



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Administration
BUDGET OFFICE
One Capitol Hill
Providence, R.I. 02908-5886

Memorandum

To: Department Directors and Agency Heads

From: Rosemary Booth Gallogly
Executive Director/State Budget Officer

Date: January 22, 2009

Subject: Quarterly Report

Chapter 35-1-5 of the general laws requires that we prepare and release to the public a consolidated quarterly report incorporating the cumulative current and projected year-end status of revenues and expenditures within 45 days of the close of each quarter. The statute requires that each quarter's report include both current actual departmental expenditures and encumbrances compared to appropriations, and the anticipated year end balances assuming current trends continue and that typical cyclical expenditure patterns prevail over the course of the year. To fulfill this statutory requirement, each agency and department is required to submit a quarterly report to the Budget Office.

The report should include data and supporting notes sufficient to demonstrate each department's fiscal condition, and should include a concise executive summary, not to exceed two pages. Review of current year operations is integral to the day-to-day fiscal management of the state. Each agency and department should provide an explanation of deviations from the legislatively *enacted* budget (not the working budget or the supplemental budget) reflected in the accounting system as **FY09 ENACTED**.

Each department director and agency head is requested to provide the following by January 30, 2009:

Department Directors and Agency Heads
Page Two
January 22, 2009

1. An analysis of the status of funding *by program*, including the projected annual expenditures vs. the enacted appropriation under current trends, and the plan for a resolution of shortfalls, if any are projected. Agencies should clearly identify assumptions utilized in the analysis relating to adjustments from or to federal and/or restricted accounts, or other cost allocation adjustments that will be processed.
2. Analysis of trends of under or over-expended programs, noting the reason and the projected ending balances.
 - a. With respect to personnel costs, agencies should use the payroll benefit rates and co-shares currently being charged, except for retiree health, for which rates will change effective pay period 15 to the following rates:
 1. State Employees from 3.86% to 7.76%
 2. State Police from 20.06% to 5.2%
 3. Judges from 0.09% to 3.77%
 4. Legislators from 14.61% to 2.52%
 - b. For the furlough day that has been negotiated, you should assume savings of 1/260th of payroll costs.
 - c. With respect to fuel costs, agencies should reflect the estimated cost of fuel assuming prices remain at current levels.

This information must be submitted with full documentation to the Budget Office by Friday, January 30, 2009 to allow for preparation, briefing the Governor, and timely public submission of the Budget Office's second quarter report.

Your continued cooperation is appreciated.

RBG:sm09-95

cc: Jerry Williams
Director of Administration

Chief Financial Officers