



OFFICE OF MANAGEMENT & BUDGET


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MEMORANDUM

To: The Honorable Marvin L. Abney, Chairman, House Finance Committee
The Honorable Louis P. DiPalma, Chairman, Senate Finance Committee

From: Joseph Codega Jr., Budget Officer 

Date: April 17, 2023

Subject: Amendments to FY 2024 Appropriations Act (23-H-5200)

The Governor requests that several amendments be made to the FY 2024 Appropriations Act. The amendments include changes to the appropriation amounts in Article 1, Relating to Making Appropriations in Support of FY 2024. A detailed description of each amendment requested is provided in the attached documents, but some significant items include the following:

- This amendment shifts from FY 2023 and increases in FY 2024 certain operating expenses related to Medicaid benefit redetermination activities. These changes facilitate the return to normal operations following the conclusion of the Public Health Emergency (PHE). These amendments reflect updated timing and policy assumptions necessitated by the Consolidated Appropriations Act, 2023 (CAA, 2023) which were not incorporated into the Governor's Recommended Budget as originally submitted.
- This amendment increases funding for the Civil Monetary Penalty Reinvestment Grant program at the Executive Office of Health and Human Services. This program reinvests the civil monetary penalties (CMPs) collected back into the system, improving the quality of life of Rhode Island's nursing facility residents.
- This amendment accommodates for the estimated impact of the work conducted on the private community developmentally disabled services rate review project. This initiative will be rebased as part of the May 2023 Caseload Estimating Conference (CEC) and be submitted in the customary forthcoming May CEC amendment.
- This amendment includes funding for IT system needs in order to implement Conflict Free Case Management for the private community developmentally disabled services program by the required date of July 1, 2023.
- This amendment reallocates funding between fiscal years to account for supply chain delays in large operating purchases at the RI State Psychiatric Hospital.
- This amendment provides funding for the special election for Congressional District 1 within the Board of Elections and Secretary of State budgets.
- This amendment makes a technical correction to the Old State House Renovations project based on allocated federal grant amounts available for the project.
- This amendment adjusts for the Rhode Island Brotherhood of Correctional Officers (RIBCO) Contract Reserve, included at \$15.0 million in the Governor's recommended budget to reserve sufficient resources to meet the projected costs associated with, at

the time of submission, a pending collective bargaining agreement. The amendment adds an additional \$9.8 million in FY 2024 based on the finalized contract. Between FY 2023 and FY 2024, the RIBCO contract is projected to cost an additional \$2.0 million in general revenue compared to contract reserve in the Governor's recommended budget.

- This amendment seeks to add clarifying language to allow for an expedited reallocation of SFRF funding out of at-risk programs.
- This amendment increases FY 2024 Rhode Island Capital Plan appropriations for the I-195 Redevelopment District Commission to support capital expenses related to the Park Pavilion project.

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

JC:23-Amend-11

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 2024

SECTION 1, APPROPRIATIONS IN SUPPORT OF FY 2024

Department of Administration

Decrease Restricted Receipts in the Information Technology program, Page 3, Line 16 by \$340,280 from \$6,333,491 to \$5,993,211. This amendment reflects the need to accommodate for the timing of expenditures related to the Consolidated Appropriations Act, 2023 (CAA, 2023) unwinding of the Public Health Emergency, and redetermination schedule beginning April 1, 2023 and concluding by June 2024. A corresponding budget amendment is submitted for the FY 2023 Revised Appropriations Act (24-DOA1).

Increase General Revenue in the Rhode Island Health Benefits Exchange program, Page 5, Line 34 by \$1,260,728 from \$3,484,018 to \$4,744,746. This amendment reflects the need to accommodate for the timing of expenditures related to the Consolidated Appropriations Act, 2023 (CAA, 2023) unwinding of the Public Health Emergency, and redetermination schedule beginning April 1, 2023 and concluding by June 2024. A corresponding budget amendment is submitted for the FY 2023 Revised Appropriations Act (24-DOA1).

Increase Restricted Receipts in the Rhode Island Health Benefits Exchange program, Page 6, Line 4 by \$36,040 from \$16,053,600 to \$16,089,640. This amendment reflects the need to accommodate for the timing of expenditures related to the Consolidated Appropriations Act, 2023 (CAA, 2023) unwinding of the Public Health Emergency, and redetermination schedule beginning April 1, 2023 and concluding by June 2024. A corresponding budget amendment is submitted for the FY 2023 Revised Appropriations Act (24-DOA1).

Executive Office of Commerce

Increase Rhode Island Capital Plan Funds for I-195 Redevelopment District Commission, Page 8, Line 12 by \$200,000 from \$700,000 to \$900,000. This amendment increases the FY 2024 RICAP appropriations for the I-195 Redevelopment District Commission to support the expenses related to Park Pavilion project. This amendment is in addition to the \$105,000 included in GBA 3, which aligned the FY 2024 amount with the enacted plan, for a total of \$1,005,000 requested.

Secretary of State

Increase General Revenues in Elections and Civics, Page 12, Line 2, by \$220,000 from \$2,456,107 to \$2,676,107. This amendment provides funding for ballot printing costs for the special election for Congressional District 1.

Board of Elections

Increase General Revenues, Page 13, Line 4, by \$309,563 from \$3,637,565 to \$3,947,128. This amendment provides funding to support the special election for Congressional District 1, including seasonal employees, delivery of materials to polling places, and maintenance of Poll Pads.

Executive Office of Health and Human Services

Increase General Revenue in the Central Management program, Page 13, Line 22 by \$2,031,572 from \$46,732,194 to \$48,763,766. This amendment reflects the need to accommodate for the timing of expenditures related to the Consolidated Appropriations Act,

2023 (CAA, 2023) unwinding of the Public Health Emergency, and redetermination schedule beginning April 1, 2023 and concluding by June 2024. A corresponding budget amendment is submitted for the FY 2023 Revised Appropriations Act (24-EOHHS1).

Decrease Federal Funds in the Central Management program, Page 13, Line 23 by \$1,334,139 from \$178,630,783 to \$177,296,644. This amendment reflects the need to accommodate for the timing of expenditures related to the Consolidated Appropriations Act, 2023 (CAA, 2023) unwinding of the Public Health Emergency, and redetermination schedule beginning April 1, 2023 and concluding by June 2024. A corresponding budget amendment is submitted for the FY 2023 Revised Appropriations Act (24-EOHHS1).

Increase Restricted Receipts in the Central Management program, Page 13, Line 24 by \$329,288 from \$33,192,904 to \$33,522,192. This amendment reflects the following two changes: 1] An increase of \$29,288 to accommodate for the timing of expenditures related to the Consolidated Appropriations Act, 2023 (CAA, 2023) unwinding of the Public Health Emergency, and redetermination schedule beginning April 1, 2023 and concluding by June 2024 (24-EOHHS1), and; 2] An increase of \$300,000 to reflect the anticipated reinvestment of collected civil monetary penalties (CMPs) to improve the lives of Rhode Island's nursing facility residents (24-EOHHS2).

Department of Human Services

Decrease General Revenue in the Individual and Family Support program, Page 17, Line 30 by \$587,035 from \$47,445,759 to \$46,858,724. This amendment reflects the need to accommodate for the timing of expenditures related to the Consolidated Appropriations Act, 2023 (CAA, 2023) unwinding of the Public Health Emergency, and redetermination schedule beginning April 1, 2023 and concluding by June 2024. A corresponding budget amendment is submitted for the FY 2023 Revised Appropriations Act (24-DHS1).

Increase Federal Funds in the Individual and Family Support program, Page 17, Line 31 by \$1,000,647 from \$116,336,111 to \$117,336,758. This amendment reflects the need to accommodate for the timing of expenditures related to the Consolidated Appropriations Act, 2023 (CAA, 2023) unwinding of the Public Health Emergency, and redetermination schedule beginning April 1, 2023 and concluding by June 2024. A corresponding budget amendment is submitted for the FY 2023 Revised Appropriations Act (24-DHS1).

Increase General Revenue in the Health Care Eligibility program, Page 18, Line 17 by \$376,327 from \$9,798,668 to \$10,174,995. This amendment reflects the need to accommodate for the timing of expenditures related to the Consolidated Appropriations Act, 2023 (CAA, 2023) unwinding of the Public Health Emergency, and redetermination schedule beginning April 1, 2023 and concluding by June 2024. A corresponding budget amendment is submitted for the FY 2023 Revised Appropriations Act (24-DHS1).

Increase Federal Funds in the Health Care Eligibility program, Page 18, Line 18 by \$1,190,417 from \$15,903,566 to \$17,093,983. This amendment reflects the need to accommodate for the timing of expenditures related to the Consolidated Appropriations Act, 2023 (CAA, 2023) unwinding of the Public Health Emergency, and redetermination schedule beginning April 1, 2023 and concluding by June 2024. A corresponding budget amendment is submitted for the FY 2023 Revised Appropriations Act (24-DHS1).

Behavioral Healthcare, Developmental Disabilities and Hospitals

Increase General Revenue in the Services for the Developmentally Disabled program, Page 19, Line 24 by \$20,174,300 from \$188,286,360 to \$208,460,660. This amendment reflects both the increased funding required to finance the rate remodel in accordance with the Consent Decree Action Plan (24-BHDDH2) and additional financing for an information technology contract the agency is utilizing to implement Conflict Free Case Management in FY 2024 (24-BHDDH1). Please note that the FMAP matching rate for these funds reflect the rate utilized in the original Governor's Recommended Budget submission, foregoing any changes resulting from the passage of the Consolidated Appropriations Act of 2023.

Page 19, Strike all text on lines 25 through 30 and insert the following.

"Provided that of this general revenue funding, \$33,944,833 shall be expended on certain community-based department of behavioral healthcare, developmental disabilities and hospitals (BHDDH) developmental disability private provider and self-directed consumer direct care service worker raises and associated payroll costs as authorized by BHDDH and to finance the new services rates implemented by BHDDH pursuant to the Consent Decree Action Plan. Any increase for direct support staff and residential or other community-based setting must first receive the approval of BHDDH.

Increase Federal Funds in the Services for the Developmentally Disabled program, Page 19, Line 31 by \$25,767,595 from \$227,617,571 to \$253,385,166. This amendment reflects both the increased funding required to finance the rate remodel in accordance with the Consent Decree Action Plan (24-BHDDH2) and additional financing for an information technology contract the agency is utilizing to implement Conflict Free Case Management in FY 2024 (24-BHDDH1). Please note that the FMAP matching rate for these funds reflect the rate utilized in the original Governor's Recommended Budget submission, foregoing any changes resulting from the passage of the Consolidated Appropriations Act of 2023.

Page 19, Strike all text on lines 32 through 34 and on Page 20, Strike all text on lines 1 through 3 and insert the following.

"Provided that of this general revenue funding, \$41,071,479 shall be expended on certain community-based department of behavioral healthcare, developmental disabilities and hospitals (BHDDH) developmental disability private provider and self-directed consumer direct care service worker raises and associated payroll costs as authorized by BHDDH and to finance the new services rates implemented by BHDDH pursuant to the Consent Decree Action Plan. Any increase for direct support staff and residential or other community-based setting must first receive the approval of BHDDH."

Increase General Revenue in the State of RI Psychiatric Hospital program, Page 20, Line 32 by \$268,000 from \$34,948,358 to \$35,216,358. This amendment receives funding that has been shifted from the FY 2023 Revised Governor's Recommended Budget in the same program. The funding is intended to finance a pair of large operating purchases that are unable to be completed in FY 2023 due to supply chain delays (24-BHDDH3).

Historical Preservation and Heritage Commission

Decrease Federal Funds in the Central Management program, page 33, Line 3 by \$250,000 from \$1,393,147 to \$1,143,147. This amendment brings the amount requested for Old State

House Renovations in line with the allocated federal grant amount, which was unintentionally overstated in the operating budget recommendation (24-HPHC1).

Department of Corrections

Increase General Revenue in the Central Management program, Page 27, Line 33 by \$1,452,205 from \$21,930,514 to \$23,382,719. This amendment reallocates funding for the RIBCO agreement ratified in February 2023, per the Department's most recent cost projections (24-DOC1).

Increase General Revenue in the Custody and Security program, Page 28, Line 3 by \$6,206,788 from \$154,008,412 to \$160,215,200. This amendment (1) removes the \$15,000,000 placeholder for the RIBCO contract and (2) provides \$21,206,788 for the RIBCO agreement ratified in February 2023, per the Department's most recent cost projections (24-DOC1).

Increase General Revenue in the Institutional Support program, Page 28, Line 7 by \$583,010 from \$29,168,839 to \$29,751,849. This amendment reallocates funding for the RIBCO agreement ratified in February 2023, per the Department's most recent cost projections (24-DOC1).

Increase General Revenue in the Institutional Based Rehab/Population Management program, Page 28, Line 13 by \$68,514 from \$14,138,479 to \$14,206,993. This amendment reallocates funding for the RIBCO agreement ratified in February 2023, per the Department's most recent cost projections (24-DOC1).

Increase General Revenue in the Healthcare Services program, Page 28, Line 28 by \$1,257,894 from \$29,477,706 to \$30,735,600. This amendment reallocates funding for the RIBCO agreement ratified in February 2023, per the Department's most recent cost projections (24-DOC1).

Increase General Revenue in the Community Corrections program, Page 28, Line 32 by \$215,734 from \$20,982,773 to \$21,198,507. This amendment reallocates funding for the RIBCO agreement ratified in February 2023, per the Department's most recent cost projections (24-DOC1).

SECTION 3, INTERNAL SERVICE FUND APPROPRIATIONS

Increase Other Funds in the Corrections Central Distribution Center Internal Service Fund, Page 35, Line 21 by \$27,976 from \$7,506,586 to \$7,534,562. This amendment allocates funding for the RIBCO contract per the Department's most recent cost projections (23-DOC1).

Increase Other Funds in the Correctional Industries Internal Service Fund, Page 35, Line 22 by \$119,390 from \$8,220,004 to \$8,339,394. This amendment allocates funding for the RIBCO contract per the Department's most recent cost projections (23-DOC1).

SECTION 18, APPROPRIATIONS IN SUPPORT OF 2024

Page 50, Insert new paragraph beginning after line 24 with the following new language. The language is to allow for an expedited reallocation of SFRF funding out of at-risk programs.

“The pandemic recovery office shall monitor the progress and performance of all programs financed by the State Fiscal Recovery Fund and the Capital Projects Fund and shall notify the governor if a program is at risk of significant underspend or noncompliance with federal or state requirements, including without limitation, applicable federal obligation and expenditure deadlines. In the event that any such program would put the state at risk of forfeiture of federal funds, the director of administration may, upon approval by the governor, speaker of the house, and the president of the senate, reallocate funding from the at-risk program to an alternative program that has the ability to obligate and spend the State Fiscal Recovery Funds or Capital Projects Funds, as applicable, in compliance with all federally mandated requirements and deadlines.”

Summary of Governor's Article 1 Amendments to FY 2024 Appropriations Act (23-H-5200)

	General Revenue	Federal Funds	Restricted Receipts	Other Funds	Total	Amendment Code (24-AGENCY#)
FY 2024 Expenditures (Original Governor's Recommend)	5,302,778,725	5,526,017,996	386,814,952	2,535,441,068	13,751,052,741	
February 14, 2023 Amendments	25,667	(320,000)	(169,608)	5,237,284	4,773,343	
March 8, 2023 Amendments	183,073	(24,789,779)	-	4,000,000	(20,606,706)	
March 17, 2023 Amendments	(224,284)	2,057,963	2,891,838	-	4,725,517	
April 7, 2023 Amendments	-	11,421,784	-	376,440	11,798,224	
April 17, 2023 Amendments						
Department of Administration						
<i>PHE Unwinding - DOA</i>	1,260,728		(304,240)		956,488	24-DOA1
Executive Office of Commerce						
<i>RICAP - I-195 Redevelopment District Commission</i>				200,000	200,000	24-EOC1
Secretary of State						
<i>Congressional District 1 Special Election</i>	220,000				220,000	24-SOS1
Board of Elections						
<i>Congressional District 1 Special Election</i>	309,563				309,563	24-BOE1
Office of Health and Human Services						
<i>PHE Unwinding - Central Management</i>	2,031,572	(1,334,139)	29,288		726,721	24-EOHHS1
<i>Nursing Facility Penalty Reinvestment</i>			300,000		300,000	24-EOHHS2
Department of Human Services						
<i>PHE Unwinding - Health Care Eligibility</i>	(210,708)	2,191,064			1,980,356	24-DHS1
Behavioral Healthcare, Development Disabilities and Hospitals						
<i>Conflict Free Case Management Information Technology Contract</i>	174,300	1,568,700			1,743,000	24-BHDDH1
<i>Developmental Disabilities Rate Review</i>	20,000,000	24,198,895			44,198,895	24-BHDDH2
<i>RISPH Operating Shift</i>	268,000				268,000	24-BHDDH3
Historical Preservation and Heritage Commission						
<i>Old State House Renovations Grant</i>		(250,000)			(250,000)	24-HPHC1
Department of Corrections						
<i>RIBCO Contract Amendment</i>	9,784,145			[147,366]	9,784,145	24-DOC1
Total	33,837,600	26,374,520	25,048	200,000	60,437,168	
Grand Total	5,336,600,781	5,540,762,484	389,562,230	2,545,254,792	13,812,180,287	