

State of Rhode Island  
Budget Office  
Department of Administration

State Fiscal Note for Bill  
Number: 2020-h-7697

Date of State Budget Office Approval:

Date Requested: Wednesday, March 4, 2020

Date Due: Saturday, March 14, 2020

*Impact on Expenditures*

FY 2020	\$0
FY 2021	(\$4,200,000)
FY 2022	(\$4,200,000)

*Impact on Revenues*

FY 2020	\$0
FY 2021	(\$4,200,000)
FY 2022	(\$4,200,000)

*Explanation by State Budget Office:* This bill would move the Rhode Island Veterans Home from being a state agency to a quasi-public corporation of the State operated by a Board of Directors consisting of eleven (11) members.

*Comments on Sources of Funds:* Currently, the Veterans' Home is supported with a combination of general revenue, federal funds and restricted receipts from the assessment on residents' net income. It is assumed that the state's share of the assessment would be received by the new Corporation, thus reducing state general revenue receipts. It is also assumed that a general revenue appropriation would continue to be made to the new Corporation in an amount equal to current appropriations to the Home, net of the lost general revenue receipts.

*Summary of Facts and Assumptions:* The legislation would establish a new quasi-public corporation for the Rhode Island Veterans' Home but does not change the status of the Rhode Island Veterans' Cemetery. Thus, for purposes of this fiscal note, it is assumed the Veterans' Cemetery remains a state-run entity. The State appropriates between \$36 million and \$37 million annual to support the Veterans' Home. This has been comprised of state appropriations in the \$24 - \$25 million range in recent years, with the balance derived from a share of the assessment placed on residents' net income and approximately \$10 million of federal funds. Of the assessment on residents, the State retains 80% as a general revenue receipt and 20% is dedicated to the Home. The Governor's FY 2021 Budget recommended that 100% of the assessment be retained by the Home and that general revenue appropriations be reduced by a commensurate amount. Total revenues from the assessment on residents is in the \$5 - \$6 million range annually. The legislation only requires an appropriation from the State to support the cost of providing laundry services to the residents of the Home. It is assumed the all the income from the resident assessment and all federal funds would be received by the new Corporation. However, for purposes of this fiscal note, it is assumed that the State would also continue to appropriate general revenue in the form of a grant to the Corporation to support the Home's operations.

*Summary of Fiscal Impact:* Under the assumption that the State would continue to appropriate an amount equal to current appropriations to the Home, net of the lost general revenue receipts, the fiscal impact on the state budget would net to zero.

Budget Office Signature: 

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