

### **Information Technology**

The Governor recommends FY 2019 appropriations of \$11.5 million for the Information Technology program, including \$1.5 million from general revenues, \$115,000 from federal funds, \$10.0 million from restricted receipts, and \$88,071 from other funds. A total of \$30.8 million from all funds and 194.0 FTE positions have been shifted per the authorization provided the General Assembly in the FY 2018 Appropriations Act to convert DCAMM, HR, and DoIT to internal service funds.

### **Library and Information Services**

The Governor recommends FY 2019 appropriations of \$2.6 million for the Library and Information Services, including \$1.4 million in general revenue and \$1.2 million from all other sources. Relative to the enacted FY 2018 Budget, general revenue financing decreases by \$85,108, which is attributable to a decrease in express delivery costs.

### **Planning**

The Governor recommends FY 2019 appropriations of \$5.2 million for the Planning program, including \$498,353 in general revenue, \$15,448 in federal funds, and \$4.7 from operating transfers. Relative to the enacted FY 2018 Budget, general revenue financing decreases by \$773,130, which is attributable to an increase in turnover savings and the transfer of 3.0 FTE positions in the Water Resource Board to the Division of Public Utilities and Carriers, which will now be funded through restricted receipts.

### **Energy Resources**

The Governor recommends FY 2019 appropriations of \$8.7 million for the Energy Resources program, of which \$524,820 is from federal funds and \$8.2 million is from restricted receipts. Relative to the enacted FY 2018 Budget, financing decreases by \$3.4 million. Significant changes within this program are attributable to a decrease in the Regional Greenhouse Gas Initiative grant.

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## Construction, Permitting, Approvals, and Licensing

In FY 2019, the Governor recommends that the Construction, Permitting, Approvals, and Licensing be moved to the Department of Business Regulations.

## Health Benefits Exchange

The Governor recommends FY 2019 appropriations of \$8.3 million for the Health Benefits Exchange, of which \$2.4 million is from general revenue, \$138,089 is from federal funds, and \$5.8 million is from restricted receipts. Relative to the enacted FY 2018 Budget, financing decreases by \$1.3 million from all funds. There is a reduction of \$262,000 from general revenue, which is the result of a 10 percent decrease in contract services.

## Office of Diversity, Equity, and Opportunity

The Governor recommends FY 2019 appropriations of \$1.4 million for the Office of Diversity, Equity, and Opportunity program, a decrease of \$1,981 from the FY 2018 enacted Budget.

## Capital Asset Management and Maintenance

The Governor recommends FY 2019 appropriations of \$9.6 million in general revenue for the Capital Asset Management and Maintenance program. There is a general revenue savings of \$3.7 million, which is the result of converting the financing for project managers to receipts collected through an administrative fee. A total of \$30.4 million from all funds has been shifted per the authorization provided the General Assembly in the FY 2018 Appropriations Act to convert DCAMM, HR, and DoIT to internal service funds.

For the FY 2018 revised, the Governor recommends a total authorization of 696.7 FTE positions for FY 2018, which is consistent with the FY 2018 enacted budget.

For FY 2019, the Governor recommends a total of 667.7 FTE positions. This is a decrease of 44.0 FTE from the FY 2018 enacted and revised budgets, and includes the transfer of 23.0 FTEs from the Construction, Permitting, Approvals, and Licensing program to the Department of Business Regulation.

DEPARTMENT OF BUSINESS REGULATION					
Source Of Funds	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Enacted	FY 2018 Revised	FY 2019 Recommended
General Revenue	\$8,174,920	\$9,864,377	\$10,452,638	\$10,958,638	\$17,166,351
Federal Funds	\$3,073,024	\$1,645,328	\$892,213	\$1,049,269	\$892,631
Restricted Receipts	\$1,956,933	\$2,619,311	\$4,261,332	\$4,206,752	\$6,404,812
Other Funds	\$0	\$0	\$0	\$0	\$0
RI Capital Plan Fund	\$0	\$0	\$0	\$0	\$66,497
<b>Total Funding</b>	<b>\$13,204,877</b>	<b>\$14,129,016</b>	<b>\$15,606,183</b>	<b>\$16,214,659</b>	<b>\$24,530,291</b>
<b>FTE Authorization</b>	98.0	100.0	101.0	106.0	170.0

### *FY 2018 Revised Budget*

The Governor recommends revised FY 2018 appropriations of \$15.4 million for the Department of Business Regulation, including \$10.4 million from general revenue; \$1.1 million from federal funds; and \$3.9 million from restricted receipts. Relative to FY 2019 enacted levels, recommended general revenue financing decreases by \$382,966, federal financing increases by \$159,308, and restricted receipt financing decreases by \$18,574. The revised FY 2018 Budget is inclusive of statewide assessed fringe benefit rate reductions distributed to state agencies, which resulted in \$30,628 of general revenue savings being allocated to the Department of Business Regulation. Pursuant to authority provided by the General

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Assembly in the FY 2018 Appropriations Act, increased funding totaling \$888,401 is now reflected in the Governor's revised FY 2018 recommended budget for Department of Business Regulation. This accounts for the decentralization of budgetary authority for statewide internal services provided by the Department of Administration's Divisions of Human Resources, Capital Asset Management and Maintenance, and Information Technology.

## **Central Management**

Within the Central Management program, the Governor recommends revised FY 2018 appropriations of \$2.1 million, all from general revenue. Relative to the FY 2018 enacted level, recommended general revenue financing increases by \$0.8 million, inclusive of the decentralized costs for human resources, facilities maintenance, and information technology services. The increase for decentralized costs is slightly offset by a decrease of \$61,730 from general revenue financing for staff salaries and benefits, reflective of unanticipated turnover savings.

## **Banking Regulation**

Within the Banking Regulation program, the Governor recommends revised FY 2018 appropriations of \$1.7 million, including \$1.6 million from general revenue and \$75,000 from restricted receipts. Relative to FY 2018 enacted levels, recommended financing decreases by \$139,554 from all sources. Recommended general revenue financing decreases by \$164,554 to reflect additional turnover savings. Financing for operations costs from restricted receipts increases by \$25,000 for professional fees and mileage, reflective of actual and anticipated expenditures. The Governor also recommends 2.0 new full-time banking examiner positions for the Banking Regulation division. These positions are anticipated to be filled late in the fiscal year and are critical for the Department to be able to conduct statutorily required examinations and fulfill its regulator responsibilities to protect consumers against institutional insolvency. Examiners' time is billed directly to the institutions being examined.

## **Insurance Regulation**

Within the Insurance Regulation program, the Governor recommends revised FY 2018 appropriations of \$5.8 million, including \$3.9 million from general revenue and \$1.9 million from restricted receipts. Relative to FY 2018 enacted funding, recommended general revenue financing decreases by \$74,213, to reflect additional turnover savings. Restricted receipt financing increases by \$102,552, primarily to reflect anticipated expenditures for contracted actuarial services. The Governor also recommends 1.0 new full-time insurance examiner for the Insurance Regulation division. This position is anticipated to be filled late in the fiscal year and is critical for the Department to be able to conduct statutorily required examinations and fulfill its regulator responsibilities to protect consumers against institutional insolvency. Examiners' time is billed directly to the institutions being examined.

## **Securities Regulation**

Within the Securities Regulation program, the Governor recommends revised FY 2018 appropriations of \$967,691, including \$952,691 from general revenue and the enacted level of \$15,000 from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$21,673 reflective of current staffing and benefits selections. Financing for the program's operations costs remains at the enacted level.

## **Commercial Licensing, Racing & Athletics**

Within the Commercial Licensing, Racing & Athletics program, the Governor recommends revised FY 2018 appropriations of \$2.6 million, including \$909,372 from general revenue and \$1.7 million from restricted receipts. This is a decrease of \$23,129 from all sources, relative to FY 2018 enacted levels.

- *Personnel Financing* – The Governor recommends total FY 2018 appropriations of \$2.1 million from all sources for personnel costs. General revenue financing increases by \$16,334 to reflect

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current staffing and employee benefit selections. Restricted receipt financing decreases by \$47,022 due to unanticipated turnover.

- *New Positions* - The Governor includes 2.0 new full-time equivalent positions in the Commercial Licensing, Racing & Athletics program, both funded from restricted receipts and both anticipated to be filled late in the fiscal year:
  - The addition of 1.0 new, full-time pari-mutuel operations specialist position
  - The addition of 1.0 new, full-time legal counsel for the medical marijuana program.

### **Office of the Health Insurance Commissioner**

Within the Office of the Health Insurance Commissioner, the Governor recommends revised FY 2018 appropriations of \$2.7 million, including \$1.6 million from general revenue, \$1.0 million from federal funds, and \$124,851 from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue decreases by \$43,562, federal financing increases by \$157,056, and restricted receipt financing decreases by \$103,917, due to unanticipated vacancies. An increase in general revenue funding for staff salaries and benefits is offset by a shift of \$70,000 of Medicaid-related contracted services costs for RIREACH from general revenue to federal financing.

### **Boards for Design Professionals**

Pursuant to a Memorandum of Understanding between the Department of Business Regulation, the Department of Administration, and the Department of Public Safety, the Governor recommends shifting revised FY 2018 appropriations of \$0.3 million for the Boards for Design Professionals staffing and operations costs from general revenues to restricted receipts available from the Contractors' Registration Board. Relative to FY 2018 enacted levels, recommended total funding decreases \$38,752 from all sources to reflect current staffing, updated planning values, and employee benefit selections. The shift is consistent with the Governor's FY 2019 recommendation to establish a new program within the Department of Business Regulation, bringing together all professions related to building and construction design, inspection, and enforcement of the building and fire codes to be housed within and responsible to the same agency. This new program will provide a single point of contact for building and construction professionals seeking authorization from the state, and will encompass the staffing and operations of:

- The Building Code Commission;
- The Contractors' Registration and Licensing Board;
- The Fire Code Safety Board of Appeal and Review;
- The Boards for Design Professionals; and
- The Office of the State Fire Marshal.
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The Governor's recommended budget includes legislation to permanently establish the new program, effective for FY 2019.

### ***FY 2019 Recommended Budget***

The Governor recommends FY 2019 appropriations of \$24.5 million for the Department of Business Regulation, including \$17.2 million from general revenue, \$892,631 from federal funds, \$6.4 million from restricted receipts, and \$66,497 from other sources. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$6.7 million, federal financing increases by \$418, and restricted receipt financing increases by \$2.1 million. The recommended FY 2019 Budget is inclusive of medical benefit and other savings as well as changes in assessed fringe benefit and retirement rates distributed to state agencies, which resulted in additional general revenue expenditures of \$64,495 allocated to the Department of Business Regulation. Pursuant to authority provided by the General Assembly in the FY

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2018 Appropriations Act, increased funding totaling \$998,693 is now reflected in the Governor's recommended budget for Department of Business Regulation in FY 2019. This accounts for the decentralization of budgetary authority for statewide internal services provided by the Department of Administration's Divisions of Human Resources, Capital Asset Management and Maintenance, and Information Technology.

### **Central Management**

Within the Central Management program, the Governor recommends FY 2019 appropriations of \$2.2 million from general revenue. Relative to the enacted FY 2018 levels, general revenue financing increases by \$0.9 million, inclusive of the decentralized costs for human resources, facilities maintenance, and information technology services. The FY 2019 recommendation also includes an increase of \$43,785 for personnel to reflect anticipated staffing and updated benefit rates.

### **Banking Regulation**

Within the Banking Regulation program, the Governor recommends FY 2019 appropriations of \$1.9 million, including \$1.8 million from general revenue and \$75,000 from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$77,663 in support of the inclusion of the 2.0 new full-time bank examiner positions recommended in the FY 2018 revised budget. Restricted receipt financing increases by \$25,000, consistent with the FY 2018 revised budget and FY 2017 actual expenditures.

### **Insurance Regulation**

Within the Insurance Regulation program, the Governor recommends FY 2019 appropriations of \$5.9 million, including \$3.9 million from general revenue and \$2.0 million from restricted receipts. Relative to FY 2018 enacted levels, total funding increases by \$115,038 from all sources. General revenue financing decreases by \$53,327 due to turnover in the current year and the downgrade of the associated positions. The Governor includes financing in support of the 1.0 new full-time insurance examiner position recommended in the FY 2018 revised budget. Restricted receipt financing increases \$168,365, largely due to anticipated costs for contracted actuarial services.

### **Securities Regulation**

Within the Securities Regulation program, the Governor recommends FY 2019 appropriations of \$1.0 million, including \$992,821 from general revenue and \$15,000 from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$18,457 and financing from restricted receipts remains unchanged.

### **Commercial Licensing, Racing & Athletics**

Within the Commercial Licensing, Racing & Athletics program, the Governor recommends FY 2019 appropriations of \$3.3 million, including \$1.1 million from general revenue and \$2.2 million from restricted receipts. Relative to FY 2018 enacted levels, general revenue financing increases by \$0.2 million and restricted receipt financing increases by \$431,532. The recommendation includes financing in support of the new pari-mutuel operations specialist position included in the FY 2018 revised budget.

- *Medical Marijuana Program* – The Governor recommends \$1.3 million from restricted receipts, which is an increase of \$430,106 relative to the FY 2018 enacted budget. The increase includes financing in support of the legal counsel position included in the FY 2018 revised budget. The Governor also recommends 3.0 new full-time licensing aide positions for the program. Recommended FY 2019 appropriations also include increases in operations expenditures for the program, in support of its expansion.

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## General Government

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- *Professional Licensing* – To increase efficiencies and improve overall customer service in the licensing professionals practicing within the state, the Governor recommends shifting the administration of several professional licenses from the Department of Health to the Department of Business Regulation. The licenses include:
  - Barbers and Hairdressers,
  - Cosmeticians and Estheticians
  - Manicurists,
  - Electrolysisists,
  - Speech Pathologists and Audiologists
  - Embalmers;
  - Opticians;
  - Hearing Aid Dealers and Fitters;
  - Athletic Trainers;
  - Interpreters for the Deaf; and
  - Music Therapists

The Governor's recommended budget includes an associated shift of 2.0 full-time equivalent positions and \$0.2 million from general revenue from the Department of Health's Division of Customer Services to the Department of Business Regulation in support of the recommendation.

### **Office of the Health Insurance Commissioner**

Within the Office of the Health Insurance Commissioner, the Governor recommends FY 2019 appropriations of \$2.4 million, including \$1.6 million from general revenue, \$513,791 from federal funds, and \$234,507 from restricted receipts. Relative to FY 2018 enacted levels, general revenue financing increases by \$23,986, federal financing decreases by \$378,422 due to the expiration of the Health Insurance Enforcement and Consumer Protection grant, and restricted receipt financing increases by \$5,739. The Governor includes the shift of \$70,000 of Medicaid-related contracted services costs for RIREACH from general revenue to federal financing.

### **Building, Design, and Fire Professionals**

To improve the business climate in the state, the Governor recommends that the Office of the State Fire Marshal and the Construction Permitting, Approvals and Licensing program from the Department of Administration be consolidated with the Boards for Design Professionals within the Department of Business Regulation. All professions related to building and construction design, inspection, and enforcement of the building and fire codes will be housed within and responsible to the same agency. This new program will provide a single point of contact for building and construction professionals seeking authorization from the state, and will encompass the staffing and operations of:

- The Building Code Commission;
- The Contractors' Registration and Licensing Board;
- The Fire Code Safety Board of Appeal and Review;
- The Office of the State Fire Marshal; and
- The Boards for Design Professionals.

Associated FY 2019 appropriations of \$7.8 million from all sources, including \$5.4 million from general revenue, \$0.4 million from federal financing, and \$1.9 million from restricted receipts, are included in the Governor's recommendation.

The Governor recommends 106.0 full-time equivalent positions in the revised FY 2018 Budget, which is an increase of 5.0 positions. For FY 2019, the Governor includes 170.0 full-time equivalent positions, an increase of 64.0 positions above the revised FY 2018 Budget. The increase is inclusive of the merger of 36.0 positions for the State Fire Marshal, 23.0 positions for the Construction Permitting, Approvals and

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Licensing division, and 2.0 licensing positions from the Department of Health into the Department of Business Regulation.

## EXECUTIVE OFFICE OF COMMERCE

Source Of Funds	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Enacted	FY 2018 Revised	FY 2019 Recommended
General Revenue	\$60,458,832	\$54,708,755	\$33,057,819	\$29,808,525	\$37,314,974
Federal Funds	\$10,016,268	\$13,606,251	\$17,890,642	\$18,871,385	\$14,445,458
Restricted Receipts	\$2,681,142	\$4,391,678	\$4,749,911	\$6,249,911	\$4,754,319
Other Funds	\$0	\$0	\$0	\$0	\$0
RI Capital Plan Fund	\$259,557	\$711,606	\$2,900,000	\$3,073,394	\$6,300,000
<b>Total Funding</b>	<b>\$73,415,799</b>	<b>\$73,418,290</b>	<b>\$58,598,372</b>	<b>\$58,003,215</b>	<b>\$62,814,751</b>
<b>FTE Authorization</b>	16.0	16.0	17.0	17.0	17.0

### *FY 2018 Revised Budget*

The Governor recommends revised FY 2018 appropriations of \$58.0 million for the Executive Office of Commerce, including \$29.8 million from general revenue, \$18.9 million from federal funds, \$6.2 million from restricted receipts, and \$3.1 million from the Rhode Island Capital Plan Fund. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$3.2 million, federal financing increases by \$0.1 million, restricted receipt financing increases by \$1.5 million, and Rhode Island Capital Plan Fund financing increases by \$0.2 million. The revised FY 2018 budget is inclusive of statewide assessed fringe benefit savings distributed to state agencies, which resulted in \$4,040 of general revenue savings being allocated to the Executive Office of Commerce. Additionally, pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased funding totaling \$306,701 is now reflected in the Executive Office's FY 2018 revised budget. This accounts for the decentralization of budgetary authority for statewide internal services provided by the Department of Administration's Divisions of Human Resources, Capital Asset Management and Maintenance, and Information Technology.

### **Central Management**

Within the Central Management program, the Governor recommends revised FY 2018 appropriations of \$1.1 million from general revenue. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$7,755, attributable to the following adjustments:

- *Current Personnel Costs.* The Governor recommends \$0.1 million less from general revenue, not including statewide benefit changes, for Central Management personnel. The recommendation reflects costs for the current staff of the division, which is budgeted for 5.3 full-time equivalent positions. The recommendation reflects unanticipated turnover savings in the current year.
- *Operating Costs.* The Governor recommends \$73,795 more from general revenue for Central Management operating costs. The increase reflects actual costs associated with the Executive Office's FY 2018 move from offices in the State House to offices adjacent to the Commerce Corporation and is inclusive of the decentralized costs for human resources, facilities maintenance, and information technology services.

### **Housing and Community Development**

Within Housing and Community Development, the Governor recommends revised FY 2018 appropriations of \$26.0 million, which includes \$0.9 million from general revenue, \$18.9 million from federal funds, and \$6.2 million from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$258,461, inclusive of the decentralized costs for human resources, facilities maintenance, and information technology services. Federal financing increases by \$980,743, and restricted

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## General Government

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receipt financing increases by \$1.5 million.

- *Current Personnel Costs.* The Governor recommends a decrease of \$0.1 million from all sources, not including statewide assessed fringe benefit savings adjustments, for personnel expenditures. The reduction is a result of unanticipated turnover savings in the current year.
- *Neighborhood Stabilization Program.* The Governor recommends \$1.5 million from restricted receipts to be expended as part of a corrective action plan agreed to between the Housing Resources Commission and the federal department of Housing and Urban Development. The Housing Resources Commission has approved the use of approx. \$1.5M in Conveyance Tax funds for a required repayment related construction and associated Neighborhood Stabilization Program expenditures that took place from 2010 to 2014.

### Quasi-Public Appropriations

Within the Quasi-Public Appropriations, the Governor recommends revised FY 2018 appropriations of \$14.8 million, which includes \$11.7 million from general revenue and \$3.1 million from Rhode Island Capital Plan Fund financing. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$0.5 million and Rhode Island Capital Plan Fund financing increases by \$0.2 million.

- *RI Commerce Corporation Base Funding.* The Governor recommends a decrease of \$250,000 from the FY 2018 enacted level to the base appropriation of the Rhode Island Commerce Corporation in the current year, reflective of actual anticipated costs for Corporation operations and staffing.
- *STAC Research Alliance.* The Governor recommends \$250,000 less than the enacted level from general revenue financing for the RI Experimental Program to Stimulate Competitive Research. The reduction reflects the Commerce Corporation's actual costs to administer the program, which builds partnerships between state government, institutions of higher education and industry. The program's goal is to effect lasting improvements in the state's research infrastructure and national research and development competitiveness.
- *Rhode Island Capital Plan Funds.* The Governor recommends an increase of \$27,341 from the Rhode Island Capital Plan Fund for the Quonset Pier project, which involves infrastructure modernization and repairs to the Port of Davisville. The recommendation reflects actual costs anticipated in the current year. The Governor also includes \$146,053 more than enacted for the I-195 Commission to fulfill its mission of fostering economic development on Rhode Island's former I-195 land.

### Economic Development Initiatives Fund

Within the Economic Development Initiatives Fund, the Governor recommends revised FY 2018 appropriations of \$15.3 million from general revenue. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$2.5 million.

- *Rebuild RI.* The Governor recommends \$3.0 million less from general revenue for the Rebuild RI Tax Credit program in the current year. The recommended funding sustains the program and aligns the needs of the program with expected obligations, which is capped at \$150.0 million. This program allows the State to incentivize potentially catalytic development and redevelopment projects by filling gaps in project budgets to enable them to proceed.

### Commerce Programs



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# General Government

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Within Commerce Programs, the Governor recommends the enacted level of \$0.5 million for the Air Service Development Fund and \$0.8 million for the Stay Invested in RI Wavemaker Fellowship tax credit program.

## *FY 2019 Recommended Budget*

The Governor recommends FY 2019 appropriations of \$62.8 million for the Executive Office of Commerce, including \$37.3 million from general revenue, \$14.4 million from federal funds, \$4.8 million from restricted receipts, and \$6.3 million from the Rhode Island Capital Plan Fund. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$4.3 million, federal financing decreases by \$3.4 million, restricted receipt financing increases by \$4,408 and Rhode Island Capital Plan Fund financing increases by \$3.4 million. The FY 2019 budget is inclusive of medical benefit savings, statewide assessed fringe benefit, and retirement rate changes, which resulted in and medical benefit savings distributed to state agencies, which resulted in \$7,355 of additional general revenue expenditures being allocated to the Executive Office of Commerce. Additionally, pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased funding totaling \$316,747 is now reflected in the agency budget for FY 2019. This accounts for the decentralization of budgetary authority for statewide internal services provided by the Department of Administration's Divisions of Human Resources, Capital Asset Management and Maintenance, and Information Technology.

### **Central Management**

Within Central Management program, the Governor recommends FY 2019 appropriations of \$1.3 million from general revenue. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$148,381, inclusive of the decentralized costs for human resources, facilities maintenance, and information technology services.

- *Personnel Costs.* The Governor recommends total general revenue financing of \$1.1 million, which is an increase of \$82,798 for personnel costs. The recommendation is inclusive of funding for the Deputy Secretary position, which will be primarily tasked with focusing on issues related to housing and homelessness.

### **Housing and Community Development**

Within Housing and Community Development program, the Governor recommends FY 2019 appropriations of \$20.1 million from all sources. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$263,774, inclusive of the decentralized costs for human resources, facilities maintenance, and information technology services. Federal financing decreases by \$3.4 million, and restricted receipt financing increases by \$4,408.

- *Current Personnel Costs.* The Governor recommends a decrease of \$0.2 million for personnel expenditures. Financing from general revenue decreases by \$7,418 and financing from federal funds decreases by \$205,792. The decrease reflects turnover savings and the FY 2018 drawdown of federal grant funds.

### **Quasi-Public Appropriations**

Within the Quasi-Public Appropriations, the Governor recommends FY 2019 appropriations of \$18.0 million from all sources. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$150,000 and Rhode Island Capital Plan Fund financing increases by \$3.1 million.

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- *Polaris Manufacturing Technical Assistance Program* - The Governor recommends an additional \$100,000 from general revenue for this program in FY 2019. The program supports Rhode Island's manufacturers by continuing to deploy technical experts to help manufacturers optimize their businesses. Polaris provides group and individual trainings for operators, shares expertise, and promotes manufacturing state-wide. Importantly, Polaris leverages a significant amount of federal funding, and serves as an effective pass-through for Real Jobs Partnerships.
- *STAC Research Alliance*. Consistent with the FY 2018 revised budget, the Governor recommends \$250,000 less from general revenue financing for the RI Experimental Program to Stimulate Competitive Research. The reduction reflects the Commerce Corporation's actual costs to administer the program, which builds partnerships between state government, institutions of higher education and industry. The program's goal is to effect lasting improvements in the state's research infrastructure and national research and development competitiveness.
- *Rhode Island Capital Plan Funds*. The Governor recommends \$6.3 million from the Rhode Island Capital Plan Fund. This includes the enacted level of \$0.3 million for the I-195 Redevelopment District Commission and \$3.4 million more than enacted for the Quonset Business Park, including funding for improvements to Pier 2 and infrastructure modernization at the Port of Davisville.

### **Economic Development Initiatives Fund**

Within the Economic Development Initiatives Fund, the Governor recommends FY 2019 appropriations of \$20.9 million from general revenue. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$3.2 million. The following includes recommended changes to those economic development initiatives, which will enable the Executive Office of Commerce to carry out its mission of promoting and developing commerce and creating opportunity for all Rhode Islanders.

- *Rebuild RI*. The Governor recommends \$15.5 million in FY 2019, a increase of \$3.0 million above the enacted budget and an increase of \$5.0 million above the FY 2018 revised budget. The recommended funding sustains the program and aligns the needs of the program with expected obligations, which is capped at \$150.0 million. This program allows the State to incentivize potentially catalytic development and redevelopment projects by filling gaps in project budgets to enable them to proceed.
- *First Wave Closing Fund*. The Governor recommends \$1.0 million in FY 2019 for the First Wave Closing Fund. The fund provides businesses with financing to ensure that certain transactions that are deemed critical to the state's economy occur, subject to the Commerce Corporation Board's approval.
- *Competitive Cluster Grants*. The Governor recommends \$0.1 million for the Competitive Cluster Grant program, which provides startup businesses within industry clusters and technical assistance grants and competitive grants for activities within an industry cluster.
- *Innovation Initiative* - The Governor recommends the enacted level of \$1.0 million in FY 2019 to continue grant making for collaboration among Rhode Island companies and research institutions, with an added focus on company-based manufacturing research and development.
- *I-195 Redevelopment Fund*. The Governor recommends a decrease of \$1.0 million from the FY 2018 enacted level, for total funding of \$1.0 million, for the I-195 Redevelopment Fund. A total of \$25.0 million was included in the FY 2016 Budget and a subsequent \$2.0 million was included

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in the FY 2018 enacted budget, much of which has been committed to major real estate developments in the I-195 Redevelopment District.

- *Main Street Streetscape and Technical Assistance Program.* The Governor recommends an appropriation of the enacted level of \$0.5 million for the Main Street Streetscape program in FY 2019. The program awards loans, matching grants, and other forms of financing to enhance sidewalks, signage or public space and lighting to create an attractive environment in local business districts. The Governor also recommends an expansion of the program with funding of \$200,000 to include a Technical Assistance Program, which would assist communities in improving zoning regulations to encourage economic development.
- *Small Business Assistance.* The Governor recommends an appropriation of \$0.5 million for the Small Business Assistance program, which assists businesses with less than 200 employees that are having difficulties obtaining financing, including microloans, from traditional lending organizations.
- *Manufacturing Investment Tax Credit.* The Governor recommends an appropriation of \$0.3 million for the Manufacturing Investment refundable tax credit program to provide tax credits to businesses that make qualifying investments in equipment and training, including investment in property used in the production of goods by manufacturing, processing, or assembling.

### Commerce Programs

The Governor recommends FY 2019 appropriations of \$3.1 million from general revenue, which reflects a \$0.8 million increase from the enacted FY 2018 Budget.

- *P-Tech.* The Governor recommends \$0.2 million in FY 2019. The recommendation will allow the Office to provide awards for additional P-Tech programs and continue to create opportunity for students and a steady stream of talented, trained workers for businesses.
- *Stay Invested in RI Wavemaker Fellowship.* The Governor recommends total funding of \$1.6 million in FY 2019, which is an increase of \$0.8 million above the enacted level for the Wavemaker Fellowship program. The Wavemaker Fellowship creates an incentive for building the STEAM workforce by issuing a refundable tax credit against qualified Rhode Island workers' student loans, a unique program in the United States that gives Rhode Island a strategic advantage in a highly-competitive marketplace for talent. The program awarded 215 fellowships at a total cost of \$1.7 million for FY 2016 and another 224 fellowships at a cost of \$1.7 million for FY 2017. The FY 2018 enacted level of \$0.8 million is sufficient to fund one year of credits for a cohort of approximately 225 graduates. The recommendation provides a second year of funding for the FY 2018 cohort while aligning the current needs of the program with expected obligations of the loan reimbursements.
- *Air Service Development Fund.* The Governor recommends the enacted level of \$500,000 in FY 2019 for the program, which seeks to develop additional air service at TF Green Airport by providing revenue guarantees or other incentives to airlines that add new routes or increase service. Of the total \$2.0 million that was appropriated in FY 2017 and FY 2018, all has been committed, resulting in an additional 16 air service routes into and out of TF Green.
- *Supply RI.* The Governor includes \$475,000 for a new program to connect small suppliers with some of the state's largest commercial purchasers. The program will establish infrastructure to

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allow match-making between large-scale purchasers and small businesses, including additional Commerce Corporation staff and advertising.

- *Manufacturing Site Readiness.* The Governor recommends \$0.2 million for a new program focused on the Commerce Corporation providing technical support to owners of privately held sites with potential to be "pad-ready" sites in the state, for businesses, including manufacturers and distribution centers, to reference when thinking of moving into or within the state.

The Governor recommends the FY 2018 enacted authorized level of 17.0 full-time equivalent positions for both FY 2018 and FY 2019.

## DEPARTMENT OF LABOR AND TRAINING

Source Of Funds	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Enacted	FY 2018 Revised	FY 2019 Recommended
General Revenue	\$8,382,043	\$7,010,095	\$8,094,063	\$8,975,670	\$9,690,749
Federal Funds	\$39,141,911	\$43,869,516	\$36,930,858	\$51,355,725	\$40,908,051
Restricted Receipts	\$31,568,311	\$21,996,461	\$24,323,914	\$30,614,296	\$39,985,082
Other Funds	\$344,128,313	\$348,750,221	\$358,928,541	\$355,895,722	\$362,770,368
RI Capital Plan Fund	\$2,116,990	\$220,788	\$1,630,000	\$1,630,000	\$750,000
<b>Total Funding</b>	<b>\$425,337,568</b>	<b>\$421,847,081</b>	<b>\$429,907,376</b>	<b>\$448,471,413</b>	<b>\$454,104,250</b>
<b>FTE Authorization</b>	409.5	409.5	428.7	428.7	428.7

### *FY 2018 Revised Budget*

The Governor recommends revised FY 2018 appropriations of \$448.5 million for the Department of Labor and Training, including \$9.0 million from general revenue, \$51.4 million from federal funds, \$30.6 million from restricted receipts, \$1.6 million from the Rhode Island Capital Plan Fund, and \$355.9 million from other funds. Relative to FY 2017 enacted levels, recommended general revenue financing increases by \$881,607 primarily due to reallocation of funds related to centralized services from the Department of Administration, offset by statewide savings in medical benefits.

### *FY 2019 Recommended Budget*

The Governor recommends FY 2019 appropriations of \$454.1 million for the Department of Labor and Training, including \$9.7 million from general revenue; \$40.9 million from federal funds, \$40.0 million from restricted receipts; \$750,000 from the Rhode Island Capital Plan Fund financing; and \$362.8 million other funds. General revenue funding increases by \$1.6 million compared to the FY 2018 enacted budget, including several initiatives described below.

Approximately \$600,000 of the general revenue increase is pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, which is now reflected in the agency budget. This accounts for the decentralization of budgetary authority for statewide internal services provided by the Department of Administration's Divisions of Human Resources, Capital Asset Management and Maintenance, and Information Technology.

### **Real Jobs Rhode Island**

The Governor's budget recommends codifying the Real Jobs Rhode Island (RJRI) program into law. The program, now in its third year of operation, has served over 325 employers and 2,100 workers by investing in sector-based intermediaries who serve as Real Jobs Partners and enabling them to design and implement their own initiatives to serve their industry's needs. While this program has been well received, the longevity of this approach has been questioned. Codifying the program into law will provide

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necessary assurances to employers that are participating now and those that are contemplating future participation that the Real Jobs RI program is Rhode Island's workforce strategy.

The Governor recommends increased general revenue and restricted receipt funding for the Real Jobs RI program to replace certain expiring federal grants by proposing the following increases in revenue generated by the Department:

- Changing Unemployment Insurance (UI) tax law to invest trust fund interest in RJRI training;
- Enhancing Workplace Fraud Unit staffing to increase efforts to root out labor law violations;
- Repealing the Jobs Training Tax Credit (JTTC) and replacing benefits with accountable RJRI grant funding;
- Increased funding from Job Development Fund (JDF) for RJRI activities;
- Leaning existing RJRI partnerships – delivering the same results with less money;
- Collaborating with local and regional Workforce Investment Boards (WIBS).

### **UI Tax Change/Job Development Fund Adjustment**

The Governor's recommended FY 2019 budget would establish a formula in the Unemployment Insurance tax laws that would enable the Department to adjust the Job Development Assessment on an annual basis to invest the interest earned by the Employment Security (ES) Fund into the Real Jobs RI program. This proposal would increase the job development assessment to allow the Department to redirect an amount, up to the ES Fund's investment earnings for the prior year, to the Job Development Fund during the next calendar year. The amount of the increase would be dependent on the level of investment earnings and would vary from year to year. The Governor proposes that the general laws be amended to allow for the capture of JDF investment interest earnings through a formula to be applied by the Department every fall where the amount earned in interest in the prior calendar year is used to develop a corresponding increase to the JDF assessment, which would be made available for Real Jobs RI. The UI tax rates would then be revised down an amount equivalent to the JDF increase to ensure that employers do not realize any increase in their overall tax obligations. This will enable Real Jobs to have access to a sustainable funding stream without imposing any additional taxes employers. The recommended budget estimates additional restricted receipt resources of approximately \$7.0 million from this initiative.

### **Jobs Training Tax Credit (JTTC)**

The Governor's recommended budget seeks to repeal the Jobs Training Tax Credit (JTTC). This tax credit, established in 1996, is aimed at providing qualifying employers with credits against their state tax obligations for expenses associated with offering training to their employees. Very few companies apply for the credits (between 3 and 6 companies/year) and of those that do, the credit obligations far outweigh the actual credits taken by these qualifying employers. This proposal would eliminate this program and reinvest the recovered general revenues into the Real Jobs RI program. Employers that rely on this credit would have access to training funding via RJRI. Initial general revenue financing of \$450,000 is recommended based on the estimated increase in general revenue receipts in the first year after elimination of this tax credit.

### **Supportive Employment**

The Governor's recommended budget includes \$400,000 to assist Rhode Islanders in recovery from opioid addiction to get access to supportive employment service offered by the Department and the Governor's Workforce Board.

The Governor recommends providing additional restricted receipt resources of approximately \$600,000 to fund existing authorized positions to enhance workplace fraud oversight. The additional funding will be derived from the expected increase in fines and penalties levied by this additional staff. The Governor

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also proposes a capital investment in a new Higher Education Center, based on the successful Westerly Center model, funded with \$4.0 million from the Rhode Island Capital Plan Fund. Although this funding is appropriated under the Office of the Postsecondary Commissioner, the RJRI program will benefit significantly from this investment.

The Governor recommends 428.7 FTE positions in the both the revised FY 2018 Budget and FY 2019 Budget, no change from the FY 2018 Enacted Budget.

## DEPARTMENT OF REVENUE

Source Of Funds	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Enacted	FY 2018 Revised	FY 2019 Recommended
General Revenue	\$109,737,194	\$110,837,271	\$143,622,132	\$147,980,937	\$177,275,361
Federal Funds	\$2,740,506	\$3,087,713	\$1,567,500	\$1,487,293	\$2,109,465
Restricted Receipts	\$3,591,584	\$6,028,994	\$3,962,015	\$3,900,165	\$2,064,187
Other Funds	\$342,263,389	\$351,421,987	\$376,220,071	\$371,319,444	\$401,028,357
RI Capital Plan Fund	\$444,458	\$0	\$0	\$0	\$0
<b>Total Funding</b>	<b>\$458,777,131</b>	<b>\$471,375,964</b>	<b>\$525,371,718</b>	<b>\$524,687,839</b>	<b>\$582,477,370</b>
<b>FTE Authorization</b>	514.5	523.5	533.5	529.5	612.5

### *FY 2018 Revised Budget*

The Governor recommends revised FY 2018 appropriations of \$524.7 million for the Department of Revenue, including \$148.0 million from general revenue, \$1.5 million from federal funds, \$3.9 million from restricted receipts, and \$371.3 million from other funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$4.4 million. The revised FY 2018 budget is inclusive of statewide savings of \$148,567 for medical expenses and an increase of \$6.2 million that is related to the distribution of internal service funds for human resources, information technology, and facilities management from the Department of Administration to all state agencies that utilize these services.

#### **Director of Revenue**

Within the Director of Revenue program, the Governor recommends revised FY 2018 appropriations of \$1.2 million, all from general revenue. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$5,127, which is attributable to statewide changes.

#### **Office of Revenue Analysis**

Within the Office of Revenue Analysis program, the Governor recommends revised FY 2018 appropriations of \$724,135, all from general revenue. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$63,874, all of which is related to increased turnover savings.

#### **Lottery Division**

Within the Lottery Division, the Governor recommends revised FY 2018 appropriations of \$370.1 million from other funds. Relative to FY 2018 enacted levels, other funds financing decreases by \$4.9 million, attributable to the following adjustments:

- *Lottery Sales.* The Governor includes a decrease of \$4.4 million for lottery payments as a result of updated revenue estimates from VLT and table games as determined at the November Revenue Estimating Conference.
- *Personnel.* A decrease of \$299,489 related to an increase in turnover.

#### **Municipal Finance**

Within the Municipal Finance program, the Governor recommends revised FY 2018 appropriations of \$2.9

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million, all from general revenue. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$192,083, which is attributable to the elimination of 3.0 FTE positions.

### **Taxation**

Within the Division of Taxation, the Governor recommends revised FY 2018 appropriations of \$25.5 million, including \$22.2 million from general revenues, \$1.3 million from federal funds, \$883,389 from restricted receipts, and \$1.1 from other funds. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$532,006, which is attributable to additional turnover savings.

### **Registry of Motor Vehicles**

Within the Registry of Motor Vehicles, the Governor recommends revised FY 2018 appropriations of \$24.0 million, including \$21.6 million from general revenues, \$207,974 from federal funds, and \$2.1 million in restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$455,708, which is associated with the restoration of personnel funds that were excluded in the enacted budget.

### **State Aid**

Within the State Aid program, the Governor recommends revised FY 2018 appropriations of \$94.0 million, including \$93.1 million from general revenues and \$922,013 from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$1.4 million, which are due to refined estimates of actual reimbursements and keeps with current law. These updates incorporate growth in the motor vehicle excise tax base as well as new data on local tax calculations.

### ***FY 2019 Recommended Budget***

The Governor recommends FY 2019 appropriations of \$582.5 million for the Department of Revenue, including \$177.3 million from general revenue, \$2.1 million from federal funds, \$2.1 million from restricted receipts, and \$401.0 million from other funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$33.7 million, federal by \$541,965 and other funds by \$24.8 million. The FY 2019 budget is inclusive of statewide changes totaling \$224,859 for assessed fringe benefits and retirements costs, which are slightly offset by a savings of \$100,321 for medical and dental expenses. There is an increase of \$6.2 million that is related to the distribution of internal service funds for human resources, information technology, and facilities management from the Department of Administration to all state agencies that utilize these services.

In FY 2019, the Governor recommends two organizational changes. First, the creation of the Division of Collections. This proposed pilot collection unit is modeled after other states and will move statewide collection functions into the Department of Revenue. This centralized approach is expected to improve collections by \$1.3 million in FY 19. The new Collections Unit will be phased in with new hires who have knowledge and experience with the management and collection of delinquent debts. Second, a large re-organization of the Division of Taxation to take better advantage of the new tax system, add employees and generate more revenue.

### **Director of Revenue**

Within the Director of Revenue program, the Governor recommends FY 2019 appropriations of \$1.4 million, all from general revenue. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$131,355, all of which is related to personnel expenditures.

### **Office of Revenue Analysis**

Within the Office of Revenue Analysis, the Governor recommends FY 2019 appropriations of \$883,408, all from general revenue. Relative to the FY 2018 enacted Budget, general revenue financing increases by

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\$95,399, which is mostly attributable to a decrease in turnover and statewide adjustments.

## Lottery Division

Within the Lottery Division, the Governor recommends FY 2019 appropriations of \$400.1 million, all from other funds. Relative to FY 2018 enacted levels, recommended financing increases by \$25.0 million. Major changes are attributable to the following factors:

- *Lottery Sales.* The Governor includes an increase of \$21.1 million from lottery payments as a result of updated revenue estimates from VLT and table games as determined at the November Revenue Estimating Conference.
- *Personnel.* The Governor recommends an increase of \$1.7 million for personnel expenses, which is related to the addition of 23.0 FTE positions that will be needed to operate the Tiverton Casino that is anticipated to open in November of 2018.
- *Vacancies.* The Governor recommends a savings of \$102,269 related to additional turnover savings and the elimination of 1.0 FTE position.
- *Security Services.* FY 2019 includes an additional \$1.0 million for security services associated with the new Tiverton location.
- *Operating Expenses.* The Governor recommends an increase of \$905,104 for advertising and other operating expenditures.

## Municipal Finance

Within the Municipal Finance program, the Governor recommends FY 2018 appropriations of \$2.2 million, all from general revenue. Relative to FY 2018 enacted level, general revenue financing decreases by \$941,252 attributable to the following adjustments:

- *Personnel.* The annualization of the elimination of 3.0 FTE positions.
- *Grants and Benefits.* The Governor recommends a decrease of \$600,000, which is mostly related to the removal of a one-time grant that was provided to the City of Central Falls in FY 2018.

## Taxation

Within the Division of Taxation, the Governor recommends FY 2019 appropriations of \$30.4 million, including \$27.0 million from general revenue, \$1.9 million from federal funds, \$627,411 from restricted receipts, and \$843,711 million from other funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$4.2 million.

- *Taxpayer Portal Savings.* The Governor recommends a savings of \$500,000 associated with the execution of the Taxpayer Portal and an increase in electronic tax filing.
- *Taxation Technology Support.* The Governor recommends an increase of \$916,421 in contract services related to support for the taxation system and division reorganization. These improvements will increase revenue collections coupled with personnel changes below. Additionally, \$1.2 million is added for the full year implementation of the STARRS system maintenance contract.
- *Personnel.* The Governor recommends an increase of \$2.6 million and 22.0 FTE to support enhancements to revenue collections through improvements to the discovery, collections and audit functions. The estimated impact with the added technology support is \$13.5 million in FY 2019.

## Registry of Motor Vehicles

Within the Registry of Motor Vehicles, the Governor recommends FY 2019 appropriations of \$24.9 million, including \$24.2 million from general revenue, \$190,111 from federal funds, and \$514,763 from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing increases by 3.0 million, which is attributable to the following adjustments:



# General Government

- *Additional Personnel.* The Governor includes \$2.1 in general revenue financing for the addition of 32.0 FTE positions associated with the implementation of the federally mandated Real ID compliance. These additional expenses are expected to be offset by additional revenue collected by the DMV from Real ID implementation.
- *Operating.* The Governor recommends an additional \$122,500 for advertising expenses, \$516,328 for driver's license imaging, and \$90,000 for computer equipment in relation to Real ID. These additional expenses are expected to be offset by additional revenue collected by the DMV from Real ID implementation.

## State Aid

Within the State Aid program, the Governor recommends FY 2019 appropriations of \$115.8 million, including \$114.9 million from general revenue and \$922,013 from restricted receipts. Relative to the FY 2018 enacted levels, recommended general revenue financing increases by \$20.3 million, attributable to the following:

- *PILOT.* The Governor increases general revenue financing by \$883,898 to fully fund the Payment in Lieu of Taxes (PILOT) program at 27 percent of assessed property taxes on eligible tax exempt properties.
- *Property Revaluation.* The Governor's recommendation includes an additional \$693,306 in general revenue in the property revaluation program based on the number of communities scheduled to undertake revaluations and statistical updates in FY 2019.
- *Motor Vehicle Excise Tax Payment.* The Governor's recommendation includes an additional \$18.8 million related to actual reimbursements to towns and cities in relation to the motor vehicle tax phase out in keeping with current law. Any changes to previous estimates are due to refined estimates of actual reimbursements that incorporate growth in the motor vehicle excise tax base as well as new data on local tax calculations.

## Division of Collections

In FY 2019, the Governor's recommendation includes general revenue funding of \$591,609 for the newly created Division of Collections. Financing for this program includes \$483,069 for 7.0 FTE positions and \$108,540 for contract services.

The Governor recommends 529.5 FTE positions in the revised FY 2018 Budget, which is 1.0 FTE less than the FY 2018 level. The FY 2019 Budget includes 612.5 FTE positions, an increase of 83.0 FTE positions compared to the enacted FY 2018 authorization for the positions described above.

### GENERAL ASSEMBLY

Source Of Funds	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Enacted	FY 2018 Revised	FY 2019 Recommended
General Revenue	\$36,219,919	\$36,925,853	\$40,522,507	\$45,419,385	\$42,914,338
Federal Funds	\$0	\$0	\$0	\$0	\$0
Restricted Receipts	\$1,449,997	\$1,400,000	\$1,729,957	\$1,644,757	\$1,720,695
Other Funds	\$0	\$0	\$0	\$0	\$0
RI Capital Plan Fund	\$0	\$0	\$0	\$0	\$0
<b>Total Funding</b>	<b>\$37,669,916</b>	<b>\$38,325,853</b>	<b>\$42,252,464</b>	<b>\$47,064,142</b>	<b>\$44,635,033</b>
<b>FTE Authorization</b>	298.5	298.5	298.5	298.5	298.5

### *FY 2018 Revised Budget*

The Governor recommends revised FY 2018 appropriations of \$47.1 million for the General Assembly,

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## General Government

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including \$45.4 million from general revenue and \$1.6 million from restricted receipts. Compared to the FY 2018 Enacted Budget, recommended general revenue financing increases by \$4.9 million, while restricted receipts financing decreases by \$85,200. The revised FY 2018 budget is inclusive of additional statewide savings distributed to agencies, which resulted in \$148,492 of general revenue savings being allocated to the General Assembly. Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased funding totaling \$39,479 is now reflected in the agency budget. This accounts for the decentralization of budgetary authority for statewide internal services provided by the Department of Administration's Divisions of Human Resources, Capital Asset Management and Maintenance, and Information Technology.

- *Personnel Financing – Legislative Staff Only.* The Governor includes \$31.9 million for personnel costs, an increase of \$748,154 above the enacted FY 2018 Budget primarily attributable to increased expenditures on regular wages.
- *Personnel Financing – General Assembly Only.* The Governor recommends \$3.8 million for personnel costs, a decrease of \$38,844 below the enacted FY 2018 Budget, largely attributable to reduced expenditures on medical insurance.
- *Contracted Professional Services.* The Governor includes \$755,300 for contract professional services, an increase of \$199,800 above the enacted FY 2018 Budget largely due to increased expenditures on financial and legal services totaling \$189,900.
- *Operating Expenditures.* The Governor includes \$6.9 million for operating expenditures, an increase of \$3.3 million above the enacted FY 2018 Budget. The increase is largely attributable to an additional \$1.8 million for building maintenance and repair, \$553,914 for office supplies and equipment, and \$309,275 for maintenance and repairs of computer equipment.
- *Capital Purchases and Equipment.* The Governor includes \$1.4 million for capital purchases, an increase of \$590,000 above the enacted FY 2018 Budget due to additional expenditures on computer equipment (\$335,000) and furniture (\$225,000).

### *FY 2019 Recommended Budget*

The Governor recommends FY 2019 appropriations of \$44.6 million for the General Assembly, including \$42.9 million from general revenue and \$1.7 million from restricted receipts. Compared to the FY 2018 enacted levels, recommended general revenue financing increases by \$2.4 million and restricted receipts financing increases by \$9,262. The FY 2019 budget is inclusive of additional statewide changes which resulted in an additional \$92,803 of general revenue being allocated to the General Assembly. Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased funding totaling \$39,783 is now reflected in the agency budget. This accounts for the decentralization of budgetary authority for statewide internal services provided by the Department of Administration's Divisions of Human Resources, Capital Asset Management and Maintenance, and Information Technology.

- *Personnel Financing – Legislative Staff Only.* The Governor recommends \$33.4 million for personnel costs, an increase of \$2.2 million above the enacted FY 2018 Budget primarily attributable to increased expenditures on regular wages.
- *Personnel Financing – General Assembly Only.* The Governor includes \$3.9 for personnel costs, an increase of \$45,777 above the enacted FY 2018 Budget, largely attributable to assessed fringe benefit changes.

# General Government

- *Contracted Professional Services.* The Governor includes \$680,500 for contracted professional services, an increase of \$125,000 above the enacted FY 2018 Budget due to increased expenditures on financial and legal services.
- *Operating Expenditures.* The Governor recommends \$3.5 million for operating costs, an increase of \$5,483 above the enacted FY 2018 Budget largely attributable to increased expenditures on food and the shift of information technology charges.
- *Capital Purchases and Equipment.* The recommendation includes \$786,500 for capital purchases, a decrease of \$38,500 below the enacted FY 2018 Budget due to reduced expenditures on computer equipment.

The Governor recommends 298.5 FTE positions in the revised FY 2018 Budget and the recommended FY 2019 Budget, consistent with the enacted FY 2018 level.

## OFFICE OF LIEUTENANT GOVERNOR

Source Of Funds	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Enacted	FY 2018 Revised	FY 2019 Recommended
General Revenue	\$1,026,362	\$1,059,509	\$1,084,217	\$1,047,496	\$1,039,971
Federal Funds	\$0	\$0	\$0	\$0	\$0
Restricted Receipts	\$0	\$0	\$0	\$0	\$0
Other Funds	\$0	\$0	\$0	\$0	\$0
RI Capital Plan Fund	\$0	\$0	\$0	\$0	\$0
<b>Total Funding</b>	<b>\$1,026,362</b>	<b>\$1,059,509</b>	<b>\$1,084,217</b>	<b>\$1,047,496</b>	<b>\$1,039,971</b>
<b>FTE Authorization</b>	8.0	8.0	8.0	8.0	8.0

### *FY 2018 Revised Budget*

The Governor recommends revised FY 2018 appropriations of \$1.0 million for the Office of the Lieutenant Governor, all from general revenue. Relative to the 2018 enacted level, recommended general revenue financing decreases by \$36,721. The revised FY 2018 budget is inclusive of a statewide medical savings distributed to all state agencies, resulting in \$2,696 allocated to the Office of the Lieutenant Governor. Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased funding totaling \$20,793 is now reflected in the agency budget. This accounts for the decentralization of budgetary authority for statewide internal services provided by the Department of Administration's Divisions of Information Technology.

- *Personnel.* The Governor's recommendation includes \$96,085 in general revenue savings related to additional turnover savings.
- *Contracted Professional Services.* The Governor's recommendation includes an additional \$41,267 for legal services.

### *FY 2019 Recommended Budget*

The Governor recommends FY 2019 appropriations of \$1.0 million for the Office of the Lieutenant Governor, all from general revenue. Relative to the 2018 enacted levels, recommended general revenue financing decreases by \$44,246. This recommendation is inclusive of statewide savings of \$1,863 for medical and dental expenses. There are statewide increases of \$2,199 for assessed fringe benefits, \$3,141 for retirement costs, and \$20,953 for internal service funds that are allocated to the state agencies for

# General Government

information technology.

- *Personnel.* The Governor's recommendation includes a decrease of \$78,340 in general revenues due to actual anticipated expenditures related to personnel.

The Governor recommends 8.0 FTE positions in the revised FY 2018 Budget and the recommended FY 2019 Budget, consistent with the enacted FY 2018 level.

## SECRETARY OF STATE

Source Of Funds	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Enacted	FY 2018 Revised	FY 2019 Recommended
General Revenue	\$6,690,089	\$9,478,005	\$8,911,319	\$8,958,301	\$9,861,104
Federal Funds	\$0	\$0	\$0	\$22,859	\$0
Restricted Receipts	\$397,868	\$421,688	\$439,478	\$436,666	\$440,658
Other Funds	\$914,723	\$908,208	\$807,345	\$940,491	\$947,539
RI Capital Plan Fund	\$430,168	\$42,454	\$0	\$107,546	\$0
<b>Total Funding</b>	<b>\$8,432,848</b>	<b>\$10,850,355</b>	<b>\$10,158,142</b>	<b>\$10,465,863</b>	<b>\$11,249,301</b>
<b>FTE Authorization</b>	57.0	59.0	59.0	59.0	59.0

### *FY 2018 Revised Budget*

The Governor recommends revised FY 2018 appropriations of \$10.5 million for the Secretary of State, including \$9.0 million from general revenue, \$22,859 from federal funds, \$436,666 from restricted receipts, \$107,546 from the Rhode Island Capital Plan Fund, and \$940,491 from all other funds. Compared to the FY 2018 enacted budget, recommended general revenue financing increases by \$46,982, restricted receipts funding decreases by \$2,812, Rhode Island Capital Plan Fund expenditures increase by \$107,546, and all other fund sources increase by \$133,146. The revised FY 2018 budget is inclusive of statewide savings distributed to state agencies, which resulted in \$19,133 of general revenue savings being allocated to the Secretary of State. Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased funding totaling \$21,191 is now reflected in the agency budget. This accounts for the decentralization of budgetary authority for statewide internal services provided by the Department of Administration's Divisions of Human Resources, Capital Asset Management and Maintenance, and Information Technology

### **Administration**

Within the Administration program, the Governor recommends revised FY 2018 general revenue appropriations of \$3.5 million, an increase of \$89,434 above the enacted FY 2018 Budget, largely due to the agency initiatives, offset by reductions operating and personnel expenditures.

- *Administrative Procedures Act.* The Governor adds \$194,715 to complete an Administrative Procedures Act website project and employ contractors to provide training and assistance to in-house staff members maintaining the website.

### **Corporations**

Within the Corporations program, the Governor recommends revised FY 2018 general revenue appropriations of \$2.2 million, a net increase decrease of \$4,861 below the enacted FY 2018 level, largely due to reduced expenditures on personnel and copying, offset by expenditures related to the completion of agency initiatives.

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## General Government

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- *Business Record Scanning Project and Replacement of Point of Sale System.* The Governor adds \$31,196 to allow the agency to complete the scanning of business records and replace its Point of Sale System that handles all payment forms through a single application.

### Elections and Civics

Within the Elections and Civics program, the Governor recommends revised FY 2018 appropriations of \$2.0 million, including \$22,859 in federal funds. Compared to the enacted FY 2018 Budget, general revenue expenditures increase by \$79,692 due to legal services and the agency's cyber security initiative.

- *Cyber Security Penetration Testing.* The Governor adds \$41,907 to begin cyber security penetration testing which will assess the overall security of the Central Voter Registration System to protect against possible data breaches.
- *E-Poll Books.* The agency received \$263,592 in FY 2018 from the Information Technology Investment Fund to lease 1,400 e-Poll books. (Funding is included in the Department of Administration budget.)

### Office of Public Information

Within the Office of Public Information program, the Governor recommends revised FY 2018 appropriations of \$614,774, including \$25,000 in restricted receipts. Compared to the FY 2018 enacted Budget, recommended general revenue increases by \$2,212 due to increased expenditures on a database contract, office supplies, and printer purchase.

### State Library

Within the State Library program, the Governor recommends revised FY 2018 general revenue appropriations of \$594,463, a decrease of \$128,922 below the enacted FY 2018 Budget, largely attributable to reduced personnel costs reflecting current staffing levels.

### State Archives

Within the State Archives program, the Governor recommends revised FY 2018 appropriations of \$615,789, including \$96,577 from general revenue, \$411,666 from restricted receipts, and \$107,546 from the Rhode Island Capital Plan Fund. Compared to the FY 2018 Enacted Budget, recommended general revenue increases by \$9,427, restricted receipts financing decreases by \$2,812, and Rhode Island Capital Plan Fund financing increases by \$107,546. The net all funds increase is due to the following:

- *State Archives Feasibility Study.* The Governor's recommendation includes \$107,546 in unused and previously allocated RICAP expenditures to complete a feasibility study for a new, permanent structure to house state archival holdings.
- *Microfilm Readers.* The Governor adds \$22,988 to purchase two new microfilm readers.

### Record Center

Within the Record Center program, the Governor recommends revised FY 2018 appropriations of \$940,491, all from other funds. Compared to the FY 2018 Enacted Budget. Other funds increase by \$133,146 to reflect current staffing and employee allocations.

### *FY 2019 Recommended Budget*

The Governor recommends FY 2019 appropriations of \$11.2 million for the Secretary of State, including \$9.8 from general revenue, \$440,658 from restricted receipts, and \$947,539 from other funds. Relative to

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## General Government

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the FY 2018 Enacted Budget, recommended general revenue increases by \$949,785, restricted receipts financing increases by \$1,180, and all other fund sources increase by \$140,194. The FY 2019 budget is inclusive of statewide adjustments which resulted in an additional \$21,728 of general revenue being allocated to the agency. Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased funding totaling \$21,354 is now reflected in the agency budget. This accounts for the decentralization of budgetary authority for statewide internal services provided by the Department of Administration's Divisions of Human Resources, Capital Asset Management and Maintenance, and Information Technology.

### Administration

Within the Administration program, the Governor recommends FY 2019 general appropriations of \$3.4 million, a decrease of \$5,042 below the enacted FY 2018 Budget. A large portion of the decrease is attributable to agency-initiated operating reductions.

- *Administrative Procedures Act.* The Governor adds \$23,180 to employ contractors who will provide training and assistance to in-house staff members maintaining the website.

### Corporations

Within the Corporations program, the Governor recommends FY 2019 general revenue appropriations of \$2.3 million, an increase of \$63,283 above the enacted FY 2018 level.

- *Business Record Scanning Project and Replacement of Point of Sale System.* The Governor adds \$54,940 to allow the agency to complete the scanning of business records and replace its Point of Sale System that handles all payment forms through a single application.

### Elections and Civics

Within the Elections and Civics program, the Governor recommends FY 2019 general revenue appropriations of \$2.8 million, an increase of \$974,948 due to increased operational costs in an election year.

- *Cyber Security Penetration Testing.* The Governor adds \$78,093 to continue security penetration testing which will assess the overall security of the Central Voter Registration System to protect against possible data breaches.
- *Election Costs.* The Governor adds \$881,448 for anticipated 2018 election cycle costs, including ballot printing and delivery.
- *E-Poll Books.* The agency will receive \$438,592 in FY 2019 from the Information Technology Investment Fund to continue its lease of e-Poll books. (Funding is included in the Department of Administration budget.)

### Office of Public Information

Within the Office of Public Information program, the Governor recommends FY 2019 appropriations of \$634,880, including \$609,880 in general revenue and \$25,000 in restricted receipts. Relative to the FY 2018 enacted levels, recommended general revenue increases by \$22,318, largely due to printing costs.

### State Library

Within the State Library program, the Governor recommends FY 2019 general revenue appropriations of \$613,236, a decrease of \$110,149 below the FY 2018 Enacted Budget, largely attributable to reduced

# General Government

personnel costs reflecting current staffing levels.

## State Archives

Within the State Archives program, the Governor recommends FY 2019 appropriations of \$507,235, including \$91,577 from general revenue and \$415,658 from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue increases by \$4,427 and restricted receipts financing increases by \$1,180. The net increase is largely attributable to increases in employee's retirement and medical insurance.

## Record Center

Within the Record Center program, the Governor recommends FY 2019 appropriations of \$947,539 from other fund sources. Relative to the FY 2018 enacted levels, financing increases by \$140,194, attributable to increased personnel and operating expenditures.

The Governor recommends 59.0 FTE positions in the revised FY 2018 Budget and the recommended FY 2019 Budget, consistent with the enacted FY 2018 level.

### TREASURY DEPARTMENT

Source Of Funds	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Enacted	FY 2018 Revised	FY 2019 Recommended
General Revenue	\$2,271,575	\$2,653,651	\$2,698,692	\$2,876,681	\$2,967,632
Federal Funds	\$741,266	\$1,087,203	\$1,090,337	\$1,034,011	\$1,074,874
Restricted Receipts	\$37,730,574	\$37,596,085	\$38,425,179	\$38,785,988	\$37,976,981
Other Funds	\$8,533,903	\$665,201	\$550,242	\$643,350	\$654,684
RI Capital Plan Fund	\$0	\$0	\$0	\$0	\$0
<b>Total Funding</b>	<b>\$49,277,318</b>	<b>\$42,002,140</b>	<b>\$42,764,450</b>	<b>\$43,340,030</b>	<b>\$42,674,171</b>
<b>FTE Authorization</b>	84.0	87.0	89.0	89.0	89.0

### *FY 2018 Revised Budget*

The Governor recommends revised FY 2018 appropriations of \$43.3 million for the Office of the General Treasurer, including \$2.9 million from general revenue, \$1.0 million from federal funds, \$38.8 million from restricted receipts, and \$643,350 from other funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$177,989, federal financing decreases by \$56,326, restricted receipt financing increases by \$360,809, and other funds financing increases by \$93,108.

## General Treasurer

Within the General Treasurer program, the Governor recommends revised FY 2018 appropriations of \$3.6 million, including \$2.6 million from general revenue, \$307,343 from federal funds, and \$643,350 from other funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$148,919, federal fund financing increases by \$16,356, and other funds increases by \$93,108.

- *Operating.* The Governor recommends expenditures of \$745,130 from all funds for operating costs, an increase of \$192,700 compared to the enacted FY 2018 budget. The increase in operating expenditures is due to the decentralization of budgetary authority for statewide internal service expenditures. The Governor recommends adding \$239,048 for these expenditures, including \$176,892 for DoIT services and \$62,156 for DCAMM services. Of the \$239,048 amount, \$221,201 is funded from general revenue.

## State Retirement System

Within the State Retirement System program, the Governor recommends revised FY 2018 appropriations of

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## General Government

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\$11.3 million, all from restricted receipts. Relative to FY 2018 enacted levels, recommended restricted receipt financing increases by \$341,211.

- *Personnel.* The Governor recommends \$6.1 million of personnel costs, an increase of \$206,898. This reflects the filling of all 37.0 FTE positions in the program.
- *Operating.* The Governor recommends expenditures of \$773,413 from all funds for operating costs, an increase of \$105,313 compared to the enacted FY 2018 budget. The increase in operating expenditures is largely due to the decentralization of budgetary authority for statewide internal service expenditures, which adds \$103,115 to Retirement System program. These costs are for DCAMM services.

### Unclaimed Property

Within the Unclaimed Property Program, the Governor recommends revised FY 2018 appropriations of \$26.5 million in restricted receipt financing. Relative to FY 2018 enacted levels, recommended restricted receipt financing increases by \$211,948, primarily attributable to the results of the November 2018 Revenue Estimating Conference, which increased refunds/allowance for bad debt by \$1.0 million and decreased the transfer to general fund surplus by \$803,641; and \$26,694 for the decentralization of budgetary authority for statewide internal service expenditures. In the Unclaimed Property program, these costs are for DCAMM services.

### Crime Victim Compensation

Within the Crime Victim Compensation, the Governor recommends revised FY 2018 appropriations of \$1.9 million, including \$271,745 from general revenue, \$726,668 from federal funds, and \$939,969 from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$29,070, federal funds financing decreases by \$72,682, and restricted receipts financing decreases by \$192,350.

- *Assistance and Grants.* Most of reduction in the revised budget is in the category of assistance and grants, which decline by \$280,000. Because less revenue is being deposited into the Violent Crimes Compensation restricted receipt account, less funding is available to compensate crime victims.
- *Operating.* The Governor also recommends adding \$15,583 for the decentralization of budgetary authority for statewide internal service expenditures. In the Crime Victim Compensation program, these costs are for DCAMM services that are budgeted as operating expenditures.

### *FY 2019 Recommended Budget*

The Governor recommends FY 2019 appropriations of \$42.7 million for the Office of the General Treasurer, including \$3.0 million from general revenue, \$1.1 million from federal funds, \$38.0 million from restricted receipts, and \$654,684 from other funds. Relative to the enacted FY 2018 Budget, recommended general revenue financing increases by \$268,940, federal financing decreases by \$15,463, restricted receipt financing decreases by \$448,198, and other funds financing increases by \$104,442.

### General Treasurer

Within the General Treasurer program, the Governor recommends FY 2019 appropriations of \$3.6 million, including \$2.7 million from general revenue, \$304,542 from federal funds, and \$654,684 from other funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$228,330, federal funds financing increases by \$13,555, and other funds increase by \$104,442. Significant changes include:



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## General Government

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- *Operating.* The Governor recommends \$751,512 from all funds for operating costs, an increase of \$199,082 compared to the FY 2018 enacted budget. The FY 2019 budget adds \$242,124 of expenditures for the decentralization of budgetary authority for statewide internal service expenditures. Of this amount, \$224,184 is funded from general revenue, with the balance funded from federal funds.
- *Contract Services.* The Governor recommends \$266,000 from all funds for contract services, an increase of \$95,850 from the FY 2018 enacted budget. The FY 2019 budget includes additional expenditures of \$76,000 for contract services in the Public Finance Management Board division for the bi-annual debt affordability study and the creation of a debt portal for municipalities.

### State Retirement System

Within the State Retirement System program, the Governor recommends FY 2019 appropriations of \$11.4 million, all from restricted receipts. Relative to the FY 2018 enacted level, recommended restricted receipt financing increases by \$390,694, attributable to the following adjustments:

- *Personnel.* The Governor's recommends an increase of \$281,364 to fully fund all 37.0 FTE positions in the program.
- *Operating.* The Governor recommends an increase of \$267,638 for operating costs, of which \$104,992 is for the decentralization of budgetary authority for statewide internal service expenditures. In the Retirement System program, these costs are for DCAMM services that are budgeted as operating expenditures.

### Unclaimed Property

Within the Unclaimed Property program, the Governor recommends FY 2019 appropriations of \$25.6 million, all from restricted receipts. Relative to FY 2018 enacted levels, the recommended restricted receipt financing decreases by \$736,504, attributable to the November 2017 Consensus Revenue Estimating Conference. The Conference increased the allowance for refunds/bad debts by \$1.0 million, but decreased the transfer to general funds surplus by \$1.6 million and decreased the change in liability by \$94,775.

The Governor also recommends adding \$27,180 is for the decentralization of budgetary authority for statewide internal service expenditures. In the Unclaimed Property program, these costs are for DCAMM services that are budgeted as operating expenditures.

### Crime Victim Compensation

Within the Crime Victim Compensation, the Governor recommends FY 2019 appropriations of \$2.1 million, including \$283,285 from general revenue, \$770,332 from federal funds, and \$1.0 million from restricted receipts. Relative to enacted FY 2018 Budget, recommended general revenue financing increases by \$50,610, federal funds financing decreases by \$29,018, and restricted receipts financing decreases by \$102,388.

- *Assistance and Grants.* The Governor's recommendation reduces expenditures for assistance and grants by \$130,000 due to the reduced availability of federal funds and restricted receipts for crime victim compensation payments.
- *Operating.* The Governor also recommends adding \$16,003 is for the decentralization of budgetary authority for statewide internal service expenditures. In the Crime Victim Compensation program, these costs are for DCAMM services that are budgeted as operating expenditures.

# General Government

The Governor recommends 89.0 FTE positions in the revised FY 2018 Budget and the FY 2019 Budget, which is the same as FTE level as the enacted FY 2018 Budget.

## BOARD OF ELECTIONS

Source Of Funds	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Enacted	FY 2018 Revised	FY 2019 Recommended
General Revenue	\$1,714,512	\$1,969,669	\$1,548,735	\$1,689,751	\$5,315,517
Federal Funds	\$0	\$0	\$0	\$0	\$0
Restricted Receipts	\$0	\$0	\$0	\$0	\$0
Other Funds	\$0	\$0	\$0	\$0	\$0
RI Capital Plan Fund	\$0	\$0	\$0	\$0	\$0
<b>Total Funding</b>	<b>\$1,714,512</b>	<b>\$1,969,669</b>	<b>\$1,548,735</b>	<b>\$1,689,751</b>	<b>\$5,315,517</b>
<b>FTE Authorization</b>	11.0	12.0	12.0	12.0	12.0

### *FY 2018 Revised Budget*

The Governor recommends revised FY 2018 general revenue appropriations of \$1.7 million for the Board of Elections. Relative to the FY 2018 enacted budget, recommended financing increases by \$141,016. The revised FY 2018 budget is inclusive of additional statewide savings distributed to agencies, which resulted in savings of \$5,633 being allocated to the Board of Elections. Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased funding totaling \$126,184 is now reflected in the agency budget. This accounts for the decentralization of budgetary authority for statewide internal services provided by the Department of Administration's Divisions of Human Resources, Capital Asset Management and Maintenance, and Information Technology.

- *Personnel.* The Governor's recommendation includes \$1.2 million from general revenue, a decrease of \$72,418 below the enacted budget due to turnover salary savings.
- *Contract Services.* The recommendation includes \$135,788 from general revenue, an increase of \$52,000 above the enacted FY 2018 Budget for additional expenditures on legal and stenographic services.
- *Operating/Capital.* The Governor recommends \$373,664 from general revenue, an increase of \$161,434 above the enacted FY 2018 Budget, including \$24,000 to finance telecommunications lines for voting equipment and \$126,184 for services provided by the Department of Administration.

### *FY 2019 Recommended Budget*

The Governor recommends FY 2019 general revenue appropriations of \$5.3 million. Compared to the FY 2018 enacted levels, recommended general revenue financing increases by \$3.8 million, largely due to FY 2019 being an election year requiring additional expenditures for public financing of the general election. The revised FY 2019 budget is inclusive of statewide adjustments distributed to agencies, which resulted in additional general revenue expenditures of \$604. Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased funding totaling \$129,228 is now reflected in the agency budget. This accounts for the decentralization of budgetary authority for statewide internal services provided by the Department of Administration's Divisions of Human Resources, Capital Asset Management and Maintenance, and Information Technology.

- *Personnel.* The Governor's recommendation includes \$1.7 million from general revenue, an

## General Government

increase of \$459,868 from the enacted FY 2018 Budget, largely due to additional seasonal employees required for the 2018 general election cycle and training.

- *Contract Services.* The recommendation includes \$135,788 from general revenue, an increase of \$52,000 above the enacted FY 2018 Budget for additional expenditures on legal and stenographic services.
- *Operating/Capital.* The Governor recommends \$846,288 from general revenue, an increase of \$634,058 above the enacted FY 2018 Budget due to 2018 not being an election year requiring additional operating expenditures. More than half of the increase is for printing and delivery expenses related to ballot production and delivery.
- *Assistance and Grants.* The recommendation includes \$2.6 million for the public financing of a general election based on historical expenditures.

The Governor recommends 12.0 FTE positions in the revised FY 2018 Budget and the recommended FY 2019 Budget, consistent with the enacted FY 2018 level.

### RHODE ISLAND ETHICS COMMISSION

Source Of Funds	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Enacted	FY 2018 Revised	FY 2019 Recommended
General Revenue	\$1,546,331	\$1,604,233	\$1,665,873	\$1,733,293	\$1,770,560
Federal Funds	\$0	\$0	\$0	\$0	\$0
Restricted Receipts	\$0	\$0	\$0	\$0	\$0
Other Funds	\$0	\$0	\$0	\$0	\$0
Operating Transfers from Other Funds	\$0	\$0	\$0	\$0	\$0
<b>Total Funding</b>	<b>\$1,546,331</b>	<b>\$1,604,233</b>	<b>\$1,665,873</b>	<b>\$1,733,293</b>	<b>\$1,770,560</b>
<b>FTE Authorization</b>	12.0	12.0	12.0	12.0	12.0

### *FY 2018 Revised Budget*

The Governor recommends revised FY 2018 appropriations of \$1.7 million for the Rhode Island Ethics Commission, which is funded solely from general revenue. Relative to the FY 2018 enacted level, recommended general revenue financing increases by \$67,420, consisting of increases of \$25,000 for contract legal services and \$45,406 for funds transferred from the Department of Administration to the Ethics Commission, and a \$2,986 decrease for statewide medical insurance savings. Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased general revenue funding totaling \$45,406 is now reflected in the agency's budget. This accounts for the decentralization of budgetary authority for statewide internal services provided by the Department of Administration's Division of Information Technology.

- *Personnel.* The Governor's recommendation includes \$1.5 from general revenue, a decrease of \$2,986 from the enacted FY 2018 Budget. The decrease is due to a 2.5 percent statewide reduction in the medical insurance rate.
- *Contract Services.* The Governor includes \$57,001 from general revenue for various contract services, including legal services and other temporary services. The recommendation provides an additional \$25,000 for contract legal services.

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- *Operating/Capital.* The Governor includes \$222,119 for operating expenses and capital purchases and equipment, a \$45,406 increase from the enacted FY 2018 Budget. The \$45,406 increase for DoIT expenditures is part of the statewide initiative to decentralization of expenditures to the state agencies.

## *FY 2019 Recommended Budget*

The Governor recommends FY 2019 appropriations of \$1.8 million from general revenue. Relative to the FY 2018 enacted level, recommended general revenue financing increases by \$104,687.

- *Personnel.* The Governor’s recommendation includes \$1.5 million from general revenue, an increase of \$36,917 from the enacted FY 2018 Budget. The FY 2019 Budget includes increases of \$18,193 for statewide adjustments to benefit rates, including the assessed fringe benefit rate, the retirement rate, and medical and dental insurance rates, and \$15,738 for agency-specific salary and benefit costs.
- *Contract Services.* The Governor includes \$57,001 from general revenue for contract services. The recommendation is \$25,000 greater than the enacted FY 2018 Budget and, like the revised budget, the additional funding is for contract legal services.

*Operating/Capital.* The Governor includes \$222,469 for operating expenses and capital purchases and equipment. The recommendation is \$45,756 more than the enacted FY 2018 Budget of \$176,713, and reflects the decentralization of budgetary authority for statewide internal services provided by the Department of Administration’s Division of Information Technology.

The Governor recommends 12.0 FTE positions in the revised FY 2018 Budget and the recommended FY 2019 Budget, consistent with the enacted FY 2018 level.

## OFFICE OF THE GOVERNOR

Source Of Funds	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Enacted	FY 2018 Revised	FY 2019 Recommended
General Revenue	\$4,755,102	\$5,008,393	\$5,397,554	\$5,540,199	\$5,545,728
Federal Funds	\$0	\$0	\$0	\$0	\$0
Restricted Receipts	\$0	\$0	\$0	\$0	\$0
Other Funds	\$0	\$0	\$0	\$0	\$0
RI Capital Plan Fund	\$0	\$0	\$0	\$0	\$0
<b>Total Funding</b>	<b>\$4,755,102</b>	<b>\$5,008,393</b>	<b>\$5,397,554</b>	<b>\$5,540,199</b>	<b>\$5,545,728</b>
<b>FTE Authorization</b>	45.0	45.0	45.0	45.0	45.0

## *FY 2018 Revised Budget*

The Governor recommends revised FY 2018 general revenue appropriations of \$5.5 million for the Office of the Governor. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$142,645. \$67,089 of the increase is the result of a reappropriation of unspent balances in the Governor’s Contingency Fund. The Contingency Fund is used to support unforeseen expenses that may occur. The revised FY 2018 Budget is also inclusive of medical insurance savings distributed to state agencies, which resulted in \$10,043 of general revenue savings allocated to the Office of the Governor. Additionally, pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased funding totaling \$85,599 is now reflected in the agency budget. This accounts for the decentralization of budgetary authority for statewide internal services provided by the Department of Administration’s Division of Information Technology.

# General Government

## *FY 2019 Recommended Budget*

The Governor recommends FY 2019 general revenue appropriations of \$5.5 million for the Office of the Governor. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$148,174. The additional funding is attributable to increases in the cost of benefit expenses and includes \$22,922 of statewide increases distributed to state agencies. Additionally, pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased funding totaling \$86,259 is now reflected in the agency budget. This accounts for the decentralization of budgetary authority for statewide internal services provided by the Department of Administration's Division of Information Technology.

The Governor recommends 45.0 FTE positions in the revised FY 2018 Budget and 45.0 FTE positions in the recommended FY 2019 Budget, both unchanged from the enacted FY 2018 Budget.

### RHODE ISLAND COMMISSION FOR HUMAN RIGHTS

Source Of Funds	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Enacted	FY 2018 Revised	FY 2019 Recommended
General Revenue	\$1,242,374	\$1,247,603	\$1,258,074	\$1,292,590	\$1,310,456
Federal Funds	\$279,063	\$309,718	\$432,028	\$445,407	\$497,570
Restricted Receipts	\$0	\$0	\$0	\$0	\$0
Other Funds	\$0	\$0	\$0	\$0	\$0
RI Capital Plan Fund	\$0	\$0	\$0	\$0	\$0
<b>Total Funding</b>	<b>\$1,521,437</b>	<b>\$1,557,320</b>	<b>\$1,690,102</b>	<b>\$1,737,997</b>	<b>\$1,808,026</b>
<b>FTE Authorization</b>	14.5	14.5	14.5	14.5	14.5

## *FY 2018 Revised Budget*

The Governor recommends revised FY 2018 appropriations of \$1.7 million for the Commission for Human Rights, including \$1.3 million from general revenue and \$445,407 from federal sources, reflecting full financing of agency operations and the Commission's 14.5 FTE position complement. Minor revisions to enacted state and federal appropriations reflect adjustments to various personnel rates coupled with the increased availability of unexpended federal cash balances from FY 2017. An upward revision to general revenue of \$38,980 reflects the transfer of statewide rotary services financing from the Department of Administration.

## *FY 2019 Recommended Budget*

The Governor recommends FY 2019 appropriations totaling \$1.8 million, including \$1.3 million from general revenue and \$497,570 from federal funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$52,382 and federal financing increases by \$65,542. The increase in the Commission's general revenue allocation is due to annual adjustments to personnel rates, increased rental expenses for the Commission's office space in FY 2019, and higher utilization of interpreter and translation services. In addition, pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased funding totaling \$39,280 is now reflected in the agency budget. This accounts for the decentralization of budgetary authority for statewide internal services provided by the Department of Administration's Divisions of Human Resources, Capital Asset Management and Maintenance, and Information Technology.

The increase in budgeted federal support is again attributable to the use of previously uncommitted grant revenue from both the Federal Equal Employment Opportunity Commission (EEOC) and the United States Department of Housing and Urban Development (HUD), thus ensuring maximal use of all

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available non-state financial resources.

The Governor recommends staffing authorizations of 14.5 FTE positions in both the revised FY 2018 Budget and the recommended FY 2019 Budget, unchanged from the FY 2018 enacted level.

## PUBLIC UTILITIES COMMISSION

Source Of Funds	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Enacted	FY 2018 Revised	FY 2019 Recommended
General Revenue	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$107,180	\$118,808	\$129,225	\$165,593	\$168,378
Restricted Receipts	\$7,170,809	\$7,896,086	\$9,007,118	\$9,808,819	\$10,493,027
Other Funds	\$0	\$0	\$0	\$0	\$0
RI Capital Plan Fund	\$0	\$0	\$0	\$0	\$0
<b>Total Funding</b>	<b>\$7,277,989</b>	<b>\$8,014,894</b>	<b>\$9,136,343</b>	<b>\$9,974,412</b>	<b>\$10,661,405</b>
<b>FTE Authorization</b>	50.0	51.0	51.0	54.0	57.0

### *FY 2018 Revised Budget*

The Public Utilities Commission provides fair regulations of public utilities and carriers and just and reasonable rates and charges for these services through implementing and enforcing standards of conduct, and through hearings and investigations involving rates, tariffs, tolls, charges, and sufficiency and reasonableness of services provided by all public utilities.

The Governor recommends revised FY 2018 appropriations of \$10.0 million for the Public Utilities Commission, including \$9.8 million from restricted receipts and \$165,593 from federal funds. Relative to FY 2018 enacted levels, recommended restricted receipt financing increases by \$801,701, while federal financing increases by \$36,368. The Governor includes all funds financing of \$6.6 million for personnel, \$2.0 million for contract services, \$1.3 million for operating expenses, \$4,200 for grants and \$70,000 for capital expenditures. The revised FY 2018 budget is inclusive of statewide fringe benefit savings distributed to state agencies, which resulted in \$18,765 of savings being allocated to the Department.

- *Personnel.* Personnel expenditure are \$6.6 million, \$309,148 greater than the FY 2018 Enacted budget. The FY 2019 recommendation includes 3.0 additional FTE positions reflecting the transfer of the Water Resources Board to the agency.
- *Contract Services:* The FY 2018 revised budget includes increases in budgetary cap limits for the Energy Facility Siting Board (EFSB) (\$100,000) and the Public Utilities Reserve Account (\$250,000).
- *Water Resources Board:* The Governor recommends the transfer of the Water Resources Board from the Department of Administration to the Public Utilities Commission. The transfer includes \$410,170 in restricted receipts expenditures and 3.0 FTE positions.
- *Internal Service Funds.* Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased funding totaling \$89,400 is now reflected in the agency budget. This accounts for the decentralization of budgetary authority for statewide internal services provided by the Department of Administration's Division of Information Technology.

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# General Government

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## *FY 2019 Recommended Budget*

The Governor recommends FY 2019 appropriations of \$10.7 million for the Commission, including \$10.5 million from restricted receipts and \$168,378 from federal funds. Relative to FY 2018 enacted levels, recommended restricted receipt financing increases by \$1.5 million and federal financing increases by \$39,153. The Governor includes all funds financing of \$7.2 million for personnel, \$2.0 million for contract services, \$1.3 million for operating expenses, \$4,200 for grants and \$100,000 for capital expenditures. The FY 2019 budget is inclusive of statewide fringe benefit adjustments distributed to state agencies, which resulted in \$29,181 additional expenditures being allocated to the Department. The FY 2019 budget recommendation includes the following:

- *Personnel:* Personnel expenditures are \$7.2 million, \$960,217 greater than the FY 2018 Enacted budget. The FY 2019 recommendation includes 3.0 additional FTE positions, including two programming services officers and an associate public utilities administrator for operations and consumer affairs. The programmer positions will address the expected increase in the regulatory research and analysis required for such issues as the changing distribution system, standards for new clean energy resources, Power Sector Transformation initiatives, as well as programs related to system integration, system reliability, and electric distribution grid planning. The administrator position will provide management oversight to the engineering, regulatory, and consumer staff of the Division of Public Utilities and Carriers.
- *Contract Services:* Expenditures are \$2.0 million, \$339,450 more than the FY 2018 Enacted budget. The increase reflects the new legislatively mandated increase in budgetary caps for the Energy Facility Siting Board (\$100,000) and the Public Utilities Reserve Account (\$250,000). The increases reflect the estimated activity of the EFSB requiring expert witnesses, legal services, engineering and clerical/stenographic assistance, as well as the estimated limit of the required assessment of public utilities.
- *Operating/Capital:* Expenditures are \$1.3 million, an increase of \$140,395 from the FY 2018 Enacted budget. The increase reflects a motor vehicle purchase (\$30,000) and the Water Resources Board and internal service fund transfers.
- *Water Resources Board:* The Governor recommends the transfer of the Water Resources Board from the Department of Administration to the Public Utilities Commission. The transfer includes \$413,300 in restricted receipts expenditures and 3.0 FTE positions.
- *Internal Service Funds.* Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased funding totaling \$90,324 is now reflected in the agency budget. This accounts for the decentralization of budgetary authority for statewide internal services provided by the Department of Administration's Division of Information Technology.

The Governor recommends 54.0 FTE positions in the revised FY 2018 Budget, an increase of 3.0 FTE positions in the Water Resources Board. In FY 2019 the Governor recommends 57.0 FTE positions, an increase of 3.0 FTE positions from the FY 2018 revised level. Positions include commission members, accountants, auditors, public utilities analysts, consumer agents, engineering specialists, legal counsel, and administrative and information technology services support staff.