

# FY 2019 Changes to Governor

## Revenue Changes

**May Conference.** The May 2018 Revenue Estimating Conference increased the FY 2019 forecast to \$3,741.0 million based on its FY 2018 revisions and the new economic forecast. The estimate is \$59.4 million more than the November estimate and \$59.8 million more than the Governor's proposed budget, adjusted for recommended changes that could not be included in the estimate.

**Commerce Anchor Institution Unused Allocation.** The House Finance Committee recommends transferring \$750,000 from the Commerce Corporation's unused resources from the Anchor Institution Tax Credit program to general revenue. The 2015 Assembly enacted the program; no credits have been awarded to date. The program sunsets on December 31, 2018, and with no awards made against the fund, the Committee recommends recouping the original appropriation.

**DMV - Duplicate License Fees.** The Governor's budget assumes \$1.0 million in revenues from increasing the cost, from \$5 to \$25, for any duplicate license issued for routine information updates such as name or address and exempting this fee from being transferred to the transportation fund. The House Finance Committee recommends increasing the fee only to \$15 and decreases revenues by \$0.5 million to reflect this change.

**Hospital License Fee to 6%.** The House Finance Committee recommends changing the hospital license fee from 5.856 percent to 6.0 percent in FY 2019. This is applied to FY 2017 revenues which are lower than FY 2016 and reflect the closure of Memorial Hospital. Total license fees collected would be \$180.8 million including \$174.0 million from community hospital payments and \$6.8 million from state payments for Eleanor Slater Hospital. This is \$1.2 million less from general revenues than the Governor's budget assumed.

**Infrastructure Bank Transfer.** The House Finance Committee recommends that the Infrastructure Bank transfer \$4.0 million to state general revenues by June 30, 2019.

**Lapsed Inspection Penalty Revised Fee.** The House Finance Committee does not concur with the Governor's proposal for automated enforcement of the state's inspection requirements and the resulting \$2.6 million of revenues from registration suspensions and reinstatements for failure to comply.

**Medicaid Proposals.** The House Finance Committee recommends adding \$0.8 million in revenues based on the restoration of several Medicaid savings initiatives included in the Governor's budget that were not accepted; this increases the amount the state collects from the premium tax paid by these providers.

**Medical Marijuana Proposals.** The House Finance Committee does not concur with the Governor's proposed changes to the state's medical marijuana program and adjusts revenues accordingly. She proposed \$5.1 million in additional revenues from expansion including up to 12 new compassion centers, authorizing temporary medical marijuana eligibility to include acute pain, allowing Massachusetts and Connecticut medical marijuana cardholders to purchase at Rhode Island compassion centers, and establishing a license for medical marijuana manufacturing and research and development. The House Finance Committee does not concur with most of the expansion items, but does provide for an increased fee for the existing compassion centers from \$5,000 to \$250,000.

**Real ID Implementation - Vital Records (GBA).** The House Finance Committee concurs with the Governor's requested amendment to include revenues of \$0.4 million from increasing the fees for copies of birth and marriage certificates to fund implementation of federal Real ID requirements. The amendment

also includes expenditures of \$0.3 million from general revenues and 1.0 new position for costs and staffing associated with issuing more vital records. Funds will also be used to set up a satellite location at the Division of Motor Vehicles branch in Cranston that will provide customers the ability to obtain their birth certificates onsite.

**Resource Recovery Transfer.** The House Finance Committee does not concur with the Governor's proposal requiring that the Resource Recovery Corporation transfer \$3.0 million to general revenues by June 30, 2019.

**RI Housing Transfer.** The Governor's revised budget recommendation includes a transfer of \$5.0 million from RI Housing to state general revenues in FY 2019 as well as an increased transfer for FY 2018 of \$5.0 million. The House Finance Committee does not concur.

**Sales Tax on Microbrewery Kegs.** The House Finance Committee recommends reducing revenues by \$15,000 to recognize the impact of legislation exempting keg and barrel containers sold to alcohol beverage producers from the sales and use tax.

**Tobacco Changes.** The Governor's budget includes \$6.1 million in additional revenues from proposals to increase the cigarette tax from \$4.25 to \$4.50 per pack, extend tobacco taxes to electronic nicotine delivery systems, require other tobacco products dealers to purchase from a state-licensed supplier and raise the cap on the per cigar tax by \$0.30. The 2017 Assembly increased the cigarette tax from \$3.75 to \$4.25 per pack, effective August 2017. The House Finance Committee does not concur and adjusts revenues accordingly.

**Securities Fees.** The House Finance Committee concurs with the Governor's budget proposal to increase the upper limit fee cap on closed-end funds from \$1,000 to \$1,500 and increasing open-end mutual fund fees from \$1,000 to \$1,500. The Budget assumes \$4.6 million in new revenues from this change.

## **Expenditures Changes**

### **Administration**

**Capital - Convention Center Energy Improvements.** The House Finance Committee does not concur with the Governor's requested amendment to allow the Convention Center Authority to borrow \$4.3 million from the Rhode Island Infrastructure Bank's Energy Efficiency Fund to make energy efficiency improvements at the Convention Center and the Dunkin Donuts Center. It provides pay-go funding of \$4.3 million from Rhode Island Capital Plan funds in FY 2019 and assumes \$0.3 million of general revenue savings. Once completed, the improvements are estimated to save \$0.5 million annually from general revenues.

**Capital - Facility Renovations - Accessibility (GBA).** The approved plan assumes use of \$1.0 million annually from Rhode Island Capital Plan funds for renovations of state-owned long-term care and community based facilities, health centers, group homes, fire safety improvements, accessibility renovations to state administrative, higher education institutions and senior centers. The Governor's recommendation reduced the approved funding by \$0.1 million in FY 2018 and \$0.5 million annually for FY 2019 through FY 2021. The House Finance Committee concurs with her subsequent amendment to restore \$0.1 million in FY 2018 and \$0.5 million in FY 2019.

**Capital - Pastore Center Buildings Demolition.** The House Finance Committee recommends a total project cost of \$3.2 million from Rhode Island Capital Plan funds to demolish buildings on the Pastore Center including Pinel and the Welcome Arnold buildings, three facility shops and the old power plant on the Pastore Center. This is based on revised project plans and is \$175,000 less than the Governor recommended for FY 2018 and \$575,000 less for FY 2019.

**Capital - Pastore Hospital Consolidation (GBA).** The House Finance Committee concurs with the Governor's requested amendments to shift \$11.8 million of Rhode Island Capital Plan funds from FY 2019 to FY 2020 and to issue \$22.0 million through Certificates of Participation for the Hospital Consolidation project on the Pastore Center.

**Capital - Shepard Building.** The House Finance Committee concurs with the Governor's total project costs of \$3.8 million from Rhode Island Capital Plan funds for repairs to the Shepard Building; however, shifted a total \$0.4 million from FY 2018 and FY 2019 to FY 2020 and FY 2021 to reflect current scheduling. Funds will be used for roof and receiving door replacement, renovations to the Westminster Street entrance, structural facade repair, and new restroom floors.

**Capital - State House Energy Management Improvement.** The approved plan includes \$5.0 million from Rhode Island Capital Plan funds to renovate the boiler room of the State House. The Department's capital budget assumes use of \$0.3 million in FY 2018 and FY 2019 and indicates that the construction that is being considered will be substantially different from what was originally approved. Once the design is complete, it will have a better estimate for the construction costs. The Governor recommends \$150,000 in FY 2019 for architectural and engineering services for design options for the relocation of the boiler room. The Administration indicates that the project is currently not moving. The House Finance Committee concurs with the Governor's requested amendment to remove Rhode Island Capital Plan Fund expenditures of \$150,000 programmed in FY 2019.

**Capital - William Powers Building (GBA).** The Department anticipates Rhode Island Capital Plan fund expenditures of \$1.0 million for asset protection of the William Powers Administration building in FY 2018 for which the revised budget includes \$1.4 million. The House Finance Committee concurs with the Governor's requested amendment to reduce funding by \$350,000 in FY 2018 and \$0.5 million in FY 2019.

**City Year.** The House Finance Committee recommends an additional \$30,000 from general revenues for total funding of \$130,000 to City Year for the Whole School Whole Child Program, which provides individualized support to at-risk students.

**Cranston Street Armory Facilities Management (GBA).** The Governor's budget reflects the transfer of funding for centralized facilities management services to state agencies. The recommendation inadvertently included \$0.8 million of these expenditures from general revenues for the Cranston Street Armory in the Military Staff's budget. The House Finance Committee concurs with the Governor's requested amendment to include these costs in the Department of Administration's budget.

**Cost Allocation for Governor's Office Position.** The House Finance Committee does not concur with the Governor's proposal to allocate personnel expenditures for positions within the Governor's Office to other state agencies. The budget includes a total of \$0.8 million charged to various state agencies; the amount allocated to Department of Administration is \$0.2 million.

**Debt Service Savings (GBA).** The House Finance Committee concurs with the Governor's requested amendment to recognize \$1.9 million of general revenue debt service savings. This includes \$1.1 million less for general obligation bond debt service based on the recent issuance in April. It also reflects \$0.9 million less to cover the first-year debt service for the Garrahy Garage project for which the budget included \$2.5 million from general revenues. Those bonds were issued in January; the adjustment reflects the amount due in FY 2019.

**Facilities Management Services Savings (GBA).** The Governor's budget reflects the transfer of funding for centralized services from the Department of Administration to state agencies. She subsequently requested an amendment to reflect general revenue savings of \$0.2 million in both years based on building occupancy on the Pastore Center.

**Facility Charges to DOT.** The Governor's revised budget funds centralized facility charges for the Department of Transportation from general revenues in the Department of Administration's budget. This contradicts the intent of the 2017 Assembly's authorization of the establishment of internal service funds for centralized services to be billed to user agencies to maximize available non-general revenue sources. Based on square footage of the facilities, the Department of Administration indicates that \$0.5 million was paid in FY 2017. The House Finance Committee recommends that these expenditures be paid from resources within the Department of Transportation's budget.

**Fraud and Waste Delayed Savings (GBA).** The House Finance Committee concurs with the Governor's requested amendment to delay general revenue savings of \$3.2 million from the fraud and waste detection initiative from FY 2018 to FY 2019. It appears that \$3.0 million of the savings have been deemed to be achieved through cost avoidance as part of the Medicaid caseload projections. The House Finance Committee assumes those savings as well for a total of \$6.1 million.

**HealthSource RI Funding Adjustment (GBA).** The Governor's recommendation inadvertently reduced salary and benefit expenditures for HealthSource RI by \$0.7 million from the health reform assessment, which the Administration indicates was in error. The Governor subsequently requested an amendment to correct this. The House Finance Committee concurs.

**Hospital Consolidation Project Debt Service (GBA).** The House Finance Committee concurs with the Governor's requested amendment to include \$1.1 million from general revenues for first year's debt service for the issuance of \$22.0 million through Certificates of Participation for the Hospital Consolidation project on the Pastore Center.

**Lean Initiatives.** The House Finance Committee does not concur with the Governor's recommendation to include new expenditures of \$50,000 from general revenues to fund lean process improvement projects to improve operational efficiency throughout state government. This includes \$30,000 for three projects that the Department has yet to identify, \$6,500 to fund interns to support the program, and \$13,500 for operating supplies.

**Pay for Success Pilot Program.** The FY 2018 revised and the FY 2019 recommended budgets include \$0.3 million from general revenues to fund a new Pay for Success Pilot program, which is intended to increase employment and reduce recidivism of formerly incarcerated individuals. A contract was awarded; however, the Administration indicates that it was subsequently rescinded due to lack of participants. The House Finance Committee recommends removing funding in both years.

**Performance Management Portal.** The Governor's recommended FY 2019 budget includes the enacted amount of \$0.1 million from general revenues to make modifications to the performance management portal, tying performance measures to departments' new strategic plans. The House Finance Committee recommends removing the funding consistent with her recommendation for FY 2018.

**Project Management Staffing.** The Governor's budget inadvertently reduced requested general revenue funding for project manager positions in the Division of Capital Asset Management and Maintenance by \$0.8 million. Based on current staffing, the House Finance Committee recommends restoring \$0.7 million.

**Regulatory Reform – APA Staff Conversion (2.0 FTE).** The enacted budget includes \$170,704 from general revenues for the Office of Regulatory Reform to obtain contracted legal services for the review of state regulations. The FY 2018 revised and FY 2019 recommended budgets convert the funding from contracted services to salaries and benefits and add \$28,512 and staffing authorization for the two new positions. The House Finance Committee does not concur and recommends funding consistent with the enacted budget.

**Statewide COLA.** The Governor recently reached agreements with a majority of state employee unions for wage and benefit changes that include cost-of-living adjustments of 2.0 percent effective January 2018, 2.5 percent effective January 2019, 2.0 percent effective July 2019, and 1.0 percent effective January 2020. The estimated statewide general revenue impact is \$7.0 million for FY 2018 and \$20.0 million for FY 2019. The estimate for the Department of Administration for FY 2019 is \$0.6 million.

**VRI Savings.** The House Finance Committee recommends savings of \$0.1 million from all sources, including \$68,201 from general revenues for FY 2019 based on savings available from the voluntary retirement incentive. State employees eligible to retire on or before December 31, 2017 are eligible for the incentive, which is two times the employee's longevity capped at \$40,000. The Governor's budget includes a portion of the savings, but final participation data shows additional savings are available.

**Water Resources Board Transfer.** The House Finance Committee does not concur with the Governor's proposal to achieve \$0.6 million of general revenue savings by transferring the Water Resources Board from the Department of Administration to the Public Utilities Commission. Under the proposal, operating costs for the Water Resources Board would be charged to regulated utilities. The FY 2019 recommendation is \$0.2 million more than enacted to fully fund the Board's 3.0 full-time equivalent positions. The House Finance Committee recommends maintaining funding and the 3.0 employees in the budget of the Department of Administration.

**Workers' Compensation Savings Delay (GBA).** The House Finance Committee concurs with the Governor's requested amendment to delay general revenue savings of \$0.3 million to FY 2019 from an initiative to privatize the administration of the Workers' Compensation program.

### **Business Regulation**

**Center General Facilities Management from DOA (GBA).** The House Finance Committee concurs with the Governor's requested amendment to add \$154,228 from general revenues in both FY 2018 and FY 2019 to the Department of Business Regulation based on the Division of Capital Asset Management and Maintenance reassessment of its square footage at the Center General Building, which is shared with the Department of Labor and Training.

**Maintain Licensing Boards & Commissions in DOH (2.0 FTE).** The House Finance Committee does not concur with the Governor's proposal to transfer the licensure of several professions from the Department of Health to the Department of Business Regulation. It maintains funding of \$0.2 million from general revenues and staffing of 2.0 full-time equivalent positions in the Department of Health to support the boards and commissions.

**Medical Marijuana (4.0 FTE).** The House Finance Committee recommends \$0.3 million less than enacted from restricted receipts to support enacted level of staff for the medical marijuana licensing program. The Governor's recommendation includes \$0.3 million more than enacted to add 4.0 full-time equivalent positions in support of her proposal for significant changes which is not recommended by the Committee.

**Statewide COLA.** The Governor recently reached agreements with a majority of state employee unions for wage and benefit changes that include cost-of-living adjustments of 2.0 percent effective January 2018, 2.5 percent effective January 2019, 2.0 percent effective July 2019, and 1.0 percent effective January 2020. The estimated statewide general revenue impact is \$7.0 million for FY 2018 and \$20.0 million for FY 2019. The estimate for the Department of Business Regulation for FY 2019 is \$371,492.

**Turnover.** The House Finance Committee recommends general revenue turnover savings of \$103,000 for FY 2019 based on the current staffing level. This is equivalent to 1.0 vacant position. The Department currently has 8.4 vacancies, but anticipates half of those positions being filled for the beginning of FY 2019.

## Executive Office of Commerce

**Capital - Quonset Piers.** The Governor's capital budget includes \$90.0 million to refurbish Quonset Development Corporation's Pier 2. Funding includes \$15.0 million from Rhode Island Capital Plan funds, \$50.0 million from general obligation bond funds, \$21.0 million from Corporation revenue bonds and \$4.0 million from other Corporation resources. The House Finance Committee recommends shifting \$1.7 million of the Rhode Island Capital Plan funds from FY 2018 to the FY 2019 through FY 2021 period, including \$0.7 million in FY 2019 and \$0.5 million in FY 2020 and FY 2021 respectively, based on current spending.

**Chafee Center at Bryant.** The House Finance Committee recommends \$100,000 more than enacted for the Chafee Center at Bryant College, for a total of \$476,200. The Chafee Center at Bryant University, helps local companies initiate and/or develop international trade opportunities; its consultants work closely with each client company to offer guidance and advice to both research and international trade.

**First Wave Closing Fund.** The House Finance Committee does not concur with the Governor's recommendation to provide an additional \$1.0 million for FY 2019. Since enacting the First Wave Closing Fund, the Assembly has appropriated \$15.3 million to support the program. The program has made awards to six companies totaling \$2.4 million; the Corporation has not awarded any funds since December 2017. The program has approximately \$12.9 million in reserves from which to draw awards. The fund was enacted in 2015 to provide financing to ensure that certain transactions that are critical to the state's economy occur, subject to the Commerce Corporation's Board approval.

**Cost Allocation for Governor's Office Position.** The House Finance Committee does not concur with the Governor's proposal to allocate personnel expenditures for positions within the Governor's Office to other state agencies. The budget includes a total of \$0.8 million charged to various state agencies; the amount charged to the Executive Office of Commerce is \$61,282 from general revenues for a quarter of the cost of a deputy chief of staff position.

**Manufacturing Investment Tax Credit.** The House Finance Committee does not concur with the Governor's recommendation to include \$0.3 million from general revenues to establish a new refundable tax credit, up to \$0.1 million against state personal income or business taxes, for investments in tangible property, and construction of facilities.

**Manufacturing Site Readiness.** The House Finance Committee does not concur with the Governor's recommendation to include \$0.2 million from general revenues to establish a new fund to be administered by the Commerce Corporation to develop an inventory of "vetted pad-ready sites" capable of supporting facilities for manufacturing, industrial, or distribution sites.

**Municipal Technical Assistance Fund.** The House Finance Committee does not concur with the Governor's recommendation to provide \$200,000 from general revenues to establish a new fund at the Commerce Corporation to award loans, grants and other forms of financing to support municipalities' access to technical assistance to evaluate and streamline zoning, planning, and permitting codes and processes.

**Rebuild Cash Flow Adjustment.** The House Finance Committee recommends \$11.2 million for FY 2019 to fund future credit redemption of the Rebuild Rhode Island program. This brings resources available through FY 2019 to \$49.7 million. The Governor's revised recommendation shifted \$4.3 million from the enacted budget to free up resources for use in FY 2018. The House Finance Committee does not include this shift and recommends the enacted amount of \$12.5 million for FY 2018. As of May 2018, the Corporation has awarded \$95.8 million in credits under the Rebuild Rhode Island program which are paid out over time.

**Small Business Assistance.** The House Finance Committee does not concur with the Governor's recommendation to provide \$0.5 million from general revenues to recapitalize the Small Business Assistance Program for businesses with less than 200 employees that are having difficulties obtaining financing from traditional lending organizations.

**Statewide COLA.** The Governor recently reached agreements with a majority of state employee unions for wage and benefit changes that include cost-of-living adjustments of 2.0 percent effective January 2018, 2.5 percent effective January 2019, 2.0 percent effective July 2019, and 1.0 percent effective January 2020. The estimated statewide general revenue impact is \$7.0 million for FY 2018 and \$20.0 million for FY 2019. The estimate for the Executive Office of Commerce for FY 2019 is \$49,683.

**Supply RI.** The Governor's recommendation includes \$475,000 from general revenues for a new Supply RI initiative to connect small suppliers with the state's largest commercial purchasers. The funds would be used to maintain a database and provide information sessions and networking events. The Supply RI initiative was approved by the Commerce Corporation Board of Directors at its December 2017 board meeting, with a budget of \$325,000, including \$140,000 from its own resources, with the remainder of funding coming from other sources, including participation fees. The House Finance Committee recommends \$300,000.

**Tax Stabilization Incentive.** The House Finance Committee does not concur with the Governor's recommendation to add \$20,000 from general revenues for the Tax Stabilization Incentive program in FY 2019. Under Rhode Island General Law, the Commerce Corporation is permitted to use resources from the Rebuild Rhode Island Tax Credit fund to reimburse municipalities for the Tax Stabilization Incentive program.

**Turnover.** The House Finance Committee recommends general revenue turnover savings of \$419,000 for FY 2019 by maintaining the two current vacancies within the Office. The Governor's FY 2019 recommended budget assumes turnover savings of \$38,891.

### **Labor and Training**

**Capital - Center General Asset Protection.** The Governor's capital budget includes a total of \$6.1 million from Rhode Island Capital Plan funds from FY 2018 through FY 2023 for asset protection projects for the Center General Complex in Cranston and the Arrigan Rehabilitation Center in Providence. The House Finance Committee recommends reducing FY 2018 expenses by \$1.0 million and shifting \$0.5 million of that to FY 2019 based on updated spending plans.

**Centralized Services (GBA).** The House Finance Committee concurs with the Governor's requested amendment to add \$154,228 from general revenues in both FY 2018 and FY 2019 to the Department of Business Regulation based on the Division of Capital Asset Management and Maintenance reassessment of its square footage at the Center General Building, which is shared with the Department of Labor and Training. There is like decrease in federal funding for the Department of Labor and Training.

**Cost Allocation for Governor's Office Position.** The House Finance Committee does not concur with the Governor's proposal to allocate personnel expenditures for positions within the Governor's Office to other state agencies. The budget includes a total of \$0.8 million charged to various state agencies; the amount allocated to Department of Labor and Training is \$0.1 million.

**Misclassification Task Force Expansion (Article 11).** The Governor recommends \$0.9 million from restricted receipts to fund 9.0 new full-time equivalent misclassification task force and workplace fraud unit positions. The recommendation includes 6.0 labor standards examiners, 2.0 prevailing wage investigators, and 1.0 legal counsel. The unit currently is staffed by 12.0 positions. The House Finance Committee does not recommend the new positions or funding.

**Opportunities Industrialization Center.** The House Finance Committee recommends a \$0.1 million appropriation from general revenues for FY 2019 to support the Opportunities Industrialization Center, a nonprofit organization which provides training, employment, minority business enterprise, and urban policy development services to underserved urban populations through collaboration with public and private sectors as well as community based organizations.

**Real Jobs RI - State Funding.** The House Finance Committee recommends providing \$5.0 million in additional general revenue funding for the Real Jobs RI program, which would provide \$7.9 million in new resources to support the program in FY 2019. This includes \$5.5 million from a one year change to the unemployment insurance trust fund to allow no more than 75.0 percent of the prior year earnings to be redirected. Further, the changes will only be applicable for tax year 2019. It also includes \$0.5 million from the repeal of the Job Training Tax Credit.

**Supportive Employment Initiative.** The Governor recommends \$0.4 million from general revenues for a new program in FY 2019 under the purview of the Governor's Workforce Board for those in recovery. Job training through the Department's current programs would be paired with services such as substance use disorder counseling, recovery coaching, or housing aid. The House Finance Committee does not recommend new general revenues for this program.

**Statewide COLA.** The Governor recently reached agreements with a majority of state employee unions for wage and benefit changes that include cost-of-living adjustments of 2.0 percent effective January 2018, 2.5 percent effective January 2019, 2.0 percent effective July 2019, and 1.0 percent effective January 2020. The estimated statewide general revenue impact is \$7.0 million for FY 2018 and \$20.0 million for FY 2019. The estimate for the Department of Labor and Training for FY 2019 is \$74,206.

## Revenue

**Central Falls Operating Support.** The Governor's recommended budget excludes the \$0.6 million from general revenues in the enacted budget to support the operations of the City of Central Falls. The House Finance Committee recommends providing the enacted level of funding.

**Cost Allocation for Governor's Office Position.** The House Finance Committee does not concur with the Governor's proposal to allocate personnel expenditures for positions within the Governor's Office to other state agencies. The budget includes a total of \$0.8 million charged to various state agencies; the amount charged to the Department of Revenue is \$58,114 from general revenues for a quarter of the cost of a deputy chief of staff position.

**Statewide COLA.** The Governor recently reached agreements with a majority of state employee unions for wage and benefit changes that include cost-of-living adjustments of 2.0 percent effective January 2018, 2.5 percent effective January 2019, 2.0 percent effective July 2019, and 1.0 percent effective January 2020. The estimated statewide general revenue impact is \$7.0 million for FY 2018 and \$20.0 million for FY 2019. The estimate for the Department of Revenue for FY 2019 is \$1.0 million.

## Legislature

**Statewide COLA.** The Governor recently reached agreements with a majority of state employee unions for wage and benefit changes that include cost-of-living adjustments of 2.0 percent effective January 2018, 2.5 percent effective January 2019, 2.0 percent effective July 2019, and 1.0 percent effective January 2020. The estimated statewide general revenue impact is \$7.0 million for FY 2018 and \$20.0 million for FY 2019. The estimate for the Legislature for FY 2019 is \$0.8 million.



## **Lieutenant Governor**

**Staffing.** The Governor's budget includes \$65,199 less than enacted from general revenues for personnel costs for the Office of the Lieutenant Governor for FY 2019. The House Finance Committee recommends increasing the salaries and benefits by \$50,000 based on information subsequently provided by the Office of the Lieutenant Governor.

**Statewide COLA.** The Governor recently reached agreements with a majority of state employee unions for wage and benefit changes that include cost-of-living adjustments of 2.0 percent effective January 2018, 2.5 percent effective January 2019, 2.0 percent effective July 2019, and 1.0 percent effective January 2020. The estimated statewide general revenue impact is \$7.0 million for FY 2018 and \$20.0 million for FY 2019. The estimate for the Office of the Lieutenant Governor for FY 2019 is \$24,626.

## **Secretary of State**

**Help America Vote Act Election Security Grant (GBA).** The federal Omnibus Appropriations Act signed into law March 23, 2018 includes \$380 million in Help America Vote Act funding for enhancements of election technology and security improvements. The Secretary of State in conjunction with the Board of Elections will be receiving \$3.0 million of that funding, which requires a \$150,000 state match. The House Finance Committee concurs with the Governor's requested amendment to add expenditures totaling \$2.0 million for election upgrades in FY 2019 from this new grant.

**Interns.** The Governor recommends \$72,000 from general revenues for interns for the Office of the Secretary of State. This mistakenly doubles the cost and the House Finance Committee recommends removing the \$36,000 of excess funding to correct the total.

**Statewide COLA.** The Governor recently reached agreements with a majority of state employee unions for wage and benefit changes that include cost-of-living adjustments of 2.0 percent effective January 2018, 2.5 percent effective January 2019, 2.0 percent effective July 2019, and 1.0 percent effective January 2020. The estimated statewide general revenue impact is \$7.0 million for FY 2018 and \$20.0 million for FY 2019. The estimate for the Office of the Secretary of State for FY 2019 is \$152,630.

**Turnover.** The House Finance Committee recommends reducing general revenue funding for the Office by \$102,000 based on FY 2018 experience. The Office has averaged 3.0 vacancies and the Governor's budget fully funds all authorized positions.

## **Office of the General Treasurer**

**Statewide COLA.** The Governor recently reached agreements with a majority of state employee unions for wage and benefit changes that include cost-of-living adjustments of 2.0 percent effective January 2018, 2.5 percent effective January 2019, 2.0 percent effective July 2019, and 1.0 percent effective January 2020. The estimated statewide general revenue impact is \$7.0 million for FY 2018 and \$20.0 million for FY 2019. The estimate for the Office of General Treasurer for FY 2019 is \$56,144.

**Unclaimed Property.** The House Finance Committee recommends adding \$0.4 million for the unclaimed transfer to the state for FY 2019 to reflect the May Revenue Estimating Conference estimate of \$9.7 million.

**VRI Savings.** The House Finance Committee recommends general revenue savings of \$50,000 for FY 2019 based on two individuals opting to take the voluntary retirement incentive during FY 2018. The \$50,000 reduction equates to leaving those two positions vacant for approximately four months. The Governor's FY 2019 recommended budget did not assume any savings from the program.

## **Board of Elections**

**Elections Telecommunications.** The Governor recommends \$80,000 from general revenues to support telecommunications expenses related to the new voting machines. The Board indicates the total amount should be \$56,000. The House Finance Committee recommends removing the excess \$24,000.

**Project Manager (1.0 FTE) (GBA).** The House Finance Committee concurs with the Governor's requested amendment to add \$0.1 million from general revenues and authorization for 1.0 new full-time equivalent position for the Board of Elections in FY 2019. The position would be responsible for the coordination, deployment, and maintenance of epoll books throughout the state, as well as a role in risk limiting audit implementation, website maintenance, and any other duties that arise.

**Seasonal Staff.** The House Finance Committee recommends reducing the amount for seasonal staff by \$0.1 million to reflect expected lower needs as a result of purchasing mail ballot processing machinery through the Help America Vote Act Election Security grant as well as historical expenditures. The Governor recommends \$0.4 million from general revenues for seasonal staff to help the Board with the November 2018 election. The Board spent \$112,945 on seasonal staff in FY 2013, \$190,992 in FY 2015, and \$228,684 in FY 2017.

**Statewide COLA.** The Governor recently reached agreements with a majority of state employee unions for wage and benefit changes that include cost-of-living adjustments of 2.0 percent effective January 2018, 2.5 percent effective January 2019, 2.0 percent effective July 2019, and 1.0 percent effective January 2020. The estimated statewide general revenue impact is \$7.0 million for FY 2018 and \$20.0 million for FY 2019. The estimate for the Board of Elections for FY 2019 is \$42,566.

**Turnover.** The Governor's FY 2019 budget fully funds the Board's 12.0 authorized positions; as of May 12, 2018 the Board has averaged 10.1 filled positions. The House Finance Committee recommends reducing funding for the Board by \$0.1 million for FY 2019, which is equivalent to one vacant position.

## **Ethics Commission**

**Statewide COLA.** The Governor recently reached agreements with a majority of state employee unions for wage and benefit changes that include cost-of-living adjustments of 2.0 percent effective January 2018, 2.5 percent effective January 2019, 2.0 percent effective July 2019, and 1.0 percent effective January 2020. The estimated statewide general revenue impact is \$7.0 million for FY 2018 and \$20.0 million for FY 2019. The estimate for the Ethics Commission for FY 2019 is \$41,677.

## **Governor's Office**

**Statewide COLA.** The Governor recently reached agreements with a majority of state employee unions for wage and benefit changes that include cost-of-living adjustments of 2.0 percent effective January 2018, 2.5 percent effective January 2019, 2.0 percent effective July 2019, and 1.0 percent effective January 2020. The estimated statewide general revenue impact is \$7.0 million for FY 2018 and \$20.0 million for FY 2019. The estimate for the Office of the Governor for FY 2019 is \$137,319.

**Contingency Fund.** The Contingency Fund may be used for expenditures in any state department or agency where funding is insufficient, or where such requirements are due to unforeseen conditions or are non-recurring items of an unusual nature. Expenditures for the last five fiscal years averaged \$89,744. The House Finance Committee recommends providing \$100,000, which is \$150,000 less than the Governor recommended.

## Commission for Human Rights

**Statewide COLA.** The Governor recently reached agreements with a majority of state employee unions for wage and benefit changes that include cost-of-living adjustments of 2.0 percent effective January 2018, 2.5 percent effective January 2019, 2.0 percent effective July 2019, and 1.0 percent effective January 2020. The estimated statewide general revenue impact is \$7.0 million for FY 2018 and \$20.0 million for FY 2019. The estimate for the Commission for Human Rights for FY 2019 is \$24,985.

## Public Utilities Commission

**New Consumer Affairs Administrator (1.0 FTE).** The House Finance Committee does not concur with the Governor's proposal to add \$0.1 million and 1.0 new full-time associate administrator position. The position would supervise the consumer and engineering sections of the Division.

**Cost Allocation for Governor's Office Position.** The House Finance Committee does not concur with the Governor's proposal to allocate personnel expenditures for positions within the Governor's Office to other state agencies. The budget includes a total of \$0.8 million charged to various state agencies; the amount charged to the Public Utilities Commission is \$25,451 from general revenues for a quarter of the cost of a policy advisor employee.

**Water Resources Board Transfer.** The House Finance Committee does not concur with the Governor's proposal to achieve \$0.6 million of general revenue savings by transferring the Water Resources Board from the Department of Administration to the Public Utilities Commission. Under the proposal, operating costs for the Water Resources Board would be charged to regulated utilities. The House Finance Committee recommends maintaining funding and the 3.0 employees in the budget of the Department of Administration.

## Executive Office of Health and Human Services

**Medicaid Caseload - May Conference.** The House Finance Committee recommends increasing medical assistance expenses by \$47.6 million for FY 2019. This reflects the \$35.1 million change made at the May caseload estimate for projected program costs. The estimate includes general revenue savings of \$17.5 million, which includes savings from reauthorization of the Children's Health Insurance Program, which was already assumed in the Governor's budget along with other initiatives. Accounting for the savings already assumed in the Governor's budget, FY 2019 spending is estimated to be \$16.4 million more from general revenues, \$33.4 million more from federal funds, and \$2.3 million less from restricted receipts.

**Consent Decree Payment Medicaid Correction.** The House Finance Committee recommends \$300,000, including \$150,000 from general revenues, to pay the costs for the consent decree court monitor for FY 2019 consistent with the legal limit. The Governor's recommended budget includes \$450,000 from general revenues and she subsequently requested an amendment to reflect a 50.0 percent Medicaid match but left the expense overfunded by \$150,000.

**Co-Payments for Adults (2.0 FTE).** The House Finance Committee does not concur with the Governor's recommendation to institute co-payments for adults receiving certain Medicaid services and restores the \$6.6 million of savings. This includes restoring \$7.6 million, of which \$1.6 million is from general revenues, in the medical assistance program and eliminating the proposal to add two positions and \$1.0 million, including \$0.3 million from general revenues, for implementation.

**Cortical Integrated Therapy to Enacted.** The House Finance Committee recommends restoring the \$1.0 million from general revenues for cortical integrated therapy services, which was reduced in the Governor's recommended budget. This was also reduced to \$750,000 in the Governor's revised budget as part of her plan to meet a \$25.0 million administrative savings target and was restored by the Committee.

**Cost Allocation for Governor's Office Position.** The House Finance Committee does not concur with the Governor's proposal to allocate personnel expenditures for positions within the Governor's Office to other state agencies. The budget includes a total of \$0.8 million charged to various state agencies; the amount charged to the Executive Office of Health and Human Services is \$0.1 million from general revenues.

**Enhanced Medicaid Claiming Technical Assistance.** The Governor's budget includes the enacted level of \$500,000 including \$250,000 from general revenues, to provide technical assistance to the Department of Children, Youth and Families and the Executive Office with increasing federal claiming opportunities. Funding was not used for this purpose in FY 2018. The House Finance Committee recommends removing the FY 2019 funding.

**Hospitals - Upper Payment Limit.** The House Finance Committee does not concur with the Governor's recommendation to eliminate the inpatient upper payment limit reimbursement and restores \$9.4 million from all sources, including \$3.6 million from general revenues.

**Hospitals - Graduate Medical Education.** The House Finance Committee recommends \$5.0 million from general revenues for graduate medical education funding for academic medical centers that meet certain criteria, including designation as Level 1 trauma centers. The Governor's budget eliminates the enacted funding of \$4.0 million.

**Long Term Care Rebalancing - Home Modification.** The House Finance Committee recommends adding \$250,000 from general revenues to bring total funding for home modification projects to \$500,000. The funding supports home modifications and accessibility enhancements to construct, retrofit and/or renovate residences to allow individuals to remain in community settings; this will be in coordination with the Governor's Commission on Disabilities.

**Long Term Care Rebalancing - Home Care Rates.** The House Finance Committee recommends adding \$7.0 million, including \$3.4 million to increase fee-for-service home care rates impacting both the Executive Office of Health and Human Services' budget and the Department of Human Services as well as for services provided to developmentally disabled adults through the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals. For the Executive Office's budget, this is \$6.0 million, including \$2.9 million from general revenues, above the Governor's recommendation for these services.

**Managed Care Reserve Reduction.** The House Finance Committee does not concur with the Governor's proposal to reduce the reserve retained by the managed care plans and restores \$20.5 million, including \$6.9 million from general revenues. The state entered into five-year contracts with Neighborhood Health Plan of Rhode Island, United Healthcare, and Tufts Health Plan of Rhode Island. As part of the contracts, the state agreed to the plans retaining 1.5 percent of administrative and medical premiums to mitigate the risk of operating in the commercial insurance market.

**Managed Care Medical Component Reduction to 1.0%.** The House Finance Committee recommends adding \$17.2 million, including \$5.8 million from general revenues, to restore a portion of the savings taken in the Governor's recommended budget impacting the rate paid to the managed care programs through the medical component. The change lowers the Governor's recommended 2.0 percent reduction to 1.0 percent.

**Mental Health Parity Study.** The House Finance Committee does not concur with the Governor's recommendation to add \$150,000 from general revenues to conduct a mental health parity study through the Office of the Health Insurance Commissioner and reduces funding accordingly.

**Nursing Homes Retroactive Coverage.** The House Finance Committee does not concur with the Governor's proposal to eliminate retroactive coverage and restores \$4.8 million, including \$2.3 million from general revenues, in the medical assistance program.

**One Time Contract Savings from FY 2018.** The House Finance Committee recommends reducing spending on contracted services by \$2.3 million, including \$0.7 million from general revenues for FY 2019. The Executive Office entered into several new one-year contracts in FY 2018 using available resources that were not identified for any specific purposes in the enacted budget. The Committee recommends adjusting FY 2019 expenditures to reflect the expiration of the time-limited contracts.

**Statewide COLA.** The Governor recently reached agreements with a majority of state employee unions for wage and benefit changes that include cost-of-living adjustments of 2.0 percent effective January 2018, 2.5 percent effective January 2019, 2.0 percent effective July 2019, and 1.0 percent effective January 2020. The estimated statewide general revenue impact is \$7.0 million for FY 2018 and \$20.0 million for FY 2019. The estimate for the Executive Office of Health and Human Services for FY 2019 is \$393,256.

**VRI Savings.** The House Finance Committee recommends savings of \$56,920 from all sources, including \$28,460 from general revenues, for FY 2019 based on longevity savings available from five individuals taking the voluntary retirement incentive. State employees eligible to retire on or before December 31, 2017 are eligible for the incentive, which is two times the employee's longevity capped at \$40,000. The Governor's budget did not include any savings.

### **Children, Youth and Families**

**Caseload and Initiative Rebase.** The House Finance Committee recommends adding \$17.2 million, including \$12.7 million from general revenues, to reflect updated FY 2019 projected costs for community based programs in the Department of Children, Youth and Families. This includes foster care and residential services. The Committee also recommends adding \$17.2 million, including \$13.5 million from general revenues, for FY 2018 for the same programs.

**Child Care Rate Increase.** The Governor recommends adding \$1.5 million from general revenues to raise child care rates through the Department of Human Services' subsidized child care program. The House Finance Committee recommends the increase using available federal funds. Of this amount, \$0.2 million is for increased child care costs in the Department of Children, Youth and Families' budget that are subject to this rate increase. The House Finance Committee shifts the funding accordingly and also includes \$49,000 to reflect costs related to the new union contract with the family based providers.

**New Federal Waiver Impact.** The House Finance Committee recommends savings of \$1.0 million from general revenues from leveraging Medicaid funds available to support services to those in voluntary placements. This is in anticipation of a new opportunity included in the Medicaid waiver application.

**Statewide COLA.** The Governor recently reached agreements with a majority of state employee unions for wage and benefit changes that include cost-of-living adjustments of 2.0 percent effective January 2018, 2.5 percent effective January 2019, 2.0 percent effective July 2019, and 1.0 percent effective January 2020. The estimated statewide general revenue impact is \$7.0 million for FY 2018 and \$20.0 million for FY 2019. The estimate for the Department of Children, Youth and Families for FY 2019 is \$1.3 million.

### **Health**

**Maintain Licensing Boards & Commissions in DOH (2.0 FTE).** The House Finance Committee does not concur with the Governor's proposal to transfer the licensure of several professions from the Department of Health to the Department of Business Regulation. It maintains funding of \$0.2 million from general revenues and staffing of 2.0 full-time equivalent positions in the Department of Health to support the boards and commissions.

**VRI Savings.** The House Finance Committee recommends savings of \$0.2 million from all sources, including \$46,055 from general revenues, for FY 2019 based on longevity savings available from the voluntary retirement incentive participation not reflected in the Governor's budget. State employees eligible to retire on or before December 31, 2017 are eligible for the incentive, which is two times the employee's longevity capped at \$40,000.

**Real ID Implementation - Vital Records (GBA) (1.0 FTE).** The House Finance Committee concurs with the Governor's requested amendment to provide the Department of Health with \$0.3 million from general revenues and 1.0 new position for costs and staffing associated with issuing more vital records for implementation of federal Real ID requirements. Funds will also be used to set up a satellite location at the Division of Motor Vehicles branch in Cranston that will provide customers the ability to obtain their birth certificates onsite. The budget assumes revenues of \$0.4 million from fees associated with obtaining copies of birth and marriage certificates.

**Statewide COLA.** The Governor recently reached agreements with a majority of state employee unions for wage and benefit changes that include cost-of-living adjustments of 2.0 percent effective January 2018, 2.5 percent effective January 2019, 2.0 percent effective July 2019, and 1.0 percent effective January 2020. The estimated statewide general revenue impact is \$7.0 million for FY 2018 and \$20.0 million for FY 2019. The estimate for the Department of Health for FY 2019 is \$0.5 million.

### **Human Services**

**Cash Assistance Caseload - May Conference.** The House Finance Committee recommends reducing expenditures for cash assistance caseloads by \$4.4 million, including \$5.2 million from general revenues, to reflect the May Caseload Estimating Conference estimates for Rhode Island Works, subsidized child care, supplemental security income and general public assistance bridge programs.

**Child Care Pilot.** The House Finance Committee does not concur with the Governor's proposal to provide \$200,000 from general revenues for a new child care pilot program. The Governor's recommended budget includes the funding to allow parents enrolled in one of the state's public institutions of higher education to qualify for child care assistance.

**Child Care Provider Tiered Incentives - Block Grant.** The Governor recommends \$1.5 million from general revenues for a new tiered incentive program for infant and toddler care providers. The incentives would be tied to the state's voluntary quality rating system, with providers with higher rankings receiving more funding than those in lower tiers. The House Finance Committee recommends a total of \$3.6 million from available federal Child Care Development Block Grant funds to support this initiative and expand the tiered incentive program to pre-school aged children. This includes \$3.4 million for the Department of Human Services and \$0.2 million for the Department of Children, Youth and Families.

**Crossroads.** The House Finance Committee recommends an additional \$200,000 from general revenues for FY 2019 to support activities provided by Crossroads Rhode Island, for total funding of \$500,000.

**Family Child Care Provider Union Contract.** In April 2018, the state entered into a contract with SEIU 1199, the union representing family child care providers. The contract includes a 2.5 percent rate increase, retroactive to January 1, 2018, as well as additional rate increases effective January 1, 2019 and January 1, 2020. Current rates are established in statute and any changes to rates require Assembly approval. The contract also includes implementation of required sick time and gradually increases the maximum number of hours that can be earned over the FY 2019 through FY 2020 period. The Governor subsequently requested an amendment to include \$860,715 from general revenues for these payments in FY 2019, consistent with the Department of Human Services' testimony at the May Caseload Estimating Conference.

The House Finance Committee concurs but recommends use of available federal funds in lieu of general revenues.

**Federal Funds Correction.** The House Finance Committee recommends a \$0.4 million reduction from federal funds to correct the budget for the Head Start program; total funding will remain consistent with the enacted budget. The Department requested additional funds in error, and the Governor's recommended budget reflects that request.

**Long Term Care Rebalancing - Home Care Rates.** The House Finance Committee recommends adding \$7.0 million, including \$3.4 million to increase fee-for-service home care rates impacting both the Executive Office of Health and Human Services' budget and the Department of Human Services as well as for services provided to developmentally disabled adults through the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals. For the Department of Human Services, this is \$0.4 million more than the Governor's recommendation, including \$0.2 million from general revenues.

**State Assisted Living Supplement Enrollment Update.** The House Finance Committee recommends a \$0.1 million reduction to general revenue expenditures for the state's assisted living supplemental payment based on historical spending.

**Statewide COLA.** The Governor recently reached agreements with a majority of state employee unions for wage and benefit changes that include cost-of-living adjustments of 2.0 percent effective January 2018, 2.5 percent effective January 2019, 2.0 percent effective July 2019, and 1.0 percent effective January 2020. The estimated statewide general revenue impact is \$7.0 million for FY 2018 and \$20.0 million for FY 2019. The estimate for the Department of Human Services for FY 2019 is \$0.9 million.

#### **BHDDH**

**Capital - Community Facilities - Fire Code Upgrades.** The Governor's capital budget includes \$1.0 million from Rhode Island Capital Plan funds to install new and upgrade existing fire alarm and sprinkler systems throughout the community developmental disability and mental health facilities. This includes \$416,061 for FY 2018. The House Finance Committee recommends reducing FY 2018 funding by \$366,061 based on current spending and FY 2019 funding by \$0.2 million based on expected work.

**Case Management Health Homes Initiative.** The House Finance Committee recommends general revenue savings of \$1.5 million by recognizing the available Medicaid match rates for the case management health home initiative. This includes a 90/10 Medicaid match for direct services and a 50/50 administrative match for the contracted administrative services. The Governor's recommended budget did not assume federal match on the contractor and retained a 50/50 match for the direct services.

**Correction to Court Monitor Transfer (GBA).** The House Finance Committee concurs with the Governor's requested amendment to add \$375,000 from general revenues and \$399,784 from federal funds to correct the inadvertent adjustment made in the Governor's budget when the funding for the court monitor was transferred to the Executive Office of Health and Human Services' budget.

**Developmental Disabilities Services.** The House Finance Committee recommends adding \$18.0 million, including \$8.8 million from general revenues, to reflect anticipated costs for community based programs supporting adults with developmental disabilities totaling \$229.2 million in FY 2019. This includes \$107.5 million from general revenues and is \$1.3 million above FY 2018.

**Developmental Disabilities Consent Decree.** The House Finance Committee recommends \$1.5 million, including \$0.8 million from general revenues, to support technical and other assistance for community

based agencies to ensure they transition to providing integrated services to adults with developmental disabilities that comply with the consent decree.

**Eleanor Slater Hospital License Fee.** The House Finance Committee recommends \$6.8 million for the FY 2019 hospital license fee for Eleanor Slater Hospital. The fee, paid by both the community hospitals and the state, is increasing from 5.856 percent to 6.0 percent with an updated base year. There is also a corresponding revenue adjustment.

**Internal Service Fund Medicaid Match Correction.** The House Finance Committee recommends shifting \$1.4 million of expenditures from general revenues to federal funds by correcting the Medicaid match applied to centralized service costs transferred from the Department of Administration to the Division of Developmental Disabilities and Eleanor Slater Hospital system. The Governor's recommended budget did not use the 50.0 percent administrative rate, and the Committee's recommendation corrects that.

**Long Term Care Rebalancing - Home Care Rates.** The House Finance Committee recommends adding \$7.0 million, including \$3.4 million to increase fee-for-service home care rates impacting both the Executive Office of Health and Human Services' budget and the Department of Human Services as well as for services provided to developmentally disabled adults through the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals. For the Department's budget, this \$0.6 million, including \$0.3 million from general revenues, above the Governor's recommendation for these services.

**Statewide COLA.** The Governor recently reached agreements with a majority of state employee unions for wage and benefit changes that include cost-of-living adjustments of 2.0 percent effective January 2018, 2.5 percent effective January 2019, 2.0 percent effective July 2019, and 1.0 percent effective January 2020. The estimated statewide general revenue impact is \$7.0 million for FY 2018 and \$20.0 million for FY 2019. The estimate for the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals for FY 2019 is \$1.4 million.

**VRI Savings.** The House Finance Committee recommends savings of \$0.4 million from all sources, including \$0.2 million from general revenues, for FY 2019 based on longevity savings available from 38 individuals who participated in the voluntary retirement incentive program. State employees eligible to retire on or before December 31, 2017 are eligible for the incentive, which is two times the employee's longevity capped at \$40,000. The Governor's budget did not include any savings.

### **Child Advocate**

**New Staff (1.4 FTE).** The House Finance Committee recommends adding \$106,121, including \$27,722 from general revenues and \$78,399 from federal funds to increase the staffing authorization for the Office of the Child Advocate to 10.0 full-time equivalent positions. This is to enhance the ability of the Office to fulfill its mission and meet its responsibilities under the Children's Rights Settlement. The Governor recommended a total of 8.6 full-time equivalent positions, which included a new part-time position. All eight authorized positions are currently filled.

**Statewide COLA.** The Governor recently reached agreements with a majority of state employee unions for wage and benefit changes that include cost-of-living adjustments of 2.0 percent effective January 2018, 2.5 percent effective January 2019, 2.0 percent effective July 2019, and 1.0 percent effective January 2020. The estimated statewide general revenue impact is \$7.0 million for FY 2018 and \$20.0 million for FY 2019. The estimate for the Office of the Child Advocate for FY 2019 is \$18,496.

### **Deaf and Hard of Hearing**

**Statewide COLA.** The Governor recently reached agreements with a majority of state employee unions for wage and benefit changes that include cost-of-living adjustments of 2.0 percent effective January 2018,



2.5 percent effective January 2019, 2.0 percent effective July 2019, and 1.0 percent effective January 2020. The estimated statewide general revenue impact is \$7.0 million for FY 2018 and \$20.0 million for FY 2019. The estimate for the Commission on the Deaf and Hard of Hearing for FY 2019 is \$11,711.

### **Governor's Commission on Disabilities**

**Statewide COLA.** The Governor recently reached agreements with a majority of state employee unions for wage and benefit changes that include cost-of-living adjustments of 2.0 percent effective January 2018, 2.5 percent effective January 2019, 2.0 percent effective July 2019, and 1.0 percent effective January 2020. The estimated statewide general revenue impact is \$7.0 million for FY 2018 and \$20.0 million for FY 2019. The estimate for the Governor's Commission on Disabilities for FY 2019 is \$9,980.

### **Office of the Mental Health Advocate**

**Statewide COLA.** The Governor recently reached agreements with a majority of state employee unions for wage and benefit changes that include cost-of-living adjustments of 2.0 percent effective January 2018, 2.5 percent effective January 2019, 2.0 percent effective July 2019, and 1.0 percent effective January 2020. The estimated statewide general revenue impact is \$7.0 million for FY 2018 and \$20.0 million for FY 2019. The estimate for the Office of the Mental Health Advocate for FY 2019 is \$13,496.

### **Elementary & Secondary Education**

**Advanced Placement Waivers at Current Level.** The House Finance Committee recommends \$25,000 from general revenues to support the Department's advanced placement test fee waiver program. The Governor's budget includes \$55,000 from Title IV(a) funds to support this program. With additional general revenues, total funding for the program would be \$80,000, consistent with FY 2016 and FY 2017 actual spending.

**Capital - Davies Advanced Manufacturing.** The Governor recommends the enacted amount of \$3.7 million from Rhode Island Capital Plan funds for renovations to the Advanced Manufacturing program at the Davies Career and Technical School. Based on the current project schedule, the House Finance Committee recommends shifting \$3.3 million from FY 2018 to FY 2019.

**Capital - Davies School – HVAC.** The Governor recommends \$3.0 million from Rhode Island Capital Plan funds for FY 2018 and FY 2019 to repair the HVAC system at the Davies Career and Technical School. Work on the third-floor freshman wing is complete, but the school reports that remaining repairs are delayed until a facility master plan is completed. Based on that, the House Finance Committee recommends shifting \$0.7 million from FY 2018 and \$1.8 million from FY 2019 to FY 2020 and FY 2021, respectively.

**Computer Science for RI.** The House Finance Committee recommends the enacted level of \$210,000 from general revenues to fund Computer Science for RI, which is \$50,000 less than the Governor's recommendation. The initiative was created as part of the FY 2017 enacted budget to expand access to computer science courses for elementary and secondary education students to improve science, technology, engineering and mathematics (STEM) education in Rhode Island schools. For FY 2019, the Department intends to use funding for students to receive post-secondary credentials.

**Cost Allocation for Governor's Office Position.** The House Finance Committee does not concur with the Governor's proposal to allocate personnel expenditures for positions within the Governor's Office to other state agencies. The budget includes a total of \$0.8 million charged to various state agencies; the amount charged to the Department of Elementary and Secondary Education is \$116,229 from general revenues for one-half of the cost of a deputy chief of staff.

**COZ Support.** The House Finance Committee recommends an additional \$100,000 from general revenues to support child opportunity zones (COZ), for total FY 2019 funding of \$345,000.

**Education Formula Aid March Update.** The House Finance Committee recommends an additional \$6.4 million from general revenues for the eighth year of the education funding formula aid based on updated student enrollment data provided in April. The increase reflects higher district and charter school enrollments. The update affects districts differently with some receiving more and some receiving less than the Governor's budget assumed. The recommendation also includes an additional \$0.4 million of stabilization funding for the Central Falls School District, reflecting recent contract negotiations with its teachers' unions.

**ELL Aid Category.** The House Finance Committee recommends an additional \$250,000 from general revenues to support English language learners that are in the most intensive programs. Total FY 2019 funding would be \$2.7 million.

**SAT and PSAT Excess Funding.** The House Finance Committee recommends the enacted level of funding to provide free PSAT and SAT to all Rhode Island public school students during a school day, which is \$150,000 less from general revenues than the Governor recommended. This includes \$500,000 from general revenues and \$133,600 from federal funds. The Department may use federal state assessment funding to support any expenses that exceed the enacted amount.

**School Resource Officer Support.** The House Finance Committee recommends \$2.0 million from general revenues to establish a three-year pilot program for a new category of education aid to support school resource officers for a period of three years beginning in FY 2019. Funding would be used to reimburse school districts or municipalities one-half of the total cost of employing a new school resource officer at a middle or high school. Staffing levels that exceed one officer per school with less than 1,200 students and two officers per school with 1,200 or more students would not be eligible for reimbursement.

**Statewide COLA.** The Governor recently reached agreements with a majority of state employee unions for wage and benefit changes that include cost-of-living adjustments of 2.0 percent effective January 2018, 2.5 percent effective January 2019, 2.0 percent effective July 2019, and 1.0 percent effective January 2020. The estimated statewide general revenue impact is \$7.0 million for FY 2018 and \$20.0 million for FY 2019. The estimate for the Department of Elementary and Secondary Education for FY 2019 is \$0.8 million.

**Teacher Retirement.** The House Finance Committee recommends a reduction of \$1.0 million from general revenues for teacher retirement. Actual wages through March 2018 have been lower than assumed in the Governor's budget resulting in a \$0.2 million savings in FY 2018; original estimates assumed wages would grow by 2.5 percent in FY 2018 and 3.0 percent in FY 2019. Based on lower actual wages in FY 2018, the estimated expenditures would be \$1.0 million less than the Governor's FY 2019 recommended budget.

**Transportation Categorical.** The House Finance Committee recommends an additional \$0.5 million from general revenues for the regional transportation categorical, for total FY 2019 funding of \$4.3 million. Funding is provided to offset excess costs associated with transporting students within regional school districts.

### **Higher Education**

**Best Buddies.** The House Finance Committee recommends adding \$30,000 in general revenue support for the Best Buddies program. The mission of the organization is to establish a global volunteer movement that creates opportunities for one-to-one friendships, integrated employment and leadership development

for people with intellectual and developmental disabilities. This would provide a total of \$60,000 for FY 2019.

**Capital - CCRI Knight Campus Renewal.** The Governor's capital budget includes \$22.3 million from Rhode Island Capital Plan funds for the Knight Campus Renewal project. Funding is programmed through FY 2020. Projects for FY 2018 include the repairs to the main entry ramp, structural repairs to the building, common lighting upgrades, plaza re-design with Americans with Disabilities Act compliant parking and bus drop off, completion of elevator upgrades, door replacements and electronic locks, and acoustical upgrades in the main commons area. Based on delays in several components of the project, the House Finance Committee recommends reducing FY 2018 funding by \$3.6 million and shifting \$0.6 million of it to FY 2019, and \$1.5 million each to FY 2020 and FY 2021.

**Capital - URI Biological Resources Lab.** The Governor's capital budget includes \$5.9 million to renovate a facility designed to centralize and replace the numerous small laboratory animal care facilities on the Kingston Campus. Funding includes \$5.7 million from Rhode Island Capital Plan funds and \$0.2 million from University funds. Based on a revised project schedule, the House Finance Committee recommends reducing FY 2018 funding by \$3.0 million and shifting \$2.3 million of it to FY 2019 and \$0.7 million to FY 2020.

**Capital - URI Fine Arts Center Renovation (GBA).** The Governor's capital budget includes \$11.0 million for the first phase of the renovation and enhancement of the 120,720 square foot fine arts center on the Kingston Campus in addition to the \$1.0 million provided in the enacted budget for planning. The first phase involves HVAC system replacements and exterior envelope repairs and the Governor's capital budget includes \$1.0 million for FY 2019, \$2.0 million for FY 2020, \$5.0 million for FY 2021, and \$3.0 million for FY 2022. The University indicated that this phase cannot proceed with funding spread over so many years. The House Finance Committee concurs with the Governor's subsequent amendment request to advance funding from later years and provide \$6.4 million for FY 2019 and \$4.6 million for FY 2020, which is \$5.4 million more than recommended for FY 2019.

**Cost Allocation for Governor's Office Position.** The House Finance Committee does not concur with the Governor's proposal to allocate personnel expenditures for positions within the Governor's Office to other state agencies. The budget includes a total of \$0.8 million charged to various state agencies; the amount charged to the Office of Postsecondary Commissioner is \$58,534 from general revenues for half the cost of an education policy advisor employee.

**OPC - 2.0 New Unidentified Positions.** The House Finance Committee does not concur with the Governor's proposal to add \$0.2 million from restricted receipts for 2.0 new unidentified positions for the Office of Postsecondary Commissioner. In the event the Office does receive funding to support new positions, there is a mechanism to increase both position authorization and restricted receipt expenditure authority.

**OPC Turnover Savings.** The House Finance Committee recommends general revenue turnover savings of \$150,000 for FY 2019 based on projected FY 2018 spending for general revenue funded staff in the Office of Postsecondary Commissioner. The Governor's FY 2019 recommended budget assumes turnover savings equivalent to 0.5 positions.

**Promise - Updated Enrollment Assumptions.** Based on the enrollment and attrition experience of the first cohort of Rhode Island Promise Scholarship students in FY 2018, the House Finance Committee recommends reducing the FY 2019 funding recommendation of \$6.4 million by \$0.4 million. This assumes that the cohort enrolling in the fall of 2018 is 25.0 percent larger than the cohort that enrolled in the fall of 2017. It also assumes that attrition between the fall and spring semester for the second cohort mirrors the experience of the first cohort with 16 percent attrition, and that 46 percent of all first-time, full-time students

that enroll as part of the second cohort have their tuition fully supported by the Promise program, which also is the experience of the first cohort.

**Statewide COLA.** The Governor recently reached agreements with a majority of state employee unions for wage and benefit changes that include cost-of-living adjustments of 2.0 percent effective January 2018, 2.5 percent effective January 2019, 2.0 percent effective July 2019, and 1.0 percent effective January 2020. The estimated statewide general revenue impact is \$7.0 million for FY 2018 and \$20.0 million for FY 2019. The estimate for Public Higher Education for FY 2019 is \$0.6 million.

**URI Operating Support.** The House Finance Committee recommends adding \$2.0 million in general revenue operating support for the University of Rhode Island. The Council on Postsecondary Education's Finance Committee directed each of the institutions to revise their original budget submissions to specific targets. The budget approved by the Council included \$3.9 million less for the University. Adjusted for debt service and the Crime Lab, the Governor's recommendation was \$0.7 million more from general revenues than enacted and \$3.8 million less than requested.

### **Arts Council**

**Statewide COLA.** The Governor recently reached agreements with a majority of state employee unions for wage and benefit changes that include cost-of-living adjustments of 2.0 percent effective January 2018, 2.5 percent effective January 2019, 2.0 percent effective July 2019, and 1.0 percent effective January 2020. The estimated statewide general revenue impact is \$7.0 million for FY 2018 and \$20.0 million for FY 2019. The estimate for the Arts Council for FY 2019 is \$18,300.

### **Atomic Energy**

**Statewide COLA.** The Governor recently reached agreements with a majority of state employee unions for wage and benefit changes that include cost-of-living adjustments of 2.0 percent effective January 2018, 2.5 percent effective January 2019, 2.0 percent effective July 2019, and 1.0 percent effective January 2020. The estimated statewide general revenue impact is \$7.0 million for FY 2018 and \$20.0 million for FY 2019. The estimate for the Atomic Energy Commission for FY 2019 is \$25,677.

### **Historical Preservation & Heritage Commission**

**Statewide COLA.** The Governor recently reached agreements with a majority of state employee unions for wage and benefit changes that include cost-of-living adjustments of 2.0 percent effective January 2018, 2.5 percent effective January 2019, 2.0 percent effective July 2019, and 1.0 percent effective January 2020. The estimated statewide general revenue impact is \$7.0 million for FY 2018 and \$20.0 million for FY 2019. The estimate for the Historical Preservation and Heritage Commission for FY 2019 is \$22,763.

**Federal Funds Correction.** The House Finance Committee recommends eliminating \$0.2 million from federal funds to reflect the actual award amount from the Commission's Maritime Heritage Grant.

### **Attorney General**

**Civil Division Staff.** The House Finance Committee recommends adding \$185,000 from general revenues to fund new staff attorney and paralegal positions in the Civil Division. The new positions are within the Office's current staffing authorization of 235.1 positions.

**Medicaid Fraud, Waste and Abuse System Shift from FY 2018.** The Governor's FY 2018 and FY 2019 budgets includes \$250,000 from general revenues for a new data mining system for the Attorney General's Medicaid Fraud Unit. This is required to match \$750,000 from Medicaid for total funding of \$1.0 million

for the new project. The House Finance Committee recommends shifting the \$62,500 from general revenues recommended for FY 2018 to FY 2019 to reflect a delay in purchasing the system. This provides the full \$250,000 match to the \$750,000 from Medicaid funds in the FY 2019 recommended budget.

**Statewide COLA.** The Governor recently reached agreements with a majority of state employee unions for wage and benefit changes that include cost-of-living adjustments of 2.0 percent effective January 2018, 2.5 percent effective January 2019, 2.0 percent effective July 2019, and 1.0 percent effective January 2020. The estimated statewide general revenue impact is \$7.0 million for FY 2018 and \$20.0 million for FY 2019. The estimate for the Office of the Attorney General for FY 2019 is \$621,370.

**VRI Savings.** The House Finance Committee recommends reducing general revenues by \$62,400 for FY 2019 based on longevity savings available from five individuals who chose the voluntary retirement incentive. State employees eligible to retire on or before December 31, 2017 are eligible for the incentive, which is two times the employee's longevity capped at \$40,000. The Governor's budget includes a portion of the savings but additional related savings are available.

### Corrections

**Capital - Intake Service Center Renovations.** The Governor's capital budget includes \$11.8 million from Rhode Island Capital Plan funds, including \$2.0 million for the current year, to restore the exterior of the Intake Center, a \$3.6 million increase from the approved plan. This increase includes \$2.0 million to replace, instead of repair, the building's exterior envelope and \$1.6 million to replace interior and exterior lighting. Based on a delay in several components of the project, the House Finance Committee recommends reducing FY 2018 funding by \$1.3 million and adding \$250,000 each to FY 2019 and FY 2020, \$300,000 to FY 2021 and \$500,000 to FY 2022. Total funding is as recommended.

**Capital - Dix Building Renovations.** The Governor's capital budget includes \$1.3 million for the current year and \$0.9 million for FY 2019 through FY 2020 for renovations to the Dix Building. Based on architectural and engineering work taking longer than originally anticipated, the House Finance Committee recommends shifting \$1.0 million of FY 2018 funding to FY 2019 and FY 2020 with \$500,000 each year.

**New Mental Health and Substance Abuse Grant (GBA).** The House Finance Committee concurs with the Governor's requested amendment to add \$0.2 million from federal funds in both FY 2018 and FY 2019 from the Second Chance Act Grant for Probation Violators with Substance Use and Mental Disorders. The grant would augment the existing medication assisted treatment program by providing screenings and assessments for qualifying probation violators. The Department will contract with a community based mental health and substance abuse treatment provider to identify eligible program participants awaiting trial at the Intake Service Center based on three evidence-based screening and assessment tools, participants' residence, and probation violation status. The Department anticipates serving 115 individuals during each full program year during the three years of the grant.

**Population Related Savings.** The Governor's FY 2019 budget recommendation assumes a population of 2,865 inmates and \$4,996 per inmate for population related expenditures calculated on a per diem basis, excluding staffing and mental health services. Based on spending through the end of March 2018, the Department is on track to spend \$14.0 million, which would be \$4,937 per inmate. From July through April, the Department has averaged 2,792 inmates. Based on current year spending and a declining population, the House Finance Committee recommends general revenue savings of \$0.3 million for FY 2019.

**Statewide COLA.** The Governor recently reached agreements with a majority of state employee unions for wage and benefit changes that include cost-of-living adjustments of 2.0 percent effective January 2018, 2.5 percent effective January 2019, 2.0 percent effective July 2019, and 1.0 percent effective January

2020. The estimated statewide general revenue impact is \$7.0 million for FY 2018 and \$20.0 million for FY 2019. The estimate for the Department of Corrections for FY 2019 is \$4.7 million.

**VRI Savings.** The House Finance Committee recommends general revenue savings of \$0.4 million for FY 2019 based on 16 individuals opting to take the voluntary retirement incentive during FY 2018. State employees eligible to retire on or before December 31, 2017 are eligible for the incentive, which is two times the employee's longevity capped at \$40,000. The Governor's FY 2019 recommended budget does not assume any savings from the voluntary retirement incentive program. The \$0.4 million reduction equates to leaving 15 of those positions vacant for approximately three months during FY 2019.

## **Judicial**

**Capital - Noel Shelled Courtroom Build Out.** The Governor recommends \$6.3 million from Rhode Island Capital Plan funds for FY 2018 and FY 2019 to build out the shelled courtrooms at the Noel Judicial Complex and construct a new parking lot. The House Finance Committee recommends shifting \$1.6 million from FY 2018 to FY 2019 to reflect that the project is behind schedule. The Judiciary indicates it still expects to complete the project in FY 2019.

**Pay-Go Judges Pensions.** The Governor recommends \$5.8 million from all sources, including \$5.2 million from general revenues for retirement costs for judges and magistrates hired before 1990 who are not part of the state employees' retirement system. The recommendation is \$0.1 million less than enacted and \$0.2 million more than requested. Based on supporting documents and information from the Budget Office, it appears the recommendation should have been consistent with Judiciary's requested amount. Accordingly, the House Finance Committee recommends reducing general revenues by \$0.2 million.

**Family Court Staffing.** The House Finance Committee recommends adding \$0.4 million from all sources for FY 2019 for a Family Court magistrate as well as two attorneys in Family Court to be filled from vacancies within the Judiciary's staffing authorization. The funding includes \$0.3 million from general revenues and \$0.1 million from federal funds.

**District Court Staffing.** The House Finance Committee recommends adding \$0.3 million from general revenues for FY 2019 for a District Court magistrate and a position in pretrial diversion to be filled from vacancies within the Judiciary's staffing authorization.

**Statewide COLA.** The Governor recently reached agreements with a majority of state employee unions for wage and benefit changes that include cost-of-living adjustments of 2.0 percent effective January 2018, 2.5 percent effective January 2019, 2.0 percent effective July 2019, and 1.0 percent effective January 2020. The estimated statewide general revenue impact is \$7.0 million for FY 2018 and \$20.0 million for FY 2019. The estimate for the Judiciary for FY 2019 is \$2.0 million.

**VRI Savings.** The House Finance Committee recommends reducing general revenues by \$0.5 million for FY 2019 based on longevity savings available from 21 individuals opting to take the voluntary retirement incentive. State employee's eligible to retire on or before December 31, 2017 are eligible for the incentive, which is two times the employees longevity capped at \$40,000. The Governor's FY 2019 recommended budget did not assume any savings from the program.

## **Military Staff**

**Capital - Armory of Mounted Commands.** The Governor recommends \$1.0 million from Rhode Island Capital Plan funds for FY 2018 for the rehabilitation of the Armory of Mounted Commands building. Individual components include heating, ventilation and air conditioning systems upgrades, elevator installation, roof replacement and parking lot paving. Based on several delays in the project, the House

Finance Committee recommends reducing FY 2018 funding by \$960,000 and shifting \$700,000 of it to FY 2019 and \$260,000 to FY 2020.

**Capital - Bristol Readiness Center.** The Governor recommends the enacted level of \$125,000 from Rhode Island Capital Plan funds for FY 2018 for a feasibility study and environmental assessment related to a new armory facility in Bristol that meets updated federal requirements and can support two Rhode Island National Guard units and a field maintenance shop. Based on delays in the project, the House Finance Committee recommends shifting the \$125,000 from FY 2018 to FY 2019.

**Capital - Joint Force Headquarters Building.** The Governor's capital recommendation includes the previously approved \$10.7 million from Rhode Island Capital Plan funds to build a new joint force headquarters at Camp Fogarty in East Greenwich, including \$6.0 million in FY 2018 and \$4.7 million in FY 2019. Based on delays in the project, the House Finance Committee recommends shifting \$4.2 million of FY 2018 funding to later years, with \$2.4 million for FY 2019 and \$1.8 million for FY 2020.

**Cranston Street Armory Facilities Management (GBA).** The Governor's budget reflects the transfer of funding for centralized facilities management services to state agencies. The recommendation inadvertently included \$0.8 million of these expenditures from general revenues for the Cranston Street Armory in the Military Staff's budget. The House Finance Committee concurs with the Governor's requested amendment to shift these costs back to the Department of Administration's budget.

**Quonset Firefighter IOD Savings.** The Governor proposes legislation in her budget recommendation to reform the injured on duty laws and assumes \$0.3 million of general revenue savings in FY 2019 for the Military Staff from these changes. The House Finance Committee does not concur with the Governor's legislation and restores \$0.2 million for the Military Staff in FY 2019 based on FY 2018 experience.

**Statewide COLA.** The Governor recently reached agreements with a majority of state employee unions for wage and benefit changes that include cost-of-living adjustments of 2.0 percent effective January 2018, 2.5 percent effective January 2019, 2.0 percent effective July 2019, and 1.0 percent effective January 2020. The estimated statewide general revenue impact is \$7.0 million for FY 2018 and \$20.0 million for FY 2019. The estimate for the Military Staff for FY 2019 is \$34,204.

## **Public Safety**

**Capital - Three Bay Garage.** The Governor recommends a total of \$0.3 million from Rhode Island Capital Plan funds, including \$0.2 million in FY 2018 and \$0.1 million in FY 2019, to determine the building needs of the State Police and its personnel. The Governor also recommends \$0.1 million from Rhode Island Capital Plan funds to conduct a feasibility study for renovations to the Radio Bureau building and attached three-bay garage, located at the headquarters facility in North Scituate. The House Finance Committee does not recommend funding for this feasibility study as the master plan will encompass this work.

**Capitol Police Screeners (2.0 FTE).** The House Finance Committee does not concur with the Governor's proposal to include \$0.1 million from general revenues to fund two new screener positions in the Capitol Police Division.

**Cost Allocation for Governor's Office Position.** The House Finance Committee does not concur with the Governor's proposal to allocate personnel expenditures for positions within the Governor's Office to other state agencies. The budget includes a total of \$0.8 million charged to various state agencies; the amount allocated to the Department of Public Safety is \$49,526.

**E-911 Staffing.** The House Finance Committee recommends an additional \$0.3 million from general revenues for three new telecommunicator positions in the E-911 Division.

**E-911 Technology Upgrades.** The House Finance Committee recommends an additional \$0.7 million from general revenues for the E-911 Division to perform technology upgrades. Funds will also be used for a statewide assessment of needs to implement Next Generation 911.

**Municipal Police Training Academy.** The House Finance Committee does not concur with the Governor's proposal to allow the Municipal Police Training School to charge tuition and a physical training test to each applicant. It restores \$0.3 million of general revenue funding for operations of the training academy.

**Municipal Aid Withholding.** The House Finance Committee does not concur with the Governor's proposal to expand the options for revenues that can be withheld from cities and towns that owe the state to include meal and beverage, tourism, and public service corporation taxes. It restores \$0.3 million of general revenue savings for the State Police.

**Public Information Officer (1.0 FTE).** The 2017 Assembly did not concur with the Governor's recommendation to fund a new public information officer position to assist State Police staff with media inquiries and public relations. The Department filled the position during the second half of FY 2017. The Governor recommends \$0.1 million from general revenues to fund the position in both years. The House Finance Committee does not concur and removes the funding as well as the staffing authorization.

**Sheriffs - IOD Savings.** The House Finance Committee does not concur with the Governor's proposal to allow an independent medical examiner to certify that a person has reached the threshold for the medical improvement triggering the 60-day clock to apply for accidental disability benefits and maintains current law. It restores \$0.3 million of general revenue savings for the Sheriffs.

**State Police - 57th Training Academy Delay to Jan 2019.** The House Finance Committee includes general revenue savings of \$1.7 million from delaying the start of the 57<sup>th</sup> Training Academy by six months. The Governor's budget had assumed a start date of July 2018. The Committee recommends \$0.6 million from general revenues for trainee stipend payments and \$0.8 million from Google settlement funds for operating costs to conduct the academy.

**Statewide COLA.** The Governor recently reached agreements with a majority of state employee unions for wage and benefit changes that include cost-of-living adjustments of 2.0 percent effective January 2018, 2.5 percent effective January 2019, 2.0 percent effective July 2019, and 1.0 percent effective January 2020. The estimated statewide general revenue impact is \$7.0 million for FY 2018 and \$20.0 million for FY 2019. The estimate for the Department of Public Safety for FY 2019 is \$2.0 million.

**VRI Savings.** The House Finance Committee recommends savings of \$0.1 million from general revenues for FY 2019 based on savings available from the voluntary retirement incentive. State employees eligible to retire on or before December 31, 2017 are eligible for the incentive, which is two times the employee's longevity capped at \$40,000. The savings were not included in the Governor's recommended budget.

### **Public Defender**

**Statewide COLA.** The Governor recently reached agreements with a majority of state employee unions for wage and benefit changes that include cost-of-living adjustments of 2.0 percent effective January 2018, 2.5 percent effective January 2019, 2.0 percent effective July 2019, and 1.0 percent effective January 2020. The estimated statewide general revenue impact is \$7.0 million for FY 2018 and \$20.0 million for FY 2019. The estimate for the Office of the Public Defender for FY 2019 is \$0.3 million.



## Emergency Management Agency

**Turnover.** The Governor recommends fully funding the Emergency Management Agency's 32.0 authorized positions for FY 2019. Since its establishment as an independent agency at the beginning of FY 2015, the Agency has always had at least two vacant positions and has averaged over five vacancies during that period. The House Finance Committee recommends reducing general revenues by \$0.1 million, which is equivalent to less than one vacant position.

**Statewide COLA.** The Governor recently reached agreements with a majority of state employee unions for wage and benefit changes that include cost-of-living adjustments of 2.0 percent effective January 2018, 2.5 percent effective January 2019, 2.0 percent effective July 2019, and 1.0 percent effective January 2020. The estimated statewide general revenue impact is \$7.0 million for FY 2018 and \$20.0 million for FY 2019. The estimate for the Emergency Management Agency for FY 2019 is \$16,054.

## Environmental Management

**Capital - Blackstone Valley Park Improvements.** The Governor recommends \$0.7 million from Rhode Island Capital Plan funds for FY 2018 for ongoing efforts at improving access to the Blackstone River Valley and related work in the Blackstone Valley Corridor. Based on current delays and updated plans for the project, the House Finance Committee recommends removing \$0.5 million from FY 2018 and adding \$0.3 million to FY 2019.

**Capital - Dam Repair.** The Governor recommends the previously authorized level of \$2.4 million from Rhode Island Capital Plan funds for FY 2018 for repair of "high hazard" state owned dams at various recreational and management areas. The current funding is for design and repairs at the Lower Curran Reservoir Dam, the Upper Wyoming Pond Dam in Richmond/Hopkinton, the Trestle Trail culvert, the Browning Mill Pond Dam, and the Silver Spring Dam from FY 2018 through FY 2023. The House Finance Committee recommends reducing \$2.1 million from FY 2018 and adding \$1.9 million to FY 2019 and \$0.2 million to FY 2020 as a result of delays. The funding will allow the Department to continue projects pending approval of the Green Economy and Clean Water bond in November 2018 and is essentially as recommended.

**Capital - Galilee Piers.** The Governor recommends \$4.1 million from Rhode Island Capital Plan funds from FY 2018 through FY 2023 for replacing the 1,500-foot long northern bulkhead section at the Port of Galilee. This includes all structural elements, dolphin clusters, electrical services, parking lot improvements and a new maintenance building. The Governor requested an amendment based on projected spending to decrease FY 2018 funding by \$1.0 million and increase FY 2019 funding to \$1.8 million. The House Finance Committee recommends all but \$50,000 of the Governor's amendment.

**Capital - Marine Infrastructure/Pier Development.** The Governor recommends \$5.6 million from Rhode Island Capital Plan funds from FY 2018 through FY 2023 for marine infrastructure and pier development at sites critical to Rhode Island's tourism and fishing economy. Based on the updated project timeline, the House Finance Committee recommends shifting \$250,000 from FY 2018 to FY 2019.

**Capital - Natural Resources Office/Visitor's Center.** The Governor recommends \$5.4 million from Rhode Island Capital Plan funds for FY 2018 and FY 2019 for the construction of a new office facility for the Natural Resources Offices Visitor's Center in the Arcadia Management Area at Browning Mill Pond in the Town of Richmond. Based on current delays in the project, the House Finance Committee recommends reducing funding for FY 2018 by \$0.8 million and increasing funding for FY 2019 by \$0.5 million. The Department indicated that costs may be revised as the project needs to go back out to bid.

**Capital - Recreational Facilities Improvements.** The Governor recommends \$5.3 million from Rhode Island Capital Plan funds for FY 2018 and FY 2019 for a variety of major capital development projects at state parks, beaches and campgrounds. Her recommendation shifted this project to the proposed Green Economy and Clean Water Bond to be submitted to the voters in November 2018. The House Finance Committee recommends funding the project with Rhode Island Capital Plan funds and reduces expenditures by \$1.5 million in FY 2018 based on current expenditures and shifts \$0.9 million to FY 2019. The Committee recommends \$9.9 million from this source over the five-year period.

**Statewide COLA.** The Governor recently reached agreements with a majority of state employee unions for wage and benefit changes that include cost-of-living adjustments of 2.0 percent effective January 2018, 2.5 percent effective January 2019, 2.0 percent effective July 2019, and 1.0 percent effective January 2020. The estimated statewide general revenue impact is \$7.0 million for FY 2018 and \$20.0 million for FY 2019. The estimate for the Department of Environmental Management for FY 2019 is \$0.8 million.

**VRI Impact.** The House Finance Committee recommends savings of \$0.2 million from general revenues for FY 2019 based on savings available from employees who participated in the voluntary retirement incentive. State employees eligible to retire on or before December 31, 2017 are eligible for the incentive, which is two times the employee's longevity capped at \$40,000. The Department had 26 people take the incentive. This savings is in addition to the \$0.1 million that was included in the Governor's recommended budget and represents 1.3 vacancies for the year as well as the collective longevity from employees who retired.

### **Coastal Resources Management Council**

**Beach Profile Monitoring.** The House Finance Committee does not concur with the Governor's recommendation for new funding of \$15,000 from general revenues for FY 2019 for the Council to monitor shoreline migration off the barrier at Charlestown.

**Capital - Narragansett Bay SAMP (GBA).** The House Finance Committee concurs with the Governor's requested amendment to shift the \$100,000 of funding recommended for FY 2018 to FY 2019 and FY 2020, \$50,000 each. Funding is for a new special area management plan along the Narragansett Bay, which has experienced delays in the current year.

**Legal Expenditures.** The recommendation includes \$126,000 from general revenues for the Council's contracted legal services. As of May 14, 2018, the Council has only spent \$67,000 of the appropriation. In FY 2017, the Council spent \$73,000. The House Finance Committee recommends reducing the funding for legal services in FY 2019 by \$20,000 based on more recent experience.

**Staffing (1.0 FTE).** The Governor's recommendation includes \$2.3 million from general revenues for staffing the Council. This funds approximately 28 of the 29.0 full-time equivalent positions. The House Finance Committee recommends increasing the funding for staff in FY 2019 by \$0.2 million and authorizing a new ocean engineer position for the Council to assist with wind energy projects, bringing the Council to 30.0 authorized positions.

**Statewide COLA.** The Governor recently reached agreements with a majority of state employee unions for wage and benefit changes that include cost-of-living adjustments of 2.0 percent effective January 2018, 2.5 percent effective January 2019, 2.0 percent effective July 2019, and 1.0 percent effective January 2020. The estimated statewide general revenue impact is \$7.0 million for FY 2018 and \$20.0 million for FY 2019. The estimate for the Coastal Resources Management Council for FY 2019 is \$58,383.

**Stormtools.** The Governor recommends \$0.2 million, including \$50,000 from general revenues, to support a new data project called StormTools which shows detailed risks and maps associated with any property in

the coastal zone resulting from storm activity. The House Finance Committee does not recommend the new general revenues.

## **Transportation**

**Capital - Local Roads and Infrastructure.** The Governor recommends \$10.0 million from Rhode Island Capital Plan funds in FY 2019 to fund pavement repair and other transportation asset protection projects. It appears that funding for this would be used for municipally owned infrastructure and state paving projects. The House Finance Committee does not concur and adjusts funding accordingly.

**Cost Allocation for Governor's Office Position.** The House Finance Committee does not concur with the Governor's proposal to allocate personnel expenditures for positions within the Governor's Office to other state agencies. The budget includes a total of \$0.8 million charged to various state agencies; the amount allocated to the Department of Transportation is \$0.1 million.

**Facility Charges from DOA.** The Governor's revised budget funds centralized facility charges for the Department of Transportation from general revenues in the Department of Administration's budget. This contradicts the intent of the 2017 Assembly's authorization of the establishment of internal service funds for centralized services to be billed to user agencies to maximize available non-general revenue sources. Based on the square footage of the facilities, the Department of Administration indicates that \$0.5 million was paid in FY 2017. The House Finance Committee recommends that these expenditures be paid from resources within the Department of Transportation's budget.

**Statewide Repaving Projects.** Based on projected staffing costs for FY 2018 and FY 2019, the House Finance Committee includes \$10.0 million in savings from federal funds and repurposes these savings for statewide repaving projects in FY 2019.

**Gas Tax DOT Yield.** The House Finance Committee recommends increasing gasoline tax expenditures for the Department of Transportation by \$0.6 million to reflect an upward revision of the gasoline tax yield estimate. The adjustment will increase the debt service payment for the Department's GARVEE bonds, which are paid for with the equivalent of two cents of the gasoline tax, and also increases available proceeds for operations in the Division of Maintenance.

**Gas Tax RIPTA Yield.** The House Finance Committee recommends increasing available gasoline tax in the Department of Transportation to reflect an increased transfer to the Rhode Island Public Transit Authority of \$0.3 million to reflect an upward revision of the gasoline tax yield estimate.

**Gas Tax Turnpike & Bridge Authority Yield.** The House Finance Committee recommends increasing available gasoline tax in the Department of Transportation to reflect an increased transfer to the Rhode Island Turnpike and Bridge Authority of \$0.1 million to reflect an upward revision of the gasoline tax yield estimate.

**Turnover Savings.** The House Finance Committee recommends \$2.0 million in turnover savings from federal funds based on projected salary and benefit costs for which the FY 2019 budget includes \$90.6 million from all sources. The Department's average filled positions through the last pay period in March 2018 were 664.1 full-time equivalent positions, or 110.9 positions below the authorized level of staffing.

**VRI Savings.** The House Finance Committee recommends savings of \$1.0 million from all sources for FY 2019 based on half of the total savings available from the voluntary retirement incentive. State employees eligible to retire on or before December 31, 2017 are eligible for the incentive, which is two times the employee's longevity capped at \$40,000. It appears that the Governor's budget does not include any of these savings.