

State of Rhode Island and Providence Plantations

Executive Summary



Fiscal Year 2019

Gina M. Raimondo, Governor



State of Rhode Island and Providence Plantations

State House
Providence, Rhode Island 02903-1196
401-222-2080

Gina M. Raimondo
Governor

January 18, 2018

To the Honorable General Assembly:

The State of Rhode Island is stronger than it was four years ago because of critical investments we are making in job creation, job training, education and programs that support the health and wellbeing of the people of Rhode Island.

I am proposing a balanced budget for Fiscal Year 2019 that protects those investments, so we continue to improve the lives of all Rhode Islanders. This budget also closes the State's estimated budget shortfall while making smart, targeted investments in programs we know are working. I also propose new investments that build on existing programs, providing businesses with tools for job creation and economic opportunity. It is time to take Rhode Island to the next level.

In my first three years as Governor, we have worked closely together to jumpstart Rhode Island's economy. We have made Rhode Island more business-friendly, with programs and incentives that support small businesses and improve our regulatory landscape. Our work is demonstrating results:

- U.S. News and World Report ranks Rhode Island's economy as the 18th best in America.
- The U.S. Chamber of Commerce ranks us as the second-best state in the nation for innovation and entrepreneurship.
- Four years ago, Rhode Island ranked last in Gallup's jobs index. Last year, Rhode Island was ranked No. 28.

We have made real, clear progress. But we all know that change doesn't happen overnight. Our public school buildings are crumbling, with children and teachers in every school district in our state who spend their days in schools that are not safe, warm and dry. My budget includes a bold plan to make a generational investment in our school facilities, with a question on the 2018 ballot that authorizes \$250 million of General Obligation bonds for public school construction and repair over five years.

While we continue to focus on creating jobs and giving all Rhode Islanders the training and education they need to get the good jobs we're creating, we must also address the opioid and mental health crises we face in

Rhode Island and across our nation. My budget proposes a statewide resource to ensure people with urgent mental health care needs are quickly connected to care. It also funds a new program that combines job training with substance use disorder counseling.

Rhode Island's children and families also need our help. Last week, I announced a \$1.36 million investment in resources for foster families as part of our work to increase the number of children in foster care while reducing the number of children in group homes and other congregate care. All children deserve to live in a home with a stable, loving family.

I am hopeful that there will be opportunities to identify additional strategic investments before the budget is finally enacted. Under current law, the Governor's budget recommendations are based on projected revenues from the November Revenue Estimating Conference. If, however, revenues come in higher than anticipated such that there are additional resources available after the May conference, I recommend the General Assembly consider the following actions:

- Repeal the proposed transfers from quasi-public agencies;
- Reduce the minimum corporate tax to ensure Rhode Island's small businesses realize savings from federal corporate tax changes;
- Increase education funding formula categorical spending for high-cost special needs, career and technical education, and transportation;
- Increase base payment rates for certain service providers to bring home health and developmental disability (DD) direct service worker wages closer to neighboring states, and continue ensuring access to high-quality home- and community-based services for Rhode Islanders;
- Allow payments to nursing homes to increase more than the 1% currently proposed in my budget; and
- Increase funding for Rhode Island hospitals.

After a lost decade, Rhode Island is finally on the move again. We're making real progress to put Rhode Islanders back to work. I'm in this for the long haul, and I know the leaders and members of the Rhode Island General Assembly are, too.

Sincerely,



Gina M. Raimondo
Governor

Executive Summary

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Executive Summary

Introduction

Since Governor Gina Raimondo came into office in 2015, the State of Rhode Island has moved forward with a wide range of critical investments that fostered economic growth and innovation.

The state's unemployment rate – which was as high as 8.8 percent in 2014 and the highest in the nation for much of that year – has dropped to 4.3 percent. The last time Rhode Island's unemployment rate was this low was in March 2001. Economic progress continues in large part due to the key investments the State has made in education, economic development and important programs and initiatives. However, not every hard-working Rhode Islander is feeling the effects of a better economy. It's more important than ever to preserve the State's long-term investments, continue to support economic growth, and increase accessibility to education and training, connecting Rhode Islanders with the skills they need to become successful in the 21st century.

Governor Raimondo's FY 2019 \$9.37 billion budget embraces the principle that the State must continue to see its long-term investments through, while making difficult, but fiscally responsible decisions to keep Rhode Island's economy moving forward. The Governor submits a balanced budget that aims to build on the progress we've made so far and take Rhode Islanders to the next level through innovation, education and smarter, more targeted investments to help the State's most vulnerable populations. The Governor's FY 2019 Budget focuses on three key areas:

- 21st Century Education & Training
- Attracting & Retaining Jobs
- Helping Rhode Islanders In Need

More specifically, this budget includes incentives to fix Rhode Island's crumbling school buildings; invest in highly successful jobs and training programs; spur growth of in-state supply chains; improve patient access while ensuring strong controls in the state's medical marijuana system; fight the opioid epidemic; and address mental health care needs of Rhode Islanders. It also includes revenue-generating initiatives, such as sports betting and modernizing and enhancing collections within the Department of Revenue.

21st Century Education & Training

A Historic Investment in Rhode Island's School Buildings

Rhode Island's public-school buildings are in dire need of funding just to bring many of them to an adequate level where students and teachers can be safe, warm and dry.

In September 2017, the Rhode Island Department of Education (RIDE) released the 2017 State of Rhode Island Schoolhouses Report, which was compiled following an in-depth analysis of the condition of every public school facility in the state. The report found more than 50,000 deficiencies, many of them severe in nature, across Rhode Island's 306 public schools. These deficiencies range from direct threats to the health and safety of children – including the presence of hazardous materials and inadequate fire suppression systems – to programmatic deficiencies, such as a lack of adequate science labs, that speak directly to the ability of the state to prepare our students to be successful in the modern economy.

The Governor is proposing a once-in-a-generation investment to upgrade our public-school buildings across the state. Together with investments made by cities and towns, the Governor's plan sets the ambitious goal of \$1 billion in school construction activity over the next five years. To fund the first phase of this work, the Governor proposes a question on the 2018 ballot that would ask voters for authorization to issue \$250 million of General Obligation bonds for public school construction and repair over the next five years. The Governor's plan also continues the traditional Housing Aid School Construction Program, introduces

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expiring incentives targeted toward high priority projects, and introduces several national best practices to require smarter investments and cost controls.

Under the Governor's plan, each school district would see meaningful improvements to the condition of its public-school buildings, better arming students across the state with 21st century learning environments.

PK-12 Education

Rhode Island must provide students with a first-class education so they are prepared for success in the modern economy. The State has committed substantial resources for public education by adopting a funding formula that reimburses school districts according to their needs. The Governor's budget proposes to again fully fund the funding formula. In addition, this budget proposes a number of initiatives to improve K-12 education and to achieve the Governor's Third Grade Reading Goal to double the number of third graders reading at grade level by 2025:

- *Increasing Access to High Quality Pre-Kindergarten* – The Governor proposes adding \$1.1 million in state funding to increase access to high quality pre-kindergarten programs. Over four years, the state has tripled the number of pre-kindergarten seats, enabling more than 1,000 children to enroll in early learning programs. This additional funding is necessary in order to fulfill the State's commitment to provide a non-federal match for the pre-kindergarten expansion grant and to leverage \$5.6 million in federal funds. Through this increase, the State will have fulfilled its match obligations in return for a total of \$19 million in federal funding over the four-year grant program.
- *Investing in Quality Improvements in Child Care Settings* – The Governor proposes adding \$1.5 million in state funding to increase rates for high-quality infant and toddler child care settings. High-quality child care directly impacts a child's future educational success. This investment will encourage and enable providers to invest in quality improvements.
- *3rd Grade Reading Action Plan* – The Governor proposes \$100,000 of funding to invest in high quality early learning curriculum and provide support to educators to ensure coherency among curriculum practices in the early grades. This recommendation was featured in the multi-year Unified Approach Statewide Education Plan, commissioned by the General Assembly in 2016.
- *Computer Science for Rhode Island* – The FY19 budget continues the Governor's Computer Science for Rhode Island (CS4RI) initiative, investing another \$260,000 in support of further expanding computer science education across the state.

Higher Education

- *Performance Funding for Higher Education* – The Governor is proposing an investment of \$3.0 million in additional funding for our higher education institutions to incentivize high-wage, high-demand degree attainment, overall degree attainment, and other institutional-specific goals. In 2016, the RI General Assembly passed and the Governor signed the Performance Incentive Funding Act, which was designed to support the public higher education system with additional funds and promote alignment between the state's priorities for higher education and institutional policy and practice. During the FY 2018 budget cycle, the Council and Board approved performance-based funding metrics and weights for each institution, with the goal of implementation beginning in FY 2019. The funds will be distributed equally to each school upon the review of performance metrics and determination of steps toward continued improvement.
- *Dual/Concurrent Enrollment* – The Governor is proposing \$500,000 in additional funding to support the increased number of high school students taking college classes through the state's universal dual and concurrent enrollment programming. More students are expected to take advantage of the state's existing programs, which allow them to accelerate toward a post-secondary degree by earning college credits while they are still in high school.

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- *Replication of Westerly Higher Education Center Model to Northern RI* — The Governor is proposing \$4.0 million in capital funding for FY 2019 and FY20 to replicate the successful Westerly Higher Education Center by adding a second center focused on residents and employers in northern Rhode Island. The Westerly Center, which opened in 2017, connects the state’s public institutions for higher education with business, industry and community partners to provide high-quality educational programs to meet projected workforce growth in the region.
- *Child Care for Low-income College Students* – The Governor proposes \$200,000 for a pilot program allowing eligible low-income parents to receive child care assistance while they are enrolled full-time in a qualified Rhode Island public institution of postsecondary education or in workforce training programs that lead to employment. Rhode Island is currently one of three states in the country that do not allow eligible low-income parents who are college students to receive child care assistance.
- *Making Good on Rhode Island’s ‘Promise’* – To meet projected enrollment needs, the Governor proposes adding \$3.6 million to the Rhode Island Promise Scholarship fund to support the second year at the Community College of Rhode Island (CCRI). Rhode Island guarantees free tuition and fees for two years at CCRI for all Rhode Island high school graduates who enroll full-time the fall after high school graduation. Because of the Promise Scholarship, CCRI saw more than a 40% increase in the number of first-time, full-time students enroll this past Fall.

Skills Development & Training

Equally crucial to building a skilled, dynamic workforce is the State’s ability to train workers who are already out in the field or who are searching for jobs. From the very beginning, Governor Raimondo has tackled a sluggish economy from both ends – job creation and connecting Rhode Islanders with the skills they need to fill those jobs.

Designed to create and enhance a symbiotic relationship between Rhode Island employers that need talent to compete and Rhode Island workers who require specialized education and training, the *Real Jobs Rhode Island* program has been part of the state’s success story. The Governor proposes preserving that investment and expanding it to include non-traditional apprenticeships, along with new sources of funding to fuel the momentum.

Attracting & Retaining Jobs

Small Business is our Business

Small businesses make up the backbone of Rhode Island’s economy. Today, small- and medium-sized businesses employ more than 200,000 people in Rhode Island – almost half of the state’s workforce. Governor Raimondo has worked hard to secure and maintain investments that ultimately make it easier for small businesses to set up shop and expand. This budget hones in on innovative ways to boost the economy and create more jobs with a focus on small business:

- *Giving RI’s Supply Chain a Boost* – The Governor proposes \$475,000 for a new program called SupplyRI that will incentivize companies to invest locally and help build up Rhode Island’s supply chain. SupplyRI will help enable large in-state purchasers of goods and services (i.e. universities, hospitals and other large employers) to shift more spending from out-of-state suppliers to in-state suppliers. The State will connect large buyers with small local suppliers and provide courses, mentoring, and technical expertise to help small businesses develop capacity to do business with large buyers.
- *Expanding the Manufacturing Tax Credit* – The Governor proposes \$300,000 in funding to pilot the expansion of the Manufacturing Tax Credit. This tax credit encourages investment in equipment

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that can increase production and employment. The State has improved the program by making the credit usable or refundable so that more credits can be available to new and small businesses.

- *Innovating Through Research and Development* – The Governor recommends the enacted level of \$1.0 million to continue grant-making for collaboration among Rhode Island companies and research institutions through the state’s Innovation Initiative, with an added focus on company-based manufacturing research and development.
- *Developing Pad-ready Manufacturing Sites* – The Governor proposes allotting \$200,000 for the Manufacturing Site Readiness program, which would help develop an inventory of vetted, pad-ready sites in the state capable of supporting large-scale manufacturing facilities for use in economic development.
- *Increasing Small Business Loans* – A few years ago, Governor Raimondo established the state’s first small business loan program in at least a generation. In addition to adding \$500,000 to the small business loan fund, the Governor has committed to doubling the number of small business loans awarded over the next 12 months.
- *RI’s Main Streets On The Move* – The Governor proposes a fourth year of funding in the amount of \$500,000 for the Main Street RI Streetscape initiative, which ensures loans, matching grants and other forms of financing to improve the environment of local business districts by enhancing sidewalks, signage of public space and lighting. A proposed amendment to the Rebuild RI tax credit would allow credits or loans to small businesses along these Main Street corridors.

Eradicating Barriers to Business

Rhode Island residents and business leaders have repeatedly expressed their frustration with inefficient and disparate permitting systems, duplicative and confusing fee structures, and outdated business application or licensing requirements. Under the Governor’s leadership, the State has already made great strides with initiatives like e-Permitting and comprehensive reform of its regulatory landscape. The proposed Modern Economy Omnibus package includes amendments to existing legislation that simplify the process of doing business in Rhode Island and promote the modernization of the State’s economy through:

- Elimination of unnecessary and duplicative licenses;
- Removal of small fees for filing complaints or business applications;
- Consolidation or elimination of fees for secondary business activities;
- Amendment of documentation requirements to enable the digital submission of application materials;
- Elimination of unnecessary notarization and oath requirements for business owners and professionals; and
- Alignment of various certification and permit renewal periods.

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 division 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
- Contractors’ Registration and Licensing Board
- Fire Code Safety Board of Appeal and Review
- Office of the State Fire Marshal
- Boards for Design Professionals

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Wavemaker Fellowship

This program provides a financial incentive for graduates pursuing a career or starting a business in Rhode Island in technology, engineering, design and other key sectors by defraying student loan payments for up to four years. The Fellowship offers qualifying individuals a refundable Tax Credit Certificate worth the value of their annual student loan burden for up to four years. In addition to the financial benefit, fellows are invited to participate in various personal and professional development programs, social and professional networking opportunities, community-based events and more. The Governor proposes funding \$1.6 million to ensure future cohorts can benefit from this program.

Jumpstarting Business in RI

The Governor proposes adding \$1.0 million to the First Wave Closing Fund and \$1.0 million to the I-195 Fund to ensure transactions critical to the State's economy move forward by offering funding for working capital, equipment, furnishings, fixtures, construction, land acquisition, rehabilitation and other costs needed to start a business.

Providing the Assist

The Governor proposes \$200,000 for R.I. Commerce Corporation's municipal technical assistance program, which will help pilot cities and towns improve their permitting and zoning procedures and make them more efficient for businesses and other applicants.

RI Takes Flight

The Governor proposes adding \$500,000 to the Air Service Development Fund, which would go toward supporting more direct flights into T.F. Green Airport and helping Rhode Island become a hub for business activity.

Helping Rhode Islanders in Need

State government plays a key role in fostering a safe and healthy environment for all Rhode Islanders. The Governor's budget includes programs to address the State's urgent challenges among Rhode Island's most vulnerable populations, including initiatives to reduce fatal drug overdoses, respond directly to mental health needs for those in crisis, and to support the health and well-being of seniors and children.

Tackling the Opioid & Behavioral Health Crisis

Opioid-related accidental drug overdose deaths remain a public health crisis in Rhode Island. Rhode Island reported 233 overdose deaths from January to September of 2017. Governor Raimondo's Executive Order 15-14 created the Overdose Prevention and Intervention Task Force, which delivered a strategic plan to address the crisis in November 2015. Based on those recommendations, the Governor set a statewide goal of reducing the number of overdoses by one-third within three years. The Task Force has moved aggressively to implement the Overdose Action Plan strategies in four areas: prevention, rescue, treatment and recovery. In July 2017, the Governor signed Executive Order 17-07, which enhances the existing strategies of the Task Force's Action Plan. This public health crisis knows no geographic or socioeconomic boundaries. It has touched nearly every single community in Rhode Island, and necessitates a response that addresses the complex behavioral health needs that for too long have been stigmatized and ignored.

In her budget, the Governor proposes the creation of a statewide resource called Behavioral Health Link that ensures people with urgent mental health care needs are connected instantly and efficiently to the care they need. The program includes the need for a non-residential facility that would maintain up-to-date data on RI's treatment resources, divert people with mental health needs away from the justice system and include a statewide mobile outreach program that would allow mental health workers to ride with law enforcement and respond to crises. Supporting Rhode Islanders in recovery is also critical. The Governor

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proposes to make funds available for a supported employment program for those in recovery that pairs job training through a pre-apprenticeship model with substance use disorder counseling.

Graduate Medical Education (GME)

The Governor proposes \$1.5 million to increase the number of practitioners of underrepresented medical specialties, especially mental health treatment, among Rhode Island's teaching hospitals.

Providing a Safety Net for Foster Children In Transition

The Voluntary Extension of Care (VEC) program, which is federally funded, allows eligible youths aged 18 to 21 continued access to Department of Children, Youth and Families (DCYF) services.

Removing Barriers to Foster Care

The Governor proposes removing financial burdens to becoming a foster parent by increasing the rates paid to foster families. Combined with DCYF's efforts to increase home- and community-based services, the State is promoting a better home environment for children and families.

Doubling Senior Supports

The Governor proposes doubling the state's investment in Rhode Island's Senior Support Services. Senior Support Services, a program within the Department of Elderly Affairs, provides funding primarily to senior centers and other local organizations across the state. This funding allows community organizations to provide meals, social activities, educational opportunities, and health services to Rhode Island seniors.

Supporting Veterans Most in Need

The Veterans Treatment Court aims to rehabilitate participants, on a case-by-case basis, by providing the tools and skills necessary to address veterans' unique challenges to reintegrate successfully into society and to maintain a productive and law-abiding lifestyle within the community. The Governor proposes shifting \$140,000 in state funding to replace federal funding that is no longer available for this vital resource.

2018 Ballot Initiatives

Fixing Rhode Island's infrastructure – whether it's through RhodeWorks or the School Construction bond proposal – has been an important piece of Governor Raimondo's plan to pull the State's economy out of the doldrums. Without safe, accessible roads and bridges, people can't get to work or open new businesses. Without modern learning environments, children can't stay competitive in a 21st century job market and the state becomes a less attractive option for businesses and individuals looking to relocate.

The Governor proposes several capital budget investments for voters' consideration in November, including:

➤ ***Improvements to the URI Narragansett Bay Campus – \$45 million***

Renovations are needed to sustain and adapt facility infrastructure on the Narragansett Bay Campus to elevate the Graduate School of Oceanography into the first tier of oceanographic institutions by:

- Supporting the research and teaching mission of the university through improved facilities
- Enhancing resiliency and ecological function through improved energy efficiency, infrastructure, land use and building consolidation.

The Narragansett Bay Campus also serves as the homeport for the GSO's research vessel, R/V Endeavor, with a pier located on the campus waterfront. One of Bay Campus's priorities is the operation and maintenance of the research vessel. The Endeavor will soon be retired and the operation of a larger vessel will be competitively bid by the national marine science entities. The

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new research vessel will be a \$125 million Regional Class Research Vessel, which will require an upgrade to the current pier and marine operations facilities.

➤ ***Renovations of Rhode Island College's Horace Mann Hall – \$25 million***

Horace Mann Hall was constructed in 1969 and is home to the Feinstein School of Education and Human Development. The existing building is in need of a full renovation. With the exception of select bathroom and classroom renovations, most parts of the building are largely original to their date of construction.

Green Economy and Clean Water Bond

Quality of life is also a factor in spurring economic growth. The Governor proposes a \$48.5 million Green Economy and Clean Water Bond that will protect our environment, support economic development, and improve the lives of Rhode Islanders. This bond will:

- Help our state adapt to changing weather conditions, including protecting our coastline, dams, and drinking water.
- Support our small family farmers by improving access to farm land. The bond will also protect vital open space in our communities and fund our successful Brownfields program, which helps to clean up contaminated industrial sites and prepare them for redevelopment.
- Improve Rhode Islanders' outdoor experiences, by investing in recreational facilities including updated bike paths, parks, playgrounds and campgrounds.

Deficit Reduction

The FY 2019 budget closes an estimated shortfall of \$204.1 million, up from the FY 2018 deficit of \$66.2 million. The Governor's budget successfully closes the projected FY 2019 deficit through a combination of expenditure reductions, new revenues and other operating changes.

Under the Governor's leadership, the State has significantly lowered its structural deficit compared to projections from when she came into office. In developing the budget, Governor Raimondo has continuously emphasized the importance of addressing the state's structural deficit. In most instances, states seek to close a structural deficit by either constraining costs to match expected revenue growth levels or expanding revenue to match expected costs. However, the size of the structural deficit – along with the State's recent history of expenditure cuts and overall state of the economy four years ago – served as significant challenges to the State's ability to use those traditional approaches.

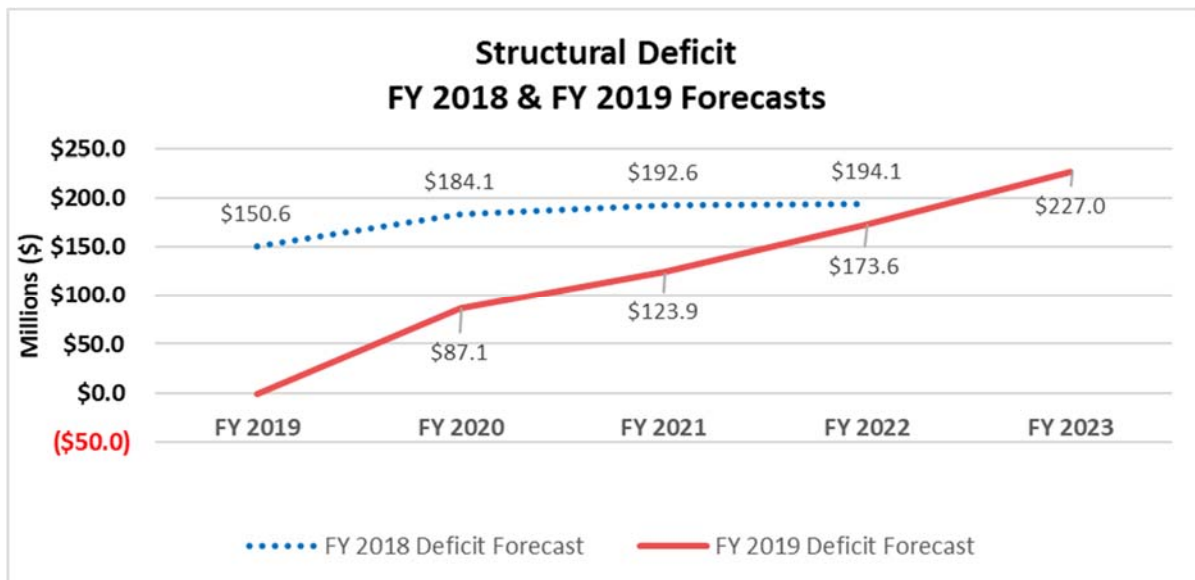
In order to effectively combat the structural deficit, the State had to create the conditions to more broadly foster economic growth and improve revenues. To accomplish that goal, and even more importantly to improve the opportunities for every day Rhode Islanders, the State needed to attract companies to invest in Rhode Island and encourage the State's existing businesses to expand and grow. For those reasons, each of the Governor's proposed budgets of the last three years has been built on creative initiatives and investments promoting economic development and expanding Rhode Island's tax base.

Despite the state's progress in cutting down the structural deficit by hundreds of millions of dollars over time, tax uncertainty and a relatively unpredictable policy environment at the national level has presented a challenging budget environment leading up to Fiscal Year 2019. Soft revenues, likely due to uncertainty at the federal level, contributed to the higher deficit. The Governor's recommended budget closes this shortfall through a combination of increased revenue – the anticipation of sports betting activities in Rhode Island and enhanced collections through the Department of Revenue – as well as expenditure reductions across state government. Specifically, the Governor proposes making strategic cuts from the Medicaid budget that protect eligibility and benefits for Rhode Islanders while increasing efficiency and holding the state's health system accountable for quality care.

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The FY 2019 Budget continues to focus on both holding down costs and creating economic growth in the out-years. Compared to FY 2018 projections the FY 2019 budget shrinks the projected FY 2020 deficit by 53 percent from \$184 million to \$87.1 million. The five-year forecast also sees decreases in later years, with the FY 2021 deficit declining 36 percent and FY 2022 dropping 11 percent.

While the FY 2019 structural deficit forecast sees decreases relative to the Governor’s proposed FY 2018 budget, it also reflects an increase in the structural deficit’s overall growth rate. This is primarily due to the multi-year phase-out of the motor vehicle excise tax. The FY 2018 enacted budget included substantial changes to the motor vehicle excise tax program, with the intent of phasing out the local tax on motor vehicles by FY 2024. The FY 2019 recommended budget includes the resources to continue the phase-out by adding \$20.2 million. The five-year forecast assumes increases of \$37.6 million in FY 2020, \$21.0 million in FY 2021, \$27.8 million in FY 2022 and \$34.6 million in FY 2023.



Overview

The FY 2019 Recommended Budget addresses a projected operating deficit of nearly \$204.1 million, while investing in key areas to improve the State's overall financial outlook. The FY 2019 Budget reflects ongoing improvements in the State's overall financial condition over the past several years. FY 2017 closed with a surplus of \$61.7 million, representing the eighth year in a row the State has closed with a strong surplus. The following outlines the FY 2018 Revised and the FY 2019 Recommended Budgets as proposed by Governor Raimondo on January 18, 2018.

Investment in Growth

The Raimondo Administration aims to rebalance state expenditures by constraining consumption-oriented spending – for example, health care and benefits programs – and increasing investments such education and workforce training, economic development, and infrastructure. The enacted FY 2018 budget included a Medicaid reform proposal to reduce consumption while increasing funds for economic development and education.

The FY 2019 budget continues the Governor's goal toward investment, specifically in elementary and secondary education, higher education, and economic development.

FY 2019 Recommended Budget: Governor Raimondo recommends an all funds budget totaling \$9,377.6 million for FY 2019, a decrease of \$84.6 million, or 0.9 percent, from the FY 2018 Revised Budget of \$9,462.2 million. The \$84.6 million decrease includes reductions of \$130.0 million in federal funds and \$44.0 million from the Rhode Island Capital Plan Fund. Offsetting these reductions are increases of \$22.6 million in general revenue, \$9.6 million from restricted receipts, and \$57.2 million from other funds. Of the \$9,377.6 million budget, \$3,829.3 million, or 40.8 percent, is from general revenue; \$3,092.1 million, or 33.3 percent, is from federal funds; \$2,170.8 million, or 23.1 percent is from other sources; and \$285.4 million, or 3.0 percent, is from restricted or dedicated fee funds. The Governor's FY 2019 Recommended Budget includes 15,426.3 authorized full-time equivalent (FTE) positions, which is 240.1 FTE positions greater than what is included in the Governor's FY 2018 Revised Budget Plan and 266.1 FTE positions more than what was included in the FY 2018 Enacted Budget.

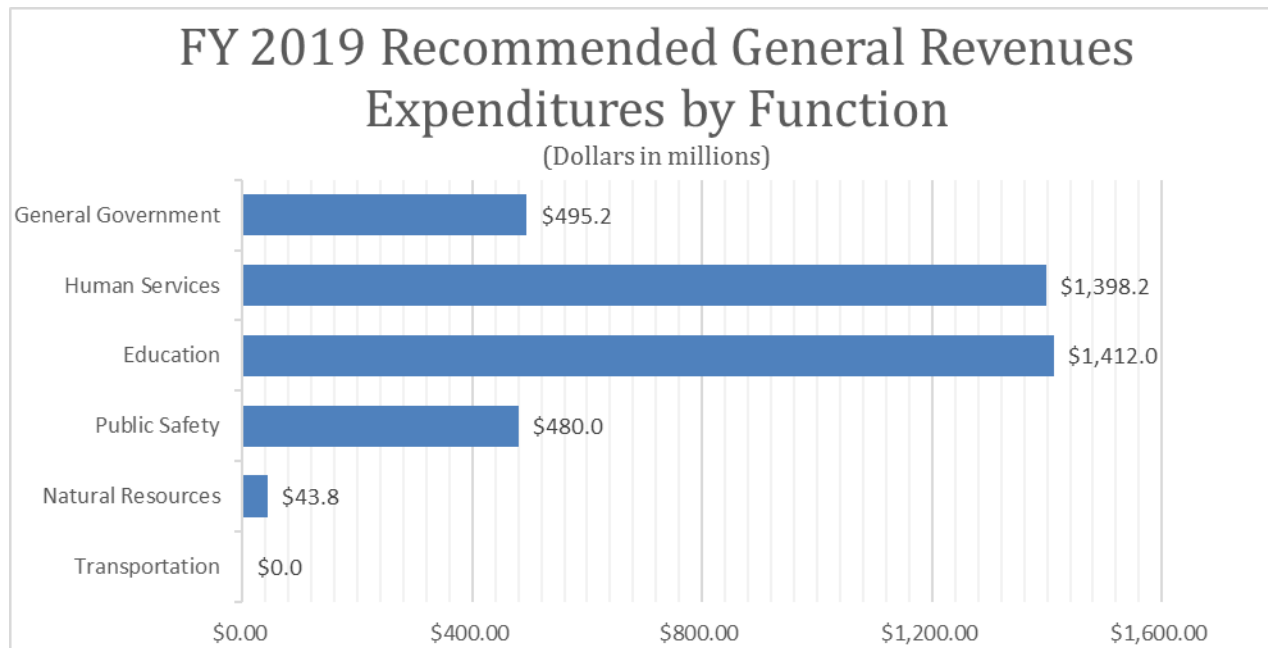
Recommended FY 2019 general revenue funding of \$3,829.3 million represents an increase of \$61.9 million, or 1.6 percent, over the FY 2018 enacted budget of \$3,767.4 million, and is 0.6 percent higher than the FY 2018 revised budget proposed by the Governor (\$3,806.7 million). Revised recommended FY 2018 federal funding of \$3,092.1 million is a decrease of \$42.1 million, or 1.3 percent, below the FY 2018 enacted budget, and is \$130.0 million below the FY 2018 revised budget (\$3,222.0 million). Other funds and operating transfers increase from \$2,079.2 million in the FY 2018 enacted budget to \$2,170.8 million in the FY 2019 Budget. Financing from restricted receipts increases from the FY 2018 enacted budget by \$23.4 million to \$285.4 million.

FY 2018 Revised Budget: Governor Raimondo recommends a revised all funds budget totaling \$9,462.2 million for FY 2018, an increase of \$219.4 million, or 2.4 percent, from the FY 2018 Enacted Budget of \$9,242.8 million. Of this total, \$3,806.7 million, or 40.2 percent, is from general revenue, \$3,222.0 million, or 34.1 percent, is from federal funds, \$2,157.7 million, or 22.8 percent, is from other sources, and \$275.8 million, or 2.9 percent, is from restricted or dedicated fee funds. The Governor's FY 2018 Revised Budget includes 15,186.2 authorized FTE positions, which is 26.0 FTE positions higher than included in the FY 2018 Enacted Budget.

Overview

Recommended FY 2018 general revenue funding of \$3,806.7 million represents a net increase of \$39.4 million, or 1.0 percent, from the FY 2018 enacted budget of \$3,767.4 million, and is 3.7 percent higher than the FY 2017 actual expenditure (\$3,672.5 million). Federal funds increase from \$3,134.1 million in the FY 2018 enacted budget to \$3,222.0 million in the revised FY 2018 budget. Other funds and operating transfers increase from \$2,079.2 million in the FY 2018 Enacted Budget to \$2,157.7 million in the revised FY 2018 budget.

Expenditure Plan by Function: Expenditures from general revenue are projected to total \$3,829.3 million for FY 2019, increasing by \$22.6 million over FY 2018 revised spending levels. Expenditures are divided into five functional areas aligned with state departments and agencies: General Government, Health and Human Services, Education, Public Safety, and Natural Resources.



Education is the largest component of State spending, totaling \$1,412.0 million, or 36.9 percent of general revenue spending. This includes state support for local education aid, support for the state university and colleges, and scholarships. The Governor’s budget implements the eighth year of the education funding formula and increases support for early childhood programs. The FY 2019 budget also increases funding to higher education by \$3.0 million for performance-based incentive funding and by \$3.6 million for the Governor’s Rhode Island Promise Scholarship program, which provides free tuition to the Community College of Rhode Island for students that meet eligibility requirements.

Health and Human Services agencies are the second largest component of the budget. General revenue expenditures total \$1,398.2 million, representing 36.5 percent of the total general revenue budget. The agencies support various health care and prescription drug coverage programs for low-income children, their parents, seniors and the poor, and community residential and treatment programs for the disabled. The Governor’s budget continues to constrain cost growth in these areas while focusing on improving outcomes. The budget implements Medicaid reform efforts begun in FY 2016 and continues initiatives to improve the child welfare system, state hospitals, and services provided to people with developmental disabilities.

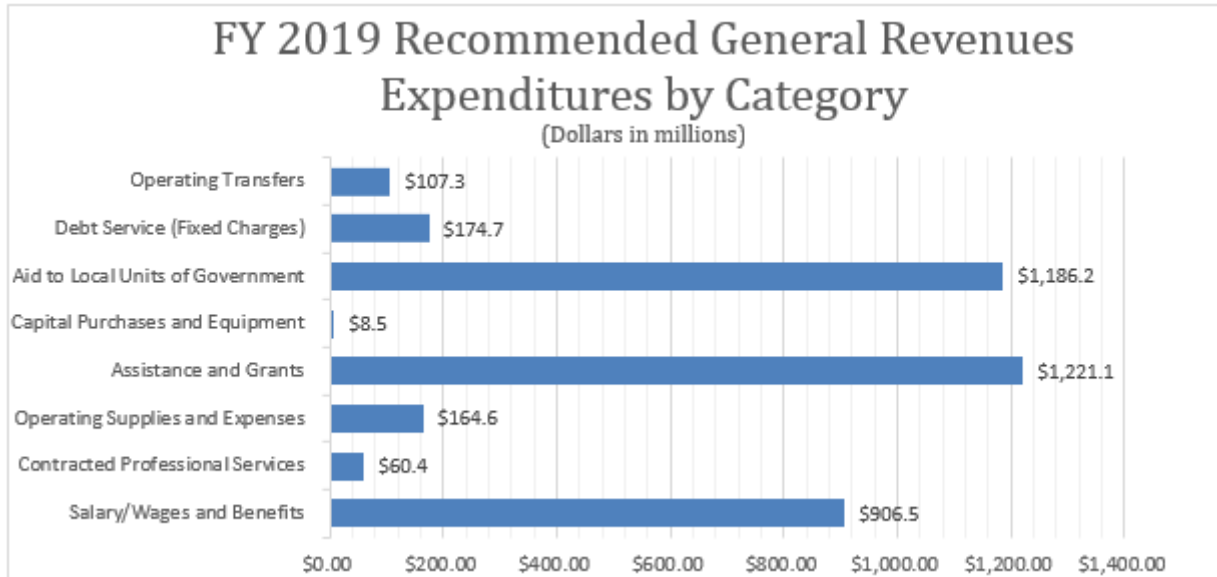
Overview

General revenue expenditures for General Government and Public Safety comprise \$495.2 million (12.9 percent) and \$480.0 million (12.5 percent), respectively. General Government include state operations, state aid to municipalities, and direct property tax relief. Public Safety includes the state prisons, Military Staff, RI Emergency Management Agency, State Police, Attorney General, and Judicial departments.

Finally, general revenue expenditures for Natural Resources comprise \$43.8 million, or 1.1 percent of total general revenue funding. The Natural Resources function includes the Department of Environmental Management and the Coastal Resources Management Council.

Transportation expenditures are financed by dedicated gasoline taxes and are not a component of general revenue spending.

Expenditures by Category: General revenue expenditures are also sorted into eight categories to group similar types of expenditures across departments. The largest general revenue categories are grants, local aid and personnel. Grants and assistance expenditures total \$1,221.1 million, comprising 31.9 percent of total general revenue spending in FY 2019. Local aid expenditures of \$1,186.2 million represent 31.0 percent of total spending, which includes fully funding the eighth year of the school aid formula. Personnel expenditures and contracted services of \$967.0 million represent 25.3 percent of the budget. Operating expenditures total \$164.6 million, or 4.3 percent of the budget; and capital expenditures, including debt service, and operating transfers total \$290.5 million, or 7.6 percent of the total general revenue budget.



Expenditures on grants and benefits represent \$1,221.1 million, or 31.9 percent of general revenue spending in FY 2019. More than 90.0 percent of these expenditures occur in the Health and Human Services function. Governor Raimondo's budget continues initiatives to control costs and deliver better health outcomes to Rhode Islanders.

Overview

Local aid represents \$1,186.2 million of general revenue spending in FY 2019, or 31.0 percent. The largest component of local aid is education aid, totaling \$1,153.1 million. General revenue funding for local education aid increases by \$18.4 million in FY 2019 over the FY 2018 revised funding level. The Governor's budget provides \$13.5 million for year eight of the K-12 education funding formula, as well as \$1.1 million more in categorical funding for early childhood programs.

The Governor recommends changes to local K-12 education aid in FY 2018 arising from proposals of the Fair Funding Formula Working Group established in late 2016 to review the existing formula. It continues to fund an English Language Learners weighting component to the formula and adjusts the allocation of funds to school districts and charter schools to reflect local costs and conditions.

The third-largest category, personnel and contracted services, includes \$967.0 million in FY 2019, or 25.3 percent of general revenue expenditures.

The Economy

Introduction

The consensus economic forecast, adopted twice a year at the Revenue Estimating Conference (REC), establishes forecasted growth rates for a variety of national and state-level economic indicators. State-level indicators include: total employment; personal income; wage and salary disbursements; dividends, interest, and rent; personal consumption expenditures; housing starts; and the unemployment rate. National indicators include the Consumer Price Index for all Urban Consumers (CPI-U).

The three REC conferees — the State Budget Officer, House Fiscal Advisor, and Senate Fiscal Advisor — use the economic indicators to estimate state revenues for the current year and the budget year. The indicators are also used to inform the state's out-year forecasts.

Economic Forecast

During testimony for the November 2017 REC, IHS Markit economists presented forecasts for the U.S. and Rhode Island economies. The Rhode Island Department of Labor and Training (DLT) presented current state employment and labor force trends. The REC conferees adopted the economic forecast through a consensus process, informed by the testimony provided to the conferees. The updated economic forecast made changes to the consensus outlook adopted at the May 2017 REC.

IHS Markit economists predicted national real GDP growth would accelerate from 1.5 percent in 2016 to 2.2 percent in 2017, and continue at 2.4 percent in 2018 and 2.2 percent in 2019. Hurricanes disrupted economic activity in the third quarter of 2017, but recovery and rebuilding are expected to boost growth in subsequent quarters. The slowdown of GDP growth in 2019 reflects the economy's proximity to maximum output as the decade ends.

Both U.S. consumer spending and employment are forecasted to grow over the next few years before slowing at the end of the decade. IHS Markit testimony indicated that consumer sentiment is upbeat, and consumer spending continues to drive national economic growth. Consumption growth is expected to hold steady with 2.7 percent growth in 2016 and 2017, before slipping to 2.5 percent and 2.3 percent in 2018 and 2019 respectively. IHS Markit economists noted that job openings are at an all-time high and the quit rate is back to normal, which suggest the economy is nearing full employment. U.S. payroll employment growth is expected to slow from 1.8 percent in 2016, to 1.5 percent in 2017, 1.3 percent in 2018, and 1.1 percent in 2019. IHS Markit testimony noted that wage growth is currently barely outpacing inflation, but the tight labor market should accelerate wage growth over the next few years. IHS Markit economists also noted that increasing demand and low inventories will encourage homebuilding. U.S. housing starts are expected to accelerate, from 1.2 million units in both 2016 and 2017 to 1.3 and 1.4 million units in 2018 and 2019 respectively.

IHS Markit testimony specified that the forecast assumes no significant changes in federal tax, infrastructure, healthcare, or international trade policies. This is a change from the May 2017 forecast which assumed a tax cut stimulus. The forecast also assumes a 25-basis-point increase in the federal funds rate in mid-December. Subsequent moves bring the policy rate to a high of 3.00 percent by 2020.

Specific to the Rhode Island economy, IHS Markit testimony noted that year to date through September the state had added 3,800 positions and the unemployment rate fell 0.8 percentage points to reach 4.2 percent. A slight dip in September employment numbers was expected to be a temporary setback. Similar to the national forecast, IHS Markit economists discussed the tightness of the Rhode Island labor market and noted that the low unemployment rate and low initial claims for unemployment insurance bode well for the

The Economy

state in the near term. Longer term, the unemployment rate is expected to rise a bit, from 4.3 percent in 2017 to 4.7 percent in 2020. Payroll growth in Rhode Island is forecasted to continue but at a relatively slow pace compared to the rest of the country; payrolls are expected to expand 0.4 percent per year on average between 2017 and 2022, ranking 48th in the United States. IHS Markit testimony indicated that the tight labor market is expected to accelerate wage growth, from 2.0 percent in 2017 to 4.3 percent in 2020, and noted that growth in personal consumption expenditures should remain steady, growing 4.1 percent in 2017 and 4.0 percent in 2020.

IHS Markit economists discussed the makeup of the state's job growth, and noted gains in the healthcare, finance, and professional business services sectors. However, going forward professional business service job gains will be concentrated in lower-skilled, lower-wage administrative support positions. Healthcare spending in Rhode Island is expected to outpace the national average, which will help drive employment gains in that sector. The retail trade sector is expected to be the biggest weak point of the labor market as sector payrolls decline 1.1 percent per year through 2022. The manufacturing sector has seen some bounce back after previous job losses, but IHS Markit forecasts these gains to taper off and cease by 2021. However, in the near term wage growth in the manufacturing sector is expected to average a relatively healthy 3.3 percent per quarter through the third quarter of 2019.

IHS Markit testimony noted some strengths in the Rhode Island economy. While IHS Markit economists discussed how future job gains in the professional business services will be concentrated in low-income support positions, they noted that the business services sector remains a key asset of the state. The management of companies segment of professional business services employment boasts a share of jobs that is 1.7 times the national average. IHS Markit predicted that business services job gains will be an important part of recovery and diversification of Rhode Island's economic base in the longer term. The firm's testimony also noted that year-to-date total passenger traffic at T.F. Green Airport through August 2017 is up nearly 17 percent over the prior year.

Similar to previous years, IHS Markit economists noted that one of the state's main weaknesses is low population growth. In 2016, Rhode Island did experience a third straight year of positive net migration flows. Net domestic migration remains negative, but migration of residents from foreign countries has helped ensure the population continues to grow. IHS Markit testimony predicted population and labor force growth of about 0.1 percent per year over the next few years, a rate that would rank Rhode Island among the lowest in the country. The firm's economists noted that Rhode Island's population is already slightly older than the country as a whole, and forecasted that the 20-29-year-old cohort will contract over the next decade.

IHS Markit testimony also discussed trends in Rhode Island's housing market, and noted that Rhode Island currently has a limited inventory of homes for sale. This has precipitated an uptick in building, with total housing starts in the third quarter of 2017 at the highest level in nearly ten years. IHS Markit economists predicted that housing starts will level off through the end of the decade and home prices should continue to appreciate, although not at the high rates seen in the past few years. Weak household formation and population growth will render the state incapable of sustaining high volumes of homebuilding over the medium-to-long term.

While testimony from IHS Markit gave a broad picture of Rhode Island's economic conditions as of November 2017, DLT presented a detailed analysis of Rhode Island's labor market. Rhode Island's unemployment rate was 4.2 percent in September 2017, the latest data available at the time of the REC. DLT noted that the last time the unemployment rate in the state was this low was in 2001, and the state has not seen a rate below 4.0 percent since June 1989. In February 2017, Rhode Island's unemployment rate

The Economy

fell below the national average for the first time since May of 2005, and as of September 2017 was in line with the national average.

The chart below shows the total labor force and number of employed residents for the period of FY 2006 through the first quarter of FY 2018.



Source: Rhode Island Department of Labor and Training, Labor Market Information, Current Employment Statistics

According to testimony provided by DLT, Rhode Island employment increased by 4,500 jobs between September 2016 and September 2017.

Sector	Jobs Change	Sector	Jobs Change
Accommodation & Food Services	2,600	Professional & Business Services	(1,400)
Construction	2,500	Financial Activities	(1,000)
Manufacturing	1,100	Information	(500)
Wholesale Trade	900	Retail Trade	(200)
Health Care & Social Assistance	400	Arts, Entertainment & Recreation	(100)
Other Services	200	Government	(200)
Private Educational Services	100		
Transportation and Utilities	100	Total Non-Farm Jobs Change	4,500

The November 2017 Consensus Economic Forecast

In FY 2017, total non-farm employment increased by 1.0 percent over FY 2016. In FY 2018, non-farm employment is expected to increase by 1.2 percent to 498,800 jobs. Over the FY 2018 through FY 2023 period, Rhode Island’s economy is expected to add 7,800 jobs. The adopted forecast assumes employment growth will slow from 0.5 percent in FY 2019 to 0.3 percent in FY 2021, and then hold steady for the next

The Economy

two years. The employment forecasts adopted at the November 2017 REC show slightly stronger growth when compared to the forecast adopted at the May 2017 REC, especially in FY 2018 (0.3 percentage point increase in growth).

Personal income growth is expected to be 2.8 percent in FY 2018, an increase from FY 2017's 1.4 percent growth over FY 2016. The November 2017 REC's estimates for personal income growth show a positive upward trend, peaking at 4.4 percent growth in FY 2020, before a decrease in year-over-year growth to 3.9 percent in FY 2023. The adopted estimates are downwardly revised from the estimates adopted at the May 2017 REC, with the largest revision coming in FY 2018 (1.1 percentage point decrease). Wage and salary growth was also revised downward during the November 2017 REC, especially in FY 2017 (3.1 percentage point downward revision) and FY 2018 (1.1 percentage point downward revision). Wage and salary growth is expected to increase from 3.0 percentage in FY 2018 to 4.2 percent in FY 2019, before holding steady at 4.3 percent for the next four years.

The November 2017 REC consensus estimates of 2.7 percent growth in FY 2018 for dividends, interest and rents indicates an increase over FY 2017 growth, which was 1.6 percent over FY 2016. Growth is then expected to reach a high of 6.1 percent in FY 2020 before trending downward. The adopted November 2017 REC estimates were decreased from the estimates adopted at the May 2017 REC.

The CPI-U is anticipated to dip slightly to 1.8 percent in FY 2018 from 1.9 percent in FY 2017. CPI-U is forecasted to increase to a peak of 2.6 percent in FY 2020 before stabilizing.

Personal consumption expenditure growth is forecasted to hold steady between 3.6 and 3.7 percent between FY 2018 through FY 2020, before increasing to 4.1 percent in FY 2021 and then dipping slightly. The November 2017 consensus estimates for personal consumption expenditure growth are lower than those adopted at the May 2017 REC for FY 2018 and FY 2019, and were upwardly revised for FY 2020 through FY 2022.

Housing starts are expected to bump up slightly from 1,200 in FY 2017 to 1,400 in FY 2018, before leveling out at 1,300 per year starting in FY 2020.

The Consensus Economic Forecast for the fiscal years 2018 through 2023 agreed upon by the conferees at the November 2017 REC is shown in the following table.

The Economy

The November 2017 Consensus Economic Forecast						
Rates of Growth (%)	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Non-Farm Employment	1.2	0.5	0.4	0.3	0.3	0.3
Personal Income	2.8	4.0	4.4	4.3	4.1	3.9
Wage and Salary Income	3.0	4.2	4.3	4.3	4.3	4.3
Dividends, Interest and Rent	2.7	4.2	6.1	5.2	4.0	2.9
Personal Consumption	3.7	3.6	3.7	4.1	3.9	3.8
Nominal Rates						
Housing Starts (Thous.)	1.4	1.2	1.3	1.3	1.3	1.3
RI Unemployment Rate (%)	4.3	4.5	4.7	4.8	4.9	4.9
U.S. CPI-U (%)	1.8	2.0	2.5	2.6	2.4	2.5

The differences between the November 2017 and the May 2017 Consensus Economic Forecasts, primarily downward revisions, are shown below.

Percentage Point Changes from November 2017 to May 2017 Consensus Economic Forecasts						
Rates of Growth (%)	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Non-Farm Employment	0.3	-0.1	0.0	0.1	0.1	0.1
Personal Income	-1.1	-0.5	-0.2	0.0	-0.1	-0.3
Wage and Salary Income	-1.1	-0.5	-0.2	-0.2	-0.1	-0.2
Personal Consumption	-1.9	-1.3	0.1	0.8	0.5	-0.2
Dividends, Interest and Rent	-0.2	-0.8	-0.7	-0.3	-0.4	-0.4
Nominal Rates						
Housing Starts (Thous.)	0.1	0.0	0.0	0.0	0.0	0.0
RI Unemployment Rate (%)	0.0	0.2	0.2	0.2	0.1	0.0
U.S. CPI-U (%)	-0.3	-0.1	-0.2	-0.2	-0.4	-0.2

General Revenues

Introduction

The Governor's recommended budget is based on estimated general revenues of \$3.852 billion in FY 2018 and \$3.948 billion in FY 2019. Annual estimated growth during FY 2018 and FY 2019 is 4.6 percent and 2.5 percent, respectively. Estimated deposits of \$117.4 million and \$118.5 million will be made to the Budget Reserve and Cash Stabilization Fund during these fiscal years. The contributions to the Budget Reserve and Cash Stabilization Fund are financed by limiting annual appropriations to 97.0 percent of estimated revenues in FY 2018 and FY 2019. The revenue estimates contained in the Governor's FY 2018 supplemental and FY 2019 recommended budgets are predicated upon the revenue estimates adopted at the November 2017 Consensus Revenue Estimating Conference (REC) and the Governor's recommended changes to the adopted general revenues.

The Consensus Revenue Estimating Conference is required by statute to convene at least twice annually to forecast general revenues for the current year and the budget year, based upon current law and collection trends, and the consensus economic forecast. The Conference members are the State Budget Officer, the House Fiscal Advisor, and the Senate Fiscal Advisor. Typically, the two required meetings of the Consensus Revenue Estimating Conference occur in November and May of each fiscal year.

FY 2018 Revised Revenues

The principals of the November 2017 Revenue Estimating Conference adopted revenue estimates that were \$10.3 million less than the enacted FY 2018 revenue estimates, a decrease of 0.3 percent. As shown in the *Changes to FY 2018 Enacted Revenue Estimates* table in Appendix A of this document, the Governor's revised FY 2018 Budget recommends an increase of \$28.0 million in revenues over the amount adopted at the November 2017 Revenue Estimating Conference.

The recommended change to the FY 2018 adopted estimates is attributable to six items. The first item is a reduction of the transfer to the Rhode Island Highway Maintenance Account of motor vehicle license and registration fees from the enacted amount of eighty percent to sixty percent. This increases general revenue by \$10.3 million in FY 2018. The second item impacts other miscellaneous revenue and consists of the transfer of excess reserves totaling \$18.6 million from five quasi-public agencies: Rhode Island Housing, \$5.0 million; Rhode Island Infrastructure Bank, \$5.0 million; Rhode Island Student Loan Authority, \$3.0 million; Rhode Island Resource Recovery Corporation, \$3.0 million; and Rhode Island Turnpike and Bridge Authority, \$1.5 million. The third item is the transfer of surplus fee revenues from two divisions of the Department of Business Regulation: a transfer of \$800,000 from the Division of Commercial Licensing & Gaming & Athletics and a transfer of \$750,000 from the Division of Insurance Regulation. The fourth item is a transfer of residual revenue from the former Rhode Island Water Resources Board Corporate of \$1.1 million. The fifth item is a reclassification of the Office of Management and Budget's fraud initiative from revenue to an expenditure credit, resulting in a decrease in general revenue of \$5.0 million. The sixth item increases other miscellaneous revenue and the lottery transfer, respectively, due to a \$2.0 million transfer from Twin River to Rhode Island Lottery and a \$612,783 reduction in operating expenses by Rhode Island Lottery.

FY 2018 Revised Revenues vs. FY 2017 Final Audited

Recommended revenues for FY 2018 are based upon a \$168.1 million increase in total general revenues over FY 2017 final audited revenues, or growth of 4.6 percent. Much of this increase is attributable to projected increases in personal income taxes, business corporation tax, and sales and use taxes. However,

General Revenues

these increases are partially offset by decreases in motor vehicle license and registration fees and estate and transfer taxes.

Personal income tax revenues continue to be the single largest source of state general revenues in revised FY 2018 at 33.7 percent. Revised FY 2018 personal income tax revenues are estimated to grow at an annual rate of 4.5 percent or \$55.5 million above FY 2017 final audited personal income tax revenues. Much of this increase is due to a projected \$51.8 million increase in withholding payments and a \$9.1 million increase in estimated payments, which are expected to grow at 4.6 percent and 3.9 percent respectively. However, these increases are partially offset by an additional \$9.7 million in refund payments. Final payments are expected to increase by \$1.4 million compared to FY 2017 final audited revenues, and there was a \$2.9 million positive adjustment in the net accrual.

FY 2018 revised general business tax revenues are projected to increase by \$42.3 million or 10.6 percent. The change is made up of a \$31.9 million increase in business corporation tax revenue along with a combined increase of \$11.1 million in public utilities gross earnings taxes, insurance company gross premiums taxes, and the health care provider assessment. These increases are offset by a \$760,163 combined decrease in financial institutions taxes and bank deposit taxes.

FY 2018 revised sales and use tax revenues are projected to increase by \$54.8 million, or 5.5 percent, over final FY 2017 audited revenues. Sales and use taxes represent 27.3 percent of total general revenues in FY 2018 and are projected to be \$1,053.0 million.

Excise taxes other than the sales and use tax are expected to decrease by \$2.0 million or 1.1 percent in revised FY 2018 over final audited FY 2017 revenues. This change is largely driven by a projected decrease in motor vehicle operator license and registration fees of \$5.4 million. The decrease in motor vehicle operator license and registration fees is largely due to the fact that in revised FY 2018 sixty percent of these fees are being removed from general revenue and placed in the Rhode Island Highway Maintenance Account (RIHMA) which is slightly more than the 50 percent of fees that were deposited in RIHMA in audited FY 2017. Cigarette excise taxes are expected to increase by \$2.8 million in FY 2018 revised over final audited FY 2017 revenue due to an increase in the cigarette excise tax of \$0.50 per pack.

Other taxes are projected to decrease by \$45.2 million, or 45.6 percent in revised FY 2018 relative to final FY 2017 audited revenues. Of the total decrease in other taxes, estate and transfer taxes are expected to decrease by \$46.0 million or 53.9 percent. This sizeable decrease is largely explained by the fact that state received substantial estate and transfer tax payment(s) totaling \$58.0 million which were accrued back to FY 2017 and similar payments are not expected to recur in FY 2018. Revised FY 2018 realty transfer taxes are anticipated to increase by \$910,732 while racing and athletics tax revenues are projected to decrease slightly.

In the Governor's FY 2018 revised budget, departmental receipts are projected at \$387.0 million, an increase of \$16.9 million from final audited FY 2017 revenues, representing an increase of 4.6 percent. The large majority of this increase can be accounted for by the hospital licensing fee which is expected to generate \$13.0 million more in revised FY 2018 vs. final audited FY 2017.

For revised FY 2018, total other sources general revenues are projected to increase by \$45.9 million, or 11.8 percent from final FY 2017 audited other sources general revenues. Total other sources general revenue is comprised of other miscellaneous revenues, the lottery transfer, and the transfer of proceeds from the unclaimed property program administered by the Office of the General Treasurer.

General Revenues

Other miscellaneous revenues are projected to increase by \$42.9 million, or 353.7 percent from final audited FY 2017 other miscellaneous revenues. This large increase is explained by the fact that the FY 2018 revised budget includes \$47.6 million in transfers of excess reserves from various quasi-public agencies. In addition, an increase is expected in FY 2018 revised for the lottery transfer of \$5.1 million, or 1.4 percent, from the final audited FY 2017 lottery transfer. Revenues from video lottery terminals (VLTs) are projected to increase by \$793,901, or 0.3 percent, over FY 2017 final audited revenues. Revenues from table games are projected to increase by 6.4 percent, an increase of \$1.1 million over FY 2017 final audited revenues. Traditional lottery and monitor games revenues are projected to increase by 5.7 percent, or \$3.2 million, over FY 2017 final audited revenues.

The unclaimed property transfer to the general fund is forecasted to decrease by \$2.1 million in FY 2018 or 16.7% percent from final FY 2017 audited revenues.

The revised FY 2018 other sources general revenues is \$17.7 million above the FY 2018 revenue estimate adopted at the November 2017 Revenue Estimating Conference. This change results from the items described above, including the transfer of excess reserves, transfer of surplus fee revenue from the Department of Business Regulation, reclassification of the fraud initiative to expenditure credit, transfer of a negotiated payment from Twin River, and an increase in the lottery transfer due to a reduction in operating expenses.

FY 2019 Recommended Revenues

Total General Revenue

The Governor's recommended FY 2019 budget estimates general revenues of \$3.948 billion, an increase of 2.5 percent from the revised FY 2018 level. The Governor's recommendation is comprised of \$3.682 billion of revenue estimated at the November 2017 Revenue Estimating Conference (REC) for FY 2019 and \$266.8 million of recommended changes to these adopted estimates. These changes are shown in the schedule *Changes to FY 2019 Adopted Revenue Estimates* located in Appendix A of this document.

Personal Income Tax

The largest source of FY 2019 general revenues is the personal income tax. The Governor recommends personal income tax revenues of \$1.365 billion in FY 2018, \$4.4 million more than the estimate adopted at the November 2017 REC and reflecting anticipated growth of 5.1 percent from the revised FY 2018 budgeted amount. The Governor recommends the following changes to the November 2017 REC adopted estimate for FY 2019 personal income tax revenues:

- The Governor recommends restructuring the Department of Revenue's Division of Taxation to improve the productivity of the discovery, collections, and audit functions. This initiative will result in the hiring of additional revenue officers, revenue agents, taxpayer service specialists, audit leads, data analysts, and information technology support. The addition of these positions is estimated to have a total revenue impact of \$13.5 million divided among personal income tax, business corporation tax, sales and use tax, and interest on overdue taxes (which is categorized under departmental receipt fines and penalties). The estimated impact on FY 2018 personal income tax revenue is an increase of \$4.4 million. Impacts on the other revenue streams are described in each relevant section below.

General Revenues

General Business Taxes

General Business taxes are recommended to comprise 11.5 percent of total general revenue collections in the FY 2019 Budget. Business corporation tax revenues are expected to yield \$162.1 million, an increase of \$1.6 million from the FY 2018 estimate adopted at the November 2017 REC. This increase is attributable to the following initiatives:

- The Governor recommends restructuring the Department of Revenue's Division of Taxation to improve the productivity of the discovery, collections, and audit functions as noted above. This is expected to have an impact of \$1.1 million in additional business corporation tax revenue resulting from enhanced compliance with current tax policy.
- The Governor recommends repealing the Jobs Training Tax Credit, effective for tax years beginning on or after January 1, 2018, which is expected to increase business corporation tax revenue by \$450,000.

Insurance company gross premiums tax revenues are projected to reach \$128.7 million in FY 2019, a decrease of \$2.9 million from the FY 2019 estimate adopted at the November 2017 REC. This decrease is due to the Governor recommending the following initiatives:

- The Governor recommends a collection of Executive Office of Health and Human Services initiatives, eleven of which will decrease insurance company gross premiums tax revenue. The eleven initiatives that will result in decreases are: (1) Dual eligible and long term services and supports (LTSS) redesign, \$(307,736); (2) eliminate state-only funded contracts and services; \$(53,890); (3) eliminate inpatient upper payment limit funding; \$(281,284); (4) freeze hospital rates; \$(309,050); (5) modernize LTSS eligibility integrity, \$(222,700); (6) managed care organization administrative rate reduction; \$(111,266); (7) managed care organization medical rate reduction, \$(880,222); (8) managed care organization profit margin rate reduction, \$(409,468); (9) non-emergency medical transportation reform, \$(190,377); (10) reallocate Perry Sullivan funding, \$(124,000); and (11) revenue maximization, \$(45,896).

The health care provider assessment is projected to reach \$45.2 million in FY 2019, a decrease of \$2.1 million from the FY 2019 estimate adopted at the November 2017 REC. This decrease is due to the Governor recommending the following initiative:

- The Governor recommends increasing nursing home rates by 1.0 percent, effective October 1, 2018. This is expected to reduce health care provider assessment revenue by \$296,799.

The Governor's FY 2019 recommended revenues for the public utilities gross earnings tax, the financial institutions tax, and the bank deposits tax remain at the same level as adopted at the November 2017 REC.

Sales and Use Tax

Sales and use tax revenues are expected to yield \$1.102 billion in the Governor's recommended FY 2019 budget, \$20.4 million more than was adopted at the November 2017 REC for FY 2019. The increase is reflective of the Governor recommending the following initiatives:

- The Governor recommends restructuring the Department of Revenue's Division of Taxation to improve the productivity of the discovery, collections, and audit functions as noted above. This is expected to have an impact of \$4.4 million in additional sales and use tax revenue resulting from enhanced compliance with current tax policy.

General Revenues

- The Governor recommends modernizing the sales tax to include Software as a Service (SaaS), which is expected to yield an additional \$4.8 million in sales and use tax revenue in FY 2019.
- The Governor recommends including security services, such as armored car services, within the sales tax, which is expected to yield an additional \$9.7 million in sales and use tax revenue in FY 2019.
- The Governor recommends changes to the medical marijuana program which will lead to increases in sales and use tax revenue, compassion center surcharge revenue (which is classified as a departmental receipt), and application and license fees classified as other miscellaneous revenue. The three changes to the program that have an impact on sales and use tax revenue are the licensing of twelve new retail-only compassion centers (leading to greater retail sales that generate an additional \$1.1 million in sales and use tax revenue), classifying acute pain as an eligible condition (\$180,565 in additional sales and use tax revenue), and allowing Connecticut and Massachusetts cardholders to purchase at Rhode Island compassion centers (\$248,157 in additional sales and use tax revenue).
- In addition, the proposed cigarette excise tax increase of \$0.25 per pack (see below) is expected to reduce sales and use tax revenue by \$22,458.

Excise Taxes Other than Sales and Use Taxes

The Governor recommends FY 2019 excise taxes other than sales and use taxes totaling \$169.5 million or \$9.3 million more than was adopted at the November 2017 REC for FY 2019.

The Governor recommends motor vehicle license and registration fees in FY 2019 in the amount of \$3.1 million more than the estimate adopted at the November 2017 REC for FY 2019. The Governor recommends two initiatives that will increase motor vehicle license and registration fees as described below:

- The Division of Motor Vehicles projects additional revenues following the launch of REAL-ID compliant licenses as Rhode Islanders seek to exchange their existing license for the new one. The Governor recommends keeping the fees from these transactions as general revenues (as opposed to transferring them to the Rhode Island Highway Maintenance Account (RIHMA) to pay for additional staff at the DMV to ensure a seamless transition to REAL-ID.
- The Governor recommends consolidating the duplicate license fee and the update fee, and keeping those fees as general revenues (as opposed to transferring them to RIHMA) for the same reason. This adds an additional \$1.0 million in motor vehicle license and registration fee revenue.

The Governor recommends cigarette excise taxes in FY 2019 in the amount of \$145.7 million or \$6.2 million more than the estimate of \$139.5 million adopted at the November 2017 REC for FY 2019. The Governor recommends three initiatives that will increase cigarette excise tax revenues as described below:

- The Governor recommends increasing the excise tax on cigarettes to \$4.50 per pack from \$4.25, effective August 1, 2018. The increase in the cigarette excise tax is expected to result in a \$3.9 million increase in FY 2019 recommended cigarette excise tax revenues. This expected increase is comprised of \$3,165,631 in increased cigarette excise tax revenues and \$730,241 from the cigarette floor stock which is triggered when there is an increase in the cigarette excise tax rate.

General Revenues

- The Governor recommends imposing the other tobacco products tax on electronic nicotine delivery systems (also called e-cigarettes or vaping). This is expected to increase other tobacco product revenue by \$720,174.
- The Governor recommends the changing the other tobacco products tax per cigar cap from \$0.50 to \$0.80, resulting in \$551,306 in additional revenue.
- The Governor recommends requiring all dealers of other tobacco products to purchase such products only from dealers licensed by the state, resulting in an additional \$1.0 million in other tobacco products tax revenue.

The Governor's FY 2019 recommends revenues for the alcohol excise tax at the same level as adopted at the November 2017 REC.

Other Taxes

The Governor's FY 2019 recommended revenues for the estate and transfer tax, racing and athletics tax, and realty transfer tax remain at the same levels as adopted at the November 2017 REC.

Departmental Receipts

The Governor's FY 2019 recommended departmental receipts revenues of \$397.7 million are \$10.7 million more than the revised FY 2018 estimate, and represent 10.1 percent of recommended FY 2019 total general revenues. The proposed FY 2019 departmental receipts revenue estimate is \$194.7 million above the FY 2019 departmental receipts estimate adopted at the November 2017 REC. The Governor's FY 2019 recommended total for departmental receipts revenues includes the following proposals:

Licenses and Fees

- The Governor recommends reinstating the hospital licensing fee on the hospital FY 2016 base year at a rate of 5.856 percent. This is expected to result in an increase of \$182.0 million in FY 2019 recommended departmental receipts revenues.
- The Governor recommends aligning two fees administered by the Department of Business Regulation to the rates of neighboring states: an increase in the annual mutual fund retailer's registration fee from \$1,000 to \$1,500, which is expected to yield an additional \$4.6 million in revenue in FY 2019, and an increase in the insurance claims adjuster license fee from \$150 to \$250, which is expected to yield an additional \$3.0 million in revenue in FY 2019.
- The Governor recommends changes to the medical marijuana program that, as described above, will increase compassion center surcharge revenue in FY 2019 by \$873,524. Those changes are twelve additional retail-only compassion centers (leading to an increase in surcharge revenue of \$628,541), adding acute pain as an eligible condition (\$103,180 in additional revenue), and allowing Connecticut and Massachusetts patients to purchase in Rhode Island (\$141,804 in additional revenue).
- The Governor recommends a small business friendliness omnibus initiative from the Commerce Corporation. Four proposals included in this initiative have an impact on departmental receipts in FY 2019: elimination of the annual \$160 retail frozen dessert processor license fee, \$(80,000); elimination of the \$50 per chair/station fee for hair design shop licenses, \$(60,000); reduction of the wholesale food processor license fee from \$500 to \$300, \$(104,200); and increase in the certified food safety license from three years to five years, \$(60,000).

General Revenues

- The Governor's budget also includes a placeholder for the current law regarding the registration reinstatement fee for inspection sticker suspensions (presently on hold pending decision by the General Assembly on the amount of the fee), which is, under current law, expected to increase departmental receipts revenue by \$2.6 million in FY 2019.

Fines and Penalties

- The Governor recommends increasing child care violation fines, resulting in \$5,500 in additional departmental receipts revenue in FY 2019.
- The Governor recommends restructuring the Department of Revenue's Division of Taxation to improve the productivity of the discovery, collections, and audit functions as noted above. Because this initiative is expected to result in the collection of overdue taxes, it is estimated that this initiative will increase departmental receipts revenue by \$3.6 million in FY 2019.

Sales and Services

- The Governor recommends delaying the motor vehicle license plate reissuance from January 2019 to January 2020, which is expected to decrease FY 2019 recommended departmental receipts revenues by \$1.8 million.

Miscellaneous

- The Governor recommends adding bank examiner positions at the Department of Business Regulation, which is expected to increase FY 2019 recommended departmental receipts revenues by \$284,310.

Other Sources

The FY 2019 recommended revenues for the other sources component of total general revenues totals \$413.8 million, a decrease of \$19.6 million, or 4.5 percent, compared to the revised revenue estimate for FY 2018. The FY 2019 recommended revenues for other general revenue sources are \$39.6 million above the estimate of \$374.2 million adopted at the November 2017 REC for FY 2019. Other sources of general revenue are comprised of the lottery transfer, other miscellaneous revenues and the unclaimed property transfer. The Governor's proposed changes contained in the FY 2019 recommended budget impacting the other miscellaneous revenues component within other sources of revenue are listed below:

- The Governor recommends a transfer from the Departments of Business Regulation and Health for excess funds in the departments' restricted receipts accounts for medical marijuana regulation. This transfer is expected to increase FY 2019 recommended other miscellaneous revenues by \$2.6 million. This excess, which is net of new expenditures, is driven by new fees resulting from the changes to the medical marijuana program described above. This revenue is made up of new licensing and application fees from the issuance of twelve new retail-only compassion center licenses, \$1.3 million; fees from new medical marijuana manufacturing and research and development licenses, \$1.2 million; and fees from new patient cardholders who now qualify for a temporary patient card because of an acute pain diagnosis, \$125,917.
- The Governor recommends the establishment of a centralized collections unit in the Department of Revenue, which is expected to increase FY 2019 recommended other miscellaneous revenues by \$1.3 million.
- The Governor recommends transferring \$3.0 million in excess reserves from the Rhode Island Resource Recovery Corporation.

General Revenues

- The Governor recommends transferring \$5.0 million in excess reserves from Rhode Island Housing.

The Governor recommends lottery revenues in FY 2019 in the amount of \$391.2 million or \$27.6 million more than the estimate of \$363.6 million adopted at the November 2017 REC for FY 2019. The Governor recommends two initiatives that will increase lottery revenues:

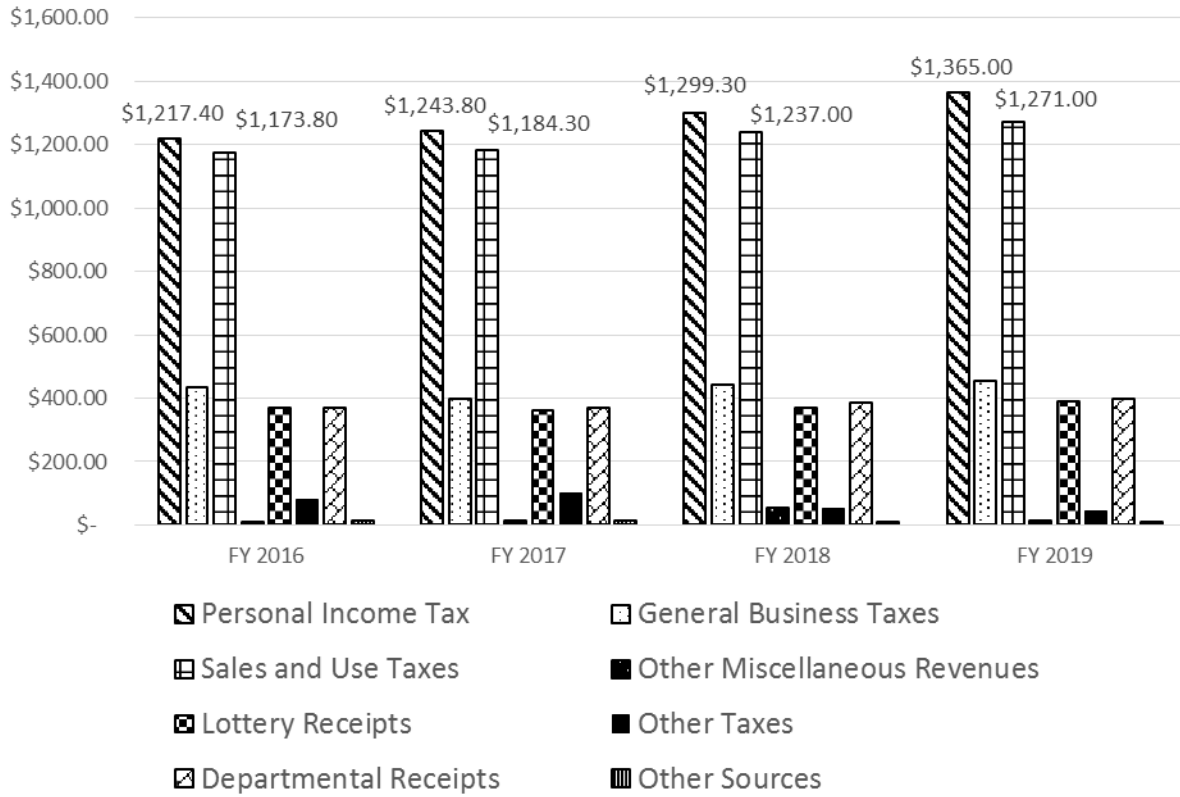
- The Governor recommends the legalization of sports betting in the state, which is expected to increase FY 2019 recommended lottery revenues by \$23.5 million.
- The Governor recommends Rhode Island Lottery gaming innovation pilot initiatives, such as stadium gaming, which are expected to increase FY 2019 recommended lottery revenues by \$4.1 million.

The Governor's FY 2018 recommended revenues for the unclaimed property transfer remain at the same level as adopted at the November 2015 REC.

The chart below shows the sources of general revenues for the period FY 2016 – FY 2019. The values of the two major sources of general revenues, personal income taxes and sales and use taxes, are highlighted.

General Revenues

General Revenue Sources
(dollars in millions)



Restricted Receipts and Pass Through Revenues

Introduction

The Governor's recommended budget proposes changes to revenue sources other than general revenues for FY 2018 and FY 2019. The revenue estimates in the Governor's FY 2018 revised budget contains a decrease of \$11.9 million in non-general revenues. The revenue estimates in the Governor's FY 2019 recommended budget contain a decrease of \$2.7 million in non-general revenues.

FY 2018 Revised Non-General Revenues

The Governor's revised FY 2018 budget includes a transfer out of restricted receipts into general revenues of surplus fee revenues from two divisions in the Department of Business Regulation: a transfer of \$800,00 of fee revenue from the Division of Commercial Licensing & Gaming & Athletics and a transfer of \$750,000 of fee revenue from the Division of Insurance Regulation. This transfer reduces restricted receipts revenue by a total of \$1.6 million.

The Governor's revised FY 2018 budget includes a reduction of the transfer to the Rhode Island Highway Maintenance Account of motor vehicle license and registration fees from the enacted amount of eighty percent to sixty percent. This decreases Rhode Island Highway Maintenance Account revenue by \$10.3 million in FY 2018.

FY 2019 Recommended Non-General Revenues

The Governor's FY 2019 recommended budget includes a transfer from the Departments of Business Regulation and Health for excess funds in the departments' restricted receipts accounts for medical marijuana regulation. This transfer is expected to decrease FY 2019 restricted receipt revenues by \$2.6 million. This transfer, which is net of new expenditures, is driven by new fees resulting from the changes to the medical marijuana program. This transfer is made up of new licensing and application fees from the issuance of twelve new retail-only compassion center licenses, \$(1.3) million; fees from new medical marijuana manufacturing and research and development licenses, \$(1.2) million; and fees from new patient cardholders who now qualify for a temporary patient card because of an acute pain diagnosis, \$(125,917).

The Governor's FY 2019 recommended budget includes additional underground economy enforcement activity by the Department of Labor and Training, which will result in an increase in restricted receipts fine revenue of \$558,142.

The Governor's FY 2018 recommended budget includes a transfer to general revenue of duplicate license fees and license updates fees. This is expected to reduce Rhode Island Highway Maintenance Account revenue by \$506,450 and \$100,540 respectively.

All Sources

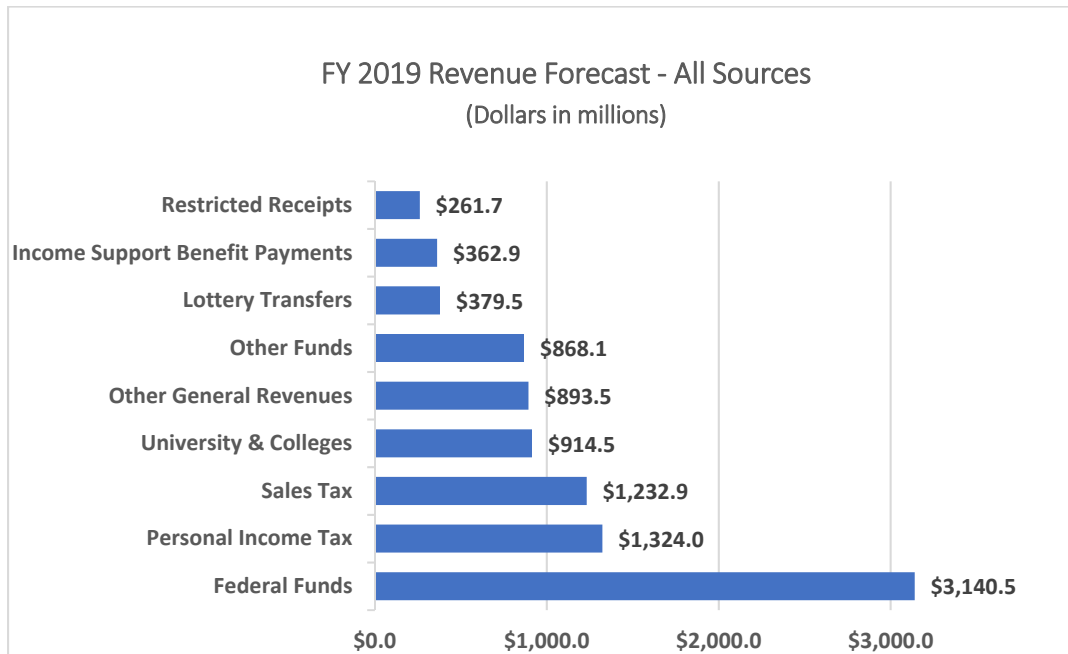
The total budget of \$9.378 billion includes all sources of funds from which state agencies make expenditures.

Federal funds represent 33.5 percent of all funds. Almost 76.7 percent of federal funds are expended for human services, primarily for Medicaid.

Income and Sales Taxes combined represent 27.3 percent of all revenue sources.

University and College Funds, and Income Support Benefit payments represent 9.8 percent, and 3.9 percent of the total, respectively.

Remaining sources include: Other General Revenues, 9.5 percent; the Lottery Transfer, 4.0 percent; Restricted Receipts, 2.8 percent; and Other Funds 9.3 percent.



All Expenditures

The Governor's FY 2019 Budget recommendation is \$9.378 billion in all funds comprised of six functional units of state government: Health and Human Services, Education, General Government, Public Safety, Transportation, and Natural Resources.

Approximately 41.6 percent of all expenditures are for Health and Human Services, comprised of agencies that engage in a broad spectrum of activities including income support, client subsidies, client advocacy, case management and residential support, and medical regulation, prevention, treatment, and rehabilitation services. The FY 2019 recommended budget for all health and human service agencies is \$3.898 billion.

Approximately 28.1 percent of all expenditures are for Education, which includes the Department of Elementary and Secondary Education, Public Higher Education, the Rhode Island State Council on the Arts, the Rhode Island Atomic Energy Commission, and the Historical Preservation and Heritage Commission. The FY 2019 recommended budget for education is \$2.640 billion.

Approximately 16.5 percent of all expenditures are for General Government, which includes agencies that provide general administrative services to other state agencies, assist in developing the state's workforce, assist municipalities in achieving fiscal health, and those that perform state licensure and regulatory functions. The FY 2019 recommended budget for all General Government agencies is \$1.546 billion.

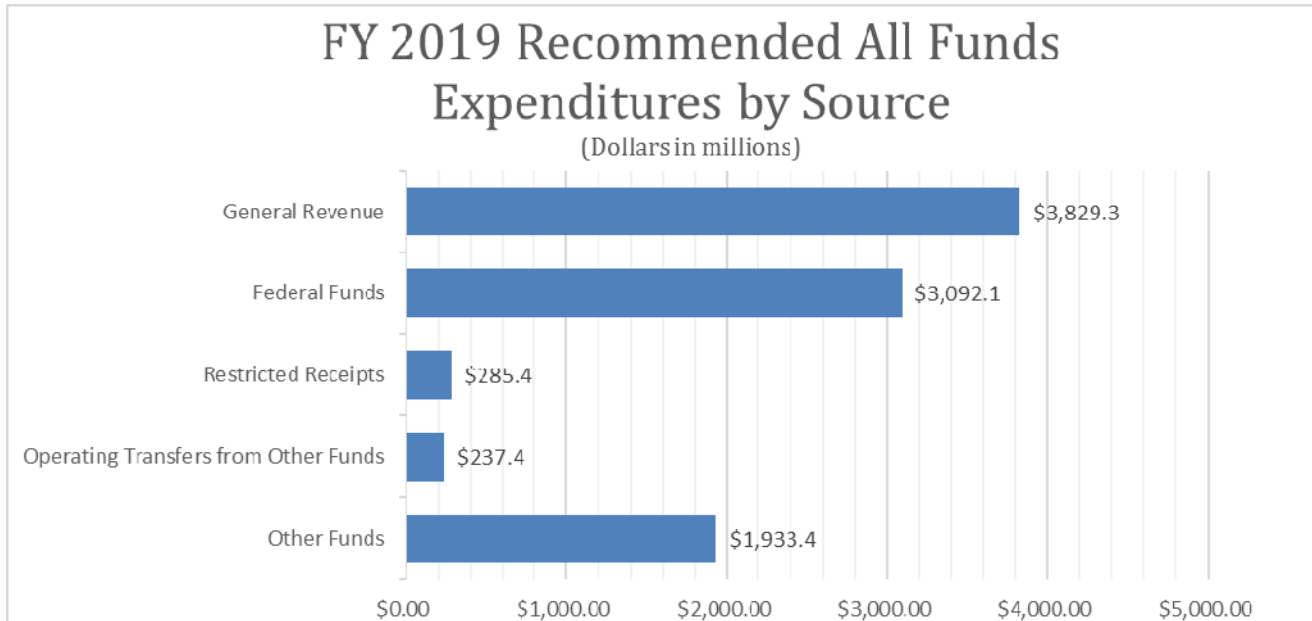
Approximately 6.3 percent of all expenditures are for Public Safety, which is the system that provides law enforcement, adjudicates justice, performs correction and rehabilitative services, and handles emergencies impacting Rhode Island's citizens. The FY 2019 recommended budget for the public safety system is \$591.7 million.

Approximately 6.3 percent of all expenditures are for Transportation, which provides for the state's maintenance and construction of a quality transportation infrastructure. The FY 2019 recommended budget for transportation is \$592.4 million.

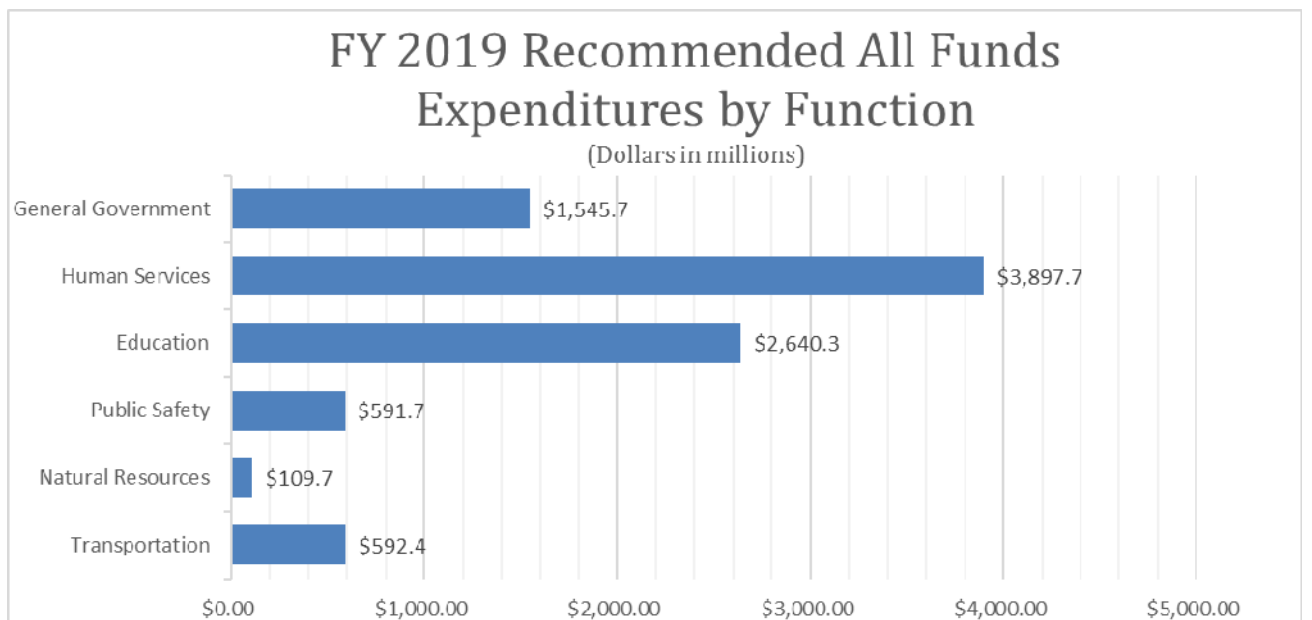
Approximately 1.2 percent of all expenditures are for Natural Resources, which includes the Department of Environmental Management and the Coastal Resources Management Council. The FY 2019 recommended budget for natural resources is \$109.7 million.

Expenditure Summary

All funds expenditures for FY 2019 are \$9.378 billion. Of this total, \$3.829 billion, or 40.8 percent, is from general revenue, \$3.092 billion, or 33.0 percent, from federal funds, \$2.171 billion, or 23.1 percent, from other sources, and \$285.4 million, or 3.0 percent, is from restricted or dedicated fee funds.



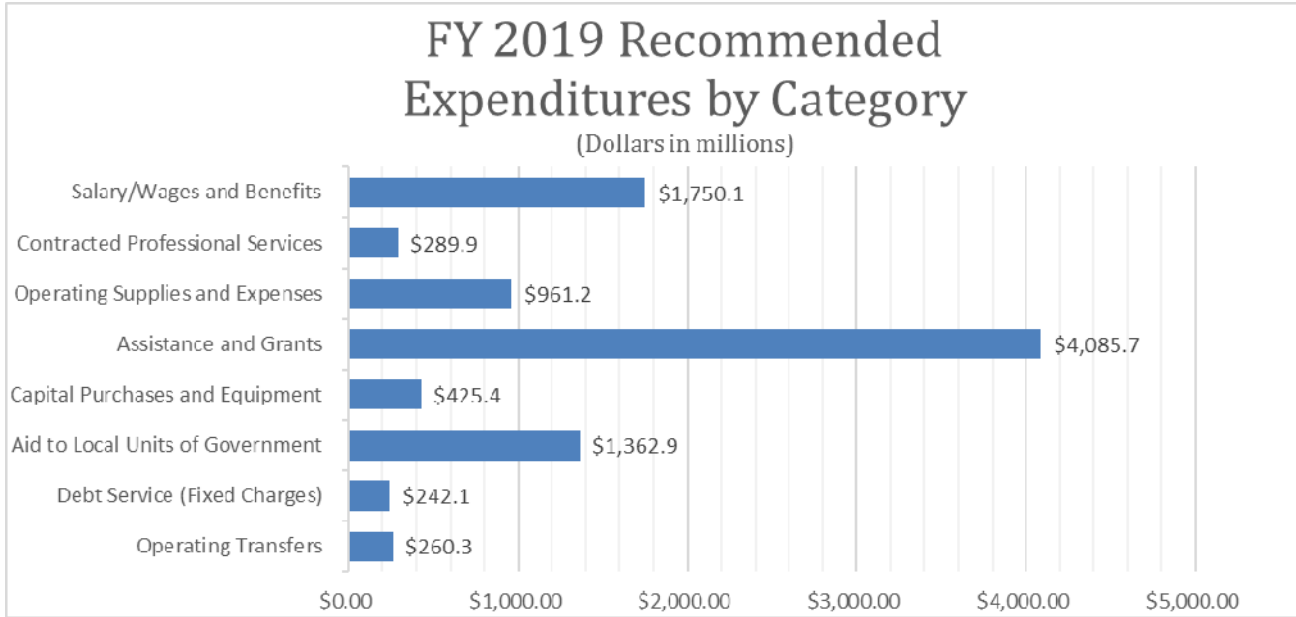
On a functional basis, the largest percentage of expenditures is in the Health and Human Services area, which comprises \$3.898 billion, or 41.6 percent of the total budget. This is followed by spending for Education of \$2.640 billion, which comprises 28.2 percent of all spending, and expenditures for General Government of \$1.546 billion, equaling 16.5 percent. Public Safety, Natural Resources and Transportation expenditures make up the balance, totaling \$1.294 billion, or 13.8 percent of the total budget.



The second way to view expenditures is by major category. On this basis, the largest share of the FY 2019 budget is for assistance, grants and benefits equaling \$4.086 billion or 43.6 percent of the total. This is followed

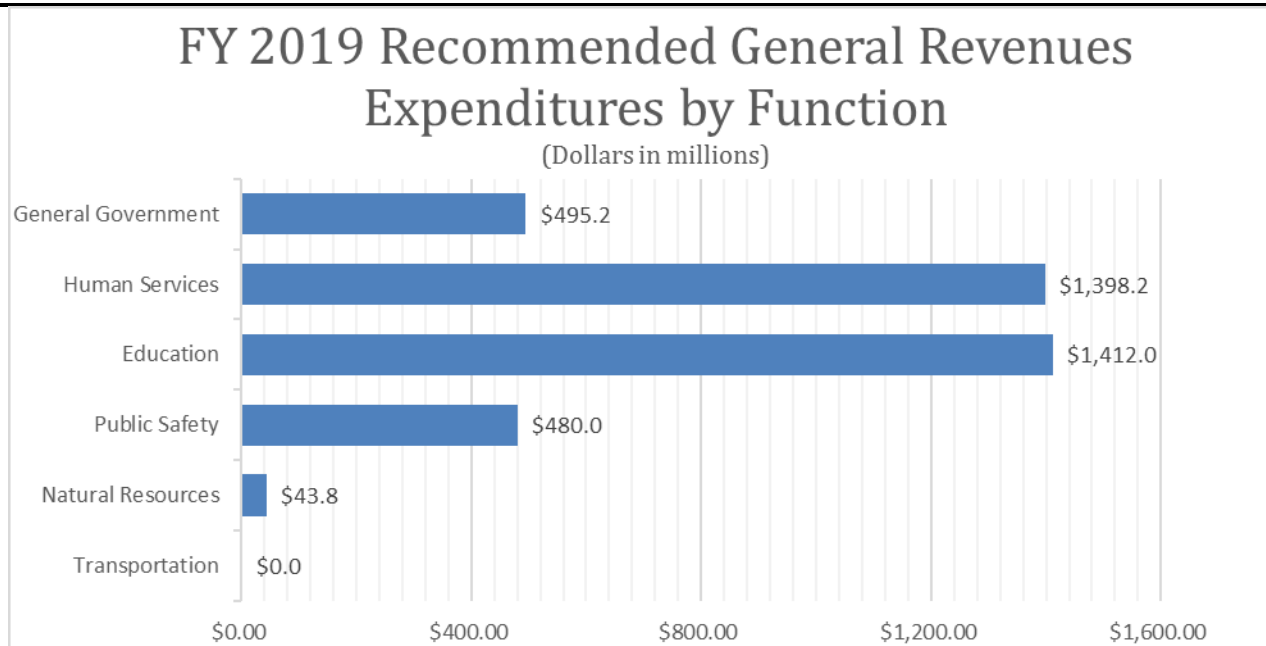
Expenditure Summary

by personnel expenditures (including consultants), which comprise 21.8 percent, or \$2.040 billion, and local aid expenditures, which make up 14.5 percent, or \$1.363 billion of the total budget. Expenditures for capital purchases and debt service total \$667.5 million or 7.1 percent, with the balance of spending used to finance operating expenditures and operating transfers of \$1.221 billion, or 13.0 percent of the total.

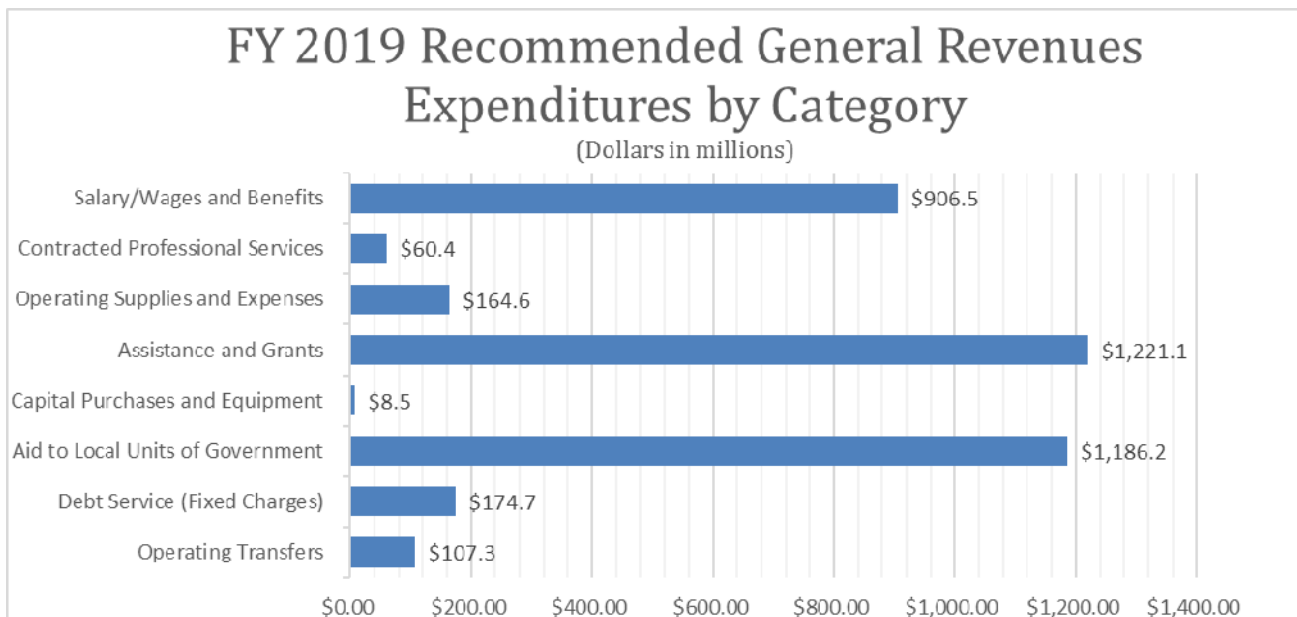


For general revenue only, expenditures total \$3.829 billion for FY 2019. By function, Education represents the largest share of expenditures, totaling \$1.412.0 billion, or 36.9 percent of the general revenue budget. This is followed by spending for Human Services, which totals \$1,398.2 billion, or 36.5 percent. General revenue expenditures for General Government and Public Safety comprise \$495.2 million (12.9 percent) and \$480.0 million (12.5 percent), respectively. Expenditures for Natural Resources comprise \$43.8 million, or 1.1 percent of total general revenue spending. Transportation expenditures are financed mostly by dedicated gasoline taxes and motor vehicle fees and are not a component of general revenue spending.

Expenditure Summary



The largest components of general revenue expenditures are assistance, grants, and benefit expenditures of \$1.221 billion, comprising 31.9 percent of total general revenue spending. Local Aid expenditures of \$1.186 billion represent 31.0 percent of total spending; personnel expenditures (including contracted services) of \$967.0 million comprise 25.3 percent of the budget; capital expenditures total \$8.5 million and debt service is \$174.7 million, or a combined total of 4.8 percent of the general revenue budget; and, operating expenditures and operating transfers total \$271.9 million, or 7.1 percent of the budget.



Expenditure Summary

Enacted and proposed expenditures for general revenue funds, by category of expenditure are shown in the following table:

General Revenue Funds Category of Expenditure (in millions)	FY 2018 Enacted	FY 2018 Revised	Change from Enacted	FY 2019 Recommended	Change from Enacted
Personnel (Including Consultants)	\$941.5	\$937.8	(\$3.7)	\$967.0	\$25.5
Operating Supplies and Expenses	\$138.5	\$175.8	\$37.3	\$164.6	\$26.0
Assistance and Grants	\$1,256.8	\$1,268.2	\$11.3	\$1,221.1	(\$35.7)
Capital Purchases and Equipment	\$9.5	\$10.4	\$0.9	\$8.5	(\$1.0)
Aid to Local Units of Government	\$1,147.8	\$1,147.6	(\$0.2)	\$1,186.2	\$38.4
Debt Service	\$169.4	\$169.4	(\$0.0)	\$174.7	\$5.3
Operating Transfers	\$103.7	\$97.6	(\$6.1)	\$107.3	\$3.6
Total	\$3,767.3	\$3,806.7	\$39.5	\$3,829.3	\$62.0

Enacted and proposed expenditures by source of funds are shown in the following table:

Source of Funds	FY 2018 Enacted	FY 2018 Revised	Change from Enacted	FY 2019 Recommended	Change from Enacted
General Revenue	\$3,767.4	\$3,806.7	\$39.4	\$3,829.3	\$61.9
Federal Funds	\$3,134.1	\$3,222.0	\$87.9	\$3,092.1	(\$42.1)
Restricted Receipts	\$262.1	\$275.8	\$13.7	\$285.4	\$23.4
Operating Transfers	\$251.8	\$279.4	\$27.6	\$237.4	(\$14.5)
Other Funds	\$1,827.4	\$1,878.2	\$50.8	\$1,933.4	\$106.0
Total	\$9,242.8	\$9,462.2	\$219.4	\$9,377.6	\$134.7

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
Total Funding	\$349,623,351	\$349,536,908	\$359,226,084	\$317,536,160	\$297,589,415
FTE Authorization	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

General Government

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

General Government

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.

General Government

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
Total Funding	\$13,204,877	\$14,129,016	\$15,606,183	\$16,214,659	\$24,530,291
FTE Authorization	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.
-

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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- *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
Total Funding	\$73,415,799	\$73,418,290	\$58,598,372	\$58,003,215	\$62,814,751
FTE Authorization	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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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

General Government

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
Total Funding	\$425,337,568	\$421,847,081	\$429,907,376	\$448,471,413	\$454,104,250
FTE Authorization	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
Total Funding	\$458,777,131	\$471,375,964	\$525,371,718	\$524,687,839	\$582,477,370
FTE Authorization	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:

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- *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
Total Funding	\$37,669,916	\$38,325,853	\$42,252,464	\$47,064,142	\$44,635,033
FTE Authorization	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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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.

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- *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
Total Funding	\$1,026,362	\$1,059,509	\$1,084,217	\$1,047,496	\$1,039,971
FTE Authorization	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

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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
Total Funding	\$8,432,848	\$10,850,355	\$10,158,142	\$10,465,863	\$11,249,301
FTE Authorization	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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- *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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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

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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
Total Funding	\$49,277,318	\$42,002,140	\$42,764,450	\$43,340,030	\$42,674,171
FTE Authorization	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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\$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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- *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.

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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
Total Funding	\$1,714,512	\$1,969,669	\$1,548,735	\$1,689,751	\$5,315,517
FTE Authorization	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

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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
Total Funding	\$1,546,331	\$1,604,233	\$1,665,873	\$1,733,293	\$1,770,560
FTE Authorization	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
Total Funding	\$4,755,102	\$5,008,393	\$5,397,554	\$5,540,199	\$5,545,728
FTE Authorization	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.

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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
Total Funding	\$1,521,437	\$1,557,320	\$1,690,102	\$1,737,997	\$1,808,026
FTE Authorization	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
Total Funding	\$7,277,989	\$8,014,894	\$9,136,343	\$9,974,412	\$10,661,405
FTE Authorization	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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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.

Health and Human Services

Health and Human Services

EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES

Source Of Funds	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Enacted	FY 2018 Revised	FY 2019 Recommended
General Revenue	\$911,535,815	\$944,892,151	\$964,299,956	\$978,479,417	\$935,907,193
Federal Funds	\$1,433,337,164	\$1,473,416,724	\$1,558,325,403	\$1,590,628,323	\$1,520,865,981
Restricted Receipts	\$15,428,158	\$15,031,968	\$19,216,537	\$25,810,380	\$20,495,988
Other Funds	\$0	\$0	\$0	\$0	\$0
RI Capital Plan Fund	\$0	\$0	\$0	\$0	\$0
Total Funding	\$2,360,301,137	\$2,433,340,843	\$2,541,841,896	\$2,594,918,120	\$2,477,269,162
FTE Authorization	187.0	178.0	285.0	285.0	295.0

FY 2018 Revised Budget

The Governor recommends a revised FY 2018 appropriation of \$2.595 billion for the Executive Office of Health and Human Services (EOHHS), including \$978.5 million in general revenue, federal funds of \$1.591 billion, and restricted receipts of \$25.8 million. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$14.2 million, federal financing increases by \$32.3 million and restricted receipts financing increases by \$6.6 million.

Central Management

Within Central Management, the Governor recommends revised FY 2018 appropriations of \$172.6 million, including \$27.2 million from general revenue, \$130.8 million from federal funds, and \$14.5 million from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$242,782 while federal funds financing and restricted receipts financing increases by \$39.4 million. The general revenue increase is attributable to the following adjustment:

- *Supplemental Appropriation Contract Services.* The Governor's recommendation includes a \$1.5 million increase in general revenue related to delays in contract spending from FY 2017.
- *IT Investment Fund.* The Governor's recommendation includes a \$2.5 million decrease in general revenue due to the use of the IT Investment fund for related IT projects.
- *Transfer from BHDDH to EOHHS* – Transfer of consultants/legal fees \$450,000 from BHDDH to EOHHS.
- Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased funding totaling \$811,160 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.

Medical Assistance

Within the Medical Assistance program, the Governor recommends revised FY 2018 appropriations of \$2.422 billion, including \$951.2 million from general revenue, \$1.460 billion from federal funds, and \$11.3 million from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$13.9 million, while federal funds financing and restricted receipts financing decreases by \$541,241 million, attributable to the following adjustments:

- *Caseload Estimating Conference Consensus Estimate - Change to the Enacted Appropriation.* The Governor's recommendation includes the Caseload Estimating Conference increase of \$28.5 million in general revenue related to an increase in enrollment trends, unachieved Medicaid savings, and higher risk share liability.
- *Perry-Sullivan and State Funded Only Savings* – The Governor's recommendation includes \$3.6 million in savings related to the Perry-Sullivan funding and state only funded programs related to cortical integrated therapy, recovery navigation, the community health team and housing stabilization.

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- *Children's Health Insurance Program (CHIP) Reauthorization* – The Governor's recommendation includes the federal reauthorization of CHIP for a general revenue savings of \$7.0 million.
- *Reduction of the funding pool for Graduate Medical Education* - The Governor recommends a reduction of the funding pool for Graduate Medical Education in FY18 of \$4.0 million.

FY 2019 Recommended Budget

The Governor recommends FY 2019 appropriation of \$2.477 billion, including \$935.9 million from general revenue, \$1.521 billion from federal funds, \$20.5 million from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing decreased by \$28.4 million, and federal funds financing and restricted receipts financing decreases by \$36.2 million.

Central Management

Within Central Management, the Governor recommends FY 2019 appropriation of \$140.4 million, including \$30.2 million from general revenue, \$100.9 million from federal funds, and \$9.2 million from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$3.2 million, and federal funds financing and restricted receipts financing increases by \$4.3 million, attributable to the following adjustments:

- *Personnel, Grants and Other Operating Expenses*. The Governor's recommendation includes an increase of \$1.5 million in general revenue financing related to the FY 2018 enacted levels for personnel and other health innovation plans to support the EOHHS organization. The major increase in general revenue is related to additional personnel and consultants to help support many of the Medicaid cost savings initiatives.
- *Mental Health Parity Study* – The Governor recommends the appropriation of \$150,000 from general revenue for a study of commercial health insurance carriers' offerings of primary/preventative mental health care in comparison to primary/preventative medical care.
- Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased funding totaling \$1.5 million 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.

Medical Assistance

Within the Medical Assistance program, the Governor recommends FY 2019 appropriations of \$2.337 billion, including \$905.8 million from general revenue, \$1.420 billion from federal funds, and \$11.3 million from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$31.5 million, and federal funds financing and restricted receipts financing decreases by \$40.5 million, attributable to the following adjustments:

- *CEC Consensus Estimate -- Change to the Enacted Appropriation*. The Governor recommendation includes the Caseload Estimating Conference increase of \$66.4 million in general revenue financing and \$27.2 million in federal funds financing. The change is driven by enrollment/price increases, CHIP funding, and the lapse of 100% federal funding for the Medicaid expansion population (see Medicaid Expansion under the Affordable Care Act explanation below).

The Medicaid Expansion under the Affordable Care Act for FY 2019 includes a total appropriation of \$472.0 million which reflects general revenue financing of \$30.8 million for the expansion of Medicaid coverage to non-pregnant adults without dependent children up to 138 percent of FPL, per RIGL 40-8.11 and the Patient Protection and Affordable Care Act (ACA). Under the ACA, full federal financing of Medicaid services for the expanded eligibility population lapses on December

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31, 2016, after which the federal matching rate declines incrementally until reaching 90 percent for 2020 and thereafter. As in prior years, the resulting out-year general revenue exposure is captured in the Governor's Five Year Financial Projection, contained in Appendix F of this document.

- *Governor's Savings Initiatives/Reform Proposals.* The Governor recommends a decrease of \$97.9 million in general revenue financing and \$67.7 million in federal funds financing related to a number of Initiatives/Reform Proposals listed below (with the general revenue impact):

1. Adult Co-Payments for Select Services - (\$3,246,719)

The Governor recommends implementation of co-pays for adults for inpatient hospital visits, non-emergency visits to the emergency room, non-preventive physician visits, and prescription drugs. These co-payments will be implemented both in fee-for-service and managed care. Many states have implemented co-payments for certain Medicaid services.

2. CHIP Reauthorization - (\$28,516,524)

The Governor recommends that federal reauthorization for CHIP at the current enhanced federal medical assistance percentage.

3. Dual Eligible and Long-Term Services and Supports (LTSS) Redesign - (\$10,297,970)

The Governor recommends the restructuring of the delivery system for individuals who have Medicare and Medicaid coverage or Medicaid coverage due to a disability, chronic condition or require an institutional level of care and receive LTSS. The redesign will achieve a more cost-effective transitional managed arrangement as a foundation for new innovative permanent arrangement to be developed for SFY 2020.

4. Reallocate GME - (\$3,284,350)

The Governor recommends a reduction of the funding pool for Graduate Medical Education to \$1.5 million and refocusing the program on improving mental health care and substance abuse treatment and training across all teaching hospitals in the state.

5. Eliminate State-Only Funded Contracts and Services - (\$1,641,120)

The Governor recommends eliminating state funding for various state-only funded contracts and services. These contracts and services are currently being funded as state-only because the state does not have federal authority to draw down federal funding for them. The following programs are included: Cortical Integrative Therapy, Community Health Teams-Rhode Island, Recovery Navigation Program, and the Housing Stabilization Program.

6. Freeze Hospital Rates - (\$5,360,808)

The Governor recommends holding rates constant at FY 2018 rates.

7. Inpatient Upper Payment Limit (UPL) Funding Elimination - (\$5,588,454)

The Governor recommends eliminating UPL payments based on inpatient services.

8. Modernize LTSS Eligibility Integrity - (\$5,312,501)

The Governor recommends streamlining of current LTSS eligibility processes by: (1) automation of asset verifications, (2) elimination of retroactive coverage, and (3) elimination of loopholes in the LTSS resource test.

9. MCO Administrative Rate Reduction - (\$1,892,496)

The Governor recommends a reduction of the administrative component of the MCO rates by 2.5%. This reduction in administrative fees is an incentive to MCOs to improve their

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operational efficiency and to work closely with Medicaid to identify areas of potential improvement to administrative processes.

10. MCO Medical Rate Reduction – (\$14,853,957)

The Governor recommends the establishment of a quality withhold for improved health care outcomes and a reduction in the medical component of MCO rates to incentivize improved care management of high utilizers.

11. MCO Profit Margin Rate Reduction – (\$6,912,796)

The Governor recommends the elimination of the guaranteed profit margin component of MCO rates.

MCO rates include an allowance for MCOs to keep 1.5% of the combined administrative and medical premium amount as a profit margin, intended as an opportunity for MCOs to add to their reserves.

12. Non-Emergency Medical Transportation Reform – (\$3,844,021)

The Governor recommends the restructuring of the existing non-emergency transportation contract, followed by a re-procurement of the services, to incentivize cost-effective delivery of service and enhance consumer satisfaction with transportation services.

13. Increase Nursing Home Rates by 1.0% – (\$2,574,599)

The Governor recommends an increase of 1.0% to the separate price components of the nursing facility per diem effective October 1, 2018, effectively reducing the annual “cost-of-living adjustments” by approximately two-thirds.

14. Perry-Sullivan – (\$2,958,020)

The Governor recommends to re-allocate the Perry-Sullivan funds to continue to fund the mandated increase for the home care wage increase that was enacted in FY 2018. The state will remove the Perry Sullivan dollars to support maintenance of the home care wage increase in FY 2019.

15. Revenue Maximization – (\$1,586,085)

The Governor recommends the maximization of revenue by: (1) expansion of RIt Share to all populations instead of only the RIt Care population, (2) improvement in RIt Share take-up by promoting the existing state law allowing adult children with disabilities to stay on their parents’ commercial coverage beyond age 26, and (3) aid category optimization to ensure that beneficiaries can be claimed in the most favorable category for FFP.

The Governor recommends 285.0 FTE positions in the revised FY 2018 Budget which is consistent to the enacted FY 2018 level. The Governor recommends 295.0 FTE positions for the FY 2019 Budget, which is an addition of 10 FTE’s compared to the FY 2018 enacted level due the additional staffing required to effectively implement a number of the Medicaid initiatives listed above.

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DEPARTMENT OF CHILDREN, YOUTH, AND FAMILIES

Source Of Funds	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Enacted	FY 2018 Revised	FY 2019 Recommended
General Revenue	\$154,742,352	\$159,769,535	\$145,855,862	\$152,586,787	\$148,637,206
Federal Funds	\$57,416,767	\$60,315,375	\$59,015,159	\$57,710,193	\$56,190,651
Restricted Receipts	\$2,227,542	\$2,493,806	\$3,128,707	\$2,584,109	\$2,674,422
Other Funds	\$0	\$0	\$0	\$0	\$0
RI Capital Plan Fund	\$566,274	\$83,397	\$1,050,000	\$1,200,000	\$1,900,000
Total Funding	\$214,952,935	\$222,662,113	\$209,049,728	\$214,081,089	\$209,402,279
FTE Authorization	672.5	628.5	616.5	612.5	619.5

FY 2018 Revised Budget

The Governor recommends revised FY 2018 appropriations of \$214.1 million for the Department of Children, Youth, and Families, including \$152.6 million from general revenue, \$57.7 million from federal funds, \$2.6 million from restricted receipts and \$1.2 million from the Capital Plan Fund. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$6.7 million, federal financing decreases by \$1.3 million, restricted receipt financing decreases by \$544,598 and funding for capital improvements increased by \$150,000.

Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased funding totaling \$3.4 million 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.

Central Management

Within the Central Management program, the Governor recommends revised FY 2018 appropriations of \$12.1 million, including \$7.5 million from general revenue and \$4.6 million from federal funds. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$379,869 and federal funds financing increases by \$1,761,597.

- *Personnel & Operating Supplies and Expenses.* The funding adjustments are largely attributable to decreases in expenditures in Central Management. The Department is reallocating these expenses to respective programs within the Department.

Child Welfare

Within the Child Welfare program, the Governor recommends revised FY 2018 appropriations of \$163.4 million, including \$113.7 million from general revenue, \$47.2 million from federal funds, and \$2.6 million from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$3.1 million, federal funds financing decreases by \$3.3 million, and restricted receipts financing decreases by \$0.5 million. Major changes to the enacted level include:

- *Personnel Costs.* The Department is increasing their efforts to consolidate staff where feasible. It is currently reviewing services that are similar and working to realign units assuring that necessary services are provided but not duplicated. This combined with the statewide Voluntary Retirement Incentive program, has resulted in personnel savings of approximately \$1.6 million within the Child Welfare program.
- *Institutional Care Placements.* The Department is working to improve services for children in a more appropriate and cost-effective manner through more thorough assessments of each child's level of treatment and service need. The Department has renegotiated rates with contracted service

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providers in exchange for an increase in evidence based treatments in the service array. DCYF is realigning provider rates for similar services and terminating contracts with providers for services that are underutilized or not meeting contracted standards. The Governor and Department are devoted to improving services for youth by focusing on the overuse of institutional care, recruiting, supporting and developing more appropriate needs based resources for families, and increasing provider accountability through active contract management. Changes in the use of institutional care has resulted in an increase of general revenue by \$1.5 million, which reflects the combination of increased investment in foster settings and offsetting savings in institutional and congregate care settings.

- *Increased IV-E Claiming.* The Department will continue efforts to increase the federal Title IV-E penetration rate through data sharing and program improvement initiatives. These efforts will address challenges the department has experienced in determining cases eligible on the basis of financial and legal determinations. The Governor's recommendation, includes savings of \$800,000.
- *Increased Medicaid Claiming.* In the FY 2018 Enacted budget, the Department was allocated \$4.0 million in general revenue savings for increased Medicaid claiming. The Governor's recommendation reduces that target to \$250,000 to reflect a level of savings consistent with expectations of feasible savings.

Children's Behavioral Health

Within the Children's Behavioral Health program, the Governor recommends revised FY 2018 appropriations of \$12.3 million, including \$6.6 million from general revenue and \$5.7 million from federal funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$1.5 million and federal funds financing increases by \$200,000. Major changes to the enacted level include:

- *Personnel Costs.* The Governor recommends an increase of \$700,000 from general revenue for personnel expenditures in FY 2018, attributable largely to the Department's realignment of staff which resulted in the savings in the Central Management program described above.

Juvenile Corrections

Within the Juvenile Corrections program, the Governor recommends revised FY 2018 appropriations of \$26.0 million, including \$24.5 million from general revenue, \$285,288 from federal funds, and \$1.2 million from the Rhode Island Capital Plan Fund. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$1.7 million, federal funds financing increases by \$5,006, and financing from the Rhode Island Capital Plan Fund increases by \$700,000. Major changes include:

- *Personnel.* The Governor recommends a decrease of \$0.6 million from general revenue for personnel expenditures in FY 2018, attributable to current turnover trends and the decreasing population of youth at the Rhode Island Training School.

Higher Education Incentive Grants

Funding for this program is set by statute (R.I.G.L. Section 42-72.8-4) in the amount of \$200,000 annually. The purpose is to provide grants to youth currently in DCYF legal custody or were in the Department's custody on their eighteenth (18th) birthday for the purpose of pursuing post-secondary education. DCYF has partnered with the Rhode Island Office of the Postsecondary Commissioner to administer this program.

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FY 2019 Recommended Budget

The Governor recommends FY 2019 appropriations of \$209.2 million for the Department of Children, Youth, and Families, including \$148.6 million from general revenue, \$55.9 million from federal funds, \$2.7 million from restricted receipts, and \$1.9 million from the Rhode Island Capital Plan Fund. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$2.8 million, federal financing decreases by \$3.1 million, restricted receipt financing decreases by \$454,285, and financing from the Rhode Island Capital Plan Fund increases by \$850,000. The recommended FY 2019 Budget is inclusive of statewide medical benefit and other savings distributed to state agencies, which resulted in \$2.0 million of general revenue savings being allocated to the Department of Children, Youth, and Families.

Central Management

Within the Central Management program, the Governor recommends FY 2019 appropriations of \$13.1 million, including \$8.7 million from general revenue and \$4.4 million from federal funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$1.5 million and federal financing increases by \$1.6 million. For FY 2019 the Governor's recommendation includes investments in workforce development for all DCYF staff.

Child Welfare

Within the Child Welfare program, the Governor recommends FY 2019 appropriations of \$155.5 million, including \$107.2 million from general revenue, \$45.5 million from federal funds, and \$2.7 million from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$3.3 million, financing from federal funds decreases by \$4.9 million, and restricted receipt financing decreases by \$454,285. Major changes include:

- *Institutional Care Placements.* The Department will continue contract renegotiations with providers to ensure the correct placement capacity and types of service. The Department is shifting its service array of child placements from out-of-home settings to family and home-based settings, as appropriate. Family and home-based placements promote better outcomes for children in state custody; these placement types are also less costly. Anticipated savings are \$4.4 million relating to child care placements.
 - *Increasing Foster Care Reimbursement Rates.* To encourage and support foster families, the Governor recommends increasing efforts to reduce the financial responsibility that foster families have corresponding to the costs of care. The Governor's recommendation includes increasing rates by over \$1 million.
- *Voluntary Extension of Care Program.* The Governor recommends the creation of the Voluntary Extension of Care (VEC) program in FY 2019. This program will reform and replace the existing programs related to services and care provided to youth, 18 to 21 years old, formerly in the custody of the Department. The program will allow youth 18 to 21 to remain in the care of the Department. Prior to this program, if a youth at the age of 18 chose not to enroll in aftercare support services, they would not be able to reenroll. This will give youth the ability to come back into the Department's care, if they choose. The Governor's recommendation, includes continued funding of \$1.7 million from general revenue, for transition appropriate services for youth 18 to 21, who were formerly in the care of the Department.
- *Increased IV-E Claiming.* The Department will continue efforts to increase the federal Title IV-E penetration rate through FY 2019. The Department will carry forward the initiatives to modify foster care licensing requirements, review income eligibility through data sharing with DLT, and

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collaborate with family court judges to affect eligibility on the basis of legal determination. The Governor's recommendation includes savings of \$2.0 million dollars in general revenue.

- *Increased Medicaid Claiming.* The Department will increase engagement efforts with providers of community-based services to decouple potential Medicaid eligible activities from bundled rates. Community-based services are provided to families and children involved with DCYF, such as parenting education or peer support programs. These are services that may be delivered to a family while they and their children are still living at home, but have yet to be removed. The Governor's recommendation includes savings of \$500,000 in FY 2019.

Children's Behavioral Health

Within the Children's Behavioral Health program, the Governor recommends FY 2019 appropriations of \$12.6 million, including \$6.9 million from general revenue, and \$5.7 million from federal funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$1.8 million, and federal financing increases by \$265,733. Major changes include:

- *Personnel Costs.* The Governor recommends an increase of \$615,240 from general revenue for personnel expenditures in FY 2019, attributable to the critical need to maintain frontline staffing levels. The Governor and the Department are committed to assuring that these positions have as few staffing vacancies as possible. The Governor's staff and the Department will continue making efforts to accelerate the posting process for vacant positions in order to maintain the ability of the Department to provide services to the youth in its care.
- *Third Grade Reading Level.* The Governor's recommendation includes increasing funding geared to increase reading levels for youths. Although this initiative is driven by the Department of Education, services to youth within the department's care will increase accordingly.

Juvenile Corrections

Within the Juvenile Corrections program, the Governor recommends FY 2019 appropriations of \$27.8 million, including \$25.6 million from general revenue, and \$275,099 from federal funds and \$1.9 million from the Rhode Island Capital Plan Fund. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$2.8 million, financing from federal funds decreases by \$5,183, and financing from the Rhode Island Capital Plan Fund increases by \$1.4 million. Major changes include:

- *Personnel.* The Governor recommends an increase of \$144,762 from general revenue for personnel expenditures in FY 2019, attributable to the Governor and the Department's joint commitment to keep frontline staff positions filled. Within the Juvenile Corrections program, these positions are typically juvenile program workers, probation workers and school staff.
- *Capital Improvements.* The Governor's recommendation includes \$1.9 million devoted to facility improvements. Improvements include safety and security repairs, as well as the development of a residential treatment program for the female residents at the R.I. Training School.

Higher Education Incentive Grants

Funding for this program is set by statute (R.I.G.L. Section 42-72.8-4) in the amount of \$200,000 annually. The purpose is to provide grants to youth currently in DCYF legal custody or were in the Department's custody on their eighteenth (18th) birthday for the purpose of pursuing post-secondary education. DCYF has partnered with the Rhode Island Office of the Postsecondary Commissioner to administer this program.

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In the FY 2019 recommendation Act, increased funding totaling \$3.4 million 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 Governor recommends 612.5 FTE positions in the revised FY 2018 Budget and in the FY 2019 Budget the Governor recommends 619.5 FTE positions. For the Revised FY 2018 budget, the Governor recommends the reduction of four FTE to support the Department's efforts to consolidate staff positions. For FY 2019, the Governor recommends an increase of 7 FTE, corresponding to the increased staffing needs to implement the Voluntary Extension of Care program.

DEPARTMENT OF HEALTH

Source Of Funds	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Enacted	FY 2018 Revised	FY 2019 Recommended
General Revenue	\$25,468,221	\$25,499,235	\$24,893,123	\$26,419,356	\$28,009,223
Federal Funds	\$69,157,857	\$92,729,506	\$105,373,312	\$100,313,716	\$101,309,823
Restricted Receipts	\$34,255,991	\$36,147,654	\$39,378,986	\$43,311,614	\$43,972,486
Other Funds	\$0	\$0	\$0	\$0	\$0
Operating Transfers from Other Funds	\$0	\$0	\$0	\$0	\$0
Total Funding	\$128,882,069	\$154,376,396	\$169,645,421	\$170,044,686	\$173,291,532
FTE Authorization	490.6	503.6	493.6	506.6	504.6

FY 2018 Revised Budget

The Governor recommends revised FY 2018 appropriations of \$170.0 million for the Department of Health including \$26.4 million from general revenue, \$100.3 million from federal funds, and \$43.3 million from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$1.5 million while federal financing decreases by \$5.1 million and restricted receipt financing increases by \$3.9 million. The Fiscal Year 2018 recommended budget includes a reduction of \$0.1 million to account for changes in the employee benefit and retirement rates. FY 2018 also includes an increase of \$2.2 million to account 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 \$12.2 million, including \$2.0 million from general revenue, \$4.0 million from federal funds, and \$6.1 million in restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$1.2 million, while federal financing increases by \$0.4 million, and restricted receipt financing increases by \$1.2 million.

Community Health and Equity

Within the Community Health and Equity program, the Governor recommends revised FY 2018 appropriations of \$101.7 million, including \$0.7 million from general revenue and \$67.0 million from federal funds, and \$34.0 million from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$18,981, federal financing decreases by \$4.8 million, and restricted receipt financing increases by \$1.8 million.

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Environmental Health

Within the Environmental Health program, the Governor recommends revised FY 2018 appropriations of \$12.7 million, including \$5.2 million from general revenue, \$7.2 million from federal funds, and \$0.3 million from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$65,114, while federal financing decreases by \$0.1 million, and restricted receipt financing increases by \$0.1 million.

Health Laboratories and Medical Examiner

Within the Health Laboratories and Medical Examiner program, the Governor recommends revised FY 2018 appropriations of \$12.0 million, including \$10.1 million from general revenue and \$1.9 million from federal funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$0.6 million, while federal financing decreases by \$0.1 million.

Customer Services

Within the Customer Services program, the Governor recommends revised FY 2018 appropriations of \$11.3 million, including \$6.0 million from general revenue, \$4.0 million from federal funds, and \$1.3 million in restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$0.3 million, federal financing decreases by \$0.2 million, and restricted receipts financing increases by \$0.2 million.

Policy, Information, and Communications

Within the Policy, Information, and Communications program, the Governor recommends revised FY 2018 appropriations of \$5.2 million, including \$1.0 million from general revenue, \$2.7 million from federal funds, and \$1.5 million in restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$0.1 million, while federal financing increases by \$0.4 million, and restricted receipt financing increases by \$0.6 million.

Preparedness, Response, Infectious Disease, and Emergency Services

Within the Preparedness, Response, Infectious Disease, and Emergency Services program, the Governor recommends revised FY 2018 appropriations of \$14.9 million, including \$1.5 million from general revenue and \$13.4 million from federal funds. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$0.1 million, and federal financing decreases by \$0.7 million.

FY 2019 Recommended Budget

The Governor recommends FY 2019 appropriations of \$169.0 million for the Department of Health, including \$25.7 million from general revenue, \$100.8 million from federal funds, and \$42.5 million from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$0.8 million, federal financing decreases by \$4.6 million, and restricted receipts financing increases by \$3.2 million. The Fiscal Year 2019 recommended budget includes an increase of \$0.1 million to account for changes in the employee benefit and retirement rates. FY 2018 also includes an increase of \$2.8 million to account 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 \$12.3 million, including \$2.1 million from general revenue, \$4.0 million from federal funds, and \$6.2 million from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$1.3 million, while federal financing increases by \$0.4 million and restricted receipt financing increases by \$1.2 million.

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Community Health and Equity

Within the Community Health and Equity program, the Governor recommends FY 2019 appropriations of \$103.8 million, including \$0.6 million from general revenue, \$68.0 million from federal funds, and \$35.0 million from restricted receipt funds. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$0.1 million, while federal financing decreases by \$3.8 million and restricted receipt financing increases by \$2.9 million.

Environmental Health

Within the Environmental Health program, the Governor recommends FY 2019 appropriations of \$13.2 million, including \$5.6 million from general revenue, \$7.3 million from federal funds, and \$0.4 million from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$0.5 million, while federal financing decreases by \$46,376, and restricted receipt financing increases by \$0.1 million.

Health Laboratories and Medical Examiner

Within the Health Laboratories and Medical Examiner program, the Governor recommends FY 2019 appropriations of \$12.4 million, including \$10.3 million from general revenue and \$2.1 million from federal funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$0.7 million, while federal financing increases by \$0.1 million.

Customer Services

Within the Customer Services program, the Governor recommends FY 2019 appropriations of \$11.5 million, including \$6.4 million from general revenue, \$3.8 million from federal funds, and \$1.3 million from restricted receipt funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$0.1 million, while federal financing decreases by \$0.4 million, and restricted receipt financing increases by \$0.2 million.

- The Governor recommends utilizing \$1.6 million of the IT investment fund to upgrade to an electronic vital records system. An electronic vital records system with rapid reporting capabilities can also decrease fraudulent claims against Medicaid/Medicare, Social Security, other benefit payers and the voter registration rolls generating savings beginning in FY 2020. The following fee increases will help to offset the costs of the project:
 - Walk-in certified records request \$20 to \$22
 - Mail-in certified records request \$20 to \$25
 - Increased cost allocation to municipalities for certified copies \$6 to \$8
 - Duplicate records \$15 to \$18

Policy, Information and Communications

Within the Policy, Information and Communication program, the Governor recommends FY 2019 appropriations of \$4.7 million, including \$1.0 million from general revenue, \$2.7 million from federal funds, and \$0.9 million from restricted receipt funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$0.2 million, while federal financing increases by \$0.3 million, and restricted receipt financing increases by \$0.1 million.

Preparedness, Response, Infectious Disease, and Emergency Services

Within the Preparedness, Response, Infectious Disease, and Emergency Services program, the Governor recommends FY 2019 appropriations of \$15.4 million, including \$1.9 million from general revenue and \$13.4 million from federal funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$0.3 million, while federal financing decreases by \$0.7 million.

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The Governor recommends 506.6 FTE positions in the revised FY 2018 and 504.6 FTE in the FY 2019 Budget which is 13 and 11 above the enacted FY 2018 level respectively. The FTE changes are as follows:

FTE Additions:

- 13 additional positions that are 100% financed by either federal or restricted receipts funds. Most of these positions are related to drug overdose prevention and intervention.

FTE Reductions:

- Transfer of two FTE positions to the Department of Business Regulation. These positions are include a Beauty Shop Inspector and a Health Services Licensing Aide II that will be more appropriately placed within the Commercial Licensing, Racing, and Athletics division under DBR.

DEPARTMENT OF HUMAN SERVICES					
Source Of Funds	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Enacted	FY 2018 Revised	FY 2019 Recommended
General Revenue	\$96,094,578	\$90,573,454	\$91,113,618	\$100,592,486	\$103,702,154
Federal Funds	\$511,615,020	\$529,124,400	\$515,584,197	\$521,799,119	\$516,362,218
Restricted Receipts	\$2,659,361	\$2,447,930	\$3,390,929	\$2,415,422	\$8,996,552
Other Funds	\$4,741,448	\$4,495,449	\$4,428,478	\$4,598,478	\$4,598,478
RI Capital Plan Fund	\$194,714	\$86,617	\$165,000	\$165,000	\$165,000
Total Funding	\$615,305,121	\$626,727,849	\$614,682,222	\$629,570,505	\$633,824,402
FTE Authorization	959.1	937.1	981.1	981.1	981.1

FY 2018 Revised Budget

The Governor recommends revised FY 2018 appropriation of \$629.6 million for the Department of Human Services (DHS), including \$100.6 million from general revenue, \$521.8 million from federal funds, and \$7.1 million from restricted receipts, the Rhode Island Capital Plan Fund, and other funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$9.4 million; federal funds financing increases by \$6.2 million; and restricted receipts, Rhode Island Capital Plan Fund, and other funds financing decreases by \$0.8 million. The Fiscal Year 2018 recommended budget includes a reduction of \$0.2 million to account for changes in the employee benefit and retirement rates. FY 2018 also includes an increase of \$4.7 million to account 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 Department submitted a corrective action plan to balance the FY 2018 budget by utilizing \$2.5 million in the IT investment fund (this item will appear in the EOHHS budget) and reversing a FY 2017 Deloitte accrual worth \$2.2 million. The accrual is a statewide item that will not show in the DHS budget.

Central Management

Within the Central Management program, the Governor recommends revised FY 2018 appropriations of \$8.3 million, including \$3.5 million from general revenue, \$4.8 million from federal funds, and \$0.1 million from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$0.1 million. Federal funds financing increases by \$0.8 million, and restricted receipts decreases by \$0.4 million.

Child Support Enforcement

Within the Child Support Enforcement program, the Governor recommends revised FY 2018 appropriations of \$11.2 million, including \$3.3 million from general revenue and \$7.9 million from federal

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funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$0.2 million. Federal financing increases by \$49,172.

Individual and Family Support

Within the Individual and Family Support program, the Governor recommends revised FY 2018 appropriations of \$131.8 million, including \$25.0 million from general revenue, \$101.6 million from federal funds, \$5.1 million from restricted receipts, Rhode Island Capital Plan Fund, and other funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$4.4 million due primarily to an increase in staffing and operating expenditures related to casework demand. The Department Director has requested resources to maintain staffing levels from FY 2018 to FY 2019. Federal financing increases by \$2.6 million mostly related to the federal match associated with eligibility techs, and other funds financing increases by \$0.2 million.

Veterans' Affairs

Within the Veterans' Affairs program, the Governor recommends revised FY 2018 appropriations of \$44.6 million, including \$22.8 million from general revenue, \$20.2 million from federal funds, and \$1.7 million from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$2.2 million, federal funds financing increases by \$1.0 million, and restricted receipts financing decreases by \$0.5 million.

Health Care Eligibility

Within the Health Care Eligibility program, the Governor recommends revised FY 2018 appropriations of \$15.7 million, including \$7.2 million from general revenue and \$8.5 million from federal funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$1.1 million primarily in increased staffing related to ongoing UHIP backlog and system issues. Federal funds financing increases by \$0.5 million.

Supplemental Security Income

Within the Supplemental Security Income program, the Governor recommends revised FY 2018 appropriations of \$19.5 million, consisting entirely of general revenue and reflecting caseloads as adopted by the November 2017 Caseload Estimating Conference (CEC). Relative to FY 2018 enacted levels recommended general revenue financing increases by \$0.9 million.

Rhode Island Works

Within the Rhode Island Works program, the Governor recommends revised FY 2018 appropriations of \$94.1 million, including \$10.7 million from general revenue and \$83.4 million from federal funds, consistent with the estimates adopted at the November 2017 Caseload Estimating Conference. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$0.1 million while federal funds financing increases by \$0.7 million.

State Funded Programs

Within the State Funded programs, the Governor recommends FY 2018 appropriations of \$283.4 million, including \$1.4 million from general revenue and \$282.1 million from federal funds. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$0.2 million, while federal funds financing decreases by \$69,325.

- *General Public Assistance.* The Governor includes \$1.2 million in general revenue (hardship payments are not counted as a caseload item, but are part of the State Funded Programs funded at \$0.1 million). Relative to FY 2018 enacted levels recommended general revenue financing for General Public Assistance increases by \$0.1 million.

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- *Supplemental Nutrition Assistance Program.* The Governor's recommendation of \$282.1 million, consisting entirely of federal funds. Relative to FY 2018 enacted levels recommended federal financing increases by \$10,569.

Elderly Affairs

Within the Elderly Affairs program, the Governor recommends revised FY 2018 appropriations of \$20.8 million, including \$7.2 million from general revenue, \$13.4 million from federal funds, and \$0.2 million from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$0.7 million, federal funds financing increases by \$0.6 million, and restricted receipts financing decreases by \$0.1 million.

FY 2019 Recommended Budget

The Governor recommends FY 2019 appropriation of \$633.8 million for the Department of Human Services, including \$103.7 million from general revenue; \$516.4 million from federal funds; and \$13.8 million from restricted receipts, the Rhode Island Capital Plan Fund, and other funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$12.6 million; federal funds financing increases by \$0.8 million; and restricted receipts, Rhode Island Capital Plan Fund, and other funds financing increases by \$5.8 million. The Fiscal Year 2019 recommended budget includes an increase of \$0.1 million to account for changes in the employee benefit and retirement rates. FY 2018 also includes an increase of \$4.8 million to account 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 \$8.9 million, including \$3.9 million from general revenue, \$4.8 million from federal funds, and \$0.1 million from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$0.5, federal funds financing increases by \$0.9 million, and restricted receipts financing decreases by \$0.4 million.

Child Support Enforcement

Within the Child Support Enforcement program, the Governor recommends FY 2019 appropriations of \$10.0 million, including \$1.9 million from general revenue and \$8.0 million from federal funds. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$1.1 million, while federal funds financing increases by \$0.2 million.

- The Governor recommends a net general revenue savings of \$1 million in the Child Support program. This reduction represents a \$0.6 million investment in the establishment of paternity subsequent to Medicaid enrollment. The investment will yield approximately \$1.6 million in savings from increased Medicaid match by transitioning families with available cash resources from regular FMAP to enhanced FMAP.

Individual and Family Support

Within the Individual and Family Support program, the Governor recommends FY 2019 appropriations of \$140.1 million, including \$22.2 million from general revenue; \$105.7 million from federal funds; and \$12.2 million from restricted receipts, the Rhode Island Capital Plan Fund, and other funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$1.6 million. Federal funds financing increases by \$6.7 million. Restricted receipts and other funds increase by \$7.2 million due to the anticipation of credit and/or settlement funds to offset the increased expenditures in general revenue. The following savings initiative is recommended for FY 2019:

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- The FY 2019 recommendation includes \$263,500 in facilities savings.

Veterans' Affairs

Within the Veterans' Affairs Program, the Governor recommends FY 2019 appropriations of \$34.0 million, including \$23.1 million from general revenue, \$9.5 million from federal funds, and \$1.3 million from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$2.5 million, federal financing increases by decreases by \$9.7 million as construction of the new veterans' home is complete in early FY 2018, and restricted receipts decrease by \$0.9 million.

Health Care Eligibility

Within the Health Care Eligibility Program, the Governor recommends FY 2019 appropriations of \$15.4 million, including \$6.0 million from general revenue and \$9.4 million from federal funds. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$0.1 million, while federal funds financing increases by \$1.4 million.

Supplemental Security Income

The Governor recommends appropriations of \$19.6 million, consisting entirely of general revenue. Relative to FY 2018 enacted levels recommended general revenue financing increases by \$1.0 million. Recommended financing reflects caseloads as adopted by the November 2017 Caseload Estimating Conference.

Rhode Island Works

Within the Rhode Island Works program, the Governor recommends FY 2019 appropriations of \$102.0 million, including \$18.0 million from general revenue and \$83.6 million from federal funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$7.3 million while federal funds financing decreases by \$1.4 million. The variances in Rhode Island Works are primarily attributable to the following:

- The Governor includes an additional \$1.5 million in Child Care incentive funding to encourage child care providers to increase the quality of their child care. The initiative would tie Child Care funding to the Bright Stars quality system. Those providers with higher Bright Stars ranking will receive additional funding compared with those in the lower tiers.
- The Governor recommends \$200,000 from general revenue for a pilot program for eligible low-income parents to receive child care assistance while they are enrolled in a qualified Rhode Island public institution of postsecondary education or in workforce training programs that lead to employment.
- The November Caseload Estimating Conference adopted a federal funds increase of \$2.0 million compared to the enacted budget in Rhode Island Works. In Child Care, the conferees adopted a general revenue increase of \$5.6 million in general revenue. Both programs continue to grow, but the majority of the increased costs are associated with the Child Development Block Grant reauthorization, which adds additional federal requirements for the funding including 12-month continuous eligibility, services to homeless children and families, prioritization of infants and toddlers, and a graduated phase out.

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State Funded Programs

Within the State Funded programs, the Governor recommends FY 2019 appropriations of \$283.5 million, including \$1.3 million from general revenue, and \$282.1 million from federal funds. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$0.2 million, while federal funds financing increases by \$0.1 million.

- *General Public Assistance.* The Governor includes \$1.3 million in general revenue consistent with the November Caseload Estimating Conference. Relative to FY 2018 enacted levels recommended general revenue financing for General Public Assistance decreases by \$0.1 million.
- *Supplemental Nutrition Assistance Program.* The Governor’s recommendation of \$282.1 million, consisting entirely of federal funds. Relative to FY 2018 enacted, the recommended budget increases by \$10,569.

Elderly Affairs

Within the Elderly Affairs Program, the Governor recommends FY 2019 appropriations of \$20.5 million, including \$12.7 million from general revenue, \$12.7 million from federal funds, and \$0.2 million in restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$1.0 million, federal funds financing decreases by \$0.1 million, and restricted receipts financing decreases by \$0.1 million.

- The Governor includes an additional investment in senior support services of \$400,000. This investment will double prior year funding levels, and fund programs that increase senior independence and engagement in the community.

DEPARTMENT OF BEHAVIORAL HEALTHCARE, DEVELOPMENTAL DISABILITIES AND HOSPITALS

Source Of Funds	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Enacted	FY 2018 Revised	FY 2019 Recommended
General Revenue	\$176,268,226	\$182,335,174	\$176,448,622	\$191,626,281	\$179,401,491
Federal Funds	\$189,591,271	\$204,677,098	\$204,267,459	\$223,190,524	\$212,970,014
Restricted Receipts	\$7,497,635	\$5,369,048	\$8,509,155	\$5,178,956	\$5,072,422
Other Funds	\$0	\$0	\$0	\$0	\$0
Operating Transfers from Other Funds	\$5,217,765	\$6,506,129	\$7,865,000	\$7,183,453	\$3,300,000
Total Funding	\$378,574,897	\$398,887,449	\$397,090,236	\$427,179,214	\$400,743,927
FTE Authorization	1419.4	1352.4	1319.4	1319.4	1319.4

FY 2018 Revised Budget

The Governor recommends revised appropriations of \$427.2 million for the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals, including \$191.6 million from general revenue funds, \$223.2 million from federal funds, \$5.2 million from restricted receipt funds, and \$7.2 million from the Rhode Island Capital Plan Fund. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$15.2 million, federal funds financing increases by \$18.9 million, restricted receipt financing decreases by \$3.3 million, and Rhode Island Capital Plan Fund financing decreases by \$681,547. The revised FY 2018 Budget is inclusive of enacted statewide medical benefit rate reduction, which resulted in \$217,869 of general revenue savings being allocated to the Commission. Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased funding totaling \$8.2 million is now reflected in the agency budget. This accounts for the decentralization of budgetary authority for statewide internal services provided by the

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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 \$1.9 million from general revenue funds and \$725,000 from federal funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$270,594 and federal funds financing increases by \$725,000. The increase in general revenue funding is based upon the current projected costs for the Division. The increase in federal financing is attributable to maximization of funding for administrative costs.

Hospital and Community System Support

Within the Hospital and Community System Support program, the Governor recommends revised FY 2018 appropriations of \$2.6 million, including \$2.6 million from general revenue funds and \$474,784 from Rhode Island Capital Plan Fund resources. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$647,839 and Rhode Island Capital Plan Fund financing increases by \$224,784. The increase in general revenue funding is based upon the current projected costs for the Division.

Services for the Developmentally Disabled

Within the Services for the Developmentally Disabled program, the Governor recommends revised FY 2018 appropriations of \$272.2 million, including \$129.2 million from general revenue funds, \$139.8 million from federal funds, \$1.5 million from restricted receipts, and \$1.7 million from Rhode Island Capital Plan Fund resources. Relative to FY 2018 enacted levels, recommended general revenue financing increases \$5.6 million, federal fund financing increases by \$9.3 million, restricted receipts financing increases by \$439,365 and Rhode Island Capital Plan Fund financing remains consistent. Major changes include:

- *Caseload and Service Utilization - \$8.0 million general revenue increase:* The Governor includes an increase of \$8.0 million related to a projected increase in costs for direct services within the Private Developmentally Disabled Services Program. This projected increase is reflective of caseload trends, specifically related to increased acuity levels. These trends began during FY 2017. BHDDH is in the process of validating the approach to determining funding levels to ensure acuity levels are accurate.
- *Private Developmentally Disabled Services – \$1.7 million general revenue increase:* The Governor includes an increase of \$1.7 million related to revised projections regarding Residential Service Rebalancing and Supplemental Authorizations.
- *Rhode Island Community Living and Supports (RICLAS) Consolidation - \$204,078 general revenue increase:* The Governor includes an increase of \$204,078 due to a revised projection for anticipated savings expected for the consolidation RICLAS group homes.
- *RICLAS Worker's Compensation Reduction - \$225,343 general revenue decrease:* The Governor's recommendation includes an overtime reduction through management of Worker's Compensation claims.
- *Caseload Update - \$370,217 general revenue decrease:* The Governor includes a revised caseload projection due to more favorable caseload numbers than previously projected compared to the Department's request.
- *Person Centered Supported Employment Performance Program - \$2.0 million general revenue decrease:* The Governor includes a reduction of \$2.0 million projected due to program utilization. Based on projected utilization, there is expected to be a balance of unencumbered funds for the current year.
- *Court Monitor for Consent Decree and Interim Settlement Agreement - \$450,000 general revenue decrease:* The Governor's recommendation includes the budget for the Court Monitor contract which is required by the U.S. Department of Justice's Consent Decree. This expense is now being allocated to the Executive Office of Health and Human Services.

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Behavioral Healthcare Services

Within the Behavioral Healthcare Services program, the Governor recommends revised FY 2018 appropriations of \$28.7 million, including \$2.8 million from general revenue funds, \$24.6 million from federal funds, \$100,000 from restricted receipts, and \$1.2 million from Rhode Island Capital Plan Fund resources. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$303,651, federal funds financing increases by \$210,214, and Rhode Island Capital Plan Fund financing remains consistent. The general revenue increase is mainly related to establishing a Behavioral Healthcare Link, a state-wide resource aimed at providing a 24-hour community-based assessment, triage and treatment for opioid substance abuse disorder and behavioral health crises.

Hospital and Community Rehabilitation Services

Within the Hospital and Community Rehabilitation Services program, the Governor recommends revised FY 2018 appropriations of \$120.4 million, including \$60.0 million from general revenue funds, \$58.1 million from federal funds, \$3.5 million from restricted receipt funds, and \$3.9 million from the Rhode Island Capital Plan Fund. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$8.4 million, federal funds financing increases by \$8.4 million, restricted receipt funds financing increases by \$3.5 million, and Rhode Island Capital Plan Fund financing decreases by \$1.4. The increase in general revenue is mainly related to a plan to reduce hospital spending which was included in the FY 2018 enacted budget of \$3.8 million to reduce overtime and through the hospital renovation, move to larger more efficient patient care units. This was not achieved due to the delay in the completion of the capital budget. The capital projects are now underway, with expected savings reflected in FY 2019. The general revenue changes are attributable to the following adjustments:

- *Eleanor Slater Hospital Expense Reduction - \$1.6 million general revenue decrease:* The Governor's recommendation includes consolidating a unit at Zambarano Hospital and transitioning Eleanor Slater Hospital (ESH) patients to less restrictive settings. The Governor also includes an overtime reduction through management of Worker's Compensation claims.
- *Joint Commission: Accreditation, Health Care, Certification (JCAHO) Mitigation Plan - \$350,000 general revenue increase:* The Governor includes additional funds to increase staffing levels consistent with JCAHO standards.

FY 2019 Recommended Budget

The Governor recommends FY 2019 appropriations of \$400.7 million for the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals, including \$179.4 million from general revenue funds, \$213.0 million from federal funds, \$5.1 million from restricted receipt funds, and \$3.3 million from the Rhode Island Capital Plan Fund. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$3.0 million, federal fund financing increases by \$8.7 million, restricted receipt financing decreases by \$3.4 million, and Rhode Island Capital Plan Fund financing decreases by \$4.6 million. The Governor's FY 2019 recommendation is inclusive of enacted statewide medical benefit and dental rate reductions, as well as an increase to the retirement rate and assessed fringe benefits which resulted in a \$153,917 increase of general revenue being allocated to the Commission. Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased funding totaling \$8.4 million 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.

Central Management

Within the Central Management program, the Governor recommends FY 2019 appropriations of \$1.9 million from general revenue funds and \$734,643 from federal funds. Relative to FY 2018 enacted levels, recommended

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general revenue financing increases by \$284,762 and federal funds financing increases by \$734,643. The increase in general revenue funding is based upon the current projected costs for the Division. The increase in federal financing is attributable to maximization of funding for administrative costs.

Hospital and Community System Support

Within the Hospital and Community System Support program, the Governor recommends FY 2019 appropriations of \$2.9 million, including \$2.6 million from general revenue funds and \$300,000 from the Rhode Island Capital Plan Fund. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$501,895 and the Rhode Island Capital Plan Fund financing increases by \$50,000. The decrease in general revenue is due to an expense reduction related to computer and software upgrades. The increase in general revenue funding is based upon the current projected costs for the Division.

Services for the Developmentally Disabled

Within the Services for the Developmentally Disabled program, the Governor recommends FY 2019 appropriations of \$250.8 million, including \$116.7 million from general revenue funds, \$131.4 million from federal funds, \$1.4 million from restricted receipt funds, and \$1.3 million from the Rhode Island Capital Plan Fund. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$6.7 million, federal fund financing increases by \$1.2 million, restricted receipt financing decreases by \$452,810, and Rhode Island Capital Plan Fund financing remains constant. The general revenue changes are attributable to the following adjustments:

- *Private Developmentally Disabled Services - \$2.4 general revenue increase:* The Governor includes an increase of \$2.4 million related to revised projections regarding Residential Service Rebalancing and Supplemental Authorizations. BHDDH is reviewing its assessment model and also committed to exploring alternative payment model, including the implementation of Health Homes, consisting of a comprehensive care management, care coordination social support services, transitional services, and individual and family support.
- *Caseload Projection - \$593,823 general revenue decrease:* The Governor includes a revised caseload projection which indicates a decline compared to the Department's request.
- *Court Monitor for Consent Decree and Interim Settlement Agreement - \$450,000 general revenue decrease:* The Governor's recommendation includes the transfer of the budget for the Court Monitor contract which is required by the U.S. Department of Justice's Consent Decree. This expense is now being allocated to the Executive Office of Health and Human Services.
- *RICLAS Consolidation - \$1.7 million decrease:* The Governor's recommendation includes an overtime reduction as well as the closure of facilities to reflect current patient needs and staffing levels.
- *Federal Medical Assistance Program - \$1.9 million general revenue decrease:* The final state FMAP rate published on September 27, 2017 increased the rate to 47.71% (SFY). The increase in federal match result in a savings of \$1.9 million versus the budget submission.
- *Enhanced Medicaid Match - \$530,000 general revenue decrease:* The Governor's recommendation includes an enhanced Medicaid match for administrative costs within the Department.

Behavioral Healthcare Services

Within the Behavioral Healthcare Services program, the Governor recommends FY 2019 appropriations of \$27.5 million, including \$1.0 million from general revenue funds, \$23.5 million from federal funds, \$100,000 from restricted receipt funds, and \$400,000 million from the Rhode Island Capital Plan Fund. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$1.0 million, federal funds financing increases by \$875,398 million and Rhode Island Capital Plan Fund financing decreases by \$750,000. The general revenue increase is mainly related to establishing a Behavioral Healthcare Link, a state-wide resource aimed at providing a 24-hour community-based assessment, triage and treatment for behavioral health crisis.

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Hospital and Community Rehabilitation Services

Within the Hospital and Community Rehabilitation Services program, the Governor recommends FY 2019 appropriations of \$116.8 million, including \$54.6 million from general revenue funds, \$57.4 million from federal funds, \$3.5 million from restricted receipt funds, and \$1.3 million from the Rhode Island Capital Plan Fund. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$8.0 million, federal funds financing increases by \$7.6 million, restricted receipt funds financing decreases by \$3.0 million, and Rhode Island Capital Plan Fund financing decreases by \$3.9. The general revenue change is attributable to a delay in the Eleanor Slater Hospital Reorganization project. When this capital project is complete, efficiencies and savings will be achieved due to the increase in the size and redesigned layout of the new units. The general revenue changes are attributable to the following adjustments:

- *Eleanor Slater Hospital Expense Reduction - \$2.6 million general revenue decrease:* The Governor's recommendation includes a reduction to reflect current staffing levels and patient needs.
- *Eleanor Slater Hospital Worker's Compensation Reduction - \$491,693 million general revenue decrease:* The Governor includes an overtime reduction through management of Worker's Compensation claims.

The Governor recommends 1,319.4 FTE positions in the revised FY 2018 budget which is consistent with the FY 2018 enacted budget. For FY 2019 the Governor recommends 1,319.4 FTE positions, which is also consistent with the FY 2018 enacted budget.

GOVERNOR'S COMMISSION ON DISABILITIES

Source Of Funds	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Enacted	FY 2018 Revised	FY 2019 Recommended
General Revenue	\$380,615	\$418,544	\$454,938	\$478,907	\$492,557
Federal Funds	\$29,456	\$211,435	\$343,542	\$335,167	\$335,167
Restricted Receipts	\$19,927	\$39,140	\$43,710	\$53,598	\$49,571
Other Funds	\$0	\$0	\$0	\$0	\$0
Operating Transfers from Other Funds	\$0	\$0	\$0	\$0	\$0
Total Funding	\$429,998	\$669,120	\$842,190	\$867,672	\$877,295
FTE Authorization	4.0	4.0	4.0	4.0	4.0

FY 2018 Revised Budget

The Governor recommends revised FY 2018 appropriations of \$867,672 for the Governor's Commission on Disabilities, including \$478,907 from general revenue, \$335,167 from federal funds, and \$53,598 from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$23,969, federal funds financing decreases by \$8,375, and restricted receipts financing increases by \$9,888. On an all-funds basis, the increase is primarily attributed to additional federal funding for habilitative and rehabilitative services. The revised FY 2018 Budget is inclusive of enacted statewide medical benefit rate reduction, which resulted in \$1,121 of general revenue savings being allocated to the Commission. Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased funding totaling \$25,090 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 Human Resources and Information Technology.

FY 2019 Recommended Budget

The Governor recommends FY 2019 appropriations of \$877,295, including \$492,557 from general revenue, \$335,167 from federal funds, and \$49,571 from restricted receipts. Relative to FY 2018 enacted levels, the

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FY 2019 recommended general revenue financing increases by \$37,619, federal funds financings decreases by \$8,375, and restricted receipt financing increases by \$5,861. The increase in general revenue is primarily attributed to an adjustment of \$10,819 in advertising and transportation. The increase in all funds is due to additional federal funding for habilitative and rehabilitative services. The FY 2019 Budget is inclusive of enacted statewide medical benefit and dental rate reductions, as well as increase to the retirement rate and assessed fringe benefits which resulted in \$1,485 of general revenue being allocated to the Commission. Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased funding totaling \$25,315 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 Human Resources and Information Technology.

The Governor recommends 4.0 FTE positions in the revised FY 2018 budget and FY 2019 Budget, consistent with the enacted FY 2018 level.

COMMISSION ON THE DEAF & HARD OF HEARING					
Source Of Funds	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Enacted	FY 2018 Revised	FY 2019 Recommended
General Revenue	\$406,634	\$421,449	\$498,710	\$436,682	\$511,467
Federal Funds	\$0	\$0	\$0	\$0	\$0
Restricted Reciepts	\$49,316	\$72,126	\$129,200	\$129,200	\$80,000
Other Funds	\$0	\$0	\$0	\$0	\$0
RI Capital Plan Fund	\$0	\$0	\$0	\$0	\$0
Total Funding	\$455,950	\$493,575	\$627,910	\$549,432	\$591,467
FTE Authorization	3.0	3.0	4.0	4.0	4.0

FY 2018 Revised Budget

The Governor recommends revised FY 2018 appropriations of \$565,882 for the Commission on the Deaf and Hard of Hearing, including \$436,682 from general revenue funds and \$129,200 from restricted receipt funds. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$62,028, while restricted receipt funding remains the same. The changes to the Commission's budget are attributable to the following adjustments:

- *Personnel Savings:* The Governor includes a reduction of approximately \$83,000 from the enacted level. This is the result of turnover and benefit savings.
- *Non-personnel Adjustments:* The Governor includes an increase of \$4,354 in non-personnel expenses to allow for contracted service and equipment adjustments.

Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased funding totaling \$18,686 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

FY 2019 Recommended Budget

The Governor recommends FY 2019 appropriations of \$591,467 for the Commission on the Deaf and Hard of

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Hearing, including \$511,467 from general revenue funds and \$80,000 from restricted receipt funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$12,757, and restricted receipt financing decreases by \$49,200. The changes to the Commission’s budget are attributable to the following adjustments:

- *Assistive Listening Systems:* The Governor includes a reduction of \$49,200 in restricted receipt funds to reflect the completion of the installation project to install assistive listening devices in the State House. The project began in FY 2016 and is to be completed in FY 2018. This will restore the restricted receipt account to the statutory minimum of \$80,000.
- *Personnel Savings:* The Governor includes a reduction of \$19,120 in general revenue funding for benefit savings. A staff member chose to discontinue their benefits in FY 18, the savings are reflected in FY 2019.

In the FY 2019 recommendation Act, increased funding totaling \$18,830 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 Governor recommends 4.0 FTE positions in the revised FY 2018 and FY 2019 budget.

OFFICE OF THE CHILD ADVOCATE					
Source Of Funds	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Enacted	FY 2018 Revised	FY 2019 Recommended
General Revenue	\$643,280	\$470,980	\$781,499	\$697,056	\$825,140
Federal Funds	\$11,559	\$141,126	\$144,621	\$259,138	\$147,366
Restricted Reciepts	\$0	\$0	\$0	\$0	\$0
Other Funds	\$0	\$0	\$0	\$0	\$0
RI Capital Plan Fund	\$0	\$0	\$0	\$0	\$0
Total Funding	\$654,839	\$612,106	\$926,120	\$956,194	\$972,506
FTE Authorization	6.0	7.0	8.0	8.0	8.6

FY 2018 Revised Budget

The Governor recommends revised FY 2018 appropriations of \$956,194 for the Office of the Child Advocate, including \$697,056 from general revenue and \$259,138 from federal funds. Relative to the FY 2018 enacted levels, recommended general revenue financing decreases by \$84,443, while federal funds financing increases by \$114,517. This recommendation is largely the result of an increase in available federal funding. The increase in federal funding was the result of unspent funds for the state FY 2017 that were carried forward into the first quarter of the state FY 2018. The Governor’s recommendation also includes an increase in contracted professional services of \$30,000. This increase is geared to assist the Office with their increasing workload, to the extent that they can use a temporary employment agency to complete their statutory requirements.

Health and Human Services

FY 2019 Recommended Budget

For FY 2019, the Governor recommends total expenditures of \$972,506, including \$825,140 from general revenue and \$147,366 from federal funds. Compared to the FY 2018 enacted level, FY 2019 recommended general revenue financing increases by \$43,641 and federal funds financing increases by \$2,745. The Governor’s recommendation will allow the Office to hire a part-time permanent employee. This position will assist the Office with administration of the Office’s monitoring responsibilities under the Children’s Rights settlement agreement, as well as many of their statutory mandated services including DCYF oversight, review of DCYF licensed facilities, family court ordered investigations, and child fatality and near fatality investigations.

The Governor recommends 8.0 FTE positions in the revised FY 2018 budget and in FY 2019 recommend 8.6 FTE positions.

OFFICE OF MENTAL HEALTH ADVOCATE

Source Of Funds	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Enacted	FY 2018 Revised	FY 2019 Recommended
General Revenue	\$545,220	\$540,899	\$549,563	\$628,771	\$639,764
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
Total Funding	\$545,220	\$540,899	\$549,563	\$628,771	\$639,764
FTE Authorization	4.0	4.0	4.0	4.0	4.0

FY 2018 Revised Budget

The Governor recommends revised general revenue appropriations of \$628,771 for the Office of the Mental Health Advocate. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$79,208. The revised FY 2018 Budget is inclusive of enacted statewide medical benefit rate reduction, which resulted in \$1,841 of general revenue savings being allocated to the Commission. Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased funding totaling \$81,049 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 Capital Asset Management and Maintenance and Information Technology.

FY 2019 Recommended Budget

The Governor recommends FY 2019 general revenue appropriations of \$639,764 for the Office of the Mental Health Advocate. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$90,201. The net increase is primarily attributable to the following adjustment:

- *Adjustment of Personnel Financing:* The FY 2018 recommended budget includes an increase of \$4,636 in personnel expenditures over FY 2018 enacted levels which fully finances the current staff.

The Governor’s FY 2019 recommendation is inclusive of enacted statewide medical benefit and dental rate reductions, as well as an increase to the retirement rate and assessed fringe benefits which resulted in a \$1,936 increase of general revenue being allocated to the Commission. Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased funding totaling \$83,629 is now reflected in the agency budget. This accounts for the decentralization of budgetary authority for statewide internal services provided by

Health and Human Services

the Department of Administration's Division of Capital Asset Management and Maintenance and Information Technology.

The Governor recommends 4.0 FTE positions in the revised FY 2018 Budget and the recommended FY 2019 Budget, consistent with the enacted FY 2018 level.

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ELEMENTARY AND SECONDARY EDUCATION

Source Of Funds	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Enacted	FY 2018 Revised	FY 2019 Recommended
General Revenue	\$1,064,893,020	\$1,113,255,421	\$1,161,071,396	\$1,161,389,084	\$1,179,752,845
Federal Funds	\$191,287,906	\$193,781,068	\$203,500,000	\$209,321,162	\$214,475,474
Restricted Receipts	\$28,738,364	\$27,919,915	\$30,420,147	\$33,013,761	\$35,755,376
Other Funds	\$0	\$450,082	\$359,000	\$359,000	\$1,479,000
RI Capital Plan Fund	\$4,203,349	\$3,201,900	\$7,223,000	\$7,981,815	\$2,424,000
Total Funding	\$1,289,122,639	\$1,338,608,386	\$1,402,573,543	\$1,412,064,822	\$1,433,886,695
FTE Authorization	337.4	325.1	325.1	325.1	327.1

FY 2018 Revised Budget

The Governor recommends revised FY 2018 appropriations of \$1.412 billion for the Department of Elementary and Secondary Education, including \$1.161 billion from general revenue, \$209.3 million from federal funds, \$33.0 million from restricted receipts, \$8.0 million from the Rhode Island Capital Plan Fund, and \$359,000 from other funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$317,688, inclusive of statewide medical benefit rate savings distributed to state agencies.

Administration of the Comprehensive Education Strategy

Within the Administration of the Comprehensive Education Strategy (ACES) program, the Governor recommends revised FY 2018 appropriations of \$233.3 million, including \$20.5 million from general revenue, \$207.3 million from federal funds, and \$5.5 million from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$346,317, inclusive of statewide medical benefit rate savings distributed to state agencies. Other major changes to the enacted level include:

- *PSAT/SAT Tests.* The Governor recommends \$150,000 in additional general revenue to maintain the Department's ability to finance all PSAT and SAT tests taken by public school students. Both tests are now mandatory under Rhode Island's ESSA plan (Every Student Succeeds Act) and this budget supplemental is necessary to finance the estimated increase in test participation.
- *Advanced Placement Tests.* The Governor recommends \$115,000 from general revenue to maintain the Department's ability to subsidize Advanced Placement (AP) tests for low income students. Prior to FY 2018, AP tests were subsidized through the now eliminated No Child Left Behind Act.
- *Internal Services.* Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased general revenue funding of \$114,222 is now reflected in the ACES program 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.

Education Aid

Within the Education Aid program, the Governor recommends revised FY 2018 appropriations of \$913.5 million, including \$890.2 million from general revenue, \$300,000 from other funds, and \$22.9 million from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$66,040. Other major changes to the enacted level include:

- *Group Home Supplemental.* Pursuant to R.I.G.L. 16-64-1.1(b)(2), the Department is required to reimburse Local Education Authorities (LEAs or local districts) for each group home bed certified by the Department of Children, Youth, and Families (DCYF) by the preceding December 31st. The

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Governor recommends supplemental general revenue financing of \$85,000 in FY 2018, attributable to five new beds in East Providence.

- *Non-Public Textbooks.* Pursuant to R.I.G.L. 16-23-3.1, the Department is required to reimburse LEAs for the cost of providing English/language arts and history/social studies textbooks for students in grades K-12 attending non-public schools. The Governor recommends a reduction of \$151,040 from general revenue for this program in FY 2018, attributable to actual reimbursement requests received by the Department for FY 2018.
- *Statewide Student Transportation.* The Governor recommends a \$2.7 million increase in restricted receipts for the Statewide Student Transportation program when compared to the FY 2018 enacted level. Restricted receipts are collected from LEAs for transportation expenditures associated with participation in the Statewide Student Transportation program. The Governor recommends a revised appropriation of \$21.7 million for FY 2018.

School Construction Aid

Within the School Housing Aid program, the Governor recommends revised FY 2018 appropriations of \$80.0 million from general revenue, comprised of \$69.1 million for the School Housing Aid program established by R.I.G.L. 16-7-35, and \$10.9 million for the School Building Authority fund, established by R.I.G.L. 45-38.2-2. Total aid for the School Construction program is consistent with the enacted level.

Teachers' Retirement

Within the Teachers' Retirement program, the Governor recommends revised FY 2018 appropriations of \$102.0 million from general revenue. Relative to the FY 2018 enacted level, recommended financing increases by \$139,942. Per R.I.G.L. 16-16-22, the state funds 40.0 percent of the employer's share of retirement contributions on behalf of teachers who are members of the Teacher's Retirement System. This increase is necessary to fund the State's portion of the Teachers' Retirement program.

Davies Career & Technical High School (Davies)

Within the Davies Career and Technical High School program, the Governor recommends revised FY 2018 appropriations of \$23.5 million, including \$13.3 million from general revenue, \$1.4 million from federal funds, \$3.7 million from restricted receipts, and \$5.1 million from the RI Capital Plan Fund. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$82,699. Davies is the only LEA that is both included in the funding formula and whose employees are state employees. Its general revenue appropriation is determined by both the education aid funding formula and supplemental (stabilization) financing. Other major changes to the enacted level include:

- *Personnel.* Reduction of \$82,699 from general revenue in recognition of anticipated turnover savings generated by the Voluntary Retirement Incentive (VRI) for eligible employees.
- *Asset Protection.* The Governor recommends a \$324,041 increase in financing from the Rhode Island Capital Plan Fund for the Davies Asset Protection project. This increase reflects unexpended RICAP balances from FY 2017, yielding a revised total project appropriation of \$474,041 in FY 2018.

Metropolitan Regional Career & Technical Center (Met Center)

Within the Metropolitan Regional Career & Technical Center program, the Governor recommends revised FY 2018 appropriations of \$12.2 million, including \$9.3 million from general revenue and \$2.9 million from the RI Capital Plan Fund. Relative to FY 2018 enacted levels, recommended general revenue financing is unchanged and recommended financing from the RI Capital Plan Fund increases by \$428,619. The Met's general revenue appropriation is determined by both the education aid funding formula and supplemental

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(stabilization) financing. The Met, formerly fully State-funded, also receives the local share of funding from the individual districts that send students to the school.

- *Met HVAC Project.* The Governor recommends \$2.6 million from the RI Capital plan fund for the Met HVAC project, which is \$428,619 more than the FY 2018 enacted level. There is no change in total costs for this project. The change in the FY 2018 revised financing is due to an adjusted project timeline.

Central Falls

Within the Central Falls program, the Governor recommends revised FY 2018 appropriations of \$39.9 million, consistent with the enacted level. Beginning in FY 2012, general revenue financing for the Central Falls School District is determined by the education funding formula. Because the state has full responsibility for funding the district, a transition fund was established pursuant to R.I.G.L. 16-7.2-6 to assure that funding is available to meet the local share of education costs. Of the amount recommended for Central Falls, \$33.1 million is attributable to the formula allocation and \$6.8 million is attributable to the transition fund.

Rhode Island School for the Deaf

Within the Rhode Island School for the Deaf program, the Governor recommends revised FY 2018 appropriations of \$7.7 million, including \$6.3 million from general revenue, \$553,824 from federal funds, \$833,763 from restricted receipts, and \$59,000 from other funds. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$19,832, inclusive of statewide medical benefit rate savings distributed to state agencies.

FY 2019 Recommended Budget

The Governor recommends FY 2019 appropriations of \$1.434 billion for the Department of Elementary and Secondary Education, including \$1.180 billion from general revenue, \$214.5 million from federal funds, \$35.6 million from restricted receipts, \$2.4 million from the Rhode Island Capital Plan Fund, and \$1.5 million from other funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$18.7 million, inclusive of statewide rate adjustments to various employee benefits. Variances from non-general revenue sources include: increasing federal financing by \$11.0 million; increasing restricted receipt financing by \$5.3 million; decreasing RICAP financing by \$4.8 million; and increasing other funds financing by \$1.1 million.

Administration of the Comprehensive Education Strategy

Within the Administration of the Comprehensive Education Strategy (ACES) program, the Governor recommends FY 2019 appropriations of \$239.0 million, including \$20.3 million from general revenue, \$212.6 million from federal funds, and \$6.1 million from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$193,386. Major changes to the enacted level include:

- *Personnel.* The Governor recommends the redirection of \$486,883 in financing for 3.0 FTE positions currently responsible for the administration of the school construction aid program from general revenue to a restricted receipt account financed by the Rhode Island Health and Educational Building Corporation (RIHEBC). In addition, the Governor recommends a new FTE position for FY 2019, the Director of School Construction Services, to oversee the anticipated increase in school construction projects associated with the proposed \$250.0 million school construction bond.
- *PSAT/SAT Tests.* The Governor recommends \$150,000 from general revenue to maintain the Department's ability to finance all PSAT and SAT tests taken by public school students. Both tests

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are mandatory under Rhode Island's ESSA plan (Every Student Succeeds Act) and this budget supplemental is necessary to finance the estimated increase in test participation.

- *3rd Grade Reading Goal.* The Governor recommends \$100,000 from general revenue for curriculum support necessary to achieve her goal of doubling the statewide reading proficiency of 3rd graders by 2025, from 37.0 percent in 2015 to 75.0 percent in 2025. Of the \$100,000 increase, \$50,000 will be allocated to purchase material and coaching for high-quality early childhood programs. The Department has leveraged federal funding in the past, bringing the Boston Public School (BPS) curriculum to thirty-seven classrooms. This funding will allow the Department to provide these materials to an additional twenty classrooms. The remaining \$50,000 will be used to invest in high quality curriculum at the elementary level. Funding will be used to develop a new high-quality curriculum, develop tools necessary for overall curriculum implementation, and teacher engagement.
- *RI Commission for National Community Service.* The Governor recommends \$3.5 million from federal funds specific to the Department taking administrative responsibility for the RI Commission for National Community Service. This commission is primarily responsible for the oversight and grant distribution of AmeriCorps and AmeriCorps Vista programs. The Governor recommends 1.0 FTE position, funded through federal grant proceeds, to perform the administrative duties of the commission.
- *Internal Services.* Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased general revenue funding of \$115,102 is now reflected in the ACES program 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.

Education Aid

Within the Education Aid program, the Governor recommends FY 2019 appropriations of \$929.2 million, including \$902.9 million from general revenue, \$24.9 million from restricted receipts, and \$1.4 million from other funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$12.6 million. Major changes to the enacted level include:

- *Formula Aid.* In FY 2019, the Governor recommends a general revenue increase of \$11.0 million in total formula aid, which includes: Local Education Authorities; Public Charter Schools; Central Falls; the Metropolitan Career and Technical School; and the Davies Career and Technical School. Central Falls and the two state schools are discussed further within their respective programs. Within the Education Aid program, the Governor recommends \$872.9 million from general revenue for formula aid. Compared to the FY 2018 enacted level, recommended formula aid increases by \$13.6 million. This increase is attributable to fully financing Year 8 of the ten-year formula transition plan, and represents the second year in which underfunded ("gaining") districts are fully phased-in under the formula, with two remaining years of reductions for the overfunded districts (FY 2020 and FY 2021). For more information on the funding formula, please see Appendix D, Aid to Schools.
- *Categorical Funds – English Learners.* Consistent with the FY 2018 Enacted Budget, the Governor recommends \$2.5 million for the English Learners categorical fund. Monitored by the Department, this categorical is meant to fund evidence based programs to improve the outcomes of English Learners (ELs). This EL categorical is calculated at the level of 10.0 percent of the Core Instruction Amount, applied to qualified students.

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- *Categorical Funds – Density Aid.* In FY 2019, the Governor recommends a general revenue decrease of \$412,500 for the density aid categorical fund when compared to the FY 2018 Enacted Budget. Density aid is distributed to traditional school districts which send greater than 5.0 percent of their total enrollment to public schools of choice. FY 2019 represents the third and final year of the density aid categorical fund as enacted by the General Assembly.
- *Categorical Funds – High Cost Special Education.* Consistent with the FY 2018 Enacted Budget, the Governor recommends \$4.5 million for the high cost special education categorical fund in FY 2019. The high cost special education categorical provides financial support to districts that are serving students with extraordinary needs. The threshold for qualifying for the High Cost Special Education categorical is five times the core foundation amount (Core Instruction Amount plus the Student Success Factor).
- *Categorical Funds – Early Childhood.* The Governor recommends \$7.4 million for the early childhood categorical fund in FY 2019, \$1.1 million greater than the FY 2018 enacted level. The overall state commitment for this initiative includes \$6.2 million from general revenue and \$1.1 million from the Permanent School Fund. The early childhood categorical is used to increase access to high quality pre-kindergarten programs, with the Department distributing funds on a competitive basis. This increase is part of the overall goal to triple the number of state-sponsored high-quality pre-kindergarten classrooms, which currently total 60, compared to 17 classrooms in FY 2015. The heightened state commitment in FY 2019 also ensures the continued leveraging of \$4.9 million in federal expansion grant funds for this purpose.
- *Categorical Funds – Transportation.* The Governor recommends \$3.0 million for the transportation categorical fund in FY 2019, consistent with the FY 2018 enacted level. The transportation categorical is used to reimburse districts for a portion of costs associated with transporting students to out-of-district, non-public schools. Districts must participate in the statewide transportation system to be reimbursement eligible.
- *Categorical Funds – Regional District Transportation.* The Governor recommends \$3.8 million for the Regional District Transportation fund in FY 2019, consistent with the FY 2018 enacted level. This categorical fund is used to reimburse regional school districts for a portion of intra-district transportation costs. Districts must participate in the statewide transportation system to be reimbursement eligible.
- *Categorical Funds – Career and Technical.* The Governor recommends \$4.5 million for the career and technical education categorical fund in FY 2019, consistent with the FY 2018 enacted level. The career and technical categorical fund is used to support the start-up of new programs and to offset the higher than average per-pupil costs associated with existing career and technical programs.
- *Group Home Aid:* The Governor recommends \$3.6 million from general revenue for group home aid, \$532,463 below the FY 2018 enacted level. This decrease in group home aid in FY 2019 is to accommodate R.I.G.L. 16-7-22(1)(ii), which requires the average daily membership of each LEA to be decreased by the number of group home beds used in group home aid calculations. To remain consistent with the manner in which this decrease was enacted in 2015 and 2016, the funding formula adjustment for the number of licensed group home beds is applied to group home aid rather than to the funding formula. In addition, this adjustment accommodates R.I.G.L. 16-64-1.1(b)(2), which requires the Department to reimburse LEAs for each group home bed certified by the Department of Children, Youth, and Families (DCYF) by the preceding December 31st.

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- *E-Rate*. The Governor recommends \$400,000 from general revenue for the State E-Rate program in FY 2019, consistent with the FY 2018 enacted level. The E-Rate program is used to bring Wi-Fi and broadband connectivity to schools.
- *Statewide Student Transportation*. The Governor recommends a \$4.6 million increase in restricted receipts for the Statewide Student Transportation program when compared to the FY 2018 enacted level. Restricted receipts are collected from LEAs for transportation expenditures associated with participation in the Statewide Student Transportation program. In FY 2019, the Governor recommends appropriation of \$23.7 million.
- *Progressive Support and Intervention Program (Permanent School Fund)*. In FY 2019, the Governor recommends that \$300,000 from the Permanent School Fund, included within other funds, be used to support the Advanced Coursework Network, consistent with the FY 2018 enacted level. The Advanced Course Network enables Rhode Island high school students access to advanced coursework opportunities. In total, the initiative will support and serve more than 1,000 students statewide for FY 2019.
- *Recovery High School*. The Governor recommends \$500,000 for the State's recovery high school, consistent with the FY 2018 enacted level. The high school provides individualized programs to students recovering from substance abuse, supporting both personal recovery and academic achievement.

School Construction Aid

Within the School Housing Aid program, the Governor recommends FY 2019 appropriations of \$80.0 million from general revenue, comprised of \$69.4 million for the school housing aid program established by R.I.G.L. 16-7-35, and \$10.6 million for the School Building Authority Fund, established by R.I.G.L. 45-38.2-2. Total school construction aid is consistent with the FY 2018 Enacted Budget. Funds within this program will be expended in conjunction with the proposed \$250.0 million school construction bond.

Teacher Retirement

Within the Teacher Retirement program, the Governor recommends FY 2019 appropriations of \$107.1 million from general revenue, \$5.3 million greater than the FY 2018 enacted level. Per RIGL 16-16-22, the state funds 40.0 percent of the employer's share of retirement contributions on behalf of teachers who are members of the Teacher's Retirement System.

Davies Career & Technical High School

Within the Davies Career and Technical High School program, the Governor recommends FY 2019 appropriations of \$20.7 million, including \$13.3 million from general revenue, \$1.3 million from federal funds, \$3.9 million from restricted receipts, and \$2.1 million from the RI Capital Plan Fund. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$28,500. Major changes to the enacted level include:

- *Formula Aid – Year 8*. In FY 2019, the education aid formula allocates \$810,988 less than the FY 2018 enacted level. Under the funding formula, Davies is classified as an overfunded district, therefore the school will continue to transition over the next two years. Funding allocated by the formula has declined from \$13.4 million in FY 2012 to \$9.4 million in FY 2019.
- *Davies Supplemental Financing*. In addition to the funding allocated by the formula, the Governor recommends supplemental (stabilization) financing of \$4.0 million in FY 2019 in order to sustain

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existing academic and technical programs at the school. The supplemental financing is \$810,988 more than the FY 2018 enacted level.

- *Personnel.* Reductions totaling \$28,500 from general revenue funds in recognition of anticipated turnover savings generated by the Voluntary Retirement Incentive (VRI) for eligible employees.

Metropolitan Regional Career & Technical Center (Met Center)

Within the Metropolitan Regional Career & Technical Center program, the Governor recommends FY 2019 appropriations of \$9.6 million, including \$9.3 million from general revenue, and \$250,000 from the RI Capital Plan Fund. Relative to FY 2018 enacted levels, recommended general revenue financing remains unchanged, while financing from the RI Capital Plan Fund decreases by \$2.2 million. Major changes include:

- *Formula Aid – Year 8.* In FY 2019, the education aid formula allocates \$580,264 less than the FY 2018 enacted level, from \$8.6 million to \$8.0 million.
- *The Met Center Supplemental Financing.* In addition to the funding allocated by the formula, the Governor recommends supplemental (stabilization) financing of \$1.3 million in FY 2019 in order to alleviate the effects of the proposed changes to the funding formula. The supplemental financing is \$580,264 more than the FY 2018 enacted level.

Central Falls

Within the Central Falls program, the Governor recommends FY 2019 appropriations of \$40.4 million from general revenue, \$519,519 more than the enacted level. Of the amount recommended for Central Falls, \$32.0 million is attributable to the formula allocation and \$8.4 million is attributable to the transition fund.

Rhode Island School for the Deaf

Within the Rhode Island School for the Deaf program, the Governor recommends FY 2019 appropriations of \$7.8 million, including \$6.3 million from general revenue, \$554,925 from federal funds, \$837,032 from restricted receipts, \$50,000 from the RI Capital Plan fund, and \$59,000 from other funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$69,198. Major changes include:

- *Asset Protection.* In FY 2019, the Governor recommends \$50,000 from the RI Capital Plan Fund for asset protection at the Rhode Island School for the Deaf. Asset protection funds are utilized to maintain and improve critical building infrastructure at the School, which is a state-owned facility.

The Governor recommends staffing authorizations of 325.1 FTE positions in the Revised FY 2018 Budget, consistent with the enacted level. In FY 2019, The Governor recommends 327.1 FTE positions, reflecting 2.0 newly recommended FTE positions: (1) Grant Administrator for the Rhode Island Commission for National Community Service, and (2) Director of School Construction Services.

PUBLIC HIGHER EDUCATION

Source Of Funds	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Enacted	FY 2018 Revised	FY 2019 Recommended
General Revenue	\$180,874,064	\$198,362,974	\$220,882,593	\$220,768,994	\$228,029,183
Federal Funds	\$15,278,876	\$14,333,834	\$13,933,669	\$14,147,405	\$9,784,007
Restricted Receipts	\$636,787	\$1,237,723	\$2,173,990	\$2,666,842	\$2,886,814
Other Funds	\$855,928,094	\$852,346,100	\$911,846,262	\$907,308,500	\$930,421,400
Rhode Island Capital Plan Fund	\$29,514,725	\$23,555,604	\$31,262,494	\$44,187,573	\$28,155,219
Total Funding	\$1,082,232,546	\$1,089,836,235	\$1,180,099,008	\$1,189,079,314	\$1,199,276,623
FTE Authorization	4259.2	4296.8	4306.8	4307.8	4399.3

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FY 2018 Revised Budget

The Governor recommends revised FY 2018 appropriations totaling \$1.189 billion for Public Higher Education, including \$220.8 million from general revenue, \$14.1 million from federal funds, \$907.3 million from other funds, \$2.7 million in restricted receipts, and \$44.2 million from the Rhode Island Capital Plan Fund (RICAP). Relative to the enacted FY 2018 level of \$220.9 million, general revenue financing decreases by \$113,599, reflecting the net result of additional state-financed general obligation bond debt service and several mid-year retrenchments proposed at both the Office of the Postsecondary Commissioner and the state’s institutions of higher education. Final recommendations by component unit are as follows:

FY 2018 Revised Funding- OPC and State Institutions of Higher Education

Institution	General Revenue	Rhode Island Capital Plan Fund	Institutional/Other Funding*	Total Appropriation
Office of the Postsecondary Commissioner	\$14,081,712	\$98,729	\$27,372,724	\$41,553,165
University of Rhode Island	\$100,966,413	\$14,940,435	\$666,026,268	\$781,933,116
Rhode Island College	\$54,016,868	\$16,301,160	\$130,476,586	\$200,794,614
Community College of Rhode Island	\$51,704,001	\$12,847,249	\$100,247,169	\$164,798,419
Total	\$220,768,994	\$44,187,573	\$924,122,747	\$1,189,079,314

*Includes operations and maintenance financing for the Nursing Education Center (also reflected in the OPC budget). Figure also includes restricted receipt expenditures for the Drivers’ Education Program at CCRI.

Office of the Postsecondary Commissioner (OPC)

The Governor recommends revised FY 2018 general revenue appropriations of \$14.1 million for the Office of the Postsecondary Commissioner, a net reduction of \$496,747 relative to the FY 2018 enacted level, comprised of the following:

- \$231,086 in supplemental general revenue supporting the first year of Governor Raimondo’s *Rhode Island Promise Scholarship*, a “last-dollar” scholarship providing two years of free tuition and mandatory fees to qualifying students at the Community College of Rhode Island. Following strong enrollment statistics despite a compressed implementation schedule during summer 2017, newly estimated state sponsorship of Rhode Island Promise will total \$3.0 million in FY 2018 (the originally amount proposed in the Governor’s FY 2018 budget), or \$231,086 above the enacted appropriation of \$2.75 million.
- Reductions totaling \$337,529 for the State’s obligations for “tenant improvement” rental payments and Lease Participation Certificates (“COPS”) debt service costs related to the newly constructed Nursing Education Center (RINEC) in downtown Providence. These adjustments reflect the finalization of both the NEC tenant improvement rent amortization and the COPS debt service schedule in January and June of 2017, respectively.

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- Administrative operating reductions of \$151,517, consisting of a \$100,000 permanent base adjustment to the Office of the Commissioner and one-time turnover savings of \$51,517 stemming from intermittency in the re-hiring process of several vacant positions.
- The withdrawal of \$186,418 from the Office's Information Technology Administrative Implementation Fund, a funding pool that each year provides discretionary grants totaling \$686,418 to state institutions for specialized IT infrastructure projects. In FY 2018, remaining financing of \$500,000 will be directed to the Community College of Rhode Island, thus facilitating the redirection of institutional funds toward capacity building, outreach, and student service activities to support CCRI's 47 percent increase in first-time student enrollment due to Rhode Island Promise.
- A reduction of \$57,175 to the general revenue appropriation supporting the full cost of the contract between the Council of Postsecondary Education and the Rhode Island Convention Center Authority (RICCA) for student/faculty parking at the Providence-based URI School of Professional and Continuing Studies. This measure does not contemplate a downward revision to the contractual amount (\$897,135), but rather an alternative funding strategy whereby the University of Rhode Island will contribute the difference using current institutional resources or through the creation of a fair and equitable commuter fee for those School of Professional and Continuing Studies students utilizing the RICCA parking facilities.
- Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased general revenue funds of \$10,892 are reflected in OPC's FY 2018 revised budget, accounting for the decentralization of budgetary authority for statewide internal services.

State Institutions of Higher Education: University of Rhode Island (URI), Rhode Island College (RIC), and the Community College of Rhode Island (CCRI)

The Governor recommends revised FY 2018 general revenue appropriations of \$206.7 million for the state institutions, a net addition of \$383,148 relative to the FY 2018 enacted level, comprised of the following:

- Additional general revenue of \$1.4 million for FY 2018 debt service obligations on outstanding General Obligation (GO) Bonds, reflecting the April 2017 new money issuance of \$40.0 million for higher education facilities projects, combined with savings from the refinancing of previous GO issuances.
- Reductions of \$366,777, \$364,551, and \$314,554 to URI, RIC, and CCRI (respectively) in recognition of the state-financed share of anticipated attrition savings generated by the Voluntary Retirement Incentive (VRI) for eligible classified employees of the state schools.

FY 2019 Recommended Budget

The Governor recommends FY 2019 appropriations of \$1.199 billion for Public Higher Education, including \$228.0 million from general revenue, \$9.8 million from federal funds, \$930.4 million from other funds, \$2.9 million from restricted receipts, and \$28.2 million from the Rhode Island Capital Plan Fund. Final recommendations by component unit are as follows:

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FY 2019 Funding- OPC and State Institutions of Higher Education

Institution	General Revenue	Rhode Island Capital Plan Fund	Institutional/Other Funding*	Total Appropriation
Office of the Postsecondary Commissioner	\$16,776,572	\$2,000,000	\$23,076,329	\$41,852,901
University of Rhode Island	\$102,803,013	\$9,200,000	\$680,804,231	\$792,807,244
Rhode Island College	\$55,609,858	\$11,212,184	\$132,900,850	\$199,722,892
Community College of Rhode Island	\$52,839,740	\$5,743,035	\$106,310,811	\$164,893,586
Total	\$228,029,183	\$28,155,219	\$943,092,221	\$1,199,276,623

*Includes operations and maintenance financing for the Nursing Education. Figure also includes restricted receipt expenditures for the Drivers' Education Program at CCRI.

Office of the Postsecondary Commissioner (OPC)

The Governor recommends FY 2019 general revenue appropriations of \$16.8 million for the Office of the Postsecondary Commissioner, a net increase of \$2.2 million relative to the FY 2018 enacted level, comprised primarily of the following:

- \$3.6 million in additional general revenue supporting the second year of Governor Raimondo's *Rhode Island Promise Scholarship*, yielding a total appropriation of \$6.4 million. Robust enrollment trends witnessed during the 2017-2018 school year are anticipated to continue unabated in 2018-2019, the first school year containing two full recipient-student cohorts. Current projections indicate 2,750 CCRI student enrollments in school year 2018-2019 will meet the eligibility requirements for the scholarship.
- Discontinuation of the Office's Information Technology Administrative Implementation Fund, generating savings totaling \$686,418.
- Annualization of savings due to URI's contribution to the RICCA parking facility lease payment for the School of Professional and Continuing Studies, coupled with the continuation of the aforementioned FY 2018 OPC operating base adjustment.
- The lapse of a two-year, \$2.0 million general revenue grant spanning FY 2017 (\$750,000) and FY 2018 (\$1.25 million) for the construction of the Westerly Education Center, substantial completion of which was achieved in FY 2017.
- Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, general revenue funds totaling \$10,976 are now reflected in the OPC 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.

Education

State Institutions of Higher Education: University of Rhode Island (URI), Rhode Island College (RIC), and the Community College of Rhode Island (CCRI)

The Governor recommends FY 2019 general revenue appropriations totaling \$211.3 million for the state institutions, a net addition of \$4.9 million relative to the FY 2018 enacted level, comprised primarily of the following:

- Additional general revenue of \$2.1 million for FY 2019 debt service obligations on outstanding General Obligation (GO) Bonds, reflecting the April 2017 new money issuance of \$40.0 million for higher education facilities projects, combined with savings from the refinancing of previous GO issuances.
- The substitution of \$260,622 in unrestricted institutional funding for state general revenue support at the University of Rhode Island.
- **FY 2019 Performance Incentive Funding**
In accordance with RIGL 16-106, *The Performance Incentive Funding Act*, and the Office of the Postsecondary Commissioner's ambitious 5-year comprehensive funding plan for public higher education, the Governor recommends additional appropriations of \$3.0 million (\$1.0 million each for the University of Rhode Island, Rhode Island College, and the Community College of Rhode Island) in FY 2019. This funding will be apportioned based on specific performance outcomes, utilizing metrics outlined in statute and promulgated by the Council on Postsecondary Education, such as degree/certificate completion rates, number of degrees awarded in high-wage, high-demand fields, institutional-specific metrics, and other metrics deemed appropriate by the Commissioner of Postsecondary Education. Preliminary metrics were approved in November 2016 with updates expected during the upcoming 2018 legislative session. This measure represents one component of a broader five-year funding plan (currently in development by OPC and the Council) addressing systemic improvements throughout Rhode Island's institutions of public higher education, with the stated goals of 70 percent postsecondary attainment by 2025, increasing graduates in high demand/high-wage fields, and maintaining Rhode Island's competitiveness vis-a-vis other New England states and nationwide.

FY 2019 Full-Time Equivalent Positions

Within the Office of the Postsecondary Commissioner, recommended FY 2019 staffing authorizations total 38.0 FTE positions, 1.0 FTE position above the enacted level of 37.0 FTE positions. This decrease is the net result of three distinct modifications: (1) The Governor's approval of 2.0 additional FTE positions at the Westerly Education Center to accommodate expanding utilization of the Center's facilities; (2) A 3.0 FTE position reduction to the current (10.0) FTE complement of the Division of Higher Education Assistance (DHEA). This workforce reduction follows the expected transfer (under Federal DOE auspices) of all Federal Family Education Loan (FFEL) guaranty agency operations from DHEA to a non-governmental successor guaranty agency by June 30, 2018; and (3) A 2.0 FTE position increase to the Commissioner's Office, financed via anticipated grants from non-governmental organizations and other sources, dedicated to higher education attainment, student supports, and financial aid-related activities.

Standard staffing authorizations at the University of Rhode Island are recommended to increase by 19.5 FTE positions, from 1,915.7 FTE positions to 1,935.2 FTE positions, reflecting the addition of 10.0 Full-time, tenure-track Assistant Professors; 3.0 Lecturers; 1.0 Assistant Director of (Student) Veterans' Affairs; 1.0 Director & 1.0 Coordinator, Offices for Innovation in General Education and Undergraduate Research and Innovation; 1.0 Strength and Conditioning Coach; 1.5 FTE for two Associate Athletic Therapists; and a University Psychologist to support students undergoing or at-risk for mental health crises.

Education

The URI sponsored research staffing authorization is likewise recommended to increase by 49.0 FTE positions, from 573.8 to 622.8, reflecting the following new positions: 12.0 Research Assistants in support of a \$19.0 million NSF grant to establish the Consortium on Ecology, Assessment, Innovation, and Modeling for Narragansett Bay; 25.0 Research Assistants in support of an interagency agreement with EOHHHS for Health System Transformation and the Designated State Health Plan waiver; and 12.0 FTE positions associated with the recent consolidation of DataSpark (the former data analytics team of the "Providence Plan") within the University.

The Governor recommends 23.0 additional FTE positions assigned to the RIC standard FTE authorization, yielding a FY 2019 FTE ceiling of 873.2 FTE positions, with no change to the RIC sponsored research allotment of 76.0 FTE positions. These additional positions will provide much-needed flexibility and capacity as the College pursues the expanded use of full-time faculty, with less reliance on part-time adjunct faculty. Staffing authorizations for CCRI are unchanged at 854.1 FTE positions.

Recommended staffing authorizations therefore total 4,399.3 FTE positions throughout Rhode Island's system of Public Higher Education.

Investing in Public Higher Education Infrastructure

Included within her FY 2019 – FY 2023 Capital Improvement Plan, the following new projects continue the Governor's strong commitment to the protection and modernization of higher education facilities throughout Rhode Island's public university and college campuses:

URI Narragansett Bay Campus Renewal: This large-scale project entails the renovation and/or replacement of various outmoded and inefficient buildings, laboratories, and infrastructure on the grounds of the URI Narragansett Bay Campus, home to the Graduate School of Oceanography (GSO) and the URI Ocean Engineering program. Improvements are also planned to the waterfront research vessel dock, along with a redesign of campus roadways and walkways to create a more communal, collaborative educational experience. The Governor recommends a \$45.0 million GO Bond Referendum in November 2018 to finance the initial phase of this project, meeting the highest priority rehabilitation needs outlined in the Campus Master Plan.

URI Fine Arts Center Renovations: Last year, the Governor designated \$1.0 million from the Rhode Island Capital Plan Fund in FY 2018 to finance early stages of the first phase of major renovations to the University's Fine Arts Center on the main campus in Kingston, Rhode Island. In the FY 2019 – FY 2023 Capital Improvement Plan, the Governor recommends an additional \$11.0 million in RICAP funds to complete Phase I of the project, involving HVAC system replacements and extensive exterior envelope repairs to five of the ten building "pods" that comprise the Fine Arts complex.

RIC Horace Mann Hall Renovation: The Governor recommends a \$25.0 million GO Bond Referendum in November 2018 to fully finance the renovation of Horace Mann Hall on the campus of Rhode Island College. Constructed in 1969, and currently housing the Feinstein School of Education and Human Development, Horace Mann Hall requires comprehensive renovations to all existing classrooms, reconfiguration of office spaces, overhaul of building systems, restoration of the building's exterior envelope, and full window and elevator replacements.

Westerly Higher Education Center Model Expansion: The Governor recommends \$4.0 million from the Rhode Island Capital Plan Fund to expand the public-private educational model pioneered at the Westerly Higher Education Center to the northern region of the state. RICAP funds will be utilized in FY 2019 and FY 2020 to construct a new Education Center, providing state-of-the-art classroom and multi-use facilities where local industry can implement workforce training programs and develop curricula in

Education

collaboration with the state's public higher education institutions.

RHODE ISLAND COUNCIL ON THE ARTS					
Source Of Funds	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Enacted	FY 2018 Revised	FY 2019 Recommended
General Revenue	\$1,844,116	\$1,906,356	\$1,945,056	\$1,963,360	\$1,989,693
Federal Funds	\$700,799	\$710,269	\$781,454	\$751,796	\$719,053
Restricted Receipts	\$0	\$19,119	\$0	\$10,881	\$5,000
Other Funds	\$450,859	\$269,756	\$345,800	\$400,000	\$400,000
RI Capital Plan Fund	\$0	\$0	\$0	\$0	\$0
Total Funding	\$2,995,774	\$2,905,499	\$3,072,310	\$3,126,037	\$3,113,746
FTE Authorization	8.6	8.6	8.6	8.6	8.6

FY 2018 Revised Budget

The Governor recommends revised FY 2018 appropriations of \$3.1 million for the RI State Council on the Arts, including \$2.0 million from general revenue, \$751,796 from federal funds, \$10,881 from restricted receipts, and \$400,000 from the Art for Public Facilities Fund. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$18,304, inclusive of statewide medical benefit rate savings distributed to state agencies. Other major changes to the enacted level include:

- *Personnel.* The Governor recommends a decrease of \$24,497 from general revenue for personnel expenditures in FY 2018, attributable to turnover savings from two unforeseen vacancies.
- *Rhode Island Foundation Grants.* The Governor includes an additional \$10,881 from restricted receipts financing for grants received from the Rhode Island Foundation. This includes \$5,000 in newly received grant funds and \$5,881 in carryforward proceeds from the previous fiscal year.
- *Art for Public Facilities Fund.* The Art for Public Facilities Fund, established pursuant to R.I.G.L. 42-75.2-4, requires any state building or facility being constructed, remodeled, or renovated, to expend at least 1.0 percent of construction costs on works of art for public display. The Governor includes \$400,000 for the Art for Public Facilities Fund, an increase of \$54,200 from the enacted level, reflecting estimated expenditures.
- *Internal Services.* Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased general revenue funding of \$45,333 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.

FY 2019 Recommended Budget

The Governor recommends FY 2019 appropriations of \$3.1 million for the RI State Council on the Arts, including \$2.0 million from general revenue, \$719,053 from federal funds, \$5,000 from restricted receipts, and \$400,000 from the Art for Public Facilities Fund. Recommended general revenue financing increases by \$44,637 from the enacted level. Major changes to the enacted budget include:

- *Rhode Island Foundation Grants.* In FY 2019, the Governor includes an additional \$5,000 from restricted receipts financing for grants received from the Rhode Island Foundation, compared to the FY 2018 enacted level.

Education

- *Art for Public Facilities Fund.* The Governor includes \$400,000 for the Art for Public Facilities Fund, \$54,200 more than the enacted level, reflecting estimated expenditures in FY 2019.
- *Internal Services.* Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased general revenue funding of \$45,750 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 Governor recommends 8.6 FTE positions in the revised FY 2018 Budget and the FY 2019 Budget.

RHODE ISLAND ATOMIC ENERGY COMMISSION					
Source Of Funds	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Enacted	FY 2018 Revised	FY 2019 Recommended
General Revenue	\$908,285	\$956,464	\$982,157	\$1,021,021	\$1,053,231
Federal Funds	\$336,542	\$11,973	\$0	\$36,888	\$0
Restricted Receipts	\$0	\$0	\$0	\$0	\$99,000
Other Funds	\$263,019	\$241,615	\$272,216	\$271,762	\$268,879
RI Capital Plan Fund	\$69,036	\$32,246	\$50,000	\$50,000	\$50,000
Total Funding	\$1,576,882	\$1,242,298	\$1,304,373	\$1,379,671	\$1,471,110
FTE Authorization	8.6	8.6	8.6	8.6	8.6

FY 2018 Revised Budget

The Governor recommends revised FY 2018 appropriations of \$1.4 million for the Atomic Energy Commission, including \$1.0 million from general revenue, \$36,888 from federal funds, \$271,762 from other funds, and \$50,000 from the Rhode Island Capital Plan Fund. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$38,864, inclusive of statewide medical benefit rate savings distributed to state agencies. Other major changes to the enacted level include:

- *Internal Services.* Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased general revenue funding of \$58,975 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.

FY 2019 Recommended Budget

The Governor recommends FY 2019 appropriations of \$1.5 million for the Atomic Energy Commission, including \$1.1 million from general revenue, \$99,000 from restricted receipts, \$268,879 from other funds, and \$50,000 from the Rhode Island Capital Plan Fund. Recommended general revenue financing increases by \$71,074 from the enacted level. Major changes to the enacted budget include:

- *Enterprise Fund.* In FY 2019, the Governor recommends \$99,000 from restricted receipts be appropriated for a newly created account, the “Atomic Energy Enterprise Fund.” Revenues collected from reactor fees will be placed within this newly created fund, and used to maintain the Agency’s equipment. On the last day of the fiscal year, if this fund holds a balance above \$200,000, all funds in excess of \$200,000 shall be paid to the State’s general fund.

Education

- *Internal Services.* Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased general revenue funding of \$59,429 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 Governor recommends 8.6 FTE positions in the revised FY 2018 Budget and the FY 2019 Budget, consistent with the enacted level.

HISTORICAL PRESERVATION AND HERITAGE COMMISSION

Source Of Funds	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Enacted	FY 2018 Revised	FY 2019 Recommended
General Revenue	\$1,362,860	\$1,131,750	\$1,121,134	\$1,123,154	\$1,187,291
Federal Funds	\$1,283,096	\$1,427,273	\$860,963	\$976,203	\$851,540
Restricted Receipts	\$126,202	\$27,987	\$427,700	\$432,151	\$465,870
Other Funds	\$75,291	\$79,732	\$80,970	\$80,970	\$81,589
RI Capital Plan Fund	\$125,000	\$0	\$0	\$0	\$0
Total Funding	\$2,972,449	\$2,666,742	\$2,490,767	\$2,612,478	\$2,586,290
FTE Authorization	16.6	15.6	15.6	15.6	15.6

FY 2018 Revised Budget

The Governor recommends revised FY 2018 appropriations of \$2.6 million for the Historical Preservation and Heritage Commission, including \$1.1 million from general revenue, \$976,203 from federal funds, \$432,151 from restricted receipts, and \$80,970 from other funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$2,020, inclusive of statewide medical benefit rate savings distributed to state agencies. Other major changes to the enacted level include:

- *Personnel.* The governor recommends a decrease of \$86,475 from general revenue for personnel expenditures in FY 2018, largely attributable to turnover savings from the vacancy of the Executive Director position.
- *Federal Grants.* The Governor includes an increase of \$115,240 from federal funds, attributable to carryforward proceeds associated with the Hurricane Sandy Disaster Relief Grant and the National Maritime Heritage Grant.
- *Internal Services.* Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased general revenue funding of \$92,262 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.

FY 2019 Recommended Budget

The Governor recommends FY 2019 appropriations of \$2.6 million for the Historical Preservation and Heritage Commission, including \$1.2 million from general revenue, \$851,540 from federal funds, \$465,870 from restricted receipts, and other funds totaling \$81,589. Recommended general revenue financing increases by \$66,157 from the enacted level. Major changes to the enacted budget include:

Education

- *Restricted Receipts.* The Governor includes an increase of \$32,800 from restricted receipts, attributable to a one-time easement payment. These funds are used to offset general revenue expenditures specific to personnel.
- *Federal Grants.* In FY 2019 the Commission was the recipient of an additional National Maritime Heritage Grant from the U.S. National Park Service, totaling \$210,000.
- *Internal Services.* Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased general revenue funding of \$94,726 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 Governor recommends 15.6 FTE positions in the revised FY 2018 Budget and the recommended FY 2019 Budget, consistent with the FY 2018 enacted level.

Public Safety

Public Safety

DEPARTMENT OF THE ATTORNEY GENERAL

Source Of Funds	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Enacted	FY 2018 Revised	FY 2019 Recommended
General Revenue	\$24,053,485	\$25,379,778	\$26,194,751	\$26,146,061	\$27,152,722
Federal Funds	\$2,034,144	\$5,581,143	\$16,988,288	\$30,000,563	\$12,710,334
Restricted Receipts	\$3,185,088	\$694,558	\$796,158	\$792,468	\$783,450
Other Funds	\$0	\$0	\$0	\$0	\$0
RI Capital Plan Fund	\$182,470	\$157,258	\$150,000	\$150,000	\$150,000
Total Funding	\$29,455,187	\$31,812,737	\$44,129,197	\$57,089,092	\$40,796,506
FTE Authorization	236.1	235.1	235.1	235.1	235.1

FY 2018 Revised Budget

The Governor recommends revised FY 2018 appropriations of \$57.1 million for the Department of the Attorney General, including \$26.1 million from general revenue, \$30.0 million from federal funds, \$792,468 from restricted receipts, and \$150,000 from the Rhode Island Capital Plan Fund. Relative to FY 2018 enacted levels, recommended general revenue financing decrease by \$48,690, while federal financing increases by \$13.0 million, restricted receipt financing decreases by \$3,690, and Rhode Island Capital Plan Fund financing remains the same. The revised FY 2018 budget is inclusive of statewide medical benefit savings distributed to state agencies, which resulted in \$78,045 of general revenue savings being allocated to the Office of the Attorney General.

All Programs

Internal Service Funds. Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased funding totaling \$29,355 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.

Criminal

Within the Criminal program, the Governor recommends revised FY 2018 appropriations of \$46.3 million, including \$16.2 million from general revenue, \$30.0 million from federal funds, and \$149,278 in restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$93,493, while federal financing increases by \$13.0 million, and restricted receipts financing decreases by \$15,497 million, attributable to the following adjustments:

- *Personnel.* The Governor's recommendation includes \$14.7 million in general revenue for personnel costs, a decrease of \$39,384 from the enacted level. Financing is provided for 150.1 FTE positions.
- *Federal Forfeitures (Google Settlement).* The Governor includes \$27.6 million from federal funds, an increase of \$12.5 million from the enacted FY 2018 Budget, to fund construction of a new Customer Service Center on the Pastore Complex in Cranston, as well as renovations at the office's headquarters in Providence.
- *State Medicaid Fraud Control.* The Governor's budget recommendation includes \$250,000 in general revenue (\$62,500 in FY 2018 revised) as well as \$750,000 in federal funds in information technology contract services to obtain datamining services to enhance the Attorney General's ability to detect and prevent Medicare/Medicaid waste and fraud. The total recommended all-funds budget for this program is \$2.3 million

Public Safety

Civil

Within the Civil program, the Governor recommends revised FY 2018 appropriations of \$5.9 million, including \$5.2 million from general revenue and \$643,360 in restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$20,871) and restricted receipts financing increases by \$11,807, attributable to the following adjustments:

- *Personnel.* The Governor's recommendation includes \$4.8 million in general revenue for personnel costs, \$24,439 less than the enacted level. Financing is provided for 43.0 FTE positions.
- *Hospital Conversion and Merger Experts.* The Governor recommends \$40,000 in general revenues in management services for experts to analyze upcoming hospital conversions and mergers, to assist the Attorney General in its review responsibilities.
- *Public Utilities Rate Experts.* The Governor recommends \$50,000 in restricted receipts in contract services for experts to assist the Attorney General in the review of upcoming utility rate increases. The recommended restricted receipts budget for the Public Utility regulatory unit is \$607,469.
- *Consumer Education.* The Governor recommends \$16,000 in restricted receipts cost sharing expenditures to participate in on-going multistate litigations.

Bureau of Criminal Identification (BCI)

Within the BCI program, the Governor recommends revised FY 2018 appropriations of \$1.7 million, all from general revenue. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$17,972, attributable to the following adjustment:

- *Personnel.* The Governor's recommendation includes \$1.5 million in general revenue for personnel costs, a decrease of \$40,830 from the enacted level. Financing is provided for 19.0 FTE positions.

General

Within the General program, the Governor recommends revised FY 2018 appropriations of \$3.2 million, \$3.1 million from general revenue and \$150,000 from the Rhode Island Capital Plan Fund. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$103,339, while Rhode Island Capital Plan Fund financing remains the same, attributable to the following adjustments:

- *Personnel.* The Governor's recommendation includes \$2.9 million in general revenue for personnel costs, a decrease of \$110,421 from the enacted level. Financing is provided for 23.0 FTE positions.
- *Rhode Island Capital Plan:* The Governor recommends \$150,000 for general repairs.

FY 2019 Recommended Budget

The Governor recommends FY 2019 appropriations of \$40.8 million for the Department of the Attorney General, including \$27.2 million from general revenue, \$12.7 million from federal funds, \$783,456 from restricted receipts, and \$150,000 from the Rhode Island Capital Plan Fund. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$957,971, federal financing decreases by \$4.2 million, restricted receipts financing decreases by \$12,708, and Rhode Island Capital Plan Fund financing remains the same. The FY 2019 budget is inclusive of statewide fringe benefit adjustments distributed to state agencies, which resulted in \$90,745 of general revenue expenditures being allocated to the Department of the Attorney General.

Public Safety

All Programs

Internal Service Funds. Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased funding totaling \$29,581 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.

Criminal

Within the Criminal program, the Governor recommends an FY 2019 appropriation of \$29.7 million, including \$16.8 million from general revenue, \$12.7 million from federal funds, and \$139,107 in restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$763,694, federal financing decreases by \$4.3 million, and restricted receipts decrease by \$25,492, attributable to the following adjustments:

- *Personnel.* The Governor's recommendation includes \$15.1 million in general revenue for personnel costs, an increase of \$461,995 from the enacted level. Financing is provided for 150.1 FTE positions.
- *Court Cost Offsets.* The Governor's budget includes \$165,404 for the agency's share of the operating costs of judicial facilities, an increase of \$6,110 from the enacted level.
- *Federal Forfeitures (Google Settlement).* The Governor includes \$10.4 million from federal funds, a decrease of \$4.7 million from the FY 2018 Enacted level, for renovations at the office's headquarters in Providence.
- *State Medicaid Fraud Control.* The Governor's budget recommendation includes \$250,000 in general revenue (\$187,500 in FY 2019) as well as \$750,000 in federal funds in information technology contract services to obtain datamining services to enhance the Attorney General's ability to detect and prevent Medicare/Medicaid waste and fraud. The total recommended all-funds budget for this program is \$2.4 million.

Civil

Within the Civil program, the Governor recommends FY 2019 appropriations of \$6.0 million, including \$5.4 million from general revenue and \$644,343 in restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$114,413, while restricted receipts financing decreases by \$12,784 attributable to the following adjustments:

- *Personnel.* The Governor's recommendation includes \$4.9 million in general revenue for personnel costs, an increase of \$98,943 from the enacted level. Financing is provided for 43.0 FTE positions.
- *Hospital Conversion and Merger Experts.* The Governor recommends \$40,000 in general revenues in management services for experts to analyze upcoming hospital conversions and mergers, to assist the Attorney General in its review responsibilities.
- *Public Utilities Rate Experts.* The Governor recommends \$50,000 in restricted receipts in contract services for experts to assist the Attorney General in the review of upcoming utility rate increases. The recommended restricted receipts budget for the Public Utility regulatory unit is \$620,163.
- *Consumer Education.* The Governor recommends \$16,000 in restricted receipts cost sharing expenditures to participate in on-going multistate litigations.

Public Safety

Bureau of Criminal Identification (BCI)

Within the BCI program, the Governor recommends an FY 2019 appropriation of \$1.7 million, all from general revenue. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$10,144, attributable to the following adjustments:

- *Personnel.* The Governor's recommendation includes \$1.6 million in general revenue for personnel costs, an increase of \$3,926 from the enacted level. Financing is provided for 19.0 FTE positions.

General

Within the General program, the Governor recommends an FY 2019 appropriations of \$3.4 million, \$3.3 million from general revenue and \$150,000 from the Rhode Island Capital Plan Fund. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$59,728 and Rhode Island Capital Plan Fund financing remains unchanged, attributable to the following adjustments:

- *Personnel.* The Governor's recommendation includes \$3.0 million in general revenue for personnel costs, an increase of \$19,954 from the enacted level. Financing is provided for 23.0 FTE positions.
- *Rhode Island Capital Plan.* The Governor's recommendation includes \$150,000 for building repairs.
- *Transition Costs.* The Governor recommends \$58,076 in personnel and operating expenditure incurred due to the election of a new Attorney General in January 2019.

The Governor recommends 235.1 FTE positions in the revised FY 2018 Budget and the recommended FY 2019 Budget, consistent with the enacted FY 2018 level. Funded positions include assistant attorney generals, staff attorneys, investigators, executive assistants, clerks, data entry operators, and legal secretaries.

DEPARTMENT OF CORRECTIONS					
Source Of Funds	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Enacted	FY 2018 Revised	FY 2019 Recommended
General Revenue	\$208,284,387	\$212,327,677	\$218,300,828	\$229,927,179	\$233,022,846
Federal Funds	\$1,266,847	\$1,564,506	\$1,581,884	\$2,017,797	\$1,591,303
Restricted Receipts	\$266,239	\$55,075	\$59,368	\$64,411	\$59,356
Other Funds	\$0	\$0	\$0	\$0	\$0
RI Capital Plan Fund	\$2,712,801	\$4,151,840	\$15,758,185	\$16,597,823	\$11,750,000
Total Funding	\$212,530,274	\$218,099,098	\$235,700,265	\$248,607,210	\$246,423,505
FTE Authorization	1419.0	1423.0	1423.0	1435.0	1435.0

FY 2018 Revised Budget

The Governor recommends revised FY 2018 appropriations of \$248.7 million for the Department of Corrections, including \$229.9 million from general revenue, \$2.0 million from federal funds, \$64,411 from restricted receipts, and \$16.6 million from the Rhode Island Capital Plan Fund. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$11.6 million, federal financing increases by \$435,913, restricted receipts financing increases by \$5,043, and Rhode Island Capital Plan Fund financing increases by \$839,038. The revised FY 2018 budget is inclusive of statewide fringe benefit savings distributed to state agencies, which resulted in \$543,936 of general revenue savings being allocated to the Department.

Public Safety

All Programs

- *Inmate Population.* The Governor's recommendation assumes an average inmate population of 2,853 individuals, a decrease of 206 from the enacted level of 3,059. The average inmate population as of December 2017 is 2,849.
- *Supervisory Overtime.* The Governor's recommendation includes \$26.2 million in general revenue for correctional officer overtime in the four supervisory programs, an increase of \$6.2 million from the enacted level, reflecting the increase in correctional officer vacancies, weapons requalification overtime, and the increased use of double overtime, offset by savings from the Bernadette Guay facility closure, and the continued closure of modules in the Intake Service Center and Minimum Security. This issue is being addressed by the hiring of 70 graduates from a correctional officer training class in June 2018.
- *Overtime RICAP Funding.* The Governor recommends the inclusion of supervisory overtime costs in all contracts with private vendors that are working in projects funded by the Rhode Island Capital Plan, reducing general revenue funding by \$189,000.
- *Non-Correctional Overtime Funding.* The Governor recommends a reduction of \$92,000 in overtime for Central Management, Parole Board, and Community Corrections programs through management of overtime costs resulting from vacancies.
- *Per Capita Inmate Expenses.* The Governor's recommendation includes \$12.9 million in general revenue expenditures for food, clothing, linen, program, janitorial/kitchen supplies, as well as medical supplies, pharmaceuticals, and inpatient, outpatient and testing medical services. The decrease from the enacted budget of \$561,270 includes a decrease of \$1.0 million due to revised population estimates and an increase of \$460,572 due to increased costs.
- *Internal Service Funds.* Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased funding totaling \$13.8 million 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.

Central Management

Within the Central Management program, the Governor recommends revised FY 2018 appropriations of \$16.4 million, including \$16.3 million from general revenue and \$113,314 from federal funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$6.2 million and federal financing increases by \$109,571, attributable to the following adjustments:

- *Personnel.* The Governor includes \$8.6 million from general revenue for personnel costs, an increase of \$517,042 from the enacted level. Financing is provided for 69.0 FTE positions, an increase of three. The budget includes all previously negotiated cost of living adjustments.
- *Correctional Officer Training Class.* The Governor's recommendation includes an additional \$325,597 to fund an expanded correctional officer training class. The class will be held in the fall of 2018, with an anticipated 70 graduates in May 2018 to be hired in last two months of the fiscal year.
- *Correctional Officers Trainers.* The Governor's recommendation includes \$352,847 in general revenue to add three correctional officer trainers to the existing six (to be filled from existing CO

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vacancies) due to the expanded trainee class (by 20 trainees) and an additional three weeks of training.

- *U.S. Department of Justice Lawsuit Settlement.* The Governor's recommendation includes a total of \$534,463. \$284,460 is in legal services for expert witnesses connected to the agreed settlement of the U.S. Department of Justice lawsuit regarding discrimination of the tests (particularly the video test) given to correctional officer applicants. \$250,000 is for the formulation of a new correctional officer test as mandated by the settlement.

Parole Board

Within the Parole Board program, the Governor recommends revised FY 2018 appropriations of \$1.4 million, including \$1.3 million from general revenue and \$120,827 from federal funds. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$165,591 and federal funds financing remains unchanged attributable to the following adjustments:

- *Personnel.* The Governor includes \$1.2 million from general revenue for personnel costs, a decrease of \$126,357 from the enacted level. Financing is provided for 10.0 FTE positions. The budget includes all previously negotiated cost of living adjustments.
- *Contract Services.* The Governor's recommendation includes \$42,189 in contract services, a reduction of \$40,177 from the enacted level. The recommendation includes funds for written assessments of designated inmates scheduled for parole to maintain public safety and assist in prisoner reentry and recidivism reduction.
- *Victim Services.* The Governor's recommendation includes \$120,827 in federal funds in the Victims Services program, reflecting a grant award that finances a victims' advocate prior to and at parole hearings.

Custody and Security

Within the Custody and Security program, the Governor recommends revised FY 2018 appropriations of \$145.5 million, including \$144.6 million from general revenue and \$864,547 from federal funds. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$6.7 million (\$8.6 million in the Facilities Management internal service fund), and federal financing increases by \$79,155 attributable to the following adjustments:

- *Personnel.* The Governor includes \$132.6 million from general revenue for personnel costs, a decrease of \$1.9 million from the enacted level. Financing is provided for 1,005.0 FTE positions, an increase of sixteen. The budget includes all cost of living adjustments resulting from an arbitration decision. The COLA adjustment is budgeted in this program and will be distributed to other programs.
- *Correctional Officer Trainee Hiring.* The Governor recommends the hiring of 70 trainees from the Correctional Officer Academy training class for June 2018. The net effect of the hiring and turnover offsets is an increase of \$625,984.
- *Correctional Officers.* The Governor's recommendation includes an increase in the FTE cap of 16.0 FTE positions to allow for the filling of 54.0 FTE positions that are currently vacant and 16 additional vacancies that are expected to occur during the year.

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- *Module Closure.* The Governor's recommendation includes a reduction of \$340,773, reflecting the consolidation of inmates in Minimum Security and the closure of one module.
- *Facility Closure.* The Governor's recommendation includes the continued closure of the Bernadette Guay facility, effective since the beginning of FY 2017. The facility housed minimum security and work release women inmates, who have been transferred to the Gloria McDonald facility.
- *State Criminal Alien Assistance Program (SCAAP).* The Governor's recommendation includes \$750,210 in federal funds that compensate the State for housing alien inmates.

Institutional Support

Within the Institutional Support program, the Governor recommends revised FY 2018 appropriations of \$31.1 million, including \$14.5 million from general revenue and \$16.6 million from the Rhode Island Capital Plan Fund. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$417,163, while Rhode Island Capital Plan Fund financing increases by \$839,638, attributable to the following adjustments:

- *Personnel.* The Governor recommends \$6.6 million from general revenue for personnel costs, a decrease of \$314,558 from the enacted level. Financing is provided for 57.0 FTE positions.
- *Maintenance.* The Governor's recommendation includes \$1.9 million for building maintenance, groundskeeping and snow removal, an increase of \$65,926 from the FY 2018 Enacted budget. The Governor also recommends the transfer of \$189,000 in building maintenance costs to the Rhode Island Capital Plan Fund.
- *Capital Projects.* The Governor's recommendation includes \$16.6 million in Rhode Island Capital Plan funding for asset protection and major repair and rehabilitation projects of inmate housing facilities, an increase of \$839,038 million from the enacted level. The Governor's recommendation includes \$1.1 million in Rhode Island Capital Plan Fund financing to study various options to optimize the functioning of the Department's capital assets. The request for funds would be used to develop a cost-benefit analysis to determine the cost of such a facility as compared with savings in staffing and, facility operations. Some facilities have relatively high cost per inmate ratios due to age or design limitations.

Institutional Rehabilitation/Population Management

Within the Institutional Rehabilitation program, the Governor recommends revised FY 2018 appropriations of \$14.2 million, including \$13.4 million from general revenue, \$797,843 in federal funds, and \$49,516 in restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$1.7 million, federal funds financing increases by \$212,901, and restricted receipts increase by \$5,043, attributable to the following adjustments:

- *Personnel.* The Governor includes \$6.5 million from general revenue for personnel costs, an increase of \$434,700 from the enacted level. Financing is provided for 57.0 FTE positions, an increase of one. The budget includes all negotiated cost of living adjustments.
- *Substance Abuse.* The Governor's budget includes \$1.7 million in general revenue for counseling and treatment, an increase of \$124,862 from enacted levels. Substance abuse counseling and treatment form an important component of the transitional services and re-entry program to enable released inmates to avoid drug dependency and thus relapses into prison. The Governor's budget

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also includes an additional FTE position in the substance abuse program, a transfer from the Department of Behavioral Health, Developmental Disabilities, and Hospitals.

- *Medication/Mediation Assisted Treatment Program (MMAT)*. The Governor's recommended budget includes \$2.0 million in contract services to provide medication-assisted treatment of opioid users in the Adult Correctional Institution. The funds are used to screen for opioid use disorders and conduct an evidence-based assessment of new inmates to determine treatment options, as well as offer medication assisted treatment to those already under treatment upon admission. In addition, the program starts medication-assisted treatment prior to release with community referral for ongoing treatment.
- *Discharge Planning*. The Governor recommends \$1.0 million (an increase of \$111,167) in payments to several vendors who will identify offender needs, assist in the development of individual discharge plans to address those needs, refer offenders to community based services, ensure the provision of proper documents and resources, provide follow-up within 90 days, and coordinate with community forums and councils.

Healthcare Services

Within the Healthcare Services program, the Governor recommends revised FY 2018 appropriations of \$23.4 million, all from general revenue. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$411,888, attributable to the following adjustments:

- *Personnel*. The Governor includes \$12.7 million from general revenue for personnel costs, a decrease of \$115,852 from the enacted level. Financing is provided for 91.0 FTE positions, an increase of eight.
- *Medical Contract Services*. The Governor's recommendation includes \$2.73 million in general revenue for medical contracts with various providers, an increase of \$209,022 from enacted levels. The funds are for laboratory testing services, nurse practitioners, dental services, and psychiatric services.
- *Mental Health*. The Governor's budget includes funding for an additional 2.0 clinical social worker positions to the current eight clinicians to cope with growing numbers of inmates (up now to 15,000 per year) who meet the federal definition of severe and persistent mentally ill and who are in the custody of corrections. The two positions (in Maximum Security and the Intake Service Center) allows for increased contact with inmates, enabling the conduct of suicide risk assessments to identify risk factors and implement successful interventions.
- *Medication/Mediation Assisted Treatment Program (MMAT)*. The Governor recommends the funding of 6.0 positions, 4.0 health unit clerks and 2.0 additional nursing positions to relieve nursing posts from administrative duties and address nursing shortages, allowing for the latter to cope with increased caseloads in the interviewing and treatment process

Community Corrections

Within the Community Corrections program, the Governor recommends revised FY 2018 appropriations of \$16.6 million, including \$16.5 million general revenue, \$121,266 from federal funds, and \$14,895 from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$2.0 million, while federal funds financing increases by \$34,286 and restricted receipts financing remains the same attributable to the following adjustments:

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- *Personnel.* The Governor includes \$14.9 million from general revenue for personnel costs, a decrease of \$498,086 from the enacted level. Financing is provided for 134.0 FTE positions.
- *Justice Reinvestment Initiative.* The Governor's recommendation includes \$891,279 in general revenue to implement proposals, developed through local working groups and the Council on State Governments, that could produce savings allowing for the reinvestment of funds that would reduce recidivism and increase public safety, including a change in the management of the pre-trial population. The use of various diversion tools could reduce the length of stay for failure to appear or failure to pay defendants and thus reduce the awaiting trial population. The Governor's recommended budget includes funding, of 4.0 FTE probation officer positions, contract services for informational technology (\$93,000), and a for cognitive behavior therapy contract with Community Solutions. The latter is a reduction of \$625,000 from the enacted level of \$900,000 due to delayed initiation of the contract.

FY 2019 Recommended Budget

The Governor recommends FY 2019 appropriations of \$246.4 million for the Department of Corrections, including \$233.0 million from general revenue, \$1.6 million from federal funds, \$59,356 from restricted receipts, and \$11.8 million from the Rhode Island Capital Plan Fund. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$14.7 million, federal financing increases by \$9,419, restricted receipts financing remains the same, and Rhode Island Capital Plan Fund financing decreases by \$4.0 million. The FY 2019 budget is inclusive of statewide fringe benefit adjustments distributed to state agencies, which resulted in \$530,404 additional general revenue expenditures being allocated to the Department.

All Programs

- *Inmate Population.* The Governor's recommendation assumes an average inmate population of 2,865 individuals, a decrease of 193 from the enacted level of 3,059. The average inmate population as of December 2017 is 2,849.
- *Supervisory Overtime.* The Governor's recommendation includes \$19.1 million in general revenue for correctional officer overtime in the four supervisory programs, a decrease of \$867,532 from the enacted level, reflecting the continued closure of one double housing unit in the Intake Service Center, closure of three housing modules in Minimum Security, weapons requalification overtime, and the increased use of double overtime, offset by savings from the Bernadette Guay facility closure and the hiring of graduates from a correctional officer training class.
- *Overtime RICAP Funding.* The Governor recommends the inclusion of supervisory overtime costs in all contracts with private vendors that are working in projects funded by the Rhode Island Capital Plan, reducing general revenue funding by \$300,000.
- *Non-Correctional Overtime Funding.* The Governor recommends a reduction of \$100,000 in overtime for Central Management, Parole Board, and Community Corrections programs through management of overtime costs resulting from vacancies.
- *Per Capita Inmate Expenses.* The Governor's recommendation includes \$12.9 million in general revenue expenditures for food, clothing, linen, program, janitorial/kitchen supplies, as well as medical supplies, pharmaceuticals, and inpatient, outpatient and testing medical services. The decrease from the enacted budget of \$501,743 includes a decrease of \$962,318 due to revised population estimates and an increase of \$460.573 due to increased costs.

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- *Internal Service Funds.* Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased funding totaling \$14.1 million 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.

Central Management

Within the Central Management program, the Governor recommends FY 2019 appropriations of \$16.0 million, including \$16.0 million from general revenue and \$29,460 from federal funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$6.0 million (\$2.0 million for the Human Resources and \$3.2 million for the Information Technology internal service funds), and federal financing increases by \$25,717, attributable to the following adjustments:

- *Personnel.* The Governor includes \$8.1 million from general revenue for personnel costs, an increase of \$60,763 from the enacted level. Financing is provided for 69.0 FTE positions, an increase of three, including the correctional officer trainer positions. The budget includes all previously negotiated cost of living adjustments.
- *Correctional Officer Training Class.* The Governor's recommendation does not include a correctional officer training class in FY 2019, pending the development of a new correctional officer entrance exam resulting from the Department of Justice lawsuit settlement. This action will save \$640,890 in training class expenditure in FY 2019.
- *U.S Department of Justice Lawsuit Settlement.* The Governor's recommendation includes a total of \$700,000. \$450,000 is a deposit into an interest-bearing account with a federally insured financial institution, from which payouts will be paid to eligible individuals, i.e. minority applicants in 2000-2013 who did not pass the written or oral exams. \$250,000 is to complete the formulation of a new correctional officer test as mandated by the settlement.

Parole Board

Within the Parole Board program, the Governor recommends FY 2019 appropriations of \$1.4 million, including \$1.3 million from general revenue and \$120,827 from federal funds. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$142,842 and federal funds financing remains unchanged, attributable to the following adjustments:

- *Personnel.* The Governor includes \$1.2 million from general revenue for personnel costs, a decrease of \$103,608 from the enacted level. Financing is provided for 10.0 FTE positions. The budget includes all previously negotiated cost of living adjustments.
- *Contract Services.* The Governor's recommendation includes \$42,189 in contract services, a reduction of \$40,177 from the enacted level. The recommendation includes funds for written assessments of designated inmates scheduled for parole to maintain public safety and assist in prisoner reentry and recidivism reduction.
- *Victim Services.* The Governor's recommendation includes \$120,827 in federal funds in the Victims Services program, reflecting a grant award that finances a victims' advocate prior to and at parole hearings.

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Custody and Security

Within the Custody and Security program, the Governor recommends FY 2019 appropriations of \$147.3 million, including \$146.4 million from general revenue and \$810,693 from federal funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$8.6 million (\$9.0 million in the Facilities Management internal services fund), and federal financing increases by \$20,301, attributable to the following adjustments:

- *Personnel.* The Governor includes \$134.3 million from general revenue for personnel costs, a decrease of \$179,206 from the enacted level. Financing is provided for 1,005.0 FTE positions, an increase of sixteen. The budget includes all cost of living adjustments resulting from an arbitration decision. The COLA adjustment is budgeted in this program and will be distributed to other programs.
- *Correctional Officer Trainee Hiring.* The Governor recommends the hiring of 70 trainees from the Correctional Officer Academy training class for June 2018. The net effect of the hiring costs (\$6.9 million) and overtime reduction (\$5.5 million) in offsets is an increase of \$1.5 million.
- *Facility Utilization Improvement.* The Governor's recommendation includes a plan to improve utilization of existing facilities which would increase efficiency and reduce overtime expenditure by \$1.5 million. It would involve temporary closure of housing modules in High Security and transfer some inmates to other facilities such as Maximum Security (with minor renovations) in order to allow for more consolidation, better access to programs by inmates, and more effective use of space by the Department.
- *Correctional Officers.* The Governor's recommendation includes an increase in the FTE cap of 16.0 FTE positions to allow for the filling of 54.0 FTE positions that are currently vacant and 16 additional vacancies that are expected to occur during the year.
- *Module Closure.* The Governor's recommendation includes a reduction of \$340,773, reflecting the continued consolidation of inmates in Minimum Security and the closure of one module.
- *Facility Closure.* The Governor's recommendation includes the continued closure of the Bernadette Guay facility, effective since the beginning of FY 2017. The facility housed minimum security and work release women inmates, who have been transferred to the Gloria McDonald facility.
- *State Criminal Alien Assistance Program (SCAAP).* The Governor's recommendation includes \$750,210 in federal funds that compensate the State for housing alien inmates.

Institutional Support

Within the Institutional Support program, the Governor recommends FY 2019 appropriations of \$26.2 million, including \$14.4 million from general revenue and \$11.8 million from the Rhode Island Capital Plan Fund. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$465,837, while Rhode Island Capital Plan Fund financing decreases by \$4.0 million, attributable to the following adjustments:

- *Personnel.* The Governor recommends \$6.7 million from general revenue for personnel costs, a decrease of \$224,514 from the enacted level. Financing is provided for 57.0 FTE positions.
- *Maintenance.* The Governor's recommendation includes \$1.8 million for building maintenance, groundskeeping and snow removal, a decrease of \$15,040 from the FY 2018 Enacted budget. The

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Governor also recommends the transfer of \$269,000 in building maintenance costs to the Rhode Island Capital Plan Fund.

- *Capital Projects.* The Governor's recommendation includes \$11.8 million in Rhode Island Capital Plan funding (RICAP) for asset protection and major repair and rehabilitation projects of inmate housing facilities, a decrease of \$4.0 million from the enacted level. The Governor's recommendation includes Rhode Island Capital Plan Fund financing to study various options to optimize the functioning of the Department's capital assets. The request for funds would be used to develop a cost benefit analysis to determine the cost of such a facility as compared with savings in operations. Some facilities have relatively high cost per inmate ratios due to age or design limitations.

Institutional Rehabilitation/Population Management

Within the Institutional Rehabilitation program, the Governor recommends FY 2019 appropriations of \$14.3 million, including \$13.7 million from general revenue, \$545,886 in federal funds, and \$44,473 in restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$1.9 million, federal funds financing decreases by \$39,056, and restricted receipts remains the same, attributable to the following adjustments:

- *Personnel.* The Governor includes \$6.7 million from general revenue for personnel costs, an increase of \$667,960 from the enacted level. Financing is provided for 57.0 FTE positions, an increase of one. The budget includes all negotiated cost of living adjustments.
- *Substance Abuse.* The Governor's budget includes \$1.7 million in general revenue for counseling and treatment, an increase of \$126,404 from enacted levels. The Governor's budget also includes an additional FTE position in the substance abuse program, a transfer from the Department of Behavioral Health, Developmental Disabilities, and Hospitals.
- *Medication/Mediation Assisted Treatment Program (MMAT).* The Governor's recommended budget includes \$2.0 million in contract services to provide medication-assisted treatment of opioid users in the Adult Correctional Institution.
- *Discharge Planning.* The Governor recommends \$1.1 million (an increase of \$135,000) for this contract.

Healthcare Services

Within the Healthcare Services program, the Governor recommends revised FY 2019 appropriations of \$23.9 million, all from general revenue. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$105,935, attributable to the following adjustments:

- *Personnel.* The Governor includes \$13.0 million from general revenue for personnel costs, an increase of \$187,638 from the enacted level. Financing is provided for 91.0 FTE positions, an increase of eight.
- *Medical Contract Services.* The Governor's recommendation includes general revenue for medical contracts with various providers, an increase of \$165,922 from enacted levels.
- *Electronic Medical Records.* The Governor recommends general revenue of \$209,102 in maintenance of the EMR system. The project, beginning in August 2017, implements a medication

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administration system that will tighten controls on medications, replacing the current manual paper based system that is time-consuming and error prone. It standardizes the system by requiring electronic documentation using bar codes at the time of distribution. This allows for reports that would track who received medication, who did not show or refused a particular medication, and the reasons why. This reporting would improve the ability of the Department to address litigation brought by inmates.

- *Mental Health.* The Governor's budget includes continued funding for an additional 2.0 clinical social worker FTE positions in mental health.
- *Medication/Mediation Assisted Treatment Program (MMAT).* The Governor recommends the continuation of 6.0 FTE positions, 4.0 health unit clerks and 2.0 additional nursing positions.

Community Corrections

Within the Community Corrections program, the Governor recommends FY 2019 appropriations of \$17.4 million, including \$17.4 million general revenue, \$84,437 from federal funds, and \$14,883 from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$1.3 million, federal funds financing decreases by \$2,543 and restricted receipts financing remains the same, attributable to the following adjustments:

- *Personnel.* The Governor includes \$15.4 million from general revenue for personnel costs, an increase of \$27,885 from the enacted level. Financing is provided for 134.0 FTE positions.
- *Justice Reinvestment Initiative.* The Governor's recommendation includes \$1.1 million in general revenue. The Governor's recommended budget includes funding, of 4.0 FTE probation officer positions and \$600,000 for the cognitive behavior therapy contract with Community Solutions. The latter is a reduction of \$300,000 from the enacted level of \$900,000 due to annualization of the delayed initiation of the contract. The total reduction, including information technology support, is \$393,000 from the enacted level.

The Governor recommends a FTE position cap of 1,435.0 in both the revised FY 2018 and the FY 2019 budget, a total increase of 12.0 FTE positions from the enacted level of 1,423.0. The recommended budget includes financing for several new positions, as follows: correctional officer trainers (3.0), correctional officer FTE positions (16.0), substance abuse counselor (1.0), clinical mental health social workers (2.0), Medication/Mediation Assisted Treatment related positions (2.0 nursing and 4.0 mental health clerks).

JUDICIAL DEPARTMENT-CONSTITUTION

Source Of Funds	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Enacted	FY 2018 Revised	FY 2019 Recommended
General Revenue	\$95,181,220	\$97,047,499	\$98,964,477	\$98,820,554	\$100,183,074
Federal Funds	\$3,595,600	\$3,382,830	\$3,411,144	\$3,155,538	\$2,787,644
Restricted Receipts	\$9,754,423	\$12,327,663	\$12,530,633	\$11,929,169	\$12,085,986
Other Funds	\$0	\$0	\$0	\$0	\$0
RI Capital Plan Fund	\$5,007,480	\$3,606,705	\$7,100,000	\$7,258,347	\$5,839,066
Total Funding	\$113,538,723	\$116,364,697	\$122,006,254	\$121,163,608	\$120,895,770
FTE Authorization	724.3	723.3	723.3	723.3	723.3

FY 2018 Revised Budget

The Governor recommends revised FY 2018 appropriations of \$121.2 million for the Judiciary, including \$98.8 million from general revenue, \$3.2 million from federal funds, \$11.9 million from restricted receipts,

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and \$7.3 million from other funds. Relative to FY 2018 enacted levels, there is a reduction of \$243,923 from the enacted level, federal financing decreases by \$255,606, restricted receipts financing decreases by \$601,464 and other funds increase by \$158,347. The revised FY 2018 budget is inclusive of statewide medical benefit adjustments distributed to state agencies, which resulted in \$241,817 of general revenue savings being allocated to the Judiciary.

All Courts

- *Judges Pensions.* The Governor recommendation includes \$5.4 million in general revenue financing for retired judges and their surviving spouses from the Supreme, Superior, Family, District Courts, and the Traffic Tribunal hired prior to December 31, 1989. The State directly appropriates these pension costs to the Judiciary. This is a decrease of \$221,904 from the enacted FY 2018 Budget.
- *Contract Services-Interpreters.* The Governor includes \$300,000 in general revenue for language interpreter services in all five courts, no change from the enacted level.
- *Capital Equipment-Copiers.* The Governor includes \$556,026 in general revenue for copier machine replacement in all court programs. A total of 61 copiers will be replaced through FY 2019.
- *Internal Service Funds.* Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased funding totaling \$97,894 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.

Supreme Court

Within the Supreme Court program, the Governor recommends revised FY 2018 appropriations of \$43.5 million, including \$32.8 million from general revenue, \$141,751 from federal funds, \$3.3 million from restricted receipts, and \$7.3 million from other funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$644,486, while federal funds increase by \$20,270, restricted receipts financing decreases by \$598,436 and other funds financing increases by \$158,347, attributable to the following adjustments:

- *Personnel.* The Governor includes \$19.2 million from general revenue for personnel costs, an increase of \$596,701 from the enacted level. Financing is provided for 163.7 FTE positions.
- *Contract Services-Information Technology:* The Governor includes \$664,090 in general revenue, an increase of \$132,674 from the FY 2018 enacted budget, in information technology support funds.
- *Court Cost Allocations.* The Governor recommends the offset of the enacted \$1.2 million in general revenue financed facility operating costs to several state departments that occupy court space, including the Public Defender, the Attorney General, the Department of Corrections, the Department of Public Safety (Sheriffs, Capitol Police, State Police), and the Department of Children, Youth and Families.
- *Defense of Indigents.* The Governor includes \$3.8 million in general revenue for the Defense of Indigent program, the same as the enacted level, which finances defense counsel in joint defendant cases where possible conflicts of interests would arise with the Office of the Public Defender.

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- *Case Management System:* The Governor's budget includes \$500,000 in restricted receipts from Indirect Cost Recovery funds to incorporate the jury system into the case management system.
- *Capital Projects.* The Governor includes \$7.3 million in Rhode Island Capital Plan Fund resources, an increase of \$158,347 from the enacted level, for asset protection, heating/air conditioning and restoration work on court facilities, including the Noel Courthouse.

Superior Court

Within the Superior Court program, the Governor recommends revised FY 2018 appropriations of \$23.8 million, including \$23.3 million from general revenue, \$91,254 from federal funds, and \$385,921 from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$122,260, while federal funds decrease by \$485, and restricted receipts increase by \$15,170, attributable to the following adjustments:

- *Personnel.* The Governor includes \$19.3 million from general revenue for personnel costs, an increase of \$70,845 from the enacted level. Financing is provided for 163.7 FTE positions.
- *Jury Operations:* The Governor recommends \$486,898 in operating expenditures, including \$375,500 in jurors' fees, no change from the enacted level.

Family Court

Within the Family Court program, the Governor recommends revised FY 2018 appropriations of \$23.4 million, including \$20.7 million from general revenue and \$2.8 million from federal funds. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$33,361, while federal funds financing decreases by \$129,952, attributable to the following adjustments:

- *Personnel.* The Governor includes \$18.4 million from general revenue for personnel costs, a \$58,622 decrease from the enacted level. Financing is provided for 169.4 FTE positions.
- *Child Support Enforcement.* The Governor's recommendation includes \$2.7 million in all funds, \$661,657 in general revenue and \$2.1 million in federal funds, a decrease of \$152,405 from the enacted FY 2018 budget.

District Court

Within the District Court program, the Governor recommends revised FY 2018 appropriations of \$13.3 million, including \$13.2 million from general revenue, \$144,390 from federal funds, and \$60,000 from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$51,513, federal funds financing decreases by \$145,242, and restricted receipts financing remains the same, attributable to the following adjustments:

- *Personnel.* The Governor includes \$11.4 million from general revenue for personnel costs, a decrease of \$141,360 from the enacted level. Financing is provided for 94.0 FTE positions.
- *Pretrial Services.* The Governor's recommended budget includes \$1.5 million in general revenue for pretrial services, an increase of \$4,917 from the enacted level. The budget includes \$50,000 to fund additional risk assessments for the Superior Court diversion program.
- *R.I. Veterans Treatment Court.* The Governor's budget includes \$144,587 in federal funds for this program.

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Traffic Tribunal

Within the Traffic Tribunal program, the Governor recommends revised FY 2018 appropriations of \$8.9 million from general revenue. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$549,187, attributable to the following adjustments:

- *Personnel.* The Governor includes \$7.7 million from general revenue for personnel costs, a decrease of \$566,305 from the enacted level. Financing is provided for 79.0 FTE positions.
- *Contract Services.* The Governor includes \$225,000 in general revenue financing for security services to fund an interagency charge of services for the Capitol Police at the Traffic Tribunal.

Judicial Tenure and Discipline

Within the Judicial Tenure and Discipline program, the Governor recommends revised FY 2018 appropriations of \$147,025 from general revenue. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$1,017. Personnel funding of 114,310 is for one FTE position.

Workers' Compensation Court

Within the Workers' Compensation program, the Governor recommends revised FY 2018 appropriations of \$8.1 million from restricted receipts. Relative to FY 2018 enacted levels, recommended restricted receipt financing decrease by \$18,198). The Governor includes \$6.7 million from restricted receipts for personnel costs, a decrease of \$14,9362 from the enacted level. Financing is provided for 50.0 FTE positions.

FY 2019 Recommended Budget

The Governor recommends FY 2019 appropriations of \$120.9 million for the Judiciary, including \$100.2 million from general revenue, \$2.8 million from federal funds, \$12.1 million from restricted receipts, and \$5.8 million from other funds. Relative to FY 2018 enacted levels, recommended general revenue financing is \$1.2 million more than the enacted level, federal financing decreases by \$625,500, restricted receipts financing decreases by \$444,647 and other funds decrease by \$1.3 million. The revised FY 2019 budget is inclusive of statewide fringe benefit adjustments distributed to state agencies, which resulted in \$239,514 of general revenue expenditure being allocated to the Judiciary.

All Courts

- *Judges Pensions.* The Governor recommendation includes \$5.4 million in general revenue financing for retired judges and their surviving spouses from the Supreme, Superior, Family, District Courts, and the Traffic Tribunal hired prior to December 31, 1989. The State directly appropriates these pension costs to the Judiciary. This is a decrease of \$230,490 from the enacted FY 2018 Budget.
- *Contract Services-Interpreters.* The Governor includes \$300,000 in general revenue for language interpreter services in all five courts, no change from the enacted level.
- *Capital Equipment-Copiers.* The Governor includes \$556,026 in general revenue for copier machine replacement in all court programs. A total of 61 copiers will be replaced in through FY 2019.
- *Internal Service Funds.* Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased funding totaling \$98,649 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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Supreme Court

Within the Supreme Court program, the Governor recommends FY 2019 appropriations of \$41.9 million, including \$32.6 million from general revenue, \$139,008 from federal funds, \$3.3 million from restricted receipts, and \$57.8 million from other funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$484,257, while federal funds increase by \$17,527, restricted receipts financing decreases by \$663,026 and other funds financing decreases by \$1.3 million, attributable to the following adjustments:

- *Personnel.* The Governor includes \$18.8 million from general revenue for personnel costs, an increase of \$223,404 from the enacted level. Financing is provided for 163.7 FTE positions.
- *Contract Services-Information Technology:* The Governor includes \$692,894 in general revenue, an increase of \$161,478 from the FY 2018 enacted budget, in information technology support services.
- *Court Cost Allocations.* The Governor recommends the offset of the enacted \$1.3 million in general revenue financed facility operating costs to several state departments that occupy court space, including the Public Defender, the Attorney General, the Department of Corrections, the Department of Public Safety (Sheriffs, Capitol Police, State Police), and the Department of Children, Youth and Families.
- *Defense of Indigents.* The Governor includes \$4.0 million in general revenue for the Defense of Indigent program, an increase of \$157,813 from the enacted level. The program finances defense counsel in joint defendant cases where possible conflicts of interests would arise with the Office of the Public Defender.
- *Case Management System:* The Governor's budget includes \$400,000 in restricted receipts from Indirect Cost Recovery funds to develop an online payment plan portal.
- *Capital Projects.* The Governor includes \$5.8 million in Rhode Island Capital Plan Fund resources, a decrease of \$1.3 million from the enacted level, for asset protection, heating/air conditioning and restoration work on court facilities, including the Noel Courthouse.

Superior Court

Within the Superior Court program, the Governor recommends FY 2019 appropriations of \$24.0 million, including \$23.6 million from general revenue, \$71,376 from federal funds, and \$398,085 from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$172,382, while federal funds decrease by \$20,363, and restricted receipts increase by \$27,308, attributable to the following adjustments:

- *Personnel.* The Governor includes \$19.5 million from general revenue for personnel costs, an increase of \$170,094 from the enacted level. Financing is provided for 163.7 FTE positions.
- *Jury Operations:* The Governor recommends \$486,909 in operating expenditures, including \$375,500 in jurors' fees, no change from the enacted level.

Family Court

Within the Family Court program, the Governor recommends FY 2019 appropriations of \$23.5 million, including \$20.9 million from general revenue and \$2.6 million from federal funds. Relative to FY 2018

Public Safety

enacted levels, recommended general revenue financing increases by \$201,884, while federal funds financing decreases by \$330,900, attributable to the following adjustments:

- *Personnel.* The Governor includes \$18.6 million from general revenue for personnel costs, an increase of \$200,681 from the enacted level. Financing is provided for 169.4 FTE positions.
- *Child Support Enforcement.* The Governor's recommendation includes \$2.8 million in all funds, \$671,593 in general revenue and \$2.1 million in federal funds, a decrease of \$110,760 from the enacted FY 2018 budget.

District Court

Within the District Court program, the Governor recommends FY 2019 appropriations of \$13.5 million, including \$13.4 million from general revenue, \$65 from federal funds, and \$60,000 from restricted receipts. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$255,952, federal funds financing decreases by \$289,764, and restricted receipts financing remains the same, attributable to the following adjustments:

- *Personnel.* The Governor includes \$11.8 million from general revenue for personnel costs, an increase of \$191,176 from the enacted level. Financing is provided for 94.0 FTE positions.
- *Pretrial Services.* The Governor's recommended budget includes \$1.6 million in general revenue for pretrial services, an increase of \$135,209 from the enacted level. The budget includes \$50,000 to fund additional risk assessments for the Superior Court diversion program.
- *R.I. Veterans Treatment Court.* The Governor's recommended budget includes \$144,390 in general revenue to ensure the full functioning of the court, whose three-year federal grant ends in FY 2018.

Traffic Tribunal

Within the Traffic Tribunal program, the Governor recommends FY 2019 appropriations of \$9.6 million from general revenue. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$102,739, attributable to the following adjustments:

- *Personnel.* The Governor includes \$8.4 million from general revenue for personnel costs, an increase of \$108,722 from the enacted level. Financing is provided for 79.0 FTE positions.
- *Contract Services.* The Governor includes \$225,000 in general revenue financing for security services to fund an interagency charge of services for the Capitol Police at the Traffic Tribunal.

Judicial Tenure and Discipline

Within the Judicial Tenure and Discipline program, the Governor recommends FY 2019 appropriations of \$147,386 from general revenue. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$1,378. Personnel funding of 114,671 is for one FTE position.

Workers' Compensation Court

Within the Workers' Compensation Court program, the Governor recommends FY 2019 appropriations of \$8.3 million from restricted receipts. Relative to FY 2018 enacted levels, recommended restricted receipt financing increases by \$191,071. The Governor includes \$6.8 million from restricted receipts for personnel costs, an increase of \$189,748 from the enacted level. Financing is provided for 78.3 FTE positions.

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The Governor recommends 723.5 FTE positions in the revised FY 2018 Budget and the recommended FY 2019 Budget, consistent with the enacted FY 2018 level.

MILITARY STAFF

Source Of Funds	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Enacted	FY 2018 Revised	FY 2019 Recommended
General Revenue	\$2,219,237	\$2,571,436	\$2,634,057	\$3,909,160	\$3,674,200
Federal Funds	\$12,090,517	\$13,177,843	\$27,746,960	\$26,300,221	\$18,480,072
Restricted Receipts	\$52,864	\$56,876	\$100,000	\$100,000	\$100,000
Other Funds	\$0	\$0	\$0	\$0	\$0
Operating Transfers from Other Funds	\$1,009,674	\$499,002	\$7,696,925	\$8,086,952	\$5,406,152
Total Funding	\$15,372,292	\$16,305,158	\$38,177,942	\$38,396,333	\$27,660,424
FTE Authorization	92.0	92.0	92.0	92.0	92.0

FY 2018 Revised Budget

The Governor recommends revised FY 2018 appropriations of \$38.4 million for the Military Staff, including \$3.9 million from general revenue, \$26.3 million from federal funds, \$100,000 from restricted receipts, and \$8.1 million from the Rhode Island Capital Plan Fund. Relative to the FY 2018 enacted level, recommended general revenue financing increases by \$1.3 million, federal funds financing decreases by \$1.4 million, and Rhode Island Capital Plan Fund financing increases by \$390,027. Restricted receipt financing remains at the enacted level of \$100,000.

General Revenue Financing. The \$1.3 million increase in general revenue financing consists of increases of \$797,268 for funds transferred from the Department of Administration to Military Staff and \$484,972 for Air National Guard Quonset firefighter injured-on-duty (IOD) costs, and a \$7,137 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 \$797,268 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 Divisions of Human Resources, Capital Asset Management and Maintenance, and Information Technology.

The \$484,972 increase in Air National Guard Quonset firefighter injured-on-duty (IOD) expenditures is due to these costs being shifted from a federal obligation to a state obligation. The National Guard Bureau informed Military Staff that, beginning in FY 2018, it would no longer reimburse the state for firefighters who receive 100 percent of their salaries while in an IOD status due to federal regulation. Because RIGL 45-19 requires the State to pay firefighters 100 percent of their salaries while in an IOD status, the Governor recommends an additional \$484,972 of general revenue in FY 2018. The total cost of the six firefighters in an IOD status in FY 2018 is \$768,448.

Federal Funds Financing. The \$1.4 million decrease in federal funds is largely associated with lower operating expenditures in the Army National Guard Field Training Site account, as well as lower Quonset firefighter costs associated with the shifting IOD payroll costs from federal funds to general revenue. The agency expects to reduce utility costs by \$0.5 million, largely by the installation of LED lighting in its training facilities.

Rhode Island Capital Plan Fund Financing. The \$390,027 increase in Rhode Island Capital Plan Fund expenditures is largely due to capital expenditures being shifted from FY 2017 to FY 2018, including \$300,000 of funds for asset protection projects.

Public Safety

- *Personnel.* The Governor's recommendation includes \$8.9 million from all funds for personnel costs, an increase of \$23,073 compared to the enacted FY 2018 Budget.
- *Contract Services.* The Governor includes \$1.6 million from all funds for contract services, a decrease of \$219,640 from the enacted FY 2018 Budget. Most of the decrease is for buildings and ground maintenance and janitorial services.
- *Operating.* The Governor includes \$6.7 million for operating supplies and equipment, a decrease of \$356,988. The savings are largely in the categories of building maintenance and repairs, electricity, and snowplowing and sanding. Offsetting a large portion of these savings is an increase of \$911,652 for the decentralized budget authority for statewide internal services provided by the Department of Administration.
- *Capital.* The Governor's recommendation includes \$21.0 million for capital purchases and equipment, an increase of \$761,496.

FY 2019 Recommended Budget

The Governor recommends FY 2019 appropriations of \$27.7 million for the Military Staff, including \$3.7 million from general revenue, \$18.5 million from federal funds, \$100,000 from restricted receipts, and \$5.4 million from the Rhode Island Capital Plan Fund. Relative to the FY 2018 enacted level, recommended general revenue financing increases by \$1.0 million, federal funding decreases by \$9.3 million, restricted receipts financing is level funded at \$100,000, and Rhode Island Capital Plan Fund financing decreases by \$2.3 million.

General Revenue Financing. The Governor recommends general revenue expenditures of \$3.7 million, which is \$1.0 million more than the enacted budget. Compared to current services, the Governor's budget adds \$825,121 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; \$196,803 for Quonset firefighter IOD costs; \$3,205 for statewide benefit rate adjustments; and \$4,632 for all other operating costs.

Article 3 of the FY 2019 Appropriations Act, entitled Relating to Governmental Reform, amends RIGL sections 36-10-14 and 45-19-1, which is expected to reduce general revenue expenditures for IOD costs by \$288,169. The amendments clarify that IOD recipients must apply for accidental disability pension benefits within the later of 18 months from the date of injury or 60 days from the date on which either (1) a treating physician, or (2) an independent medical examiner certifies maximum medical improvement or permanent disability, whichever is applicable.

Federal Funds Financing. The \$9.3 million decrease in federal funds is primarily due to the completion, or near completion, of capital projects, which were begun in prior years. Compared to the enacted budget, expenditures for capital purchases and equipment in the Miscellaneous Minor Construction account decrease from \$12.5 million to \$2.7 million due to the completion of the new \$32.4 million Joint Force Headquarters building at Camp Fogarty. The building is being financed with \$21.7 million of federal funds and \$10.7 million of RICAP Fund financing.

Rhode Island Capital Plan Fund Financing. The \$2.3 million decrease in RICAP Fund financing is due the reduced expenditures for capital projects, including \$1.2 million for the Joint Force Headquarters building and \$949,775 for the completion of the Armory of Mounted Commands renovation and repair project.

Public Safety

- *Personnel.* The Governor’s recommendation includes \$9.2 million from all funds for personnel costs, an increase of \$344,822 compared to the enacted FY 2018 Budget.
- *Contract Services.* The Governor includes \$1.7 million from all funds for contract services, a decrease of \$121,597 from the enacted FY 2018 Budget. Most of the decrease is for building and ground maintenance and janitorial services.
- *Operating.* The Governor includes \$7.3 million for operating supplies and equipment, an increase of \$311,879. The FY 2019 Budget includes \$941,026 for the decentralized budget authority for statewide internal services provided by the Department of Administration.
- *Capital.* The Governor’s recommendation includes \$9.1 million for capital purchases and equipment, a decrease of \$11.1 million. The decrease is due to the reduction of expenditures for the new Joint Force Headquarters building at Camp Fogarty, East Greenwich because of its near completion in FY 2019.

The Governor recommends 92.0 FTE positions in the revised FY 2018 Budget and the FY 2019 Budget, which is consistent with the enacted FY 2018 level.

RHODE ISLAND EMERGENCY MANAGEMENT AGENCY

Source Of Funds	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Enacted	FY 2018 Revised	FY 2019 Recommended
General Revenue	\$1,762,456	\$1,847,848	\$1,734,470	\$1,917,262	\$2,108,891
Federal Funds	\$16,741,641	\$12,200,391	\$14,775,673	\$15,132,473	\$16,335,897
Restricted Receipts	\$131,675	\$186,389	\$450,095	\$449,082	\$450,985
Other Funds	\$0	\$0	\$0	\$0	\$0
Operating Transfers from Other Funds	\$0	\$1,494,415	\$1,494,414	\$1,684,164	\$1,494,414
Total Funding	\$18,635,772	\$15,729,042	\$18,454,652	\$19,182,981	\$20,390,187
FTE Authorization	32.0	29.0	32.0	32.0	32.0

FY 2018 Revised Budget

The Governor recommends revised FY 2018 appropriations of \$19.2 million for the Emergency Management Agency, including \$1.9 million from general revenue, \$15.1 million from federal funds, \$449,082 from restricted receipts, and \$1.7 million from the Rhode Island Capital Plan Fund. Relative to the FY 2018 enacted level, recommended general revenue financing increases by \$182,792, federal funds financing increases by \$356,800, restricted receipts financing decreases by \$1,013, and Rhode Island Capital Plan Fund financing increases by \$189,750. The increase in general revenue financing of \$182,262 is due to the decentralization of budgetary authority for statewide internal services provided by the Department of Administration’s Division of Information Technology and Division of Human Resources.

- *Personnel.* The Governor’s recommendation includes \$3.3 million from all funds, a decrease of \$145,517 from the enacted FY 2018 Budget. The personnel savings is due to vacant positions within the agency.
- *Operating.* The Governor includes \$3.2 million from all funds for operating costs, an increase of \$184,096 from the enacted 2018 Budget. The increase in operating expenditures is due to the decentralization of budgetary authority for statewide internal services provided by the Department of Administration.

Public Safety

- *Assistance and Grants.* The Governor includes \$9.6 million for assistance and grants, which is \$500,000 more than the enacted FY 2018 Budget. The \$500,000 increase reflects projected expenditures from a new Homeland Security Grant award.
- *Capital.* The Governor includes \$2.2 million for capital purchases and equipment, an increase of \$189,750 from the enacted FY 2018 Budget. The \$189,750 increase reflects Rhode Island Capital Plan Fund financing that was carried forward from FY 2017. The funding will be used for an architecture and engineering study for a new EMA headquarters building at a state-owned building.

FY 2019 Recommended Budget

The Governor recommends FY 2019 appropriations of \$20.4 million for the Rhode Island Emergency Management Agency, including \$2.1 million of general revenue, \$16.3 million of federal funds, \$450,985 of restricted receipts, and \$1.5 million of Rhode Island Capital Fund financing. Compared to the FY 2018 enacted levels, total spending increases by \$1.9 million. Analyzed by fund source, general revenue financing increases by \$374,421, federal funds financing increases by \$1.6 million, and restricted receipts financing increases by \$890. Rhode Island Capital Plan financings remains level funded at \$1.5 million.

The \$371,421 increase in general revenue expenditures includes: \$185,757 of funding for the decentralization of budgetary authority for statewide internal services provided by the Department of Administration's Division of Information Technology and Division of Human Resources; \$85,083 of funding for the increased cost of the RISON maintenance contract; \$97,840 for personnel costs; and \$2,213 for statewide adjustments to employee benefit rates.

- *Personnel.* The Governor's recommendation includes \$3.6 million from all funds, an increase of \$212,399 from the enacted FY 2019 Budget. The FY 2019 Budget fully funds the agency's 32.0 FTE positions.
- *Operating.* The Governor includes \$5.4 million from all funds for operating costs, an increase of \$2.4 million from the enacted 2018 Budget. The increase in operating expenditures is largely due to the increase in pass-through grants to state and local agencies, however, \$185,757 is due to the decentralization of budgetary authority for statewide internal services provided by the Department of Administration.
- *Assistance and Grants.* The Governor includes \$7.0 million for assistance and grants, which is \$2.1 million less more than the enacted FY 2018 Budget. The decrease in assistance and grant expenditures is due to reduced expenditures for disaster-related reimbursements from FEMA for floods, hurricanes, and blizzards.
- *Capital.* The Governor includes \$4.0 million for capital purchases and equipment, an increase of \$1.9 million from the enacted FY 2018 Budget. Most of the additional funding is for a new EMA headquarters in a state-owned building that the agency proposes to renovate.

The Governor recommends 32.0 FTE positions in the revised FY 2018 Budget and FY 2019 Budget, consistent with the enacted FY 2018 level.

Public Safety

DEPARTMENT OF PUBLIC SAFETY					
Source Of Funds	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Enacted	FY 2018 Revised	FY 2019 Recommended
General Revenue	\$93,409,462	\$100,470,169	\$100,279,086	\$100,907,421	\$101,563,958
Federal Funds	\$7,133,596	\$28,088,331	\$14,879,669	\$13,397,105	\$15,613,903
Restricted Receipts	\$7,709,586	\$297,373	\$415,924	\$908,473	\$805,627
Other Funds	\$3,963,649	\$3,753,524	\$5,052,407	\$4,025,389	\$4,151,194
RI Capital Plan Fund	\$2,062,241	\$2,965,471	\$350,000	\$1,978,568	\$950,000
Total Funding	\$114,278,534	\$135,574,868	\$120,977,086	\$121,216,956	\$123,084,682
FTE Authorization	633.2	610.2	611.6	611.6	599.6

FY 2018 Revised Budget

The Governor recommends revised FY 2018 appropriations of \$122.3 million for the Department of Public Safety, including \$100.9 million from general revenue, \$13.4 million from federal funds, \$908,473 from restricted receipts, \$5.1 million from other funds, and \$2.0 million from the Rhode Island Capital Plan Fund. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$628,335, federal financing decreases by \$1.5 million, restricted receipts financing increases by \$492,549, other funds financing decreases by \$1.3 million, and Rhode Island Capital Plan Fund financing increases by \$1.6 million. The revised FY 2018 budget is inclusive of additional statewide savings distributed to agencies, which resulted in general revenue savings of \$207,025. Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased funding totaling \$1.2 million 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.

Central Management

Within the Central Management program, the Governor recommends revised FY 2018 appropriations of \$7.7 million, including \$1.1 million from general revenue and \$6.6 million from federal funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$99,322 while federal financing decreases by \$4.3 million. The federal funds change reflects updated estimates of grant payments.

- *Operational and Personnel Savings.* The recommendation includes \$18,828 in operating, capital, and contract expenditure savings to better reflect historical expenditures and \$115,139 in salary and benefit savings to reflect current staffing levels.

E-911 Division

Within the E-911 program, the Governor recommends revised general revenue FY 2018 appropriations of \$5.4 million, a decrease of \$444,552 below the enacted level due to reduced operating and personnel costs.

- *Operational and Personnel Savings.* The recommendation includes \$114,069 in operating and contract expenditure savings to better reflect historical expenditures and \$507,648 in salary and wage savings to reflect current staffing levels.

State Fire Marshal

Within the State Fire Marshal program, the Governor recommends revised FY 2018 appropriations of \$4.6 million, including \$3.4 million from general revenue, \$372,845 from federal funds, \$212,166 from restricted receipts, \$63,463 from other funds, and \$524,503 from the Rhode Island Capital Plan Fund. Compared to enacted FY 2018 levels, recommended general revenue financing decreases by \$286,054, federal funds financing increases by \$95,678, other fund financing decreases by \$8,979, and Rhode Island Capital Plan Fund financing increases by \$524,503.

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- *Operational and Personnel Savings.* The recommendation includes \$26,622 in operating expenditure savings to better reflect historical expenditures and \$354,783 in salary and benefit savings to reflect current staffing levels.

Security Services – Capitol Police

Within the Capitol Police program, the Governor recommends revised FY 2018 general revenue appropriations of \$4.1 million, an increase of \$249,663 above the enacted FY 2018 budget, largely due to personnel costs.

- *Operational and Personnel Adjustments.* The recommendation includes \$36,757 in operating expenditure savings to better reflect historical expenditures and \$343,955 in salary and benefit adjustments to reflect current staffing levels.

Security Services – Division of Sheriffs

Within the Division of Sheriffs program, the Governor recommends revised FY 2018 general revenue appropriations of \$19.8 million, a decrease of \$243,915 below the enacted FY 2018 Budget largely attributable to medical benefits costs.

- *Operational and Personnel Savings.* The recommendation includes \$71,585 in operating and expenditure savings to better reflect historical expenditures and \$602,458 in salary and wage savings to reflect current staffing levels.

Capitol Police Rotary

Within the Capitol Police program, the Governor recommends revised FY 2018 appropriations of \$1.1 million from other fund sources, a decrease of \$226,206 below the enacted FY 2018 Budget attributable to reduced personnel costs.

- *Operational and Personnel Savings.* The recommendation includes \$14,896 in operating, capital, and contract expenditure savings and \$168,496 in salary and benefit savings to reflect current staffing levels.

Municipal Police Training Academy

Within the Municipal Police Training Academy program, the Governor recommends revised FY 2018 general revenue appropriations of \$274,038 and federal funds appropriations of \$470,585. Compared to enacted FY 2018 levels, general revenue financing increases by \$4,624 and federal financing increases by \$231,220, attributable to increased operational and personnel costs.

State Police

Within the State Police program, the Governor recommends revised FY 2018 appropriations of \$78.8 million, including \$66.7 million from general revenue, \$6.0 million from federal funds, \$696,307 from restricted receipts, and \$5.0 million from all other fund sources. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$1.2 million, federal financing increases by \$2.5 million, restricted receipts financing increases by \$492,549, and financing from all other fund sources increases by \$86,026. Changes include the items detailed below.

- *Diversity Study.* The Governor adds \$125,000 of general revenue for completion of the State Police's diversity study.

Public Safety

- *Training Academy.* The Governor adds \$100,712 from the agency's federal forfeiture Google account to finance costs associated with the recruitment and testing of candidates for the FY 2019 training academy.
- *Information Technology Upgrades.* The recommendation includes \$258,850 for information technology upgrades at the North Scituate headquarters.
- *Vehicles and Maintenance.* The Governor recommends \$1.4 million from the agency's federal forfeiture Google account to replace aging vehicles, and \$250,000 in general revenue for vehicle maintenance. The agency has over 100 vehicles with an excess of 100,000 miles. Replacing these vehicles will improve the daily operation of the State Police and provide increased safety for law enforcement personnel.
- *Master Plan.* The recommendation includes \$200,000 from the Rhode Island Capital Plan Fund to finance the development of a master plan for the agency's properties.
- *Operational and Personnel Savings.* The recommendation includes \$438,148 in operating and contract expenditure savings to better reflect historical expenditures and \$772,391 in salary and benefit savings to reflect current staffing levels.

FY 2019 Recommended Budget

The Governor recommends FY 2019 appropriations of \$124.4 million for the Department of Public Safety, including \$101.6 million from general revenue, \$15.6 million from federal funds, \$805,627 from restricted receipts, \$5.4 million from other funds, and \$950,000 from the Rhode Island Capital Plan Fund. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$1.3 million, federal financing increases by \$734,234, restricted receipts financing increases by \$389,703, other funds financing decreases by \$922,125, and Rhode Island Capital Plan Fund financing increases by \$600,000. The FY 2019 Budget is inclusive of statewide adjustments distributed to agencies, which resulted in \$35,297 of additional general revenue expenditures. Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased funding totaling \$1.1 million 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.

Central Management

Within the Central Management program, the Governor recommends FY 2019 appropriations of \$7.9 million, including \$1.2 million from general revenue and \$6.7 million from federal funds. Relative to the FY 2018 Enacted Budget, recommended general revenue financing increases by \$173,536 while federal financing decreases by \$4.2 million. The federal funds change reflects projected grant payments.

- *Operational Savings.* The recommendation includes \$18,828 in operating, capital, and contract expenditure savings to better reflect historical expenditures.

E-911 Division

Within the E-911 program, the Governor recommends general revenue FY 2019 appropriations of \$5.9 million, an increase of \$5,208 above the enacted FY 2018 Enacted Budget due personnel costs. Major changes are detailed below.

Public Safety

- *Telecommunicator Positions.* The recommendation includes 2.0 additional telecommunicator positions totaling \$153,881. The positions will bolster the Division's ability to handle increased call volume and prepare for the transition to Next Generation 9-1-1 service.
- *Operational Savings.* The recommendation includes \$114,069 in operating and contract expenditure savings to better reflect historical expenditures and reduced expenditures on software maintenance agreements.

State Fire Marshal

The Governor recommends the transfer of the State Fire Marshal program and its 36.0 FTE positions to the Department of Business Regulation in FY 2019.

Security Services – Capitol Police

Within the Capitol Police program, the Governor recommends FY 2019 general revenue appropriations of \$4.5 million, an increase of \$688,622 above the enacted FY 2018 Enacted Budget, primarily due to personnel costs. Changes are detailed below.

- *Screener Positions.* The Governor's recommendation includes \$144,512 for 2.0 new screener positions to assist Capitol Police officers with security at state buildings.
- *Capitol Police Academy.* The Governor adds \$11,625 to finance the costs of a Capitol Police Academy to hire new employees when vacancies occur.
- *Operational Savings.* The recommendation includes \$36,757 in operating expenditure savings to better reflect historical expenditures.

Security Services – Division of Sheriffs

Within the Division of Sheriffs program, the Governor recommends FY 2019 general revenue appropriations of \$19.9 million, a decrease of \$150,206 below the enacted FY 2018 Enacted Budget. The recommendation includes the changes below.

- *Injured on Duty Reform.* Savings of \$331,986 are included to reflect anticipated staffing levels related to injured-on duty reform.
- *Operational Savings.* The recommendation includes \$198,602 in operating, contract, and capital expenditure savings to better reflect historical expenditures and revised vehicle loan repayments.

Capitol Police Rotary

Within the Capitol Police program, the Governor recommends FY 2019 appropriations of \$1.3 million from other fund sources, a decrease of \$20,922 below the enacted budget, which reflects current staffing levels.

Municipal Police Training Academy

Within the Municipal Police Training Academy (Academy) program, the Governor recommends FY 2019 appropriations of \$625,982, including \$253,024 from restricted receipts and \$372,958 from federal funds. Compared to FY 2018 enacted levels, general revenue decreases by \$269,414, restricted receipts financing increases by \$253,024, and federal financing increases by \$133,593. The recommendation shifts all general revenue costs of the Academy to a newly established restricted receipt account that will be seeded through tuition and physical training test fees. More detail is provided below on this change and recommended relocation.

Public Safety

- *Tuition and Statewide Physical Training Tests.* The recommendation allows the Academy to charge tuition to each new recruit and organize statewide physical training tests and assess a fee for each person taking the test. All tuition and fees collected will be deposited into a newly created restricted receipt account to offset the operational costs of the Academy. The recommendation anticipates that \$255,000 will be collected from tuition and fees in FY 2019.
- *Relocation.* The Governor recommends that all Academy activities and training take place at Camp Fogarty, generating savings of \$19,475 per year when compared to the enacted budget.

State Police

Within the State Police program, the Governor recommends FY 2019 appropriations of \$84.2 million, including \$70.0 million from general revenue, \$9.0 million from federal funds, \$552,603 from restricted receipts, and \$5.1 million from all other fund sources. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$4.5 million, federal financing increases by \$5.1 million, restricted receipts financing increases by \$348,845 million, and all other funds financing decreases by \$228,771. Changes include the items detailed below.

- *State Police Training Academy.* The Governor recommends \$3.2 million to finance a FY 2019 training academy for 30 recruits. This includes \$2.4 million in general revenue to finance trainee stipends and personnel costs for academy graduates.
- *Vehicles and Maintenance.* The Governor's recommendation includes \$2.7 million from the agency's federal forfeiture Google account to replace aging vehicles, and \$250,000 in general revenue for vehicle maintenance. The FY 2019 recommendation continues the replacement of vehicles that started in FY 2018. A newer fleet increases safety for law enforcement personnel and improves the day-to-day operations of the Patrol division.
- *Information Technology Upgrades.* The Governor recommends \$1.1 million from the agency's federal forfeiture Google account to replace laptops, printers, renew software license agreements, purchase fingerprint equipment, and begin the three-year phase-in of new mobile radios.
- *Naloxone.* An additional \$12,000 from the agency's federal forfeiture Google account to purchase additional naloxone.
- *Master Plan.* The recommendation includes \$100,000 from the Rhode Island Capital Plan Fund to complete the master plan for the agency's properties.
- *Operational Savings.* The recommendation includes \$475,648 in operating and contract expenditure savings to better reflect historical expenditures.

The Governor recommends 611.6 FTE positions in the revised FY 2018 Budget, which is unchanged from the enacted level. In FY 2019, the Governor recommends a FTE cap of 599.6 positions, a net decrease of 12.0 positions below the FY 2018 Enacted Budget due to the transfer of the State Fire Marshal program and all associated FTE positions (36.0) to the Department of Business Regulation, offset by an additional 30.0 State Troopers due to a new recruit class, 2.0 Telecommunicator, and 2.0 Screener positions. The

Public Safety

OFFICE OF THE PUBLIC DEFENDER

Source Of Funds	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Enacted	FY 2018 Revised	FY 2019 Recommended
General Revenue	\$11,306,039	\$11,511,842	\$12,043,006	\$11,825,576	\$12,300,887
Federal Funds	\$74,482	\$60,879	\$97,820	\$100,985	\$100,985
Restricted Receipts	\$0	\$0	\$0	\$0	\$0
Other Funds	\$0	\$0	\$0	\$0	\$0
RI Capital Plan Fund	\$0	\$0	\$0	\$0	\$0
Total Funding	\$11,380,521	\$11,572,721	\$12,140,826	\$11,926,561	\$12,401,872
FTE Authorization	93.0	93.0	93.0	93.0	95.0

FY 2018 Revised Budget

The Office of the Public Defender provides legal representation to all indigent defendants in criminal, juvenile and parental rights litigation, in accordance with constitutionally mandated obligations to secure fundamental fairness and due process.

The Governor recommends revised FY 2018 appropriations of \$11.9 million for the Office of the Public Defender, including \$11.8 million from general revenue and \$100,985 from federal funds. Relative to FY 2018 enacted budget levels, recommended general revenue financing decreases by \$217,430, while federal financing increases by \$3,165. The revised FY 2018 budget is inclusive of statewide medical benefit savings distributed to state agencies, which resulted in a total of general revenue savings of \$34,215 being allocated to the Office.

- *Personnel.* The Governor's recommendation includes \$10.5 million from general revenue, a decrease of \$247,540 from the enacted FY 2018 Budget, reflecting increased turnover for the agency's 93.0 FTE positions.
- *Contract Services.* The Governor includes \$198,852 from general revenue for various services relating to clerical workers, trial related expert witnesses and interpreters, a paralegal to assist staff attorneys, and a social services caseworker for juvenile clients at arraignment. The recommendation is the \$4,683 less than the enacted FY 2018 Budget.
- *Operating/Capital.* The Governor includes \$1.1 million from general revenue for operating expenses, including property-related costs (rent, fuel, electricity), staff related costs (training, mileage, travel), and other operating expenses, as well as federal funding of attorney loan repayment assistance. The recommendation is \$22,700 more than the enacted FY 2018 Budget, the reflecting the reappropriation of unspent FY 2017 funds for parking costs.
- *Internal Service Funds.* Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased funding totaling \$12,093 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.

FY 2019 Recommended Budget

The Governor recommends FY 2019 appropriations of \$12.4 million for the agency, including \$12.3 million from general revenue and \$100,985 from federal funds. Relative to FY 2018 enacted levels, the recommended general revenue financing increases by \$257,881 and federal financing increases by \$3,165. The revised FY

Public Safety

2019 budget is inclusive of statewide fringe benefit adjustments distributed to state agencies, which resulted in a total of \$34,629 in general revenue expenditure being allocated to the Office.

- *Personnel.* The Governor's recommendation includes \$11.0 million in general revenue, an increase of \$236,063 from the enacted FY 2018 Budget.
- *Attorneys.* In order to fulfill the Agency mandate to provide effective representation, the Governor recommends two additional entry-level attorney positions to address the high caseloads borne by the current attorney staff. The Governor's budget includes \$173,280 in funding.
- *Contract Services.* The Governor includes \$203,535 from general revenue for various contract services, the same as the enacted level.
- *Operating/Capital.* The Governor includes \$1.1 million from general revenue for operating/grants/capital expenses, an increase of \$9,632 from the enacted FY 2018 Budget, reflecting an increase in the agency's share of court facility operating costs.
- *Internal Service Funds.* Pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased funding totaling \$12,186 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 93.0 FTE positions in the revised FY 2018 Budget, consistent with the enacted FY 2018 level. The Governor recommends 95.0 FTE positions in FY 2019. The staff consists of attorneys supported by social workers, investigators, interpreters, information technology, intake and clerical support.

Natural Resources

Natural Resources

DEPARTMENT OF ENVIRONMENTAL MANAGEMENT					
Source Of Funds	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Enacted	FY 2018 Revised	FY 2019 Recommended
General Revenue	\$38,163,784	\$38,207,990	\$39,304,184	\$40,435,079	\$41,222,720
Federal Funds	\$21,109,597	\$19,397,456	\$33,399,312	\$34,487,171	\$31,763,160
Restricted Receipts	\$13,374,290	\$13,366,576	\$17,374,083	\$17,654,218	\$17,580,291
Other Funds	\$1,198,511	\$936,891	\$3,481,038	\$3,480,570	\$4,554,841
RI Capital Plan Fund	\$4,949,316	\$6,764,125	\$10,392,475	\$12,492,111	\$8,350,000
Total Funding	\$78,795,498	\$78,673,037	\$103,951,092	\$108,549,149	\$103,471,012
FTE Authorization	399.0	400.0	400.0	400.0	400.0

FY 2018 Revised Budget

The Governor recommends revised FY 2018 appropriations of \$108.5 million for the Department of Environmental Management, including \$40.4 million from general revenue, \$34.5 million from federal funds, \$17.7 million from restricted receipts, \$12.5 million from the Rhode Island Capital Plan Fund, and \$3.5 million in other funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$1.1 million, federal funds financing increases by \$1.1 million, restricted receipts financing increases by \$280,135, Rhode Island Capital Plan Fund financing increases by \$2.1 million, and other funds decreases by \$468. The revised FY 2018 budget is inclusive of enacted statewide medical insurance savings distributed to state agencies, which resulted in \$99,324 of general revenue savings allocated to the Department of Environmental Management. Additionally, pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased funding totaling \$2.5 million 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 and Information Technology.

Office of the Director

Within the Office of the Director, the Governor recommends revised FY 2018 appropriations of \$11.1 million, including \$7.1 million from general revenue, \$3.9 million from restricted receipts, and \$503 from federal funds. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$1.6 million, federal funds financing increases by \$503, and restricted receipt financing decreases by \$134,408 attributable to the following adjustments:

- *Personnel Expenses.* The Governor reduces general revenues by \$186,504, not including statewide benefit changes for personnel costs. The decrease is due to staff vacancies as a result of the voluntary retirement incentive.
- *Internal Services.* The Governor recommends a \$1.7 million increase in general revenue funding for internal services previously budgeted in the Department of Administration.
- *Lease Space Costs.* The Governor includes an increase of \$46,290 in general revenue primarily to cover the current electricity costs of the Foundry building where the Department headquarters is located. The Department entered into a new lease in July 2016, which required electricity usage to be paid monthly; previously, the Department paid annually for the previous year's usage. As such, in FY 2018, the Department will be paying for FY 2017, as well as monthly for FY 2018. This double-payment is offset by a decrease in the cost of property taxes, also a result of the new lease. This increase in FY 2018 is one-time and will not occur in future years.

Natural Resources

Bureau of Natural Resources

Within the Bureau of Natural Resources, the Governor recommends revised FY 2018 appropriations of \$65.1 million, including \$21.1 million from general revenue, \$23.7 million from federal funds, \$4.4 million from restricted receipts, \$12.5 million for the Rhode Island Capital Plan Fund, and \$3.3 million from other funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$27,369, federal fund financing increases by \$711,645, restricted receipt financing increases by \$426,369, Rhode Island Capital Plan Fund financing increases by \$2.1 million, and other funds financing decreases by \$334, attributable to the following adjustments:

- *Grants to Host Communities/Share of Beach Parking Fees.* The Governor recommends a decrease of \$56,234 in general revenue payments to host communities for their portion of the beach parking fees, which are appropriations in the Department's budget. Parking fee collections were lower than anticipated for the previous season, resulting in the smaller payment.
- *Vehicle Maintenance.* The Governor recommends a decrease of \$80,000 in general revenues for vehicle maintenance for enforcement staff. Recent purchases of new vehicles will require lower maintenance expenses.
- *Seasonal Employees.* The Governor recommends an additional \$83,382 in general revenues for seasonal parks and recreation staff. The Department employs over 500 lifeguards, rangers, groundskeepers, and other seasonal employees every year between the months of March and October. Based on actual employees and hours worked in calendar year 2016, the Governor recommends the increase of \$83,382 for personnel costs, including wages, benefits, and overtime.
- *Personnel Expenses.* The Governor recommends a decrease of \$185,794 in general revenue, not including statewide benefit changes for personnel costs or for seasonal recreation staff, for staff vacancies as a result of the voluntary retirement incentive.
- *Internal Services.* The Governor recommends a \$321,175 increase in general revenue funding for internal services previously budgeted in the Department of Administration.
- *Federal Grant Funding.* The Governor's recommendation includes a \$711,645 increase in federal funding. New grants awarded include funding for the Food Safety Modernization Act and coyote ecology and outreach.
- *RICAP Adjustments.* The Governor's recommendation makes adjustments to RICAP funding across projects for the Department due to revised project schedules and unspent funds from FY 2017, which have resulted in a \$2.1 million increase in funding in FY 2018.

Bureau of Environmental Protection

Within the Bureau of Environmental Protection, the Governor recommends revised FY 2018 appropriations of \$32.4 million, including \$12.2 million from general revenue, \$10.8 million from federal funds, \$9.3 million from restricted receipts, and \$164,600 in other funds. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$485,246, federal financing increases by \$375,711, restricted receipts decreases by \$11,826, and other funds decreases by \$134.

- *Clean Diesel Program.* The Governor recommends a decrease in general revenue funding for the Clean Diesel Program from \$1.0 million to \$250,000. The program works to reduce emissions from heavy-duty diesel engines operating on state roads and assists companies with supply chain efficiency.

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- *Personnel Expenses.* The Governor recommends a decrease of \$125,409, not including statewide benefit changes for personnel costs. The decrease is due to staff vacancies as a result of the voluntary retirement incentive.
- *Internal Services.* The Governor recommends a \$439,186 increase in general revenue funding for internal services previously budgeted in the Department of Administration.
- *Federal Grant Funding.* The Governor's recommendation includes a \$375,711 increase in federal funding, primarily to reflect changes in federal grant spending based on revised schedules.

FY 2019 Recommended Budget

The Governor recommends FY 2019 appropriations of \$103.5 million for the Department of Environmental Management, including \$41.2 million from general revenue, \$31.8 million from federal funds, \$17.6 million from restricted receipts, \$8.4 million from the Rhode Island Capital Plan Fund, and \$4.6 million from other funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$1.9 million, federal funds financing decreases by \$1.6 million, restricted receipt financing increases by \$206,208, Rhode Island Capital Plan Fund financing decreases by \$2.0 million, and other funds financing increases by \$1.1 million. The FY 2019 budget is inclusive of enacted statewide assessed fringe benefit, medical and retirement adjustments distributed to state agencies, which resulted in an increase of \$100,634 of general revenue allocated to the Department of Environmental Management. Additionally, pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased funding totaling \$2.6 million 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 and Information Technology.

Office of the Director

Within the Office of the Director program, the Governor recommends FY 2019 appropriations of \$11.0 million, including \$7.0 million from general revenue, \$3.8 million from restricted receipts, and \$212,741 in federal funding. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$1.4 million, restricted receipt financing decreases by \$213,502, and federal funds increase by \$212,741, attributable to the following adjustments:

- *Personnel Expenses.* The Governor recommends a \$190,272 decrease in general revenue for personnel expenses, exclusive of statewide benefit changes for personnel costs. The decrease is due to the elimination of a position in the Office of Administrative Adjudication and continued savings from the voluntary retirement incentive in FY 2018.
- *Internal Services.* The Governor recommends a \$1.8 million increase in general revenue funding for internal services previously budgeted in the Department of Administration.
- *Lease Space Costs.* The Governor recommends a decrease of \$162,580 in general revenue funding for the current cost of the lease of the Foundry building, where the Department headquarters are located. The Department recently entered into a new lease, which began in July 2016. The new lease has lower requirements for payment of property taxes as part of the Department's annual obligation.

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Bureau of Natural Resources

Within the Bureau of Natural Resources, the Governor recommends FY 2019 appropriations of \$60.2 million, including \$21.8 million from general revenue, \$21.6 million from federal funds, \$4.0 million from restricted receipts, \$8.4 million for the Rhode Island Capital Plan Fund, and \$4.5 million from other funds. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$694,749, federal fund financing decreases by \$1.4 million, restricted receipt financing decreases by \$4,972, Rhode Island Capital Plan Fund financing decreases by \$2.0 million, and other funds financing increases by \$1.2 million, attributable to the following adjustments:

- *Minimum Wage Increase for Seasonals.* The minimum wage increased from \$9.60 to \$10.10 per hour on January 1, 2018, and will increase again to \$10.50 per hour on January 1, 2019. The Governor recommends increasing funding by \$107,868 for the Department's seasonal recreational program for FY 2019 to reflect the higher wages. In addition, as in FY 2018, the Governor recommends an increase of \$124,762 in funding for wages and benefits to reflect an increase hours, based on actual 2016 data.
- *Internal Services.* The Governor recommends a \$323,651 increase in general revenue funding for internal services previously budgeted in the Department of Administration.
- *Grants to Host Communities/Share of Beach Parking Fees.* The Governor recommends \$56,234 less in general revenue in order to pay the host communities for their portion of the beach parking fees, which are appropriations in the Department's budget. The FY 2019 budget is based on FY 2018 actual payments, which were lower than anticipated.
- *Food Safety Modernization Act.* The Governor recommends \$200,000 in federal funding for two new FTE positions to implement the Food Safety Modernization Act. The federal law regulates the way foods are grown, harvested, and processed.
- *RICAP Adjustments.* The Governor's recommendation makes adjustments to RICAP funding across projects for the Department, and reduces funding for dam repair, recreational facilities, bike paths, and Fort Adams. The Governor instead recommends bond referenda in November to fund these projects. The recommended budget also includes an additional \$3.5 million for the new Natural Resources and Visitors Center in the Arcadia Management Area, which will provide for public programming, meeting, and gathering spaces, as well as creating more centralized office space for the Department.
- *DOT Recreational Projects.* The Governor recommends an additional \$1.2 million in FY 2019 for DOT Recreational Projects, which continues funding for various state recreational area improvement projects.

Bureau of Environmental Protection

Within the Bureau of Environmental Protection, the Governor recommends FY 2019 appropriations of \$32.3 million, including \$12.5 million from general revenue, \$10.0 million from federal funds, \$9.7 million from restricted receipts, and \$55,154 from other funds. Relative to FY 2018 enacted levels, recommended general revenue financing decreases by \$185,631, federal fund financing decreases by \$411,922, restricted receipt financing increases by \$424,682, and other funds financing decreases by \$109,580, attributable to the following adjustments:

- *Clean Diesel Program.* The Governor recommends eliminating funding for the Clean Diesel Program in FY 2019, a reduction of \$1.0 million from 2018 enacted levels. The program works to

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reduce emissions from heavy-duty diesel engines operating on state roads and assists companies with supply chain efficiency.

- *Internal Services.* The Governor recommends a \$442,580 increase in general revenue funding for internal services previously budgeted in the Department of Administration.

Full-Time Equivalent Positions

The Governor recommends 400.0 FTE positions in the revised FY 2018 Budget and in the recommended FY 2019 Budget, unchanged from the enacted FY 2018 budget.

Investing in a Green Economy and Clean Water

Included within her FY 2019 – FY 2023 Capital Improvement Plan, the Governor recommends a total of \$48.5 million in General Obligation (GO) Bond Referenda in November 2018 to be used for environmental and recreational purposes as follows:

- *Resiliency.* The Governor recommends \$20.5 million to focus on coastal infrastructure, clean drinking water, and wastewater. Projects will include matching grants for coastal resiliency and wastewater treatment facility improvements, state-owned dam repair, and clean water infrastructure upgrades.
- *State and Local Recreation.* The Governor recommends \$15.0 million for capital improvements to state-owned recreational facilities and to provide matching grants for municipalities to acquire, develop, or rehabilitate local recreational facilities.
- *Bike Infrastructure.* The Governor recommends \$5.0 million for the repair of state bikeways, including the East Bay Bike Path, and construction of new bikeways.
- *Brownfield Remediation and Economic Development.* The Governor recommends \$4.0 million for matching grants focusing on the preparation of contaminated brownfield sites for economic development.
- *Open Space and Access to Farmland.* The Governor recommends \$4.0 million for matching grants for the State Farmland Access Program and to support municipalities, local land trusts, and nonprofit organizations develop open space and urban parklands.

COASTAL RESOURCES MANAGEMENT COUNCIL					
Source Of Funds	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Enacted	FY 2018 Revised	FY 2019 Recommended
General Revenue	\$2,410,069	\$2,392,188	\$2,487,578	\$2,490,523	\$2,597,897
Federal Funds	\$1,818,741	\$3,112,357	\$1,649,291	\$4,213,821	\$2,733,267
Restricted Receipts	\$194,623	\$142,106	\$250,000	\$250,000	\$250,000
Other Funds	\$0	\$0	\$0	\$0	\$0
RI Capital Plan Fund	\$0	\$321,755	\$450,000	\$300,000	\$675,000
Total Funding	\$4,423,433	\$5,968,406	\$4,836,869	\$7,254,344	\$6,256,164
FTE Authorization	29.0	29.0	29.0	29.0	29.0

FY 2018 Revised Budget

The Governor recommends revised FY 2018 appropriations of \$7.3 million for the Coastal Resources Management Council, including \$2.5 million from general revenue, \$4.2 million from federal funds, \$250,000 from restricted receipts, and \$300,000 from the Rhode Island Capital Plan Fund. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$2,945, federal financing increases by \$2.6

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million, restricted receipt financing is unchanged, and Rhode Island Capital Plan Fund financing decreases by \$150,000. The revised FY 2018 Budget is inclusive of medical insurance savings distributed to state agencies, which resulted in \$8,249 of general revenue savings allocated to the Coastal Resources Management Council. Additionally, pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased funding totaling \$17,233 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.

- *Personnel Financing.* The Governor's recommendation includes \$3.5 million from all funds for personnel expenditures for 29.0 FTE positions, a decrease of \$34,929 from the enacted FY 2018 Budget. The recommendation includes \$2.3 million in general revenue financing, a decrease of \$14,288 from the enacted FY 2018 Budget.
- *Federal Grant Financing.* The Governor's recommendation includes \$4.2 million in federal funds financing, an increase of \$2.6 million from enacted FY 2018 levels. The increase is primarily due to lower than expected construction costs, resulting in the carry forward of funds from FY 2017 for the Ningret Pond dredging project. Additionally, a number of new grants were awarded for various modeling and design projects.

FY 2019 Recommended Budget

The Governor recommends FY 2019 appropriations of \$6.3 million for the Coastal Resources Management Council, including \$2.6 million from general revenue, \$2.7 million from federal funds, \$250,000 from restricted receipts, and \$675,000 from the Rhode Island Capital Plan Fund. Relative to FY 2018 enacted levels, recommended general revenue financing increases by \$110,319, federal financing decreases by \$1.1 million, restricted receipts financing is unchanged, and Rhode Island Capital Plan Fund financing increases by \$225,000. The recommended FY 2019 Budget is inclusive of adjustments to assessed fringe, retirement, medical benefits distributed to state agencies, which resulted in an \$8,268 increase in general revenue allocated to the Coastal Resources Management Council. Additionally, pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased funding totaling \$17,366 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.

- *Personnel Financing.* The Governor's recommendation includes \$3.5 million for personnel expenditures for 29.0 FTE positions, an increase of \$14,984 from the enacted FY 2018 Budget. The recommendation includes \$2.4 million in general revenue financing, an increase of \$27,953 from the enacted 2018 Budget. The increase is mostly due to higher benefit expenses.
- *Data Analysis/Technical Support.* The Governor recommends \$50,000 in general revenue to support maintenance of StormTools, a web-based product that illustrates and displays storm inundation along Rhode Island's coastline. The tool was developed using federal funds as part of the Shoreline Beach Special Area Management Plan. The additional funding is needed to maintain and host the site in partnership with the University of Rhode Island. A further \$15,000 in general revenue is recommended to complete weekly measurements and analysis of the Charlestown shoreline that will help better predict potential risks and damages.

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- *Federal Grant Financing.* The Governor's recommendation includes \$2.7 million in federal grants, an increase of \$1.1 million from enacted 2018 levels. The increase is mainly due a number of new grants awarded in FY 2018 to work on elevation maps, coastal resiliency, and other projects.
- *Rhode Island Capital Plan Funds.* Most of the increase in the FY 2019 Budget is due to the second year of funding for the Coastal Storm Risk Study project, a \$375,000 increase from the first year.

The Governor recommends 29.0 FTE positions in the revised FY 2018 Budget and in the recommended FY 2019 Budget, which represents no change from the enacted FY 2018 level.

Transportation

Transportation

Summary

The transportation function provides for the maintenance and construction of quality infrastructure that reflects the transportation needs of the citizens of Rhode Island. The function is implemented by the Department of Transportation through its core programs (Central Management, Management and Budget, Infrastructure Engineering, and Infrastructure Maintenance) and transportation development and maintenance. Transportation development includes construction and design, traffic management, environmental and intermodal planning, capital programming, bridge rehabilitation/replacement, and highway safety. The Department of Transportation maintenance section engages in the routine maintenance of state highways, bridges, and associated roadsides and highway appurtenances.

In FY 1994, Rhode Island established the Intermodal Surface Transportation Fund (ISTF) to provide financing for transportation expenditures from dedicated user-related revenue sources. This dedicated highway fund establishes a direct relationship between transportation project financing and the end-users of the projects, with the goal of establishing a stable revenue stream capable of financing the projects on a pay-as-you-go basis.

For FY 2018, the Intermodal Surface Transportation Fund is supported by 32.5-cents of Rhode Island's 34.0-cent per gallon gasoline tax. Gasoline tax receipts finance operating and debt service expenditures of the Department of Transportation, as well as specific portions of transportation-related expenditures of the Rhode Island Public Transit Authority (RIPTA), the Rhode Island Turnpike and Bridge Authority (RITBA), and the Department of Human Services (formerly the Department of Elderly Affairs). The revenue generated by the state's gasoline tax is allocated to these recipients on an individual cent basis. State law governs the distribution of the cents to the agencies. As of FY 2010, there is no longer any contribution to the General Fund from the gasoline tax. The Office of Revenue Analysis within the Department of Revenue has provided the gasoline tax collections estimates for FY 2018 and FY 2019 on a cent-per-gallon revenue yield. This yield is the basis for the development of budgets for the various gasoline tax-supported operations.

Since the inception of this funding mechanism for transportation activities, there have been numerous revisions to the allocation plan. Each change has been initiated in order to direct more revenues to transportation operations rather than to the general fund. There was a change to the disbursement schedule in the enacted FY 2010 Budget, which increased the RIPTA allocation and the total gasoline tax by 2.0-cents, and an increase to the Department of Transportation of 1.0-cent, with an offsetting reduction and elimination of the allocation of gasoline tax directed to the general fund. Starting in FY 2009, 0.5 of the State's 1.0-cent per gallon environmental protection regulatory fee collected from motor fuel sales to owners and/or operators of underground storage tanks has been used to support RIPTA.

The most recent change to this funding mechanism occurred when the 2014 General Assembly passed Article 21 of the FY 2015 Appropriations Act. Starting in FY 2015, 3.5-cents of the gasoline tax is transferred to the RITBA, to be used for maintenance operations, capital expenditures and debt service on any of its projects in lieu of a toll on the Sakonnet River Bridge, with a corresponding decrease to the Department of Transportation's share of the gasoline tax. Furthermore, starting in FY 2016, the gasoline tax will be adjusted biennially by the percentage of increase in the Consumer Price Index for all Urban Consumers (CPI-U) as published by the United States Bureau of Labor Statistics. The adjustment will be rounded to the nearest 1.0-cent increment, while the total tax cannot be less than 32.0-cents per gallon on all taxable gallons of fuel sold or used in Rhode Island in any given year. In FY 2018, the gasoline tax did not increase, as there was not enough growth to produce an increase.

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	Current Law Gasoline Tax Allocation (in cents)						
	Fiscal Year						
<u>Recipient</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
DOT	21.75 ³	21.75	18.25 ⁶	19.25 ⁷	19.25	19.25 ⁸	19.25
RIPTA ¹	9.75 ⁴	9.75	9.75	9.75	9.75	9.75	9.75
RITBA	0.0	0.0	3.5	3.5	3.5	3.5	3.5
General Fund ¹	0.0 ³	0.0	0.0	0.0	0.0	0.0	0.0
DHS/DEA	1.0 ⁵	1.0	1.0	1.0	1.0	1.0	1.0
Underground Storage Tank-DEM	0.5 ²	0.5	0.5	0.5	0.5	0.5	0.5
Total:	33.0	33.0	33.0	34.0	34.0	34.0	34.0

¹Increased to 7.25 cents in May 2006 (FY 2006) with a corresponding decrease to the General Fund.

²Starting in FY 2009, 0.5 of the 1.0 cent Underground Storage Tank fee was recommended for allocation to RIPTA.

³Starting in FY 2010, 1.0 of the remaining cent distributed to the General Fund was recommended to finance Department of Transportation operations.

⁴Starting in FY 2010, 2.0 new cents of gasoline tax were added to the total for 33.0 cents now collected; the additional two cents were allocated to finance RIPTA.

⁵Starting in FY 2010, 1.0 cent formerly directed to Department of Elderly Affairs are now sent to Department of Human Services.

⁶Starting in FY 2015, 3.5 cents of gasoline tax are distributed to the Turnpike and Bridge Authority, with a corresponding decrease to the Department of Transportation.

⁷Starting in FY 2016, the gasoline tax shall be adjusted by the percentage of increase in the CPI-U.

⁸CPI-U growth was not high enough to increase the gasoline tax for FY 2018.

In recent years, Rhode Island has modified its transportation financing system to reduce reliance on debt financing and to provide additional resources for state projects. Rhode Island General Law 39-18.1-4 created the Rhode Island Highway Maintenance Account within the Intermodal Surface Transportation Fund. Article 22, included in the FY 2012 Enacted Budget, increased registration and license fees and dedicated those new revenues to transportation purposes, namely as a piece of the state match used toward the department's federal highway program. The Article prescribed a three-year, phased increase in registration and license fees, which began in FY 2014. Two-year registrations and drivers' licenses would each be increased by \$30 (\$10 per year for three-years), while one-year registrations would be increased by \$15 (\$5 per year for three-years).

In the 2014 legislative session, the financing mechanism for transportation infrastructure and bridge repairs changed dramatically when the General Assembly, as part of the FY 2015 Enacted Budget, passed Article 21 – Relating to Transportation, which:

Transportation

- Raised the state vehicle inspection fee by \$16.00, from \$39.00 to \$55.00. Previously \$16.00 of this fee had been deposited into the general fund; now, a total of \$32.00 (\$16.00 previous funds and the \$16.00 increase) is deposited into the Rhode Island Highway Maintenance Account.
- Added a \$25.00 surcharge on all dismissals based on a good driving record. The previous fee of \$35.00 covers court costs; the additional \$25.00 is deposited into the Highway Maintenance Account.
- Transferred existing motor vehicle fees, surcharges and tax revenues from the general fund to the Highway Maintenance Account, including:
 - \$50.00 fee to receive a certificate of title for a purchased vehicle.
 - Rental Vehicle Surcharge – 8.0 percent of gross receipts per rental vehicle for the first thirty days.
 - A multi-year phase-in for all remaining motor vehicle fees beginning in FY 2016.

While the passage of Article 21 was an important step to creating a state-funded program for transportation infrastructure and transit, during the 2015 General Assembly session, the Department of Transportation and the Governor’s Administration put forward the RhodeWorks proposal to fund Rhode Island’s transportation infrastructure needs for the next decade. Passed in early 2016, the plan includes the refinancing of existing Grant Anticipation Revenue Vehicle (GARVEE) debt to shift payments into the future and make \$120 million in federal funds more immediately available (during the initial years of the proposed program), as well as the issuance of \$300 million in new GARVEE bonds. Additionally, the plan includes the tolling of large commercial trucks beginning in FY 2018, resulting in an estimated \$41.0 million of revenue per year when implemented. The focus of the program is the reduction of the number of structurally deficient bridges in Rhode Island, from 22.0 percent in 2014 to 10.0 percent in 2025.

Federal Funding

Primary funding for Rhode Island transportation and highway construction spending is provided through the Federal Highway Administration (FHWA). Federal highway funding is provided through the Highway Trust Fund and other sources, as appropriated and allocated by Congress through transportation authorization legislation. Typically, these authorization provisions extend five to six years, allowing for mid-range capital planning at the state level. The Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), which was passed in August 2005, authorized funding for highway construction, highway safety programs, mass transit operations, and other surface transportation projects over a five-year period, from 2005 to 2009. The Act expired in 2009, but was extended for short periods with minor adjustments to the substantive provisions.

In June 2012, Congress approved a two-year transportation authorization called Moving Ahead for Progress in the 21st Century (MAP-21). MAP-21 intended to create a streamlined and performance-based surface transportation program and build on and refine many existing highway, transit, bike, and pedestrian programs and policies. Again, there multiple short-term extension after the expiration of the original MAP-21 term.

After years of short-term fixes, on December 4, 2015, the President signed into law the Fixing America’s Surface Transportation (FAST) Act that authorizes federal highway, highway safety, transit, and rail programs for five-years from Federal Fiscal Year 2016 through FFY 2020. The FAST Act represents the first long-term comprehensive surface transportation legislation since the SAFETEA-LU Act in 2005.

Transportation

Transportation Improvement Program

The Highway Improvement Program implements the Department's capital program as identified in the State's Transportation Improvement Program (TIP). The TIP is a listing of transportation projects that the State plans to finance over a set period from federal highway and transit funds. The development of the TIP is the product of extensive public outreach to all communities, public interest groups, and citizens throughout the state by the agencies involved in transportation planning and project implementation. Federal law requires that all projects using federal transportation funds shall appear in a TIP adopted by the State Planning Council and approved by the Governor. Up until FY 2017, Rhode Island developed four-year TIPs, with the last one expiring on September 30, 2016. Moving forward, the State will develop a 10-year TIP, with updates and re-adoption each year. This approach increases the frequency of public participation and allows for more accurate planning. The first four years of the TIP will be fiscally constrained, meaning that the projects included may not exceed the anticipated funding that is reasonably expected to be available over the four-year time period. The FFY 2017 – 2025 TIP was passed on September 8, 2016.

DEPARTMENT OF TRANSPORTATION					
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	\$254,067,959	\$240,249,803	\$285,390,062	\$290,957,841	\$292,015,160
Restricted Receipts	\$2,890,620	\$1,516,861	\$3,168,128	\$3,086,078	\$3,034,406
Other Funds	\$126,118,709	\$142,311,488	\$181,781,930	\$249,939,918	\$245,560,863
RI Capital Plan Fund	\$12,052,271	\$38,103,232	\$43,724,952	\$51,059,476	\$51,822,782
Total Funding	\$395,129,559	\$422,181,384	\$514,065,072	\$595,043,313	\$592,433,211
FTE Authorization	701.0	701.0	775.0	775.0	795.0

FY 2018 Revised Budget

The Governor recommends revised FY 2018 appropriations of \$595.0 million for the Department of Transportation, including \$291.0 from federal funds, \$249.9 million from other funds, \$51.1 million from the Rhode Island Capital Plan Fund, and \$3.1 million in restricted receipts. Relative to FY 2018 enacted levels, recommended federal funds increase by \$5.6 million, Rhode Island Capital Plan Fund financing increases by \$7.3 million, while restricted receipts decrease by \$82,050 from enacted levels. Other funds increase by a total of \$67.5 million from enacted levels. The other funds total includes gasoline tax expenditures for the Department of Transportation, RIPTA, Turnpike and Bridge Authority, and GARVEE/Motor Fuel Revenue Bonds, as well as Rhode Island Highway Maintenance Account funds, toll revenue, land sale proceeds, non-land surplus property revenues, and other miscellaneous receipts.

Revenues derived from the gasoline tax and the Highway Maintenance Account, which combined, make up the state-funded portion of the Intermodal Surface Transportation Fund. The revised estimated state gas tax revenue available in FY 2018 is \$142.0 million, which represents the revised per-penny gasoline tax yield estimate of \$4,449,465.

Adjustments to the total gasoline tax appropriation for the Department of Transportation include projected transfers to the Department of Administration to finance transportation-related general obligation bond debt service costs of \$39.4 million. The Department of Transportation receives \$1.9 million through the Build America Bond rebates that will be used to reduce the amount of gasoline tax used for debt service.

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The total general obligation debt service the Department of Transportation is responsible for paying in FY 2018 remained at the enacted level of \$41.2 million, as there was no change in the debt service schedule.

Through consolidation efforts over the years, the Department of Transportation finances employees through gas tax revenues and budgets those positions within the Department of Administration. A total of \$1.5 million represents financing of purchasing, audit, and planning positions that exist within the Department of Administration for employees who work with the Department of Transportation. Additionally, pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased funding totaling \$2.3 million is now reflected in the agency gas tax budget for FY 2018. This accounts for the decentralization of budgetary authority for statewide internal services provided by the Department of Administration's Divisions of Human Resources and Information Technology.

The revised estimated receipts for the Rhode Island Highway Maintenance Account portion of the Intermodal Surface Transportation Fund in FY 2018 are \$142.0 million. This includes a positive carryforward of \$66.0 million from FY 2017. As part of Article 21, all remaining registration and license fees were to be transferred from the General Fund to the Intermodal Surface Transportation Fund beginning in FY 2016, in a phased-in approach (25.0 percent in FY 2016, 75.0 percent in FY 2017, and 100.0 percent in FY 2018). The 2017 General Assembly adjusted the phase-in schedule to 50.0 percent in FY 2017, 80.0 percent in FY 2018, and 100.0 percent in FY 2019. As part of the revised FY 2018 Budget, the Governor recommends reducing the schedule phase-in for FY 2018 to 60.0 percent, which will result in \$10.3 million less in revenue for the Intermodal Surface Transportation fund. The Governor recommends 100.0 percent in FY 2019.

Article 21 also designated five-percent of all Highway Maintenance Account receipts to be transferred to support operational expenses at the Rhode Island Public Transit Authority (RIPTA). The 2017 General Assembly directed an additional \$5.0 million per year for FY 2018 and FY 2019. The additional funding will be used to offset a reduction in revenue from the reinstatement of free rides for elderly and disabled riders and to fund debt service on outstanding general obligation bonds, which had been funded using general revenues for the previous two years.

Central Management

Within the Central Management program, the Governor recommends revised FY 2018 appropriations of \$13.0 million, including \$8.1 million from federal funds and \$4.9 million from gas tax revenues. Relative to FY 2018 enacted levels, recommended federal financing increases by \$1.3 million, while gas tax revenue financing increases by \$99,923. The Governor's recommendation includes \$248,688 in gas tax financing for internal services previously budgeted within the Department of Administration.

Management and Budget

Within the Management and Budget program, the Governor recommends revised FY 2018 appropriations of \$5.3 million, entirely from gas tax revenues. Relative to FY 2018 enacted levels, recommended gas tax revenue financing increases by \$2.3 million, not including statewide decreases to medical insurance rates. \$1.6 million of the increase is due to internal services previously budgeted within the Department of Administration. The remainder is mostly due to a decrease in the amount of expenses allocated for personnel costs associated with administering federally sponsored programs; a corresponding increase exists in the Infrastructure-Engineering program.

Infrastructure-Engineering

Within the Infrastructure-Engineering program, the Governor recommends revised FY 2018 appropriations of \$413.5 million, including \$282.9 million from federal funds, \$75.1 million from gas tax revenues, \$4.0 million in toll revenues, \$45.8 million from the Rhode Island Capital Plan Fund, \$2.6 million from other

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funds, and \$3.1 million in restricted receipts. Relative to FY 2018 enacted levels, recommended federal financing increases by \$4.3 million, gas tax revenues decrease by \$1.1 million, toll revenues increase by \$4.0 million, Rhode Island Capital Plan Funds increase by \$7.1 million, other funds decrease by \$41,997, and restricted receipt funds decrease by \$82,050, attributable to adjustments detailed below.

- *Highway Improvement Program – Rhode Island Capital Plan Fund Financing.* In addition to the gasoline tax revenues and the Rhode Island Highway Maintenance Account generated revenues, the Department of Transportation’s Highway Improvement Program (HIP) represents those highway and intermodal projects that utilize federal funds administered by the Federal Highway Administration. Other than federal grant funds, the HIP utilizes state funds for matching and non-matching purposes. To begin the elimination of general obligation bond financing for the Department of Transportation’s federal highway match, the General Assembly appropriated \$20.0 million in FY 2013 and \$21.1 million in FY 2014 from the Rhode Island Capital Plan Fund. The trend to use Rhode Island Capital Plan Fund financing as a portion of the state match was accelerated in the enacted FY 2015 Budget, which contained \$27.7 million and even more so in the enacted FY 2016 Budget, which contained \$34.7 million of state match financing, and the enacted FY 2017 Budget, which contained \$32.5 million. The enacted FY 2018 Budget increased again to \$35.9 million. This included \$3.4 million to offset the transfer of revenues from the Highway Maintenance Account for the Rhode Island Public Transit Authority. Additionally, based on unspent carry forward in Rhode Island Capital Plan Fund financing from FY 2016, an extra \$31.5 million was programmed over the following six years (or approximately \$5.2 million per year). The Governor’s total recommendation for the revised FY 2018 Budget is \$42.9 million, which includes \$7.1 million of unspent carryforward from FY 2017.
- *Operating Transfer to Rhode Island Public Transit Authority (RIPTA).* The continued emphasis toward a more balanced multimodal transportation system extends to statewide mass transit programs as well. Operating assistance to RIPTA will be financed from a 9.25-cent allocation of the gasoline tax, as well as an additional 0.5-cent of the 1.0-cent Underground Storage Tank fee. The Governor recommends an operating transfer of \$43.4 million to RIPTA for operating assistance, which is a decrease of \$936,146 from the enacted FY 2018 Budget based on revised estimates to the per-penny gas tax yield.
- *Operating Transfer to Rhode Island Turnpike and Bridge Authority.* As referenced earlier, the General Assembly authorized the transfer of 3.5-cents of the gasoline tax to the Turnpike and Bridge Authority beginning in FY 2015 in place of toll revenues on the Sakonnet Bridge. For FY 2018, the Governor recommends an operating transfer of \$15.6 million to the Turnpike and Bridge Authority, which is a decrease of \$336,052 from the enacted FY 2018 Budget based on revised estimates to the per-penny gas tax yield.
- *Operating Transfer – Motor Fuel Tax Revenue Bonds.* The gas tax-funded debt service on the Motor Fuel Tax revenue bonds totals \$9.1 million in the enacted FY 2018 Budget, which is paid using 2.0-cents of total gas tax revenues. The Governor recommends \$8.9 million in the revised FY 2018 Budget, a decrease of \$192,030, based on revised estimates to the per-penny gas tax yield.
- *Toll Revenue.* As part of RhodeWorks, the Department of Transportation plans to open two gantries to toll commercial trucks early in 2018. The remainder of the gantries will open later in the year. Estimated revenue for FY 2018 is \$4.0 million.

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- *Internal Services.* The Governor recommends \$504,912 in gas tax revenues and \$1.3 million in federal funds to go towards internal services previously budgeted within the Department of Administration.

Infrastructure-Maintenance

Within the Infrastructure-Maintenance program, the Governor recommends revised FY 2018 appropriations of \$163.3 million, including \$142.0 million from the Rhode Island Highway Maintenance Account, \$15.9 million from gas tax revenues, \$5.3 million from the Rhode Island Capital Plan Fund, and \$150,000 from other funds. Relative to FY 2018 enacted levels, recommended Rhode Island Highway Maintenance Account revenues increase by \$67.5 million, gas tax revenues decrease by \$4.7 million, Rhode Island Capital Plan Fund financing increases by \$280,313, while other funds remain at the enacted level, attributable to adjustments detailed below.

- *Maintenance Vehicles/Heavy Equipment Purchases.* The Governor recommends \$18.0 million in gas tax funding for the purchase of vehicles and heavy equipment for maintenance staff in the FY 2017 revised budget, which is \$11.2 million higher than enacted levels. The increase is due a delay in planned purchases from FY 2017 to FY 2018. The additional vehicles and equipment are required for the planned increase of maintenance staff as part of the RhodeWorks program.
- *Infrastructure Projects.* The Governor recommends \$142.0 million in Highway Maintenance Account funding, which is \$67.5 million more than enacted levels, for various transportation capital projects. Most of the increase is from unspent funds from FY 2017 that will be used on a number of major construction projects, including the reconstruction of the Route 6/10 interchange.

FY 2019 Recommended Budget

The Governor recommends FY 2019 appropriations of \$592.4 million for the Department of Transportation, including \$292.0 million from federal funds, \$245.6 million from other funds, \$51.8 million from the Rhode Island Capital Plan Fund, and \$3.0 million in restricted receipts. Relative to FY 2018 enacted levels, recommended federal funds increase by \$6.6 million, Rhode Island Capital Plan Fund financing increases by \$8.1 million, and restricted receipts decrease by \$133,722 from the enacted budget. Other funds for the Department of Transportation increase by a total of \$63.8 million from FY 2018 enacted levels. The other funds total includes gasoline tax expenditures for the Department of Transportation, RIPTA, Turnpike and Bridge Authority, and GARVEE/Motor Fuel Revenue Bonds, as well as Rhode Island Highway Maintenance Account funds, toll revenue, land sale proceeds, non-land surplus property revenues, utility access permit fees, and other miscellaneous receipts.

The total estimated receipts for the gasoline tax portion of the Intermodal Surface Transportation Fund in FY 2019 are \$144.3 million, which represents a gasoline tax yield estimate of \$4,440,702 per penny of the gasoline tax. The total estimated receipts for the Rhode Island Highway Maintenance Account portion of the Intermodal Surface Transportation Fund in FY 2019 are \$97.0 million, which represents an increase of \$22.6 million from FY 2018 enacted levels. Rhode Island General Law 39-18.1-4 transfers 100.0 percent of all existing Department of Motor Vehicle (DMV) fees to the Highway Maintenance Account as of July 1, 2018.

Projected transfers to the Department of Administration to finance transportation-related general obligation bond debt service costs are estimated at \$38.3 million in FY 2019. This includes \$1.9 million through Build America Bond rebates that are used to reduce the amount of gasoline tax used for debt

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service. Total general obligation bond debt service the Department of Transportation is responsible for paying in FY 2019 decreases by \$1.1 million from the FY 2018 enacted level of \$39.4 million.

A total of \$1.8 million represents financing of purchasing, audit, and planning positions that exist within the Department of Administration for employees who work with the Department of Transportation. Additionally, pursuant to authority provided by the General Assembly in the FY 2018 Appropriations Act, increased funding totaling \$2.5 million is now reflected in the agency gas tax 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 and Information Technology.

Central Management

Within the Central Management program, the Governor recommends FY 2019 appropriations of \$11.3 million, including \$6.5 million from federal funds and \$4.8 million from gas tax revenues. Relative to FY 2018 enacted levels, recommended federal financing decreases by \$253,117, while gas tax revenue financing increases by \$40,488. Gas tax expenditures include \$251,996 for internal services previously budgeted within the Department of Administration. This increase is offset by lower personnel costs due to a decrease in FTE positions to balance increases in other programs.

Management and Budget

Within the Management and Budget program, the Governor recommends FY 2019 appropriations of \$5.3 million, entirely from gas tax revenues. Relative to FY 2018 enacted levels, recommended gas tax revenues increase by \$2.3, mostly due to the inclusion of \$1.7 million for internal services previously budgeted within the Department of Administration. In addition, as in FY 2018, a lower allocation of federal indirect expenses is recommended.

Infrastructure-Engineering

Within the Infrastructure-Engineering program, the Governor recommends FY 2019 appropriations of \$446.0 million, including \$285.5 million from federal funds, \$75.3 million from gas tax revenues, \$38.4 million from the Rhode Island Capital Plan Fund, \$41.0 million in toll revenue, \$2.6 million from other funds, and \$3.0 million in restricted receipts. Relative to FY 2018 enacted levels, recommended federal financing increases by \$6.9 million, gas tax revenues decrease by \$848,750, Rhode Island Capital Plan Funds decrease by \$276,159, other funds decrease by \$25,310, and restricted receipt funds decrease by \$133,722, attributable to adjustments detailed below.

- *Highway Improvement Program – Rhode Island Capital Plan Fund Financing.* The Governor's FY 2019 recommendation includes \$35.9 from the Rhode Island Capital Plan Fund for the state match on federally funded transportation projects, equal to FY 2018 enacted levels.
- *Rhode Island Public Transportation Authority (RIPTA) – Rhode Island Capital Plan Fund Financing.* The Governor's FY 2019 recommendation includes Rhode Island Capital Plan Funds for three different RIPTA capital projects. A total of \$90,000 is recommended in FY 2019 as the match to an ongoing transit and security enhancement project. Match funding in FY 2019 is also recommended for the second year of two RIPTA projects that will begin in FY 2018: the Downtown Providence Transit Connector project (\$1.6 million in FY 2019), which will provide enhanced service through the heart of city; and the Downtown Pawtucket Bus Hub and Transit Corridor project (\$946,168 in FY 2019), which will encompass the construction of a new bus hub and infrastructure adjacent to the future Pawtucket-Central Falls Train Station. The funding for all three projects in FY 2019 is \$1.7 million greater than 2018 enacted levels.

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- *Rhode Island Airport Corporation (RIAC) – Rhode Island Capital Plan Fund Financing.* Between FY 2017 and FY 2018, RIAC received \$5.0 million in Rhode Island Capital Plan Fund financing to for runway construction and the completion of an expanded Federal Inspection Service facility to support new international flights arriving at T. F. Green Airport. The Governor does not recommend Rhode Island Capital Plan Fund financing for RIAC in FY 2019.
- *Federal Highway Administration Pledge to Trustee.* FY 2004 marked the beginning of a major effort on the part of Rhode Island government to address the rebuilding and modernization of the State’s transportation systems. In 2003, 2006 and 2009, the State completed the first, second and third parts of a three-part bond transaction that provided \$680.0 million in construction funds for five major infrastructure projects financed by two methods. The majority of the costs have been financed through Grant Anticipation Revenue Vehicle bonds (GARVEE). GARVEE is a program approved by Congress that allows states to borrow funds, which are then repaid by the annual allocation of Federal Highway Administration construction funds. The remaining costs were provided through Motor Vehicle Tax Revenue Bonds. These bonds are financed through a 2.0-cent dedication of the Department’s gasoline tax allocation. The projects financed under this program were the I-95 Relocation, Washington Bridge Reconstruction, a new Sakonnet River Bridge, the Freight Rail Improvement Program and Quonset Rt. 403 construction. The RhodeWorks 10-year plan includes a proposal to refinance GARVEE debt to shift payments into the future and make \$120.0 million in federal funds more immediately available. In FY 2016, an additional \$300.0 million in new GARVEE bonds was made available, which requires only interest payments for the first nine years. The debt service on the GARVEE bonds to be paid through the FHWA allocation is \$57.5 million in the Governor’s recommendation for the FY 2019 Budget, which is \$34.0 million more than enacted levels (to include the additional principal payments on the new issuances). The expense is reflected in the Department’s operating budget as a federal fund source.
- *Operating Transfer to Rhode Island Public Transit Authority (RIPTA).* Operating assistance to RIPTA will be financed from a 9.25-cent allocation of the gasoline tax, as well as an additional 0.5-cent of the 1.0-cent Underground Storage Tank fee. In FY 2019, the Governor recommends an operating transfer of \$43.3 million to RIPTA for operating assistance, which is a decrease of \$1.0 million from FY 2018 enacted levels.
- *Operating Transfer to Rhode Island Turnpike and Bridge Authority.* Operating assistance to the Turnpike and Bridge Authority will be financed from a 3.5-cent allocation of the gasoline tax. In FY 2019, the Governor recommends an operating transfer of \$15.5 million to the Turnpike and Bridge Authority for operating assistance, which is a decrease of \$366,723 from FY 2018 enacted levels.
- *Operating Transfer – Motor Fuel Tax Revenue Bonds.* The gas-tax funded debt service on the Motor Fuel Tax revenue bonds totals \$8.9 million in FY 2019, which is paid using 2.0-cents of total gas tax revenues. This is a \$209,556 decrease from FY 2018 enacted levels.
- *Toll Revenue.* The Governor recommends \$41.0 million of toll revenue in FY 2019 to reflect the completion and operation of all planned toll gantries. Toll revenue was not included in the FY 2018 enacted budget.

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- *Internal Services.* The Governor recommends \$511,627 in gas tax revenues and \$1.3 million in federal funds to go towards internal services previously budgeted within the Department of Administration.

Infrastructure-Maintenance

Within the Infrastructure-Maintenance program, the Governor recommends FY 2019 appropriations of \$129.8 million, including \$97.0 million from the Rhode Island Highway Maintenance Account, \$18.8 million from gas tax revenues, \$13.4 million from the Rhode Island Capital Plan Fund, and \$650,000 from other funds. Relative to FY 2018 enacted levels, recommended Highway Maintenance Account revenues increase by \$22.6 million, gas tax revenues decrease by \$1.8 million, Rhode Island Capital Plan Fund financing increases by \$8.4 million, and other funds increases by \$500,000, attributable to adjustments detailed below.

- *Personnel Costs.* The FY 2019 Governor's recommendation includes \$28.0 million for personnel costs, which is \$1.9 million more than the enacted FY 2018 Budget. This is due to a department-wide increase in FTE positions, most of which exist within the Infrastructure-Maintenance program. These include a number of highway and bridge maintenance operators to further the Department's goal of relying less on outside contracts for maintenance services.
- *Road and Bridge Maintenance.* The FY 2019 Governor's recommendation includes \$69.4 million in Highway Maintenance Account funds for road and bridge maintenance, which is \$22.1 million higher than FY 2018 enacted levels. This is due to additional revenues from the final phase in the remaining Department of Motor Vehicles fees transferred from the General Fund that will be used for road and bridge maintenance.
- *Transfer of Operational Expenses.* In FY 2019, the Governor recommends \$3.8 million less than in the enacted FY 2018 Budget gas tax budget for maintenance expenses, including winter and vehicle maintenance. The decrease is for the shifting of some of these expenses to Highway Maintenance Account funds, due to slightly lower gas tax revenues and higher Highway Maintenance Account revenues.
- *Maintenance and Repair of Local Transportation Infrastructure – Rhode Island Capital Plan Fund Financing.* The Governor recommends \$10.0 million from the Rhode Island Capital Plan Fund in FY 2019 to fund pavement repair and other transportation asset protection projects in cities and towns. These investments will extend the life of local infrastructure and create safer and more enjoyable driving conditions for residents.
- *Operating Transfer to Rhode Island Public Transit Authority (RIPTA).* Based on an estimated total of \$97.0 million expected to be deposited into the Highway Maintenance Account in FY 2019, RIPTA is scheduled to receive \$9.9 million, or five-percent of total available revenues, plus an additional \$5.0 million. This is \$506,976 higher than FY 2018 enacted levels, due to additional revenues from the final phase in the remaining Department of Motor Vehicles fees transferred from the General Fund to the Highway Maintenance Account.
- *Utility Access Permit Fees.* Beginning in FY 2019, the Governor recommends instituting a fee on permits requested by utilities for access to Department of Transportation right-of-ways. The fee will help fund administrative costs associated with the issuing of permits. The Governor recommends \$500,000 in FY 2019 as additional revenue available for use by the Department of Transportation.

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Full-Time Equivalent Positions

The Governor recommends 775.0 FTE positions in the revised FY 2018 Budget, unchanged from the FY 2018 enacted level. In FY 2019, the Governor recommends 795.0 FTE positions or an increase of 20.0 authorized FTE positions from the FY 2018 enacted level. The increase in positions is part of the Department's goal to reduce reliance on contracted services for maintenance operations and includes a highway and bridge operators and laborers, as well as some positions devoted to design and engineering support.

Appendix A

Schedules

FY 2019 General Revenue Budget Surplus

	FY 2016 Audited	FY 2017 Audited	FY 2018 Enacted	FY 2018 Revised	FY 2019 Recommend
Surplus					
Opening Surplus	\$168,038,072	\$167,818,206	\$49,716,066	\$61,660,230	\$268,461
Adjustment to Opening Surplus	-	-	-	-	-
Reappropriated Surplus	6,890,273	7,848,853	-	10,338,899	-
Subtotal	\$174,928,345	\$175,667,059	\$49,716,066	\$71,999,129	\$268,461
General Taxes	\$2,907,921,389	\$2,926,747,939	3,031,120,059	3,031,120,059	3,104,400,000
Revenue Est. Conference Changes	-	-	-	(9,420,059)	-
Changes to the Adopted Estimates	-	-	-	10,300,000	32,465,475
Subtotal	\$2,907,921,389	2,926,747,939	3,031,120,059	3,032,000,000	3,136,865,475
Departmental Revenues	\$367,641,395	370,065,817	393,224,426	393,224,426	203,000,000
Revenue Est. Conference Changes	-	-	-	(6,224,426)	-
Changes to the Adopted Estimates	-	-	-	-	194,694,795
Subtotal	\$367,641,395	\$370,065,817	\$393,224,426	\$387,000,000	\$397,694,795
Other Sources					
Other Miscellaneous	4,102,234	12,122,198	36,978,021	36,978,021	1,300,000
Revenue Est. Conference Changes	-	-	-	921,979	-
Changes to the Adopted Estimates	-	-	-	17,100,339	11,997,738
Lottery	369,760,879	362,696,628	362,500,000	362,500,000	363,600,000
Revenue Est. Conference Changes	-	-	-	4,700,000	-
Changes to the Adopted Estimates	-	-	-	612,793	27,600,000
Unclaimed Property	14,166,740	12,725,037	10,900,000	10,900,000	9,300,000
Revenue Est. Conference Changes	-	-	-	(300,000)	-
Subtotal	\$388,029,853	387,543,863	410,378,021	433,413,132	413,797,738
Total Revenues	\$3,663,592,637	\$3,684,357,619	\$3,834,722,506	\$3,852,413,132	\$3,948,358,008
Transfer to Budget Reserve and Cash Stabilization Account	(114,948,921)	(115,565,275)	(116,533,157)	(117,422,201)	(118,458,794)
Total Available	\$3,723,572,060	3,744,459,404	3,767,905,414	3,806,990,060	3,830,167,675
Actual/Enacted Expenditures	\$3,547,905,001	\$3,672,460,275	\$3,767,715,656	\$3,767,715,656	\$3,829,280,172
Reappropriations	-	-	-	10,338,899	-
Caseload Conference Changes	-	-	-	29,358,280	-
Other Changes in Expenditures	-	-	-	(691,236)	-
Total Expenditures	\$3,547,905,001	\$3,672,460,275	\$3,767,715,656	\$3,806,721,599	\$3,829,280,172
Total Ending Balances	\$175,667,059	\$71,999,129	\$189,758	\$268,461	\$887,503
Reappropriations	(7,848,853)	(10,338,899)	-	-	-
Free Surplus	\$167,818,206	\$61,660,230	\$189,758	\$268,461	\$887,503
Budget Reserve and Cash Stabilization Account	\$191,581,536	\$192,608,792	\$194,221,929	\$195,813,589	197,431,323

Expenditures from All Funds

	FY 2016 Actual	FY 2017 Actual	FY 2018 Enacted	FY 2018 Revised	FY 2019 Recommend
General Government					
Administration	\$349,623,351	\$349,536,908	\$359,226,084	\$317,583,688	\$298,032,474
Business Regulation	\$13,204,877	\$14,129,016	\$15,606,183	\$16,214,659	\$24,530,291
Executive Office Of Commerce	\$73,415,799	\$73,418,290	\$58,598,372	\$58,003,215	\$62,814,751
Labor and Training	\$425,337,568	\$421,847,081	\$429,907,376	\$448,471,413	\$454,104,250
Revenue	\$458,777,131	\$471,375,964	\$525,371,718	\$524,687,839	\$582,477,370
Legislature	\$37,669,916	\$38,325,853	\$42,252,464	\$47,064,142	\$44,635,033
Lieutenant Governor	\$1,026,362	\$1,059,509	\$1,084,217	\$1,047,496	\$1,039,971
Secretary of State	\$7,518,125	\$9,942,148	\$9,350,797	\$9,525,372	\$10,301,762
General Treasurer	\$49,277,318	\$42,002,140	\$42,764,450	\$43,340,030	\$42,674,171
Board of Elections	\$1,714,512	\$1,969,669	\$1,548,735	\$1,689,751	\$5,315,517
Rhode Island Ethics Commission	\$1,546,331	\$1,604,233	\$1,665,873	\$1,733,293	\$1,770,560
Governor's Office	\$4,755,102	\$5,008,393	\$5,397,554	\$5,540,199	\$5,545,728
Commission for Human Rights	\$1,521,437	\$1,557,320	\$1,690,102	\$1,737,997	\$1,808,026
Public Utilities Commission	\$7,277,989	\$8,014,894	\$9,136,343	\$9,974,412	\$10,661,405
Subtotal - General Government	\$1,432,665,818	\$1,439,791,418	\$1,503,600,268	\$1,486,613,506	\$1,545,711,309
Health and Human Services					
Executive Office of Health & Human Services	\$2,360,301,137	\$2,433,340,843	\$2,541,841,896	\$2,594,918,120	\$2,477,269,162
Children, Youth, and Families	\$214,952,935	\$222,662,113	\$209,049,728	\$214,081,089	\$209,402,279
Health	\$128,882,069	\$154,376,396	\$169,645,421	\$170,044,686	\$173,291,532
Human Services	\$615,305,121	\$626,727,849	\$614,682,222	\$629,570,505	\$633,824,402
Behavioral Healthcare, Developmental Disabilities and Hospitals	\$378,574,897	\$398,887,449	\$397,090,236	\$427,179,214	\$400,743,927
Governor's Commission on Disabilities	\$429,998	\$669,120	\$842,190	\$867,672	\$877,295
Commission On Deaf and Hard of Hearing	\$455,950	\$493,573	\$627,910	\$565,882	\$591,467
Office of the Child Advocate	\$654,839	\$612,107	\$926,120	\$1,045,819	\$1,071,346
Office of the Mental Health Advocate	\$545,220	\$540,899	\$549,563	\$628,771	\$639,764
Subtotal - Human Services	\$3,700,102,166	\$3,838,310,347	\$3,935,255,286	\$4,038,901,758	\$3,897,711,174
Education					
Elementary and Secondary	\$1,289,122,639	\$1,338,608,386	\$1,402,573,543	\$1,412,064,822	\$1,433,886,695
Office of the Postsecondary Commissioner	\$26,782,911	\$31,326,056	\$42,450,013	\$41,553,165	\$41,852,901
University of Rhode Island	\$734,050,704	\$744,396,499	\$777,295,493	\$781,933,116	\$792,807,244
Rhode Island College	\$171,070,501	\$169,783,765	\$199,083,600	\$200,794,614	\$199,722,892
Community College of Rhode Island	\$150,328,430	\$144,329,915	\$161,269,902	\$164,798,419	\$164,893,586
RI Council on the Arts	\$2,995,774	\$2,905,499	\$3,072,310	\$3,126,037	\$3,113,746
RI Atomic Energy Commission	\$1,576,882	\$1,242,298	\$1,304,373	\$1,379,671	\$1,471,110
Historical Preservation and Heritage Comm.	\$2,972,449	\$2,666,742	\$2,490,767	\$2,612,478	\$2,586,290
Subtotal - Education	\$2,378,900,290	\$2,435,259,161	\$2,589,540,001	\$2,608,262,322	\$2,640,334,464

Expenditures from All Funds

	FY 2016 Actual	FY 2017 Actual	FY 2018 Enacted	FY 2018 Revised	FY 2019 Recommend
Public Safety					
Attorney General	\$29,455,187	\$31,812,737	\$44,129,197	\$57,089,092	\$40,796,506
Corrections	\$212,530,274	\$218,099,098	\$235,700,265	\$248,607,210	\$246,423,505
Judicial	\$113,538,723	\$116,364,697	\$122,006,254	\$121,163,608	\$120,895,770
Military Staff	\$15,372,292	\$16,305,158	\$38,177,942	\$38,396,333	\$27,660,424
Emergency Management	\$18,635,772	\$15,729,042	\$18,454,652	\$19,182,981	\$20,390,187
Public Safety	\$114,278,534	\$135,574,868	\$120,977,086	\$121,216,956	\$123,084,682
Office Of Public Defender	\$11,380,521	\$11,572,721	\$12,140,826	\$11,926,561	\$12,401,872
Subtotal - Public Safety	\$515,191,303	\$545,458,321	\$591,586,222	\$617,582,741	\$591,652,946
Natural Resources					
Environmental Management	\$78,795,498	\$78,673,037	\$103,951,092	\$108,549,149	\$103,471,012
Coastal Resources Management Council	\$4,423,433	\$5,968,407	\$4,836,869	\$7,254,344	\$6,256,164
Subtotal - Natural Resources	\$83,218,931	\$84,641,443	\$108,787,961	\$115,803,493	\$109,727,176
Transportation					
Transportation	\$395,129,559	\$415,815,151	\$514,065,072	\$595,043,313	\$592,433,211
Subtotal - Transportation	\$395,129,559	\$415,815,151	\$514,065,072	\$595,043,313	\$592,433,211
Total	\$8,505,208,067	\$8,759,275,840	\$9,242,834,810	\$9,462,207,133	\$9,377,570,280

Expenditures from General Revenues

	FY 2016 Actual	FY 2017 Actual	FY 2018 Enacted	FY 2018 Recommend	FY 2019 Recommend
General Government					
Administration	\$212,928,494	\$217,802,032	\$216,198,914	\$185,759,136	\$183,043,234
Business Regulation	\$8,174,920	\$9,864,377	\$10,452,638	\$10,958,638	\$17,166,351
Executive Office Of Commerce	\$60,458,832	\$54,708,755	\$33,057,819	\$29,808,525	\$37,314,974
Labor and Training	\$8,382,043	\$7,010,095	\$8,094,063	\$8,975,670	\$9,690,749
Revenue	\$109,737,194	\$110,837,271	\$143,622,132	\$147,980,937	\$177,275,361
Legislature	\$36,219,919	\$36,925,853	\$40,522,507	\$45,419,385	\$42,914,338
Lieutenant Governor	\$1,026,362	\$1,059,509	\$1,084,217	\$1,047,496	\$1,039,971
Secretary of State	\$6,690,089	\$9,478,005	\$8,911,319	\$8,958,301	\$9,861,104
General Treasurer	\$2,271,575	\$2,653,651	\$2,698,692	\$2,876,681	\$2,967,632
Board of Elections	\$1,714,512	\$1,969,669	\$1,548,735	\$1,689,751	\$5,315,517
Rhode Island Ethics Commission	\$1,546,331	\$1,604,233	\$1,665,873	\$1,733,293	\$1,770,560
Governor's Office	\$4,755,102	\$5,008,393	\$5,397,554	\$5,540,199	\$5,545,728
Commission for Human Rights	\$1,242,374	\$1,247,603	\$1,258,074	\$1,292,590	\$1,310,456
Public Utilities Commission	-	-	-	-	-
Subtotal - General Government	\$455,147,747	\$460,169,445	\$474,512,537	\$452,040,602	\$495,215,975
Health and Human Services					
Executive Office of Health & Human Services	911,535,815	944,892,151	964,299,956	978,479,417	935,907,193
Children, Youth, and Families	154,742,352	159,769,535	145,855,862	152,586,787	148,637,206
Health	25,468,221	25,499,235	24,893,123	26,419,356	28,009,223
Human Services	96,094,578	90,573,454	91,113,618	100,592,486	103,702,154
Behavioral Healthcare, Developmental Disabilities and Hospitals	176,268,226	182,335,174	176,448,622	191,626,281	179,401,491
Governor's Commission on Disabilities	380,615	418,544	454,938	478,907	492,557
Commission On Deaf and Hard of Hearing	406,634	421,448	498,710	436,682	511,467
Office of the Child Advocate	643,280	470,981	781,499	787,881	923,704
Office of the Mental Health Advocate	545,220	540,899	549,563	628,771	639,764
Subtotal - Human Services	\$1,366,084,941	\$1,404,921,420	\$1,404,895,891	\$1,452,036,568	\$1,398,224,759
Education					
Elementary and Secondary	1,064,893,020	1,113,255,421	1,161,071,396	1,161,389,084	1,179,752,845
Office of the Postsecondary Commissioner	5,699,915	6,125,462	14,578,459	14,081,712	16,776,572
University of Rhode Island	80,718,017	92,152,307	101,229,728	100,966,413	103,803,013
Rhode Island College	46,195,897	49,505,721	53,055,851	54,016,868	56,609,858
Community College of Rhode Island	48,260,235	50,579,484	52,018,555	51,704,001	53,839,740
RI Council on the Arts	1,844,116	1,906,356	1,945,056	1,963,360	1,989,693
RI Atomic Energy Commission	908,285	956,464	982,157	1,021,021	1,053,231
Historical Preservation and Heritage Comm.	1,362,860	1,131,750	1,121,134	1,123,154	1,187,291
Subtotal - Education	\$1,249,882,345	\$1,315,612,964	\$1,386,002,336	\$1,386,265,613	\$1,415,012,243

Expenditures from General Revenues

	FY 2016 Actual	FY 2017 Actual	FY 2018 Enacted	FY 2018 Recommend	FY 2019 Recommend
Public Safety					
Attorney General	24,053,485	25,379,778	26,194,751	26,146,061	27,152,722
Corrections	208,284,387	212,327,677	218,300,828	229,927,179	233,022,846
Judicial	95,181,220	97,047,499	98,964,477	98,820,554	100,183,074
Military Staff	2,219,237	2,571,436	2,634,057	3,909,160	3,674,200
Emergency Management	1,762,456	1,847,848	1,734,470	1,917,262	2,108,891
Public Safety	93,409,462	100,470,169	100,279,086	100,907,421	101,563,958
Office Of Public Defender	11,306,039	11,511,842	12,043,006	11,825,576	12,300,887
Subtotal - Public Safety	\$436,216,286	\$451,156,249	\$460,150,675	\$473,453,213	\$480,006,578
Natural Resources					
Environmental Management	38,163,784	38,207,990	39,304,184	40,435,079	41,222,720
Coastal Resources Management Council	2,410,069	2,392,189	2,487,578	2,490,523	2,597,897
Subtotal - Natural Resources	\$40,573,853	\$40,600,178	\$41,791,762	\$42,925,602	\$43,820,617
Transportation					
Transportation	-	-	-	-	-
Subtotal - Transportation	-	-	-	-	-
Total	3,547,905,172	3,672,460,257	3,767,353,201	3,806,721,598	3,832,280,172

Expenditures from Federal Funds

	FY 2016 Actual	FY 2017 Actual	FY 2018 Enacted	FY 2018 Recommend	FY 2019 Recommend
General Government					
Administration	\$31,351,946	\$16,553,489	\$13,162,089	\$8,357,531	\$3,821,330
Business Regulation	\$3,073,024	\$1,645,328	\$892,213	\$1,049,269	\$892,631
Executive Office Of Commerce	\$10,016,268	\$13,606,251	\$17,890,642	\$18,871,385	\$14,445,458
Labor and Training	\$39,141,911	\$43,869,516	\$36,930,858	\$51,355,725	\$40,908,051
Revenue	\$2,740,506	\$3,087,713	\$1,567,500	\$1,487,293	\$2,109,465
Legislature	-	-	-	-	-
Lieutenant Governor	-	-	-	-	-
Secretary of State	-	-	-	\$22,859	-
General Treasurer	\$741,266	\$1,087,203	\$1,090,337	\$1,034,011	\$1,074,874
Board of Elections	-	-	-	-	-
Rhode Island Ethics Commission	-	-	-	-	-
Governor's Office	-	-	-	-	-
Commission for Human Rights	\$279,063	\$309,718	\$432,028	\$445,407	\$497,570
Public Utilities Commission	\$107,180	\$118,808	\$129,225	\$165,593	\$168,378
Subtotal - General Government	\$87,451,164	\$80,278,024	\$72,094,892	\$82,789,073	\$63,917,757
Health and Human Services					
Executive Office of Health & Human Services	1,433,337,164	1,473,416,724	1,558,325,403	1,590,628,323	1,520,865,981
Children, Youth, and Families	57,416,767	60,315,375	59,015,159	57,710,193	55,940,651
Health	69,157,857	92,729,506	105,373,312	100,313,716	101,309,823
Human Services	511,615,020	529,124,400	515,584,197	521,799,119	516,362,218
Behavioral Healthcare, Developmental Disabilities and Hospitals	189,591,271	204,677,098	204,267,459	223,190,524	212,970,014
Governor's Commission on Disabilities	29,456	211,435	343,542	335,167	335,167
Commission On Deaf and Hard of Hearing	-	-	-	-	-
Office of the Child Advocate	11,559	141,126	144,621	257,938	147,642
Office of the Mental Health Advocate	-	-	-	-	-
Subtotal - Human Services	\$2,261,159,094	\$2,360,615,664	\$2,443,053,693	\$2,494,234,980	\$2,407,931,496

Expenditures from Federal Funds

	FY 2016 Actual	FY 2017 Actual	FY 2018 Enacted	FY 2018 Recommend	FY 2019 Recommend
Education					
Elementary and Secondary	191,287,906	193,781,068	203,500,000	209,321,162	214,475,474
Office of the Postsecondary Commissioner	15,278,876	14,333,834	13,933,669	14,147,405	9,784,007
RI Council on the Arts	700,799	710,269	781,454	751,796	719,053
RI Atomic Energy Commission	336,542	11,973	-	36,888	-
Historical Preservation and Heritage Comm.	1,283,096	1,427,273	860,963	976,203	851,540
Subtotal - Education	\$208,887,219	\$210,264,418	\$219,076,086	\$225,233,454	225,830,074
Public Safety					
Attorney General	2,034,144	5,581,143	16,988,288	30,000,563	12,710,334
Corrections	1,266,847	1,564,506	1,581,884	2,017,797	1,591,303
Judicial	3,595,600	3,382,830	3,411,144	3,155,538	2,787,644
Military Staff	12,090,517	13,177,843	27,746,960	26,300,221	18,480,072
Emergency Management	16,741,641	12,200,391	14,775,673	15,132,473	16,335,897
Public Safety	7,133,596	28,088,331	14,879,669	13,397,105	15,613,903
Office Of Public Defender	74,482	60,879	97,820	100,985	100,985
Subtotal - Public Safety	\$42,936,827	\$64,055,924	\$79,481,438	\$90,104,682	\$67,620,138
Natural Resources					
Environmental Management	21,109,597	19,397,456	33,399,312	34,487,171	31,763,160
Coastal Resources Management Council	1,818,741	3,112,357	1,649,291	4,213,821	2,733,267
Subtotal - Natural Resources	\$22,928,338	\$22,509,813	\$35,048,603	\$38,700,992	\$34,496,427
Transportation					
Transportation	254,067,959	239,668,419	285,390,062	290,957,841	292,015,160
Subtotal - Transportation	\$254,067,959	\$239,668,419	\$285,390,062	\$290,957,841	\$292,015,160
Total	\$2,877,430,601	\$2,977,392,261	\$3,134,144,774	\$3,222,021,022	\$3,091,811,052

Expenditures from Restricted Receipts

	FY 2016	FY 2017	FY 2018	FY 2018	FY 2019
	Actual	Actual	Enacted	Recommend	Recommend
General Government					
Administration	\$29,970,285	\$26,458,599	\$33,225,906	\$29,314,591	\$25,897,079
Business Regulation	\$1,956,933	\$2,619,311	\$4,261,332	\$4,206,752	\$6,404,812
Executive Office Of Commerce	\$2,681,142	\$4,391,678	\$4,749,911	\$6,249,911	\$4,754,319
Labor and Training	\$31,568,311	\$21,996,461	\$24,323,914	\$30,614,296	\$39,985,082
Revenue	\$3,591,584	\$6,028,994	\$3,962,015	\$3,900,165	\$2,064,187
Legislature	\$1,449,997	\$1,400,000	\$1,729,957	\$1,644,757	\$1,720,695
Lieutenant Governor	-	-	-	-	-
Secretary of State	\$397,868	\$421,688	\$439,478	\$436,666	\$440,658
General Treasurer	\$37,730,574	\$37,596,085	\$38,425,179	\$38,785,988	\$37,976,981
Board of Elections	-	-	-	-	-
Rhode Island Ethics Commission	-	-	-	-	-
Governor's Office	-	-	-	-	-
Commission for Human Rights	-	-	-	-	-
Public Utilities Commission	\$7,170,809	\$7,896,086	\$9,007,118	\$9,808,819	\$10,493,027
Subtotal - General Government	\$116,517,503	\$108,808,902	\$120,124,810	\$124,961,945	\$129,736,840
Health and Human Services					
Executive Office of Health & Human Services	15,428,158	15,031,968	19,216,537	25,810,380	20,495,988
Children, Youth, and Families	2,227,542	2,493,806	3,128,707	2,584,109	2,674,422
Health	34,255,991	36,147,654	39,378,986	43,311,614	43,972,486
Human Services	2,659,361	2,447,930	3,390,929	2,415,422	8,996,552
Behavioral Healthcare, Developmental Disabilities and Hospitals	7,497,635	5,369,048	8,509,155	5,178,956	5,072,422
Governor's Commission on Disabilities	19,927	39,140	43,710	53,598	49,571
Commission On Deaf and Hard of Hearing	49,316	72,125	129,200	129,200	80,000
Office of the Child Advocate	-	-	-	-	-
Office of the Mental Health Advocate	-	-	-	-	-
Subtotal - Human Services	\$62,137,930	\$61,601,672	\$73,797,224	\$79,483,279	\$81,341,441
Education					
Elementary and Secondary	28,738,364	27,919,915	30,420,147	33,013,761	35,755,376
Office of the Postsecondary Commissioner	-	651,103	1,490,341	1,983,193	2,192,590
University of Rhode Island	-	-	-	-	-
Rhode Island College	-	-	-	-	-
Community College of Rhode Island	636,787	586,620	683,649	683,649	694,224
RI Council on the Arts	-	19,119	-	10,881	5,000
RI Atomic Energy Commission	-	-	-	-	99,000
Historical Preservation and Heritage Comm.	126,202	27,987	427,700	432,151	465,870
Subtotal - Education	\$29,501,353	\$29,204,744	\$33,021,837	\$36,123,635	\$39,212,060

Expenditures from Restricted Receipts

	FY 2016	FY 2017	FY 2018	FY 2018	FY 2019
	Actual	Actual	Enacted	Recommend	Recommend
Public Safety					
Attorney General	3,185,088	694,558	796,158	792,468	783,450
Corrections	266,239	55,075	59,368	64,411	59,356
Judicial	9,754,423	12,327,663	12,530,633	11,929,169	12,085,986
Military Staff	52,864	56,876	100,000	100,000	100,000
Emergency Management	131,675	186,389	450,095	449,082	450,985
Public Safety	7,709,586	297,373	415,924	908,473	805,627
Office Of Public Defender	-	-	-	-	-
Subtotal - Public Safety	\$21,099,875	\$13,617,934	\$14,352,178	\$14,243,603	\$14,285,404
Natural Resources					
Environmental Management	13,374,290	13,366,576	17,374,083	17,654,218	17,580,291
Coastal Resources Management Council	194,623	142,106	250,000	250,000	250,000
Subtotal - Natural Resources	\$13,568,913	\$13,508,682	\$17,624,083	\$17,904,218	\$17,830,291
Transportation					
Transportation	2,890,620	1,278,394	3,168,128	3,086,078	3,034,406
Subtotal - Transportation	\$2,890,620	\$1,278,394	\$3,168,128	\$3,086,078	\$3,034,406
Total	\$245,716,194	\$228,020,329	\$262,088,260	\$275,802,758	\$285,440,442

Expenditures from Other Funds

	FY 2016 Actual	FY 2017 Actual	FY 2018 Enacted	FY 2018 Recommend	FY 2019 Recommend
General Government					
Administration	\$75,372,626	\$88,722,789	\$96,639,175	\$94,152,430	\$85,270,831
Business Regulation	-	-	-	-	\$66,497
Executive Office Of Commerce	\$259,557	\$711,606	\$2,900,000	\$3,073,394	\$6,300,000
Labor and Training	\$346,245,303	\$348,971,009	\$360,558,541	\$357,525,722	\$363,520,368
Revenue	\$342,707,847	\$351,421,987	\$376,220,071	\$371,319,444	\$401,028,357
Legislature	-	-	-	-	-
Lieutenant Governor	-	-	-	-	-
Secretary of State	\$430,168	\$42,454	\$0	\$107,546	-
General Treasurer	\$8,533,903	\$665,201	\$550,242	\$643,350	\$654,684
Board of Elections	-	-	-	-	-
Rhode Island Ethics Commission	-	-	-	-	-
Governor's Office	-	-	-	-	-
Commission for Human Rights	-	-	-	-	-
Public Utilities Commission	-	-	-	-	-
Subtotal - General Government	\$773,549,404	\$790,535,046	\$836,868,029	\$826,821,886	\$856,840,737
Health and Human Services					
Executive Office of Health & Human Services	-	-	-	-	-
Children, Youth, and Families	566,274	83,397	1,050,000	1,200,000	1,900,000
Elderly Affairs	-	-	-	-	-
Health	-	-	-	-	-
Human Services	4,936,162	4,582,066	4,593,478	4,763,478	4,763,478
Behavioral Healthcare, Developmental Disabilities and Hospitals	5,217,765	6,506,129	7,865,000	7,183,453	3,300,000
Veterans Affairs	-	-	-	-	-
Governor's Commission on Disabilities	-	-	-	-	-
Commission On Deaf and Hard of Hearing	-	-	-	-	-
State Council on Developmental Disabilities	-	-	-	-	-
Office of the Child Advocate	-	-	-	-	-
Office of the Mental Health Advocate	-	-	-	-	-
Subtotal - Human Services	\$10,720,201	\$11,171,592	\$13,508,478	\$13,146,931	\$9,963,478
Education					
Elementary and Secondary	4,203,349	3,651,982	7,582,000	8,340,815	3,903,000
Office of the Postsecondary Commissioner	5,804,120	10,215,657	12,447,544	11,340,855	13,099,732
University of Rhode Island	653,332,687	652,244,192	676,065,765	680,966,703	690,004,231
Rhode Island College	124,874,604	120,278,044	146,027,749	146,777,746	144,113,034
Community College of Rhode Island	101,431,408	93,163,811	108,567,698	112,410,769	111,359,622
RI Council on the Arts	450,859	269,756	345,800	400,000	400,000
RI Atomic Energy Commission	332,055	273,861	322,216	321,762	318,879
Higher Education Assistance Authority	-	-	-	-	-
Historical Preservation and Heritage Comm.	200,291	79,732	80,970	80,970	81,589
Public Telecommunications Authority	-	-	-	-	-
Subtotal - Education	\$890,629,373	\$880,177,034	\$951,439,742	\$960,639,620	\$963,280,087

Expenditures from Other Funds

	FY 2016 Actual	FY 2017 Actual	FY 2018 Enacted	FY 2018 Recommend	FY 2019 Recommend
Public Safety					
Attorney General	182,470	157,258	150,000	150,000	150,000
Corrections	2,712,801	4,151,840	15,758,185	16,597,823	11,750,000
Judicial	5,007,480	3,606,705	7,100,000	7,258,347	5,839,066
Military Staff	1,009,674	499,002	7,696,925	8,086,952	5,406,152
Emergency Management	-	1,494,415	1,494,414	1,684,164	1,494,414
Public Safety	6,025,890	6,718,995	5,402,407	6,003,957	5,101,194
Office Of Public Defender	-	-	-	-	-
Subtotal - Public Safety	\$14,938,315	\$16,628,214	\$37,601,931	\$39,781,243	\$29,740,826
Natural Resources					
Environmental Management	6,147,827	7,701,016	13,873,513	15,972,681	12,904,841
Coastal Resources Management Council	-	321,755	450,000	300,000	675,000
Subtotal - Natural Resources	\$6,147,827	\$8,022,771	\$14,323,513	\$16,272,681	\$13,579,841
Transportation					
Transportation	138,170,980	174,868,337	225,506,882	300,999,394	297,383,645
Subtotal - Transportation	\$138,170,980	\$174,868,337	\$225,506,882	\$300,999,394	\$297,383,645
Total	\$1,834,156,100	\$1,881,402,993	\$2,079,248,575	\$2,157,661,755	\$2,170,788,614

Full-Time Equivalent Positions

	FY 2016	FY 2017	FY 2018 Enacted	FY 2018 Revised	FY 2019
General Government					
Administration	712.7	708.7	696.7	696.7	667.7
Business Regulation	98.0	100.0	101.0	106.0	170.0
Executive Office of Commerce	16.0	16.0	17.0	17.0	17.0
Labor & Training	409.5	409.5	428.7	428.7	428.7
Revenue	514.5	523.5	533.5	529.5	612.5
Legislature	298.5	298.5	298.5	298.5	298.5
Office of the Lieutenant Governor	8.0	8.0	8.0	8.0	8.0
Secretary of State	57.0	59.0	59.0	59.0	59.0
General Treasurer	84.0	87.0	89.0	89.0	89.0
Board Of Elections	11.0	12.0	12.0	12.0	12.0
Rhode Island Ethics Commission	12.0	12.0	12.0	12.0	12.0
Office of the Governor	45.0	45.0	45.0	45.0	45.0
Commission for Human Rights	14.5	14.5	14.5	14.5	14.5
Public Utilities Commission	50.0	51.0	51.0	54.0	57.0
Subtotal - General Government	2,330.7	2,344.7	2,365.9	2,369.9	2,490.9
Human Services					
Office of Health and Human Services	187.0	178.0	285.0	285.0	295.0
Children, Youth, and Families	672.5	628.5	616.5	612.5	619.5
Health	490.6	503.6	493.6	506.6	504.6
Human Services	959.1	937.1	981.1	981.1	981.1
Behavioral Healthcare, Developmental Disabilities, and Hospitals	1,419.4	1,352.4	1,319.4	1,319.4	1,319.4
Office of the Child Advocate	6.0	7.0	8.0	8.0	8.6
Commission On the Deaf & Hard of Hearing	3.0	4.0	4.0	4.0	4.0
Governor's Commission on Disabilities	4.0	4.0	4.0	4.0	4.0
Office of the Mental Health Advocate	4.0	4.0	4.0	4.0	4.0
Subtotal - Human Services	3,745.6	3,618.6	3,715.6	3,724.6	3,740.2
Education					
Elementary and Secondary Education	151.4	139.1	139.1	139.1	141.1
Davies	126.0	126.0	126.0	126.0	126.0
School for the Deaf	60.0	60.0	60.0	60.0	60.0
Elementary Secondary Education - Total	337.4	325.1	325.1	325.1	327.1
Office of Postsecondary Commissioner Standard	24.0	26.0	36.0	37.0	37.0
URI Standard	1,882.7	1,915.7	1,915.7	1,915.7	1,935.2
RIC Standard	841.6	844.2	850.2	850.2	873.2
CCRI Standard	765.1	765.1	765.1	765.1	765.1
Higher Education - Total Standard	3,513.4	3,551.0	3,567.0	3,568.0	3,610.5
RI Council On The Arts	8.6	8.6	8.6	8.6	8.6
RI Atomic Energy Commission	8.6	8.6	8.6	8.6	8.6
Historical Preservation and Heritage Commission	16.6	15.6	15.6	15.6	15.6
Subtotal - Education	3,884.6	3,908.9	3,924.9	3,925.9	3,970.4

Full-Time Equivalent Positions

	FY 2016	FY 2017	FY 2018 Enacted	FY 2018 Revised	FY 2019
Public Safety					
Attorney General	236.1	235.1	235.1	235.1	235.1
Corrections	1,419.0	1,423.0	1,423.0	1,435.0	1,435.0
Judicial	724.3	723.3	723.3	723.3	723.3
Military Staff	92.0	92.0	92.0	92.0	92.0
Emergency Management	32.0	29.0	32.0	32.0	32.0
Public Safety	633.2	615.6	611.6	611.6	599.6
Office of the Public Defender	93.0	93.0	93.0	93.0	95.0
Subtotal - Public Safety	3,229.6	3,211.0	3,210.0	3,222.0	3,212.0
Natural Resources					
Environmental Management	399.0	400.0	400.0	400.0	400.0
Coastal Resources Management Council	29.0	29.0	29.0	29.0	29.0
Subtotal - Natural Resources	428.0	429.0	429.0	429.0	429.0
Transportation					
Transportation	752.0	701.0	775.0	775.0	795.0
Subtotal - Transportation	752.0	701.0	775.0	775.0	795.0
Total Standard	14,370.5	14,213.2	14,420.4	14,446.4	14,637.5
Higher Education Third Party*					
Office	1.0	1.0	1.0	1.0	1.0
CCRI	89.0	89.0	89.0	89.0	89.0
RIC	82.0	82.0	76.0	76.0	76.0
URI	573.8	573.8	573.8	573.8	622.8
Subtotal Third Party	745.8	745.8	739.8	739.8	788.8
Total Higher Education	4,259.2	4,296.8	4,306.8	4,307.8	4,399.3
Total Personnel Authorizations	15,116.3	14,959.0	15,160.2	15,186.2	15,426.3

*A total of 739.8 FTE positions in Higher Education in FY 2018 and 788.8 FY 2019 represent FTE's supported by third party funds. Commencing in FY2005, these positions were included in the overall FTE Cap.

General Revenues as Recommended

	FY 2016 Audited	FY 2017 Audited	FY 2018 Revised	FY 2019 Recommended
Personal Income Tax	\$ 1,217,429,575	\$ 1,243,807,056	\$ 1,299,300,000	\$ 1,364,992,630
General Business Taxes				
Business Corporations	134,908,997	119,289,609	151,200,000	162,092,100
Public Utilities Gross Earnings	103,062,420	90,404,661	94,500,000	97,000,000
Financial Institutions	21,095,888	22,188,601	21,700,000	20,300,000
Insurance Companies	130,344,054	121,094,221	127,000,000	128,664,110
Bank Deposits	2,555,974	2,971,562	2,700,000	2,700,000
Health Care Provider Assessment	43,236,332	43,485,799	44,600,000	45,203,201
Sales and Use Taxes				
Sales and Use	971,927,289	998,193,789	1,053,000,000	1,101,512,483
Motor Vehicle	39,691,836	26,023,771	20,600,000	3,133,600
Motor Fuel	(208,068)	101,153	-	-
Cigarettes	142,782,086	140,263,281	143,100,000	145,667,352
Alcohol	19,630,268	19,740,536	20,300,000	20,700,000
Controlled Substances	(54,365)	2,778	-	-
Other Taxes				
Estate and Transfer	70,028,952	85,428,550	39,400,000	29,500,000
Racing and Athletics	1,059,487	1,163,304	1,100,000	1,100,000
Realty Transfer	10,430,664	12,589,268	13,500,000	14,300,000
Total Taxes	\$ 2,907,921,389	\$ 2,926,747,939	\$ 3,032,000,000	\$ 3,136,865,475
Departmental Receipts	\$ 367,641,395	\$ 370,065,817	\$ 387,000,000	\$ 397,694,795
Taxes and Departmentals	\$ 3,275,562,784	\$ 3,296,813,756	\$ 3,419,000,000	\$ 3,534,560,271
Other Sources				
Other Miscellaneous	4,102,234	12,122,198	55,000,339	13,297,738
Lottery	369,760,879	362,696,628	367,812,793	391,200,000
Unclaimed Property	14,166,740	12,725,037	10,600,000	9,300,000
Other Sources	\$ 388,029,853	\$ 387,543,863	\$ 433,413,132	\$ 413,797,738
Total General Revenues	\$ 3,663,592,637	\$ 3,684,357,619	\$ 3,852,413,132	\$ 3,948,358,008

The audited revenues displayed above reflect gross receipts, including reimbursement of tax credits issued through the Historical Structures Tax credit program. The state's consolidated financial report reflects the reimbursement as a transfer from other funds, rather than within each tax source.

Changes to FY 2018 Enacted Revenue Estimates

	FY 2018 Enacted	November REC Consensus Changes	Changes to Adopted Estimates	Total
Personal Income Tax	\$ 1,302,188,586	\$ (2,888,586)	\$ -	\$ 1,299,300,000
General Business Taxes				
Business Corporations	159,124,534	(7,924,534)	-	151,200,000
Public Utilities Gross	97,832,745	(3,332,745)	-	94,500,000
Financial Institutions	20,135,012	1,564,988	-	21,700,000
Insurance Companies	134,640,582	(7,640,582)	-	127,000,000
Bank Deposits	2,500,000	200,000	-	2,700,000
Health Care Provider	44,148,588	451,412	-	44,600,000
Sales and Use Taxes				
Sales and Use	1,059,446,654	(6,446,654)	-	1,053,000,000
Motor Vehicle	10,307,800	(7,800)	10,300,000	20,600,000
Motor Fuel	-	-	-	-
Cigarettes	143,120,881	(20,881)	-	143,100,000
Alcohol	20,800,000	(500,000)	-	20,300,000
Other Taxes				
Estate and Transfer	23,174,677	16,225,323	-	39,400,000
Racing and Athletics	1,100,000	-	-	1,100,000
Realty Transfer	12,600,000	900,000	-	13,500,000
Total Taxes	\$ 3,031,120,059	\$ (9,420,059)	\$ 10,300,000	\$ 3,032,000,000
Departmental Receipts	393,224,426	(6,224,426)	\$ -	387,000,000
Total Taxes and Departmentals	\$ 3,424,344,485	\$ (15,644,485)	\$ 10,300,000	\$ 3,419,000,000
Other Sources				
Other Miscellaneous	36,978,021	921,979	17,100,339	55,000,339
Lottery	362,500,000	4,700,000	612,793	367,812,793
Unclaimed Property	10,900,000	(300,000)	-	10,600,000
Other Sources	\$ 410,378,021	\$ 5,321,979	\$ 17,713,132	\$ 433,413,132
Total General Revenues	\$ 3,834,722,506	\$ (10,322,506)	\$ 28,013,132	\$ 3,852,413,132

Changes to FY 2019 Adopted Revenue Estimates

	Revenue Estimating Conference Estimates	Changes to Adopted Estimates	Total
Personal Income Tax	\$ 1,360,600,000	\$ 4,392,630	\$ 1,364,992,630
General Business Taxes			
Business Corporations	160,500,000	1,592,100	162,092,100
Public Utilities Gross	97,000,000	-	97,000,000
Financial Institutions	20,300,000	-	20,300,000
Insurance Companies	131,600,000	(2,935,890)	128,664,110
Bank Deposits	2,700,000	-	2,700,000
Health Care Provider	45,500,000	(296,799)	45,203,201
Sales and Use Taxes			
Sales and Use	1,081,100,000	20,412,483	1,101,512,483
Motor Vehicle	-	3,133,600	3,133,600
Cigarettes	139,500,000	6,167,352	145,667,352
Alcohol	20,700,000	-	20,700,000
Other Taxes			
Estate and Transfer	29,500,000	-	29,500,000
Racing and Athletics	1,100,000	-	1,100,000
Realty Transfer	14,300,000	-	14,300,000
Total Taxes	\$ 3,104,400,000	\$ 32,465,475	\$ 3,136,865,475
Departmental Receipts	\$ 203,000,000	\$ 194,694,795	\$ 397,694,795
Total Taxes and Departmentals	\$ 3,307,400,000	\$ 227,160,271	\$ 3,534,560,271
Other Sources			
Other Miscellaneous	\$ 1,300,000	\$ 11,997,738	\$ 13,297,738
Lottery	363,600,000	27,600,000	391,200,000
Unclaimed Property	9,300,000	-	9,300,000
Other Sources	\$ 374,200,000	\$ 39,597,738	\$ 413,797,738
Total General Revenues	\$ 3,681,600,000	\$ 266,758,008	\$ 3,948,358,008

General Revenue Changes to Adopted Estimates

FY 2018	Governor Recommend
<u>Sales and Excise Taxes</u>	
<i>Motor Vehicle License and Registration Fees</i>	
Reduce transfer to Rhode Island Highway Maintenance Account to 60 percent	\$ 10,300,000
<i>Subtotal: Motor Vehicle License and Registration Fees</i>	<i>\$ 10,300,000</i>
<u>Other Sources</u>	
<i>Other Miscellaneous Revenues</i>	
Reclassification of fraud initiative revenues to expenditure credit	\$ (5,000,000)
Transfer of excess reserves from Rhode Island Housing	5,000,000
Transfer of excess reserves from Rhode Island Infrastructure Bank	5,000,000
Transfer of excess reserves from Rhode Island Student Loan Authority	3,000,000
Transfer of excess reserves from Rhode Island Resource Recovery Corporation	3,000,000
Transfer of excess reserves from Rhode Island Turnpike and Bridge Authority	1,500,000
Transfer from Twin River to Rhode Island Lottery	2,000,000
Transfer of residual revenue from the former Water Resources Board Corporate	1,050,339
DBR: Transfer surplus fee revenues from Division of Commercial Licensing & Gaming & Athletics	800,000
DBR: Transfer surplus fee revenues from Division of Insurance Regulation	750,000
<i>Subtotal: Other Miscellaneous Revenues</i>	<i>\$ 17,100,339</i>
<i>Lottery</i>	
Increased transfer due to reduction in operating expenses	\$ 612,793
<i>Subtotal: Lottery</i>	<i>\$ 612,793</i>
<i>Subtotal: Other Sources</i>	<i>\$ 17,713,132</i>
FY 2018 Total General Revenue Changes	\$ 28,013,132

General Revenue Changes to Adopted Estimates

FY 2019	Governor Recommend
<u>Taxes</u>	
<u>Personal Income Tax</u>	
<u>Final Payments</u>	
DOR: Revenue enhancements from restructuring the Division of Taxation	\$ 4,392,630
Subtotal: Final Payments	\$ 4,392,630
Subtotal: Personal Income Tax	\$ 4,392,630
<u>General Business Taxes</u>	
<u>Business Corporation Tax</u>	
DOR: Revenue enhancements from restructuring the Division of Taxation	\$ 1,142,100
DBR: Repeal Job Training Tax Credit	450,000
Subtotal: Business Corporation Tax	\$ 1,592,100
<u>Insurance Company Gross Premiums Tax</u>	
<u>HMO</u>	
EOHHS: Dual eligible and long term services and supports (LTSS) redesign	\$ (307,736)
EOHHS: Eliminate state-only funded contracts and services	(53,890)
EOHHS: Eliminate inpatient upper payment limit funding	(281,284)
EOHHS: Freeze hospital rates	(309,050)
EOHHS: Modernize LTSS eligibility integrity	(222,700)
EOHHS: Managed Care Organization administrative rate reduction	(111,266)
EOHHS: Managed Care Organization medical rate reduction	(880,222)
EOHHS: Managed Care Organization profit margin rate reduction	(409,468)
EOHHS: Non-emergency medical transportation reform	(190,377)
EOHHS: Reallocate Perry Sullivan funding	(124,000)
EOHHS: Revenue maximization	(45,896)
Subtotal: Insurance Company Gross Premiums Tax	\$ (2,935,890)
<u>Health Care Provider Assessment</u>	
EOHHS: Limit Nursing Home Rate Increase to 1.0%	\$ (296,799)
Subtotal: Health Care Provider Assessment	\$ (296,799)
Subtotal: General Business Taxes	\$ (1,640,590)
<u>Sales and Excise Taxes</u>	
<u>Sales and Use Tax</u>	
Impose sales tax on Software as a Service (SaaS)	\$ 4,819,500
Impose sales tax on security services including armored car services	9,715,473
Medical marijuana sales from 12 new retail only Compassion Centers	1,099,946
Medical marijuana sales from classifying acute pain as eligible condition	180,565
Medical marijuana sales from allowing Connecticut and Massachusetts cardholders to purchase in Rhode Island	248,157
Reduced sales tax from reduction in cigarette pack sales as a result of cigarette excise tax increase	(22,458)
DOR: Revenue enhancements from restructuring the Division of Taxation	4,371,300
Subtotal: Sales and Use Tax	\$ 20,412,483
<u>Motor Vehicle License and Registration Fees</u>	
<u>Operator Licenses</u>	
Real ID \$25.00 duplicate license fee	\$ 2,124,450
Consolidate duplicate fee with update fee and transfer to Rhode Island Highway Maintenance Account	1,009,150
Subtotal: Motor Vehicle License and Registration Fees	\$ 3,133,600

General Revenue Changes to Adopted Estimates

<i>Cigarettes Excise Tax</i>	
<i>Cigarettes</i>	
Increase cigarette excise tax rate to \$4.50 per pack of 20 cigarettes eff August 1, 2018	\$ 3,165,631
Cigarette floor stock tax of \$0.25 per pack for all stock held as of 12:01 AM on August 1, 2018	730,241
<i>Subtotal: Cigarettes</i>	\$ 3,895,872
<i>Other Tobacco Products</i>	
Impose other tobacco products tax on electronic nicotine delivery systems (Vapor)	\$ 720,174
Increase other tobacco products tax cap from \$0.50 to \$0.80 per cigar	551,306
DOR: Require all dealers to purchase other tobacco products only from licensed distributors	1,000,000
<i>Subtotal: Other Tobacco Products</i>	\$ 2,271,480
<i>Subtotal: Cigarettes Excise Tax</i>	\$ 6,167,352
<i>Subtotal: Sales and Excise Taxes</i>	\$ 29,713,435
Subtotal: All Taxes	\$ 32,465,475
<u>Departmental Receipts</u>	
<i>Licenses and Fees</i>	
DOH: Reinstigate hospital licensing fee on hospital FY 2016 base year at 5.856 percent rate	\$ 181,954,861
DBR: Increase mutual fund retailers registration fee to \$1,500	4,550,000
DBR: Increase insurance claims adjuster license fee to \$250	3,000,000
DOR: Surcharge revenues from medical marijuana sales of 12 new Compassion Centers	628,541
DOR: Surcharge revenues from medical marijuana sales to acute pain cardholders	103,180
DOR: Surcharge revenues from allowing Connecticut and Massachusetts cardholders to purchase in Rhode Island	141,804
DOR: Implement current law for registration reinstatement fee for inspection sticker suspensions	2,550,000
Commerce: Eliminate annual \$160 retail frozen dessert processor license fee	(80,000)
Commerce: Eliminate \$50 chair/station fee for hair design shop license	(60,000)
Commerce: Reduce wholesale food processors license fee from \$500 to \$300	(104,200)
Commerce: Increase certified food safety license from three years to five years	(60,000)
<i>Subtotal: Licenses and Fees</i>	\$ 192,624,185
<i>Fines and Penalties</i>	
DCYF: Increase child care violation fines	\$ 5,500
DOR: Revenue enhancements from restructuring the Division of Taxation - interest on overdue taxes	3,593,970
<i>Subtotal: Fines and Penalties</i>	\$ 3,599,470
<i>Sales and Services</i>	
Delay motor vehicle plate reissuance from January 2019 to January 2020	\$ (1,813,170)
<i>Subtotal: Sales and Services</i>	\$ (1,813,170)
<i>Miscellaneous</i>	
DBR: New Banking Examiners	\$ 284,310
<i>Subtotal: Miscellaneous</i>	\$ 284,310
<i>Subtotal: Departmental Receipts</i>	\$ 194,694,795
<u>Other Sources</u>	
<i>Other Miscellaneous Revenues</i>	
DBR: Fees from issuance of 12 new retail only Compassion Center licenses	\$ 1,312,096
DBR: Fees from new medical marijuana manufacturing and research and development licenses	1,210,262
DOH: Fees from new acute pain medical marijuana cardholders	125,917
DOR: Establishment of centralized collections unit	1,349,463
Transfer of excess reserves from Rhode Island Resource Recovery Corporation	3,000,000

General Revenue Changes to Adopted Estimates

Transfer of excess reserves from Rhode Island Housing		5,000,000
	<i>Subtotal: Other Miscellaneous Revenues</i>	<i>\$ 11,997,738</i>
<i>Lottery</i>		
Legalized sports betting	\$	23,500,000
Lottery gaming innovation pilot initiatives		4,100,000
	<i>Subtotal: Lottery</i>	<i>\$ 27,600,000</i>
	<i>Subtotal: Other Sources</i>	<i>\$ 39,597,738</i>
FY 2019 Total General Revenue Changes	\$	266,758,008

Other Revenue Enhancements

	Governor Recommend
FY 2018	
<u>Restricted Receipts</u>	
DBR: Transfer surplus fee revenues from Division of Commercial Licensing & Gaming & Athletics	\$ (800,000)
DBR: Transfer surplus fee revenues from Division of Insurance Regulation	(750,000)
<i>Sub-Total Restricted Receipts</i>	<i>\$ (1,550,000)</i>
<u>Other Funds</u>	
Rhode Island Highway Maintenance Account: Reduce transfer from general revenues to 60.0 percent	\$ (10,300,000)
<i>Sub-Total Other Funds</i>	<i>\$ (10,300,000)</i>
FY 2018 Total Non-General Revenue Changes	\$ (11,850,000)

Appendix B
Changes to FY 2018

Change to FY 2018 General Revenue Budget Surplus

	FY 2016 Audited	FY 2017 Audited	FY 2018 Enacted	FY 2018 Revised	Change from Enacted
Surplus					
Opening Surplus	\$168,038,072	\$167,818,206	\$49,716,066	\$61,660,230	\$11,944,164
Adjustment to Opening Surplus	-	-	-	-	\$0
Reappropriated Surplus	6,890,273	7,848,853	-	10,338,899	\$10,338,899
Subtotal	\$174,928,345	\$175,667,059	\$49,716,066	\$71,999,129	\$22,283,063
General Taxes	\$2,907,921,389	\$2,926,747,939	3,031,120,059	3,031,120,059	-
Revenue Est. Conference Changes	-	-	-	(9,420,059)	(9,420,059)
Changes to the Adopted Estimates	-	-	-	10,300,000	10,300,000
Subtotal	\$2,907,921,389	2,926,747,939	3,031,120,059	3,032,000,000	879,941
Departmental Revenues	\$367,641,395	370,065,817	393,224,426	393,224,426	-
Revenue Est. Conference Changes	-	-	-	(6,224,426)	(6,224,426)
Changes to the Adopted Estimates	-	-	-	-	-
Subtotal	\$367,641,395	\$370,065,817	\$393,224,426	\$387,000,000	(\$6,224,426)
Other Sources					
Other Miscellaneous	4,102,234	12,122,198	36,978,021	36,978,021	-
Revenue Est. Conference Changes	-	-	-	921,979	921,979
Changes to the Adopted Estimates	-	-	-	17,100,339	17,100,339
Lottery	369,760,879	362,696,628	362,500,000	362,500,000	-
Revenue Est. Conference Changes	-	-	-	4,700,000	4,700,000
Changes to the Adopted Estimates	-	-	-	612,793	612,793
Unclaimed Property	14,166,740	12,725,037	10,900,000	10,900,000	-
Revenue Est. Conference Changes	-	-	-	(300,000)	(300,000)
Subtotal	\$388,029,853	387,543,863	410,378,021	433,413,132	23,035,111
Total Revenues	\$3,663,592,637	\$3,684,357,619	\$3,834,722,506	\$3,852,413,132	\$17,690,626
Transfer to Budget Reserve and Cash Stabilization Account	(114,948,921)	(115,565,275)	(116,533,157)	(117,422,201)	(889,044)
Total Available	\$3,723,572,060	3,744,459,404	3,767,905,414	3,806,990,060	39,084,645
Actual/Enacted Expenditures	\$3,547,905,001	\$3,672,460,275	\$3,767,715,656	\$3,767,715,656	\$0
Reappropriations	-	-	-	10,338,899	\$10,338,899
Caseload Conference Changes	-	-	-	29,358,280	\$29,358,280
Other Changes in Expenditures	-	-	-	(691,236)	(\$691,236)
Total Expenditures	\$3,547,905,001	\$3,672,460,275	\$3,767,715,656	\$3,806,721,599	\$39,005,943
Total Ending Balances	\$175,667,059	\$71,999,129	\$189,758	\$268,461	\$78,702
Reappropriations	(7,848,853)	(10,338,899)	-	-	-
Free Surplus	\$167,818,206	\$61,660,230	\$189,758	\$268,461	\$78,702
Budget Reserve and Cash Stabilization Account	\$191,581,536	\$192,608,792	\$194,221,929	\$195,813,589	\$1,591,660

Changes to FY 2018 Enacted General Revenue Expenditures

	FY 2018 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Distribution of Statewide Savings	Other Projected Changes	FY 2018 Projected Expenditures
<u>General Government</u>					
Administration					
Central Management	3,048,657				
Personnel-Salary and Benefits			(5,637)	(218,447)	
Contracted Services		579,559		(95,268)	
Operating Supplies and Expenses				(156,902)	
Assistance and Grants				-	
Capital Purchases and Equipment				-	
	3,048,657	579,559	(5,637)	(470,617)	3,151,962
Accounts and Control	4,130,796				
Personnel-Salary and Benefits			(12,167)	(273,874)	
Contracted Professional Services				-	
Operating Supplies and Expenses				1,156,725	
Capital Purchases and Equipment				-	
	4,130,796	-	(12,167)	882,851	5,001,480
Office of Management and Budget	8,882,351				
Personnel-Salary and Benefits			(18,397)	305,765	
Contracted Professional Services		58,526		79,403	
Operating Supplies and Expenses				186,594	
Capital Purchases and Equipment		30,000		77,285	
	8,882,351	88,526	(18,397)	649,047	9,601,527
Purchasing	2,630,843				
Personnel-Salary and Benefits			(9,025)	(509,046)	
Contracted Professional Services				-	
Operating Supplies and Expenses				607,570	
Capital Purchases and Equipment				-	
	2,630,843	-	(9,025)	98,524	2,720,342
Human Resources	8,057,188				
Personnel-Salary and Benefits			(20,829)	(7,889,451)	
Contracted Professional Services				(3,295)	
Operating Supplies and Expenses				1,024,269	
Capital Purchases and Equipment				(8,770)	
	8,057,188	-	(20,829)	(6,877,247)	1,159,112
Personnel Appeal Board	145,130				
Personnel-Salary and Benefits			(96)	2,331	
Contracted Professional Services				-	
Operating Supplies and Expenses				-	
	145,130	-	(96)	2,331	147,365
Legal Services	2,170,956				
Personnel-Salary and Benefits			(3,632)	(239,171)	
Contracted Professional Services				200,000	
Operating Supplies and Expenses				16,121	
Assistance and Grants				-	
Capital Purchases and Equipment				-	
	2,170,956	-	(3,632)	(23,050)	2,144,274
Capital Asset Management and Maintenance	33,868,627				
Personnel-Salary and Benefits			(43,609)	(10,024,387)	
Contracted Professional Services				(3,155,823)	
Operating Supplies and Expenses				(10,821,807)	
Capital Purchases and Equipment				(21,220)	
	33,868,627	-	(43,609)	(24,023,237)	9,801,781
Information Technology	22,146,644				
Personnel-Salary and Benefits			(58,639)	(17,264,998)	
Contracted Professional Services				(790,117)	
Operating Supplies and Expenses				(2,566,398)	

Changes to FY 2018 Enacted General Revenue Expenditures

	FY 2018 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Distribution of Statewide Savings	Other Projected Changes	FY 2018 Projected Expenditures
Assistance and Grants				-	
Capital Purchases and Equipment				(7,478)	
	22,146,644	-	(58,639)	(20,628,991)	1,459,014
Library and Information Services	1,479,475				
Personnel-Salary and Benefits			(3,305)	44,624	
Contracted Professional Services				-	
Operating Supplies and Expenses				(46,285)	
Capital Purchases and Equipment				2,250	
	1,479,475	-	(3,305)	589	1,476,759
Planning	1,271,483			(122,834)	
Personnel-Salary and Benefits			(1,131)	(835,876)	
Contracted Professional Services				(55,000)	
Operating Supplies and Expenses		122,834		(32,739)	
Assistance and Grants (Housing Resources Commission)				(4,200)	
Capital Purchases and Equipment				-	
	1,271,483	122,834	(1,131)	(927,815)	465,371
Auditing	-				
Operating Supplies and Expenses				64,824	
				64,824	64,824
Construction, Permitting, Appeals and Licensing	1,790,975				
Personnel-Salary and Benefits			(5,601)	164,087	
Contracted Professional Services				-	
Operating Supplies and Expenses				137,636	
	1,790,975	-	(5,601)	301,723	2,087,097
General	14,344,757				
Operating Transfers				-	
Aid to Local Governments				-	
	14,344,757	-	-	-	14,344,757
Personnel and Operational Reforms	(30,080,124)				
Personnel-Salary and Benefits				23,700,000	
Contracted Professional Services				400,000	
Operating Supplies and Expenses				(2,769,876)	
	(30,080,124)	-	-	21,330,124	(8,750,000)
Debt Service Payments	138,403,065				
Operating Transfers				-	
Debt Service Payments				(1,232,290)	
	138,403,065	-	-	(1,232,290)	137,170,775
RI Health Benefits Exchange	2,625,841				
	2,625,841	-	-	-	2,625,841
The Office of Diversity, Equity and Opportunity	1,282,250				
Personnel-Salary and Benefits			(2,928)	(250,271)	
Contracted Professional Services				-	
Operating Supplies and Expenses				57,804	
	1,282,250	-	(2,928)	(192,467)	891,460
Total	216,198,914	790,919	(184,996)	(31,045,701)	185,759,136
Business Regulation					
Central Management	1,296,420				
Personnel-Salary and Benefits			(3,896)	(57,834)	
Contracted Professional Services				-	
Operating Supplies and Expenses				855,398	
	1,296,420	-	(3,896)	797,564	2,090,088

Changes to FY 2018 Enacted General Revenue Expenditures

	FY 2018 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Distribution of Statewide Savings	Other Projected Changes	FY 2018 Projected Expenditures
Insurance Regulation	3,925,436				
Personnel-Salary and Benefits			(10,712)	(81,721)	
Contracted Professional Services				-	
Operating Supplies and Expenses				18,220	
	3,925,436	-	(10,712)	(63,501)	3,851,223
Office of the Health Commissioner	1,614,318				
Personnel-Salary and Benefits			(1,591)	36,945	
Contracted Professional Services				(70,000)	
Operating Supplies and Expenses				(8,916)	
	1,614,318	-	(1,591)	(41,971)	1,570,756
Board of Accountancy	6,000				
Contracted Professional Services				-	
Operating Supplies and Expenses				-	
	6,000	-	-	-	6,000
Banking Regulation	1,743,062				
Personnel-Salary and Benefits			(6,758)	(157,796)	
Operating Supplies and Expenses				-	
	1,743,062	-	(6,758)	(157,796)	1,578,508
Securities Regulation	974,364				
Personnel-Salary and Benefits			(3,875)	(17,798)	
Contracted Professional Services				-	
	974,364	-	(3,875)	(17,798)	952,691
Commercial Licensing, Racing and Athletics	893,038				
Personnel-Salary and Benefits			(3,223)	19,557	
Operating Supplies and Expenses				-	
	893,038	-	(3,223)	19,557	909,372
Board of Design Professionals	-				
Personnel-Salary and Benefits			(573)	573	
	-	-	(573)	573	-
Total	10,452,638	-	(30,628)	536,628	10,958,638
Executive Office of Commerce					
Central Management	1,138,714				
Personnel-Salary and Benefits			(2,274)	(79,276)	
Operating Supplies and Expenses				73,795	
Capital Purchases and Expenses				-	
Operating Transfers				-	
	1,138,714	-	(2,274)	(5,481)	1,130,959
Housing and Community Development	642,391				
Personnel-Salary and Benefits			(1,746)	(4,109)	
Capital Purchases and Expenses				1,300	
Operating Supplies and Expenses				263,016	
	642,391	-	(1,746)	260,207	900,852
Quasi-Public Appropriations	12,176,714				
Assistance and Grants				(250,000)	
Operating Transfers				(250,000)	
	12,176,714	-	-	(500,000)	11,676,714
Economic Development Initiatives Fund	17,800,000				
	17,800,000	-	-	(3,000,000)	14,800,000
Commerce Programs	1,300,000				
	1,300,000	-	-	-	1,300,000

Changes to FY 2018 Enacted General Revenue Expenditures

	FY 2018 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Distribution of Statewide Savings	Other Projected Changes	FY 2018 Projected Expenditures
Total	33,057,819	-	(4,020)	(3,245,274)	29,808,525
Labor and Training					
Central Management	134,315				
Personnel-Salary and Benefits			(220)	(42,186)	
Contracted Professional Services				(50)	
Operating Supplies and Expenses				604,390	
Assistance and Grants				-	
Capital Purchases and Expenses				-	
	134,315	-	(220)	562,154	696,249
Workforce Development Services	704,517				
Personnel-Salary and Benefits				-	
Contracted Professional Services				-	
Operating Supplies and Expenses				22,508	
Assistance and Grants		43,817		-	
Operating Transfers		-		-	
	704,517	43,817	-	22,508	770,842
Workforce Regulation and Safety	2,811,148				
Personnel-Salary and Benefits			(11,304)	97,259	
Contracted Professional Services				2,312	
Operating Supplies and Expenses				104,378	
Assistance and Grants				(23)	
Capital Purchases and Expenses				(14,771)	
Operating Transfers				(2,777)	
	2,811,148	-	(11,304)	186,378	2,986,222
Income Support	4,046,748				
Personnel-Salary and Benefits			(587)	122,979	
Contracted Professional Services				228	
Operating Supplies and Expenses				2,682	
Assistance and Grants				(60,793)	
Capital Purchases and Expenses				(1,455)	
	4,046,748	-	(587)	63,641	4,109,802
Labor Relations Board	397,335				
Personnel-Salary and Benefits			(760)	(11,282)	
Contracted Professional Services				9,016	
Operating Supplies and Expenses				18,246	
Grants and Assistance				-	
Capital Purchases and Expenses				-	
	397,335	-	(760)	15,980	412,555
Total	8,094,063	43,817	(12,871)	850,661	8,975,670
Legislature					
General Assembly	6,080,325	2,400,803	(148,488)	(2,252,315)	
Personnel-Salary and Benefits				(38,844)	
Contracted Professional Services				145,000	
Grants and Assistance				-	
Operating Supplies and Expenses				1,659,612	
Capital Purchases and Expenses				270,000	
	6,080,325	2,400,803	(148,488)	(216,547)	8,116,093
Fiscal Advisory Staff	1,843,417	479,575		(479,575)	
Personnel-Salary and Benefits				(80,379)	
Operating Supplies and Expenses				51,000	
Capital Purchases and Expenses				25,000	
	1,843,417	479,575	-	(483,954)	1,839,038
Legislative Council	5,436,430	1,224,368		(1,224,368)	
Personnel-Salary and Benefits				(659,337)	
Contracted Professional Services				50,000	

Changes to FY 2018 Enacted General Revenue Expenditures

	FY 2018 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Distribution of Statewide Savings	Other Projected Changes	FY 2018 Projected Expenditures
Operating Supplies and Expenses				190,000	
Capital Purchases and Expenses				45,000	
	5,436,430	1,224,368	-	(1,598,705)	5,062,093
Joint Comm. on Legislative Services	23,130,388				
Personnel-Salary and Benefits				1,697,244	
Contracted Professional Services				10,000	
Operating Supplies and Expenses		656,139		772,736	
Grants and Assistance				-	
Capital Purchases and Expenses				280,000	
	23,130,388	656,139	-	2,759,980	26,546,507
Auditor General	4,018,047	563,158		(563,158)	
Personnel-Salary and Benefits				(132,094)	
Contracted Professional Services				(3,640)	
Operating Supplies and Expenses				(10,559)	
Capital Purchases and Expenses				(30,000)	
	4,018,047	563,158	-	(739,451)	3,841,754
Special Legislative Commissions	13,900	1,786,394		(1,786,394)	
Operating Supplies and Expenses				-	
	13,900	1,786,394	-	(1,786,394)	13,900
Total	40,522,507	7,110,437	(148,488)	(2,065,071)	45,419,385
Office of the Lieutenant Governor	1,084,217				
Personnel-Salary and Benefits			(2,696)	(96,085)	
Contracted Professional Services					
Operating Supplies and Expenses					
Capital Purchases and Expenses				-	
Total	1,084,217	-	(2,696)	(34,025)	1,047,496
Secretary of State					
Administration	3,382,625				
Personnel-Salary and Benefits			(7,158)	(9,220)	
Contracted Professional Services				194,715	
Operating Supplies and Expenses				(87,434)	
Grants and Assistance				(976)	
Capital Purchases and Equipment				(493)	
	3,382,625	-	(7,158)	96,592	3,472,059
Corporations	2,224,127				
Personnel-Salary and Benefits			(7,715)	3,516	
Contracted Professional Services				(26,200)	
Operating Supplies and Expenses				32,734	
Capital Purchases and Equipment				(7,196)	
	2,224,127	-	(7,715)	2,854	2,219,266
State Archives	87,150				
Personnel-Salary and Benefits				-	
Operating Supplies and Expenses				9,427	
	87,150	-	-	9,427	96,577
Elections	1,906,470				
Personnel-Salary and Benefits			(946)	609	
Contracted Professional Services				83,019	
Operating Supplies and Expenses				4,246	
Capital Purchases and Equipment				(7,236)	
	1,906,470	-	(946)	80,638	1,986,162
State Library	723,385				
Personnel-Salary and Benefits			(1,657)	(127,600)	
Contracted Professional Services				(1,925)	
Operating Supplies and Expenses				4,310	

Changes to FY 2018 Enacted General Revenue Expenditures

	FY 2018 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Distribution of Statewide Savings	Other Projected Changes	FY 2018 Projected Expenditures
Capital Purchases and Equipment	723,385	-	(1,657)	(2,050) (127,265)	594,463
Office of Public Information	587,562	44,924		(44,924)	
Personnel-Salary and Benefits			(1,657)	(8,893)	
Contracted Professional Services				-	
Operating Supplies and Expenses				14,362	
Capital Purchases and Equipment				(1,600)	
	587,562	44,924	(1,657)	(41,055)	589,774
Total	8,911,319	44,924	(19,133)	21,191	8,958,301
Office of the General Treasurer					
Treasury	2,456,017				
Personnel-Salary and Benefits			(4,927)	(33,359)	
Contracted Professional Services				27,760	
Operating Supplies and Expenses				147,245	
Capital Purchases and Equipment				12,200	
	2,456,017	-	(4,927)	153,846	2,604,936
Crime Victim Compensation Program	242,675				
Personnel-Salary and Benefits			(770)	26,433	
Contracted Professional Services				(10,800)	
Operating Supplies and Expenses				14,207	
Capital Purchases and Equipment				-	
	242,675	-	(770)	29,840	271,745
Total	2,698,692	-	(5,697)	183,686	2,876,681
Board of Elections					
Central Management	1,548,735				
Personnel-Salary and Benefits			(5,633)	(66,785)	
Contracted Professional Services				52,000	
Operating Supplies and Expenses				161,434	
Capital Purchases and Equipment				-	
Total	1,548,735	-	(5,633)	146,649	1,689,751
RI Ethics Commission					
Central Management	1,665,873				
Personnel-Salary and Benefits			(2,986)	-	
Contracted Professional Services				25,000	
Operating Supplies and Expenses				45,406	
Capital Purchases and Equipment				-	
Total	1,665,873	-	(2,986)	70,406	1,733,293
Office of the Governor					
Central Management	5,397,554				
Personnel-Salary and Benefits			(10,043)	-	
Contracted Professional Services				500	
Operating Supplies and Equipment		67,089		87,899	
Capital Purchases and Equipment				(2,800)	
Total	5,397,554	67,089	(10,043)	85,599	5,540,199
Commission for Human Rights					
Central Management	1,258,074				
Personnel-Salary and Benefits			(3,254)	(1,210)	
Contract Professional Services				650	
Operating Supplies and Expenses				38,330	
Total	1,258,074	-	(3,254)	37,770	1,292,590
Department of Revenue					

Changes to FY 2018 Enacted General Revenue Expenditures

	FY 2018 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Distribution of Statewide Savings	Other Projected Changes	FY 2018 Projected Expenditures
Director of Revenue	1,244,266				
Personnel-Salary and Benefits			(3,434)	(1,693)	
Operating Supplies and Expenses				758,748	
Capital Purchases and Equipment				-	
	1,244,266	-	(3,434)	757,055	1,997,887
Office of Revenue Analysis	788,009				
Personnel-Salary and Benefits			(1,674)	(86,420)	
Contract Professional Services				-	
Operating Supplies and Expenses				24,220	
Capital Purchases and Equipment				-	
	788,009	-	(1,674)	(62,200)	724,135
Office of Municipal Finance	3,111,025				
Personnel-Salary and Benefits			(7,261)	(166,694)	
Contracted Professional Services				(5,000)	
Operating Supplies and Expenses				5,728	
Assistance and Grants				-	
Capital Purchases and Equipment				-	
Aid to Local Governments				(10,240)	
	3,111,025	-	(7,261)	(176,206)	2,927,558
Taxation	22,775,987				
Personnel-Salary and Benefits			(65,424)	(546,248)	
Contracted Professional Services				48,666	
Operating Supplies and Expenses				45,000	
Assistance and Grants				-	
Capital Purchases and Equipment				(14,000)	
	22,775,987	-	(65,424)	(466,582)	22,243,981
Motor Vehicles	21,175,553				
Personnel-Salary and Benefits			(70,774)	406,038	
Contracted Professional Services				(2,580)	
Operating Supplies and Expenses				5,482,437	
Assistance and Grants				(1,246)	
Capital Purchases and Equipment				24,368	
Operating Transfers				2,097	
	21,175,553	-	(70,774)	5,911,114	27,015,893
State Aid	94,527,292		-		
Property Revaluation Program				(1,455,809)	
	94,527,292	-	-	(1,455,809)	93,071,483
Total	143,622,132	-	(148,567)	4,507,372	147,980,937
Sub-Total General Government	474,512,537	8,057,186	(579,012)	(29,950,109)	452,040,602
<u>Human Services</u>					
Office of Health and Human Services					
Central Management	26,992,150	1,564,300		(1,564,300)	
Personnel-Salary and Benefits			(33,115)	-	
Contracted Professional Services				(497,254)	
Operating Supplies and Equipment				815,378	
Assistance and Grants				9,128	
Capital Purchases and Equipment				(51,355)	
Operating Transfers				-	
	26,992,150	1,564,300	(33,115)	(1,288,403)	27,234,932
Medical Assistance	937,307,806				
Assistance and Grants				13,936,679	
				-	

Changes to FY 2018 Enacted General Revenue Expenditures

	FY 2018 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Distribution of Statewide Savings	Other Projected Changes	FY 2018 Projected Expenditures
	937,307,806	-	-	13,936,679	951,244,485
	964,299,956	1,564,300	(33,115)	12,648,276	978,479,417
Children, Youth, and Families					
Central Management	7,157,480				
Personnel-Salary and Benefits			(14,319)	(644,644)	
Contracted Professional Services				435,625	
Operating Supplies and Expenses				603,154	
Assistance and Grants				53	
Capital Purchases and Equipment				-	
	7,157,480	-	(14,319)	394,188	7,537,349
Children's Behavioral Health	5,099,171				
Personnel-Salary and Benefits			(6,577)	700,983	
Contracted Professional Services				127,208	
Operating Supplies and Expenses				1,703	
Assistance and Grants				719,743	
Capital Purchases and Equipment				-	
	5,099,171	-	(6,577)	1,549,637	6,642,231
Juvenile Correctional Services	22,824,456				
Personnel-Salary and Benefits			(70,502)	(582,465)	
Contracted Professional Services				(31,183)	
Operating Supplies and Expenses				2,508,981	
Assistance and Grants				(116,963)	
Capital Purchases and Equipment				-	
	22,824,456	-	(70,502)	1,778,370	24,532,324
Child Welfare	110,574,755				
Personnel-Salary and Benefits			(88,748)	(1,633,582)	
Contracted Professional Services				366,782	
Operating Supplies and Expenses				287,337	
Assistance and Grants				4,168,339	
Capital Purchases and Equipment				-	
	110,574,755	-	(88,748)	3,188,876	113,674,883
Higher Education Incentive Grants	200,000				
	200,000	-	-	-	200,000
Total	145,855,862	-	(180,146)	6,911,071	152,586,787
Health					
Central Management	789,523				
Personnel-Salary and Benefits			(2,241)	(73,472)	
Contract Professional Services				33,338	
Operating Supplies and Expense				1,248,676	
Assistance and Grants				4,237	
	789,523	-	(2,241)	1,212,779	2,000,061
Community Health and Equity	691,032				
Personnel-Salary and Benefits			(1,064)	(18,909)	
Contract Professional Services				19,931	
Operating Supplies and Expense				992	
Assistance and Grants				(19,931)	
Capital Purchases and Equipment				-	
	691,032	-	(1,064)	(17,917)	672,051
Environmental Health	5,100,209				
Personnel-Salary and Benefits			(17,105)	(254,658)	
Contracted Professional Services				(55,000)	
Operating Expenditures				91,365	
Assistance and Grants				(70,000)	

Changes to FY 2018 Enacted General Revenue Expenditures

	FY 2018 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Distribution of Statewide Savings	Other Projected Changes	FY 2018 Projected Expenditures
Capital Purchases and Equipment	5,100,209	-	(17,105)	(288,293)	4,794,811
Health Laboratories and Medical Examiner	9,531,063				
Personnel-Salary and Benefits			(23,997)	365,178	
Contracted Professional Services				55,715	
Operating Supplies and Expenses				162,189	
Capital Purchases and Equipment				3,400	
	9,531,063	-	(23,997)	586,482	10,093,548
Customer Service	6,324,375				
Personnel-Salary and Benefits			(20,987)	(382,983)	
Contracted Professional Services				18,157	
Operating Expenditures				62,867	
Assistance and Grants				795	
Capital Purchases and Equipment				10,650	
	6,324,375	-	(20,987)	(290,514)	6,012,874
Policy, Information and Communications	837,790				
Personnel-Salary and Benefits			(1,541)	(106,664)	
Contracted Professional Services				8,000	
Operating Expenditures				10,361	
Assistance and Grants				-	
Capital Purchases and Equipment				-	
	837,790	-	(1,541)	(88,303)	747,946
Preparedness, Response, Infectious Disease and ES	1,619,131				
Personnel-Salary and Benefits			(3,158)	(87,054)	
Contracted Professional Services				-	
Operating Expenditures				(50,000)	
Assistance and Grants				-	
Capital Purchases and Equipment				-	
	1,619,131	-	(3,158)	(137,054)	1,478,919
Infectious Disease and Epidemiology	-				
Operating Expenditures				64,026	
				64,026	
Public Health Information	-				
Operating Expenditures				184,608	
				184,608	
Environmental and Health Services Regulation	-				
Operating Expenditures				370,512	
				370,512	
Total	24,893,123	-	(70,093)	1,596,326	26,419,356
Human Services					
Central Management	3,410,108				
Personnel- Salary and Benefits			(720)	(30,534)	
Contracted Professional Services				365	
Operating Supplies and Equipment				86,978	
Assistance and Grants				-	
Capital Purchases and Expenditures				-	
	3,410,108	-	(720)	56,809	3,466,197
Child Support Enforcement	3,081,319				
Personnel- Salary and Benefits			(7,491)	(32,368)	
Contracted Professional Services				91,170	
Operating Supplies and Equipment				181,326	
Assistance and Grants				-	
Capital Purchases and Expenditures				(3,400)	
	3,081,319	-	(7,491)	236,728	3,310,556

Changes to FY 2018 Enacted General Revenue Expenditures

	FY 2018 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Distribution of Statewide Savings	Other Projected Changes	FY 2018 Projected Expenditures
Individual and Family Support	20,663,169				
Personnel- Salary and Benefits			(71,148)	3,718,786	
Contracted Professional Services				(730,972)	
Operating Supplies and Equipment				1,815,935	
Assistance and Grants				(125,241)	
Capital Purchases and Expenditures				(9,998)	
Operating Transfers				(247,116)	
	20,663,169	-	(71,148)	4,421,394	25,013,415
Veterans' Affairs	20,601,826				
Personnel- Salary and Benefits			(57,652)	(200,000)	
Contracted Professional Services				200,000	
Operating Supplies and Equipment				2,236,428	
Assistance and Grants				-	
Capital Purchases and Expenditures				-	
	20,601,826	-	(57,652)	2,236,428	22,780,602
Health Care Eligibility	6,045,119				
Personnel- Salary and Benefits			(23,042)	238,282	
Contracted Professional Services				(91,963)	
Operating Supplies and Equipment				1,067,380	
Assistance and Grants				-	
Capital Purchases and Expenditures				-	
	6,045,119	-	(23,042)	1,213,699	7,235,776
S.S.I. Program	18,548,119			913,481	
	18,548,119	-	-	913,481	19,461,600
Rhode Island Works	10,612,819				
Operating Supplies and Expenses				133,840	
Grants and Assistance				-	
	10,612,819	-	-	133,840	10,746,659
State Funded Programs	1,558,951			(223,551)	
	1,558,951			(223,551)	1,335,400
Elderly Affairs	6,592,188				
Personnel-Salary and Benefits			(5,528)	168,670	
Contracted Professional Services				35,677	
Operating Supplies and Equipment				661,480	
Assistance and Grants				(210,206)	
Capital Purchases and Expenditures				-	
	6,592,188	-	(5,528)	655,621	7,242,281
				-	
Total	91,113,618	-	(165,581)	9,644,449	100,592,486
Behavioral Health, Developmental Disabilities and Hospitals					
Central Management	1,655,306				
Personnel-Salary and Benefits			(2,109)	(552,514)	
Contracted Professional Services				(6,513)	
Operating Supplies and Expenses				465,741	
Assistance and Grants				(1,871)	
Capital Purchases and Equipment				(1,264)	
Operating Transfers				369,124	
	1,655,306	-	(2,109)	272,703	1,925,900
Hosp. and Community System Support	2,067,954				
Personnel-Salary and Benefits			(7,192)	(27,529)	
Contracted Professional Services				1,450	
Operating Supplies and Expenses				646,460	
Assistance and Grants				-	
Capital Purchases and Equipment				34,650	

Changes to FY 2018 Enacted General Revenue Expenditures

	FY 2018 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Distribution of Statewide Savings	Other Projected Changes	FY 2018 Projected Expenditures
	2,067,954	-	(7,192)	655,031	2,715,793
Services. for the Developmentally Disabled	123,584,106				
Personnel-Salary and Benefits			(64,122)	128,097	
Contracted Professional Services				(492,800)	
Operating Supplies and Expenses				1,158,423	
Assistance and Grants				4,610,830	
Capital Purchases and Equipment				(370)	
Operating Transfers				256,795	
	123,584,106	-	(64,122)	5,660,975	129,180,959
Behavioral Healthcare Services	2,543,780				
Personnel-Salary and Benefits			(5,672)	58,038	
Contracted Professional Services				(5,500)	
Operating Supplies and Expenses				256,785	
Assistance and Grants				-	
Capital Purchases and Equipment				-	
Operating Transfers				-	
	2,543,780	-	(5,672)	309,323	2,847,431
Hosp. and Community Rehab. Services	46,597,476				
Personnel-Salary and Benefits			(138,774)	2,642,523	
Contracted Professional Services				(25,245)	
Operating Supplies and Expenses				5,554,109	
Assistance and Grants				(19,211)	
Capital Purchases and Equipment				345,320	
Operating Transfers				-	
	46,597,476	-	(138,774)	8,497,496	54,956,198
Total	176,448,622	-	(217,869)	15,395,528	191,626,281
Office of the Child Advocate	781,499	46,404		(46,404)	
Personnel- Salary and Benefits			(2,622)	(169,906)	
Contracted Professional Services				30,000	
Operating Supplies and Expenses				109,394	
Capital Purchases and Equipment				39,516	
Total	781,499	46,404	(2,622)	(37,400)	787,881
Commission on Deaf and Hard of Hearing	498,710				
Personnel- Salary and Benefits			(2,236)	(82,832)	
Contracted Professional Services				2,354	
Operating Supplies and Expenses				20,686	
Total	498,710	-	(2,236)	(59,792)	436,682
Governor's Commission on Disabilities	454,938				
Personnel-Salary and Benefits			(1,121)	(5,436)	
Contracted Professional Services				215	
Operating Supplies and Expenses				30,309	
Assistance and Grants				2	
Capital Purchases and Equipment				-	
Total	454,938	-	(1,121)	25,090	478,907
Office of the Mental Health Advocate	549,563				
Personnel-Salary and Benefits			(1,841)	-	
Contracted Professional Services				-	
Operating Supplies and Expenses				81,049	
Capital Purchases and Equipment				-	
Total	549,563	-	(1,841)	81,049	628,771
Sub-Total Human Services	1,404,895,891	1,610,704	(674,624)	46,204,597	1,452,036,568

Education

Changes to FY 2018 Enacted General Revenue Expenditures

	FY 2018 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Distribution of Statewide Savings	Other Projected Changes	FY 2018 Projected Expenditures
Elementary and Secondary Education					
State Education Aid	890,282,092				
Contracted Professional Services					
Operating Supplies and Expenses					
Assistance and Grants				(114,980)	
Operating Transfers				380,000	
Aid to Local Governments				(2,023,326)	
	890,282,092	-	-	(66,040)	890,216,052
School Construction Aid	80,000,000				
Contracted Professional Services				249,935	
Operating Transfers				(3,384,835)	
Aid to Local Governments				3,134,900	
	80,000,000	-	-	-	80,000,000
Teachers' Retirement	101,833,986			139,942	
	101,833,986	-	-	139,942	101,973,928
RI School for the Deaf	6,269,979				
Personnel-Salary and Benefits			(20,629)	-	
Contracted Professional Services				19,276	
Operating Supplies and Expenses				(18,479)	
Assistance and Grants				-	
Capital Purchases and Equipment				-	
	6,269,979	-	(20,629)	797	6,250,147
Central Falls School District	39,878,367				
	39,878,367	-	-	-	39,878,367
Davies Career and Technical School	13,358,058				
Personnel-Salary and Benefits				(158,741)	
Contracted Professional Services				-	
Operating Supplies and Expenses				76,042	
	13,358,058	-	-	(82,699)	13,275,359
Met. Career and Tech. School	9,342,007				
Operating Transfers				(2,212)	
Aid to Local Governments				2,212	
	9,342,007	-	-	-	9,342,007
Administration of the Comp. Education Strategy	20,106,907				
Personnel-Salary and Benefits			(32,905)	-	
Contracted Professional Services				(39,000)	
Operating Supplies and Expenses				593,937	
Assistance and Grants				(150,000)	
Capital Purchases and Equipment				(13,715)	
Operating Transfers				-	
Aid to Locals				(12,000)	
	20,106,907	-	(32,905)	379,222	20,453,224
Total	1,161,071,396	-	(53,534)	371,222	1,161,389,084
Office of the Postsecondary Commissioner					
Office of Postsecondary the Commissioner	6,876,089				
Personnel-Salary and Benefits			(6,086)	(107,517)	
Contracted Professional Services				(4,000)	
Operating Supplies and Expenses				(272,701)	
	6,876,089	-	(6,086)	(384,218)	6,485,785
Higher Education Assistance Program	2,750,000				
Grants and Assistance				231,086	
	2,750,000	-	-	231,086	2,981,086

Changes to FY 2018 Enacted General Revenue Expenditures

	FY 2018 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Distribution of Statewide Savings	Other Projected Changes	FY 2018 Projected Expenditures
Rhode Island Nursing Education Center	4,952,370				
Capital Purchases and Expenses				(104,890)	
Debt Service (Fixed Charges)				(232,639)	
	4,952,370	-	-	(337,529)	4,614,841
Total	14,578,459	-	(6,086)	(490,661)	14,081,712
University of Rhode Island					
Education	100,028,641				
Personnel-Salary and Benefits				(366,777)	
Personnel-Salary and Benefits				(1,907,983)	
Contracted Professional Services				(89,233)	
Operating Supplies and Expenses				(1,843,489)	
Assistance and Grants				3,487,390	
Capital Purchases and Equipment				(13,462)	
Operating Transfers				-	
Debt Service (Fixed Charges)				107,338	
	100,028,641	-	-	(259,439)	
URI State Forensics	1,201,087				
Personnel-Salary and Benefits				(3,876)	
Personnel-Salary and Benefits				(26,293)	
Contracted Professional Services				(1,500)	
Operating Supplies and Expenses				23,917	
Capital Purchases and Equipment				-	
	1,201,087	-	-	(3,876)	
Total	101,229,728	-	-	(263,315)	100,966,413
Rhode Island College	53,055,851				
Personnel-Salary and Benefits				(364,551)	
Personnel-Salary and Benefits				(113,439)	
Contracted Professional Services				24,155	
Operating Supplies and Expenses				(1,725,911)	
Assistance and Grants				1,489,606	
Capital Purchases and Equipment				(38,962)	
Operating Transfers				-	
Debt Service (Fixed Charges)				1,325,568	
Total	53,055,851	-	-	961,017	54,016,868
Community College of Rhode Island	52,018,555				
Personnel-Salary and Benefits				(314,554)	
Personnel-Salary and Benefits				(2,140,622)	
Contracted Professional Services				365,625	
Operating Supplies and Expenses				1,073,030	
Assistance and Grants				511,450	
Capital Purchases and Equipment				(124,037)	
Operating Transfers				-	
Debt Service (Fixed Charges)				-	
Total	52,018,555	-	-	(314,554)	51,704,001
RI Council On The Arts	1,945,056				
Personnel-Salary and Benefits		-	(2,532)	(25,573)	
Contracted Professional Services				-	
Operating Supplies and Expenses				46,409	
Assistance and Grants				-	
Total	1,945,056	-	(2,532)	20,836	1,963,360
RI Atomic Energy Commission	982,157				
Personnel-Salary and Benefits			(1,414)	(18,697)	
Contracted Professional Services				-	

Changes to FY 2018 Enacted General Revenue Expenditures

	FY 2018 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Distribution of Statewide Savings	Other Projected Changes	FY 2018 Projected Expenditures
Operating Supplies and Expenses				58,975	
Capital Purchases and Equipment				-	
Total	982,157	-	(1,414)	40,278	1,021,021
RI Historical Preservation and Heritage Commission	1,121,134				
Personnel-Salary and Benefits			(3,767)	(86,475)	
Contracted Professional Services				-	
Operating Supplies and Expenses				92,262	
Capital Purchases and Equipment				-	
Total	1,121,134	-	(3,767)	5,787	1,123,154
Sub-Total Education	1,386,002,336	-	(67,333)	330,610	1,386,265,613
<u>Public Safety</u>					
Attorney General					
Criminal	16,070,177				
Personnel-Salary and Benefits			(51,768)	12,384	
Contracted Professional Services				73,762	
Operating Supplies and Expenses				52,065	
Capital Purchases and Equipment				7,050	
	16,070,177	-	(51,768)	145,261	16,163,670
Civil	5,251,678				
Personnel-Salary and Benefits			(16,251)	(8,188)	
Contracted Professional Services				18,323	
Operating Supplies and Expenses				(3,798)	
Capital Purchases and Equipment				(10,958)	
	5,251,678	-	(16,251)	(4,621)	5,230,806
Bureau of Criminal Identification	1,670,102				
Personnel-Salary and Benefits			(4,459)	(36,371)	
Contracted Professional Services				2,280	
Operating Supplies and Expenses				20,578	
	1,670,102	-	(4,459)	(13,513)	1,652,130
General	3,202,794				
Personnel-Salary and Benefits			(5,567)	(105,354)	
Contracted Professional Services				2,768	
Operating Supplies and Expenses				4,814	
	3,202,794	-	(5,567)	(97,772)	3,099,455
Total	26,194,751	-	(78,045)	29,355	26,146,061
Corrections					
Central Management	9,994,732	646,309		(646,309)	
Personnel-Salary and Benefits			(27,075)	544,117	
Contracted Professional Services				526,844	
Operating Supplies and Expenses				5,172,577	
Assistance and Grants				(1,457)	
Capital Purchases and Equipment				79,821	
	9,994,732	646,309	(27,075)	5,675,593	16,289,559
Parole Board	1,420,791				
Personnel-Salary and Benefits			(3,779)	(122,578)	
Contracted Professional Services				(40,177)	
Operating Supplies and Expenses				943	
	1,420,791	-	(3,779)	(161,812)	1,255,200
Custody and Security	137,893,460				

Changes to FY 2018 Enacted General Revenue Expenditures

	FY 2018 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Distribution of Statewide Savings	Other Projected Changes	FY 2018 Projected Expenditures
Personnel-Salary and Benefits			(394,893)	(1,507,246)	
Contracted Professional Services				4,320	
Operating Supplies and Expenses				8,576,120	
Assistance and Grants				13,891	
Capital Purchases and Equipment				3,100	
Operating Transfers				-	
	137,893,460	-	(394,893)	7,090,185	144,588,752
Institutional Support	14,915,103				
Personnel-Salary and Benefits			(20,373)	(294,185)	
Contracted Professional Services				-	
Operating Supplies and Expenses				(102,605)	
Capital Purchases and Equipment				-	
	14,915,103	-	(20,373)	(396,790)	14,497,940
Institutional Based Rehab/Population Management	11,694,520				
Personnel-Salary and Benefits			(18,777)	453,477	
Contracted Professional Services				192,065	
Operating Supplies and Expenses				27,070	
Assistance and Grants				1,050,000	
Capital Purchases and Equipment				-	
	11,694,520	-	(18,777)	1,722,612	13,398,355
Healthcare Services	23,800,253				
Personnel-Salary and Benefits			(29,963)	(85,889)	
Contracted Professional Services				(496,607)	
Operating Supplies and Expenses				203,772	
Capital Purchases and Equipment				(3,201)	
	23,800,253	-	(29,963)	(381,925)	23,388,365
Community Corrections	18,581,969				
Personnel-Salary and Benefits			(49,070)	(449,016)	
Contracted Professional Services				(626,163)	
Operating Supplies and Expenses				101,288	
Assistance and Grants				(1,050,000)	
Capital Purchases and Equipment				-	
	18,581,969	-	(49,070)	(2,023,891)	16,509,008
Total	218,300,828	646,309	(543,930)	11,523,972	229,927,179
Judiciary					
Supreme Court	32,109,468				
Personnel-Salary and Benefits			(57,285)	653,991	
Contracted Professional Services				114,674	
Operating Supplies and Expenses				(119,336)	
Assistance and Grants				(1,766)	
Capital Purchases and Equipment				51,208	
	32,109,468	-	(57,285)	698,771	32,750,954
Superior Court	23,379,864				
Personnel-Salary and Benefits			(58,219)	129,064	
Contracted Professional Services				-	
Operating Supplies and Expenses				15,236	
Assistance and Grants				(208,441)	
	23,379,864	-	(58,219)	(64,141)	23,257,504
Family Court	20,695,682				
Personnel-Salary and Benefits			(58,622)	-	
Contracted Professional Services				-	
Operating Supplies and Expenses				29,111	
Assistance and Grants				(3,855)	
	20,695,682	-	(58,622)	25,256	20,662,316
District Court	13,165,035				

Changes to FY 2018 Enacted General Revenue Expenditures

	FY 2018 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Distribution of Statewide Savings	Other Projected Changes	FY 2018 Projected Expenditures
Personnel-Salary and Benefits			(39,193)	(102,173)	
Contracted Professional Services				-	
Operating Supplies and Expenses				20,158	
Assistance and Grants				44,695	
Capital Purchases and Equipment				25,000	
	13,165,035	-	(39,193)	(12,320)	13,113,522
Traffic Tribunal	9,468,420				
Personnel-Salary and Benefits			(28,302)	(538,063)	
Contracted Professional Services				-	
Operating Supplies and Expenses				14,715	
Assistance and Grants				(2,537)	
Capital Purchases and Equipment				(25,000)	
	9,468,420	-	(28,302)	(550,885)	8,889,233
Judicial Tenure and Discipline	146,008		(197)	1,214	
	146,008		(197)	1,214	147,025
				-	
Total	98,964,477	-	(241,818)	97,895	98,820,554
Military Staff					
National Guard	2,634,057				
Personnel-Salary and Benefits			(7,137)	484,977	
Contracted Professional Services				(32,575)	
Operating Supplies and Expenses				827,901	
Assistance and Grants				10,450	
Capital Purchases and Equipment				(8,513)	
Total	2,634,057	-	(7,137)	1,282,240	3,909,160
Emergency Management	1,734,470				
Personnel-Salary and Benefits			(1,304)	-	
Operating Supplies and Expenses				184,096	
Contracted Professional Services				-	
Total	1,734,470	-	(1,304)	184,096	1,917,262
Public Safety					
Central Management	1,015,489				
Personnel-Salary and Benefits			(2,977)	101,552	
Contracted Professional Services				(1,178)	
Operating Supplies and Expenses				10,809	
Capital Purchases and Equipment				(8,884)	
	1,015,489	-	(2,977)	102,299	1,114,811
E-911 Emergency Telephone System	5,894,522				
Personnel-Salary and Benefits			(15,816)	(376,769)	
Contracted Professional Services				(1,800)	
Operating Supplies and Expenses				(50,167)	
Capital Purchases and Equipment				-	
	5,894,522	-	(15,816)	(428,736)	5,449,970
State Fire Marshal	3,669,361				
Personnel-Salary and Benefits			(7,667)	(422,661)	
Contracted Professional Services				-	
Operating Supplies and Expenses				144,274	
Capital Purchases and Equipment				-	
	3,669,361	-	(7,667)	(278,387)	3,383,307
Security Services	23,937,443				
Personnel-Salary and Benefits			(74,118)	(305,822)	
Contracted Professional Services				-	
Operating Supplies and Expenses				389,688	
Assistance and Grants				-	
Capital Purchases and Equipment				(4,000)	

Changes to FY 2018 Enacted General Revenue Expenditures

	FY 2018 Enacted Appropriation	Reappropriation/ Appropriation Transfer	Distribution of Statewide Savings	Other Projected Changes	FY 2018 Projected Expenditures
	23,937,443	-	(74,118)	79,866	23,943,191
Municipal Police Training Academy	269,414				
Personnel-Salary and Benefits			(1,118)	(320)	
Contracted Professional Services				-	
Operating Supplies and Expenses				6,062	
	269,414	-	(1,118)	5,742	274,038
State Police	65,492,857				
Personnel-Salary and Benefits			(105,329)	17,030,431	
Contracted Professional Services				120,000	
Operating Supplies and Expenses				764,921	
Assistance and Grants				(16,560,776)	
Capital Purchases and Equipment				-	
	65,492,857	-	(105,329)	1,354,576	66,742,104
Total	100,279,086	-	(207,025)	835,360	100,907,421
Office Of Public Defender	12,043,006	24,700			
Personnel-Salary and Benefits			(34,215)	(213,325)	
Contracted Professional Services				(4,683)	
Operating Supplies and Expenses				34,793	
	12,043,006	24,700	(34,215)	(207,915)	11,825,576
Sub-Total Public Safety	460,150,675	671,009	(1,113,474)	13,745,003	473,453,213
<u>Natural Resources</u>					
Environmental Management					
Office of the Director	5,541,873				
Personnel-Salary and Benefits			(11,042)	(186,504)	
Contracted Professional Services				-	
Operating Supplies and Expenses				1,786,318	
	5,541,873	-	(11,042)	1,599,814	7,130,645
Natural Resources	21,088,161				
Personnel-Salary and Benefits			(51,758)	(90,412)	
Contracted Professional Services				9,720	
Operating Supplies and Expenses				221,053	
Assistance and Grants				(61,234)	
Capital Purchases and Equipment				-	
	21,088,161	-	(51,758)	79,127	21,115,530
Environmental Protection	12,674,150				
Personnel-Salary and Benefits			(36,524)	(212,430)	
Operating Supplies and Expenses				434,180	
Capital Purchases and Expenses				(8,000)	
Assistance and Grants				(662,472)	
	12,674,150	-	(36,524)	(448,722)	12,188,904
Total	39,304,184	-	(99,324)	1,230,219	40,435,079
Coastal Resources Management Council	2,487,578				
Personnel-Salary and Benefits			(8,249)	(6,039)	
Contracted Professional Services				-	
Operating Supplies and Expenses				17,233	
Total	2,487,578	-	(8,249)	11,194	2,490,523
Sub-Total Environment	41,791,762	-	(107,573)	1,241,413	42,925,602
Statewide General Revenue Total	3,767,353,201	10,338,899	(2,542,016)	31,571,514	3,806,721,598

Table 2 - Summary of Changes to FY 2018 Enacted General Revenue Expenditures

	FY 2018 Enacted	Reappropriation	Distribution of Statewide Medical Savings	Other Projected Changes	Total Projected Changes	FY 2018 Projected Expenditures	Change From Enacted (Surplus)/Deficit
General Government							
Administration	216,198,914	790,919	(184,996)	(31,045,701)	(30,439,778)	185,759,136	(30,439,778)
Business Regulation	10,452,638	-	(30,628)	536,628	506,000	10,958,638	506,000
Labor and Training	8,094,063	43,817	(12,871)	850,661	881,607	8,975,670	881,607
Department of Revenue	143,622,132	-	(148,567)	4,507,372	4,358,805	147,980,937	4,358,805
Legislature	40,522,507	7,110,437	(148,488)	(2,065,071)	4,896,878	45,419,385	4,896,878
Lieutenant Governor	1,084,217	-	(2,696)	(34,025)	(36,721)	1,047,496	(36,721)
Secretary of State	8,911,319	44,924	(19,133)	21,191	46,982	8,958,301	46,982
General Treasurer	2,698,692	-	(5,697)	183,686	177,989	2,876,681	177,989
Board of Elections	1,548,735	-	(5,633)	146,649	141,016	1,689,751	141,016
Rhode Island Ethics Commission	1,665,873	-	(2,986)	70,406	67,420	1,733,293	67,420
Governor's Office	5,397,554	67,089	(10,043)	85,599	142,645	5,540,199	142,645
Commission for Human Rights	1,258,074	-	(3,254)	37,770	34,516	1,292,590	34,516
Executive Office of Commerce	33,057,819	-	(4,020)	(3,245,274)	(3,249,294)	29,808,525	(3,249,294)
Public Utilities Commission	-	-	-	-	-	-	-
Subtotal - General Government	474,512,537	8,057,186	(579,012)	(29,950,109)	(22,471,935)	452,040,602	(22,471,935)
Human Services							
Office of Health & Human Services	964,299,956	1,564,300	(33,115)	12,648,276	14,179,461	978,479,417	14,179,461
Children, Youth, and Families	145,855,862	-	(180,146)	6,911,071	6,730,925	152,586,787	6,730,925
Health	24,893,123	-	(70,093)	1,596,326	1,526,233	26,419,356	1,526,233
Human Services	91,113,618	-	(165,581)	9,644,449	9,478,868	100,592,486	9,478,868
Behavioral Healthcare, Developmental Disabilities & Hosp	176,448,622	-	(217,869)	15,395,528	15,177,659	191,626,281	15,177,659
Office of the Child Advocate	781,499	46,404	(2,622)	(37,400)	6,382	787,881	6,382
Comm. on Deaf & Hard of Hearing	498,710	-	(2,236)	(59,792)	(62,028)	436,682	(62,028)
Governor's Commission on Disabilities	454,938	-	(1,121)	25,090	23,969	478,907	23,969
Office of the Mental Health Advocate	549,563	-	(1,841)	81,049	79,208	628,771	79,208
Subtotal - Human Services	1,404,895,891	1,610,704	(674,624)	46,204,597	47,140,677	1,452,036,568	47,140,677
Education							
Elementary and Secondary	1,161,071,396	-	(53,534)	371,222	317,688	1,161,389,084	317,688
Office of Postsecondary the Commissioner	14,578,459	-	(6,086)	(490,661)	(496,747)	14,081,712	(496,747)
University of Rhode Island	101,229,728	-	-	(263,315)	(263,315)	100,966,413	(263,315)
Rhode Island College	53,055,851	-	-	961,017	961,017	54,016,868	961,017
Community College of Rhode Island	52,018,555	-	-	(314,554)	(314,554)	51,704,001	(314,554)
RI Council on the Arts	1,945,056	-	(2,532)	20,836	18,304	1,963,360	18,304
RI Atomic Energy Commission	982,157	-	(1,414)	40,278	38,864	1,021,021	38,864
Historical Preservation & Heritage Comm	1,121,134	-	(3,767)	5,787	2,020	1,123,154	2,020
Subtotal - Education	1,386,002,336	-	(67,333)	330,610	263,277	1,386,265,613	263,277
Public Safety							
Attorney General	\$26,194,751	-	(\$78,045)	29,355	(48,690)	26,146,061	(48,690)
Corrections	218,300,828	646,309	(543,930)	11,523,972	11,626,351	229,927,179	11,626,351
Judicial	98,964,477	-	(241,818)	97,895	(143,923)	98,820,554	(143,923)
Military Staff	2,634,057	-	(7,137)	1,282,240	1,275,103	3,909,160	1,275,103
Emergency Management	1,734,470	-	(1,304)	184,096	182,792	1,917,262	182,792
Public Safety	100,279,086	-	(207,025)	835,360	628,335	100,907,421	628,335
Office Of Public Defender	12,043,006	24,700	(34,215)	(207,915)	(217,430)	11,825,576	(217,430)
Subtotal - Public Safety	460,150,675	671,009	(1,113,474)	13,745,003	13,302,538	473,453,213	13,302,538
Natural Resources							
Environmental Management	39,304,184	-	(99,324)	1,230,219	1,130,895	40,435,079	1,130,895
Coastal Resources Management Council	2,487,578	-	(8,249)	11,194	2,945	2,490,523	2,945
Subtotal - Natural Resources	41,791,762	-	(107,573)	1,241,413	1,133,840	42,925,602	1,133,840
Total	3,767,353,201	10,338,899	(2,542,016)	31,571,514	39,368,397	3,806,721,598	39,368,397

Appendix C
Aid to Cities and
Towns

Formula Aid to Cities and Towns

The **Payment-in-Lieu-of-Taxes (PILOT)** program reimburses communities for up to 27.0 percent of what they would have collected in property taxes from certain designated tax-exempt property (subject to appropriation). The FY 2018 revised budget is funded at \$45.2 million and the FY 2019 proposed budget at \$46.1 million which fully funds the aid program at 27.0 percent in both FY 2018 and FY 2019. Data used to determine distribution amounts is updated annually to reflect the most recent data.

The **Distressed Communities Relief Fund** provides state assistance to municipalities with the highest property tax burdens relative to the wealth of taxpayers. Municipalities are eligible that meet the statutorily determined distressed test in three of four categories. The program is an appropriation of \$12.4 million in the FY 2018 revised budget and is level funded in the FY 2019 proposed budget. The City of Cranston is qualifying for the Distressed Communities Relief Fund in FY 2019. In a year that a municipality newly enters the aid program, it receives 50 percent of current law requirements the first year it qualifies.

The FY 2018 enacted budget continues to provide funding for the **Property Valuation Statistical Update Program**, which partially reimburses cities and towns for legislatively mandated real property valuation statistical updates on a per parcel basis. Funding for FY 2017 final revised is \$446,302. The enacted FY 2018 funding is \$938,200 for the estimated cost of reimbursement and will be updated as communities' contract for statistical update services are received.

Funding for **Aid to Local Libraries** is at \$9.4 million in the FY 2018 revised budget and level funded in the FY 2019 proposed budget. In addition, funding for library construction aid is provided at \$2.2 million in the FY 2018 revised budget and \$2.2 million in the FY 2019 proposed budget to finance anticipated debt service or construction reimbursement obligations under this program.

The 1998 General Assembly enacted the **Motor Vehicle Excise Tax Phase-Out** legislation to phase out the excise tax on motor vehicles and trailers over an original seven-year period. There have been various changes to the legislation since its inception. For FY 2011 through FY 2017, the General Assembly enacted legislation that mandated a \$500 exemption for which the State reimbursed municipalities an amount subject to appropriation. The legislation further allowed municipalities to provide an additional exemption; however, that additional exemption was not subject to reimbursement. It also allowed for rates and ratios of assessment to be lowered from the current frozen levels.

The 2017 General Assembly again enacted legislation to phase-out the motor vehicle excise tax. The tax will be fully repealed in FY 2024. Cities and towns, as well as eligible fire districts will be reimbursed for lost revenues. State reimbursement is calculated as the difference between the FY 2018 base line (determined as the FY 2018 motor vehicle excise tax levy as calculated using the motor vehicle excise tax calculation methodology that existed in FY 2017) and the motor vehicle excise tax levy calculated as the difference between the FY 2018 baseline levy and the tax levy generated in any given year, with the appropriate phaseout parameters applied.

The base reimbursement for each municipality is its share of the \$10 million of aggregate reimbursement aid appropriated in FY 2017. In addition, the reimbursement for the FY 2018 motor vehicle excise tax phase-out is estimated to be \$24.5 million based on the 12/31/16 date of assessment data for motor vehicles and trailers. This amount includes the reimbursement for eligible fire districts. Currently only Lincoln's fire districts levy a tax on motor vehicles. The state's FY 2018 motor vehicle reimbursement corresponds with the FY 2018 local fiscal year for all communities except for East Providence and the Lonsdale and Saylesville Fire Districts, for which it corresponds with their FY 2017. Therefore, reimbursement for East Providence and the Lonsdale and Saylesville Fire Districts' motor vehicle phase-out will commence in the local's 2018 fiscal year which corresponds with the state's FY 2019.

Formula Aid to Cities and Towns

The **Public Service Corporation Tax** is for certain tangible personal property of telegraph, cable and telecommunications corporations and express corporations that is exempt from local taxation, and instead is subject to taxation by the State. The revenue from this tax flows through the State (it is not appropriated by the State). The revenues (apart from some administrative expenses) are apportioned to the cities and towns based on the ratio of each municipality's population relative to the total population of the State. The disbursements for FY 2018 enacted and revised total \$13.2 million, while the estimated FY 2019 totals \$13.2 million and will be updated in the spring of 2018 once the tax declarations for December 31, 2017 have been received and processed.

The 1986 General Assembly enacted the **State Hotel Tax**, a five percent tax upon the total consideration charged for occupancy of any space furnished by any hotel in the state. Twenty-five percent of the revenues generated from the state 5.0 percent hotel tax are distributed to the municipalities where the individual hotels are located. Furthermore, the 2004 General Assembly enacted a local one percent hotel tax on the total consideration charged for occupancy of any space furnished by a hotel of the state. The taxes are collected by the Division of Taxation and the City of Newport and are distributed at least quarterly to the city or town where the hotel was located.

For the FY 2018 revised budget, a combined amount of state and local hotel tax revenue is estimated at \$9.9 million. For the FY 2019 proposed budget, the combined state and local hotel tax amount is estimated to be \$10.6 million. Effective July 1, 2015, the hotel tax base was expanded to include the rental of rooms by online travel companies and hosting platforms; and the rental of vacation homes by realtors and home owners. The rental of rooms by online travel companies and via hosting platforms is subject to the state 5.0 percent hotel tax and the local 1.0 percent hotel tax while the rental of vacation homes by realtors and home owners is only subject to the local 1.0 percent hotel tax.

The 2003 General Assembly enacted the **Local Meals and Beverage Tax**, a one percent additional tax on gross receipts from the sale of food and beverages sold in or delivered from eating and drinking establishments. The tax is collected by the Division of Taxation and then distributed back to the city or town in which the meals and beverages were consumed or delivered. Distributions under this tax are projected to total \$27.8 million in the FY 2018 revised budget and \$29.7 million in the FY 2019 proposed budget.

Summary of Formula Aid to Cities and Towns

	FY 2016 Actual	FY 2017 Actual	FY 2018 Revised	FY 2019 Recommend
Public Service Corporation Tax	13,014,620	13,559,647	13,163,564	13,163,564
Meals and Beverage Tax	25,950,028	26,362,940	27,800,575	29,730,353
Hotel Tax (2.25%)	8,684,028	9,423,221	9,950,011	10,937,843
Payment In Lieu of Taxes (PILOT)	40,080,409	41,979,103	45,205,606	46,089,504
Total Miscellaneous Aid	87,729,085	91,324,911	96,119,756	99,921,264
Incentive Aid	4,999,098	137,340	-	-
Total Incentive State Aid to Cities and Towns	4,999,098	137,340	-	-
Dist. Comm. - General Appropriation	10,384,458	12,384,458	12,384,458	12,384,458
Total Distressed Communities Aid	\$10,384,458	\$12,384,458	\$12,384,458	\$12,384,458
Motor Vehicle Tax Phase-out Program ¹	10,000,000	10,000,000	24,544,191	44,748,948
Total Motor Vehicle Tax Phase-out Prog.	\$10,000,000	\$10,000,000	\$24,544,191	\$44,748,948
Subtotal Formula Aid - All Sources	\$113,112,641	\$113,846,709	\$133,048,405	\$157,054,670
Percent Change from prior year	2.07%	0.65%	16.87%	18.04%
Resource Sharing & Library Aid ²	8,773,398	9,362,072	9,362,072	9,362,072
Library Construction Aid	2,663,300	2,223,220	2,161,627	2,176,470
Total Library Aid	11,436,698	11,585,292	11,523,699	11,538,542
Property Revaluation Program	1,300,849	446,302	937,228	1,630,534
Total Other Aid	\$1,300,849	\$446,302	\$937,228	\$1,630,534
Total Aid	\$125,850,188	\$125,878,303	\$145,509,332	\$170,223,746
Percent Change from prior year	2.63%	0.02%	15.60%	16.98%

¹ Amounts for the Motor Vehicle Excise Tax represent final payments due each community based upon the exemption amounts in effect for the given fiscal year. Actual cash payments may have occurred over multiple fiscal years.

² Resource Sharing and Library Aid for state institutions is included in these totals.

Fiscal Year 2018 Enacted State Aid to Cities and Towns

City or Town	Payment In Lieu of Tax Exempt Property	Distressed Community Relief Fund	State Library Aid	Motor Vehicle Excise Tax Reimbursement Base Amount	Motor Vehicle Phase Out Reimbursement	Motor Vehicle Excise Tax Total Reimbursement ⁽¹⁾	FY 2018 Total Appropriated State Aid
Barrington	16,157		380,070	221,581	415,617	637,198	1,033,424.70
Bristol	1,035,981		187,103	109,436	292,203	401,638	1,624,722
Burrillville	97,322		170,118	207,065	487,763	694,828	962,268
Central Falls	25,295	225,398	27,075	102,184	306,047	408,232	686,000
Charlestown			50,815	44,815	109,054	153,869	204,684
Coventry			238,140	251,244	695,592	946,837	1,184,977
Cranston	5,287,952	1,341,001	582,746	1,042,441	2,389,028	3,431,470	10,643,169
Cumberland	135		285,364	253,650	583,327	836,977	1,122,476
East Greenwich	459,869		132,321	84,112	190,790	274,902	867,092
East Providence	243,053		415,613	516,914	See Note ⁽¹⁾	516,914	1,175,580
Exeter			52,931	93,419	245,759	339,178	392,109.05
Foster			34,371	74,174	238,820	312,994	347,365
Glocester			77,938	104,711	324,421	429,131	507,069
Hopkinton			35,323	72,384	216,017	288,402	323,725
Jamestown			126,828	22,334	49,811	72,145	198,973
Johnston		601,333	124,168	437,352	1,286,430	1,723,782	2,449,283
Lincoln			203,414	206,198	414,395	620,593	824,007
Little Compton			35,067	13,465	30,896	44,361	79,428
Middletown			145,593	76,147	142,642	218,789	364,382
Narragansett			191,652	61,720	137,744	199,464	391,116
Newport	1,405,248		411,403	80,642	178,287	258,929	2,075,580
New Shoreham			74,303	6,910	21,651	28,562	102,865
North Kingstown	1,712		282,085	192,589	420,611	613,200	896,997
North Providence		1,030,137	202,114	393,779	1,426,333	1,820,112	3,052,363
North Smithfield			78,305	183,264	427,402	610,666	688,971
Pawtucket	554,958	1,539,903	409,155	821,285	2,410,249	3,231,533	5,735,549
Portsmouth			113,853	94,646	206,630	301,277	415,130
Providence	33,303,459	5,797,634	1,265,199	1,620,464	4,176,986	5,797,450	46,163,743
Richmond			26,001	66,710	189,406	256,116	282,117
Scituate			104,815	71,269	162,268	233,537	338,352
Smithfield	718,669		294,639	267,692	562,211	829,903	1,843,211
South Kingstown	204,036		218,810	142,445	323,533	465,978	888,824
Tiverton			123,043	62,598	146,264	208,863	331,906
Warren			56,598	94,349	268,051	362,400	418,998
Warwick	1,690,561		739,962	1,013,712	2,053,569	3,067,281	5,497,804
Westerly	161,199		318,791	220,009	599,994	820,003	1,299,993
West Greenwich			33,299	55,996	167,185	223,181	256,480
West Warwick		924,370	162,506	238,429	472,657	711,086	1,797,963
Woonsocket		924,681	186,880	377,867	1,247,080	1,624,946	2,736,507
Subtotal	\$45,205,606	\$12,384,458	\$8,598,411	\$10,000,000	\$24,016,726	\$34,016,726	\$100,205,201
Motor Vehicle Phase Out Reimbursement - Fire Districts							-
Statewide Reference Library Resource Grant			701,052				701,052
Grant-In-Aid to Institutional Libraries			62,609				62,609
Library Construction Reimbursement			2,161,627				2,161,627
Total	\$45,205,606	\$12,384,458	\$11,523,699	\$10,000,000	\$24,016,726	\$34,016,726	\$103,130,489

⁽¹⁾ The base distribution is \$10 million. The additional amount of \$24.0 million in FY 2018 due to the implementation of the motor vehicle phase-out is estimated based on the 12/31/15 assessment date data and will change once 12/31/16 assessment date data is available in the fall of 2017. The state's FY 2018 motor vehicle reimbursement corresponds with the FY 2018 local fiscal year for all communities except for East Providence for which it corresponds with their FY 2017. Therefore, East Providence will commence their motor vehicle phase-out in the state's FY 2019 and will receive their additional reimbursement then. This amount does not include the reimbursement of fire districts due to data not being available at the time of the FY 2018 enacted budget. Currently only Lincoln's fire districts levy a tax on motor vehicles.

Fiscal Year 2018 Enacted Pass Through Aid to Cities & Towns

City or Town	Public Service Corporation Tax (1)	Hotel Tax (2) (3)	Meals and Beverage Tax (3)	FY 2018 Total Shared Taxes State Aid	FY 2018 Total Shared & Appropriated Aid
Barrington	203,389	765	186,024	390,178	1,423,602
Bristol	279,397	46,213	480,521	806,131	2,430,854
Burrillville	202,015	-	204,830	406,845	1,369,113
Central Falls	242,093	85	131,426	373,603	1,059,603
Charlestown	97,097	46,368	170,347	313,812	518,496
Coventry	437,024	107,191	420,200	964,414	2,149,391
Cranston	1,008,961	17,788	1,932,554	2,959,302	13,602,471
Cumberland	426,317	-	510,534	936,850	2,059,326
East Greenwich	163,835	1,078	730,407	895,321	1,762,413
East Providence	590,502	54,040	1,034,918	1,679,460	2,855,041
Exeter	83,592	26	108,150	191,767	583,876
Foster	58,356	168	19,334	77,858	425,223
Glocester	123,645	2,506	81,249	207,400	714,470
Hopkinton	101,482	919	56,273	158,675	482,399
Jamestown	68,263	19,384	99,638	187,284	386,257
Johnston	363,489	9,453	630,337	1,003,279	3,452,562
Lincoln	267,304	115,514	845,596	1,228,414	2,052,420
Little Compton	43,776	5,482	61,731	110,989	190,417
Middletown	200,603	905,917	782,146	1,888,665	2,253,047
Narragansett	196,380	173,267	716,758	1,086,405	1,477,521
Newport	305,570	2,616,418	2,442,741	5,364,729	7,440,309
New Shoreham	11,319	578,505	389,336	979,160	1,082,025
North Kingstown	328,695	89,829	599,476	1,018,000	1,914,997
North Providence	403,417	12	375,514	778,942	3,831,306
North Smithfield	151,904	3,618	338,843	494,365	1,183,336
Pawtucket	891,950	45,731	875,574	1,813,254	7,548,804
Portsmouth	216,894	21,083	247,745	485,722	900,852
Providence	2,232,279	2,123,196	5,670,924	10,026,399	56,190,142
Richmond	95,248	4,427	152,619	252,293	534,410
Scituate	130,554	7,255	69,078	206,887	545,239
Smithfield	268,766	186,411	848,218	1,303,394	3,146,605
South Kingstown	382,004	192,619	899,015	1,473,637	2,362,461
Tiverton	197,617	872	243,570	442,059	773,965
Warren	131,578	880	384,168	516,626	935,624
Warwick	1,022,628	1,277,973	2,923,980	5,224,582	10,722,385
Westerly	283,383	658,943	941,508	1,883,833	3,183,826
West Greenwich	76,421	114,501	148,152	339,074	595,554
West Warwick	360,940	144,365	375,037	880,342	2,678,304
Woonsocket	514,881	64,158	556,946	1,135,984	3,872,491
Subtotal	\$13,163,564	\$9,636,955	\$27,685,416	\$50,485,935	\$150,691,136
Motor Vehicle Phase Out Reimbursement - Fire Districts					-
Statewide Reference Library Resource Grant (Providence)					701,052
Grant-In-Aid to Institutional Libraries					62,609
Library Construction Reimbursement					2,161,627
Total	\$13,163,564	\$9,636,955	\$27,685,416	\$50,485,935	\$153,616,424

(1) Based on actual declarations received in the spring of 2017.

(2) Amount includes 1.0% local tax and 25.0% local share of state 5.0% tax on traditional lodging rentals and the lodging tax initiatives enacted by the General Assembly.

(3) Hotel Tax and Meals & Beverage Tax are estimated and subject to change.

Fiscal Year 2018 Revised State Aid to Cities and Towns

City or Town	Payment In Lieu of Tax Exempt Property	Distressed Community Relief Fund	State Library Aid	Motor Vehicle Excise Tax Reimbursement Base Amount	Motor Vehicle Phase Out Reimbursement	Motor Vehicle Excise Tax Total Reimbursement ⁽¹⁾	FY 2018 Total Appropriated State Aid
Barrington	16,157		380,070	221,581	421,609	643,190	1,039,416.75
Bristol	1,035,981		187,103	109,436	308,596	418,032	1,641,116
Burrillville	97,322		170,118	207,065	552,658	759,722	1,027,162
Central Falls	25,295	225,398	27,075	102,184	322,550	424,734	702,503
Charlestown			50,815	44,815	121,257	166,072	216,887
Coventry			238,140	251,244	696,676	947,921	1,186,061
Cranston	5,287,952	1,341,001	582,746	1,042,441	2,420,745	3,463,187	10,674,886
Cumberland	135		285,364	253,650	690,135	943,785	1,229,284
East Greenwich	459,869		132,321	84,112	201,532	285,644	877,834
East Providence	243,053		415,613	516,914	See Note ⁽¹⁾	516,914	1,175,580
Exeter			52,931	93,419	275,229	368,648	421,579.48
Foster			34,371	74,174	265,408	339,582	373,953
Glocester			77,938	104,711	294,707	399,418	477,356
Hopkinton			35,323	72,384	240,438	312,823	348,146
Jamestown			126,828	22,334	49,855	72,189	199,017
Johnston		601,333	124,168	437,352	1,355,456	1,792,809	2,518,310
Lincoln			203,414	206,198	442,068	648,266	851,680
Little Compton			35,067	13,465	33,175	46,640	81,707
Middletown			145,593	76,147	152,887	229,034	374,627
Narragansett			191,652	61,720	141,407	203,128	394,780
Newport	1,405,248		411,403	80,642	182,670	263,311	2,079,962
New Shoreham			74,303	6,910	24,148	31,058	105,361
North Kingstown	1,712		282,085	192,589	443,350	635,939	919,736
North Providence		1,030,137	202,114	393,779	1,198,474	1,592,253	2,824,504
North Smithfield			78,305	183,264	451,435	634,700	713,005
Pawtucket	554,958	1,539,903	409,155	821,285	2,251,092	3,072,376	5,576,392
Portsmouth			113,853	94,646	207,763	302,409	416,262
Providence	33,303,459	5,797,634	1,265,199	1,620,464	4,314,405	5,934,870	46,301,162
Richmond			26,001	66,710	181,864	248,574	274,575
Scituate			104,815	71,269	165,905	237,174	341,989
Smithfield	718,669		294,639	267,692	586,099	853,791	1,867,099
South Kingstown	204,036		218,810	142,445	341,383	483,828	906,674
Tiverton			123,043	62,598	154,261	216,859	339,902
Warren			56,598	94,349	279,856	374,205	430,803
Warwick	1,690,561		739,962	1,013,712	2,080,135	3,093,847	5,524,370
Westerly	161,199		318,791	220,009	632,364	852,374	1,332,364
West Greenwich			33,299	55,996	153,710	209,706	243,005
West Warwick		924,370	162,506	238,429	539,265	777,694	1,864,570
Woonsocket		924,681	186,880	377,867	1,337,252	1,715,119	2,826,679
Subtotal	\$45,205,606	\$12,384,458	\$8,598,411	\$10,000,000	\$24,511,822	\$34,511,822	\$100,700,297
Motor Vehicle Phase Out Reimbursement - Fire Districts					32,369	32,369	32,369
Statewide Reference Library Resource Grant			701,052				701,052
Grant-In-Aid to Institutional Libraries			62,609				62,609
Library Construction Reimbursement			2,161,627				2,161,627
Total	\$45,205,606	\$12,384,458	\$11,523,699	\$10,000,000	\$24,544,191	\$34,544,191	\$103,657,954

(1) The base distribution is \$10 million. The additional amount of \$24.5 million in FY 2018 due to the implementation of the motor vehicle phase-out is estimated based on the 12/31/16 assessment date. The state's FY 2018 motor vehicle reimbursement corresponds with the FY 2018 local fiscal year for all communities except for East Providence for which it corresponds with their FY 2017. Therefore, East Providence will commence their motor vehicle phase-out in the state's FY 2019 and will receive their additional reimbursement then. An additional amount of \$32,369 will be provided to Albion, Lime Rock, Manville and Quinville fire districts. Note, due to the relationship of the local fiscal year, this table reflects a one-year delay in Article 11 implementation and reimbursement for the Lonsdale and Saylesville fire districts. Currently only Lincoln's fire districts levy a tax on motor vehicles.

Fiscal Year 2018 Revised Pass Through Aid to Cities & Towns

City or Town	Public Service Corporation Tax (1)	Hotel Tax (2) (3)	Meals and Beverage Tax (3)	FY 2018 Total Shared Taxes State Aid	FY 2018 Total Shared & Appropriated Aid
Barrington	203,389	2,336	188,195	393,920	1,433,337
Bristol	279,397	58,580	517,538	855,515	2,496,631
Burrillville	202,015	-	206,566	408,581	1,435,743
Central Falls	242,093	388	129,868	372,348	1,074,851
Charlestown	97,097	72,799	183,541	353,437	570,324
Coventry	437,024	106,253	461,608	1,004,884	2,190,945
Cranston	1,008,961	22,163	1,920,027	2,951,151	13,626,037
Cumberland	426,317	933	508,193	935,443	2,164,727
East Greenwich	163,835	679	854,907	1,019,422	1,897,256
East Providence	590,502	47,754	1,061,411	1,699,667	2,875,247
Exeter	83,592	56	111,397	195,045	616,625
Foster	58,356	283	18,642	77,281	451,234
Gloicester	123,645	2,875	78,469	204,989	682,345
Hopkinton	101,482	10,711	48,228	160,421	508,567
Jamestown	68,263	24,805	99,338	192,405	391,422
Johnston	363,489	8,968	659,032	1,031,489	3,549,799
Lincoln	267,304	116,941	835,263	1,219,507	2,071,187
Little Compton	43,776	24,132	72,314	140,222	221,929
Middletown	200,603	949,695	770,887	1,921,185	2,295,812
Narragansett	196,380	283,734	662,292	1,142,407	1,537,186
Newport	305,570	2,558,012	2,359,680	5,223,263	7,303,225
New Shoreham	11,319	563,383	378,479	953,181	1,058,542
North Kingstown	328,695	120,882	561,673	1,011,250	1,930,986
North Providence	403,417	1	371,704	775,122	3,599,627
North Smithfield	151,904	3,250	321,680	476,834	1,189,839
Pawtucket	891,950	4,603	913,377	1,809,930	7,386,322
Portsmouth	216,894	41,191	252,006	510,091	926,353
Providence	2,232,279	2,235,663	5,767,051	10,234,994	56,536,156
Richmond	95,248	4,534	150,112	249,894	524,469
Scituate	130,554	8,066	58,050	196,670	538,659
Smithfield	268,766	165,230	797,762	1,231,757	3,098,856
South Kingstown	382,004	186,986	906,858	1,475,848	2,382,522
Tiverton	197,617	1,560	237,172	436,348	776,250
Warren	131,578	3,809	314,031	449,418	880,221
Warwick	1,022,628	1,293,103	3,051,042	5,366,774	10,891,144
Westerly	283,383	699,339	932,932	1,915,654	3,248,018
West Greenwich	76,421	124,264	133,870	334,555	577,560
West Warwick	360,940	151,026	365,150	877,116	2,741,686
Woonsocket	514,881	51,023	540,229	1,106,133	3,932,812
Subtotal	\$13,163,564	\$9,950,011	\$27,800,575	\$50,914,151	\$151,614,448
Motor Vehicle Phase Out Reimbursement - Fire Districts					32,369
Statewide Reference Library Resource Grant (Providence)					701,052
Grant-In-Aid to Institutional Libraries					62,609
Library Construction Reimbursement					2,161,627
Total	\$13,163,564	\$9,950,011	\$27,800,575	\$50,914,151	\$154,572,104

(1) Based on actual declarations received in the spring of 2017.

(2) Amount includes 1.0% local tax and 25.0% local share of state 5.0% tax on traditional lodging rentals and the lodging tax initiatives enacted by the General Assembly.

(3) Hotel Tax and Meals & Beverage Tax are estimated and subject to change.

Changes in Formula Aid - FY 2018 Revised vs. FY 2018 Enacted

City or Town	Payment In Lieu of Tax Exempt Property	Distressed Community Relief Fund	State Library Aid	Motor Vehicle Excise Tax Reimbursement Base Amount	Motor Vehicle Phase Out Reimbursement	Motor Vehicle Excise Tax Total Reimbursement ⁽¹⁾	Total Appropriated Difference
Barrington	-	-	-	-	5,992	5,992	5,992
Bristol	-	-	-	-	16,393	16,393	16,393
Burrillville	-	-	-	-	64,894	64,894	64,894
Central Falls	-	-	-	-	16,502	16,502	16,502
Charlestown	-	-	-	-	12,202	12,202	12,202
Coventry	-	-	-	-	1,084	1,084	1,084
Cranston	-	-	-	-	31,717	31,717	31,717
Cumberland	-	-	-	-	106,808	106,808	106,808
East Greenwich	-	-	-	-	10,742	10,742	10,742
East Providence	-	-	-	-	See Note (1)	-	-
Exeter	-	-	-	-	29,470	29,470	29,470
Foster	-	-	-	-	26,588	26,588	26,588
Glocester	-	-	-	-	(29,713)	(29,713)	(29,713)
Hopkinton	-	-	-	-	24,421	24,421	24,421
Jamestown	-	-	-	-	44	44	44
Johnston	-	-	-	-	69,027	69,027	69,027
Lincoln	-	-	-	-	27,674	27,674	27,674
Little Compton	-	-	-	-	2,278	2,278	2,278
Middletown	-	-	-	-	10,245	10,245	10,245
Narragansett	-	-	-	-	3,664	3,664	3,664
Newport	-	-	-	-	4,383	4,383	4,383
New Shoreham	-	-	-	-	2,496	2,496	2,496
North Kingstown	-	-	-	-	22,739	22,739	22,739
North Providence	-	-	-	-	(227,859)	(227,859)	(227,859)
North Smithfield	-	-	-	-	24,034	24,034	24,034
Pawtucket	-	-	-	-	(159,157)	(159,157)	(159,157)
Portsmouth	-	-	-	-	1,133	1,133	1,133
Providence	-	-	-	-	137,419	137,419	137,419
Richmond	-	-	-	-	(7,542)	(7,542)	(7,542)
Scituate	-	-	-	-	3,637	3,637	3,637
Smithfield	-	-	-	-	23,888	23,888	23,888
South Kingstown	-	-	-	-	17,851	17,851	17,851
Tiverton	-	-	-	-	7,996	7,996	7,996
Warren	-	-	-	-	11,805	11,805	11,805
Warwick	-	-	-	-	26,566	26,566	26,566
Westerly	-	-	-	-	32,371	32,371	32,371
West Greenwich	-	-	-	-	(13,475)	(13,475)	(13,475)
West Warwick	-	-	-	-	66,607	66,607	66,607
Woonsocket	-	-	-	-	90,172	90,172	90,172
Subtotal	\$0	\$0	\$0	\$0	\$495,096	\$495,096	\$495,096
Motor Vehicle Phase Out Reimbursement - Fire Districts					32,369	32,369	32,369
Statewide Reference Library Resource Grant			-				-
Grant-In-Aid to Institutional Libraries			-				-
Library Construction Reimbursement			-				-
Total	\$0	\$0	\$0	\$0	\$527,465	\$527,465	\$527,465

(1) The base distribution is \$10 million. The additional amount of \$24.5 million in FY 2018 due to the implementation of the motor vehicle phase-out is estimated based on the 12/31/16 assessment date. The state's FY 2018 motor vehicle reimbursement corresponds with the FY 2018 local fiscal year for all communities except for East Providence for which it corresponds with their FY 2017. Therefore, East Providence will commence their motor vehicle phase out in the state's FY 2019 and will receive their additional reimbursement then. An additional amount of \$32,369 will be provided to Albion, Lime Rock, Manville and Quinville fire districts. Note, due to the relationship of the local fiscal year, this table reflects a one-year delay in Article 11 implementation and reimbursement for the Lonsdale and Saylesville fire districts. Currently only Lincoln's fire districts levy a tax on motor vehicles.

Changes in Pass Through and All Aid - FY 2018 Revised vs. FY 2018 Enacted

City or Town	Public Service Corporation Tax (1)	Hotel Tax (2) (3)	Meals and Beverage Tax (3)	Total Pass Through State Aid Difference	Total All State Aid Difference
Barrington	-	1,572	2,171	3,742	9,734
Bristol	-	12,366	37,017	49,383	65,777
Burrillville	-	-	1,736	1,736	66,631
Central Falls	-	303	(1,558)	(1,255)	15,247
Charlestown	-	26,431	13,194	39,625	51,828
Coventry	-	(938)	41,408	40,470	41,554
Cranston	-	4,376	(12,526)	(8,151)	23,566
Cumberland	-	933	(2,341)	(1,407)	105,401
East Greenwich	-	(399)	124,500	124,102	134,843
East Providence	-	(6,286)	26,493	20,206	20,206
Exeter	-	30	3,248	3,278	32,749
Foster	-	116	(692)	(577)	26,011
Glocester	-	369	(2,780)	(2,411)	(32,125)
Hopkinton	-	9,792	(8,046)	1,746	26,168
Jamestown	-	5,421	(300)	5,121	5,165
Johnston	-	(485)	28,695	28,210	97,237
Lincoln	-	1,427	(10,334)	(8,907)	18,767
Little Compton	-	18,650	10,583	29,233	31,512
Middletown	-	43,779	(11,259)	32,520	42,765
Narragansett	-	110,467	(54,466)	56,001	59,665
Newport	-	(58,406)	(83,061)	(141,467)	(137,084)
New Shoreham	-	(15,122)	(10,857)	(25,980)	(23,483)
North Kingstown	-	31,053	(37,802)	(6,749)	15,989
North Providence	-	(10)	(3,810)	(3,820)	(231,679)
North Smithfield	-	(368)	(17,163)	(17,531)	6,503
Pawtucket	-	(41,128)	37,803	(3,325)	(162,482)
Portsmouth	-	20,108	4,261	24,369	25,501
Providence	-	112,467	96,127	208,594	346,013
Richmond	-	107	(2,507)	(2,399)	(9,942)
Scituate	-	812	(11,028)	(10,217)	(6,580)
Smithfield	-	(21,182)	(50,456)	(71,637)	(47,749)
South Kingstown	-	(5,633)	7,843	2,210	20,061
Tiverton	-	688	(6,399)	(5,711)	2,286
Warren	-	2,929	(70,137)	(67,208)	(55,403)
Warwick	-	15,130	127,062	142,192	168,758
Westerly	-	40,397	(8,575)	31,822	64,192
West Greenwich	-	9,763	(14,282)	(4,519)	(17,994)
West Warwick	-	6,661	(9,887)	(3,226)	63,382
Woonsocket	-	(13,135)	(16,716)	(29,851)	60,321
Subtotal	-	\$313,056	\$115,159	\$428,216	\$923,312
Motor Vehicle Phase Out Reimbursement - Fire Districts					32,369
Statewide Reference Library Resource Grant (Providence)					-
Grant-In-Aid to Institutional Libraries					-
Library Construction Reimbursement					-
Total	\$0	\$313,056	\$115,159	\$428,216	\$955,681

(1) Based on actual declarations received in the spring of 2017.

(2) Amount includes 1.0% local tax and 25.0% local share of state 5.0% tax on traditional lodging rentals and the lodging tax initiatives enacted by the General Assembly.

(3) Hotel Tax and Meals & Beverage Tax are estimated and subject to change.

Fiscal Year 2019 Proposed State Aid to Cities and Towns

City or Town	Payment In Lieu of Tax Exempt Property	Distressed Community Relief Fund	State Library Aid	Motor Vehicle Excise Tax Reimbursement Base Amount	Motor Vehicle Phase Out Reimbursement	Motor Vehicle Excise Tax Total Reimbursement ⁽¹⁾	FY 2018 Total Appropriated State Aid
Barrington	17,514		377,408	221,581	602,789	824,370	1,219,292.23
Bristol	1,335,274		192,571	109,436	400,141	509,577	2,037,422
Burrillville	98,273		173,440	207,065	904,389	1,111,454	1,383,167
Central Falls	895	217,757	26,487	102,184	457,494	559,678	804,818
Charlestown			51,117	44,815	198,865	243,681	294,798
Coventry			232,971	251,244	1,196,996	1,448,240	1,681,211
Cranston	5,403,870	1,233,378	599,627	1,042,441	4,983,010	6,025,451	13,262,326
Cumberland			279,091	253,650	1,115,372	1,369,021	1,648,113
East Greenwich	659,856		131,335	84,112	296,637	380,748	1,171,939
East Providence	244,237		418,643	516,914	1,136,961	1,653,876	2,316,756
Exeter			49,367	93,419	441,320	534,739	584,106.05
Foster			33,624	74,174	394,072	468,246	501,871
Glocester			78,446	104,711	478,108	582,819	661,264
Hopkinton			34,850	72,384	366,644	439,028	473,878
Jamestown			123,716	22,334	76,843	99,177	222,894
Johnston		1,065,944	120,586	437,352	2,134,352	2,571,705	3,758,235
Lincoln			202,908	206,198	636,354	842,552	1,045,460
Little Compton			34,306	13,465	49,486	62,951	97,257
Middletown			145,601	76,147	220,656	296,803	442,404
Narragansett			187,492	61,720	215,656	277,376	464,868
Newport	1,431,152		412,478	80,642	281,565	362,207	2,205,837
New Shoreham			84,344	6,910	36,469	43,379	127,723
North Kingstown	1,762		278,709	192,589	626,768	819,357	1,099,828
North Providence		1,000,937	197,946	393,779	2,171,173	2,564,952	3,763,834
North Smithfield			77,887	183,264	786,975	970,239	1,048,126
Pawtucket	575,928	1,507,940	390,645	821,285	4,195,439	5,016,724	7,491,237
Portsmouth			114,736	94,646	281,551	376,198	490,934
Providence	33,497,659	5,606,831	1,282,046	1,620,464	9,900,493	11,520,957	51,907,494
Richmond			24,913	66,710	293,634	360,344	385,256
Scituate			104,590	71,269	254,122	325,391	429,981
Smithfield	763,295		295,708	267,692	804,107	1,071,799	2,130,802
South Kingstown	207,011		213,881	142,445	480,242	622,687	1,043,579
Tiverton			122,624	62,598	232,370	294,968	417,592
Warren			56,679	94,349	440,439	534,788	591,467
Warwick	1,687,863		737,667	1,013,712	2,853,241	3,866,952	6,292,483
Westerly	164,915		315,893	220,009	1,035,495	1,255,504	1,736,311
West Greenwich			36,772	55,996	255,447	311,443	348,215
West Warwick		904,159	160,224	238,429	1,002,675	1,241,104	2,305,488
Woonsocket		847,512	197,081	377,867	2,441,102	2,818,968	3,863,561
Subtotal	\$46,089,504	\$12,384,458	\$8,598,411	\$10,000,000	\$44,679,453	\$54,679,453	\$121,751,826
Motor Vehicle Phase Out Reimbursement - Fire Districts					69,496	69,496	69,496
Statewide Reference Library Resource Grant			701,052				701,052
Grant-In-Aid to Institutional Libraries			62,609				62,609
Library Construction Reimbursement			2,176,470				2,176,470
Total	\$46,089,504	\$12,384,458	\$11,538,542	\$10,000,000	\$44,748,948	\$54,748,948	\$124,761,452

(1) The base distribution is \$10 million. The additional amount of \$44.7 million in FY 2019 due to the implementation of the motor vehicle phase-out is estimated based on the 12/31/16 assessment date data and will change once 12/31/17 assessment date data is available in the fall of 2018. The state's FY 2019 motor vehicle reimbursement corresponds with the FY 2019 local fiscal year for all communities except for East Providence for which it corresponds with their FY 2018. An additional amount of \$69,496 will be provided to all the fire districts in Lincoln. Currently only Lincoln's fire districts levy a tax on motor vehicles.

Fiscal Year 2019 Proposed Pass Through Aid to Cities & Towns

City or Town	Public Service Corporation Tax (1)	Hotel Tax (2) (3)	Meals and Beverage Tax (3)	FY 2018 Total Shared Taxes State Aid	FY 2018 Total Shared & Appropriated Aid
Barrington	203,389	2,336	201,259	406,983	1,626,276
Bristol	279,397	64,568	553,463	897,428	2,934,850
Burrillville	202,015	-	220,905	422,920	1,806,087
Central Falls	242,093	388	138,882	381,363	1,186,181
Charlestown	97,097	74,851	196,282	368,229	663,027
Coventry	437,024	117,738	493,650	1,048,412	2,729,622
Cranston	1,008,961	24,280	2,053,306	3,086,546	16,348,872
Cumberland	426,317	933	543,469	970,719	2,618,832
East Greenwich	163,835	746	914,251	1,078,832	2,250,771
East Providence	590,502	52,491	1,135,089	1,778,082	4,094,837
Exeter	83,592	56	119,130	202,778	786,884
Foster	58,356	315	19,936	78,606	580,477
Glocester	123,645	3,191	83,916	210,751	872,016
Hopkinton	101,482	11,865	51,575	164,922	638,801
Jamestown	68,263	25,679	106,233	200,175	423,068
Johnston	363,489	9,951	704,779	1,078,219	4,836,453
Lincoln	267,304	129,754	893,242	1,290,300	2,335,760
Little Compton	43,776	25,086	77,334	146,196	243,454
Middletown	200,603	1,050,067	824,398	2,075,068	2,517,472
Narragansett	196,380	297,978	708,265	1,202,623	1,667,491
Newport	305,570	2,825,640	2,523,477	5,654,688	7,860,525
New Shoreham	11,319	603,520	404,751	1,019,590	1,147,313
North Kingstown	328,695	133,634	600,662	1,062,991	2,162,819
North Providence	403,417	1	397,506	800,924	4,564,758
North Smithfield	151,904	3,559	344,009	499,472	1,547,598
Pawtucket	891,950	4,795	976,779	1,873,524	9,364,760
Portsmouth	216,894	43,164	269,499	529,557	1,020,491
Providence	2,232,279	2,460,105	6,167,371	10,859,755	62,767,249
Richmond	95,248	4,999	160,532	260,779	646,035
Scituate	130,554	8,885	62,080	201,518	631,499
Smithfield	268,766	183,099	853,139	1,305,004	3,435,806
South Kingstown	382,004	204,128	969,808	1,555,939	2,599,518
Tiverton	197,617	1,560	253,635	452,812	870,403
Warren	131,578	3,809	335,829	471,217	1,062,683
Warwick	1,022,628	1,432,007	3,262,831	5,717,466	12,009,948
Westerly	283,383	771,977	997,692	2,053,052	3,789,363
West Greenwich	76,421	137,326	143,163	356,910	705,125
West Warwick	360,940	166,822	390,497	918,259	3,223,747
Woonsocket	514,881	56,543	577,729	1,149,153	5,012,714
Subtotal	\$13,163,564	\$10,937,843	\$29,730,353	\$53,831,760	\$175,583,586
Motor Vehicle Phase Out Reimbursement - Fire Districts					69,496
Statewide Reference Library Resource Grant (Providence)					701,052
Grant-In-Aid to Institutional Libraries					62,609
Library Construction Reimbursement					2,176,470
Total	\$13,163,564	\$10,937,843	\$29,730,353	\$53,831,760	\$178,593,213

(1) Estimate as of 1/10/18 based on FY 2018 data and will change once 12/31/17 declarations are received and processed in the spring of 2018.

(2) Amount includes 1.0% local tax and 25.0% local share of state 5.0% tax on traditional lodging rentals and the lodging tax initiatives enacted by the General Assembly.

(3) Hotel Tax and Meals & Beverage Tax are estimated and subject to change.

Changes in Formula Aid - FY 2019 Proposed vs. FY 2018 Revised

City or Town	Payment In Lieu of Tax Exempt Property	Distressed Community Relief Fund	State Library Aid	Motor Vehicle Excise Tax Reimbursement Base Amount	Motor Vehicle Phase Out Reimbursement	Motor Vehicle Excise Tax Total Reimbursement ⁽¹⁾	Total Appropriated Difference
Barrington	1,357	-	(2,662)	-	181,180	181,180	179,875
Bristol	299,293	-	5,468	-	91,545	91,545	396,306
Burrillville	951	-	3,322	-	351,732	351,732	356,005
Central Falls	(24,400)	(7,641)	(588)	-	134,944	134,944	102,316
Charlestown	-	-	302	-	77,609	77,609	77,911
Coventry	-	-	(5,169)	-	500,319	500,319	495,150
Cranston	115,918	(107,623)	16,881	-	2,562,264	2,562,264	2,587,440
Cumberland	(135)	-	(6,273)	-	425,236	425,236	418,829
East Greenwich	199,987	-	(986)	-	95,104	95,104	294,105
East Providence	1,184	-	3,030	-	1,136,961	1,136,961	1,141,175
Exeter	-	-	(3,564)	-	166,091	166,091	162,527
Foster	-	-	(747)	-	128,664	128,664	127,918
Glocester	-	-	508	-	183,401	183,401	183,908
Hopkinton	-	-	(473)	-	126,206	126,206	125,733
Jamestown	-	-	(3,112)	-	26,988	26,988	23,877
Johnston	-	464,611	(3,582)	-	778,896	778,896	1,239,925
Lincoln	-	-	(506)	-	194,286	194,286	193,780
Little Compton	-	-	(761)	-	16,312	16,312	15,551
Middletown	-	-	8	-	67,769	67,769	67,777
Narragansett	-	-	(4,160)	-	74,248	74,248	70,088
Newport	25,904	-	1,075	-	98,896	98,896	125,875
New Shoreham	-	-	10,041	-	12,321	12,321	22,362
North Kingstown	50	-	(3,376)	-	183,418	183,418	180,092
North Providence	-	(29,200)	(4,168)	-	972,698	972,698	939,330
North Smithfield	-	-	(418)	-	335,539	335,539	335,121
Pawtucket	20,970	(31,963)	(18,510)	-	1,944,348	1,944,348	1,914,844
Portsmouth	-	-	883	-	73,788	73,788	74,672
Providence	194,200	(190,803)	16,847	-	5,586,088	5,586,088	5,606,332
Richmond	-	-	(1,088)	-	111,770	111,770	110,681
Scituate	-	-	(225)	-	88,217	88,217	87,993
Smithfield	44,626	-	1,069	-	218,008	218,008	263,703
South Kingstown	2,975	-	(4,929)	-	138,859	138,859	136,905
Tiverton	-	-	(419)	-	78,109	78,109	77,689
Warren	-	-	81	-	160,583	160,583	160,664
Warwick	(2,698)	-	(2,295)	-	773,105	773,105	768,113
Westerly	3,716	-	(2,898)	-	403,130	403,130	403,948
West Greenwich	-	-	3,473	-	101,737	101,737	105,210
West Warwick	-	(20,211)	(2,282)	-	463,411	463,411	440,917
Woonsocket	-	(77,169)	10,201	-	1,103,850	1,103,850	1,036,882
Subtotal	\$883,898	\$0	\$0	\$0	\$20,167,631	\$20,167,631	\$21,051,529
Motor Vehicle Phase Out Reimbursement - Fire Districts					37,127	37,127	37,127
Statewide Reference Library Resource Grant			-				-
Grant-In-Aid to Institutional Libraries			-				-
Library Construction Reimbursement			14,843				14,843
Total	\$883,898	\$0	\$14,843	\$0	\$20,204,758	\$20,204,758	\$21,103,499

(1) The base distribution is \$10 million. The additional amount of \$44.7 million in FY 2019 due to the implementation of the motor vehicle phase-out is estimated based on the 12/31/16 assessment date data and will change once 12/31/17 assessment date data is available in the fall of 2018. The state's FY 2019 motor vehicle reimbursement corresponds with the FY 2019 local fiscal year for all communities except for East Providence for which it corresponds with their FY 2018. An additional amount of \$69,496 will be provided to all the fire districts in Lincoln. Currently only Lincoln's fire districts levy a tax on motor vehicles.

Changes in Formula Aid - FY 2019 Proposed vs. FY 2018 Revised

City or Town	Public Service Corporation Tax (1)	Hotel Tax (2) (3)	Meals and Beverage Tax (3)	Total Pass Through State Aid Difference	Total All State Aid Difference
Barrington	-	-	13,064	13,064	192,939
Bristol	-	5,988	35,925	41,913	438,219
Burrillville	-	-	14,339	14,339	370,344
Central Falls	-	-	9,015	9,015	111,331
Charlestown	-	2,052	12,741	14,792	92,703
Coventry	-	11,485	32,043	43,527	538,677
Cranston	-	2,116	133,279	135,395	2,722,835
Cumberland	-	-	35,276	35,276	454,105
East Greenwich	-	66	59,343	59,410	353,515
East Providence	-	4,737	73,678	78,415	1,219,590
Exeter	-	-	7,733	7,733	170,259
Foster	-	31	1,294	1,325	129,243
Glocester	-	315	5,447	5,762	189,671
Hopkinton	-	1,154	3,348	4,501	130,234
Jamestown	-	874	6,896	7,769	31,646
Johnston	-	983	45,747	46,730	1,286,655
Lincoln	-	12,813	57,980	70,793	264,573
Little Compton	-	954	5,020	5,974	21,525
Middletown	-	100,372	53,511	153,883	221,660
Narragansett	-	14,243	45,973	60,216	130,304
Newport	-	267,628	163,797	431,425	557,300
New Shoreham	-	40,137	26,272	66,409	88,771
North Kingstown	-	12,753	38,989	51,741	231,833
North Providence	-	-	25,802	25,802	965,131
North Smithfield	-	309	22,329	22,638	357,760
Pawtucket	-	192	63,402	63,594	1,978,439
Portsmouth	-	1,973	17,493	19,466	94,138
Providence	-	224,442	400,320	624,762	6,231,093
Richmond	-	465	10,420	10,885	121,567
Scituate	-	818	4,030	4,848	92,841
Smithfield	-	17,870	55,377	73,246	336,950
South Kingstown	-	17,142	62,950	80,091	216,996
Tiverton	-	-	16,463	16,463	94,153
Warren	-	-	21,798	21,798	182,462
Warwick	-	138,903	211,788	350,692	1,118,805
Westerly	-	72,638	64,760	137,397	541,345
West Greenwich	-	13,062	9,293	22,355	127,565
West Warwick	-	15,796	25,347	41,143	482,060
Woonsocket	-	5,520	37,500	43,020	1,079,902
Subtotal	\$0	\$987,832	\$1,929,778	\$2,917,609	\$23,969,138
Motor Vehicle Phase Out Reimbursement - Fire Districts					37,127
Statewide Reference Library Resource Grant (Providence)					-
Grant-In-Aid to Institutional Libraries					-
Library Construction Reimbursement					14,843
Total	\$0	\$987,832	\$1,929,778	\$2,917,609	\$24,021,108

(1) Estimate as of 1/10/18 based on FY 2018 data and will change once 12/31/17 declarations are received and processed in the spring of 2018.

(2) Amount includes 1.0% local tax and 25.0% local share of state 5.0% tax on traditional lodging rentals and the lodging tax initiatives enacted by the General Assembly.

(3) Hotel Tax and Meals & Beverage Tax are estimated and subject to change.

Appendix D

Aid to Schools

Education Aid to Local Governments

Education Aid to Local Governments totals \$1.195 billion from all sources of funds, of which \$1.159 billion is from general revenue, in the recommended FY 2019 Budget. Total general revenue financed education aid increases by \$18.5 million from the revised FY 2018 Enacted Budget, or 1.6 percent. Total Education Aid includes: local public schools; public charter schools; the RI School for the Deaf; Davies Career and Technical School; the Central Falls School District; the Metropolitan Career and Technical Center; support for the State's share of Teachers' Retirement; the School Housing Aid program; the textbook expansion program; school breakfast program; aid to the Recovery High School; and state support for the E-Rate program.

Fiscal year 2019 represents year eight of the education aid funding formula. As of July 1, 2011, education aid to all districts, public charters, and state schools (Davies and the Met) are formula based. The School for the Deaf is a special education program and therefore not subject to the formula. Based on the principle that the money follows the student, the formula was developed with the following guiding principles: [1] build a strong foundation for all children; [2] improve equity among districts and schools; [3] be transparent; and [4] be financially responsible.

Distributed formula aid is based on the following components:

- *Core Instruction Amount.* Using expenditure data from the National Center of Education Statistics (NCES), the Core Instruction Amount is derived using a four-state average (Connecticut, Massachusetts, New Hampshire, and Rhode Island) for costs that have the greatest impact on a child's ability to learn, including instruction, instructional support, and leadership. Due to the age of the data, the average is inflated using CPI-U (Consumer Price Index for all Urban Consumers). The Core Instruction Amount used in FY 2019 is \$9,422.
- *Student Success Factor.* Calculated by applying an additional allocation equivalent to 40.0 percent of the prevailing Core Instruction Amount for those students eligible for free and reduced-price lunch. The Student Success Factor provides additional funding to support student needs beyond the core services listed above, with the goal of closing student achievement gaps. The Student Success Factor used in FY 2019 is \$3,769.
- *State Share Ratio.* State Share Ratio (applied last) is a formula which addresses two key questions: [1] How to account for differences in the revenue-generation capacity of communities and [2] how to allocate funding to communities based on the supports that students need. The state share ratio is dependent on district property values weighted for median family income and students eligible for free and reduced-price lunch.

Data plays a crucial role in how education aid is distributed to districts, public charter schools, Davies, and the Met Center. The funding formula incorporates annual data updates including student counts, NCES expenditure data, the most recently assessed community property values, and the most recent median family income data to ensure aid distribution is based on the best data available. The formula establishes a platform for creating horizontal equity. It attempts to get a like amount of funding to children who have similar characteristics regardless of where they reside, which in turn gradually rebalances education funding to provide all districts a common level of purchasing power.

Funding formula allocations were phased in over ten years based on a transition model, where overfunded districts shall have a 10-year period of reductions, while underfunded districts underwent a transition of seven years. In FY 2019, the eighth year of formula implementation, the transition periods for underfunded districts are complete, with two additional years remaining for overfunded districts.

Education Aid to Local Governments

In addition, specific categorical funds for certain high-cost items were established outside the formula distribution: high cost special education, career and technical education, early childhood education, transportation, regional transportation, regional district bonuses, and in FY 2017 two new categoricals for English learners and charter density support. “Stabilization Funds” were also created for Central Falls, Davies, and the Met Center to ensure that appropriate funding is available to support the district, in response to concerns regarding local capacity (Central Falls), and the lack of tax levying power at the two state schools.

Working Group to Review the Permanent Education Foundation Aid Formula

On October 22, 2015, Governor Gina M. Raimondo issued Executive Order 15-16, establishing the Funding Formula Working Group. The group organized its deliberations around three areas of review: [1] the degree to which the funding formula is meeting the needs of all students and schools, [2] ensuring formula fairness between school types, and [3] the degree to which the formula incorporates best practices in educational funding, efficiency, and innovation. The group issued a draft report on January 14, 2016, including 20 consensus recommendations, with some that would affect the amount of education aid distributed by the state and others that would affect how the local payment of education aid (which is remitted by sending districts to public schools of choice) is calculated.

Conclusions of the Working Group:

English Learners. The working group found that English Learners (ELs) have unique needs and their services are more extensive than general education ones. Further, the group found that while ELs will benefit from additional support through the funding formula, this support should not come at the expense of other educational programs. This led to the establishment of the EL categorical.

Density Aid. The working group found that “fixed and marginal costs are real issues for all schools. Enrollment change affects marginal costs; precipitous or sustained enrollment decline can make this effect significant.” Further, the working group found that student movement to public schools of choice has an effect on school budgets because it results in the transfer of both the state and local funding from the sending school to the new school. This led to the establishment of the Density Aid.

Differences in Expense Profiles of Traditional Districts and Public Schools of Choice. The working group found that “the differences in expenses between charter public schools and traditional districts are largely the result of differences in fundamental nature, regulations, or statute. The differences, in and of themselves, cannot be used as a basis for qualitative judgment of practice.” Further, the group concurred “with the House Study Commission in finding that the critical categories that require adjustment are: [1] pre-school screening and services; [2] ages 18-to-21 pupil services; [3] nonpublic-school services; [4] career & technical education costs; [5] expenses associated with out-of-district placement; [6] retiree health expenses; [7] debt service; and [8] rental costs. The latter two are associated almost exclusively with charter public schools while the preceding six are associated almost exclusively with traditional districts.” The results of this finding led to the General Assembly passing a new calculation to be used by local districts. Known as “differentiated costs”, local districts are now able to retain either 7.0 percent or a subsequent higher percentage due to the unique costs borne by public schools with respect to charter or state schools.

State School Stabilization Funds. The working group found that “expenditure data indicate that free-standing career & technical education centers unaffiliated with a district are one of the most expensive delivery models. Though more expensive, these centers can provide unique benefits to students.” Towards this end, the Governor recommended the creation of Stabilization (also referred to as “Supplemental”) Funds for the William M. Davies Career and Technical High School and the Metropolitan Regional Career and Technical Center.

Education Aid to Local Governments

The following sections summarize changes to the various aid categories that comprise total FY 2019 Education Aid.

Distributed Aid

Beginning in FY 2012, distributed aid reflects aid to both districts and public charter schools as a result of the education aid funding formula. In prior years, charter schools were displayed within the non-distributed aid category of the education aid tables following this section. In FY 2019, total Distributed Education Aid, which includes formula aid to districts, Central Falls, charter schools, and group home aid, increases by \$13.5 million over the revised FY 2018 Budget. The recommended FY 2019 Budget includes a reduction of \$532,463 in group home aid to reflect updated group home bed census figures as of December 31, 2017, when compared to the Enacted FY 2018 Budget.

Moreover, the FY 2019 recommendation continues with the sixth year of funding the Urban Collaborative, in accordance with the change made to RIGL §16-3.1-11 during the 2012 session of the General Assembly. Although this change is budget-neutral to the state, the five current sending communities (Central Falls, Cranston, North Providence, Providence, and Warwick) will see a reduction in state education aid due students sent. The Urban Collaborative increases by \$48,256 from general revenues compared to the FY 2018 revised. Finally, as required by RIGL 16-7.2-6(d), additional funding for the Central Falls Stabilization Fund is included in the Governor's FY 2019 Budget. In FY 2019 the Governor recommends \$8.4 million for Central Falls Stabilization Fund, an increase of \$1.7 million from the FY 2018 enacted level, to cover costs outside of those calculated by the education aid funding formula.

State Schools

Davies Career and Technical School, Metropolitan Career and Technical School, and Rhode Island School for the Deaf are collectively financed at \$29.0 million in general revenue for FY 2019. This includes stabilization funds for Davies (\$4.0 million) and the Met Center (\$1.3 million). Relative to the FY 2018 enacted level, this represents a total increase of \$40,698 from general revenue.

Non-Distributed Aid

Non-distributed aid in FY 2019 decreases by \$261,460 from the revised FY 2018 Budget, from \$26.7 million to \$26.5 million. Non-Distributed aid includes:

- *Categorical Funds – Density Aid.* In FY 2019 the Governor recommends a general revenue decrease of \$412,500 for the density aid categorical fund when compared to the FY 2018 Enacted Budget. Density aid is distributed to traditional school districts which send greater than 5.0 percent of their total enrollment to public schools of choice. FY 2019 represents the third and final year of the density aid categorical fund as enacted by the General Assembly.
- *Categorical Funds – English Learners.* Consistent with the FY 2018 Enacted Budget, the Governor recommends \$2.5 million for the English Learners categorical fund. Monitored by the Department, this categorical is meant to fund evidence based programs to improve the outcomes of English Learners (ELs). This EL categorical is calculated at the level of 10.0 percent of the Core Instruction Amount, applied to qualified students.
- *Categorical Funds – High Cost Special Education.* Consistent with the FY 2018 Enacted Budget, the Governor recommends \$4.5 million for the high cost special education categorical fund in FY 2019. The high cost special education categorical provides financial support to districts that are serving students with extraordinary needs. The threshold for qualifying for the High Cost Special

Education Aid to Local Governments

Education categorical is five times the core foundation amount (Core Instruction Amount plus the Student Success Factor).

- *Categorical Funds – Early Childhood.* The Governor recommends \$7.4 million for the early childhood categorical fund in FY 2019, \$1.1 million greater than the FY 2018 enacted level. The overall state commitment for this initiative includes \$6.2 million from general revenue and \$1.1 million from the Permanent School Fund. The early childhood categorical is used to increase access to high quality pre-kindergarten programs, with the Department distributing funds on a competitive basis. This increase is part of the overall goal to triple the number of state-sponsored high-quality pre-kindergarten classrooms, which currently total 60, compared to 17 classrooms in FY 2015. The heightened state commitment in FY 2019 also ensures the continued leveraging of \$4.9 million in federal expansion grant funds for this purpose.
- *Categorical Funds – Transportation.* The Governor recommends \$3.0 million for the transportation categorical fund in FY 2019, consistent with the FY 2018 enacted level. The transportation categorical is used to reimburse districts for a portion of costs associated with transporting students to out-of-district, non-public schools. Districts must participate in the statewide transportation system to be reimbursement eligible.
- *Categorical Funds – Regional District Transportation.* The Governor recommends \$3.8 million for the Regional District Transportation fund in FY 2019, consistent with the FY 2018 enacted level. This categorical fund is used to reimburse regional school districts for a portion of intra-district transportation costs. Districts must participate in the statewide transportation system to be reimbursement eligible.
- *Categorical Funds – Career and Technical.* The Governor recommends \$4.5 million for the career and technical education categorical fund in FY 2019, consistent with the FY 2018 enacted level. The career and technical categorical fund is used to support the start-up of new programs and to offset the higher than average per-pupil costs associated with existing career and technical programs.
- *E-Rate.* The Governor recommends \$400,000 from general revenue for the State E-Rate program in FY 2019, consistent with the FY 2018 enacted level. The E-Rate program is used to bring Wi-Fi and broadband connectivity to schools.
- *School Breakfast.* Per R.I.G.L. 16-8-10.1, all public schools are required to provide a breakfast program and the Department of Education provides a subsidy for each breakfast served to students. The Governor recommends \$270,000 from general revenue for this purpose in FY 2019, consistent with the enacted (and revised) FY 2018 Budget.
- *Non-Public Textbooks.* Pursuant to R.I.G.L. 16-23-3.1, the Department is required to reimburse LEAs for the cost of providing English/language arts and history/social studies textbooks for students in grades K-12 attending non-public schools. The Governor recommends a reduction of \$151,040 from general revenue for this program in FY 2018, attributable to actual reimbursement requests received by the Department for FY 2018. The Governor recommends \$240,000 for this purpose in FY 2019, consistent with the FY 2018 enacted budget.
- *Recovery High School.* In FY 2019 the Governor recommend \$500,000 for the State’s recovery high school, consistent with the enacted (and revised) FY 2018 Budget. The high school provides

Education Aid to Local Governments

individualized programs to students recovering from substance abuse, supporting both personal recovery and academic achievement.

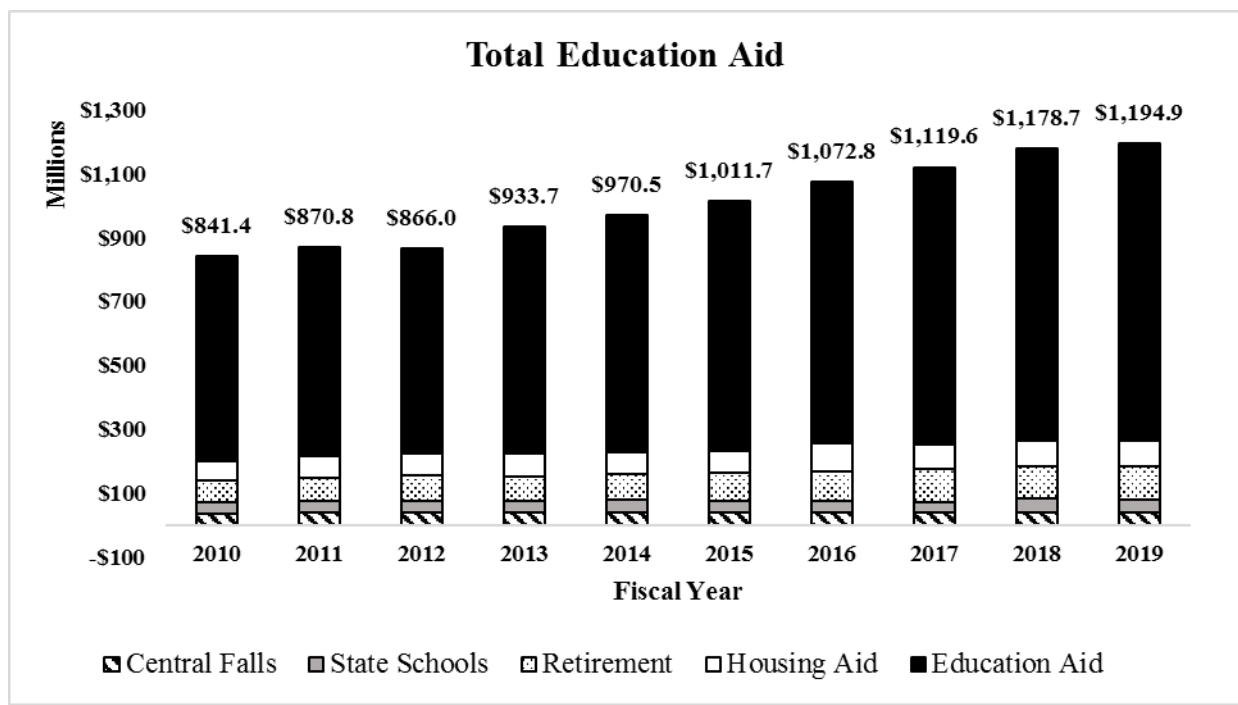
Other Aid

Other aid includes School Construction Aid and state appropriations to the Teachers' Retirement program. Other aid in FY 2019 increases by \$5.3 million from general revenue when compared to the FY 2018 enacted level, increasing from \$181.8 million to \$187.1 million.

- *School Construction.* Within the School Housing Aid program, the Governor recommends FY 2019 appropriations of \$80.0 million from general revenue, comprised of \$69.4 million for the school housing aid program established by R.I.G.L. 16-7-35, and \$10.6 million for the School Building Authority Fund, established by R.I.G.L. 45-38.2-2. Total school construction aid is consistent with the FY 2018 Enacted (revised) Budget. Funds within this program will be expended in conjunction with the proposed \$250.0 million school construction bond.
- *Teacher Retirement.* Within the Teacher Retirement program, the Governor recommends FY 2019 appropriations of \$107.1 million from general revenue, \$5.3 million greater than the FY 2018 enacted level. Per RIGL 16-16-22, the state funds 40.0 percent of the employer share of retirement contributions on behalf of teachers who are members of the Teacher's Retirement System.

Total Education Aid – All Sources of Funds

The following graph displays total school aid from FY 2010 to FY 2019, from all sources of funds. The "Education Aid" component is comprised of all aid categories under the standard Education Aid program. For FY 2012 and on, this includes such items as the Funding Formula Distribution and Group Home Aid, as well as non-distributed aid. FY 2011 and prior years include, but are not limited to, discontinued aid categories such as General Aid, Targeted Aid, Charter School Aid, and the Student Investment Initiatives. Other components of total aid include: State Contributions for Teachers' Retirement; School Housing Aid; Central Falls School District; and State Schools (Davies, Deaf, and the Metropolitan School).



Education Aid to Local Governments

School Construction Aid

School Construction Aid (or “Housing Aid”) provides school districts and charter schools with a reimbursement for approved and completed school construction, repair, and renovation projects supported by bonds or capital reserve funds. This aid is provided in order to guarantee adequate school housing for all public-school children in the State and to prevent the cost of school housing from interfering with the effective operation of schools. The program proposes support of school-district building and infrastructure needs based on reimbursement of successfully completed locally funded capital projects. The reimbursement is linked to district fiscal capacity, with relatively poorer communities receiving a higher reimbursement, all else equal.

The 2015 General Assembly established a School Building Authority (SBA) at the Department of Elementary and Secondary Education to ensure equitable and adequate school housing for all public school children. The SBA within the Department oversees and manages the school housing aid program and the SBA capital fund. The fund is administered by the RI Health and Educational Building Corporation (RIHEBC). Upon transfer of the funding from the Department of Elementary and Secondary Education, RIHEBC holds the funds in trust until they are ready for release to the appropriate LEA.

In FY 2019 the Governor recommends the transfer of the SBA from RIDE to RIHEBC, and recommends that a GO bond referendum of \$250.0 million, specific to school construction, be placed on the 2018 ballot.

Teachers’ Retirement

RIGL 16-16-22 requires the State of Rhode Island to make contributions to the teacher retirement system. The State shall contribute a percentage of the employer’s share, with the school districts contributing the balance. The State’s share has varied over the years based upon the total actuarially determined rate of payroll, but since FY 1993 it has been fixed at 40.0 percent, with the municipalities contributing 60.0 percent. Each district receives the same percentage, regardless of district wealth.

The State deferred the State’s contributions to Teachers’ Retirement in both FY 1991 and FY 1992. Most municipalities also deferred the local portion of teacher retirement contributions for this period. The state deferrals, valued at \$22.4 million in FY 1991 and \$22.2 million in FY 1992, was financed over twenty years, as was the local deferral. The annual calculation applied to the state contribution to Teachers’ Retirement included an adjustment to accommodate the deferred liability.

Education Aid to Local Governments

Contribution Rates for Teachers' Retirement Fund

- Defined Benefit Retirement Plan

	Actuarial Contribution Rate of Payroll	Employer Share			Teacher Contribution
		Local (60%)*	State (40%)*	Total Employer Share	
1999	21.02%	6.62%	4.90%	11.52%	9.50%
2000	24.14%	8.43%	6.21%	14.64%	9.50%
2001	21.51%	6.86%	5.15%	12.01%	9.50%
2002	19.45%	5.73%	4.22%	9.95%	9.50%
2003	21.47%	6.93%	5.04%	11.97%	9.50%
2004	23.22%	7.99%	5.73%	13.72%	9.50%
2005	24.34%	8.72%	6.12%	14.84%	9.50%
2006	25.97%	9.72%	6.75%	16.47%	9.50%
2007	29.14%	11.62%	8.02%	19.64%	9.50%
2008	31.51%	13.04%	8.97%	22.01%	9.50%
2009	29.57%	11.89%	8.18%	20.07%	9.50%
2010	29.57%	11.89%	8.18%	20.07%	9.50%
2011	28.51%	11.25%	7.76%	19.01%	9.50%
2012	31.82%	13.23%	9.09%	22.32%	9.50%
2013	23.04%	11.41%	7.88%	19.29%	3.75%
2014	24.43%	12.26%	8.42%	20.68%	3.75%
2015	26.35%	13.41%	9.19%	22.60%	3.75%
2016	26.89%	13.73%	9.41%	23.14%	3.75%
2017	26.88%	13.18%	9.95%	23.13%	3.75%
2018	26.88%	13.24%	9.89%	23.13%	3.75%
2019	27.69%	13.70%	10.24%	23.94%	3.75%
2020	28.36%	14.12%	10.50%	24.62%	3.75%

*Adjusted for deferral liability

*Rate components may not sum due to rounding.

- Defined Contribution Retirement Plan

Required Contribution		Employer Share*			Teacher Share
Rate of Payroll		Local (60%)	State (40%)	Subtotal	
2018 and 2019	6.0% to 6.5%	0.6% to 0.9%	0.4% to 0.6%	1.0% to 1.5%	5.0%
2018 and 2019 (Non-Social Security-eligible position)	10.0% to 10.5%	2.6% to 2.9%	0.4% to 0.6%	3.0% to 3.5%	7.0%

*For teachers with less than 20 years of service as of June 30, 2012 the employer contribution varies from 1.0% to 1.5% (for Social Security eligible positions). Teachers with 20+ years of service have no further contributions, employer or employee, as of July 1, 2015.

Education Aid to Local Governments

State Contributions for Teacher Retirement

<u>Fiscal Year</u>	<u>State Share</u>
1999 Actual	\$30,202,943
2000 Actual	\$40,719,407
2001 Actual	\$35,365,234
2002 Actual	\$30,652,207
2003 Actual	\$38,242,690
2004 Actual	\$45,039,269
2005 Actual	\$48,503,125
2006 Actual	\$54,537,733
2007 Actual	\$70,286,753
2008 Actual	\$83,028,510
2009 Actual	\$73,592,722
2010 Actual	\$68,550,306
2011 Actual	\$70,286,261
2012 Actual	\$80,385,930
2013 Actual	\$75,777,027
2014 Actual	\$80,351,295
2015 Actual	\$89,529,396
2016 Actual	\$91,610,186
2017 Actual	\$100,358,782
FY 2018 Revised	\$101,973,928
FY 2019 Recommend	\$107,118,409

Explanation of Education Aid Table by LEAs

The following table displays education aid by apportionment among the state's local and regional education agencies. "Distributed LEA Aid" consists of the various categories of aid that are directly distributed to school districts on a regular (usually monthly) basis, including formula aid to all districts, public charter schools, and group home aid. "State Schools" include the Met Center, Davies, and the RI School for the Deaf. "Non-Distributed Aid" includes several categories of aid such as the various categorical funds, some of which are distributed on a monthly basis and others that are not distributed at regular intervals. "Other Aid" consists of allocations for School Construction Aid and state contributions to the Teachers' Retirement Fund.

Education Aid to Local Units of Government

	FY 2018 Revised	FY 2019 Recommend	Difference
Distributed LEA Aid			
Barrington	\$ 5,157,779	\$ 5,287,105	\$ 129,326
Bristol/Warren	14,303,218	13,323,397	(979,821)
Burrillville	13,120,656	12,691,399	(429,257)
Central Falls (1)	39,878,367	40,397,886	519,519
Chariho District	114,962	76,641	(38,321)
Charlestown	1,660,642	1,620,632	(40,010)
Coventry	23,146,889	22,435,721	(711,168)
Cranston	57,344,910	60,518,727	3,173,817
Cumberland	18,967,499	20,144,873	1,177,374
East Greenwich	2,535,361	2,951,511	416,150
East Providence	35,415,921	35,212,950	(202,971)
Exeter/W Greenwich	5,065,171	4,819,816	(245,355)
Foster	1,142,883	1,087,244	(55,639)
Foster/Glocester	4,623,247	4,496,792	(126,455)
Glocester	2,389,577	2,310,862	(78,715)
Hopkinton	5,273,139	5,246,990	(26,149)
Jamestown	452,432	447,829	(4,603)
Johnston	18,225,966	17,719,732	(506,234)
Lincoln	12,437,303	11,744,439	(692,864)
Little Compton	397,073	357,135	(39,938)
Middletown	8,184,684	7,944,579	(240,105)
Narragansett	2,102,116	2,330,130	228,014
New Shoreham	122,100	153,821	31,721
Newport	11,532,490	12,186,580	654,090
North Kingstown	10,705,101	10,153,444	(551,657)
North Providence	21,666,106	22,197,831	531,725
North Smithfield	5,949,172	6,019,261	70,089
Pawtucket	88,483,075	88,976,869	493,794
Portsmouth	4,412,704	4,115,532	(297,172)
Providence	245,716,152	248,002,247	2,286,095
Richmond	4,676,150	4,657,134	(19,016)
Scituate	3,548,200	3,261,958	(286,242)
Smithfield	6,227,896	7,739,839	1,511,943
South Kingstown	6,728,512	5,985,163	(743,349)
Tiverton	6,456,229	6,759,687	303,458
Warwick	38,571,348	37,686,822	(884,526)
West Warwick	24,295,114	25,203,697	908,583
Westerly	8,690,035	8,599,370	(90,665)
Woonsocket	59,415,195	60,586,828	1,171,633
Subtotal (1) (2)	\$ 819,135,374	\$ 825,452,474	\$ 6,317,100

Education Aid to Local Units of Government

	FY 2018 Revised	FY 2019 Recommend	Difference
Distributed LEA Aid- Charter Schools			
ACE (Textron)	\$ 2,291,526	\$ 2,249,040	\$ (42,486)
Achievement First	9,209,052	12,319,930	3,110,878
Beacon Charter School	2,761,557	2,910,823	149,266
Blackstone Academy	3,713,520	3,778,160	64,640
Compass School	454,750	419,937	(34,813)
Greene School	1,259,306	1,270,754	11,448
Highlander	5,489,465	5,809,363	319,898
Hope Academy	1,415,780	1,813,121	397,341
International Charter School	3,166,641	3,301,617	134,976
Kingston Hill Academy	574,403	549,538	(24,865)
Learning Community	6,323,147	6,481,890	158,743
New England Laborers	1,142,634	1,161,548	18,914
Nowell Academy	1,594,720	1,562,235	(32,485)
Nurses Institute	2,589,415	2,644,295	54,880
Paul Cuffee Charter School	8,401,014	8,598,891	197,877
RIMA Blackstone Valley	15,265,732	16,758,648	1,492,916
RISE Mayoral Academy	1,351,280	1,887,883	536,603
Segue Institute for Learning	2,716,009	2,758,154	42,145
Southside Elementary	1,034,710	1,324,672	289,962
Times 2 Academy	7,545,913	7,723,427	177,514
Trinity Academy	2,187,948	2,239,482	51,534
Village Green	2,260,023	2,310,271	50,248
Subtotal	\$ 82,748,545	\$ 89,873,681	\$ 7,125,136
 Urban Collaborative (RIGL 16-3.1-11)	 \$ 1,494,741	 \$ 1,542,997	 \$ 48,256
Subtotal	\$ 903,378,660	\$ 916,869,151	\$ 13,490,491
 Non-Distributed Aid			
Textbook Expansion	\$ 88,960	\$ 240,000	\$ 151,040
School Breakfast	270,000	270,000	-
Telecommunications Access	400,000	400,000	-
Recovery High School	500,000	500,000	-
Early Childhood Demonstration (3)	6,240,000	6,240,000	-
Transportation Categorical	3,038,684	3,038,684	-
Regional District Transportation	3,772,676	3,772,676	-
High Cost Special Ed Categorical	4,500,000	4,500,000	-
Career and Tech Categorical	4,500,000	4,500,000	-
English Learner Categorical	2,494,939	2,494,939	-
Density Fund - Choice Schools	910,500	498,000	(412,500)
Subtotal	\$ 26,715,759	\$ 26,454,299	\$ (261,460)

Education Aid to Local Units of Government

	FY 2018 Revised	FY 2019 Recommend	Difference
State Schools			
Metropolitan School (1)	\$ 9,342,007	\$ 9,342,007	-
School for the Deaf	6,250,147	6,339,177	89,030
Davies School (1)	13,275,359	13,329,558	54,199
Subtotal (1)	\$ 28,867,513	\$ 29,010,742	\$ 143,229
Other Aid			
Teachers' Retirement	\$ 101,973,928	\$ 107,118,409	\$ 5,144,481
School Housing Aid (4)	80,000,000	80,000,000	-
Subtotal	\$ 181,973,928	\$ 187,118,409	\$ 5,144,481
Total	\$ 1,140,935,860	\$ 1,159,452,601	\$ 18,516,741

(1) Includes both Formula aid and Stabilization funds in FY 2018 and FY 2019.

(2) Non-Charter LEAs include Group Home Aid within distributed aid totals.

(3) FY 2019 total does not reflect the \$1.1 million increase in Permanent School Funds dedicated for this categorical.

(4) Includes the School Building Authority Capital Fund.

Appendix E
Five-Year Financial
Projection

FY 2019 – FY 2023 Overview

Summary

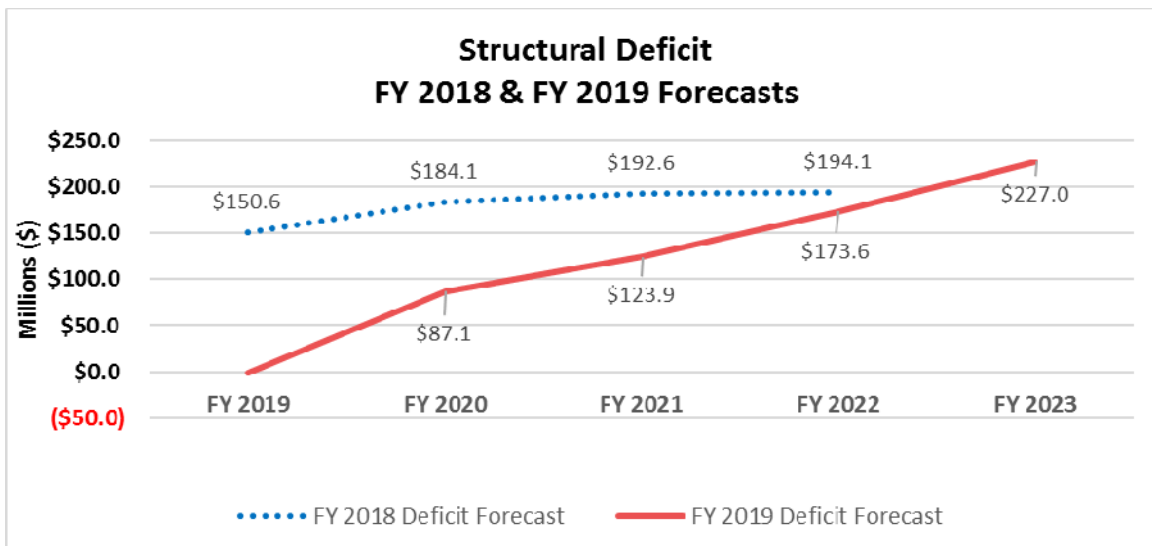
This five-year financial projection has been prepared pursuant to Section 35-3-1 of the Rhode Island General Laws, which requires that the Budget Officer:

- (6) Prepare a five-year financial projection of anticipated general revenue receipts and expenditures, including detail of principal revenue sources and expenditures by major program areas, which projection shall be included in the budget submitted to the general assembly pursuant to subsection 35-3-7.

The five-year financial projection includes tables that present anticipated revenues and expenditures for the five fiscal years ending in June 2023. Also included are tables that provide detail on the planning values used in these projections. The planning values reflect policy assumptions, as well as economic and demographic forecasts.

The purpose of the five-year forecast is to provide a baseline fiscal outlook for the State of Rhode Island. Although the forecast may be used as a benchmark in assessing the affordability and desirability of alternative policy options, caution should be exercised in the interpreting of the forecast. Forward-looking estimates, such as those made in this forecast, are inherently subject to a variety of risks and uncertainties that could cause actual results to differ materially and adversely from those projected. Many of these risks, such as national economic and business conditions, political or legal impediments, are beyond the control of the State. The estimates and forecasts made here are as of the date they were prepared and will change as factors used in the forecasts change.

From the FY 2019 budget base, expenditures will exceed revenues in each of the out-years projected through FY 2023. The projected operating deficits by fiscal year are as follows: \$87.1 million in FY 2020, \$123.9 million in FY 2021, \$173.6 million in FY 2022, and \$227.0 million in FY 2023. In percentage terms, the deficits are projected to range from 2.2 percent of spending in FY 2020 to 5.2 percent of spending in FY 2023. The expenditure-side of the budget is estimated to increase at an average annual rate of 2.7 percent from the FY 2018 base to FY 2023. Inflation, however, as measured by the United States consumer price index for all urban consumers (CPI-U), is expected to grow at an average annual rate of 2.5 percent over this same period.



FY 2019 – FY 2023 Overview

Revenues

The revenue projections contained in the five-year forecast incorporate the Governor's proposed FY 2019 general revenue changes to the estimates adopted at the November 2017 Revenue Estimating Conference (REC). Overall revenues are expected to grow from \$3.948 billion in FY 2019 to \$4.261 billion in FY 2023. This is an increase of \$312.7 million, or 7.9 percent more revenues than in the FY 2019 recommended budget.

The five-year projection anticipates average annual general revenue growth of approximately 2.0 percent over the FY 2019 through FY 2023 period, based upon the adopted November 2017 Revenue Estimating Conference forecast for the Rhode Island economy and the Governor's recommended changes to adopted revenues. The forecasts underlying the five-year projection assume that overall growth in Rhode Island's economy will slightly slow from FY 2019 through FY 2021 before leveling off. This is reflected in non-farm employment growth rates of 0.5, 0.4, and 0.3 percent respectively for these three fiscal years. The underlying forecast anticipates steady average annual growth for nominal wages and salaries and nominal personal income of 4.3 percent and 3.8 percent respectively over FY 2019 through FY 2023 period. As testified to at the November 2017 REC, this is partly a function of the state nearing full employment and the upward pressure on wages that results.

FY 2019 shows a decrease of general revenue growth when compared to FY 2018 from 4.6 percent to 2.5 percent. The November 2017 REC assumed a one-time realization of personal income tax and business corporation tax revenue in FY 2019 due to federal tax reform. Aggregate growth in these two revenue streams is 6.4 percent in FY 2018, 5.3 percent in FY 2019, and 2.3 percent in FY 2020. In addition, FY 2018 includes increased sales and use tax collection due to a law change in the FY 2018 enacted budget that requires remote sellers (such as e-commerce website and mail-order catalogs) to either remit sales and use tax or report tax owed to both their customers and the state. This policy change becomes part of the sales and use tax base starting in FY 2019, and helps explain why sales and use tax growth is estimated at 5.5 percent in FY 2018 but averages 2.8 percent annually over FY 2019 through FY 2023. General revenue growth remains positive but moderates for the FY 2020 to FY 2023 period at approximately 1.9 percent annually, as the Rhode Island economy reaches a steady-state growth path and resort casinos come online in Massachusetts and Connecticut.

Lottery transfers to the State general fund are expected to have some growth before declining beginning in FY 2022. The FY 2019 lottery transfer projection adopted at the November 2017 REC incorporates the opening of a hotel at Twin River casino in Lincoln and a new gaming facility in Tiverton. The Tiverton facility, which is assumed to open in November 2018, will include both the operation of video lottery terminals and table games. These new facilities help mitigate the impact of a new casino in Springfield, Massachusetts which is expected to open in September 2018. The state's share of video lottery terminal (VLT) revenue is expected to increase by 0.9 percent in FY 2019, while table game revenue is expected to decline by 17.5 percent. The increase in the state's share VLT revenue is attributable to the opening of the Tiverton casino as the state's share of VLT revenue from the Lincoln casino is projected to decline by 4.1 percent. A new casino in Everett, Massachusetts (outside Boston) is expected to open at the beginning of FY 2020, and keep aggregate growth in the state's share of VLT revenue and table game revenue to 0.4 percent in FY 2020. This projection newly incorporates a jointly owned tribal casino in East Windsor, Connecticut opening in FY 2021 and a tribally owned casino in Taunton, Massachusetts opening in FY 2022. These new facilities will lead to lower aggregate state share of lottery revenue from VLTs and table games, with declines of 8.3 percent in FY 2022 and 2.0 percent in FY 2023. This helps explain why total general revenue growth goes from 2.3 percent in FY 2021 to 1.3 percent in FY 2022. Lottery transfer revenue is aided by the Governor's recommendation to legalize sports betting in FY 2019. Sports betting is expected to jump significantly in FY 2020 before leveling off in FY 2021 through FY 2023.

FY 2019 – FY 2023 Overview

There are several potential weaknesses in the economic forecast. Rhode Island population growth is expected to be weak, with population and labor force growth of about 0.1 percent per year over the next few years. Job growth in the professional business service sector has been a source of strength for the state, but job gains are expected to be concentrated in lower-skilled, lower-wage administrative support positions. The retail trade sector is expected to be the biggest weak point of the labor market as sector payrolls decline 1.1 percent per year through 2022. The manufacturing sector employment has seen a bounce back in recent years, but gains in that sector are expected to taper off and cease by 2021. These factors could limit employment and wage growth in the state, which would impact revenue collections over the next five years.

It is important to note that, as a small open economy in a common currency zone, Rhode Island is particularly vulnerable to the national macroeconomic business cycle. The revenue projections contained in the five-year forecast are predicated on the baseline economic forecast presented by IHS Markit at the November 2017 REC. This economic forecast does not anticipate a recession or a significant increase in economic growth as a result of changes in federal tax and/or regulatory policy. Should either of these events transpire, Rhode Island general revenues will decrease below the current projections in the case of a recession or increase above the current projection in the case of higher economic growth. IHS Markit put the probability of a recession at 20 percent and the probability of higher economic growth at 15 percent during testimony at the November 2017 Revenue Estimating Conference.

Expenditures

Expenditure side risks must also be noted within the five-year projection. There are initiatives contained in the Governor's FY 2019 Budget that set the expenditure base at a lower level and therefore a risk to the forecast is the passage of those proposals and their successful implementation. Conversely, as described above, if revenues are better than forecast in the near or long-term, adjustments could, and likely would, be made to some of the Governor's expenditure proposals thus impacting out-year projections.

A recurring risk to the five-year forecast relates to medical services inflation, utilization, and technological change. Beneficial changes in medical technology and the resultant change in utilization of medical services are especially difficult to forecast. These factors are particularly influential; a significant part of the budget is driven by medical costs, and these costs have been accelerating. These factors impact both the costs incurred for the clients the state serves and its employees. While costs for medical care will continue to be an underlying driver of state personnel costs in the forecast, it is assumed that growth for state employee health benefit costs will average 5.0 percent annually through FY 2023. The forecast also assumes that state employees will continue to share in the cost of medical insurance.

Another expenditure side risk involves demographic shifts, such as the aging of the baby-boomer population that will present a greater need to enhance and expand the infrastructure for elderly care toward the end of the five-year horizon. Also of concern is the status of the Affordable Care Act at the federal level and the impact any changes will have on state expenditures for medical services to Medicaid-eligible and other citizens.

FY 2019 – FY 2023 Overview

Personnel and Other Operations

The wage projections contained in the personnel estimates include cost-of-living adjustments provided to certain employee unions in recent years, but assume no specific broad-based cost-of-living adjustments for the state workforce. As a proxy for step and educational incentive increases and potential pay adjustments in years subsequent to current collective bargaining contracts, annual increases equivalent to the CPI-U inflation projections have been included for FY 2020 and thereafter. In FY 2019, salary costs are projected to grow 1.4 percent compared to the revised FY 2018 Budget. This is followed by estimated increases of approximately 2.5 percent in each fiscal year through FY 2023.

The forecast reflects employee cost sharing that will continue to offset health insurance costs in FY 2019 and throughout the forecast period. Average employee cost sharing of 20.0 percent of medical premium cost in FY 2019 and thereafter is projected. Gross medical cost increases for health care premiums are expected to grow 5.0 percent annually on average throughout the forecast period.

Although pension reform legislation enacted in the fall of 2011 has had a major impact on personnel costs since its enactment, pension rates are projected to increase over the forecast period. According to actuarial projections by Gabriel, Roeder, Smith and Company, recent changes to certain actuarial assumptions by the State Retirement Board will result in the annual required contribution rate for state employees increasing from 26.28 percent in FY 2019 to 29.03 percent in FY 2023. Based upon projected payroll growth and the forecasted retirement contribution rates, the general revenue funded contribution for state employee members would grow from a projected \$107.1 million in FY 2019 to \$126.8 million in FY 2023, reflecting growth of \$22.7 million in retirement costs, an average increase of 3.0 percent a year.

Personnel and operating costs continue to be constrained during FY 2019. The current five-year forecast assumes \$1.158 billion of personnel and operating costs in FY 2019 and an average growth of 3.0 percent over the five-year interval, resulting in an estimated cost of \$1.301 billion in FY 2023, an increase of \$144.0 million.

Grants and Benefits

Grants and benefits are projected to increase by an average of 3.7 percent annually from FY 2019 to FY 2023. This growth rate results in an increase of \$188.1 million in this category of spending over the five-year horizon. The growth rates used in the five-year forecast were derived from Medicaid expenditure projections released by the Centers for Medicaid and Medicare Services (CMS) in July 2017, as well as Budget Office estimates based on CPI-U for medical services and historical spending patterns in Rhode Island.

The forecast for grants and benefits under the Office of Health and Human Services and the Department of Human Services is based on the assumption that the Federal Temporary Assistance to Needy Families Cash Assistance Program (TANF), known as the Rhode Island Works program (formerly FIP), and the Child Care Assistance Program (CCAP) will meet their stated objectives during the forecast period, that federal block grants will continue at current levels, and that Medicaid matching rates (FMAP) will remain close to those in effect for FY 2018.

The forecast assumes that eligibility and economic influences on RI Works/Child Care caseloads will result in increases in costs of approximately 2.5 percent annually. These exclusively reflect continuing additions for child care subsidies, which are extended to low-income families even after cash assistance clients gain access to unsubsidized employment. Federal block and matching grant resources are assumed to be insufficient to finance these incremental costs throughout the forecast period, and, therefore, general

FY 2019 – FY 2023 Overview

revenue dollars are added. No additional effects from the implementation of the new RI Works program are recognized in the estimates, and it is assumed that federal TANF resources will remain sufficient to meet the entire cost of the RI Works program throughout the forecast horizon. Supplemental Security Income (SSI) payments are forecasted to grow at an average rate of 1.0 percent throughout the five-year period.

The managed care forecast assumes that base costs will inflate 2.7 percent per year on average until FY 2023. Incorporated into the FY 2019 expenditure base for managed care are various proposals in the Governor's recommended FY 2019 Budget. In the Medical Assistance program, the Governor recommends a reduction to the Caseload Estimating Conference's (CEC) adopted funding level to be achieved through various policy actions designed to contain the Medicaid program's expenditure growth in both FY 2019 and subsequent years.

Similarly, cost trends in institutional long-term care include an average annual growth rate of 7.6 percent from FY 2019 through FY 2023. For home- and community-based long-term care, the growth rate over the forecast horizon is estimated at 6.6 percent.

The five-year financial projection for Medical Assistance expenditures incorporate the out-year implications of a key provision of the Patient Protection and Affordable Care Act (PPACA): the expansion of Medicaid coverage to non-pregnant adults without dependent children with incomes up to 138 percent of Federal Poverty Level. Under PPACA, full federal financing of Medicaid services for the expanded eligibility population elapsed on December 31, 2016, after which the federal matching rate declines incrementally until reaching 90 percent for 2020 and thereafter. Commencing in FY 2017, the enacted budgets have included general revenue financing for the state's increasing share of these costs. Total funding of \$204.4 million spanning the projection period of FY 2019 through FY 2023 is estimated to be needed to accommodate the loss of 100 percent federal financing.

The general revenue expenditures within the Services for the Developmentally Disabilities Private System are projected to increase from \$102.5 million in FY 2019 to \$113.0 million in FY 2023, which equates to an average annual growth rate of 3.3 percent over the five-year period. There are several factors that could significantly impact expenditures during the forecast period. These include general economic conditions that negatively impact Rhode Islanders; the aging of caregivers; the aging of the existing population; and greater public awareness of the availability and, therefore, the utilization of services. Efforts to restructure the network of providers serving persons with developmental disabilities and efforts to increase shared living arrangements over and above those contained in the Governor's FY 2019 Budget could serve to constrain growth below those contained in the projection. It should be noted that the expenditures only reflect the residential, day program, respite and supported employment services. Medical costs under the Medicaid program are reflected in the Executive Office of Health and Human Services' grant costs.

Cost trends for general revenue state match expenditures to the Medicaid, Title IV-E, and other grant programs in the Department of Children Youth and Families are projected to grow from \$81.7 million to \$87.9 million between FY 2018 and FY 2022. This increase of \$8.3 million over the five-year period, equates to an average annual growth rate of 2.5 percent. The Governor's FY 2019

Also included under the Grants category are scholarship funds within the Office of the Postsecondary Commissioner, including funding for the Governor's *Rhode Island Promise* initiative that will guarantee two years of free tuition to eligible students at the Community College of Rhode Island. The recommended FY 2019 includes funding of \$6.4 million to continue this gubernatorial initiative, which is estimated to increase to \$14.0 million in cost by FY 2023.

FY 2019 – FY 2023 Overview

Local Aid

Local aid expenditures include: Education Aid; Municipal Incentive Aid; Motor Vehicle Tax Phase-out Reimbursements; Payment in Lieu of Taxes (PILOT); Distressed Communities; Fiscal Oversight Reimbursement; Library Aid; Library Construction Aid; the Property Revaluation Program; and the Central Falls Pension Plan.

The Distressed Communities, Fiscal Oversight Reimbursement, and Library Aid are level funded over the period; Distressed Communities at \$12.4 million, Fiscal Oversight at \$130,000, and Library Resource Sharing Aid at \$9.4 million.

Changes in Library Construction Aid, the Property Revaluation program, and contributions to the new Central Falls pension plan are forecasted based on proposed schedules from the responsible programs. The PILOT program is estimated to increase based on growth in real estate values. The five-year forecast projects growth of \$7.0 million over the forecast period, an average growth rate of 3.7 percent.

The FY 2018 enacted budget included substantial changes to the Motor Vehicle Tax Phase-Out program, with the intent of phasing out the local tax on motor vehicles by FY 2024. The FY 2019 recommended budget includes the resources to continue the phase out by adding \$20.2 million. The five-year forecast assumes increases of \$37.6 million in FY 2020, \$21.0 million in FY 2021, \$27.8 million in FY 2022 and \$34.6 million in FY 2023.

Education Aid is expected to increase by a total of \$50.4 million from the FY 2019 base level of \$1,153.1 million. This growth is a direct result of the education aid funding formula which is nearing the end of its original a ten-year transition period. Districts that stood to gain money completed their seven-year transition period in FY 2018, while losing districts will gradually continue to lose funding through FY 2021. FY 2019 is the eighth year of the transition period. The five-year forecast assumes annual growth of about 1.0 percent from FY 2019 through FY 2023, after several years of growth in excess of 4.0 percent.

The five-year forecast maintains categorical funding streams at the enacted FY 2018 levels. Although some categorical programs have received increased funding in recent years, there is no statutory requirement to provide annual increases and thus any additional funding has been subject to recommendation by the Governor through the annual budget process.

The funding formula is primarily data driven. As a result, changes may occur in the core instruction amount, the state share calculation, increases or decreases in student populations, changes in median family income, student movement between charter schools or state schools, as well as increases or decreases in free and reduced lunch students. Growth in the formula is estimated to be approximately \$8.9 million per year for FY 2019 through FY 2023, in contrast to previous years with growth of over \$40.0 million per year.

State contributions for teachers' retirement increase by \$11.1 million, from \$107.1 million in FY 2019 to \$118.2 million in FY 2023. Projections for future required employer contributions to the teachers' retirement fund reflect average annual growth of 2.5 percent from FY 2019 through FY 2023, which is based on the projected CPI-U growth during this period. Housing aid, which reimburses communities for part of the debt incurred for new school construction is projected to remain close to the FY 2018 enacted level of \$69.0 million, assuming the minimum state share ratio remains at 35.0 percent over the next five years. The School Building Authority Capital Fund is financed at \$11.0 million throughout the forecast horizon, level funding with the proposed FY 2019 level. Combined, this program provides \$80.0 million towards school construction projects

FY 2019 – FY 2023 Overview

annually.

Capital

The projection of capital project disbursements and debt service costs reflects updated debt service projections as included in the FY 2019 – FY 2023 Capital Improvement Plan. General revenue funded debt service on all tax supported obligations is projected to increase from \$174.7 million in FY 2019 to \$194.2 million in FY 2023, an increase of \$19.5 million. Other debt service increases are attributable to the issuance of debt for the Historic Tax Credit program, and annual issuance of voter approved and newly recommended general obligation bonds. These increases are offset over the next five years as certain debts are paid off.

The five-year forecast is based upon outstanding debt and projected new debt contained in the Governor's recommended FY 2019 - 2023 Capital Budget. Interest rates for fixed rate general obligation bonds to be issued to fund projects are projected at 5.0 percent. Historic Tax Credit debt is projected to be issued at 4.5 percent over nine years in in 2019. Projected amortization schedules are found in the exhibits contained in Appendix C of the Capital Budget document.

Debt service for the Historic Structures Tax Credit stabilization program decreases by \$11.3 million in FY 2019 as the first issuance of this debt is paid off. Performance-based obligations remain at \$7.0 million through FY 2021, declining to \$1.0 million in FY 2022 and FY 2023. Debt service on certificates of participation decrease by \$4.3 million from \$26.6 million in FY 2019 to \$3.2 million in FY 2023. Current debt service projections include full issuance of all COPS authorization, as well as newly proposed authorizations. Convention Center debt service assumes issuance of new debt in FY 2018 for the construction of a parking garage near the Garrahy Courthouse and adjacent to the I-195 land under redevelopment.

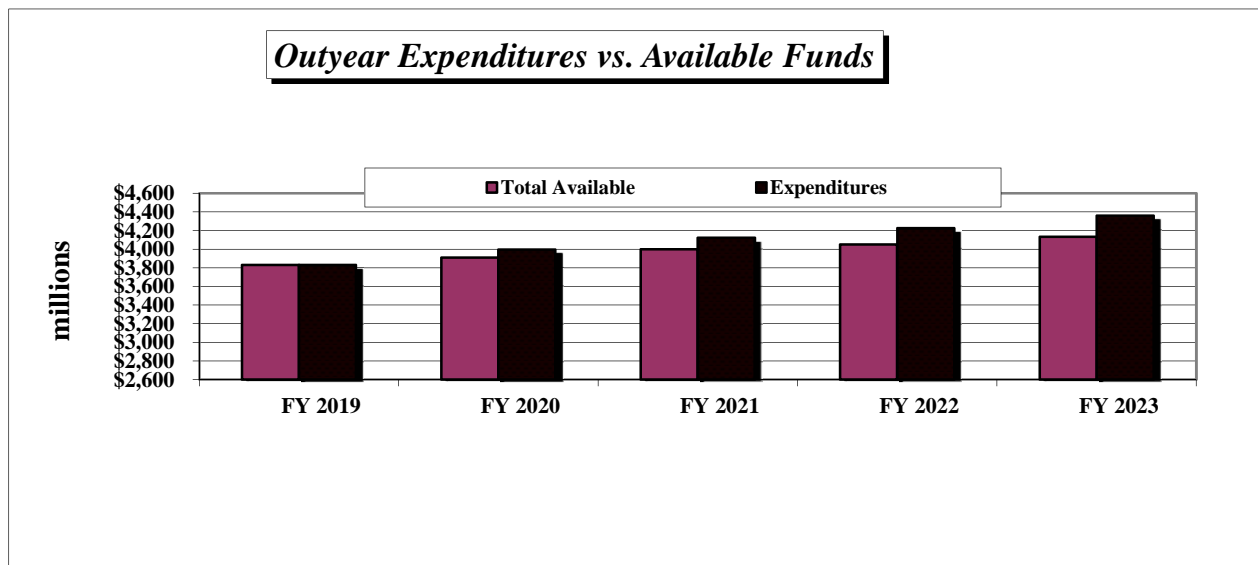
Disbursements for many capital projects are funded from the Rhode Island Capital Plan Fund, not general revenue, and therefore are not reflected in the five-year report as operating costs.

Conclusion

While the FY 2019 structural deficit forecast sees decreases relative to the Governor's proposed FY 2018 budget, it also reflects an increase in the structural deficit's overall growth rate. This is largely due to the multi-year phase-out of the motor vehicle excise tax. The FY 2018 enacted budget included substantial changes to the motor vehicle excise tax program, with the intent of phasing out the local tax on motor vehicles by FY 2024. The FY 2019 recommended budget includes the resources to continue the phase-out by adding \$20.2 million. The five-year forecast assumes increases of \$37.6 million in FY 2020, \$21.0 million in FY 2021, \$27.8 million in FY 2022 and \$34.6 million in FY 2023.

General Revenue Outyear Estimates FY 2019 - FY 2023

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Opening Surplus ⁽¹⁾	\$0.3	\$0.9	\$0.0	\$0.0	\$0.0
Plus:					
Taxes and Departmentals	3,534.6	3,613.7	3,704.2	3,784.3	3,873.8
Other Sources (incl. Lottery)	413.8	416.7	417.6	392.1	387.3
Budget Stabilization Fund	(118.5)	(120.9)	(123.7)	(125.3)	(127.8)
Total Available	3,830.2	3,910.3	3,998.2	4,051.1	4,133.2
Minus Expenditures	3,829.3	3,996.6	4,122.1	4,224.7	4,360.2
Equals Ending Balance	\$0.9	(\$86.2)	(\$123.9)	(\$173.6)	(\$227.0)
<i>Operating Surplus or Deficit</i>	<i>\$0.6</i>	<i>(\$87.1)</i>	<i>(\$123.9)</i>	<i>(\$173.6)</i>	<i>(\$227.0)</i>
Budget & Cash Stabilization Balance	\$197.4	\$201.6	\$206.1	\$208.9	\$213.1
 Rhode Island Capital Fund					
Capital Projects Disbursements	\$168.3	\$125.2	\$118.8	\$111.3	\$98.8



⁽¹⁾ Under the Rhode Island Constitution, the budget must be balanced each year, thus deficits in any given fiscal year cannot be carried forward to the ensuing fiscal year.

General Revenue Outyear Estimates

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Personal Income Tax	\$ 1,364,992,630	\$ 1,403,302,138	\$ 1,453,465,920	\$ 1,504,700,162	\$ 1,551,712,866
General Business Taxes:					
Business Corporations	162,092,100	159,533,174	165,889,042	170,765,705	174,980,254
Public Utilities	97,000,000	98,203,578	99,479,164	100,663,732	101,899,463
Financial Institutions	20,300,000	20,184,240	20,003,337	19,850,879	19,779,749
Insurance Companies	128,664,110	129,410,584	132,086,885	133,361,501	137,292,464
Bank Deposits	2,700,000	2,637,483	2,713,004	2,744,410	2,698,979
Health Care Provider	45,203,201	46,179,167	47,109,630	48,187,434	50,433,634
General Business Taxes	\$ 455,959,410	\$ 456,148,226	\$ 467,281,063	\$ 475,573,660	\$ 487,084,543
Sales and Use Taxes:					
Sales and Use	1,101,512,483	1,136,528,934	1,162,719,944	1,185,620,419	1,208,206,432
Motor Vehicle	3,133,600	5,258,300	2,071,425	1,009,150	1,009,150
Motor Fuel	*	*	*	*	*
Cigarettes	145,667,352	143,481,305	141,078,487	138,607,414	136,152,119
Alcohol	20,700,000	21,134,502	21,963,107	22,775,438	23,663,845
Controlled Substances	-	-	-	-	1,000,000
Sales and Use Taxes	\$ 1,271,013,435	\$ 1,306,403,041	\$ 1,327,832,964	\$ 1,348,012,420	\$ 1,370,031,546
Other Taxes:					
Estate and Transfer	29,500,000	30,436,542	31,778,759	33,658,083	35,646,444
Racing and Athletics	1,100,000	1,046,679	1,023,380	1,015,382	1,038,519
Realty Transfer Tax	14,300,000	14,506,150	15,069,653	15,627,324	16,196,699
Other Taxes	\$ 44,900,000	\$ 45,989,371	\$ 47,871,792	\$ 50,300,789	\$ 52,881,662
Total Taxes	\$ 3,136,865,475	\$ 3,211,842,777	\$ 3,296,451,739	\$ 3,378,587,031	\$ 3,461,710,616
Total Departmental Receipts	397,694,795	401,825,248	407,784,505	405,692,291	412,057,774
Taxes and Departmentals	\$ 3,534,560,271	\$ 3,613,668,025	\$ 3,704,236,244	\$ 3,784,279,323	\$ 3,873,768,391
Other Sources					
Other Miscellaneous	13,297,738	6,287,620	6,238,027	6,238,027	6,238,027
Lottery Commission Receipts	391,200,000	400,915,943	401,605,354	375,853,926	370,813,555
Unclaimed Property	9,300,000	9,524,662	9,767,170	9,995,874	10,238,156
Other Sources	\$ 413,797,738	\$ 416,728,224	\$ 417,610,551	\$ 392,087,827	\$ 387,289,738
Total General Revenues	\$ 3,948,358,008	\$ 4,030,396,249	\$ 4,121,846,795	\$ 4,176,367,149	\$ 4,261,058,129

General Revenue Outyear Estimates - Percentage Changes

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Personal Income Tax	5.1%	2.8%	3.6%	3.5%	3.1%
General Business Taxes:					
Business Corporations	7.2%	-1.6%	4.0%	2.9%	2.5%
Public Utilities	2.6%	1.2%	1.3%	1.2%	1.2%
Financial Institutions	-6.5%	-0.6%	-0.9%	-0.8%	-0.4%
Insurance Companies	1.3%	0.6%	2.1%	1.0%	2.9%
Bank Deposits	0.0%	-2.3%	2.9%	1.2%	-1.7%
Health Care Provider	1.4%	2.2%	2.0%	2.3%	4.7%
General Business Taxes	3.2%	0.0%	2.4%	1.8%	2.4%
Sales and Use Taxes:					
Sales and Use	4.6%	3.2%	2.3%	2.0%	1.9%
Motor Vehicle	-84.8%	67.8%	-60.6%	-51.3%	0.0%
Motor Fuel	*	*	*	*	*
Cigarettes	1.8%	-1.5%	-1.7%	-1.8%	-1.8%
Alcohol	2.0%	2.1%	3.9%	3.7%	3.9%
Controlled Substances					
Sales and Use Taxes	2.7%	2.8%	1.6%	1.5%	1.6%
Other Taxes:					
Estate and Transfer	-25.1%	3.2%	4.4%	5.9%	5.9%
Racing and Athletics	0.0%	-4.8%	-2.2%	-0.8%	2.3%
Realty Transfer Tax	5.9%	1.4%	3.9%	3.7%	3.6%
Other Taxes	-16.9%	2.4%	4.1%	5.1%	5.1%
Total Taxes	3.5%	2.4%	2.6%	2.5%	2.5%
Total Departmental Receipts	2.8%	1.0%	1.5%	-0.5%	1.6%
Taxes and Departmentals	3.4%	2.2%	2.5%	2.2%	2.4%
Other Sources					
Gas Tax Transfers	*	*	*	*	*
Other Miscellaneous	-75.8%	-52.7%	-0.8%	0.0%	0.0%
Lottery Commission Receipts	6.4%	2.5%	0.2%	-6.4%	-1.3%
Unclaimed Property	-12.3%	2.4%	2.5%	2.3%	2.4%
Other Sources	-4.5%	0.7%	0.2%	-6.1%	-1.2%
Total General Revenues	2.5%	2.1%	2.3%	1.3%	2.0%

General Revenue Outyear Expenditure Estimates

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
State Operations					
Personnel and Contract Services	\$953,620,000	\$976,770,000	\$1,007,610,000	\$1,037,970,000	\$1,069,390,000
Other State Operations	204,244,000	209,350,000	214,790,000	219,940,000	225,220,000
Impact of Initiatives/Other Changes	-	9,021,190	12,021,190	8,271,190	7,271,190
Subtotal	\$1,157,864,000	\$1,195,141,190	\$1,234,421,190	\$1,266,181,190	\$1,301,881,190
Grants and Benefits					
Executive Office of Health and Human Services & Department of Human Services					
Hospitals	17,384,000	18,273,000	19,212,000	20,203,000	21,252,000
Managed Care	595,316,000	610,645,000	625,759,000	641,715,000	663,030,000
Nursing Care	88,252,000	95,189,000	102,528,000	110,258,000	118,494,000
Home Care (HCBS)	22,943,000	24,501,000	26,125,000	27,829,000	29,635,000
Other Medicaid	38,281,000	39,588,000	40,908,000	42,254,000	43,636,000
Pharmacy	(360,000)	(374,000)	(390,000)	(406,000)	(422,000)
DEA Medicaid/CNOM	3,272,000	3,494,000	3,726,000	3,969,000	4,227,000
Cash Assistance- RIW/CCAP/GPA	19,133,000	19,611,000	20,121,000	20,604,000	21,119,000
Cash Assistance - SSI	19,574,000	19,770,000	19,968,000	20,168,000	20,369,000
Clawback	63,846,000	65,442,000	67,144,000	68,755,000	70,474,000
DSH	51,579,000	52,869,000	54,243,000	55,545,000	56,934,000
ACA- MA Population Expansion	28,556,000	33,797,000	46,178,000	47,356,000	48,551,000
Department of Children Youth & Families					
Children & Family Services	79,655,000	81,647,000	83,769,000	85,780,000	87,924,000
Department of Behavioral Healthcare, Developmental Disabilities & Hospitals					
Developmental Disabilities-Private	99,067,000	102,450,000	105,867,000	109,350,000	112,926,000
Other Grants and Benefits	90,248,000	93,995,000	100,231,000	103,399,000	106,707,000
Subtotal	\$1,216,746,000	\$1,260,897,000	\$1,315,389,000	\$1,356,779,000	\$1,404,856,000
Local Aid	20,210,000	37,560,000	20,970,000	27,820,000	34,550,000
Education Aid	1,153,110,000	1,165,190,000	1,176,930,000	1,190,050,000	1,203,550,000
Motor Vehicle Tax Reimbursements	54,750,000	92,310,000	113,280,000	141,100,000	175,650,000
PILOT	46,090,000	47,790,000	49,520,000	51,400,000	53,200,000
Distressed Communities	12,380,000	12,380,000	12,380,000	12,380,000	12,380,000
Fiscal Oversight Reimbursement	130,000	130,000	130,000	130,000	130,000
Library Aid	9,360,000	9,360,000	9,360,000	9,360,000	9,360,000
Library Construction Aid	2,180,000	3,760,000	3,680,000	3,220,000	3,220,000
Property Revaluation Prgm	1,630,000	690,000	1,000,000	1,560,000	1,560,000
Central Falls New Pension Plan	310,000	290,000	290,000	280,000	260,000
Subtotal	\$1,279,940,000	\$1,331,900,000	\$1,366,570,000	\$1,409,480,000	\$1,459,310,000
Capital					
<i>Debt Service</i>					
General Obligation	103,721,000	113,792,000	109,080,000	118,096,000	125,897,000
Historic Tax Credit Program	12,879,000	19,822,000	19,826,000	19,829,000	19,830,000
EDC Job Creation Guaranty/Other	2,520,000	15,062,000	15,248,000	3,190,000	0
COPS/Other Leases	27,526,000	28,475,000	28,505,000	24,163,000	23,247,000
Convention Center Debt	21,400,000	24,494,000	25,983,000	25,981,000	24,270,000
Performance Based	7,003,000	7,003,000	7,038,000	954,000	954,000
Subtotal	\$175,049,000	\$208,648,000	\$205,680,000	\$192,213,000	\$194,198,000
Expenditures	\$3,829,599,000	\$3,996,586,190	\$4,122,060,190	\$4,224,653,190	\$4,360,245,190

Appendix F

The Budget Process

The Budget Process: A Primer

The purpose of this primer is to clarify the annual budget and appropriations processes.

Appropriation Process. According to Article IX Section 16 of the Rhode Island Constitution, and the Rhode Island General Laws Section 35-3-7, the Governor must present spending recommendations to the Legislature. *The Budget* reflects expenditures for both the current and upcoming fiscal year and identifies the sources of financing for those expenditures.

On or before the third Thursday in January, unless delayed by act of the Legislature, the Governor must submit to the General Assembly a budget containing a complete plan of estimated revenues and proposed expenditures, with a personnel supplement detailing the number and titles of positions of each agency, and estimates of personnel costs for the next fiscal year. Commencing with the Governor's FY 2014 budget, this supplementary personnel information has been merged into the multivolume document entitled *Budget*.

The budget is proposed by the Governor and considered by the General Assembly, which may increase, decrease, alter, or strike out any item in the budget, provided that the action would not cause an excess of appropriations over anticipated revenue receipts. No appropriation in excess of budget recommendations may be made by the General Assembly unless it provides the necessary additional revenue to cover such appropriation. The Governor may veto legislative appropriations, although not on an individual "line item" basis. The Legislature may override any veto by a three-fifths majority vote. Supplemental appropriations measures must be submitted by the Governor to the General Assembly on or before the third Thursday in January. Supplemental appropriations by the General Assembly must also be supported by additional revenues.

The general laws of the state provide that if the General Assembly fails to pass the annual appropriation bill, amounts equal to those appropriated in the prior fiscal year shall be automatically available for expenditure, subject to monthly or quarterly allotments as determined by the Budget Officer. Expenditures for general obligation bond indebtedness of the state shall be made as required regardless of the passage of the annual budget or the amount provided for in the prior fiscal year.

Fiscal Years. It is important when reading the budget to consider which fiscal year is being discussed. The state *fiscal year* runs from July 1 to the following June 30 and is numbered for the calendar year in which it ends (e.g. FY 2018). The *current fiscal year* is the one which ends the coming June. The *actual fiscal years* are the years which concluded in June of the two previous years. The *budget year* refers to the next fiscal year, which begins the July following the Legislature's adjournment. Finally, *out-years* refer to any years beyond the budget year.

By law, *The Budget* must record two actual fiscal years of spending, as well as the Governor's revised spending recommendations for the current fiscal year, and the Governor's full recommendations for the budget year.

Revenue Estimates and Caseload Estimates. Receipt estimates for the current year and budget year are those adopted by the State Revenue Estimating Conference, as adjusted by any changes recommended by the Governor.

The State Revenue Estimating Conference was created by the 1990 General Assembly to provide the Governor and the Assembly with estimates of general revenues. It is composed of the State Budget Officer, the House Fiscal Advisor, and the Senate Fiscal Advisor, with the chair rotating among the three. It must

The Budget Process: A Primer

meet no less than twice per year, in November and May, and can be convened at any other time by call of any member, and must reach consensus on revenues. The 1991 Assembly created a Medical Assistance and Public Assistance Caseload Estimating Conference similar to the Revenue Estimating Conference to adopt cash assistance entitlement caseload estimates. The 1998 Assembly amended the Medical Assistance and Public Assistance Caseload Estimating Conference to estimate medical assistance expenditures, upon which the Governor's expenditures budget shall be based, and the appropriations by the assembly shall be made.

The consensus revenue estimate is the official revenue projection for general revenue. Estimates of revenues for federal funds, restricted receipts, and other funds are prepared by individual state agencies, reviewed by the Budget Office, and included in *The Budget*.

Classification of State Spending. The State of Rhode Island classifies state spending by function of government and by category of expenditure.

Function of government classifies expenditures by grouping agencies that make expenditures for similar programs and purposes. There are six functions of government defined in *The Budget*: General Government, Human Services, Education, Public Safety, Natural Resources, and Transportation.

The following explains the six functions of government included in *The Budget*.

General Government includes the administrative and regulatory functions of state government. Certain elected officials (Governor, Lieutenant Governor, General Treasurer, Secretary of State), the Legislature, and the Department of Administration are agencies that perform an administrative function. The Department of Business Regulation, the Department of Labor and Training, and the Public Utilities Commission are examples of agencies that perform a regulatory function. The Department of Revenue coordinates revenue collection activities of several state divisions.

Health and Human Services includes agencies that provide services to individuals. These services provided include: the care of the disabled by the Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals; child protective and social services provided by the Department of Children, Youth and Families; health programs at the Department of Health and the Executive Office of Health and Human Services; financial assistance and social services provided by the Department of Human Services; and pharmaceutical assistance and home health care at the Division of Elderly Affairs. The Executive Office of Health and Human Services centrally coordinates the legal, budgetary, and policymaking activities of the Human Services agencies.

The *Education* function provides educational services to Rhode Islanders. The State Board of Education and The Office of Postsecondary Education provide direct education services.

Public Safety is the function that provides safety and security services to Rhode Island citizens. Agencies in this function include the Department of Corrections, the Judiciary, the Attorney General and the Department of Public Safety.

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The *Natural Resources* function protects the natural and physical resources of the state and regulates the use of those resources. Agencies included in this function are the Department of Environmental Management and the Coastal Resources Management Council.

Transportation includes the Department of Transportation, which is the only agency in this function. It is responsible for maintaining and constructing highways in Rhode Island, and for planning and financing all surface transportation modes.

Categories of expenditure classify expenditures by budgeting and accounting objects of expenditure: personnel; state operations; aid to local units of government; assistance, grants, and benefits; and capital. Objects of expenditures define how funds are encumbered and expended.

Personnel includes the salaries, wages, and benefits of state employees, as well as personnel services purchased from outside contractors and vendors.

Operating Supplies and Expenses include expenses incurred while conducting the day-to-day business of state government. This category is often referred to simply as "operating". Operating expenses comprise non-personnel expenditures for operations of state government, including facilities maintenance, program and office supplies, rental of outside property, telecommunications, and insurance.

Aid to Local Units of Government is payments made to governmental units that provide services at the local level. Education Aid to local school districts is an example.

Assistance, Grants and Benefits constitutes payments to individuals and agencies which are not governmental units. Drugs, medicine and nursing facilities for the Medicaid programs, the pharmaceutical assistance program for the elderly, and cash assistance payments for the Rhode Island Works, Supplemental Security Income, and Child Care Assistance entitlements are a few examples.

Capital Purchases and Equipment include capital improvements and new capital construction financed via the Rhode Island Capital Plan Fund (RICAP), general revenues, or federal funds. Please note that the majority of capital improvements, supported by other forms of financing (i.e. state debt instruments), are generally found in the *Capital Budget*.

Debt Service includes payments on short term tax anticipation notes, long term general obligation bonds, Rhode Island Refunding Bond Authority lease payments, certificates of participation payments for the Intake Service Center, Attorney General's administrative office, Information Technology, and the Rhode Island School for the Deaf; and lease payments to the Convention Center Authority.

Operating Transfers include inter-fund and inter-agency transfers of financial resources.

State Employees. A major part of the state operations category of expenditures is salary and wage payments to employees. Public service in state government is divided into the classified service, unclassified service, and non-classified service. The classified service comprises all positions in state service, now existing or to be created, except as specifically provided under R.I.G.L. 36-4-2 for unclassified employees and R.I.G.L. 16-59-7 for Higher Education non-classified employees. The classified service is divided into a competitive branch and a non-competitive branch. Employees hired to fill positions in the classified service must be hired on the basis of merit and fitness. The non-competitive branch includes positions that require the performance of routine tasks, or those that require licenses, certificates, or registrations. These employees

The Budget Process: A Primer

are also promoted and discharged on the basis of rules and regulations established and administered by the Rhode Island State Employees Merit System.

Certain positions are specifically designated for inclusion in the unclassified service. These positions are defined to include those in specific agencies, or types of agencies for specific purposes. Examples are employees of the Legislature, elected officials, and employees of the courts. Compensation for unclassified positions is governed by the Unclassified Pay Board and other matters are governed by rules and regulations of the unclassified system.

State service also includes special types of positions. In addition to regular full-time positions, there are *seasonal* positions in the classified service. Such positions may require the employee to work an irregular schedule such that the employee is on call when needed, or for only a portion of the year, and only for a maximum of 925 hours in a 12-month period. Employees of the Department of Environment Management who staff the state's parks, beaches, and wildlands in the summer are an example of seasonal employees.

Financing of State Spending. Frequent reference is made in *The Budget* to "general revenue" expenditures and expenditures from "all funds". Expenditures from all funds include both general revenue expenditures and expenditures from federal funds, restricted receipts, and other or special revenue funds.

General revenue receives the most attention in the budget because it is the largest of the "uncommitted" revenue sources available to the state. It is also the fund to which most general tax receipts are credited. The Legislature may appropriate general revenue dollars for any purpose.

Federal funds, restricted receipts, and other funds, by contrast, are dedicated to specific purposes. For example, the Legislature may not appropriate monies from the Unemployment Insurance Fund to build new prisons. Other funds include the University and College Funds, the Transportation Fund, the Unemployment Insurance Fund, the Temporary Disability Insurance Fund, and the Rhode Island Capital Plan Fund.

Within the budget documents, schedules contain expenditure data for two actual fiscal years, the current fiscal year and the budget year. The schedules display agency data by fund source for All Funds, General Revenue, Federal Funds, Restricted Receipts, and Other Funds.

Rhode Island Capital Plan Funds. On November 7, 2006, Rhode Island voters approved a constitutional amendment limiting state expenditures commencing in FY 2008 such that appropriations do not result in general fund expenditures exceeding 98.0 percent of general fund revenues in FY 2008, and 97.0 percent in FY 2013 and thereafter. This amendment to the Rhode Island Constitution has also restricted, as of July 1, 2007, the use of excess funds in the Rhode Island Capital Fund solely for capital projects. Previously, the fund could be used for debt reduction, payment of debt service, and capital projects. Also, the constitutional amendment increased the budget reserve account by limiting annual appropriations to ninety-seven (97%) percent of estimated revenues and increasing the cap on the budget reserve account to five (5%) percent of estimated revenues. During the 2007 Session of the General Assembly, a statutory schedule was enacted to provide for incremental decreases of 0.2 percent to gradually move spending from 98 percent of revenues to 97 percent of revenues. Additionally, the budget reserve account maximum balance would be gradually increased by increments of 0.4 percent to gradually move from 3.0 percent to 5.0 percent of resources. In FY 2015, the spending is limited to 97.0 percent of revenues and the budget reserve fund is capped at 5.0 percent of resources.

Additionally, during the 2007 Session of the General Assembly, a law was enacted which requires that

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revenues received in excess of the amount estimated in the enacted budget, net of reserve fund contributions, would be transferred to the State Retirement Fund upon completion of the post audit.

Budget Basis. *The Budget* is prepared on the same basis that the state's year end financial statements, which is a modified accrual basis. Briefly, this means that obligations of the state are budgeted as expenditures if the goods or services are expected to be received during the fiscal year, regardless of whether a cash payment is expected to be made by the state by June 30th of that year. Revenues are estimated on the basis of when they are "earned" by the state. For example, the estimate of gas tax revenues reflects twelve months of revenues. However, due to a one month difference in the time the liability is incurred and the actual cash payment is made by the taxpayer, the revenue estimate reflects cash received from August through July.

The Comprehensive Annual Financial Report (CAFR) shows the status of the state's finances on the basis of "generally accepted accounting principles" (GAAP). Every attempt is made in preparing the budget to ensure that it is consistent with the auditing standards upon which the state's financial position will be determined.

Program Performance Measures. The current administration continues in its effort to develop and track measures of the performance of state agencies and departments. The performance measures included in the FY 2014 budget are derived from the on-going process to identify and refine measures for state decision-makers to evaluate on an annual basis. With few exceptions, all executive branch agencies, and most other government offices, have developed a mature set of program performance measures. These measures are included on the agency and program financing pages in *The Budget*. In some cases where no measures are identified, the process of developing measures continues. Performance measures for general officers and agency central management units are not required, indicated by NA (not applicable).

The Budget Process. Production of a budget is a continuous process. It does, however, have certain discrete phases. In the Executive Branch, the budget process begins as soon as the legislative session ends. At that time the budget staff prepares the *Budget as Enacted* which reflects the budget enacted by the Legislature.

In the spring and early summer, budget instructions and allocations are distributed by the Budget Office to state agencies. At those times, agencies are instructed by the Budget Office to prepare a capital and operating budget. The capital budget contains a five-year capital improvement plan.

Agencies are requested to prepare operating budgets at specified target levels for submission on or before September 15 or as specified by the Budget Officer. Agencies may also be allowed the opportunity to request additional funding through special white papers, separate from the agency's budget request.

The individual budgets submitted by the state agencies show program expenditures, with appropriate funding sources for each program within the agency. These data are shown for the actual year, the current year, and the target for the budget year.

In the fall and early winter, analysts in the Budget Office review agency budget requests. The Budget Office staff prepares recommendations for the Governor. An analysis of items added or reduced from the target request is presented to the Governor. The analysis includes the basis for the agency's request and the Budget Office recommendation and the basis for it. The Governor then makes a budget determination. This process is repeated for all issues in all agencies. These decisions form the Governor's recommendations. The Budget Office compiles the individual recommendations, aggregates them, and prepares *The Budget*. *The Budget*

The Budget Process: A Primer

reflects the revised current year funding plan submitted to the Legislature on the third Thursday in January, as well as the budget year funding plan.

During this same period between September and the start of the legislative session, House and Senate fiscal staffs also have the agency budget requests for analysis. Following receipt of the Governor's recommendations, the legislative fiscal analysts begin their analysis of the recommendations of the Governor.

The Governor's budget recommendations traditionally are incorporated in one omnibus appropriations bill, which normally includes articles containing any statutory changes which would be required to implement the Governor's budget.

The following table summarizes the **budget calendar** during the budget cycle:

Mid-July	Capital Budget Requests due to Budget Office.
Late July	Budget Instructions and Funding Targets distributed to Agencies.
Mid September	Budget requests of Agencies with enacted all funds budget of \$10.0 million or less due to Budget Office.
Late Sept./ Early Oct.	Budget requests of Agencies with enacted all funds budget of over \$10.0 million due to Budget Office.
Oct./Nov.	Agency Meetings to review Budget Recommendations.
Late Dec./ Early Jan.	Gubernatorial Decisions on current year supplement and budget year recommendations.
3 rd Thursday in January	Statutory date for current-year Governor's Supplemental Appropriation bill submitted to Legislature.
3 rd Thursday in January	Statutory date for budget-year Governor's Budget Recommendation bill submitted to Legislature.

Consideration by House of Representatives and Senate. Appropriation bills are introduced into the House and are first considered by the House Finance Committee. The Senate Finance Committee also begins hearings on the budget bill, as introduced by the Governor. The chairpersons of the committees appoint subcommittees to consider appropriations for various agencies. Subcommittees vary in size, usually between two and five persons. After reviewing the budget requests and the Governor's budget, the subcommittees recommend adjustments to the full committee for consideration. A committee may adjust the recommendations of its subcommittee. Appropriation bills are reprinted to reflect the recommendations of the full committee. The bill is then presented to the full House, and upon passage is transmitted to the Senate. The process for review of an appropriation bill in the Senate mirrors the steps followed in the House of Representatives. Usually, however, consideration by the Senate occurs in a much shorter span of time. Once the bill is presented and approved by the full Senate, the Governor has three options: 1) sign the bill into law, 2) veto the bill, or 3) allow the bill to become law without signature (after six days, Sundays excepted, the bill automatically becomes law without the Governor's signature). The General Assembly may overturn the Governor's veto with a three-fifths vote in each house.

Office of Budget

Suzanne Amerault
Programming Services Officer

Personnel Actions
Employee Contract Tracking
Office Management
Official Statement

Lindsey Callahan
Budget Analyst I

Department of Children, Youth & Families
Commission on the Deaf and Hard of Hearing
Office of the Child Advocate

Lucas Dieter
Budget Analyst I

Department of Health
Department of Human Services

Dezeree Hodish
Senior Budget Analyst

Legislature
Board of Elections
Secretary of State
Department of Public Safety

Storm Lawrence
Budget Analyst I

Rhode Island Council on the Arts
Historical Preservation and Heritage Commission
Rhode Island Atomic Energy Commission
Department of Elementary and Secondary
Education

Abby McQuade
Principal Economic and Policy Analyst

Department of Business Regulation
Department of Labor and Training
Executive Office of Commerce
Capital Center Commission
Rhode Island Commerce Corporation
Rhode Island Industrial Facilities Corporation
Rhode Island Industrial Recreational Building
Authority
I-195 Commission
Quonset Development Corporation

Dennis A. Michaud
Budget Analyst II

Office of the Attorney General
Department of Corrections
Public Utilities Commission
Judicial
Office of the Public Defender

Ariana Morrocco

Department of Behavioral Healthcare,
Developmental Disabilities and Hospitals
Office of the Mental Health Advocate
Governor's Commission on Disabilities

Thomas Mullaney
Executive Director/State Budget Officer

Capital Development, Planning and
Oversight Commission (Chair)
OPEB Board (Chair)
Tobacco Settlement Financing Corp (Chair)
State Investment Commission
State Employee Retirement Board
Information Statement

Daniel R. Orgel
Supervising Budget Analyst

Higher Education
Commission for Human Rights
Student Loan Authority
Rhode Island Health and Educational Building
Corporation

John Raymond
Supervising Budget Analyst

Office of Health and Human Services
Caseload Estimating

Kimberly Reynolds
Senior Budget Analyst

Department of Administration
Department of Revenue
Lieutenant Governor
Convention Center Authority
Rhode Island Housing and Mortgage Finance
Corporation
Housing Resources Commission
Rhode Island Infrastructure Bank
Rhode Island Resource Recovery Corporation
Narragansett Bay Water Quality Commission
NASBO Surveys

Office of Budget

Sharon R. Savicki
Administrative Officer
RIFANS - Purchasing
Fiscal Note Database

Evelyn Shapiro
Senior Budget Analyst
Governor's Office
Department of Environmental Management
Department of Transportation
Coastal Resources Management Council
Rhode Island Airport Corporation
Rhode Island Public Transit Authority
Rhode Island Turnpike and Bridge Authority

Gregory B. Stack
Supervising Budget Analyst
Military Staff
RI Emergency Management Agency
Office of the General Treasurer
Ethics Commission
Appropriations Act
Assessed Fringe Benefit Fund

Office of Management and Budget
Jonathan Womer, Director

Office of Regulatory Reform
Erik Godwin, Director, Regulatory Reform
Amanda Clarke, Deputy Director
Matthew McCabe, Chief of Research & Analyst
Robert Valenti, Principal Economic and Policy Analyst
Cecelia Pelkey, Sr. Economic and Policy Analyst
Kayla Weststeyn, Sr. Mgmt and Methods Analyst

Office of Performance Management
Andrew Braca, Sr. Mgmt. and Methods Analyst
Luke Koushmaro, Performance Management Analyst
Christopher Piotrowski, Performance Mgmt. Analyst
Alexandra Stine, Chief of Program Development

A Special Thanks To:

Paul Dion, Ph.D., Office of Revenue Analysis
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Neena Savage, Office of Municipal Finance

Daniel Majcher, Office of Legal Services