

## Governor's FY 2010 Revised Budget at a Glance

The Governor held a press conference on December 15, 2009 outlining his FY 2010 revised budget recommendations. His administration briefed the House Finance Committee in a public hearing that same day. While not yet formally introduced, a draft proposal of his supplemental appropriations bill was released and supporting materials were made available to legislative staffs. The revised budget is the Governor's plan to close a \$218.8 million budget deficit by June 30, 2010.

The State Controller issued the FY 2009 General Fund financial statements August 28, with a deficit of \$61.8 million marking the third consecutive year the state ended "in the red," although it had more than sufficient balances in the Budget Reserve and Stabilization Account to cover the closing deficits. Revenues were \$65.1 million below expectations and expenditures only slightly below budgeted. The budget gap grew by an additional \$153.7 million by November to an estimated \$218.8 million. This was primarily the result of a \$130.5 million downward adjustment to revenues at the November 2009 Revenue Estimating Conference due to a weaker economic forecast than projected in May. Caseload growth and unachieved expenditure savings account for the remainder of the growth in the budget gap.

The Governor solves approximately one third of the deficit with one-time revenues or expenditure deferrals. The remaining two-thirds is through expenditure reductions of which roughly 85 percent is local aid and pension reductions. This includes \$81.8 million less for car tax reimbursements and education aid and \$42.9 million from reducing pension benefits. Many of the changes require passage of enacting legislation by February 1 to achieve full impact.

On January 5, the Governor requested amendments to a number of his proposed budget articles; those instances are noted where appropriate.

### Taxes and Revenues

- ***Johnston Computer Center.*** The Revised Budget includes \$1.5 million in new revenues from the sale of the state's old computer center located in Johnston. The state recently purchased a new facility near Jefferson Boulevard, which it intends to occupy in January 2011. The Administration indicates that it will structure the Request for Proposal on the sale of the facility to allow the Department to stay until the new facility is fully renovated.
- ***Old Training School.*** The Revised Budget includes \$6.2 million in new revenues from the sale of a parcel of land North of Route 37 on the Pastore Center to the Rhode Island Mortgage and Finance Corporation. This site is commonly referred to as the Old Training School, which is comprised of 13.6 acres and nine buildings.
- ***State Fleet Revolving Loan Fund.*** The Revised Budget includes the transfer of \$3.6 million from the State Fleet Revolving Loan fund to the state General Fund. The 2007 Assembly created the Fund with proceeds of \$6.4 million from the securitization of tobacco master settlement agreement payments for the purpose of purchasing vehicles for state agencies.
- ***Veterans Memorial Auditorium.*** The Revised Budget includes \$10.8 million in new revenues from the sale of the Veterans Memorial Auditorium to the Convention Center Authority. The state currently owns the Veterans Auditorium, which the Authority took management of on July 1, 2008. Under the terms of the Lease and Agreement between the state and the Authority, the state is responsible for

covering operating shortfalls; it currently appropriates \$24.3 million annually for debt service and operating shortfalls.

- ***Unclaimed Property.*** The Revised Budget includes an additional \$0.6 million in unclaimed property transfers to the state by transferring seized money held in escrow pending forfeiture proceedings from the State Police and cash that has been held in the courts' bail account to the Unclaimed Property Fund.
- ***Group Home Donations.*** The Revised Budget includes \$6.0 million in new revenues from a donation by community agencies that provide residential services to adults with developmental disabilities. This payment is equivalent to the anticipated current year general revenue deficit in the privately operated system. The Governor's budget assumes increased expenditures of \$16.6 million, of which \$6.0 million is from general revenues to support this program.
- ***Metacom Avenue Property.*** The Revised Budget includes \$2.8 million in new revenue from the sale of state property located at 2 Metacom Avenue in Bristol. The building is located on the Roger Williams University Campus and is used for day programming services for adults with developmental disabilities through the Maher Center. The Governor includes \$0.8 million from Rhode Island Capital Plan funds to renovate the Maher Center in Middletown to accommodate the clients receiving services in Bristol.
- ***Underground Storage Tank Fund.*** The Revised Budget includes \$0.2 million less to the General Fund to reflect the exemption of the Underground Storage Tank Fund from the 10.0 percent indirect cost recovery requirement. The Fund is projected to receive \$2.2 million during FY 2010, and the Governor's proposal would retain 10.0 percent, or \$220,000 of that amount. Additional funding is being recommended to ensure that underground storage tank claims that have been approved can be paid, which will avoid a possible unfunded liability for the state.
- ***Telecommunications Access Fund.*** The Governor recommends legislation to reduce the assessment for the Telecommunications Education Access Fund from \$0.26 to \$0.15 per line effective February 1, 2010 and expands it to include wireless lines. This is expected to generate an additional \$350,000 in revenue to substitute for the current state support. It should be noted that, although the wireless customers are not currently charged for this expense, they do pay a different \$0.26 charge that goes to the General Fund. It had initially been imposed to support geo-coding the state for 911 calls.
- ***TDD Relay.*** The Governor recommends legislation to add wireless lines to those that can be assessed a fee to support the statewide telephone relay service (TDD). The Public Utilities Commission sets the fee, which is currently \$0.09 per line and applies only to landlines. The Budget Office indicates that this fee could be lowered with the addition of wireless lines. The Revised Budget does not assume any revenues from this change.
- ***Child Support Enforcement.*** The Revised Budget includes \$7.2 million in new general revenues to reflect anticipated federal reimbursement for services provided by the Family Court's Child Support Enforcement Unit during FY 2005 through FY 2009.

#### Local Government

- ***Motor Vehicles Excise Tax 3<sup>rd</sup> and 4<sup>th</sup> Quarter Reimbursements.*** The Revised Budget eliminates the third and fourth quarter reimbursements to municipalities, excluding fire districts, for the Motor

Vehicles Excise Tax exemptions which produces a general revenue savings of \$66.7 million. Current law requires the final two payments be made on February 1<sup>st</sup> and May 1<sup>st</sup>. The Governor includes legislation to allow municipalities to levy a supplemental tax to capture the loss of the reimbursement for FY 2010.

- ***Firefighter and Municipal Police Manning.*** The Governor proposes legislation to remove any provision regarding minimum manning from the collective bargaining process for firefighters and municipal police officers, making the issue a management right at the municipal level. Minimum manning is the required minimum of staff per vehicle, vehicles per station and number of stations in operation at any given time during the day.
- ***Injured On Duty Compensation.*** The Governor proposes legislation that reduces compensation for firefighters or police officers injured on duty from 100.0 percent to 80.0 percent.
- ***Municipal Health Insurance Cost Sharing.*** The Governor proposes legislation to mandate a minimum of 25.0 percent health and dental insurance premiums co-share for any new and extended collective bargaining agreements pertaining to public school teachers, police officers, firefighters or municipal employees.
- ***School Realignment Commission.*** The Governor proposes legislation to create a school realignment commission to review and make recommendations for realigning school services in cases where such realignment will be cost effective. He proposed this commission as part of his FY 2009 revised budget, but the Assembly did not enact it.
- ***Municipal Pension Changes.*** The Governor proposes legislation that makes several changes to statutory retirement benefits for municipal employees and prohibits locally administrated plans from offering more generous benefits than available through the state administered municipal plans. Changes include a reduction in disability pensions for those not totally disabled from further employment, increased years of service and minimum age requirements, elimination of cost-of-living increases, increased employee contributions, and mandatory cost sharing and other limitations on retiree health insurance for current and future retirees. There is no direct budgetary impact to the state.
- ***Statewide Purchasing.*** The Governor proposes legislation allowing public schools and districts to participate in a statewide purchasing system. It also exempts the Department of Elementary and Secondary Education exemption from state purchasing laws upon specific approval of chief purchasing officer.
- ***School Committees Collective Bargaining.*** The Governor proposes legislation requiring city or town councils to approve the final execution of a collective bargaining agreement between a school committee and representatives of teachers or school employees.
- ***Uniform School Health Care Benefits.*** The Governor proposes legislation that removes health care benefits from the teachers and school employees' collective bargaining process and requires that these employees, upon expiration of their current contracts, receive coverage under a new uniform public school employee health care benefits program.

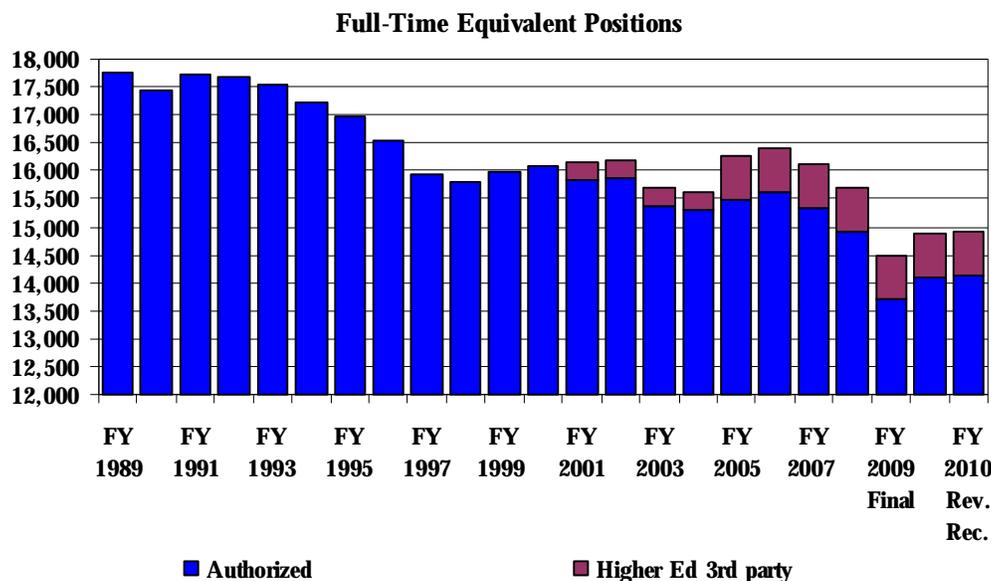
## Education Aid

- ***Education Aid.*** The Governor recommends a 2.8 percent reduction to general education aid to local districts and charter schools in addition to adjustments to capture savings to local districts from his proposed pension changes and use of \$5.0 million from federal stabilization funds originally planned for FY 2011 in lieu of a like amount from general revenues.
- ***Pension Changes.*** The Governor's FY 2010 revised budget assumes \$30.6 million in savings from changes to teacher pensions. This includes \$12.3 million for the state's 40.0 percent share of teacher retirement costs and the \$18.3 million in savings to local school districts captured through a reduction in education aid. He proposes eliminating the cost-of-living adjustment for retirees not eligible to retire as of September 30, 2009 and that do not become eligible to do so before passage of this legislation.
- ***Metropolitan Career and Technical School.*** The FY 2010 revised budget includes a reduction of \$250,000 for the Metropolitan Career and Technical School based on the Department's instruction to the school to participate in budget reductions. This equates to a 2.1 percent reduction. The majority of the reduction is from deferring some maintenance projects.
- ***Construction Aid.*** Final FY 2010 school construction aid is \$3.2 million less than the estimate of \$61.5 million included in the enacted budget. Reimbursement cannot begin until a project is completed, and eight districts did not complete their new projects by June 30, 2009 in order to be eligible for reimbursement to begin in FY 2010. The Governor's FY 2010 revised budget includes this reduction.
- ***Teacher Retirement Base Adjustment.*** The Governor's FY 2010 revised budget includes an adjustment for the state's share of teacher retirement costs under current law of \$1.5 million to reflect more updated teacher payroll data.
- ***Charter Schools Formula Aid.*** The FY 2010 revised budget includes a \$150,000 adjustment in charter school aid based on a revised estimate of the cost of the two new schools that opened in FY 2010. The Assembly provided \$1.5 million as the estimated cost for new charter schools and mayoral academies; actual aid is projected to be \$1.3 million.

## State Government

- ***Unemployment Insurance Benefits.*** The Governor's revised budget includes \$48.7 million more for the payment of unemployment insurance benefits, including \$59.6 million more from federal stimulus funds and \$10.8 million less from the Employment Security Fund. This includes updated estimates based upon the November 6, 2009 extension of federally funded benefits for an additional 20 weeks.
- ***Pension Changes.*** The Governor's FY 2010 revised budget assumes \$12.1 million in general revenue savings for the state's share of retirement costs for state employees, state police and judges from proposed pension changes. He proposes eliminating the cost-of-living adjustment for retirees not eligible to retire as of September 30, 2009 and that do not become eligible before passage of this legislation. Savings from all funds would be \$20.1 million.

- **Commission on Women.** The Governor proposes to discontinue paid support staff for the volunteer commission and lowers general revenue expenditures by \$36,439, to provide personnel and operating funding until February 27, 2010.
- **Public Utilities Commissioners.** The Governor recommends statutory language to eliminate the scheduled addition of two members of the Public Utilities Commission.
- **State Employee Pay Reductions.** The Governor's revised budget reflects \$13.6 million in general revenue savings from the agreement reached with state employees to take eight unpaid days in FY 2010 in exchange for future time off. The agreement also includes additional saving for FY 2011 from delaying a scheduled pay raise and four additional unpaid days. The agreement includes the promise of no layoffs.
- **Staffing.** The Governor recommends 14,904.3 full-time equivalent positions, including 785.0 higher education positions supported by research or other third-party funds. The recommendation is 41.3 positions more than enacted, primarily in the general government agencies including 38.8 new full-time equivalent positions in the Department of Labor and Training. As of December 19, 2009 there were 13,614.7 positions filled, leaving 1,036.9 non-research vacancies. In FY 2009, the state averaged 13,565.7 filled positions reflecting an average of 683.4 non-research vacancies.



- **Department of Labor and Training Staffing.** The Governor's revised budget includes 38.8 full-time equivalent positions above the enacted budget. This includes 35.0 full-time equivalent positions to implement programs included in the American Recovery and Reinvestment Act. These positions will remain through FY 2011, but then will be eliminated as federal stimulus funding for these positions is exhausted. The Governor's budget also includes an additional 9.4 full-time equivalent positions for the unemployment insurance call center for the remainder of FY 2010 and the elimination of 5.6 vacant positions across several divisions.
- **Health Insurance for Former Spouses.** The Governor proposes legislation to terminate health insurance coverage for divorced spouses on May 30, 2010. Under current law, a former spouse may remain eligible for continuing benefits under the other spouse's health insurance plan if the order is

included in the final judgment of divorce. Eligibility for benefits continues as long as the original member is a participant in the plan or health maintenance organization and until the remarriage of either party or until a time as provided by the judgment for divorce. There are no savings assumed in the FY 2010 revised budget from passage of this legislation.

- **Medical Benefits.** The enacted budget includes \$3.0 million in undistributed savings from employee medical claims. The Governor's revised budget assumes an additional \$8.7 million based on updated information that suggests a continued downward trend in costs.
- **Rainy Day Fund Repayment.** The FY 2010 enacted budget includes a one-time expenditure of \$22.0 million to pay back the Budget Stabilization and Cash Reserve Account for funds borrowed in FY 2009. Current law requires that any amounts used must be replaced in the following year. The Governor proposes legislation to delay the repayment to FY 2011.
- **Station Fire Civil Suit Settlement.** The Governor's revised budget removes the \$10.0 million appropriation for the state's share of the station fire civil suit settlement. Reported expenditures for FY 2009 include this expense. Generally accepted accounting principles require this liability to be booked in FY 2009.
- **Economic Development Corporation.** The Revised Budget includes a general revenue savings of \$82,435 to reflect the Corporation's plan to take the pay reduction days in FY 2010 similar to those agreed to by most state employees.
- **Experimental Program to Stimulate Competitive Research (EPSCoR).** The Revised Budget reduces the enacted amount of \$1.5 million for participation in the National Science Foundation's Experimental Program to Stimulate Competitive Research by \$0.2 million. The Science and Technology Advisory Council had planned to award six grants in the amount of \$200,000. The reduction equates to one less grant award.
- **Debt Service.** The Revised Budget includes a \$7.9 million general revenue savings due to lower than anticipated interest costs and delaying general obligation bond debt issuance. The savings consist of \$1.5 million from Historic Structures Tax Credits, \$2.4 million from short-term borrowing, \$2.5 million from Certificates of Participation projects including \$0.4 million from the School for the Deaf, \$0.3 million from Information Technology, and \$1.7 million from energy conservation projects.
- **Rhode Island Financial Accounting Network System.** The Revised Budget includes operational expenditures of \$0.9 million from general revenues to fund contracts for license and maintenance costs for the Rhode Island Financial Accounting Network System. The enacted budget eliminated all funding for this project based on implementation delays, but ongoing costs remain for the contracts.
- **Fire and Police Benefits.** The Governor's revised budget includes \$362,632 more from general revenues for benefit payments through the Police and Firefighter Relief Fund. The Department has experienced a large increase in the number of individuals seeking benefits and a one-time line of duty death benefit of \$126,000.
- **Contingency Fund.** The Revised Budget includes the enacted amount of \$250,000 for the Governor's contingency fund.
- **Registry Rhode Island Mall Branch Closure.** The Governor's revised budget includes savings of \$2,651 from general revenues from the closure of the Rhode Island Mall satellite branch. The Division

is scheduled to move to its new headquarters on the Pastore Center in August 2010, and indicated that the Rhode Island Mall branch will be too close to the Pastore Center.

- ***Legal Settlement.*** The Revised Budget adds \$0.2 million from general revenues to make a one time payment to an individual who was found to be wrongly terminated from the Department of Business Regulation.

#### Elderly

- ***Pharmaceutical Assistance.*** The Revised Budget includes a shift of \$400,000 from general revenues to the restricted receipt rebate account based on prior years' rebate usage; it does not appear to reflect current collections.
- ***Home and Community Care Program.*** The Revised Budget includes an additional \$0.9 million, including \$0.3 million from general revenues for assisted living expenditures provided through the Department's home and community care program. The Department indicates that there has been an increase in the number of residents in assisted living facilities funded through this program. This increase was not anticipated in the enacted budget.
- ***Case Management Program.*** The Revised Budget includes a shift of \$0.2 million from general revenues to federal funds to leverage Medicaid available for previously state only case management services through the Rhode Island Consumer Choice Global Waiver. This assumes a full year of savings; the Department has received approval to bill back to July 1, 2009.

#### Health and Human Services

- ***Cash Assistance and Medical Benefits Caseload.*** The Governor adds \$16.3 million from general revenues for updated cash assistance and medical benefit costs adopted at the November Caseload Estimating Conference. He includes \$16.3 million more for medical benefits including hospital and nursing home expenses as well as benefits for RIte Care families and adults with disabilities. He also adds \$50,128 for cash assistance program expenses, including the Rhode Island Works, child care and supplemental security income.
- ***DRG Hospital Reimbursement Rate Reduction.*** The Governor's revised budget includes a one-time 2.3 percent rate reduction in FY 2010 to the new diagnosis related group reimbursement system for the community hospitals to be implemented by March 30, 2010. He includes savings of \$2.7 million, \$1.0 million from general revenues from this action.
- ***Neo-Natal Services Reimbursement Reduction.*** The Governor's revised budget includes a second rate reduction applied for neo-natal services at Women and Infants Hospital. He assumes savings of \$0.8 million, \$0.3 million from general revenues, from a 5.0 percent reduction to be taken in the second part of the fiscal year. This is in addition to the 5.0 percent rate reduction applied in February 2009 with savings of \$1.6 million included in the enacted budget.
- ***Tavares Pediatric Center Reimbursement Rates.*** The Governor includes savings of \$0.2 million, \$0.1 million from general revenues from a 4.0 percent reimbursement rate reduction in FY 2010 to Tavares Pediatric Center, a 30-bed facility for children with disabilities.

- ***Emergency Room Payments.*** The Governor includes savings of \$0.5 million, \$0.2 million from general revenues from verifying that the state is correctly reimbursing hospitals for emergency room visits and, that based on a varying fee schedule, higher rates are not being applied to treatments for less serious conditions.
- ***Prior Authorization for Hospice Care and Patient Review.*** The Governor's revised budget includes savings of \$0.2 million, \$0.1 million from general revenues from developing a prior authorization process for hospice care, decrease funding for hospice services provided in a nursing home and developing guidelines for the services.
- ***Developmental Disabilities Services.*** The Governor's revised recommendation adds \$16.6 million, \$6.0 million from general revenues to fund privately provided community based services for adults with developmental disabilities. The recommendation essentially restores the remaining savings assumed in the FY 2010 enacted budget from implementation of the Global Medicaid Waiver. The FY 2010 enacted budget restored \$15.8 million of \$32.9 million of waiver savings, leaving \$17.1 million to be achieved.
- ***State Only Acute Care Hospital Payments.*** The Revised Budget eliminates the enacted level of \$3.65 million for the state only payment to four community hospitals: \$1.6 million for Miriam, \$0.8 million for Kent Hospital, \$0.75 million for Westerly Hospital and \$0.5 million for South County Hospital.
- ***Community Medical Assistance Program.*** The Governor's revised budget reduces current year spending in the community medical assistance drug program by \$0.7 million. He includes \$2.8 million for the program; however, his recommendation continues to be higher than prior year spending which was \$2.3 million in FY 2009.
- ***Maximizing Program Savings.*** The Governor's revised budget assumes savings of \$2.0 million in the Department of Human Services' budget from efforts to maximize program savings. This includes general revenue savings of \$0.6 million by ensuring those legal permanent residents who have met the five year requirement for Medicaid are moved from state only funding to Medicaid and \$1.4 million in savings from all funds from identifying and moving current RIte Care recipients who have access to commercial insurance to the RIte Share program. It is unclear why these constitute additional savings if this is the current practice.
- ***Child Care Rate Reduction.*** The Governor's FY 2010 revised budget includes legislation imposing a 5.0 percent rate reduction for child care services the state purchases from all licensed and certified child care providers and assumes savings of \$1.1 million from all sources, including \$0.6 million from general revenues. The timing of child care billing cycles means this would have to be enacted by January 1, 2010 in order to achieve the full savings. Each month delay reduces general revenue savings by approximately \$0.1 million.

The Governor subsequently requested an amendment to sunset the rate reduction on September 30, 2010.

- ***Residential Placement.*** The Governor includes \$139.6 million for residential placements in both the Child Welfare and the Behavioral Health programs of the Department of Children, Youth, and Families. This includes \$1.3 million in new savings from continued initiatives submitted in the Department's plan to fix its revised budget shortfalls, including moving youth from residential placements to community based settings.

- ***Adoption Expenses.*** The Revised Budget assumes savings of \$2.1 million from general revenues by shifting adoption assistance program expenses currently paid from state resources to unspent federal funds that can be carried forward to FY 2010. This is a one-time savings.
- ***Bradley and Child Care Expenditures.*** The Revised Budget adds \$5.5 million from general revenues for expenditures the Department of Children, Youth and Families neglected to include in its FY 2010 budget request due to an oversight. This includes \$2.0 million for Bradley group homes and \$3.5 million for child care. Combined expenditures for these services were \$5.5 million in FY 2009.
- ***HIV Supportive Services.*** The Governor includes general revenue savings of \$375,000 from the elimination of state support for HIV services, but continues to include \$1.9 million from federal funds for these expenses.
- ***Medical Examiner Staffing.*** The Revised Budget includes \$2.6 million to fund the staffing needs of the Medical Examiner's Office. This assumes the use of \$0.3 million in turnover savings from funds budgeted for permanent staff and \$0.5 million more from general revenues for the continued use of temporary medical examiners and pathologists. The Department of Health has attempted to fill vacancies in its permanent positions but has been unable to do so because of a lack of applicants.
- ***Laboratory Software.*** The Revised Budget includes \$200,000 from general revenues to replace an obsolete system the Department of Health utilizes to track the location, results, quality control and final reporting of all environmental samples that are tested in the lab. This request was not included in the enacted budget as the Department was notified after July 2009 that the existing system would no longer be supported.
- ***Communicable Diseases.*** The Governor's FY 2010 revised budget adds \$117,000 from general revenues for additional expenses related to sexually transmitted disease testing and support services at the Whitmarsh Clinic. Of this total, \$96,500 is to restore prior year budget reductions that caused services to decrease to a level the Department deemed insufficient to support services.
- ***New Legal Position.*** The Revised Budget includes \$61,207 from general revenues for a new executive legal counsel at the Department of Health. The Governor had recommended adding a legal position as part of his original FY 2010 budget recommendations to restore legal capacity that would have been lost with his proposal to decouple the Department from the Office of Health and Human Services. The Assembly did not concur with either proposal.
- ***WIC Transfer Delay.*** The 2009 Assembly enacted legislation to shift the responsibility of administering the Women, Infant and Children program from the Department of Health to the Office of Health and Human Services by March 1, 2010. The Governor's FY 2010 revised budget includes legislation to delay this transfer until October 2010.
- ***Community Mental Health Treatment Services.*** The Governor's revised budget reduces community mental health treatment services by \$4.0 million from federal Medicaid funds for total funding of \$62.6 million. His budget does not identify what changes should be made to achieve the savings. Final expenses for were \$64.6 million for FY 2009.
- ***Substance Abuse Treatment Services.*** The Governor's revised budget reduces substance abuse treatment services by \$1.0 million from federal Medicaid funds for total funding of \$4.4 million. His budget does not identify what changes should be made to achieve the savings. Final expenses for FY 2009 were \$4.4 million.

## Education

- ***Higher Education.*** The Governor recommends \$898.8 million for Public Higher Education including debt service. General revenues decrease \$10.3 million, which includes \$9.4 million of statewide savings allocated to the system, \$1.2 million of medical benefit savings and \$0.3 million more for debt service. The system has agreed to participate in pay reduction days on a limited basis, which will contribute approximately \$0.4 million to the achievement of the statewide savings.
- ***Student Testing.*** The Revised Budget includes savings of \$354,664 from general revenues for the annual contract for New England Common Assessment Program (NECAP) testing because the state of Maine has decided to join the program. The state has a contract with Measured Progress to provide various testing and scoring of Rhode Island students for the tri-state testing, and the Rhode Island alternate assessment program.
- ***Teacher Certification Redesign.*** The FY 2010 revised budget includes \$0.4 million in savings from the Department of Elementary and Secondary Education's recent redesign of the teacher certification process. As part of this initiative the Department has eliminated two staff positions and two Regent's Fellows assigned to this work will be eliminated in FY 2010 and one in FY 2011. The Department indicates that the changes will have no impact on fee collections.
- ***Vision Services.*** The Revised Budget includes savings of \$103,000 in vision services from a \$40,000 reduction in the need to pay for tuition for students who attend Perkins School for the Blind and \$63,000 from a 10.0 percent reduction to the contract with the Rhode Island Vision Services Education Program at the Paul Sherlock Center.

## Public Safety

- ***Prison Population.*** The Revised Budget includes \$2.6 million from general revenues to restore a portion of the \$5.0 million of population reduction savings included in the FY 2010 enacted budget. Despite a projection of a further reduction of 108 inmates from the enacted estimate of 3,767 inmates, the Department has been unable to close enough housing modules to achieve the full savings.
- ***Correctional Officer Training Class.*** The Revised Budget includes a \$0.8 million of general revenue savings by postponing recruitment and training for one new officer class from FY 2010 to FY 2011. Since 17 graduates from the previous class are still waiting to be hired, the Department proposed rescheduling the next class to FY 2011.
- ***State Criminal Alien Assistance Funds.*** The Revised Budget includes \$0.4 million from general revenues to offset a shortfall from federal State Criminal Alien Assistance Funds. The Department of Corrections received \$0.8 million or \$0.4 million less than anticipated for FY 2010 based on the federal formula for reimbursement.
- ***Fugitive Task Force.*** The Revised Budget includes general revenue savings of \$0.3 million from the elimination of the State Police's Violent Fugitive Task Force and adds \$0.2 million from available internal service funds to create a new statewide fraud investigation unit. The Governor subsequently requested an amendment to call the new unit a Worker's Compensation Investigations Unit and give concealed weapons privileges and Peace Officer status to its the members.

- ***Trooper Recruitment Delay.*** The Revised Budget assumes savings of \$57,500 from delaying the start of recruitment for the 54<sup>th</sup> Trooper Training Academy until August 2010.
- ***State Police Vehicles.*** The Governor's revised budget utilizes narcotic forfeiture funds to offset \$0.2 million from general revenue expenditures for the payment of debt service for vehicles.
- ***Operations and Maintenance Controller.*** The Governor recommends \$49,597 for a new Operations and Maintenance Controller position that was hired in October 2009 for the new State Police Headquarters. The Department requested and the Governor recommended adding this position in FY 2010; however, the 2009 Assembly did not provide the funding.

## Environment

- ***Resource Recovery Recycling Upgrade Delay.*** The Revised Budget includes legislation to allow the Resource Recovery Corporation to delay construction of a facility with the capacity to recycle plastics labeled three through seven until June 30, 2014 from the current mandate to accept them by January 1, 2011. The Corporation is undecided on a funding approach for the new facility, and has also recently experienced declining revenues, and the Governor is including the delay to allow for more stable revenue sources as well as a better defined implementation plan.
- ***Payments to Host Beach Communities.*** The Revised Budget includes an additional \$43,901 from general revenues to reflect the actual payments due to the four host beach communities for the 27.0 percent of all daily parking fees collected from Memorial Day to Labor Day.

## Transportation

- ***Winter Maintenance Expenses.*** The Revised Budget includes \$9.4 million in FY 2010 for winter maintenance related expenses. This is \$0.4 million more than enacted, and \$1.3 million less than the five-year average of \$10.7 million.
- ***Gasoline Tax.*** The Revised Budget includes an estimate of \$4.1 million per penny for the gasoline tax yield for the remainder of FY 2010, which is \$0.3 million less than enacted based on an updated estimate. Gasoline tax funding is used to support personnel and operating costs at the Department of Transportation. The Governor's recommendation assumes reductions for general maintenance and winter maintenance activities, as well as the delay of equipment and vehicle purchases for the remainder of the year to account for the reduction in proceeds.
- ***Rhode Island Public Transit Authority.*** The Revised Budget includes a gasoline tax transfer of \$39.0 million to the Authority for FY 2010. This is \$3.1 million less than included in the enacted budget and is based on the Administration's estimate of the per penny gasoline tax yield. Funding is used for personnel and operating expenses at the Authority, which would need to be reduced to account for the reduction in proceeds.

