Governor’s FY 2017 Budget: Articles

Staff Presentation to the House Finance Committee
February 25, 2016

Introduction

- Article 21 – Behavioral Healthcare, Developmental Disabilities & Hospitals
- Article 20 – Local Agriculture and Seafood Act Grants
- Article 24 – Restricted Receipts
Designates BHDDH as agency responsible for coordinating, planning managing, implementing & reporting on state’s substance abuse policy

Co-designates with Executive Office to administer federal funds & calculate state’s maintenance of effort for Substance Abuse block grant

Designation required by Substance Abuse and Mental Health Services Administration (SAMHSA)

Needed to meet match on federal Substance Abuse Block Grant

- BHDDH counted Medicaid funds in its budget as match
- Those funds now appear in EOHHS budget
- Co-designation allows continued use of same Medicaid funds
Local Agriculture & Seafood Act created by 2012 Assembly
- Funding for Local Agriculture & Seafood Grants – promote the local industry
- Currently supported by donations and general revenues - $100,000 in FY 2016
- Article expands intent of the Act
  - Adds fishing industry participation in policy & regulatory development
  - Grants of up to $50,000 for this purpose

Article 20 creates a permanent funding source for the Fund
- Shifts existing Deepwater Wind lease from general revenues to the fund
- $150,000 annually impact
- FY 2017 Budget includes $100,000 for grants
  - $50,000 is not budgeted - inadvertent
Article 20 – Local Agriculture and Seafood Act

- CRMC has 25-year lease agreement with Deepwater Wind
  - $150,000 annually or amount from federal rent formula, whichever is greater
  - Lease payments are currently deposited as general revenues
- Similar to legislation proposed last year
- Would also be exempt from 10% indirect cost recovery charge (Art 24)

Article 24 – Restricted Receipts

- All revenues = general revenue, unless otherwise noted – RIGL 35-3-14 (a)
- 10% indirect charge unless:
  - Prohibited (federal or other)
  - Charitable
  - Specifically listed as exempt
- Overhead charges similar to federal funds
  - For infrastructure and administration
Article 24 – Restricted Receipts

- Adds three accounts to list to be exempt from 10% charge:
  - Local Agriculture and Seafood Fund
  - DMV Modernization Project
  - RI Statewide Communications Network Repairs/Equipment Replacement (Google)

- Accounts or authority exist in law
  - Article 20 grows size of Local Agriculture and Seafood Fund
  - Google settlement funds
    - Already fall under blanket exemption
  - DMV account surcharges already restricted to debt and project cost
    - Receipts other than that may not be
    - Appears to avoid issue for funds to be received for settlement with HP
Governor’s FY 2017 Budget: Articles

Staff Presentation to the House Finance Committee
February 25, 2016