



OFFICE OF MANAGEMENT & BUDGET

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MEMORANDUM

To: The Honorable Marvin L. Abney, Chairman, House Finance Committee
The Honorable Ryan W. Pearson, Chairman, Senate Finance Committee

From: Joseph Codega Jr., Budget Officer *JMCJ*

Date: April 22, 2022

Subject: Amendments to FY 2023 Appropriations Act (22-H-7123)

The Governor requests that several amendments be made to the FY 2023 Appropriations Act. The amendments include changes to the appropriation amounts in Article 1, Section 1, Relating to Making Appropriations in Support of FY 2023; FTE position authorizations in Section 11, FY 2023 FTE Position Authorizations; and Rhode Island Capital Plan Fund Appropriations through June 30, 2027 in Section 12. A description of each amendment requested is provided below.

If you have any questions regarding these amendments, please feel free to call me or my staff at 222-6300.

JC:22-Amend-5
Attachments

cc: Sharon Reynolds Ferland, House Fiscal Advisor
Stephen Whitney, Senate Fiscal Advisor
James E. Thorsen, Director of Administration
Brian Daniels, Director, Office of Management and Budget

ARTICLE 1, RELATING TO MAKING APPROPRIATIONS IN SUPPORT OF FY 2023

SECTION 1, APPROPRIATIONS IN SUPPORT OF FY 2023

Department of Business Regulation

Increase Restricted Receipts for the Office of Cannabis Regulation program, Page 7, Line 27 by \$479,832 from \$5,623,590 to \$6,103,422. This amendment would provide additional funds needed for software costs associated with the Medical Marijuana Program's Seed to Sale IT system. An estimated \$700,000 in restricted receipts is included in the Governor's FY 2023 Recommended Budget to address these anticipated costs. Based on updated projections and the current status of the project, additional funds are requested for these necessary services. An additional \$495,926 in restricted receipts is also included in a revised FY 2022 Budget amendment. While this amendment and the FY 2022 amendment represent an increase in expected restricted receipt expenditures, it would ultimately result in a corresponding decrease in the transfer of these restricted receipts to general revenues (23-DBR-1).

Department of Labor and Training

Increase General Revenues for the Income Support program, Page 10, Line 13 by \$304,081 from \$3,644,977 to \$3,949,058. RIGL § 45-49-4.3 requires the State of Rhode Island to provide one-time death benefit payments to the family of deceased Police Officers, Correctional Officers, and Firefighters. The state is required to provide a 40 percent match to federal death benefit payments from the U.S. DOJ's Public Safety Officers' Benefits (PSOB) Program, which provides death benefits for law enforcement officers and firefighters killed in the line of duty. This amendment would address the funds needed to address two death benefit payments that are pending approval (23-DLT1).

Rhode Island Ethics Commission

Increase General Revenues Page 13, Line 30 by \$6,000 from \$2,029,145 to \$2,035,145. This increase reflects the terms of the lease renewal of the Commission's main office, wherein the cost of the renewal for FY 2023 was higher than anticipated at the time of the budget submission (23-ETHICS1).

Executive Office of Health and Human Services

Decrease Federal Funds - State Fiscal Recovery Fund, 9-8-8 Hotline, within the Central Management program, Page 14, Line 19 by \$1,875,000 from \$1,875,000 to \$0. This reduction is shifting the American Rescue Plan Act State Fiscal Recovery Funds (ARPA SFRF) for the 9-8-8 Hotline initiative from the Executive Office of Health and Human Services to the Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals. This budget-neutral shift appropriately aligns the implementation costs in the appropriate department (23-EOHHS1).

Increase Restricted Receipts within the Central Management program, Page 14, Line 20 by \$141,465 from \$14,401,156 to \$14,542,621. This amendment seeks to correct an inadvertent reduction in the Pay for Success program by restoring funding to the level authorized by Rhode Island General Law §42-160-5 establishing the Pay for Success pilot program with annual appropriations not to exceed \$1.5 million per year or \$6.0 million over

five years. A separate amendment requests an increase to the EOHHS FTE cap to support the implementation of the program set to begin in FY 2023 (23-EOHHS2).

Department of Health

Decrease Federal Funds for the Community Health and Equity program, Page 16, Line 34 by \$1,194,689 from \$75,864,234 to \$74,669,545. This adjustment corrects a technical error where the ARPA Direct award for WIC Cash Value Vouchers was budgeted above the grant amount. (23-DOH1)

Increase General Revenues for the Environmental Health program, Page 17, Line 4 by \$119,558 from \$5,968,762 to \$6,088,320. This amendment requests funding to hire an Environmental Scientist to serve as an additional engineer in reviewing and licensing aquatic venues and addressing backlogs. Given vacancy within the existing authorization, this amendment assumes the vacancy will be filled within the Department's authorized level. Due to staffing constraints, the team has had to pause the review of Aquatic Venues Licensing since the beginning of CY 2021 resulting in delays to open businesses and impairing the Department from fulfilling statutory and regulatory requirements. The Office currently licenses approximately 430 pools across the state, and these services are financed with general revenues (23-DOH2).

Department of Human Services

Increase General Revenues within the Other Programs program, Page 19, Line 19 by \$90,000 from \$788,244 to \$878,244. This \$90,000 is to be used for hardship contingency payments and was inadvertently excluded when preparing the reconciliation from the adopted November 2021 Caseload Estimating Conference totals to the final Governor Recommendation. This program is not under the purview of the Caseload Estimating Conference and must be manually added to the Governor Recommended Budget (23-DHS1).

Increase Federal Funds in the Rhode Island Works Program, Page 19, Line 16 by \$2,024,638 from \$103,597,843 to \$105,622,481. This adjustment returns the TANF account to the level adopted at the November 2021 Caseload Estimating Conference (23-DHS2).

Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals

Increase General Revenues for Services for the Developmentally Disabled, Page 20 Line 15 by \$277,871 from \$184,095,099 to \$184,372,970. This amendment is comprised of the following two adjustments: (1) Increase of \$492,100 including \$42,100 for technical assistance to deliver technology to individuals with intellectual and developmental disabilities (I/DD) and \$450,000 for a contract to recruit, train, and retain Direct Support Professionals (DSPs) to support I/DD individuals. Both items are added to support the State's efforts for the Consent Decree (23-BHDDH1); and (2) a decrease \$214,229 for a technical correction to a previous amendment. GBA 3 as previously submitted increased this program by \$395,330 to correct an error contained in the Governor's Recommended Budget with respect to underfunding the \$1,500 extra payment to eligible union employees. The additional increase should be split between state funding and FMAP. As such, this amendment decreases the general revenue amount needed to cover the extra payment by \$214,229 based on the SFY 2023 FMAP split (23-BHDDH2).

Page 20. Strike all text on lines 22 through 29 and insert the following:

Provided further that of this general revenue funding, \$4,748,600 shall be expended on a Transformation Fund to be used for integrated day activities and supported employment services for individuals with intellectual and developmental disabilities, of which \$2,000,000 shall be expended specifically on those who self-direct for creation of regional service advisement models and pool of substitute staff. An additional \$458,100 shall be expended on technology acquisition for individuals within the developmental disabilities system. An additional \$42,100 shall be expended on technical assistance for the aforementioned technology acquisition. An additional \$450,000 shall be expended on creating a statewide workforce initiative focused on recruiting, creating pipelines, and credentialing. For these designations of general revenue funding, all unexpended or unencumbered balances at the end of the fiscal year shall be reappropriated to the ensuing fiscal year and made immediately available for the same purpose.

Increase Federal Funds in the Services for the Developmentally Disabled Program, Page 20, Line 30 by \$706,329 from \$206,107,858 to \$206,814,187. Increase of \$492,100 including \$42,100 for technical assistance to deliver technology to individuals with intellectual and developmental disabilities (I/DD) and \$450,000 for a contract to recruit, train, and retain Direct Support Professionals (DSPs) to support I/DD individuals. Both items are added to support the State's efforts for the Consent Decree (23-BHDDH1); (2) an increase \$214,229 for a technical correction to a previous amendment. GBA 3 as previously submitted increased this program by \$395,330 to correct an error contained in the Governor's Recommended Budget with respect to underfunding the \$1,500 extra payment to eligible union employees. The additional increase should be split between state funding and FMAP. As such, this amendment increases the federal funds amount needed to cover the extra payment by \$214,229 based on the SFY 2023 FMAP split (23-BHDDH2).

Page 21, Strike all text on lines 3 through 9 and insert the following:

Provided further that of this federal funding, \$4,748,600 shall be expended on a Transformation Fund to be used for integrated day activities and supported employment services for individuals with intellectual and developmental disabilities, of which \$2,000,000 shall be expended specifically on those who self-direct for creation of regional service advisement models and pool of substitute staff. An additional \$458,100 shall be expended on technology acquisition for individuals within the developmental disabilities system. An additional \$42,100 shall be expended on technical assistance for the aforementioned technology acquisition. An additional \$450,000 shall be expended on creating a statewide workforce initiative focused on recruiting, creating pipelines, and credentialing. For these designations of federal funding, all unexpended or unencumbered balances at the end of the fiscal year shall be reappropriated to the ensuing fiscal year and made immediately available for the same purpose.

Increase Federal Funds for Behavioral Healthcare Services, Page 21, Line 17 by \$1,875,000 from \$45,702,498 to \$47,577,498. This increase represents a shift in the American Rescue Plan Act State Fiscal Recovery Funds (ARPA SFRF) for the 9-8-8 Hotline from the Executive Office of Health and Human Services to the Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals. This budget- neutral shift more appropriately aligns the funding with the Department implementing the 9-8-8 Hotline initiative (23-BHDDH3).

Decrease General Revenue in the Hospital and Community Rehabilitative Services Program, Page 21, Line 23 by \$143,061 from \$80,422,430 to \$80,279,369. GBA 3 as previously submitted increased this program by \$1.0 million to correct an error contained in the Governor's Recommended Budget with respect to underfunding the \$1,500 extra payment to eligible union employees. The additional increase should be split between state funding and FMAP. As such, this amendment decreases the general revenue amount needed to cover the extra payment by \$143,061 based on the SFY 2023 FMAP split for the 65+ population only which accounts for roughly 26 percent of the increased cost (23-BHDDH2).

Increase Federal Funds for Hospital and Community Rehabilitative Services, Page 21, Line 24 by \$1,695,952 from \$31,993,975 to \$33,689,927. This amendment relates to two issues: (1) GBA 3 as previously submitted increased this program by \$1.0 million to correct an error contained in the Governor's Recommended Budget with respect to underfunding the \$1,500 extra payment to eligible union employees. The additional increase should be split between state funding and FMAP. As such, this amendment increases the federal funds amount needed to cover the extra payment by \$143,061 based on the SFY 2022 FMAP split for the 65+ population only which accounts for roughly 26 percent of the increased cost (23-BHDDH2); (2) restores a technical adjustment for personnel where funds were excessively reduced. There are no impacts to general revenue for this adjustment, and this amendment does not represent any substantive changes to billing, strategy, or policy for Eleanor Slater Hospital (23-BHDDH4).

Increase General Revenue for the State of RI Psychiatric Hospital, Page 21, Line 34 by \$65,811 from \$30,504,895 to \$30,570,706. This amendment corrects for the cost of a proposed new FTE position within the new RI Psychiatric Hospital. The Director, Interagency Operations position functioning as the new Hospital CEO was intended to be budgeted at a higher paygrade based upon the new proposed management structure (23-BHDDH5).

Department of Elementary and Secondary Education

Increase General Revenue for Regional District Transportation Bonus by \$1,607,833 from \$4,185,284 to \$5,793,117. This amendment would fully fund Regional District Transportation bonus funding formula categorical. The state and regional districts share equally the student transportation costs net any federal sources of revenue for these expenditures (23-RIDE1).

Decrease General Revenue for Davies Career and Technical School, Page 23 Line 17 by \$2,988, from \$15,414,314 to \$15,411,326. This amount was originally allocated to correct a calculation error in formula aid that was made in FY 2022. RIGL § 16-7-20 requires that any miscalculation in formula aid is repaid in the subsequent fiscal year. This reduction is to move the repayment from FY 2023 to FY 2022. A subsequent budget amendment will include changes to Article 10, Section 1 necessary to implement this amendment (23-RIDE2).

Decrease General Revenue for Education Aid, Page 24, Line 9, by \$149,758 from \$1,045,656,782 to \$1,045,507,024. This amount was originally allocated to correct a calculation error in formula aid that was made in FY 2022. RIGL § 16-7-20 requires that any miscalculation in formula aid is repaid in the subsequent fiscal year. This reduction is to move the repayment from FY 2023 to FY 2022. This would have additional general revenue impacts beyond the shift across fiscal years in FY 2023, as the increase in FY 2022 education aid would result in additional education aid in FY 2023 for some local education agencies due to

the hold harmless provision included in Article 1 of 22-H-7123. A subsequent budget amendment will include changes to Article 10, Section 1 necessary to implement this amendment (23-RIDE2).

Office of the Postsecondary Commissioner

Increase Restricted Receipts, Page 25, Line 22 by \$35,000 from \$4,010,406 to \$4,045,406. Section 18 of the authorized 8th Amendment to its contract with the Lottery requires IGT to pay \$35,000 on or before June 30 of each year beginning with 2022 and ending with 2042 to fund scholarships relating to studying science, technology, engineering, or mathematics at an accredited educational institution.

RI State Council on the Arts

Decrease General Revenues Page 27, Line 28 by \$25,000 from \$989,088 to \$964,088. This reduction eliminates the FY 2023 General Revenue funds associated with the commission of an official portrait of former Governor Gina Raimondo. RISCA received a private donation towards this commission that was \$25,000 higher than the anticipated donation amount. This donation eliminates the need for a General Revenue contribution to the commission in FY 2023 which was not reflected in the Governor's Recommended Budget (23-RISCA1).

Increase Restricted Receipts Page 27, Line 33 by \$25,000 from \$15,000 to \$40,000. This increase correctly reflects the higher-than-anticipated private donation made to RISCA to fund the commission of an official portrait of former Governor Gina Raimondo (23-RISCA1).

Department of Corrections

Increase General Revenues for Central Management program, Page 29, Line 11, by \$190,646 from \$18,618,789 to \$18,809,435. The first amendment proposes to increase the stipend granted during the Correctional Officer Training Academy from \$1,000 to \$1,300 to support improvement in the recruitment of Correctional Officers worth \$90,000 (23-DOC1). The second amendment corrects for a negative appropriation in clerical services in the Central Management program (23-DOC2).

Increase General Revenues for Custody and Security program Page 29, Line 19 by \$50,324 from \$132,098,071 to \$132,148,395. This amendment corrects for a negative appropriation in clerical services in the Custody and Security program (23-DOC2).

Judiciary

Increase Federal Funds for the District Court, Page 31, Line 16, by \$213,575 from \$372,592 to \$586,167. The District Court received a new competitive grant for implementation of the Mental Health Court that will be used to create the evaluation piece that will be necessary for the new court to determine eligibility and track progress (23-JUD1).

Public Safety

Increase Restricted Receipts for the E-911 Emergency Telephone System, Page 32 Line 17 by \$55,470 from \$8,413,240 to \$8,468,710 This item adds \$55,470 to the E-911 program to convert 3.0 telecommunicator positions to supervisor positions per a recent union negotiation approval relating to the implementation of the new emergency medical dispatch

requirements for the 911 system as included in the FY 2023 Governor Recommended Budget (23-DPS1).

Department of Transportation

Increase Rhode Island Capital Plan Funds in the Highway Improvement Program project of the Infrastructure Engineering program Page 35, Line 17 by \$2,945,000 from \$52,700,000 to \$55,645,000. This increase is comprised of 1) a \$3,000,000 increase for 20 percent state match for available for additional bridge rehabilitation and replacement funds for qualifying states with 5 percent or more of bridges classified in poor condition included in the recent Federal FY 2022 Omnibus bill and 2) a decrease of \$55,000 to reflect the variance from a placeholder value to the actual amount of congressionally-directed spending (\$19,560,000) included in the recent Federal FY 2022 Omnibus bill (23-RIDOT1).

Decrease Rhode Island Capital Plan Funds in the RIPTA – Land and Buildings project of the Infrastructure Engineering program on Page 35, Line 19 by \$50,000 from \$12,939,628 to \$12,889,628. This decrease is comprised of 1) a decrease of \$750,000 set aside for the 265 Melrose Ave pending bus and bus facilities grant that was not accepted in March 2022 and 2) an increase of \$700,000 for 20 percent state match for congressionally-directed spending for the electrification of the Newport Garage included in the recent Federal FY 2022 Omnibus bill (23-RIDOT2).

SECTION 11, FY 2023 FTE POSITION AUTHORIZATION

Executive Office of Health and Human Services

Page 39, Line 12 strike 200.0 and replace with 201.0. The Governor requests this amendment adding one new FTE position to the Executive Office of Health and Human Services, a Chief Health Program Evaluator, financed with existing restricted receipt dollars from the Pay for Success program. This FTE will serve as an operations manager focused on staffing needs for EOHHS and Medicaid's Housing Supports and Services initiatives. In addition, this position will support the implementation of the five-year Pay for Success pilot program, which is centered on contracting with non-profit investors and service providers to provide permanent supportive housing and additional wrap around services to a cohort of 125 individuals experiencing homelessness.

SECTION 12. Rhode Island Capital Plan Fund Appropriations through June 30, 2027

Reduce Rhode Island Capital Plan Funds for the DOT – Highway Improvement Program project. On Page 44, Line 33, increase funding for FY Ending 6/30/2024 by \$445,000 from \$93,863,800 to \$94,308,800; increase funding for FY Ending 6/30/2025 by \$529,560 from \$31,875,000 to \$32,404,560; These changes reflect 1) an increase of \$7,000,000 for 20 percent state match for available for additional bridge rehabilitation and replacement funds for qualifying states with 5 percent or more of bridges classified in poor condition included in the recent Federal FY 2022 Omnibus bill and 2) a decrease of \$55,000 in FY 2024 to reflect the variance from placeholder to actual congressionally-directed spending of \$19,560,000 included in the recent Federal FY 2022 Omnibus bill and 3) A \$6,000,000 decrease in FY 2024 and FY 2025 for a federal RAISE grant for \$24,000,000 that was not awarded and 4) an increase of \$29,560 in FY 2025 as the remaining balance from \$100.0 million of available

FY 2021 general revenue surpluses to serve as state match for transportation funds (23-RIDOT1).

Reduce Rhode Island Capital Plan Funds for the DOT – RIPTA Land & Buildings Enhancements project. On Page 45, Line 10, reduce funding for FY Ending 06/30/2024 by \$1,784,780 from \$14,411,792 to \$12,627,012; reduce funding for FY Ending 06/30/2025 by \$2,084,780 from \$2,584,780 to \$500,000; These changes reflect 1) A \$4,169,560 decrease for 20 percent state match on a federal Bus and Bus Facilities grant for the Melrose Ave project that was not awarded and 2) an increase of \$300,000 in FY 2024 for 20 percent state match on congressionally-directed spending for the electrification of the Newport Garage included in the recent Federal FY 2022 Omnibus bill (23-RIDOT2).

Summary of Governor's Article 1 Amendments to FY 2023 Appropriations Act (22-H-7123)

	General Revenue	Federal Funds	Restricted Receipts	Other Funds	Total	Amendment Code (23-AGENCY#)
FY 2023 Expenditures (Original Governor's Recommend)	4,731,312,148	5,311,039,436	432,230,976	2,350,432,468	12,825,015,028	
March 3, 2022 Amendments	(1,215,113)	4,324,634	(27,219,536)	228,000	(23,882,015)	
April 22, 2022 Amendments						
Department of Business Regulation						
<i>MMP Seed to Sale Software Budget Increases</i>			479,832		479,832	23-DBR1
Department of Labor and Training						
<i>Fire and Police Death Benefit Payments</i>	304,081				304,081	23-DLT1
Rhode Island Ethics Commission						
<i>Main Office Lease Agreement Price Increase</i>	6,000				6,000	23-ETHICS1
Executive Office of Health and Human Services						
<i>Shift ARPA SFRF 988 Hotline from EOHHS to BHDDH</i>		(1,875,000)			(1,875,000)	23-EOHHS1
<i>Pay for Success Correction</i>			141,465		141,465	23-EOHHS2
Department of Health						
<i>ARPA Direct Award for WIC Cash Value Vouchers</i>		(1,194,689)			(1,194,689)	23-DOH1
<i>Aquatic Venues Licensing</i>	119,558				119,558	23-DOH2
Department of Human Services						
<i>GPA Hazard Funds</i>	90,000				90,000	23-DHS1
<i>TANF Transfer Correction</i>		2,024,638			2,024,638	23-DHS2
Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals						
<i>Consent decree TA and workforce</i>	492,100	492,100			984,200	23-BHDDH1
<i>Underfunded \$1,500 Extra Payment Correction - FMAP Adjustment</i>	(357,290)	357,290			-	23-BHDDH2
<i>Shift ARPA SFRF 988 Hotline from EOHHS to BHDDH</i>		1,875,000			1,875,000	23-BHDDH3
<i>Technical Adjustment to Eleanor Slater Hospital Federal Funds</i>		1,695,952			1,695,952	23-BHDDH4
<i>Adjusting RI Psych Hospital Administration FTE</i>	65,811				65,811	23-BHDDH5
Department of Elementary and Secondary Education						
<i>Regional School District Transportation Bonus</i>	1,607,833				1,607,833	23-RIDE1
<i>Adjusted Equalized Weighted Assessed Valuation (AEWAV) in FY 2023</i>	(152,746)				(152,746)	23-RIDE2
Office of the Postsecondary Commissioner						
<i>IGT Stem Scholarship</i>			35,000		35,000	23-OPC1
RI State Council on the Arts						
<i>Governor's Portrait Fund Source Correction</i>	(25,000)		25,000		-	23-RISCA1
Department of Corrections						
<i>Correctional Officer Class Stipend Increase</i>	90,000				90,000	23-DOC1
<i>Clerical Services Negative Appropriation Correction</i>	150,970				150,970	23-DOC2
Judiciary						
<i>Rhode Island Mental Health Treatment Court OJP Grant</i>		213,575			213,575	23-JUD1
Public Safety						
<i>E-911 Supervisors</i>			55,470		55,470	23-DPS1
Department of Transportation						
<i>FFY 2023 Appropriations Impacts DOT</i>				2,945,000	2,945,000	23-DOT1
<i>FFY 2023 Appropriations Impacts RIPTA</i>				(50,000)	(50,000)	23-DOT2
Total	2,391,317	3,588,866	736,767	2,895,000	9,611,950	
Grand Total	4,732,488,352	5,318,952,936	405,748,207	2,353,555,468	12,810,744,963	