

House Fiscal Advisory Staff

Governor's FY 2010 Revised Budget



Submitted to the 2010 House of Representatives

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Section I

Budget at a Glance

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 3rd and 4th 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 1st and May 1st. 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.

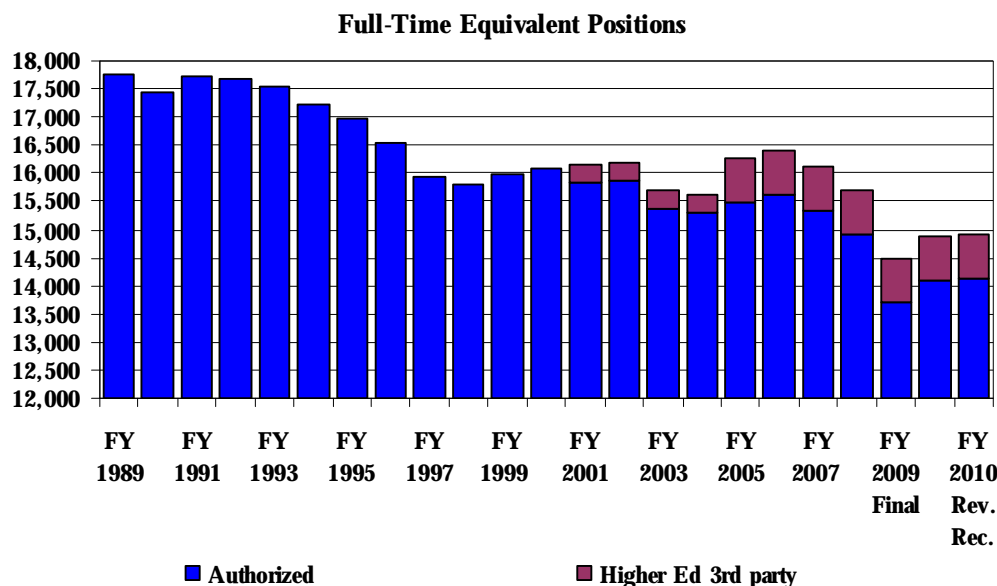
Education Aid

- ***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 54th 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.

Section II

Summary

FY 2010 Revised Budget

	FY 2009		FY 2010		FY 2010		FY 2010
	Reported		Enacted		Rev. Req.		Revised
Expenditures by Function*							
General Government	\$ 1,709.1	\$	1,876.6	\$	1,949.6	\$	1,866.9
Human Services	2,706.1		2,843.5		2,942.3		2,926.9
Education	1,927.2		2,074.4		2,093.7		2,064.1
Public Safety	412.9		433.1		470.1		458.1
Natural Resources	71.3		98.0		107.6		105.9
Transportation	362.8		489.1		421.9		414.7
Total	\$ 7,189.5	\$	7,814.7	\$	7,985.2	\$	7,836.6
Expenditures by Category*							
Salaries and Benefits	\$ 1,352.2	\$	1,432.4	\$	1,430.6	\$	1,363.3
Contracted Services	168.7		190.8		237.0		235.5
Subtotal	\$ 1,520.9	\$	1,623.2	\$	1,667.7	\$	1,598.8
Other State Operations	606.6		633.7		625.1		639.9
Aid to Local Units of Government	1,186.1		1,201.5		1,337.6		1,085.7
Assistance, Grants, and Benefits	3,388.0		3,620.4		3,642.3		3,847.5
Capital	104.5		334.6		270.0		295.0
Capital Debt Service	207.0		249.7		245.0		238.7
Operating Transfers	176.4		151.6		197.7		130.9
Total	\$ 7,189.5	\$	7,814.7	\$	7,985.2	\$	7,836.6
Sources of Funds*							
General Revenue	\$ 2,998.9	\$	3,000.3	\$	3,015.4	\$	2,845.1
Federal Aid	2,258.1		2,828.2		2,974.6		2,989.1
Restricted Receipts	123.9		162.4		176.9		174.8
Other	1,808.5		1,823.8		1,818.4		1,827.7
Total	\$ 7,189.5	\$	7,814.7	\$	7,985.2	\$	7,836.6
FTE Authorization	15,688.7		14,863.0		14,893.7		14,904.3
FTE Average	14,791.8						

**Data in millions*

Summary

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. For the third year, it was not submitted along with his FY 2011 recommendations due to the severe current year deficit that required faster action to insure the state would end in balance and be able to meet its financial obligations. The revised budget is the Governor's plan to close a \$218 million budget deficit by June 30, 2010.

FY 2010 Revised	General					All Funds
	Revenue	Federal	Restricted	Other		
FY 2009 Final	\$ 3,001.1	\$ 2,435.7	\$ 155.0	\$ 1,794.9	\$	7,386.8
FY 2009 Actual	2,998.9	2,258.1	123.9	1,808.5		7,189.5
Difference	\$ (2.2)	\$ (177.6)	\$ (31.1)	\$ 13.6	\$	(197.3)
FY 2010 Enacted	\$ 3,000.3	\$ 2,828.2	\$ 162.4	\$ 1,823.8	\$	7,814.7
Governor's Revised	2,845.1	2,989.1	174.8	1,827.7		7,836.6
Governor's Revision to Enacted	\$ (155.2)	\$ 160.9	\$ 12.4	\$ 3.9	\$	21.9
Percent Revision	-5.2%	5.7%	7.6%	0.2%		0.3%

The Governor recommends total revised expenditures for FY 2010 of \$7,836.6 million, which is \$21.9 million or 0.3 percent more than enacted by the 2009 Assembly. Total expenditures would increase \$647.1 million or 9.0 percent over reported FY 2009 expenditures. General revenue expenditures are \$155.2 million or 5.2 percent less than included in the FY 2010 budget adopted by the 2009 Assembly and \$153.8 million or 5.1 percent less than actual FY 2009 expenditures.

By contrast, expenditures from federal funds are \$160.9 million more than enacted and \$731.0 million more than FY 2009. The increase to the enacted budget is largely federal nutrition benefits, federal unemployment benefits and some stimulus funds not included in the enacted budget pending a plan for their use. The change from FY 2009 expenditures is a function of those items as well as greater Medicaid resources from the enhanced match rate being effective for a full year and the overall tendency for agencies to budget more federal funds than will be used in a fiscal year, skewing budget to actual comparisons. Expenditures from restricted receipts are \$12.4 million or 7.6 percent greater than enacted and \$50.9 million or 41.1 percent more than FY 2009. Those from other funds, including the gas tax and Rhode Island Capital Plan funds, are \$3.9 million more than enacted and \$19.1 million more than FY 2009.

The FY 2009 final budget projected a general revenue free surplus of \$1.1 million would be available for FY 2010. However, the preliminary closing statements the State Controller issued on August 28 showed 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. This created an opening deficit for FY 2010.

The budget gap grew by an additional \$153.7 million as estimated in the Budget Office first quarter report 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. These changes include the following major items:

§ \$65.1 million less for car tax reimbursements to cities and towns from not making the final two quarterly payments.

§ \$42.9 million from eliminating the cost-of-living increase provision of pension benefits to state employees and teachers not eligible to retire as of September 30, 2009 and who do not become eligible to do so before passage of the change.

§ \$19.9 million from a 2.8 percent reduction to education aid to local school districts.

§ \$27.0 million in expenditure deferrals including delaying the required pay back of rainy day funds until FY 2011 and advancing \$5.0 million of federal stabilization funds intended for use in FY 2011.

§ \$21.3 million from selling state land including a lease arrangement for a portion of the revenues that would commit the state to repaying the cost with interest.

§ \$9.1 million in reductions to providers including hospitals and child care providers.

§ \$33.5 million from adjustments to agency expenditures explained in detail in the pages that follow.

The revised budget, as presented, would leave a \$0.5 million surplus for FY 2010.

	Enacted	Revised	Difference
Opening Surplus			
Free Surplus	\$ 1,142,383	\$ (61,802,318)	\$ (62,944,701)
Reappropriated Surplus	-	998,144	998,144
Subtotal	\$ 1,142,383	\$ (60,804,174)	\$ (61,946,557)
Revenues	3,076,858,477	3,076,858,477	-
November Revenue Conference		(130,458,477)	(130,458,477)
Governor's Changes		29,941,304	29,941,304
Revenues	3,076,858,477	2,976,341,304	(100,517,173)
Cash Stabilization Fund	(73,872,021)	(69,948,936)	3,923,085
Total Available Resources	\$ 3,004,128,839	\$ 2,845,588,194	\$ (158,540,645)
Expenditures	3,000,341,114	3,000,341,114	-
November Caseload Conference	-	16,302,195	16,302,195
Governor's Changes	-	(171,531,445)	(171,531,445)
Expenditures	\$ 3,000,341,114	\$ 2,845,111,864	\$ (155,229,250)
Total Surplus	\$ 3,787,725	\$ 476,330	\$ (3,311,395)
Reappropriations	-	-	-
Free Surplus	\$ 3,787,725	\$ 476,330	\$ (3,311,395)
<i>Operating Surplus/(Deficit)</i>	<i>2,645,342</i>	<i>62,278,648</i>	<i>59,633,306</i>

Section III

Agency Analyses

Department of Administration

	FY 2009 Reported	FY 2010 Enacted	FY 2010 Rev. Req.	FY 2010 Revised
Expenditures by Program				
Central Management	\$ 1,714,900	\$ 1,694,369	\$ 1,412,977	\$ 1,364,857
Accounts & Control	3,522,983	3,954,166	3,758,253	3,611,855
Budgeting	1,975,514	2,003,345	1,895,089	1,802,209
Purchasing	1,885,643	2,620,754	2,322,452	2,231,011
Auditing	1,286,708	1,535,588	1,368,709	1,323,365
Human Resources	12,007,764	12,416,555	11,285,370	10,893,704
Personnel Appeal Board	81,804	84,090	81,063	81,063
General	250,564,030	253,499,524	214,151,591	165,440,028
Debt Service	179,641,352	207,273,411	207,273,411	198,060,447
Legal Services	1,124,947	1,113,869	1,701,653	1,642,563
Facilities Management	40,435,239	44,376,036	39,899,790	39,242,900
Capital Projects and Prop. Mgt.	5,361,041	3,807,010	3,867,362	3,748,034
Information Technology	25,042,909	28,169,388	27,638,362	26,263,330
Library Programs	1,685,709	1,915,723	2,154,055	2,115,636
Planning	11,467,274	23,357,481	17,339,464	17,143,136
Undistributed Savings	-	(58,436,637)	-	(20,124,788)
Energy Resources	36,669,296	55,239,199	86,169,648	86,123,863
Sheriffs	15,702,978	17,240,788	16,110,007	15,458,942
Total	\$ 590,170,091	\$ 601,864,659	\$ 638,429,256	\$ 556,422,155
Expenditures by Category				
Salaries and Benefits	\$ 73,816,006	\$ 38,023,467	\$ 77,783,070	\$ 53,915,188
Contracted Services	7,004,535	699,244	6,215,475	5,997,846
Subtotal	\$ 80,820,541	\$ 38,722,711	\$ 83,998,545	\$ 59,913,034
Other State Operations	35,495,348	31,185,945	36,407,515	36,492,102
Aid to Local Units of Government	211,460,113	187,690,697	151,927,163	122,579,017
Assistance, Grants, and Benefits	64,860,588	87,797,347	102,678,362	102,400,433
Capital	7,269,961	21,278,298	28,228,010	31,143,307
Capital Debt Service	172,315,188	207,516,174	207,516,174	196,338,415
Operating Transfers	17,948,352	27,673,487	27,673,487	7,555,847
Total	\$ 590,170,091	\$ 601,864,659	\$ 638,429,256	\$ 556,422,155
Sources of Funds				
General Revenue	\$ 475,081,215	\$ 429,600,820	\$ 441,114,472	\$ 366,295,408
Federal Aid	48,933,450	80,173,897	90,926,741	85,662,795
Restricted Receipts	9,476,353	18,938,514	26,824,274	25,559,084
Other	56,679,073	73,151,428	79,563,769	78,904,868
Total	\$ 590,170,091	\$ 601,864,659	\$ 638,429,256	\$ 556,422,155
FTE Authorization	845.6	895.6	891.6	881.6
FTE Average	813.6			

FY 2010 Revised Request. The Department requests revised expenditures totaling \$638.4 million from all sources of funds. This is \$36.6 million more than the enacted budget, of which \$58.4 million is due to the allocation of undistributed personnel and operating savings. Adjusted for that, the request is \$21.9 million more from all sources, which includes a general revenue reduction of \$50.9 million. The general revenues reduction primarily consists of changes to the Motor Vehicles Excise Tax Phase-Out and the removal of \$10.0 million for the Station Fire settlement. The Department requests staffing authorization of 891.6 full-time positions, 4.0 fewer positions than the authorized level.

The request includes authorization to create new restricted receipts in the Bureau of Audits and the Division of Purchasing to cover oversight expenses for American Recovery and Reinvestment Act related functions. The receipts would be derived from assessing stimulus accounts a 0.5 percent surcharge. It should be noted that the Governor's FY 2010 recommended budget included a similar proposal; however, the Assembly did not concur and provided federal funds in lieu of the restricted receipt expenditures.

The general revenue request is \$44.1 million less than the "working budget" of \$485.2 million. The working budget is the enacted budget adjusted for the Budget Office's distribution of the statewide personnel and operating reductions and retirement adjustments the 2009 Assembly budgeted centrally in the Department of Administration.

The Governor recommends expenditures totaling \$556.4 million, including \$366.3 million from general revenues. This is \$45.4 million less than enacted, including the allocation of \$58.4 million and inclusion of new undistributed statewide pension reduction savings of \$20.1 million from all funds. Accounting for these adjustments, the request is \$83.8 million less than enacted largely due to the withdrawal of the third and fourth quarter payments for the Motor Vehicles Excise Tax Program totaling \$65.1 million and delaying the \$22.0 million repayment of the Budget Stabilization Fund. He recommends staffing of 881.6 positions, 10.0 fewer positions than requested. He proposes legislation to create the restricted receipt accounts and the Bureau of Audits and Purchasing. The recommendation is \$118.9 million less than the working budget.

Staffing Authorization. The Department requests staffing authorization of 891.6 full-time positions, this is 4.0 positions fewer than enacted. It includes the elimination of 10.0 positions relating to the American Recovery and Reinvestment Act and the addition of two auditor positions; one each in the Bureau of Audits and the Office of Energy Resources for a net decrease of eight. The request includes one new administrative assistant position and the restoration of the State Purchasing Agent position, which the 2009 Assembly eliminated. It includes 2.0 positions in the Internal Service program for central mail services. The request also includes a number of transfers with department functions.

The enacted budget reflects the transfer of 6.0 positions for the labor relations unit from Legal Services to the Division of Human Resources. The Department's revised request transferred the unit back to the Division.

The Governor recommends staffing of 881.6 full-time positions, 10.0 fewer positions than requested to reflect the Administration's subsequent corrective action plan.

Statewide Items

Distributed Pension Adjustments. The request assumes the distribution of the \$9.4 million from all sources, including \$5.5 million from general revenues included in the enacted budget for the pension

changes. The amount allocated to the Department of Administration includes \$0.3 million from general revenues. *The Governor recommends funding as requested.*

Distributed Statewide S/W and Operating Costs Savings. The Assembly adopted statewide across-the-board reductions for all agencies and departments that included general revenue reductions of 6.25 percent of recommended salaries and benefits and operating costs for a savings of \$57.6 million from general revenues. This reduction was calculated as 5.0 percent of recommended salaries and benefits and operating costs for a full year and an additional 2.5 percent for the final six months of FY 2010. The request assumes the distribution of these funds. *The Governor recommends funding as requested. The extent to which each agency achieved these savings varies.*

Distributed Statewide Consultants. The request assumes the distribution of the \$5.1 million from general revenue savings included in the enacted budget for a 10.0 percent reduction in expenditures the state classifies as contracted services, often referred to as consultants. *The Governor recommends funding as requested. The extent to which each agency achieved these savings varies.*

Distributed Health Insurance Savings. The request assumes the distribution of the \$3.0 million from general revenues included in the enacted budget for employee medical claims. *The Governor recommends funding as requested. He further assumes savings of \$8.7 million as part of the changes to the enacted budget based on updated information that suggests a continued downward trend in costs.*

Distributed Assessed Fringe Savings. The enacted budget includes general revenue savings of \$2.1 million for the state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation. The request assumes the distribution of those savings. *The Governor recommends funding as requested but revised projections show the final rate was higher than expected and each agency has adjusted expenses accordingly to reflect the correct rate.*

Undistributed Pension Reduction. The 2009 Assembly adopted pension changes that apply to teachers eligible to retire on or after October 1, 2009 and do not become eligible before the date of passage. The changes include establishing a minimum retirement age of 62 with a proportional application of that minimum age to current members based on their current service as of October 1, 2009. Changes also include freezing service credits for those in Plan A, shifting all future accrual to the lower accruals of Plan B. The cost-of-living adjustments would all be based on the Plan B model of the lesser of inflation or 3.0 percent on the third anniversary, and the salary basis for benefits was changed to the five consecutive highest years, from three.

The Governor proposes legislation to eliminate the cost-of-living adjustments for state employees, teachers, judges and state police that were not eligible to retire on September 30, 2009 and do not become eligible before the date of passage. The legislation gives the General Assembly the ability to annually review and give a cost-of-living adjustment of 3.0 percent or the Consumer Price Index, whichever is less. The budget assumes general revenue savings of \$42.9 million, \$12.1 million is budgeted in the Department of Administration for state employees.

Station Fire Civil Suit Settlement. Reported expenditures for FY 2009 include \$10.0 million for the state's share of the station fire civil suit settlement for which funding is included in the FY 2010 enacted budget. Generally accepted accounting principles require this liability to be booked in FY 2009. Therefore, the FY 2010 appropriation is not required, and the Department's request removes this expense. *The Governor recommends funding as requested.*

Budget Stabilization Fund Repayment Delay. The FY 2010 enacted budget included a one-time expenditure of \$22.0 million used to payback the Budget Stabilization and Cash Reserve Account for funds borrowed in FY 2009 to close the projected budget gap. Rhode Island General Law requires that any amounts used must be replaced in the following year. *The Governor proposes legislation to amend current law to allow the repayment to be delayed to FY 2011.*

Local Aid

Motor Vehicles Excise Tax Adjustment. The request includes a general revenue savings of \$3.2 million based on information obtained by the Division of Municipal Finance, which indicates that the assessed value has decreased. The savings are based on information that the Division received from 24 out of 39 municipalities, which indicates that each municipality is experiencing between a 2.0 percent and a 3.0 percent reduction in assessed values. It appears that data from larger communities has been received with the exceptions of Providence and Pawtucket. The enacted budget provides \$135.3 million to fund the car tax phase-out for FY 2010 for a \$6,000 exemption. *The Governor does not include this adjustment because of his proposal to eliminate future payments to communities.*

Motor Vehicles Excise Tax 4th Quarter Reimbursement. The Department proposes to eliminate the fourth quarter reimbursement to municipalities for the Motor Vehicles Excise Tax for a general revenue savings of \$32.6 million. The Department requests this reduction based on the Governor's indication during the summer that he would use this method to partially achieve some of the savings that the enacted budget includes. In order for this saving to be achieved, legislative approval is required. Pursuant to General Laws, the fourth quarter payment is made on May 1st of each year.

The Governor eliminates the third and the fourth quarter reimbursements to municipalities for a general revenue savings of \$65.1 million. The recommendation includes the enacted amount of \$1.9 million for the fire districts. The Governor includes legislation to allow municipalities to levy a supplemental tax to capture the loss of \$65.1 million. This is subject to certification from the Department of Revenue. Current law requires an affirmative vote of at least four-fifths of the full membership of the municipality's governing body.

[Staff Note: Excluding the fire districts, the FY 2010 enacted budget includes \$133.4 million for the Motor Vehicles Excise Tax program; two-quarter payments equates to \$66.7 million. The Governor includes \$65.1 million in savings. It appears that the savings are understated by \$1.6 million.]

Energy Programs

Stimulus – Weatherization Assistance Program. The Department's request includes \$9.8 million from federal stimulus funds for the Weatherization Assistance Program, which provides cost effective, energy efficient weatherization improvements. It also provides low-income individuals, particularly elderly, persons with disabilities, families with children, high residential energy users, and households with a high energy burden, with weatherization improvements to lower utility costs. The request is \$3.1 million more than the enacted based on the anticipated award from the Department of Energy. The total request includes \$9.4 million budgeted for grants and \$0.4 million to administer the program. The total amount the state will receive from the stimulus act is estimated to be \$20.1 million.

The Governor recommends funding essentially as requested, with the exception of \$10,653 less to adjust for statewide savings initiatives, including the eight pay reduction days and medical benefit holidays.

Stimulus - State Energy Plan. The Department's request includes \$6.2 million from federal stimulus funds for the State Energy Program, of which \$5.3 million is budgeted for grants. The total amount that the state will receive through FFY 2010 is \$24.0 million. The Federal Stimulus Act requires that the funds be distributed on a formula basis and take into account population and energy usage. The Program provides direct funding to state energy offices and the states use the funds to address their energy priorities and programs to adopt or support energy efficiency and renewable energy programs and strategies. The funds were previously included in the Governor's recommended budget; however, the Assembly excluded them from the budget since a plan for the use of the funds had not been provided. The Department submitted a preliminary plan, which indicated that the funds would be used to make state buildings more energy efficient, provide energy assistance to businesses and provide loans or grants to homeowners.

The Governor recommends funding essentially as requested, with the exception of \$12,864 less to adjust for the eight pay reduction days and medical benefit holidays.

Stimulus - Energy Efficiency and Conservation Block Grants. The request includes \$2.0 million from federal stimulus funds for Energy Conservation Block Grants, which can be used for the implementation of specific programs established under the Energy Independence and Security Act of 2007; to reduce energy use and fossil fuel emissions, and for improvements in energy efficiency. The funds will be distributed on existing formula basis, which takes into account population and other factors. The Department indicates that the funds will be allotted to all municipalities in three installments. The Department plans to hold public hearings in December 2009. The total amount that the state will receive through FFY 2010 is \$9.6 million.

The Governor recommends funding essentially as requested, with the exception of \$3,004 less to adjust for the eight pay reduction days and medical benefit holidays.

Stimulus - Energy Appliance Rebates and Other. The Department's request includes \$1.2 million from federal stimulus funds, of which \$1.0 million is for appliance rebates, which provides rebates to eligible residential consumers who purchase energy efficient appliances. The request also includes \$0.2 million for the state to improve energy emergency preparedness plans.

The Governor recommends funding essentially as requested, with the exception of \$1,353 less to adjust for the eight pay reduction days and medical benefit holidays.

Weatherization Assistance Program. The Department's request includes \$2.0 million from federal funds for the Weatherization Assistance Program, which provides cost effective, energy efficient weatherization improvements. It also provides low-income individuals, particularly elderly, persons with disabilities, families with children, high residential energy users, and households with a high energy burden, with weatherization improvements to lower utility costs. The request is \$0.9 million more than the enacted based on anticipated awards that the Office of Energy will receive.

The Governor recommends funding essentially as requested, with the exception of \$3,963 less to adjust for the eight pay reduction days and medical benefit holidays.

Demand Side Energy Grants. The Department requests expenditures of \$3.8 million from restricted receipts to make energy grants for weatherization, gas and electric boiler replacements. These funds are collected from a surcharge on electricity and gas sales. The request is \$1.8 million more than the enacted budget based on anticipated receipts. Effective July 1, 2008, funding for the Demand Side Grants were treated as restricted receipts. *The Governor recommends funding as requested.*

Regional Greenhouse Gas Initiative. The Department requests revised expenditures of \$11.4 million from the Regional Greenhouse Gas restricted receipt fund. This is \$6.5 million more than enacted to reflect anticipated receipts from the sale of emission allowances. To date, six regional auctions have been held for a total of \$494.4 million. Rhode Island's share of that is \$7.9 million. Another four auctions have been scheduled through December 2010. The state was allocated just over 2.6 million tons of emission allowances. These allowances can be sold to energy producers in Rhode Island to offset the emissions they produce. The proceeds are to be used to invest in projects that reduce long-term energy demands and costs.

The Governor recommends funding essentially as requested, with the exception of \$1,705 less to adjust for the eight pay reduction days and medical benefit holidays.

Low Income Home Heating Assistance Program. The Department's request includes \$49.0 million from federal funds for the Low Income Home Energy Assistance Program grant program. The request is \$9.9 million more than the enacted budget, of which \$7.0 million is in carried forward funds from FY 2009 unexpended funds and a supplemental award from the Department of Health and Human Services. The program provides funds to assist Rhode Island's low-income households meet the increasing cost of home energy and reduce the severity of an energy related crisis.

The Governor recommends funding essentially as requested, with the exception of \$8,844 less to adjust for the eight pay reduction days and medical benefit holidays.

Other Energy Programs. The Department's request includes \$0.7 million from federal and restricted receipts for all other expenditures for the Office of Energy Resources. This is \$0.6 million less than the enacted budget, including \$0.7 million less from federal funds and \$0.1 million more from restricted receipts. The request includes \$0.7 million less for salaries and benefits, of which \$0.6 million was shifted to other stimulus funded programs. Adjusting for this, salary and benefit expenses are \$0.1 million less than enacted. All other operations reflect an increase of \$127,060, which includes increases for grants from the American Electric Power for weatherization. The request includes increases for dues and travel expenses.

The Governor recommends funding essentially as requested, with the exception of \$3,399 less to adjust for the eight pay reduction days and medical benefit holidays.

Economic Development Corporation

Economic Development Corporation - Operations. Consistent with the enacted budget, the request includes \$4.6 million from general revenues to support general operations of the Economic Development Corporation. The state annually awards a general revenue grant to the Corporation. *The Governor recommends 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 Department requests the enacted amount of \$1.5 million for participation in the National Science Foundation's Experimental

Program to Stimulate Competitive Research. This is the fourth installment totaling \$6.0 million of state funds necessary to receive federal grant awards of \$3.0 million per year to establish a partnership between state government, higher education and industry to effect lasting improvements in research infrastructure and national research and development competitiveness. Initially, this was for a three-year agreement. The Corporation would like to continue this program and has applied for additional federal funds.

The Governor reduces this expenditure by \$0.2 million. The Science and Technology and Advisory Council had planned to award six grants in the amount of \$200,000. The reduction equates to one less grant award.

Statewide Planning

Stimulus – Homelessness Prevention Fund and Block Grants. The Department requests revised expenditures of \$2.7 million from stimulus funds for community development block grants and homelessness prevention, for which the enacted budget included \$3.7 million. The request is \$1.0 million less than enacted based on anticipated awards that the Office of Housing and Community Development will receive. The request includes \$1.4 million or \$0.9 million less for homelessness prevention, which can be used for rental assistance, housing relocation and stabilization services to include housing search, security or utility deposits, utility payments and moving costs. The request includes \$1.3 million or \$0.1 million less for the community development block grants. This program provides annual grants on a formula basis to entitled cities and counties to develop viable urban communities.

The Governor recommends funding essentially as requested, with the exception of \$3,271 less to adjust for the eight pay reduction days and medical benefit holidays.

Community Development Block Grants Funding. The Department's request includes \$6.0 million or \$5.7 million less from federal funds for the community development block grants. Annually the grant award is received from the federal government and prior years remaining funds are carried forward for expenditures, the grants are also adjusted based on available balances of the block grant awards unspent by the Department. Due to the timing of payments, grant funds often overlap fiscal years. This program provides annual grants on a formula basis to entitled cities and counties to develop viable urban communities. *The Governor recommends funding essentially as requested, with the exception of \$3,034 less to adjust for the eight pay reduction days and medical benefit holidays.*

Other Statewide Planning. The Department requests \$8.6 million from all funds for all other expenditures relating to Statewide Planning. This is \$0.7 million more from all funds than enacted, including a reduction of \$81,256 from general revenues. The request includes \$50,376 less federal funds based on anticipated awards. The request includes \$0.8 million more from other funds; primarily budgeted for grants for transportation planning related issues. The request includes \$135,594 less for salary and benefit costs based on updated benefit rates and filled positions. Other state operations reflect a decrease of \$32,305 for general office supplies.

The Governor reduces the request by \$0.2 million, including \$69,897 from general revenues. This includes \$60,763 for the eight pay reduction days, \$49,384 for employee medical claims savings and additional turnover savings of \$0.1 million.

Overhead Functions

Debt Service. The Department requests the enacted amount of \$207.3 million from all funds, including \$157.6 million from general revenues for statewide debt service expenditures, excluding those for higher education and a portion of transportation.

The Governor recommends \$9.2 million less from all funds, which includes a \$7.9 million general revenue savings due to lower than anticipated interest costs and delaying general obligation debt issuance. The savings consist of \$1.5 million from Historic Structures Tax Credit, \$2.4 million from short-term borrowing, \$2.5 million from Certificates of Participation projects including \$0.4 million from School for the Deaf, \$0.3 million from Information Technology, and \$1.7 million from energy conservation projects.

RI Financial Accounting System Operations. The Department's request 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. *The Governor recommends funding as requested.*

Other Information Technology Operations. Excluding items previously mentioned, the Department requests \$5.8 million from all funds for all other expenditures for the Division of Information Technology. This is \$223,291 or 3.9 percent more than the enacted budget, including an increase of \$189,820 from general revenues, based on current needs. The request includes for various computer related expenses, such as laptop replacement and maintenance agreements. Expenditures for contracted services includes an additional \$52,959 for the completion of two billing rate studies, based on the actual contract. The request includes new general revenue expenditures of \$183,000 for unachievable billings for help desk support. The Department of Human Services recently renegotiated the InRhodes contract to allow the Division of Information Technology to provide help desk support. The enacted budget assumed 100.0 percent of this expense would be charged to federal funds, it appears only 51.4 percent can be charged. It should be noted that the Department of Human Services' budget includes a general revenue savings of \$1.0 million from the renegotiation of the contract.

The Governor recommends funding as requested and provides an additional \$51,953 from other sources to backfill general revenue savings.

Department of Business Regulation Lease Termination. The FY 2009 final budget included \$90,762 from general revenues to pay the fee for the early termination of the Department of Business Regulation's lease. The settlement stipulates a payout in three installments, \$25,000 and \$65,762 in FY 2009 and \$65,762 in FY 2010. The Department did not make the second payment in FY 2009. Therefore, it is requesting a supplemental increase of \$65,762 to pay the second installment. The FY 2010 enacted budget includes \$65,762 for the third settlement award. The total settlement cost is \$150,000. *The Governor recommends funding as requested.*

Utility Costs. The Department projects savings of \$3.7 million from all funds, including \$3.0 million from general revenues for utilities at state buildings under its jurisdiction, including the Pastore Campus. The revised projection is 14.4 percent lower than the \$25.7 million included in the FY 2010 enacted budget and \$0.4 million below FY 2009. The expenditure projection for natural gas is based upon the future pricing on the New York Mercantile Exchange. *The Governor recommends funding as requested.*

Other Facilities Operations. The Department requests \$8.6 million or \$0.5 million less from all funds for all other expenditures for the Division of Facilities Management to support building

operations, maintenance and repairs for 365 state properties, including the Pastore Campus. This reflects a reduction of 5.4 percent from the enacted budget, of which \$0.6 million is from general revenues, primarily for building maintenance and janitorial services. The request is \$0.3 million less than FY 2009 reported expenditures and \$0.1 million less than FY 2011 projected expenses.

The Governor reduces the request by \$272,198, including \$249,918 from general revenues to reflect the Administration's corrective action plan. The plan reduces janitorial services by \$12,726 for a day porter, reduces maintenance costs at the Pastore Center and the Zambarano Campus by \$71,271, and shifts \$165,921 of general revenue security service costs to the Department of Labor and Training. The Department indicates that the Department of Labor hires Industrial Securities and Investigations, which provides security services at each of its branches and the Center General. The Department further notes that the firm does not report to Facilities Management and indicates that this should be a direct charge to the Department of Labor.

Other Salary and Benefit Adjustments. Excluding items mentioned above, the Department requests \$72.8 million for salaries and benefits, \$4.7 million or 6.5 percent less than the enacted budget. This includes savings of \$2.5 million from general revenues, \$2.4 million from federal funds and \$46,894 from restricted receipts and an increase of \$0.2 million from other funds. The savings is due to greater than anticipated turnover savings throughout the Department. The request assumes \$2.4 million in turnover savings, or \$2.2 million more than included in the enacted budget. This is equivalent to 26.0 vacant positions. As of pay period ending December 2, 2009, the Department had 90.4 positions vacant.

The Governor recommends \$69.3 million from all funds for all other salaries and benefits. This is \$8.1 million less than enacted, including \$5.2 million from general revenues. The request is \$3.5 million less than requested, of which \$2.3 million is for the eight pay reduction days and medical benefit savings. It also includes additional turnover savings of \$0.9 million and the elimination of 10.0 positions from the Division of Information Technology for a savings of \$0.2 million to reflect the Administration's subsequent corrective action plan.

All Other Operations. The Department requests \$3.4 million from all funds, including \$2.3 million from general revenues for all other state operations. This is \$0.2 million more from all funds, including a general revenue reduction of \$0.2 million, offset by an increase of \$0.4 million from federal funds for grants relating to library services. The general revenue reductions are primarily from outside legal services, staff training and general office expenses, including computer supplies and printing costs.

The Governor further reduces the request by \$40,446, including \$86,817 from general revenues, of which \$75,005 is for vehicle maintenance.

Capital Projects. The Department requests \$26.6 million from Rhode Island Capital Plan funds for all capital project expenditures. This is \$6.4 million more than enacted, primarily in reappropriation from FY 2009 unexpended Rhode Island Capital Plan funds, of which \$4.9 million is for the Information Technology Computer Center. Section 12 of Article 1 of 2009-H 5983 provides for automatic reappropriation of unexpended balances from Rhode Island Capital Plan Fund projects over \$500. Balances of less than \$500 can be reappropriated at the discretion of the State Budget Officer.

The Governor recommends \$2.9 million more than requested. This includes \$1.1 million in reappropriation for McCoy Stadium; additional funding of \$1.0 million for fire code and renovations of the Washington Center to be occupied by the Department of Children, Youth and Families, which is currently in leased space.

Department of Business Regulation

	FY 2009 Reported	FY 2010 Enacted	FY 2010 Rev. Req.	FY 2010 Revised
Expenditures by Program				
Central Management	\$ 1,059,049	\$ 1,084,422	\$ 1,025,436	\$ 1,184,095
Banking Regulation	1,534,778	1,874,677	1,881,916	1,643,656
Securities Regulation	756,160	838,110	933,880	731,221
Commercial Licensing, Racing & Athletics	976,437	1,244,753	1,265,759	1,228,513
Insurance Regulation	5,113,349	5,810,982	5,740,689	5,259,356
Board of Accountancy	146,491	164,526	163,399	157,454
Boards for Design Professionals	304,018	314,575	312,668	301,485
Total	\$ 9,890,282	\$ 11,332,045	\$ 11,323,747	\$ 10,505,780
Expenditures by Category				
Salaries and Benefits	\$ 8,647,557	\$ 9,572,086	\$ 9,587,969	\$ 8,558,262
Contracted Services	776,986	889,815	885,648	885,648
Subtotal	\$ 9,424,543	\$ 10,461,901	\$ 10,473,617	\$ 9,443,910
Other State Operations	388,304	776,244	756,392	763,232
Aid to Local Units of Government	-	-	-	-
Assistance, Grant, and Benefits	75,102	80,000	80,000	284,900
Capital	2,333	13,900	13,738	13,738
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 9,890,282	\$ 11,332,045	\$ 11,323,747	\$ 10,505,780
Sources of Funds				
General Revenue	\$ 8,527,973	\$ 9,577,234	\$ 9,572,286	\$ 8,771,882
Federal Aid	87,315	-	-	-
Restricted Receipts	1,274,994	1,754,811	1,751,461	1,733,898
Other	-	-	-	-
Total	\$ 9,890,282	\$ 11,332,045	\$ 11,323,747	\$ 10,505,780
FTE Authorization	91.0	91.0	91.0	91.0
FTE Average	85.2			

FY 2010 Revised Request. The Department of Business Regulation revised request includes \$8,298 less from all fund sources including \$4,948 less from general revenues, and \$3,350 less from restricted receipts. The general revenue request is \$0.4 million less than the “working budget” of \$9.0 million. The working budget is the enacted budget adjusted for the Budget Office’s distribution of statewide personnel and operating reductions and retirement adjustments the 2009 Assembly budgeted centrally in the Department of Administration.

The Governor recommends \$826,265 less than enacted from all sources consisting of \$805,352 less from general revenues and \$20,913 less from restricted receipts. The recommendation is \$195,722 less than the working budget.

Salaries and Benefits. The Department requests \$15,883 more than the enacted budget for all salaries and benefits, including \$19,233 more from general revenues and \$3,350 less from restricted receipts. The request assumes additional turnover savings achieved from keeping 2.0 vacancies in the Central Management and Insurance divisions, which partially offsets adjustments to benefit rates.

The Governor recommends \$1.0 million less than enacted and requested, primarily from general revenues. This includes \$0.2 million for the eight unpaid work days, \$0.2 million for three medical benefits holidays, and additional turnover savings of \$0.6 million from keeping 8.0 positions vacant, 6.0 more than requested. These vacancies appear in the Central Management, Banking, Securities, and Insurance Divisions.

Legal Settlement. A Senior Legal Counsel was terminated from the Department of Business Regulation in May 2007. The termination was appealed to the Personnel Appeal Board, which determined the person should be compensated for back pay, benefits and legal fees totaling \$204,900. ***The Governor includes \$204,900 from general revenues to make this payment.***

Office of Health Insurance Commissioner Intern. The Department requests \$2,000 less from general revenues for the cost of an intern to assist in the research and analysis of health insurance issues in the Office of the Health Insurance Commissioner. ***The Governor recommends funding as requested.***

Other Operating Adjustments. The Department requests \$879,632, \$22,181 less than enacted from general revenues for all other operating expenses. This includes \$6,633 less for computer maintenance, \$2,217 less for postage, \$2,446 less for printing expenses, \$1,911 less for telephone expenses and \$8,970 less for other miscellaneous office expenses. ***The Governor recommends general revenue funding as requested and provides \$6,840 more from restricted receipts to reflect funds available from statewide personnel savings for other uses.***

Department of Labor and Training

	FY 2009	FY 2010	FY 2010	FY 2010
	Reported	Enacted	Rev. Req.	Revised
Expenditures by Program				
Central Management	\$ 509,263	\$ 1,935,999	\$ 1,062,164	\$ 1,040,122
Workforce Development Services	25,743,424	42,915,142	51,501,955	51,599,518
Workforce Regulation and Safety	2,210,782	2,254,033	2,180,082	2,053,119
Income Support	763,606,385	871,115,091	903,158,273	903,190,405
Injured Workers Services	9,714,962	11,387,196	9,588,366	9,595,786
Labor Relations Board	390,377	426,605	398,488	386,592
Total	\$ 802,175,193	\$ 930,034,066	\$ 967,889,328	\$ 967,865,542
Expenditures by Category				
Salaries and Benefits	\$ 33,005,304	\$ 40,455,386	\$ 39,549,629	\$ 37,856,684
Contracted Services	4,096,019	3,840,843	6,793,204	6,997,414
Subtotal	\$ 37,101,323	\$ 44,296,229	\$ 46,342,833	\$ 44,854,098
Other State Operations	5,595,861	6,266,551	6,123,194	7,617,503
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	744,161,750	862,883,949	897,617,525	897,588,165
Capital	541,567	2,281,093	1,859,771	1,859,771
Capital Debt Service	-	-	-	-
Operating Transfers	14,774,692	14,306,244	15,946,005	15,946,005
Total	\$ 802,175,193	\$ 930,034,066	\$ 967,889,328	\$ 967,865,542
Sources of Funds				
General Revenue	\$ 6,433,975	\$ 6,667,994	\$ 6,716,869	\$ 6,531,803
Federal Aid	62,635,505	214,366,612	284,937,538	285,082,058
Restricted Receipts	18,912,729	25,314,950	22,009,907	22,018,670
Other	714,192,984	683,684,510	654,225,014	654,233,011
Total	\$ 802,175,193	\$ 930,034,066	\$ 967,889,328	\$ 967,865,542
FTE Authorization	395.3	436.3	476.7	475.1
FTE Average	354.6			

FY 2010 Revised Request. The Department of Labor and Training requests \$967.9 million from all fund sources, which is \$37.9 million more than enacted. This includes \$48,875 more from general revenues, \$70.6 million more from federal funds, \$3.3 million less from restricted receipts, and \$29.5 million less from other funds. The request includes 476.7 full-time equivalent positions, which is 40.4 more positions than the enacted level. The general revenue request is \$251,397 more than the “working budget” of \$6.5 million. The working budget is the enacted budget adjusted for the Budget Office’s distribution of statewide personnel and operating reductions and retirement adjustments the 2009 Assembly budgeted centrally in the Department of Administration.

The Governor recommends \$23,786 less than requested from all funds and 1.6 full-time equivalent positions less than requested. This includes \$185,066 less from general revenues, \$144,520 more from federal funds, \$8,763 more from restricted receipts and \$7,997 more from other funds. The recommendation is \$66,331 more than the working budget.

American Recovery and Reinvestment Act Positions. The Department requests \$1.0 million from federal funds and 35.0 full-time equivalent positions for 35.0 short-term positions within the Workforce Development Services division to implement programs included in the American Recovery and Reinvestment Act. The Department requested 30 such positions in the FY 2010 budget request and was granted 10 positions and \$573,842 from federal stimulus funds. The Department requests 15 new positions in addition to the 20 that were not granted in the original request. The Department has indicated that since the process to hire staff has been affected by the hiring freeze, additional staff is needed to fully implement the Stimulus Act programs within the allotted timeframe. These positions will remain through FY 2011, but then will be eliminated as federal stimulus funding for these positions is exhausted. The Department has maintained an average of 381.7 filled positions through December 5, 2009, which is 54.6 below the authorization. ***The Governor recommends funding as requested.***

Unemployment Insurance Call Center Positions. The Department requests \$205,133 from federal funds for 9.4 new positions at the unemployment insurance call center for the remainder of FY 2010. The 50.0 part-time employment and training interviewers hired to work in the unemployment insurance call center were accounted for as 0.6 full-time equivalent positions, but have been working full-time or more. The Department requests to convert 23.5 of the positions from part-time to full-time, for an increase of 9.4 full-time equivalent positions to more accurately account for work that is being done by these individuals. These 50.0 positions will return to 0.6 full-time equivalents for FY 2011 as unemployment is expected to decrease, and the staff will not be needed on a full-time basis. The Department has maintained an average of 381.7 filled positions through December 5, 2009, which is 54.6 below the authorization. ***The Governor recommends funding as requested.***

Other Salaries and Benefits. The Department requests \$2.1 million less than enacted for all other salaries and benefits, including \$240,694 less from general revenues, \$1.0 million less from federal funds, \$1.2 million less from restricted receipts and \$0.4 million more from other funds. This includes an additional \$1.4 million for increased overtime needs, consisting of \$1.2 million from federal funds for the unemployment insurance division because of increased claim load and \$0.3 million from other funds for the temporary disability insurance division because of increases in staff retirement, promotions to other divisions and long term medical leaves.

This also includes \$246,450 less from general revenues to account for the benefit rate adjustments in addition to \$2.0 million in turnover savings, including \$240,724 from general revenues. This includes \$44,696 in central management, \$1.7 million in workforce development services, \$43,071 in workforce regulation services and \$274,302 in the income support division. There is no turnover in the enacted budget. Subsequent to submitting the request, the Department indicated it inadvertently underestimated personnel expenses by \$276,146 from general revenues for 5.6 full-time equivalent positions already included in the request. The Department has maintained an average of 381.7 filled positions through December 3, 2009, which is 54.6 below the authorization.

The Governor recommends \$1.7 million less than requested, including \$0.2 million less from general revenues, \$1.0 million less from federal funds, \$0.3 million less from restricted receipts and \$0.2 million less from other funds. This includes \$0.9 million from pay reduction days, and \$0.6 million less for medical benefits. Regarding the funding for the 5.6 positions, the Governor includes \$126,146

from general revenues to fill the funding gap for 4.1 full-time equivalent positions and eliminates 1.5 positions. The Budget Office indicates that it intends to keep general revenue positions vacant that are not deemed vital to public health and safety or federally mandated.

Fire and Police Relief Fund. The Department requests \$362,672 more from general revenues for police and fire benefits paid to surviving spouses of deceased police and firefighters and education benefits for children of deceased or disabled officer and firefighters, as well as the disabled worker. The request consists of \$260,424 more for pension benefits, including a one-time death benefit payment totaling \$126,298, as well as \$102,248 more for education benefits. *The Governor recommends funding as requested.*

[Staff Note: The Department does not normally budget for one-time death benefits, since they do not occur often. However, there were two in FY 2009 totaling \$234,000 and now one thus far in FY 2010 for \$126,298. The value of the one-time death benefit is 40.0 percent of the federal death benefits for law enforcement officers and firefighters killed in the line of duty.]

Unemployment Insurance. The Department requests \$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. The Labor Market Information unit provided updated estimates, based upon the November 6, 2009 extension of federally funded benefits for an additional 20 weeks. As of October 2009, Rhode Island had a 12.9 percent seasonally adjusted unemployment rate or 73,681 unemployed residents. The national unemployment rate was 10.2 percent for October 2009 while New England's unemployment rate was 8.8 percent, ranging from 6.5 to 12.9. *The Governor recommends funding as requested.*

Trade Readjustment Assistance Programs. The Department's FY 2010 revised budget request includes \$192,513 more in expenditures from federal Trade Readjustment Assistance Act funds, including \$2.0 million less for the distribution of weekly trade readjustment allowance assistances and \$2.2 million more for training programs. Someone eligible for these benefits must first exhaust all of their unemployment insurance benefits before becoming eligible for this program. Because these other programs take precedence, there have been fewer claims, and the Department has adjusted the revised request to reflect projected expenditures. The federal extension benefits announced on November 6, 2009 added 20 weeks of unemployment insurance benefits, which delays eligibility for Trade Adjustment Act programs further. *The Governor recommends funding as requested.*

Workforce Investment Programs. The Department's FY 2010 revised budget request includes \$8.0 million more from Workforce Investment Act funds to support initiatives oriented to youth, adults and dislocated workers. This request includes \$4.3 million more for adult and youth programs and \$3.7 million more for dislocated workers, comprised of \$31,662 more from federal stimulus funds and \$7.9 million more from regular federal Workforce Investment Act funds. The Department indicates that the increase is due to funds carried forward from previous years in addition to receiving higher awards than originally anticipated. *The Governor recommends \$28,535 less federal stimulus funds than requested to adjust for required administration and audit fees for these grants; accounted for elsewhere in the budget.*

[Staff Note: Although the demand for such services has increased, the Department repeatedly requests significantly more funds than it uses. Although any unspent funds can be carried forward into the following year, the Department spent only 67.0 percent of its final appropriation in FY 2007, 50.0 percent in FY 2008 and 62.0 percent in FY 2009.]

Human Resource Investment Council. The Department's FY 2010 revised budget request includes \$1.5 million less than enacted from restricted receipts to support initiatives through the Human Resource Investment Council, reflects downward revised estimates of revenues, and thus grant awards were also lowered. The Council places emphasis on those workforce, education, and economic development projects that produce results over the long-term period. *The Governor recommends funding as requested.*

Temporary Disability Insurance. The Department requests revised expenditures of \$155.0 million, or \$19.5 million less than the enacted level for temporary disability insurance benefits for FY 2010. Temporary disability insurance protects eligible workers against wage loss resulting from a non-work related illness or injury. With the sustained high unemployment rate and less people working in the state, there are less people likely to be eligible for these benefits. In addition, the Department has indicated that unemployed people who have lost their health insurance may be postponing elective procedures and those working may be reluctant to take time off for fear of losing their jobs.

The Department spent \$163.7 million in FY 2006, \$166.2 million in FY 2007, \$171.7 million in FY 2008 and \$163.2 million in FY 2009. *The Governor recommends funding as requested.*

Senior Community Service Employment Program. The Department requests \$119,979 more federal funds than enacted to support the Senior Community Service Employment Program. This includes \$98,680 more from regular federal funds and \$21,299 more from federal stimulus funds, which were carried forward from FY 2009. This program is a United States Department of Labor community service and work based training program for older workers. It was authorized by Congress in Title V of the Older Americans Act of 1965 to provide subsidized, part-time community service work based training for low-income persons age 55 or older. The overall goal of the program is to provide participants with the skills and competencies to move from subsidized employment to unsubsidized employment. *The Governor recommends \$735 less than requested from federal stimulus funds to adjust for required administration and audit fees for this grant; accounted for elsewhere in the budget.*

Workers' Compensation Administration Fund. The Department requests \$640,000 less from restricted receipts for claims on the Workers' Compensation Administration Fund, formerly known as the Second Injury Fund. This reflects actual expenditures to date and pending claims. Over the last few years, although the number of claims has decreased, the payout for many claims has increased because of rising prescription costs, the higher number of operations being performed and the rising cost of nursing home and long-term care. *The Governor recommends funding as requested.*

Capital Expenditures. The Department requests \$395,543 less from Rhode Island Capital Plan funds than enacted, shifting the expense into FY 2011, due to delays in preparing the request for proposals for the roof replacement on three buildings at the Center General complex. *The Governor recommends funding as requested.*

Information Technology Expenses. The Department requests \$1.3 million more than enacted from all funding sources for information technology expenses department-wide, including \$2,601 less from general revenues. This includes \$1.1 million more from federal funds, primarily federal stimulus funds made available to the state for technology upgrades and equipment in the unemployment insurance division, primarily for the clean claims and online certification updates recently implemented. This also includes \$0.4 million more from restricted receipts for the completion of upgrades being made to the system in Workers' Compensation and \$0.2 million less for the Temporary Disability Insurance program. *The Governor recommends funding as requested.*

Transfers to RI Higher Education. The request includes \$738,194 more from federal funds for transfers to the three Rhode Island institutions of higher education. This includes \$323,066 more from the Trade Readjustment Act Fund as well as \$415,128 more from the Workforce Investment Act Fund, due to higher federal awards than anticipated. This is an increase of \$181,468 for the university, \$90,067 for the college and \$466,649 for the community college compared to the enacted budget. The institutions are reimbursed for classes attended by Workforce Investment Act and Trade Adjustment Act clients for training and certificate programs offered by these institutions. These expenses appear to double count expenditures. *The Governor recommends funding as requested.*

Other Interfund Transfers. The Department's FY 2010 revised budget request includes \$0.9 million more than enacted from federal and other funds for expenditures classified as "inter-fund transfers." This includes \$1.4 million less than enacted for federal stimulus unemployment administration funds being transferred from the unemployment insurance benefit account into the General Fund once they are available for expenditures, and \$238,253 less than enacted from temporary disability insurance funds transferred to the Department of Revenue to support the employer tax unit and Department of Administration for debt service. These expenses appear to double count expenditures.

This also includes an additional \$2.5 million from the Employment Insurance Trust fund for the payment of unemployment benefits to other states. This is just the amount that Rhode Island reimburses other states for paying benefits on the state's behalf. There is also a corresponding revenue item, in the Rhode Island Office of the General Treasurer for reimbursements to Rhode Island from other states, though they are often not equal. These transactions do affect the balance of Employment Security Fund, but are processed at the national level, thus they are not counted as unemployment insurance benefit payments the way direct payments from the state are classified. *The Governor recommends funding as requested.*

Other Operations. The Department requests \$0.5 million more than enacted from all fund sources for all other operations. Excluding the reclassification of \$1.0 million from federal funds from grants to salaries and benefits for the administration costs associated with the Employment Services programs, the request is \$70,502 less from general revenues, \$1.7 million more from federal funds, \$298,185 less from restricted receipts and \$188,668 more from other funds.

The request includes \$0.5 million more from federal funds for staff training for the new positions requested plus training and educational, financial and temporary services, \$0.4 million more for capital purchases, \$0.4 million more for software maintenance and repairs department wide and \$0.2 million less for legal services and workers' compensation medical services including doctors and dentists.

The Governor recommends \$1.7 million more than requested, including \$42,930 more from general revenues and \$1.2 million from federal funds, \$0.3 million more restricted receipts and \$0.2 million more from other funds. This includes \$0.2 million for security services transferred from the Department of Administration and an additional \$0.5 million from federal funds to reflect additional funds available from statewide personnel savings. It also includes \$0.5 million more for unemployment insurance administration, \$0.1 million more for temporary disability insurance administration, \$0.3 million more in the Workforce Development Services division and \$0.1 million more in the workers' compensation unit for miscellaneous expenses along with other smaller adjustments.

Department of Revenue

	FY 2009	FY 2010	FY 2010	FY 2010
	Reported	Enacted	Rev. Req.	Revised
Expenditures by Program				
Office of Director	\$ 603,237	\$ 562,988	\$ 451,954	\$ 435,742
Office of Revenue Analysis	363,514	598,055	419,322	404,380
Lottery Division	188,356,618	187,710,749	187,599,960	191,483,930
Division of Municipal Finance	705,632	1,173,544	1,146,000	1,105,096
Taxation	17,011,434	20,204,279	19,084,269	18,071,909
Registry of Motor Vehicles	17,389,451	29,555,572	29,946,317	29,297,581
Total	\$ 224,429,886	\$ 239,805,187	\$ 238,647,822	\$ 240,798,638
Expenditures by Category				
Salaries and Benefits	\$ 32,239,733	\$ 36,291,174	\$ 35,062,361	\$ 33,191,848
Contracted Services	1,011,767	1,468,691	1,591,732	1,388,515
Subtotal	\$ 33,251,500	\$ 37,759,865	\$ 36,654,093	\$ 34,580,363
Other State Operations	190,100,014	189,470,101	189,624,965	193,832,794
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	16,002	17,093	11,633	11,633
Capital	1,062,370	12,336,397	12,357,131	12,157,131
Capital Debt Service	-	-	-	-
Operating Transfers	-	221,731	-	216,717
Total	\$ 224,429,886	\$ 239,805,187	\$ 238,647,822	\$ 240,798,638
Sources of Funds				
General Revenue	\$ 32,332,034	\$ 36,191,064	\$ 35,286,181	\$ 33,882,287
Federal Aid	1,551,477	2,604,929	2,448,648	2,402,882
Restricted Receipts	706,530	845,292	780,634	739,952
Other	189,839,845	200,163,902	200,132,359	203,773,517
Total	\$ 224,429,886	\$ 239,805,187	\$ 238,647,822	\$ 240,798,638
FTE Authorization	410.0	424.0	428.0	428.0
FTE Average	387.8			

FY 2010 Revised Request. The Department of Revenue requests FY 2010 revised expenditures totaling \$238.6 million from all funds, which is \$1.2 million less than the enacted budget. This includes reductions of \$0.9 million from general revenues, \$0.2 million from federal funds and \$0.1 million from restricted and other funds. The Department requests the authorization to fill 4.0 additional positions in the Registry of Motor Vehicles.

The general revenue request is \$1,434,089 more than the “working budget” of \$33,852,092. The working budget is the enacted budget adjusted for the Budget Office’s distribution of the statewide personnel and operating reductions and retirement adjustments the 2009 Assembly budgeted centrally in the Department of Administration.

The Governor recommends \$1.0 million more than enacted, including a general revenue reduction of \$2.3 million or \$1.4 million more than requested to reflect additional statewide savings. He includes an additional \$3.8 million from Lottery funds based on estimated changes in lottery collections. He recommends staffing as requested. The recommendation is \$30,195 more than the working budget.

New Registry Scanning Positions. The Department requests \$126,669 from general revenues to fill 4.0 new positions to scan documents for the Division of Motor Vehicles. The Department indicates that it has more than 18 months of materials from daily transactions that have not been scanned. The Department used existing vacancies to fill the positions; as of November 19, three of the positions were filled and the other is due to start in early December. The Department indicates that it is too early to determine how long it will take to get through the backlog. The Department's FY 2011 request includes \$215,913 for these positions. ***The Governor recommends funding as requested.***

Rhode Island Mall Branch Closure. The Department's request includes a saving of \$2,651 from general revenues from the closure of the Rhode Island Mall satellite branch. There are no personnel or lease savings associated with this closure. The savings consist of utilities, maintenance and armored car services. Current staff from this branch would be moved to the Division's main office in Pawtucket in early January 2010. 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 less than four miles to the headquarters. Closing this branch will also avoid build-out expenses. ***The Governor recommends funding as requested.***

New Computer System Software. The Department requests new expenditures of \$266,000 from general revenues for software and hardware maintenance costs, including the National Auto Dealer Association, cash machines and Sysco Fire Wall of its new computer system. Staff training of the new system will start in January 2010 and the Department expects the system to be fully implemented mid March. The 2006 Assembly authorized the Department of Administration to borrow \$13.0 million from Certificates of Participation to replace the computer system at the Registry to allow for more web site functionality to reduce wait times for transactions performed at the Registry such as titles, registrations, and other areas. The anticipated cost for these expenditures in FY 2011 is \$327,000. ***The Governor recommends funding as requested.***

Data Tools and Tax Equalization Report. The FY 2010 enacted budget includes \$160,000 from general revenues, of which \$100,000 is for the Office of Revenue Analysis to purchase data tools, including computer hardware and software and \$60,000 is for the Division of Municipal Finance for contractual services for the automation of the Property Value Equalization report. The Department reduces these expenditures to \$30,000 each based on anticipated need. This is consistent with its FY 2011 request. ***The Governor recommends funding as requested.***

Taxation Printing Costs. The request includes savings of \$246,111 from general revenues from printing costs. The Division entered into a cooperative agreement with the Department of Health's print shop to print documents on an as needed basis. The FY 2009 final budget assumed a savings of \$0.1 million; savings were \$0.4 million more than anticipated. Prior to the cooperative agreement, expenditures were as high as \$684,004. ***The Governor recommends funding as requested.***

Lottery Operations. Excluding salaries and benefits, the Department requests \$182.7 million for all other expenditures for the Lottery Division. This is \$113,087 more than the enacted budget based on anticipated expenditures for FY 2010. The request includes new advertising expenditures of \$0.4 million for the Mega Millions game and \$0.3 million less for all other expenditures including utilities, liability and loss of income insurance based on historical spending patterns. The request includes the

enacted amount of \$178.3 million for lottery commission payments, for which actual payments were \$167.7 million in FY 2009 and \$209.6 million in FY 2008.

The Governor concurs and provides an additional \$4.2 million primarily for commission payments based on estimated changes in lottery collections.

Other Salary and Benefit Adjustments. Excluding the new positions, the Department requests \$34.9 million from all funds for all other salaries and benefits. This is \$1.4 million or 3.7 percent less than the enacted budget including a reduction of \$0.9 million from general revenues due to greater than anticipated turnover savings throughout the Department. As of pay period ending November 5, 2009, the Department had 37.4 vacancies, including one position each from the Office of the Director and the Office of Revenue Analysis, seven from the Lottery Division, 17 from the Division of Taxation and 11.4 from the Registry of Motor Vehicles. The request reflects updated benefit rate changes and assumes that all revenue generating positions in the Division of Taxation will be filled in January 2010 and all other positions will remain vacant through the end of the fiscal year. The request includes an additional \$143,141 for overtime expenses for the Division of Motor Vehicles to allow for testing of the new computer system.

The Governor concurs and further reduces the request by \$1.8 million from all funds, including \$1.4 million from general revenues to reflect additional statewide savings. This includes \$0.6 million for the eight pay reduction days, \$0.4 million for employee medical claims savings and additional turnover savings of \$0.4 million.

All Other Operations. Excluding all items mentioned above, the Department requests \$9.0 million for all other state operations. This is \$146,557 less than the enacted budget, including \$82,500 less from general revenues and \$64,057 less from federal funds. The request includes reductions from license plate printing, postage costs and increases for utilities, to reflect historical spending patterns.

The Governor concurs with the general revenues request and provides an additional \$13,500 from federal funds based on anticipated receipts.

Registry of Motor Vehicles/Forand Building. Consistent with its capital budget, the Department requests total project costs of \$17.9 million from Rhode Island Capital Plan funds of which \$11.6 million or \$0.2 million more will be used in FY 2010 to renovate the Forand Building to be the new home of the Registry of Motor Vehicles. The Forand Building formerly housed operations of the Department of Human Services, which it vacated and has since relocated to several other buildings in the Pastore Center. The building is in need of extensive repair to prolong its useful life. Construction started early September and is slated to be completed next summer. The Department anticipates a moving date of August 2010. The Registry is currently in leased space, and the FY 2010 budget includes \$1.0 million for its lease costs.

The Governor recommends \$0.2 million less than requested based on the availability of Rhode Island Capital Plan funds.

Legislature

	FY 2009 Reported	FY 2010 Enacted	FY 2010 Rev. Req	FY 2010 Revised
Expenditures by Program				
General Assembly	\$ 5,063,258	\$ 5,829,511	\$ 5,321,946	\$ 5,195,808
Fiscal Advisory Staff	1,540,181	1,620,001	1,507,959	1,457,815
Legislative Council	3,952,871	4,417,515	4,237,432	4,057,219
Joint Comm. on Legislative Affairs	18,276,227	20,532,595	20,648,366	19,980,492
Office of the Auditor General	4,686,711	5,015,802	5,139,705	4,978,962
Special Legislative Commissions	7,415	15,300	13,900	13,900
Total	\$ 33,526,663	\$ 37,430,724	\$ 36,869,308	\$ 35,684,196
Expenditures by Category				
Salaries and Benefits	\$ 29,363,116	\$ 30,983,474	\$ 30,424,358	\$ 29,225,899
Contracted Services	401,349	613,304	605,050	605,050
Subtotal	\$ 29,764,465	\$ 31,596,778	\$ 31,029,408	\$ 29,830,949
Other State Operations	2,057,258	2,446,246	2,516,750	2,530,097
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	102,720	2,300,000	423,150	423,150
Capital	1,602,220	1,087,700	2,900,000	2,900,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 33,526,663	\$ 37,430,724	\$ 36,869,308	\$ 35,684,196
Sources of Funds				
General Revenue	\$ 32,018,330	\$ 35,874,012	\$ 35,327,396	\$ 34,181,165
Federal Aid	-	-	-	-
Restricted Receipts	1,508,333	1,556,712	1,541,912	1,503,031
Other	-	-	-	-
Total	\$ 33,526,663	\$ 37,430,724	\$ 36,869,308	\$ 35,684,196
FTE Authorization	297.9	297.9	297.8	297.9
FTE Average	282.3			

FY 2010 Revised Request. The Legislature's revised budget of \$36.9 million includes a general revenue reappropriation of \$0.8 million and 297.8 full-time equivalent positions.

The Governor's budget includes 297.9 positions and the requested funding, reduced by the \$1.2 million value of the eight pay reduction days and three medical benefit holidays.

Office of the Lieutenant Governor

	FY 2009	FY 2010	FY 2010	FY 2010
	Reported	Enacted	Rev. Req.	Revised
Expenditures by Category				
Salaries and Benefits	\$ 817,730	\$ 938,004	\$ 913,374	\$ 868,402
Contracted Services	2,463	-	450	-
Subtotal	\$ 820,193	\$ 938,004	\$ 913,824	\$ 868,402
Other State Operations	29,219	34,133	29,412	28,962
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	3,573	1,125	1,500	1,125
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 852,985	\$ 973,262	\$ 944,736	\$ 898,489
Sources of Funds				
General Revenue	\$ 852,985	\$ 973,262	\$ 944,736	\$ 898,489
Federal Aid	-	-	-	-
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 852,985	\$ 973,262	\$ 944,736	\$ 898,489
FTE Authorization	8.0	8.0	8.0	8.0
FTE Average	7.0			

FY 2010 Revised Request. The Office of the Lieutenant Governor requests expenditures of \$944,736 from general revenues, which is \$28,526 less than the FY 2010 enacted budget. The general revenue request is \$32,471 more than the “working budget” of \$912,365. The working budget is the enacted budget adjusted for the Budget Office’s distribution of statewide personnel and operating reductions and retirement adjustments the 2009 Assembly budgeted centrally in the Department of Administration. *The Governor recommends expenditures \$74,773 less than enacted. The recommendation is \$13,876 less than the working budget.*

Salaries and Benefits. The Office requests \$24,630 less than the enacted for all other salaries and benefits. This includes savings of \$23,309 from keeping a position vacant and \$1,012 for updated benefit rates. *The Governor recommends \$69,602 less than enacted and \$44,972 less than requested. The recommendation includes an additional week of turnover savings, eight unpaid work days and three medical benefits holidays.*

Other Operating. The Office requests \$3,896 less from general revenues for all other operating expenditures. This includes \$1,000 for printing, \$1,246 less for telephone expenditures, \$825 less for computers and furniture and \$750 less for staff training, offset by an increase of \$450 for American Sign Language translators for a member of the Emergency Management Advisory Council and \$532 more for other expenses. *The Governor recommends \$1,275 less than requested for all other*

operating expenses by not providing the increase and further reducing the request for the American Sign Language translators, computer purchases, travel and other miscellaneous expenses.

Office of Secretary of State

	FY 2009	FY 2010	FY 2010	FY 2010
	Reported	Enacted	Rev. Req.	Revised
Expenditures by Program				
Administration	\$ 1,836,026	\$ 1,904,137	\$ 1,510,318	\$ 1,841,664
Information Technology*	-	-	400,624	-
Corporations	1,759,692	1,782,133	1,860,944	1,749,973
State Archives	592,245	554,422	585,832	577,009
Elections	1,935,169	1,378,262	1,169,536	1,117,786
State Library	556,832	575,937	575,185	553,695
Office of Public Information	351,809	300,688	329,953	300,904
Total	\$ 7,031,773	\$ 6,495,579	\$ 6,432,392	\$ 6,141,031
Expenditures by Category				
Salaries and Benefits	\$ 4,653,311	\$ 4,855,106	\$ 4,908,760	\$ 4,687,828
Contracted Services	277,116	268,835	240,364	227,864
Subtotal	\$ 4,930,427	\$ 5,123,941	\$ 5,149,124	\$ 4,915,692
Other State Operations	1,794,366	1,106,625	1,016,758	970,450
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	273,535	241,302	219,652	219,652
Capital	33,445	23,711	46,858	35,237
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 7,031,773	\$ 6,495,579	\$ 6,432,392	\$ 6,141,031
Sources of Funds				
General Revenue	\$ 6,318,527	\$ 5,521,241	\$ 5,518,244	\$ 5,235,706
Federal Aid	285,130	500,000	408,400	408,400
Restricted Receipts	428,116	474,338	505,748	496,925
Other	-	-	-	-
Total	\$ 7,031,773	\$ 6,495,579	\$ 6,432,392	\$ 6,141,031
FTE Authorization	55.0	57.0	57.0	57.0

**The Department requests this division be separated from Administration.*

FY 2010 Revised Request. The Secretary of State requests FY 2010 revised expenditures of \$6.4 million from all sources, which is \$63,187 less than the FY 2010 enacted budget. The request includes \$2,997 less from general revenues, \$91,600 less from federal funds, and \$31,410 more from restricted receipts. The Office requests that the Information Technology division be separated from the Administration program, becoming a distinct program. The general revenue request is \$368,509 more than the “working budget” of \$5.1 million. The working budget is the enacted budget adjusted for the Budget Office’s distribution of statewide personnel and operating reductions and retirement adjustments the 2009 Assembly budgeted centrally in the Department of Administration. *The Governor recommends \$291,631 less than requested, including \$282,538 less from general revenues,*

\$8,823 less from restricted receipts and the requested level of federal funds. He does not recommend separating the information technology division from the administration program as requested. The recommendation is \$85,971 more than the working budget.

Election Expenses. The Secretary of State and Board of Elections request \$461,736 less than enacted from all funds for regular and special elections, and to implement the requirements of the Help America Vote Act of 2002, including salaries and benefits. This is \$119,776 less from general revenues and \$341,600 less from federal funds than enacted; FY 2010 is an off-year in the two-year election cycle. ***The Governor recommends \$367,064 less than the combined request for election expenses, including salaries and benefits. This includes \$487,645 less from general revenues and \$220,581 more from federal Help America Vote Act funds.***

The Secretary of State reduces FY 2010 expenditures and the Board of Elections requests no federal funds for costs associated with the Help America Vote Act because it is anticipated that the fund will be depleted in FY 2010. The fund was first depleted in FY 2009, but the federal government renewed funding, allowing Rhode Island continued access to these funds. The enacted budget includes \$500,000 for the Secretary of State and \$250,000 for the Board of Elections. ***The Governor recommends \$628,981 from federal Help America Vote Act funds based upon updated fund information from the Office of the Secretary of State, which is \$121,019 less than enacted.***

The Secretary of State requests \$208,726 less from all funds for election expenses, including \$117,126 less from general revenues and \$91,600 less from federal funds. This includes transferring one general revenue funded position to federal funds, while there are increased expenses for computers, printers, scanners and supplies for the Central Voter Registration System, offset by savings from renegotiating information technology services and software maintenance contracts. ***The Governor recommends \$51,750 less from general revenues than requested for election expenses and the requested amount from federal funds. This includes \$14,069 less for pay reduction days, \$5,913 less for medical benefits holidays, \$31,768 less for computer equipment and all other operating expenses.***

The request also includes \$55,000 less from general revenues for the RINET Muni contract that maintains the Central Voter Registration System. This is a real-time database where all 39 cities and towns maintain all voter registration and voting history information, including all relevant street files, voting districts and polling places. After the expense of the maintenance contract doubled, the Office looked for ways to maintain access to the system in-house. ***The Governor recommends funding as requested.***

The Board of Elections requests \$252,650 less from all funds, including \$2,650 less from general revenues and \$250,000 from federal funds, anticipating the Help America Vote Act fund depletion. Savings of \$0.5 million from renegotiating and reducing service and maintenance contracts for the voting equipment were partially offset by increases of \$0.2 million for preparation and delivery of election equipment that was to be covered under the previous contract, \$79,416 for personnel benefit rate adjustments consistent with Budget Office instructions, and \$838 for miscellaneous operating expenses. ***The Governor does not concur with the substitution of the Help America Vote Act funds with general revenues and shifted \$220,581 back to federal funds, which is \$29,419 less than enacted. He also recommends \$215,314 less from general revenues, mostly in personnel, than the Board requests.***

State Archives. The Secretary of State requests \$31,410 more than enacted for the operation of the state archives, which is funded primarily by the Historical Records Trust Fund. This includes the enacted level of \$80,084 from general revenues and \$31,410 more from restricted receipts, primarily for the final payments of grants to cities and towns for records preservation, which were awarded

between FY 2006 and FY 2009. The Office requests \$7,047 less than enacted for salaries and benefits for 3.4 full-time positions, consistent with Budget Office instructions. *The Governor recommends the requested general revenues and \$8,823 less restricted receipts than requested. This includes personnel adjustments and shifts \$2,920 in general revenue expenses to restricted receipts.*

Other Salaries and Benefits. The request includes \$67,686 more than enacted from general revenues for all other salary and benefit costs for the remaining 46.6 full-time equivalent positions. This includes \$37,565 more for filling one vacant position in January, and benefit rate adjustments consistent with Budget Office instructions. There are currently 56.0 positions filled, out of 57.0 authorized positions. *The Governor recommends \$185,884 less than requested for all other salaries and benefits. This includes \$108,161 less for pay reduction days, \$45,456 less for medical benefits holidays and maintains 1.0 vacancy in the corporations division.*

State House Tours. The request includes \$12,500 for a contract with Johnson and Wales University to coordinate tours of the State House to the public and all the school districts in Rhode Island. Many of the tours accommodate the various educational institutions throughout the state and are at the request of General Assembly members. Students volunteer to lead tours, but the University coordinates the schedules of the students and handles their training.

Past expenditures include \$12,004 in FY 2007, \$11,730 in FY 2008 and \$12,330 in FY 2009. In both FY 2009 and FY 2010, the Office requested funding for this item, but neither the Governor nor the Assembly recommended the funding. The Office has spent \$6,251 thus far in FY 2010 for this service. *The Governor does not recommend this funding.*

Other Operating Adjustments. The Secretary of State requests \$33,943 more than enacted from general revenues for all other operating expenditures. This includes \$11,830 more for postage, \$11,300 for advertising and printing, and \$16,874 for other operating expenses, partially offset by reductions of \$2,455 for communications expenditures, \$1,630 for maintenance and repairs and \$1,126 for rental and lease costs. *The Governor recommends \$32,404 less general revenues than requested and includes savings of \$7,185 from a 30.0 percent reduction to the request from using the Department of Health's Central Printing Services for all printing services, except for the Elections and Civics Division. It also includes savings of \$25,219 from purchasing computer equipment, and general office supplies and expenses.*

Office of the General Treasurer

	FY 2009 Reported	FY 2010 Enacted	FY 2010 Rev. Req.	FY 2010 Revised
Expenditures by Program				
General Treasurer	\$ 2,621,556	\$ 2,819,654	\$ 2,719,680	\$ 2,646,827
Unclaimed Property	14,339,074	15,051,045	14,769,588	15,377,146
Employees' Retirement System	6,535,643	10,206,869	10,564,451	10,448,952
Crime Victim Compensation	1,862,428	2,617,423	2,625,205	2,614,370
Refunding Bond Authority	24,694	41,641	33,142	32,482
Subtotal	\$ 25,383,395	\$ 30,736,632	\$ 30,712,066	\$ 31,119,777
Expenditures by Category				
Salaries and Benefits	\$ 7,374,341	\$ 7,724,120	\$ 7,633,741	\$ 7,340,427
Contracted Services	1,929,658	2,224,945	2,615,400	2,620,400
Subtotal	\$ 9,303,999	\$ 9,949,065	\$ 10,249,141	\$ 9,960,827
Other State Operations	14,444,697	15,385,125	15,063,429	15,759,593
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	1,595,592	2,344,000	2,334,569	2,334,430
Capital	39,107	3,058,442	3,064,927	3,064,927
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 25,383,395	\$ 30,736,632	\$ 30,712,066	\$ 31,119,777
Sources of Funds				
General Revenue	\$ 2,353,044	\$ 2,500,299	\$ 2,364,404	\$ 2,299,683
Federal Aid	783,113	1,293,540	1,283,993	1,276,605
Restricted Receipts	22,088,138	26,740,503	26,844,591	27,329,315
Other	159,100	202,290	219,078	214,174
Total	\$ 25,383,395	\$ 30,736,632	\$ 30,712,066	\$ 31,119,777
FTE Authorization	83.0	83.0	83.0	83.0
FTE Average	78.9			

FY 2010 Revised Request. The Office of the General Treasurer requests \$24,566 less than enacted from all sources including \$135,895 less from general revenues and the authorized level of 83.0 full-time equivalent positions. The general revenue request is \$23,249 more than the "working budget" of \$2,341,155. The working budget is the enacted budget adjusted for the Budget Office's distribution of statewide personnel and operating reductions and retirement adjustments the 2009 Assembly budgeted centrally in the Department of Administration.

The Governor recommends \$31.1 million from all sources, which is \$383,145 more than enacted and \$407,711 more than requested. General revenues are \$0.2 million less than enacted and \$64,721 less than requested. The recommendation is \$41,742 less than the working budget.

Salaries and Benefits. The Office requests \$90,379 less than enacted for all salaries and benefits including \$91,710 less from general revenues. This reflects additional turnover savings from leaving a clerk position unfilled for four months and eliminating funding for 3.0 other positions for the entire year. The positions, all in the business processing division, are a clerical position, receipts coordinator and account and research services specialist. These positions have been vacant for between 11 and 13 months.

The Governor's recommendation is \$0.3 million less than requested including \$69,721 less from general revenues. He concurs with the request and reduces general revenues by an additional \$69,721 to reflect eight payless work days for employees and three medical holidays.

Unclaimed Property Claims. The Office requests \$8.6 million for payment of unpaid property claims, which is \$12,503 more than enacted. The November Revenue Estimating Conference estimated \$8.6 million, consistent with the enacted level. *The Governor recommends funding as requested.*

Unclaimed Property Change in Claims Liability. The enacted FY 2010 budget reflects an estimated \$0.1 million increase in the amount of revenues set aside for future claims liability. This change had not typically appeared in the expenditure estimate included in the budget; however, as part of its FY 2010 budget request, the agency requested that the liability change be reflected in the budget to align its expenditure authority with these transactions. The FY 2010 revised request is for \$41,675 less.

The Governor recommends an additional \$158,589 to reflect the additional \$0.6 million in revenue assumed in his budget from transferring \$950,000 of 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.

Unclaimed Property Transfer to General Fund. The Office requests \$4.7 million for the transfer from unclaimed property to the state, \$270,271 less than enacted. Transfers of unclaimed property to the state are shown as expenditures in the Office's operating budget. The November Revenue Estimating Conference adopted an estimate of \$5.2 million, which is \$0.2 million more than enacted. The adopted estimate is higher than the budget request because the request was prepared at least a month before the conference. Based on collections as of November 1, the Office testified that traditional revenues would be higher than previously thought. The program gets the bulk of its revenues from October 1 to November 1 of each year, so the budget request is going to be outdated by the time of the conference.

The Governor recommends transferring \$5.2 million from unclaimed property to the state. This is consistent with the estimate adopted by the November Revenue Estimating Conference. However, Budget Office supporting documents indicate that there would be an additional \$0.6 million transferred 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. It appears that the budget inadvertently omitted the expenditure.

Retirement System Legal Services. The Office requests an additional \$185,000 for outside legal services for the Retirement System to work on additional pension determination cases as requested and to address potential claims resulting from the recent changes to the pension system. The 2009 Assembly adopted pension changes that apply to state employees and teachers not eligible to retire as of October 1, 2009 and newly hired judges. *The Governor recommends funding as requested.*

Retirement System Computer System. A three-year implementation contract to replace the paper-based system used in the Employees' Retirement System was completed at the end of 2004. Final payment was to be made in FY 2005, but problems with some of the final elements have led the Office to withhold that payment until FY 2008 pending resolution of the last items. The revised request includes an additional \$0.2 million from retirement fund administration restricted receipts for current service requirements for the existing vendor.

The Office is currently seeking estimates on costs and options to upgrade its membership benefit database, also known as the Anchor System. The FY 2010 enacted budget included \$3.0 million from retirement fund administration restricted receipts as an estimate of what an upgrade might cost in the event that the exploratory process is completed in time to begin expenditures this year. *The Governor recommends funding as requested.*

Fees on Bonds and Notes. The FY 2010 revised request reflects general revenue savings of \$40,000 for fees on bonds and notes based on recent expenditure experience. Generally, fees on bonds and notes fund on-going fees of issued bonds and notes over the life of the financings. Examples include debt manager maintenance fees, escrow agent fees, redemption processing and trustee fees. *The Governor recommends funding as requested.*

Other Operating Adjustments. The Office requests \$20,256 more than enacted, including \$4,185 less from general revenues for all other expenses including legal and other contracted services. *The Governor recommends \$72,165 more than requested including \$5,000 more from general revenues for disclosure counsel for work unrelated to the issuance of general obligation bonds, tax anticipation notes, or certificates of participation. In those cases, disclosure counsel is part of the issuance cost and is funded by the proceeds.*

Rhode Island Board of Elections

	FY 2009	FY 2010	FY 2010	FY 2010
	Reported	Enacted	Rev. Req.	Revised
Expenditures by Category				
Salaries and Benefits	\$ 1,082,002	\$ 1,113,252	\$ 1,192,396	\$ 979,269
Contracted Professional Services	704,041	604,086	266,302	267,495
Subtotal	\$ 1,786,043	\$ 1,717,338	\$ 1,458,698	\$ 1,246,764
Other State Operations	256,752	132,803	135,293	131,913
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	3,500	3,500
Capital	76	-	-	-
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 2,042,871	\$ 1,850,141	\$ 1,597,491	\$ 1,382,177
Sources of Funds				
General Revenue	\$ 1,547,547	\$ 1,600,141	\$ 1,597,491	\$ 1,161,596
Federal Aid	495,324	250,000	-	220,581
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 2,042,871	\$ 1,850,141	\$ 1,597,491	\$ 1,382,177
FTE Authorization	12.0	12.0	12.0	12.0
FTE Average	12.4			

FY 2010 Revised Request. The Rhode Island Board of Elections requests \$252,650 less from all sources than enacted, including \$2,650 less from general revenues and \$250,000 less federal funds. The general revenue request is \$142,540 more than the “working budget” of \$1,454,951. The working budget is the enacted budget adjusted for the Budget Office’s distribution of statewide personnel and operating reductions and retirement adjustments the 2009 Assembly budgeted centrally in the Department of Administration. *The Governor recommends \$467,964 less than enacted, primarily from general revenues. This is \$215,314 less from all funds than the request and the enacted number of full-time equivalent positions. The recommendation is \$293,355 more than the working budget.*

Salaries and Benefits. The request includes \$79,144 more from general revenues than enacted for salaries and benefits for 12.0 full-time equivalent positions. The Board has maintained one vacant chief auditor position and one vacant commissioner position, but the salary savings in the request appear to undervalue these savings, which only total \$2,264 less than enacted. In addition, the Board’s medical insurance benefits adjustment is not in line with the Budget Office instructions and overstates this expense by about \$80,000.

The Governor recommends \$213,127 less than the request for salaries and benefits. This change to the request includes maintaining the 1.0 chief auditor position vacant for the remainder of the fiscal year,

\$3,494 less for holiday pay since there was no Election Day holiday in FY 2010, and \$84,257 less for medical benefits based on current personnel projections.

Election Expenses. The Board of Elections and Secretary of State request \$926,562 from all sources for expenses directly related to elections, excluding salaries and benefits, which is \$542,975 less than enacted. This includes \$168,022 less from general revenues and \$374,953 less from federal funds; FY 2010 is an off-year in the two-year election cycle. Including salaries and benefits, the Secretary of State and Board of Elections request \$461,736 less than enacted from all funds, which is \$119,776 less from general revenues and \$341,600 less from federal funds than enacted. *The Governor recommends \$28,360 less than requested for the two combined, excluding salaries and benefits. This includes \$253,727 less from general revenues and \$225,342 more from federal funds.*

The Secretary of State reduces FY 2010 expenditures and the Board of Elections requests no federal funds for costs associated with the Help America Vote Act because it is anticipated that the fund will be depleted in FY 2010. The fund was first depleted in FY 2009, but the federal government renewed funding, allowing Rhode Island continued access to these funds. The enacted budget includes \$500,000 for the Secretary of State and \$250,000 for the Board of Elections. *The Governor recommends \$628,981 from federal Help America Vote Act funds based upon updated fund information from the Office of the Secretary of State, which is \$121,019 less than enacted.*

The Board of Elections requests \$341,234 less from all funds, including \$91,234 less from general revenues and \$250,000 from federal funds, excluding salaries and benefits. Savings of \$0.5 million from renegotiating and reducing service and maintenance contracts for the voting equipment are partially offset by increases of \$0.2 million for preparation and delivery of election equipment that was to be covered under the previous contract and \$838 for miscellaneous operating expenses. *The Governor recommends the requested amount, but does not concur with the substitution depletion of Help America Vote Act funds with general revenues and shifts \$220,581 from general revenues back to federal funds.*

The Secretary of State requests \$201,741 less from all funds for election expenses, excluding salaries and benefits. This is \$76,788 less from general revenues and \$124,953 less from federal funds. This includes increased expenses for computers, printers, scanners and supplies for the Central Voter Registration System, offset by savings from renegotiated information technology services and software maintenance contracts. *The Governor recommends \$33,146 less from general revenues than requested for election expenses and \$4,761 more from federal funds. This includes \$28,385 less for computer equipment and all other operating expenses.*

The Secretary of State's request also includes \$55,000 less from general revenues for the RINET Muni contract that maintains the Central Voter Registration System. This is a real-time database where all 39 cities and towns maintain all voter registration and voting history information, including all relevant street files, voting districts and polling places. After the expense of the maintenance contract doubled, the Office looked for ways to maintain access to the system in-house. *The Governor recommends funding as requested.*

Other Operating Expenses. The Board of Elections requests \$9,440 more from general revenues than enacted for all other operations. This includes an increase of \$4,300 for maintenance and repairs, \$3,500 for a complaint settlement and other miscellaneous expenditure changes of minor amounts throughout the agency's budget. *The Governor recommends \$7,253 more than enacted, which is \$2,187 less than the request for the maintenance and repairs of vehicles and office equipment.*

Rhode Island Ethics Commission

	FY 2009	FY 2010	FY 2010	FY 2010
	Reported	Enacted	Rev. Req.	Revised
Expenditures by Category				
Salaries and Benefits	\$ 1,173,048	\$ 1,225,062	\$ 1,244,995	\$ 1,203,404
Contracted Services	26,719	31,500	34,500	31,500
Subtotal	\$ 1,199,767	\$ 1,256,562	\$ 1,279,495	\$ 1,234,904
Other State Operations	144,665	173,875	174,635	174,635
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	5,293	7,293	7,293	7,293
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 1,349,725	\$ 1,437,730	\$ 1,461,423	\$ 1,416,832
Sources of Funds				
General Revenue	\$ 1,349,725	\$ 1,437,730	\$ 1,461,423	\$ 1,416,832
Federal Aid	-	-	-	-
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 1,349,725	\$ 1,437,730	\$ 1,461,423	\$ 1,416,832
FTE Authorization	12.0	12.0	12.0	12.0
FTE Average	11.7			

FY 2010 Revised Request. The Rhode Island Ethics Commission requests \$23,693 more general revenues than enacted and the authorized staffing of 12.0 full-time equivalent positions. The general revenue request is \$114,087 more than the “working budget” of \$1.3 million. The working budget is the enacted budget adjusted for the Budget Office’s distribution of statewide personnel and operating reductions and retirement adjustments the 2009 Assembly budgeted centrally in the Department of Administration. *The Governor recommends \$1.4 million, \$20,898 less than the enacted and \$44,591 less than requested. The recommendation is \$69,496 more than the working budget.*

Salaries and Benefits Adjustment. The Commission requests \$1.2 million for other salary and benefit adjustments, \$19,933 more than enacted. This includes \$22,087 more from general revenues to restore unachieved turnover savings in FY 2010. The Commission filled 2.0 vacant positions in the third quarter of FY 2009. This increase is offset by a reduction of \$2,154 to benefits, consistent with revised Budget Office planning values.

The Governor recommends \$1.2 million, \$41,591 less than requested. The change to the request reflects savings associated with eight unpaid work days and three medical benefits holidays as well as additional adjustments based on updated employee benefit choices.

Outside Legal Services. The Commission requests an additional \$3,000 from general revenues for outside legal services, for which the enacted budget already includes \$27,000. The Commission indicates that more complex litigation and complaint matters require additional research from its outside legal counsel, increasing the cost of that service. Rhode Island General Law 36-14-9 (a)(2) empowers the Commission to retain the services of independent legal counsel. Legal counsel is utilized to provide legal guidance and interpretation on complaints before the Commission and proposed regulatory changes. *The Governor does not provide the additional funding requested.*

All Other Adjustments. The Commission requests \$760 more than the enacted budget for all other expenses. This includes new expenditures of \$260 for Westlaw applications for four of its staff attorneys, an increase from the current access provided to two staff attorneys. The request also includes an increase of \$500 for additional expenses for record center charges. *The Governor recommends funding as requested.*

Office of the Governor

	FY 2009	FY 2010	FY 2010	FY 2010
	Reported	Enacted	Rev. Req.	Revised
Expenditures by Category				
Salaries and Benefits	\$ 4,395,245	\$ 5,157,934	\$ 5,462,437	\$ 5,059,274
Contracted Services	421,320	-	178,610	178,610
Subtotal	\$ 4,816,565	\$ 5,157,934	\$ 5,641,047	\$ 5,237,884
Other State Operations	322,414	317,950	346,307	350,764
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	22,000	250,000	250,000	250,000
Capital	10,880	11,500	78,629	78,629
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	70,578	70,578
Total	\$ 5,171,859	\$ 5,737,384	\$ 6,386,561	\$ 5,987,855
Sources of Funds				
General Revenue	\$ 4,627,388	\$ 5,106,754	\$ 5,103,840	\$ 4,730,441
Federal Aid	544,471	630,630	-	-
Restricted Receipts	-	-	1,282,721	1,257,414
Other	-	-	-	-
Total	\$ 5,171,859	\$ 5,737,384	\$ 6,386,561	\$ 5,987,855
FTE Authorization	39.0	43.0	46.0	46.0
FTE Average	37.5			

FY 2010 Revised Request. The Office of the Governor requests a supplemental appropriation of \$649,177 from all funds and 3.0 additional positions. The request includes a general revenue reduction of \$2,914. The enacted budget includes \$0.6 million from federal funds to cover oversight expenses for the Office of Economic Recovery and Reinvestment. The Office changed the funding source to restricted receipts per guidance it received from the state controller and the auditor general.

The general revenue request is \$329,806 more than the “working budget” of \$4,724,034. The working budget is the enacted budget adjusted for the Budget Office’s distribution of the statewide personnel and operating reductions and retirement adjustments the 2009 Assembly budgeted centrally in the Department of Administration.

The Governor concurs and further reduces the request by \$0.4 million to reflect additional statewide savings. He proposes legislation to create the restricted receipt account to support operations for the Office of the Economic Recovery and Reinvestment. He recommends staffing as requested. The recommendation is \$53,593 less than the working budget.

Office of Economic Recovery & Reinvestment New Positions. The Office requests restricted receipt expenditures of \$269,364 to fund 3.0 new positions to support the Office of Economic Recovery and Reinvestment. The request is in addition to the \$0.6 million included in the enacted budget to support

4.0 positions; 3.0 of which were transferred from the Office of Health and Human Services and 1.0 from the School for the Deaf. The current request includes \$100,893 for an executive assistant of communications position, \$88,306 for a fiscal management supervisor position and \$80,155 for a legal counsel position. It appears that the legal counsel position has already been filled. *The Governor recommends funding and staffing as requested.*

Office of Economic Recovery Operations. The Office's request includes new expenditures of \$369,719 from restricted receipts to support the Office of Economic Recovery and Reinvestment within the Office of the Governor. The request includes \$70,758 in operating transfer to the Economic Development Corporation to fund a position that is providing administrative services to the Office. It also includes \$178,610 for contractual services including \$67,610 for KPMG to develop processes and procedures for monitoring and managing the federal stimulus funds and \$110,000 is for three temporary positions that the Office plans to hire through ADIL. The request also includes \$120,531 for state operations primarily for travel expenses, computers and office supplies. *The Governor recommends funding as requested.*

Other Salaries and Benefits. Excluding the new positions, the Office requests \$5.2 million from all funds for all other salaries and benefits. The request is \$35,139 more than the enacted budget, which includes a shift from federal funds to restricted receipts for a net increase of \$13,008 and \$22,131 more general revenues of which \$20,651 is for updated benefit rate changes. The request includes an additional \$62,848 from turnover savings; however, it appears that current staffing configuration costs more than funds provided in the enacted budget. Since the beginning of the fiscal year, the Office filled several positions at higher costs than the budget provided.

The Governor concurs and further reduces the request by \$398,706 from all funds, including \$373,399 from general revenues to reflect additional statewide savings. This includes \$0.1 million for the eight pay reduction days, \$30,975 for employee medical claims savings and additional turnover savings of \$0.2 million.

Other Operations. The Office requests expenditures of \$554,405, \$25,045 or 4.3 percent less than the enacted amount for all other operations. This includes reductions for general office supplies such as travel, telephone and printing costs. The request includes the enacted amount of \$250,000 from the contingency fund. Information obtained from the state's accounting system indicates that as of November 5, 2009, actual expenditures were \$11,256. *The Governor recommends funding as requested.*

Rhode Island Commission for Human Rights

	FY 2009	FY 2010	FY 2010	FY 2010
	Reported	Enacted	Rev. Req.	Revised
Expenditures by Category				
Salaries and Benefits	\$ 1,133,862	\$ 1,165,324	\$ 1,065,896	\$ 1,065,868
Contracted Services	5,660	9,950	8,200	8,200
Subtotal	\$ 1,139,522	\$ 1,175,274	\$ 1,074,096	\$ 1,074,068
Other State Operations	233,665	249,473	240,749	244,421
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	-	-	-	-
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 1,373,187	\$ 1,424,747	\$ 1,314,845	\$ 1,318,489
Sources of Funds				
General Revenue	\$ 918,462	\$ 1,016,242	\$ 951,019	\$ 961,874
Federal Aid	454,725	408,505	363,826	356,615
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 1,373,187	\$ 1,424,747	\$ 1,314,845	\$ 1,318,489
FTE Authorization	14.5	14.5	14.5	14.5
FTE Average	14.5			

FY 2010 Revised Request. The Commission requests \$109,902 less than enacted, including \$65,223 less from general revenues and the enacted level of authorized positions. The general revenue request is \$10,855 more than the “working budget” of \$951,019. The working budget is the enacted budget adjusted for the Budget Office’s distribution of statewide personnel and operating reductions and retirement adjustments the 2009 Assembly budgeted centrally in the Department of Administration. *The Governor recommends \$3,644 more than requested, \$10,855 more from general revenues and \$7,211 less from federal funds.*

Federal Receipts. The enacted budget assumes that federal receipts available to be spent in FY 2010 would be \$408,505, but the estimate was too high. When the FY 2009 budget was submitted by the Commission, it was noted that the federal funds requested by the Commission would leave a shortfall for FY 2010 and the Governor’s recommendation assumed federal funds above what the Commission requested, increasing the potential shortfall. The Assembly enacted the Commission’s budget based on the Governor’s recommendation.

The Commission’s FY 2010 revised budget reduces the federal receipts by \$44,679 to \$363,826 to adjust for the shortfall. However because of an additional resulting shortfall that occurred in FY 2009, the available receipts now total only \$313,219 leaving an FY 2010 shortfall of \$49,607 compared to the revised request. This requires a reduction in overall expenses or additional general revenues to

fund the requested expenses. *The Governor's recommendation includes federal receipts totaling \$356,615, leaving of potential shortfall of \$43,396 in FY 2010.*

Salaries and Benefits. The Commission requests \$99,428 less for salaries and benefits, including \$123,340 from general revenues to adjust for a 0.5 vacant position and other benefit costs consistent with updated Budget Office planning values. A full-time investigator position became vacant and a part-time employee has been promoted to that position. The Commission plans to leave the part-time position vacant through FY 2011 and includes savings of \$46,018 in FY 2010. It should be noted that the assumed savings from the vacant position should be \$23,385. It also appears that the enacted budget did not sufficiently reduce medical benefit costs for the monthly employee cost share which has been corrected in the request.

The Governor recommends \$28 less than requested but adds \$10,855 from general revenues and reduces federal funds by \$10,883. He includes three medical benefit holidays and eight pay day reductions for combined savings of \$35,163. He adds back funding to adjust for the incorrect savings for the vacant positions but does not reduce medical benefits for the correct monthly cost sharing requirements and appears to overfunded expenses by \$12,530.

State Operations. The Commission requests \$58,117 more from general revenues and \$66,841 less from federal funds for state operations. The Commission shifts operating expenses to general revenues from federal resources because it used those to support increased staffing costs. However, as previously noted, it appears that unless the Commission receives federal funds above the receipts that are part of its budget submission, the federal funds will not be sufficient to support the request. The \$8,724 of expenditure adjustments includes reduction to staff travel, stenographers and other office expenses. ***The Governor recommends the requested general revenues but adds \$3,672 from federal funds to reflect federal sources that may be freed up from the medical savings and eight pay reduction days.***

Public Utilities Commission

	FY 2009	FY 2010	FY 2010	FY 2010
	Reported	Enacted	Rev. Req.	Revised
Expenditures by Category				
Salaries and Benefits	\$ 4,347,522	\$ 4,753,864	\$ 4,870,293	\$ 4,555,577
Contracted Services	750,175	1,718,143	1,718,143	1,718,143
Subtotal	\$ 5,097,697	\$ 6,472,007	\$ 6,588,436	\$ 6,273,720
Other State Operations	485,654	940,187	890,319	946,390
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	336	337	337	337
Capital	-	-	47,000	47,000
Capital Debt Service	51,915	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 5,635,602	\$ 7,412,531	\$ 7,526,092	\$ 7,267,447
Sources of Funds				
General Revenue	\$ -	\$ -	\$ -	\$ -
Federal Aid	67,758	103,600	98,830	98,830
Restricted Receipts	5,567,844	7,308,931	7,427,262	7,168,617
Other	-	-	-	-
Total	\$ 5,635,602	\$ 7,412,531	\$ 7,526,092	\$ 7,267,447
FTE Authorization	44.0	44.0	46.0	44.0
FTE Average	41.0			

FY 2010 Revised Request. The Public Utilities Commission requests \$113,561 more than enacted from all sources and 2.0 full-time equivalent positions to add the two Commissioners provided for in the General Laws. *The Governor recommends \$145,084 less than enacted and \$258,645 less than requested. He recommends 44.0 full-time equivalent positions, which is 2.0 less than requested.*

New Commissioners. The 2002 Assembly raised the number of commissioners from three to five, effective January 31, 2004. The Commission requests \$161,998 and 2.0 new full-time equivalent positions to add the two commissioners for the second half of the fiscal year. *The Governor does not recommend the new positions or the funding and includes Article 4 to eliminate the two Commissioners.*

Other Salaries and Benefits. The Commission requests \$45,559 less than enacted for all other salaries and benefits. This includes \$35,596 more to account for benefit adjustments rates consistent with Budget Office planning values, offset by \$104,434 from assumed turnover savings and hiring vacant positions at a lower cost than budgeted. *The Governor recommends \$152,728 less than requested, including \$129,258 from eight pay reduction days, \$52,378 for three medical benefit holidays and \$30,310 more to adjust turnover expectancy.*

Operating Adjustments. The Commission requests \$2,868 less than enacted from federal funds for all operating expenses. This includes an increase of \$47,000 for capital expenses that were omitted in the enacted budget, offset by \$47,000 less from repairs, travel and maintenance expenses as well as a \$2,868 less federal funds from gas pipeline safety. *The Governor recommends \$56,071 more than requested. He provides for capital expenses as requested, but does not reduce the other operating expenses.*

Rhode Island Commission on Women

	FY 2009		FY 2010		FY 2010		FY 2010
	Reported		Enacted		Rev. Req		Revised
Expenditures by Category							
Salaries and Benefits	\$ 98,152	\$	99,416	\$	99,997	\$	64,297
Contracted Services	-		-		-		-
Subtotal	\$ 98,152	\$	99,416	\$	99,997	\$	64,297
Other State Operations	12,719		8,046		7,465		4,973
Aid to Local Units of Government	-		-		-		-
Assistance, Grants, and Benefits	1,448		2,000		-		-
Capital	-		-		-		-
Capital Debt Service	-		-		-		-
Operating Transfers	-		-		-		-
Total	\$ 112,319	\$	109,462	\$	107,462	\$	69,270
Sources of Funds							
General Revenue	\$ 112,319	\$	109,462	\$	107,462	\$	69,270
Federal Aid	-		-		-		-
Restricted Receipts	-		-		-		-
Other	-		-		-		-
Total	\$ 112,319	\$	109,462	\$	107,462	\$	69,270
FTE Authorization	1.0		1.0		1.0		1.0
FTE Average	1.0						

FY 2010 Revised Request. The Rhode Island Commission on Women requests expenditures of \$107,462 from general revenues, which is \$2,000 less than the FY 2010 enacted budget to reflect a \$2,000 reduction for the Women of the Year event in conjunction with the launching of the Rhode Island Commission on Women Project. The Project recently received a 501(c)3 tax exempt status to fundraise and support the goals and mission of the Commission on Women.

The general revenue request is \$4,640 more than the “working budget” of \$102,822. The working budget is the enacted budget adjusted for the Budget Office’s distribution of statewide personnel and operating reductions and retirement adjustments the 2009 Assembly budgeted centrally in the Department of Administration.

The Governor recommends funding for the personnel and operating expenses for the Commission on Women until February 27, 2010. He proposes to discontinue paid support staff for the volunteer commission and includes \$69,270 or \$38,192 less than requested. The recommendation is \$33,552 less than the working budget.

Office of Health and Human Services

	FY 2009 Reported	FY 2010 Enacted	FY 2010 Rev. Req.	FY 2010 Revised
Expenditures by Category				
Salaries and Benefits	\$ 4,694,053	\$ 7,591,403	\$ 6,596,491	\$ 6,337,647
Contracted Services	755,028	1,608,780	1,625,864	1,625,864
Subtotal	\$ 5,449,081	\$ 9,200,183	\$ 8,222,355	\$ 7,963,511
Other State Operations	88,229	190,506	35,690	74,382
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	1,331,631	-	-	-
Capital	206,704	-	-	-
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 7,075,645	\$ 9,390,689	\$ 8,258,045	\$ 8,037,893
Sources of Funds				
General Revenue	\$ 3,434,394	\$ 3,621,896	\$ 3,457,097	\$ 3,323,828
Federal Aid	2,989,143	4,484,003	3,916,330	3,853,419
Restricted Receipts	652,108	1,284,790	884,618	860,646
Other	-	-	-	-
Total	\$ 7,075,645	\$ 9,390,689	\$ 8,258,045	\$ 8,037,893
FTE Authorization	85.1	74.1	75.6	75.6
FTE Average	41.5			

FY 2010 Revised Request. The Office requests \$1.1 million less from all sources, including \$0.2 million less from general revenues and 1.5 positions more than enacted. The FY 2010 enacted budget assumes that certain federal funds and restricted receipts awarded to other health and human services agencies could be transferred to the Office of Health and Human Services' budget to support some of its expenses. The Office indicates difficulty in obtaining the funds and shifts the cost of 22.0 full-time equivalent positions to the Department of Human Services' budget to address the shortfall.

The general revenue request is \$55,349 more than the "working budget" of \$3,401,748. The working budget is the enacted budget adjusted for the Budget Office's distribution of statewide personnel and operating reductions and retirement adjustments the 2009 Assembly budgeted centrally in the Department of Administration. *The Governor recommends \$0.2 million less than requested from all sources, \$0.1 million less from general revenues. The recommendation is \$77,920 less than the working budget.*

Staffing. The Office requests 75.6 positions, 1.5 more than enacted and adds back the secretary position, which was eliminated in the Office's enacted budget. It also adds 0.5 positions to adjust for two 2.0 legal positions incorrectly included in the enacted budget as 1.5 positions.

The state reports that the enacted budget includes staffing of 74.1 positions. As of pay period ending December 5, 2009, the Office had 32.1 positions reported as vacant. It should be noted that while the enacted budget assumed the transfers of 4.0 positions to the Governor's Office, and those positions are being charged to the Governor's Office, they appear as filled positions in the Office of Health and Human Services. Adjusting for the four positions, the Office of Health and Human Services actually has 38.0 filled positions, leaving 36.1 positions unaccounted. These positions are funded through the Executive Office; however, they are counted as employees in the agencies that they were to be transferred from, primarily the Department of Human Services. It is unclear why this situation persists. *The Governor recommends the staffing increase.*

Payroll Shifts to the Department of Human Services' Budget. The Office's revised request shifts \$1.1 million in salary and benefit expenses to the Department of Human Services' budget for 22.0 positions that the Office is unable to support because of difficulty obtaining certain federal and restricted receipt sources from other agencies. However, the revised request does not transfer the 22.0 positions to the Department of Human Services' budget. *The Governor recommends funding as requested.*

Other Salaries and Benefits. The Office requests \$0.1 million more than enacted from general revenues for all other salary and benefit expenses totaling \$6.7 million from all sources. The request funds 50.6 positions leaving 3.0 positions vacant. The request assumes \$0.1 million in savings from the vacant positions and includes other benefit adjustments. *The Governor recommends \$0.3 million less for salaries and benefits and includes three medical benefit holidays and eight pay reduction days.*

Landmark Medical Center Legal Expenses. The Office requests \$22,592 from general revenues as the final payment to two law firms, Orson and Brusini, Ltd. and Donoghue, Barret and Sindal, for work required in June 2008 to represent the state in an emergency receivership action regarding Landmark Medical Center. The Department paid \$96,642 for the legal costs in FY 2009, \$30,358 less than the final appropriation. *The Governor recommends funding as requested.*

Medicaid Health Information Exchange Grant. The Office requests \$99,269 less from federal funds for total funding of \$1.6 million from the Medicaid Information Exchange grant to support a statewide health information exchange network. The project is in coordination with the Department of Human Services and provides funding to HP Enterprise (formerly Electronic Data Systems) to install web based technology in the state's nursing facilities. *The Governor recommends funding as requested.*

All Other Expenses. The Office requests \$61,055 less from all sources including \$18,726 less from general revenues for all other operating expenses. The enacted budget includes federal funds and restricted receipts that were not available to be spent by the Office and the Office reduces its expenses supported from these sources. *The Governor recommends funding from general revenues as requested; however, he adds \$38,692 to reflect federal sources that may become available from the reduction to statewide personnel costs.*

Department of Children, Youth and Families

	FY 2009 Reported	FY 2010 Enacted	FY 2010 Rev. Req.	FY 2010 Revised
Expenditures by Program				
Central Management	\$ 7,075,233	\$ 7,352,149	\$ 6,474,640	\$ 6,352,365
Child Welfare	183,703,959	182,465,228	177,834,598	174,389,963
Juvenile Corrections	34,472,204	36,157,617	35,101,592	34,342,395
Children's Behavioral Health	24,510,003	21,574,661	27,051,265	26,431,939
Higher Education Opportunity Grants	199,628	200,000	200,000	200,000
Total	\$ 249,961,027	\$ 247,749,655	\$ 246,662,095	\$ 241,716,662
Expenditures by Category				
Salaries and Benefits	\$ 68,312,800	\$ 72,349,178	\$ 68,181,652	\$ 65,756,859
Contracted Services	4,439,562	4,667,416	3,844,331	3,853,531
Subtotal	\$ 72,752,362	\$ 77,016,594	\$ 72,025,983	\$ 69,610,390
Other State Operations	8,714,427	9,003,418	8,562,656	8,919,211
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	167,829,307	160,291,569	164,850,086	162,313,262
Capital	664,931	1,438,074	1,223,370	873,799
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 249,961,027	\$ 247,749,655	\$ 246,662,095	\$ 241,716,662
Sources of Funds				
General Revenue	\$ 161,307,641	\$ 158,822,427	\$ 158,822,267	\$ 154,127,876
Federal Aid	85,846,952	85,504,945	84,845,645	84,944,174
Restricted Receipts	2,232,511	2,203,059	2,005,793	2,005,793
Other	573,923	1,219,224	988,390	638,819
Total	\$ 249,961,027	\$ 247,749,655	\$ 246,662,095	\$ 241,716,662
FTE Authorization	694.0	700.0	700.0	700.0
FTE Average	687.8			

FY 2010 Revised Request. The Department of Children, Youth and Families requests \$1.1 million less than enacted from all sources including \$160 less from general revenues and the enacted level of full-time equivalent positions. This includes an additional \$6.3 million for services, of which \$5.5 million is for services that the Department has indicated that it failed to budget for when preparing its request last year.

The general revenue request is \$4.3 million more than the “working budget” of \$154.5 million. The working budget is the enacted budget adjusted for the Budget Office’s distribution of statewide personnel and operating reductions and retirement adjustments the 2009 Assembly budgeted centrally in the Department of Administration.

The Department submitted a corrective action plan which it believes will save \$3.6 million from all funds, including \$3.2 million from general revenues. It indicates that it will do so by redirecting some of its block grants to child welfare programs currently funded through general revenues, continuing to reduce the number of children in residential care or actively involved with the Department, eliminating three teaching positions at the training school, and amending the contract for counseling services at the training school.

The Governor recommends \$6.0 million less than enacted, including \$4.7 million less from general revenues, \$0.5 million less from federal funds, \$1.6 million less from restricted receipts, and \$0.8 more from Rhode Island Capital Plan funds. This is \$4.9 million less than requested and assumes general revenue savings of \$3.0 million from the initiatives submitted in the Department's corrective action plan, as well as additional statewide savings. The recommendation is \$0.4 million less than the working budget.

Overtime – Juvenile Corrections. The Department requests \$0.5 million more from general revenues for overtime expenditures at the training school, for which \$1.8 million was enacted. The Department indicates that there were many initiatives to reduce overtime with the opening of the new training school; however, due to additional staff vacancies the overtime savings will not be achieved. These overtime expenditures are offset by \$1.1 million from additional turnover savings. *The Governor recommends funding as requested.*

Other Salaries and Benefits. The Department requests \$4.7 million less from all sources for all other salaries and benefits, including \$6.0 million less from general revenues and \$1.3 million more from federal funds. The Department indicates that this includes \$0.2 million more for changes to medical benefits and retirement rates consistent with Budget Office planning values. It also includes a shift of \$1.6 million, including \$0.8 million from general revenues from grants to salaries and benefits in the temporary assistance to needy families program, consistent with historical spending to correct an error in the enacted budget. This is offset by \$6.3 million in turnover savings, which includes maintaining additional vacancies as well as filling vacant positions at lower salaries. As of December 5, 2009, 631.0 of the 700.0 authorized positions are filled.

The Governor recommends further reducing salaries and benefits by \$2.4 million from all sources, including \$1.7 million from general revenues to account for savings of \$1.2 million from eight pay reduction days and \$0.5 million from three medical benefit holidays.

Day Care Program Exclusion. The Department requests \$5.1 million from all funds, \$3.5 million from general revenues for its ongoing day care services which it neglected to include in its enacted budget request due to an oversight. This is for an average of 97 children per day. Day care services include providing care for a child outside of their home for any part of a day, by a person other than the child's parents or legal guardians. Day care centers are licensed and certified by the Department to ensure the health, safety and well-being of children while in care outside of their home. In FY 2009, the Department spent \$5.0 million on these services, an average of \$97,031 per week. *The Governor recommends funding as requested.*

18 to 21 Year Olds. The Department requests \$14.2 million for services provided to youth between the ages of 18 and 21 years old. This is \$0.7 million more than enacted including, \$0.1 million less from general revenues and \$0.8 million more from federal funds, consistent with the Department's first quarter report. At the end of the first quarter, there were 230 youth being served. At the close of FY 2009, the Department was providing services to approximately 276 youth in this age group; 297 youth were being served at the close of FY 2008. *The Governor recommends funding as requested.*

Purchased Placements. The Department requests \$2.9 million less from all funds, \$0.2 million more from general revenues and \$3.1 million less from federal funds. The number of purchased placements has decreased from an average of 440 in FY 2009 to 351 at the end of the first quarter of FY 2010. Purchased placements include in-state and out-of-state residential placements, as well as specialized foster care. The Department indicates that as it moves youth to less restrictive placements it has seen an increase in placements that are state-only funded programs and a reduction in Medicaid eligible services. The enacted budget included savings from reducing these placements by approximately 50.0 percent and reinvesting half of the savings into community-based services, which are less expensive. *The Governor recommends funding as requested.*

Foster Care and Adoption. The Department requests \$0.6 million less than enacted from all sources, including \$3.3 million more from general revenues and \$3.9 million less from federal funds for foster care and adoption. The Department indicates that the estimate is based on actual expenditures from FY 2009. It also indicates that the use of the state-only foster care program expenses has increased and Title IV-E reimbursable services have been reduced by approximately 5.0 percent. Foster care placements average 1,124 at the end of the first quarter of FY 2010. The average placements for FY 2009 and FY 2008 were 1,158 and 1,276 respectively.

The Governor recommends funding essentially as requested; however, he includes a shift of \$1.0 million from general revenues to federal funds. The Department submitted a corrective action plan which includes one-time savings from shifting program expenses currently paid from state resources to unspent federal funds from FY 2009 that can be carried forward to FY 2010. Savings from this initiative are also found in Child Welfare residential placements.

Child Welfare Residential Placements. The Department requests \$3.7 million less from all sources for Child Welfare residential placements, while also requesting to lower residential services from the Children's Behavioral Health program by approximately \$1.0 million. Services offered include emergency shelters, group homes, residential treatment centers, supervised apartment programs, therapeutic foster care programs, and independent living programs at over 70 locations.

The Department expects to further reduce residential placements in both the Child Welfare and the Behavioral Health programs by \$2.0 million at an average placement cost of \$230 per day. At the end of the first quarter, it had an average of 770 placements filled. During FY 2008 and FY 2009, there was an average of 895 and 825 placements filled, respectively.

Subsequent to its budget submission, the Department included a corrective action plan to move youth from residential placements to community based settings to save an additional \$1.3 million from all funds, \$0.9 million from general revenues. The additional savings assume further reducing the number of bed days by 5,652 effective January 1, 2010. This equates to an average of approximately 15 placements. The Department has revised its targeted reduction to approximately \$1.9 million to equate for approximately 8,391 bed days or 23 placements.

The Governor recommends \$0.6 million less than requested, including \$2.0 million from general revenues from savings initiatives included in the Department's corrective action plan. This includes \$1.1 million from one-time savings from shifting program expenses currently paid from state resources to unspent federal funds from FY 2009 that can be carried forward to FY 2010, \$88,700 in savings from a 5.0 percent across-the-board rate reduction for child care services the state purchases from all licensed and certified child care providers, and \$0.9 million in savings from more aggressively restructuring services provided to children in the Department's care. The savings assume further

reducing the number of bed days by 8,391 effective January 1, 2010. This equates to an average of approximately 23 fewer placements.

Family Service Units/Child Protective Services. The Department requests an additional \$643,605 from general revenues for the four family service units and for child protective services. The family services units are located in Providence, Bristol, North Kingstown, and Pawtucket. The offices are located around the state because it allows social workers better access to families in crisis and to the major agency providers whose services supplement and support the Department's efforts to improve family functioning. The goal of these units is to work with families to prevent removing children from their homes. As more children are moved from residential placements back to their homes or to community based settings, additional funds for these units become necessary. These costs are offset by the savings in more expensive residential services. *The Governor recommends funding as requested.*

Other Child Welfare Community Based Services. The Department requests \$1.5 million less from all sources, including \$1.2 million less from general revenues, \$0.1 million less from federal funds, and \$0.2 million less from restricted receipts for other community based services in the Child Welfare program. This includes a shift of \$1.6 million, \$0.8 million from general revenues, from grants to salaries and benefits in the temporary assistance to needy families program, consistent with historical spending.

Excluding this reclassification, the request is \$0.4 million less from general revenues and \$0.7 million less from federal funds. General revenue savings are the result of reducing many of the services being duplicated in the Family Care and Community Partnership program, which is described in this analysis as part of the Child Welfare residential programs item. The increase in federal funds is the result of carry forward balances from federal grants. These services are designed to prevent family dysfunction, abuse, neglect, and to preserve children's placements in their own homes and in foster homes. Additionally, community based services are designed to divert adolescents from the Juvenile Justice System and intensive supervision services.

The Governor recommends funding essentially as requested; however, he shifts \$25,741 from federal funds to general revenues to reflect a revised estimate of the amount reimbursable from Medicaid through the Global Waiver. Additionally, he recommends shifting \$1.2 million of unspent federal funds from FY 2009 that can be carried forward to FY 2010 to Child Welfare program expenses currently paid from state resources. This is a one-time use and is consistent with the Department's corrective action plan.

Independent Living Program. The Department requests \$0.7 million more from federal funds for the Independent Living Program. This program provides services to youth between the ages of age 16 and 18 that are transitioning from the Department's care. These services include vocational training, work experience, and day-to-day experiences, such as managing financial, medical, housing, transportation, and recreation needs. The additional funds are from a carried forward balance from FY 2009. *Consistent with the Department's corrective action plan, the Governor recommends shifting \$400,000 of unspent federal funds from FY 2009 that can be carried forward to FY 2010 to Child Welfare program expenses currently paid from state resources. This is a one-time use.*

Behavioral Health Residential Placements. The Department requests \$1.0 million less than enacted for Behavioral Health residential placements based on redesigned services. This includes \$0.2 million from general revenues and \$0.8 million from federal funds. Savings were included in the enacted budget by converting residential placements into community-based services. Residential treatment services for seriously behaviorally disturbed youth provide around the clock treatment and care with

programs tailored to individual, group and family therapy, behavior modification, special education and recreational therapy.

The Department expects to further reduce residential placements in both the Child Welfare and the Behavioral Health programs by \$2.0 million at an average placement cost of \$230 per day. At the end of the first quarter, it has an average of 770 placements filled. During FY 2008 and FY 2009, there was an average of 895 and 825 placements filled, respectively.

Subsequent to its budget submission, the Department included a corrective action plan to move youth from residential placements to community based settings to save an additional \$1.3 million from all funds, \$0.9 million from general revenues. The additional savings assume further reducing the number of bed days by 5,652 effective January 1, 2010. This equates to an average of approximately 15 placements. The Department has revised its targeted reduction to approximately \$1.9 million, which equates to approximately 8,391 bed days or 23 placements. *The Governor recommends funding as requested.*

Bradley Exclusion. The Department requests \$5.4 million from all sources, \$2.0 million from general revenues for Bradley Group Homes which it neglected to include in its enacted budget request due to an oversight. There are five group homes for up to 27 youth, ages 8 to 21, who present with chronic behavior disorders of varying degrees, in addition to a developmental disability. In FY 2009, the Department spent \$5.4 million on Bradley expenses. *The Governor recommends funding as requested.*

Project Hope and Project Reach. The Department requests \$4.3 million from all sources for Project Hope and Project Reach. This is \$0.4 million less than enacted from general revenues and \$10,662 more from federal funds. Project Hope is an aftercare program that targets youth with emotional disturbances who are returning to their homes and communities from the Rhode Island Training School. Project Reach provides wraparound services through community mental health centers. These programs are eligible for a Medicaid match through the global waiver. Funding for Project Hope has been reduced because many of the services that the program provides are provided in the Family Care and Community Partnership program, which is included in the Child Welfare residential programs item. *The Governor recommends funding as requested.*

Other Behavioral Health Community Based Services. The Department requests \$0.2 million more than enacted for other behavioral health community based services. This includes \$12,000 more from general revenues and \$155,858 from federal funds from carry forward balances from FY 2009. These services include grants to improve education, reduce child abuse, and prevent violence in schools. The adjustments to grant awards are based on revised spending projections. *The Governor recommends funding as requested.*

Title IV-B Child Welfare Grant. The Department requests an additional \$1.0 million from federal funds for the Title IV-B Child Welfare grant. This grant provides funding for state and local welfare agencies to enable children to remain in their own homes or if that is not an option, provide alternative permanent homes for them. The Department indicated that the increase is from carried forward funding from FY 2009. This grant does not have a general revenue match. *Consistent with the Department's corrective action plan, the Governor recommends shifting \$600,000 of these unspent federal funds to Child Welfare program expenses currently paid from state resources. This is a one-time use.*

Positive Education Partnerships. The Department requests an additional \$0.9 million from federal funds for the Positive Education Partnership grant. This increase represents funds carried forward from FY 2009. This grant funds a network of providers that facilitate community-based services and supports that help with the challenges of children and youth with serious mental health needs and their families. *Consistent with the Department's corrective action plan, the Governor recommends shifting \$85,000 of unspent federal funds that can be carried forward to FY 2010 to Child Welfare program expenses currently paid from state resources. This is a one-time use.*

Training School Placements. The Department requests \$1.0 million more for services for juveniles at the training school, including medical, counseling, and educational services. This includes \$0.4 million from general revenues and \$0.6 million from federal funds. The Department indicates that this is based on actual FY 2009 expenditures and it believes that the enacted budget was underestimated. In FY 2009, the Department spent \$5.6 million from all funds, \$3.5 million from general revenues on these placements.

The Governor recommends \$39,000 less than requested from general revenues for counseling services at the Training School, consistent with the Department's corrective action plan. Currently, the Department has a contract for specialty mental health and counseling services for residents assigned to the 24 bed treatment unit. It indicates that it is in the process of negotiating with the vendor to amend its current contract to provide counseling services to all youth in the Training School.

Probation and Parole. The Department requests \$0.9 million less from general revenues for youth that are released from the training school and require some period of supervision in a community based program. The Department indicates that the cost of treating juveniles in the community is significantly less than keeping them in a residential placement. These services include day program, youth diversionary programs, and community-based residential placements. *The Governor recommends funding as requested.*

Training School-Operating Expenses. The Department requests \$0.4 million less than enacted for operating expenses at the training school, including \$366,719 less from general revenues, \$3,860 less from federal funds, and \$23,059 less from restricted receipts. The Department has indicated that the request is based on revised spending projections for various expenses, including maintenance and repairs of the training school and staff training.

The Governor recommends \$50,000 more than requested from general revenues to account for appraisal and survey costs related to the old Rhode Island Training School for Youth. The costs were incurred because the budget includes the sale of this building. He also recommends savings of \$40,800 from an initiative included in the Department's corrective action plan from eliminating three contracted teachers at the Training School Detention Center. This is offset by \$40,800 more for building and maintenance expenses at the new Rhode Island Training School for Youth.

All Other Operating. The Department requests \$0.9 million less from all funds, including \$0.4 million from general revenues and \$0.4 million from federal funds for other operating expenses not previously noted. The adjustment is the result of revised spending projections based on actual experiences for the past two years for financial services, security services, training at Rhode Island College, and six months of savings from reducing leased office space.

The Governor recommends \$313,789 more than requested, including \$109,601 more from general revenues for all other operating adjustments. The recommendation reduces the estimate to three

months of savings from reduced leases based on actual estimates for moving and architectural design costs provided by the Capital Projects Division of the Department of Administration.

Capital Projects. The Department requests \$230,834 less from Rhode Island Capital Plan funds for fire code upgrades at group homes. The Department indicates this project is running behind and will not use all of its funding this fiscal year. *The Governor recommends further reducing capital projects by \$349,571 to reflect actual progress on projects at Groden Center- Mt. Hope, the NAFI Center, and youth group homes. Each of these projects has been delayed.*

Department of Elderly Affairs

	FY 2009	FY 2010	FY 2010	FY 2010
	Reported	Enacted	Rev. Req.	Revised
Expenditures by Category				
Salaries and Benefits	\$ 2,617,014	\$ 2,872,192	\$ 2,913,721	\$ 2,801,211
Contracted Services	187,087	72,149	195,956	195,956
Subtotal	\$ 2,804,101	\$ 2,944,341	\$ 3,109,677	\$ 2,997,167
Other State Operations	197,771	619,623	765,876	1,185,387
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	21,018,171	21,847,563	23,773,365	24,243,043
Capital	14,340	111,639	120,959	120,959
Capital Debt Service	-	-	-	-
Operating Transfers	8,152,088	-	-	-
Total	\$ 32,186,471	\$ 25,523,166	\$ 27,769,877	\$ 28,546,556
Sources of Funds				
General Revenue	\$ 14,056,863	\$ 9,920,687	\$ 9,646,978	\$ 9,507,654
Federal Aid	12,831,308	15,210,364	17,730,784	18,246,787
Restricted Receipts	850,000	392,115	392,115	792,115
Other	4,448,300	-	-	-
Total	\$ 32,186,471	\$ 25,523,166	\$ 27,769,877	\$ 28,546,556
FTE Authorization	32.0	31.0	31.0	31.0
FTE Average	28.6			

FY 2010 Revised Request. The Department of Elderly Affairs requests \$2,246,711 more than enacted from all sources including \$273,709 less from general revenues, \$2.5 million more from federal funds, and the enacted level of full-time equivalent positions. The general revenue request is \$157,927 less than the “working budget” of \$9.8 million. The working budget is the enacted budget adjusted for the Budget Office’s distribution of statewide personnel and operating reductions and retirement adjustments the 2009 Assembly budgeted centrally in the Department of Administration.

The Governor recommends \$0.8 million more than requested, including \$0.1 million less from general revenues, \$0.5 million more from federal funds, and \$0.4 million more from restricted receipts. He recommends the enacted level of full-time equivalent positions. The recommendation is \$0.3 million less than the working budget.

Salaries and Benefits. The Department requests \$123,644 more for salaries and benefits, including \$88,005 less from general revenues and \$211,649 more from federal funds. The request includes savings of \$33,830 from turnover and \$6,809 less for medical benefit and retirement rate adjustments consistent with Budget Office planning values. Savings are offset by other salary and benefit adjustments totaling \$157,474, which include shifting expenditures from general revenues to federal funds, as well as federal funding for a position that is currently assigned to the Office of Health and Human Services. The Department requests the enacted level of 31.0 positions. The Department has

an average of 28.9 positions filled as of pay period ending December 5, 2009. *The Governor recommends \$0.1 million less than requested from all sources, \$53,104 less from general revenues to account for savings from eight pay reduction days and three medical benefit holidays.*

Case Management Medicaid Match. The Department requests the enacted level of \$0.9 million for elder case management, but shifts \$0.2 million of expenditures to federal funds to leverage Medicaid available for previously state only services through the Rhode Island Consumer Choice Global Waiver. These services have been realigned to qualify for federal funding through the waiver. Case management programs assist older Rhode Islanders who wish to remain at home as long as possible. This assumes a full year of savings; the Department has received approval to bill back to July 1, 2009. *The Governor recommends funding as requested.*

Pharmaceutical Assistance to the Elderly. The Department requests \$1.2 million from general revenues and \$0.4 million from restricted receipts for the pharmaceutical assistance program for FY 2010. This includes an additional \$84,275 to more accurately reflect anticipated claims activities. This was inadvertently understated in the enacted budget.

The Rhode Island Pharmaceutical Assistance to the Elderly program pays 60 percent of the drug costs for individuals in the lowest income category. The state also pays 30 percent and 15 percent for the second lowest and highest income categories, respectively. The eligibility categories include individuals age 65 or older who meet the income categories limits and individuals between the ages of 55 and 64 receiving Social Security Disability Insurance.

Rhode Island Pharmaceutical Assistance to the Elderly							
	Income Limits		Benefits				
	Single	Couple	Formulary		Non Formulary Drugs		Other
			State	Client	State	Client	
Age 65 or older	\$ 19,765	\$ 24,735	60%	40%	-	100%	Catastrophic*
	\$ 24,838	\$ 31,050	30%	70%	-	100%	No
	\$ 43,470	\$ 49,679	15%	85%	-	100%	No
Age 55 to 65	Receiving SSDI		15%	85%	-	100%	No

**After the client's co-payments for that year exceed \$1,500, the state pays 100 percent of the formulary drug cost above that amount.*

As of January 1, 2009, all clients were mandated to enroll in Medicare Part D and utilize it as the primary payer, with the Pharmaceutical Assistance program as the secondary payer. The Pharmaceutical Assistance program provides coverage for Part D clients that reach the “donut hole” until they reach the “catastrophic coverage” period. The “donut hole” refers to the gap in many Medicare Part D plans during which the client must pay 100 percent out-of-pocket for drug purchase costs. This gap occurs once covered medication costs have reached a certain level. This level is specific to each Part D plan. Clients remain in the “donut hole” until their out-of-pocket costs hit another level, which is defined as the “catastrophic coverage” period. At that point the Part D coverage resumes.

The Governor recommends the additional \$84,275 requested. He also shifts \$400,000 from general revenues to the restricted receipt rebate account. This recommendation is based on prior year rebate collections and does not appear to reflect actual collections. The Department indicated that based on lower utilization and mandatory use of generics, it does not believe that these savings can be achieved.

Home Care Services. The Department requests the enacted level or \$2.3 million from all sources, including \$1.0 million from general revenues for the home care program. This program serves low-

income elders who pay a portion of the hourly cost of home care services, including bathing, dressing, household chores, and ambulatory needs. As of July 1, 2009 the co-payment rate schedule depends on the program recipient's income level. Level 1 covers individuals and couples earning less than 125 percent of the federal poverty level or less than \$13,537 and \$18,212 per year. Level 2 covers individuals and couples earning less than 200 percent of the federal poverty level or less than \$21,660 and \$29,140 per year. The co-payment is \$4.50 per hour for income level 1 and \$7.50 per hour for income level 2. *The Governor recommends funding as requested.*

Adult Day Care Services. The Department requests the enacted level or \$1.7 million from all sources, including \$0.9 million from general revenues for the Adult Day Care Services program. This program serves low-income elders who pay a portion of their day care services. As of July 1, 2009 the co-payment rate schedule depends on the program recipient's income level. Level 1 covers individuals and couples earning less than 125 percent of the federal poverty level or less than \$13,537 and \$18,212 per year. Level 2 covers individuals and couples earning less than 200 percent of the federal poverty level or less than \$21,660 and \$29,140 per year. The co-payment is \$7.00 per day for income level 1 and \$11.50 per day for income level 2. *The Governor recommends funding as requested.*

Home and Community Care Medicaid Waiver Services. The Department requests the enacted level or \$7.4 million from all funds, \$2.7 million from general revenues and \$4.7 million from federal funds, for the provision of subsidized home and community care to low income elders through the home and community based waiver program. This program funds eligible individuals who have been accepted into the assisted living waiver home and community care program but do not have a bed in a facility and continue to require nursing home level of care. *The Governor recommends an additional \$0.9 million, including \$0.3 million from general revenues for assisted living expenditures provided through the 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.*

Medicare Outreach and Enrollment Assistance Grants. The Department requests \$159,832 from federal funds for Medicare Outreach and Enrollment Assistance grants. These grants are available through the Medicare Improvements for Patients and Providers Act. The purpose of these grants is to provide targeted outreach to clients who may be eligible for the Medicare Savings Program and the "Extra Help" program and who are not yet enrolled. The Medicare Outreach grant is for \$66,649 and the Medicare Enrollment Assistance grant is for \$93,183. These programs are for people with limited income and resources that pay some or all of Medicare's premiums. The programs help pay monthly premiums, annual deductibles, and prescription co-payments related to a Medicare prescription drug plan. *The Governor recommends funding as requested.*

Aging and Disability Resource Center. The Department requests \$227,209 from federal funds to extend and expand its Aging and Disability Resource Center. This Center is locally known as the Point. The Point's goal is to provide information about and referral to a statewide network of programs for seniors, adults with disabilities, and caregivers. These are new federal grants that will improve knowledge of the problems and needs of the elderly, help ensure adequately trained personnel in the field of aging, and demonstrate better ways of improving the quality of life for the elderly. *The Governor recommends funding essentially as requested; however, he includes an additional \$545 from federal funds to reflect additional funds available from statewide personnel savings.*

Title III B Older Americans Act Grants. The Department's request includes \$3.7 million or \$0.7 million more than enacted from the Older Americans Act Title III Part B grants due to a carry forward of funds from FY 2009 and a new grant award for federal fiscal year 2010. These federal grants are

used to support a variety of services and programs for seniors. Other services include case management, legal assistance, outreach, and community senior activities. *The Governor recommends funding essentially as requested; however, he includes an additional \$15,765 from federal funds to reflect additional funds available from statewide personnel savings.*

Home Delivered Meals-Meals on Wheels. The Department requests \$1.8 million from all funds, \$1.6 million from federal funds, for home delivered meals through the Rhode Island Meals on Wheels program. This is \$493,375 more than included in the enacted budget. Meals on Wheels receive funding for home delivered meals as well as for the congregate meal sites and senior nutrition programs. The increase in funding is based on a balance that is carried forward from FY 2009. The enacted total includes \$160,000 from federal stimulus funds. The request includes the enacted level of \$201,400 from general revenues from a community service grant. *The Governor recommends funding as requested.*

Nutrition Services. The Department requests \$1.0 million from federal funds for congregate meal sites. The request is \$149,809 more than included in the FY 2010 enacted budget. This funding (formerly through the United States Department of Agriculture) provides for meal reimbursements to senior nutrition programs, funds for home delivered meals for seniors 60 or older and funds for over 75 congregate meals sites for seniors 60 or older. The increase in funding is the result of funding carried forward from FY 2009. The enacted amount includes \$325,000 from federal stimulus funds. *The Governor recommends funding as requested.*

Other Program Grants. The Department requests \$0.3 million more than enacted from federal funds for other grant adjustments. The FY 2010 request includes slight adjustments to the disease prevention grant, the family caregiver support grant, the Rhode Island one stop grant, the senior medicare patrol project, as well as various other federal grants. These adjustments are based on revisions to projected expenses and funding carried forward from FY 2009. *The Governor recommends funding as requested.*

Other State Operations. The Department requests \$319,007 for all other expenses, which is \$27,904 less than enacted. This includes \$49,920 less from general revenues and \$22,016 more from federal funds. The request includes adjustments to miscellaneous expenses, including postage, staff training, computer software, printing and advertising, and general office expenses based on revised spending projections. In FY 2009, the Department spent \$0.4 million from all sources, including \$0.3 million from general revenues on this expense. *The Governor recommends funding essentially as requested; however, he includes an additional \$3,620 from federal funds to reflect additional funds available from statewide personnel savings.*

Department of Health

	FY 2009 Reported	FY 2010 Enacted	FY 2010 Rev. Req.	FY 2010 Revised
Expenditures by Program				
Central Management	\$ 13,146,654	\$ 13,576,490	\$ 23,479,692	\$ 23,386,558
Comm. & Family Health & Equity	79,942,945	83,352,478	84,459,723	83,683,996
Environmental & Health Service Reg.	13,865,663	16,058,712	17,044,070	16,293,913
Health Laboratories	6,839,555	7,979,912	8,733,429	8,406,658
Infectious Disease and Epidemiology	3,598,284	4,474,187	4,504,738	4,425,445
Public Health Information	2,886,302	4,294,023	3,681,653	3,500,415
State Medical Examiner	1,912,783	2,574,989	3,044,052	2,962,866
Total	\$ 122,192,186	\$ 132,310,791	\$ 144,947,357	\$ 142,659,851
Expenditures by Category				
Salaries and Benefits	\$ 36,441,377	\$ 41,623,299	\$ 41,917,797	\$ 39,756,433
Contracted Services	10,647,763	14,517,823	22,493,088	22,530,757
Subtotal	\$ 47,089,140	\$ 56,141,122	\$ 64,410,885	\$ 62,287,190
Other State Operations	33,801,019	34,401,542	37,296,218	37,527,907
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	40,564,369	41,159,432	41,398,307	41,023,307
Capital	737,658	608,695	1,841,947	1,821,447
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 122,192,186	\$ 132,310,791	\$ 144,947,357	\$ 142,659,851
Sources of Funds				
General Revenue	\$ 26,238,737	\$ 29,554,572	\$ 30,188,928	\$ 28,502,412
Federal Aid	75,887,694	77,831,370	89,401,427	88,916,931
Restricted Receipts	19,955,652	24,693,437	25,248,950	25,134,247
Other	110,103	231,412	108,052	106,261
Total	\$ 122,192,186	\$ 132,310,791	\$ 144,947,357	\$ 142,659,851
FTE Authorization	409.6	414.6	427.7	428.7
FTE Average	367.3			

FY 2010 Revised Request. The Department of Health requests revised expenditures of \$144.9 million or \$12.6 million more than the enacted budget. The request includes increases of \$11.6 million from federal funds, \$0.6 million from general revenues, and \$0.5 million from restricted receipts offset by \$0.1 million from other funds. The Department requests 427.7 full-time equivalent positions, 13.1 positions more than enacted.

The general revenue request is \$2,470,926 more than the “working budget” of \$27.7 million. The working budget is the enacted budget adjusted for the Budget Office’s distribution of statewide personnel and operating reductions and retirement adjustments the 2009 Assembly budgeted centrally in the Department of Administration.

The Governor recommends total expenditures of \$142.7 million, \$2.3 million less than requested and includes 14.1 new positions. This includes \$1.7 million less general revenues, \$0.5 million less federal funds, \$0.1 million less restricted receipts and \$1,791 less from Rhode Island Capital Plan funds than requested. The recommendation is \$784,410 more than the working budget.

Staffing. The Department requests a total of 427.7 full-time equivalent positions which is 13.1 more than enacted to add new positions funded from federal funds. This includes 10.0 positions for Community Family Health and Equity, 2.0 positions for Infectious Disease and Epidemiology and 1.1 positions for Environmental and Health Service Regulations. These are noted in the analysis where appropriate. The Department noted it intends to add positions in lieu of utilizing vacant positions so that all available positions can be filled. As of the budget submission date of October 23, 2009, the Department averaged 366.7 filled positions reflecting an average of 47.9 vacant positions. *The Governor recommends the 13.1 full-time equivalent positions. As of December 15, 2009, the receipt of the Governor’s revised budget, the Department averaged 367.5 filled positions reflecting 47.1 vacant positions.*

Medical Examiner’s Office. The Department requests revised FY 2010 expenditures of \$3.0 million from all funds for the Medical Examiner’s office. This is \$0.5 million more than enacted, including \$0.4 million more from general revenues for medical examiner office expenses. The increase primarily reflects \$0.5 million more for contracted medical examiner services. The Department has been unsuccessful in filling two vacant medical examiner positions resulting in the need to utilize contract staff to address the workload. It indicates that it plans to use the general revenues available for the full time positions to support contract examiners until the positions are filled. The enacted budget includes funds for the 2.0 full-time positions which is not sufficient to support temporary medical examiner expenses. It should be noted that the Department does not appear to assume offsetting savings from general revenues from the unfilled positions. *The Governor recommends \$81,186 less than requested, which includes \$79,440 less from general revenues to reflect eight pay reduction days and savings from three medical holidays.*

Environmental and Health Regulations. The Department requests FY 2010 revised expenditures of \$17.0 million for all environmental and health regulation expenses. Including the 1.1 newly requested positions of a Senior Public Health Promotion Specialist and Radiological Health Specialist, this is \$1.0 million more than enacted and includes \$0.6 million more from federal funds, \$0.4 million more from restricted receipts and \$65,598 less from general revenues. The change reflects new and continued grant awards, the increased estimate of anticipated fee collection due to fines and new provider applications as well as the shift of funds from salaries and benefits to support the increased use of contract staff in lieu of authority to fill vacant positions.

The Governor recommends the 1.1 new positions and \$0.8 million less than requested, which includes \$0.6 million less general revenues. The change reflects a decrease of \$0.2 million from eight pay reduction days, savings from three medical holidays, filling the new positions at lower salaries and adds \$25,568 from additional federal funds available from statewide personnel savings.

Communicable Diseases. The Department requests revised FY 2010 expenditures of \$4.5 million for communicable diseases. Including the 1.1 new positions of Executive Assistant and Disease Intervention Specialist I noted above, this is \$30,551 more than enacted and includes \$62,573 more

from general revenues. Funds are used for testing and support services at the Whitmarsh Clinic. A total of \$96,500 will be used to restore prior year budget reductions that caused services to decrease to a level the Department deemed insufficient to support services. This appears to restore funding reduced in the FY 2010 enacted budget as requested by the Department. *The Governor recommends the new positions. This includes \$79,293 less than requested including \$42,980 less from general revenues. The change reflects eight pay reduction days, three medical benefit holidays, positions filled at lower salaries and adds \$12,282 from federal funds available from statewide personnel savings.*

Executive Legal Counsel. The Department's revised request did not include a new legal position. The FY 2009 enacted budget included a reorganization which consolidated legal services, human resources and fiscal services from five health and human service agencies all housed under the umbrella of the Office of Health and Human Services.

The Governor's FY 2010 revised budget adds \$61,207 from general revenues, annualized at \$131,997 for a new executive legal counsel at the Department of Health for the purpose of strengthening supportive legal services. It is important to note that all legal counsel for the Department is housed under the Office of Health and Human Services. 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 of Health from the Office of Health and Human Services. The Assembly did not concur with either proposal.

All Other Salaries and Benefits. The Department requests \$25.6 million from all other salaries and benefits, including 10.0 new positions for the Community and Family Health and Equity program. It is unclear why the new positions are required given the vacancy levels in the Department. This is \$0.7 million more from all funds including \$19,205 more from general revenues, \$0.3 million more federal funds, \$0.4 million more restricted receipts and \$48,696 more from other funds. This includes \$250,921 for statewide benefit adjustments, including \$148,090 more from general revenues. The Department's request reflects use of \$0.6 million from unbudgeted indirect cost recovery restricted receipts to avoid requesting additional general revenues. It should be noted that these funds could be used to reduce general revenue expenses to fund the staffing request.

The Governor includes the new positions and recommends \$1.0 million less than requested from all sources, which includes \$0.4 million less from general revenues. The reduction reflects eight pay reduction days, three medical benefit holiday, and additional turnover savings of \$0.4 million.

[Staff Note: The salary and benefit request assumes that the Department will receive approval as part of its grant application for additional funding from the Center for Disease Control for H1N1 activities to charge staffing expenses. Absent this approval, it may require additional general revenues.]

Health Lab Software. The Department requests new general revenues of \$200,000 for the purchase of laboratory software to replace an obsolete system. The Department utilizes the system 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. *The Governor recommends funding as requested.*

HIV/AIDS Drugs and Supportive Services. The Department requests total revised expenditures of \$10.2 million for HIV/AIDS drugs and supportive services. This is \$0.8 million more than enacted from federal funds, and the enacted level of \$1.8 million from general revenues. The change reflects actual grant awards consistent with historical spending for pharmaceuticals. Supportive services include community based case management to those affected by AIDS or HIV for monitoring,

education, support and referral services as needed. *The Governor recommends \$363,203 less than requested from all funds, which includes a \$375,000 general revenue reduction to supportive services offset by \$11,797 from federal funds available from statewide personnel savings.*

Choices for Self Care. The Department requests revised expenditures of \$66,828 from general revenues for the choices for self care initiative. This is \$57,974 less than enacted to reflect a delay in implementing a contract to provide the services. The full grant award of \$124,802 was deposited as general revenues. The agency will be requesting the balance for FY 2011 due to a delay in expenditures. This private funding is provided by the National Council on Aging. The Department received funding to expand and sustain a chronic disease self-management program statewide with adults 60 years old and older in diverse and at risk populations. *The Governor recommends \$3,550 less than requested from general revenues to reflect full expenditure of received funds in line with the end of the grant period.*

Chronic Disease Prevention and Other Related Activities. The Department requests \$4.1 million from federal funds for chronic disease prevention expenditures. Funds support state and local health authorities and other health related organizations in treating chronic diseases, disorders, and other preventable health conditions. This is \$0.5 million more enacted and reflects an increase in funding for hepatitis prevention, asthma, cancer and chronic disease prevention programs. *The Governor recommends the requested funding and adds \$23,721 from federal funds available from statewide personnel savings.*

Bioterrorism. The Department requests revised FY 2010 expenditures of \$7.5 million for bioterrorism preparedness. This is \$2.6 million more from federal funds to reflect new and increased grant awards to support hospitals and healthcare entities to plan for, respond to and recover from mass casualty events, as well as additional funds for H1N1 response. *The Governor recommends the requested funding and adds \$18,552 from federal funds available from statewide personnel savings.*

Immunization. The Department requests \$17.5 million from federal funds and restricted receipts for immunization expenses, which is \$1.7 million less than enacted. The decrease reflects a reduction of immunization stimulus funds, which were provided for a one time expense to purchase vaccines. This program provides vaccines to prevent and control vaccine-preventable diseases in Rhode Island by maximizing the number of residents who are fully immunized. *The Governor recommends the requested funding and adds \$18,275 from federal funds available from statewide personnel savings.*

Pandemic Flu. The Department requests revised expenditures of \$9.0 million, which is \$6.6 million more from federal funds for pandemic flu responses. Continued and newly awarded federal funds of \$7.6 million will be used to support H1N1 activities offset by the reduction of \$1.0 million from restricted receipts that was added in the FY 2009 budget for the purchase of vaccines and N-95 masks to supply to area hospitals. *The Governor recommends funding as requested and adds \$200 from federal funds available from statewide personnel savings.*

Forensic Casework DNA Backlog. The Department requests revised expenditures of \$0.3 million from federal funds available to reduce the DNA backlog. This is primarily from funds carried forward from FY 2009. The Department indicates that the recent backlog is a result of a delay in implementing a contract with an outside laboratory to process the overflow of casework. *The Governor recommends funding as requested and adds \$1,256 from federal funds available from statewide personnel savings.*

Lead Poisoning Prevention. The Department requests revised FY 2010 expenditures of \$0.8 million from federal funds for lead poisoning prevention. This is \$0.1 million more than enacted, primarily to reflect the new grant award and carry forward funds for childhood lead prevention. *The Governor recommends funding as requested and adds \$7,765 from federal funds available from statewide personnel savings.*

Women, Infants and Children Administration and Benefits. The Department requests revised FY 2010 expenditures of \$25.3 million from federal funds for the Women, Infant and Children administration and benefits program. The request is \$0.5 million more than enacted to reflect new grant funds, program expansion and increased stimulus funds to support the initiative to move to benefit swipe cards in lieu of a paper check. The 2009 Assembly enacted legislation to shift the responsibility of administering the Women, Infant and Children administration and benefits from the Department of Health to the Office of Health and Human Services by March 1, 2010. The Departments request does not reflect a shift of expenditures or staff. *The Governor recommends funding as requested and includes legislation to delay the transfer of the program until October 2010. He also adds \$13,190 from federal funds available from statewide personnel savings.*

Newborn Hearing Screening Program. The Department requests a total of \$2.0 million from federal and restricted receipts for newborn screening, which is \$0.1 million more than enacted. The Department indicates that it is behind in the collection of fees and expects to rectify that by the end of this fiscal year. *The Governor recommends funding as requested and adds \$3,695 from federal funds available from statewide personnel savings.*

Obesity and Nutrition Activities. The Department requests \$0.7 million from federal funds for obesity and nutrition related activities. This is \$0.2 million more than enacted to reflect the current year grant award. Funds support statewide efforts to promote environmental and policy changes, which support physical activity and healthy eating activities to prevent obesity. *The Governor recommends funding as requested and adds \$4,079 from federal funds available from statewide personnel savings.*

Children and Families Supportive Services. The Department requests a total of \$4.4 million from federal funds for children and families supportive services. This is \$0.3 million more than enacted to reflect an increased rate of spending for family outreach, family planning, preventative block grant activities and rural health programs offset by a reduction in the Maternal Child Health Block Grant. *The Governor recommends funding as requested and adds \$17,824 from federal funds available from statewide personnel savings.*

Rhode Island Launch. The Department requests revised expenditures of \$1.1 million for the Rhode Island Launch program, which is \$0.5 million more than enacted. The Department contracts with Bradley Hospital to provide training to community providers including primary care physicians on identifying mental health issues in children. It also allows for assessments, education, training referral and evaluations to children that are exhibiting behavior or mental health issues. The increase reflects a year of available funding. It is unclear if all funds will be expended in FY 2010. *The Governor recommends funding as requested and adds \$782 from federal funds available from statewide personnel savings.*

Oral Disease Prevention. The Department requests \$0.6 million from federal funds for oral disease prevention, which is \$0.3 million more than enacted. This reflects new and renewed grant awards. Funds are used to school health programs, which includes dental health screening for school-aged

children. *The Governor recommends funding as requested and adds \$310 from federal funds available from statewide personnel savings.*

Tobacco Control Prevention and Cessation. The Department requests \$0.6 million from all funds for tobacco control prevention and cessation activities. This is \$10,000 less from restricted receipts than enacted due to a reduction in grants. The FY 2009 enacted budget included \$0.8 million for this program, which the Department reduced by \$80,000 as part of the FY 2009 revised budget. The Governor recommended further reducing funds by \$70,000 to \$0.6 million and the Assembly concurred. The Department spent \$0.7 million in FY 2009. It appears that the Department's FY 2010 revised request has underfunded this program; however, it reports that advertisement expenditures will be decreased in order to meet budget projections. *The Governor recommends funding as requested.*

Suicide Prevention. The Department requests revised expenditures of \$0.6 million from federal funds for suicide prevention. This is \$0.3 million more than enacted to reflect the new grant awards, which will be used to support contract staff that will provide training to educate communities about youth suicide prevention. The three-year grant from Substance Abuse and Mental Health Services Administration for the Rhode Island Suicide Prevention Project grant will provide suicide prevention outreach, education and service coordination. *The Governor recommends funding as requested and adds \$1,976 from federal funds available from statewide personnel savings.*

Health Information Technology. The Department requests revised expenditures of \$0.9 million from federal funds, \$0.7 million less than enacted for health information technology. This reflects updated expenditure projections. *The Governor recommends funding as requested.*

All Other Operations. The Department requests \$304,471 less from all funds for all other adjustments. It also includes \$0.2 million in additional general revenues for various grants. *The Governor recommends \$0.1 million less from all funds than requested and includes \$0.2 million less from general revenues. The change reflects the reduction of various medical services offset by federal funds available from statewide personnel savings.*

Department of Human Services

	FY 2009 Reported	FY 2010 Enacted	FY 2010 Rev. Req.	FY 2010 Revised
Expenditures by Program				
Central Management	\$ 9,788,788	\$ 15,014,441	\$ 15,137,929	\$ 15,151,278
Child Support Enforcement	7,698,692	10,598,598	10,445,658	10,305,063
Individual and Family Support	70,236,835	87,038,042	88,650,867	87,174,524
Veterans' Affairs	25,298,996	26,059,621	26,772,702	26,119,234
Health Care Quality, Financing and Purchasing	54,001,915	66,702,753	64,475,050	63,849,256
Medical Benefits	1,381,463,049	1,472,884,630	1,513,788,718	1,498,581,052
Supplemental Security Income	25,138,428	20,706,354	22,060,800	21,892,320
Family Independence Program	103,391,116	96,372,800	92,385,000	91,402,574
State Funded Programs	149,219,179	168,132,900	228,638,397	228,638,397
Total	\$1,826,236,998	\$1,963,510,139	\$2,062,355,121	\$2,043,113,698
Expenditures by Category				
Salaries and Benefits	\$ 76,068,133	\$ 85,503,845	\$ 81,930,985	\$ 78,913,849
Contracted Services	38,241,070	50,884,084	50,315,051	50,315,051
Subtotal	\$ 114,309,203	\$ 136,387,929	\$ 132,246,036	\$ 129,228,900
Other State Operations	14,660,008	21,676,306	19,731,907	20,323,484
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	1,694,475,434	1,797,737,417	1,902,791,503	1,886,368,601
Capital	2,792,353	2,113,750	1,990,938	1,940,938
Capital Debt Service	-	-	-	-
Operating Transfers	-	5,594,737	5,594,737	5,251,775
Total	\$1,826,236,998	\$1,963,510,139	\$2,062,355,121	\$2,043,113,698
Sources of Funds				
General Revenue	\$ 658,673,264	\$ 662,081,602	\$ 676,153,195	\$ 665,362,509
Federal Aid	1,161,607,333	1,288,587,124	1,373,007,326	1,364,949,550
Restricted Receipts	5,923,901	8,316,413	8,519,600	8,519,601
Other	32,500	4,525,000	4,675,000	4,282,038
Total	\$1,826,236,998	\$1,963,510,139	\$2,062,355,121	\$2,043,113,698
FTE Authorization	884.6	954.6	953.6	954.6
FTE Average	846.0			

FY 2010 Revised Request. The Department of Human Services requests \$98.8 million more than enacted from all sources, including \$14.1 million more from general revenues and \$84.4 million more from federal funds and 953.6 full-time-equivalent positions, 1.0 less than enacted.

The general revenue request is \$18.5 million more than the “working budget” of \$657.6 million. The working budget is the enacted budget adjusted for the Budget Office’s distribution of statewide

personnel and operating reductions and retirement adjustments the 2009 Assembly budgeted centrally in the Department of Administration.

The Governor recommends \$19.2 million less than requested, including \$10.8 million less from general revenues, \$8.0 million less from federal funds and \$0.4 million less from other funds along with 954.6 full-time equivalent positions, 1.0 more than requested. The recommendation is \$7.7 million more than the working budget.

Payroll Shifts from Office of Health and Human Services' Budget. The Department's revised request shifts \$1.1 million in salary and benefit expenses from the Office of Health and Human Services' budget for 22.0 positions that the Office is unable to support because of difficulty obtaining certain federal and restricted receipt sources from other agencies. However, the revised request does not transfer the 22.0 positions to the Department of Human Services' budget. *The Governor recommends funding as requested.*

Staffing. The Department's revised request eliminates a 1.0 laborer position for savings of \$38,862 from general revenues. *The Governor provides the current staffing level. He eliminates the position as requested and adds 1.0 programming services director position and \$43,018 for the final six months of the fiscal year.*

Other Salaries and Benefits. The Department requests \$4.6 million less than enacted from all sources, including \$2.3 million less from general revenues, for all other salaries and benefits. This includes savings of \$4.8 million, a reduction of 8.5 percent, from not filling an additional 80 vacant positions. The request includes \$0.1 million more for benefit adjustments consistent with Budget Office instructions.

The Governor recommends \$3.1 million less than requested for other salaries and benefits, including \$1.8 million less from general revenues. This includes \$2.1 million for pay reduction days and \$1.0 million for medical benefit holidays.

Federal Poverty Guidelines. The federal poverty guidelines are used for purposes of determining financial eligibility for certain state and federal programs including several programs in state agencies under the Office of Health and Human Services. The 2009 guidelines are as follows.

Family Size	Percent of Federal Poverty Level based on Annual Income								
	100%	125%	133%	150%	175%	180%	185%	200%	250%
1	\$ 10,830	\$13,538	\$14,404	\$16,245	\$18,953	\$19,494	\$20,036	\$21,660	\$27,075
2	14,570	18,213	19,378	21,855	25,498	26,226	26,955	29,140	36,425
3	18,310	22,888	24,352	27,465	32,043	32,958	33,874	36,620	45,775
4	22,050	27,563	29,327	33,075	38,588	39,690	40,793	44,100	55,125
5	25,790	32,238	34,301	38,685	45,133	46,422	47,712	51,580	64,475
6	29,530	36,913	39,275	44,295	51,678	53,154	54,631	59,060	73,825
7	33,270	41,588	44,249	49,905	58,223	59,886	61,550	66,540	83,175
8	37,010	46,263	49,223	55,515	64,768	66,618	68,469	74,020	92,525

For family with more than 8 members, add \$3,740 for each additional member for the 100 percent calculator.

Medical Assistance

The Caseload Estimating Conference met on November 5, 2009 and based on current law, set the FY 2010 revised medical assistance expenditures at \$1,488.6 million including \$578.6 million from

general revenues, which is \$40.9 million more than enacted from all funds and \$16.3 million more from general revenues.

The following chart itemizes medical assistance expenditures as enacted by the 2009 Assembly, adopted by the caseload estimators and recommended by the Governor. Each category is discussed separately.

Medical Assistance	FY 2008 Spent	FY 2009 Spent	FY 2010 Enacted	FY 2010 Nov. CEC	FY 2010 Gov. Rec.
Hospitals					
Regular Payments	\$ 141.0	\$ 126.8	\$ 100.6	\$ 116.1	\$ 106.5
DSH Payments	125.4	105.6	121.6	121.7	121.7
Total	\$ 266.4	\$ 232.4	\$ 222.3	\$ 237.8	\$ 228.2
Long Term Care					
Nursing and Hospice Care	\$ 314.5	\$ 286.6	\$ 291.4	\$ 313.2	\$ 311.0
Home and Community Care	18.3	37.9	67.9	50.5	49.4
Total	\$ 332.8	\$ 324.5	\$ 359.3	\$ 363.7	\$ 360.4
Managed Care					
RtE Care	\$ 428.7	\$ 414.3	\$ 471.5	\$ 465.1	\$ 463.7
RtE Share	11.0	12.9	14.5	15.7	15.7
Fee For Service	101.3	72.5	84.6	87.5	87.5
Total	\$ 541.0	\$ 499.7	\$ 570.6	\$ 568.3	\$ 566.9
Rhody Health	\$ -	\$ 100.9	\$ 148.0	\$ 148.0	\$ 148.0
Pharmacy	\$ 42.8	\$ 14.6	\$ 11.1	\$ 14.2	\$ 14.0
Pharmacy Part D Clawback	\$ 40.2	\$ 41.6	\$ 44.7	\$ 44.0	\$ 44.0
Other Medical Services	\$ 179.3	\$ 149.1	\$ 91.6	\$ 112.6	\$ 112.0
Federal Funds	\$ 718.5	\$ 800.9	\$ 880.1	\$ 904.2	\$ 897.4
General Revenues	679.7	557.5	562.3	578.6	570.2
Restricted Receipts	4.3	4.4	5.2	5.8	5.8
	\$ 1,402.5	\$ 1,362.8	\$ 1,447.7	\$ 1,488.6	\$ 1,473.4

The Governor recommends \$15.2 million less than the November conference estimate and the Department's request, \$8.4 million less from general revenues. He includes several proposals reducing medical benefit expenses, each discussed separately. His recommendation is \$25.7 million more than enacted, \$7.8 million more from general revenues.

Hospitals

The Caseload Estimating Conference estimated hospital expenses at \$237.8 million, \$101.9 million from general revenues. The Department's request is consistent with the caseload estimate. This includes \$116.1 million for direct medical services and \$121.7 million for uncompensated care payments to community hospitals and is \$15.5 million more than enacted.

The Governor recommends \$228.2 million, including \$96.1 million from general revenues and is \$9.6 million less than the caseload conference and the Department's request. His recommendation is also \$6.0 million more than the enacted budget. He includes several proposals to reduce hospital expenses; each is discussed separately.

Hospitals. The Caseload Estimating Conference estimated revised FY 2010 expenditures at \$116.1 million, of which \$44.2 million is from general revenues for the state's 14 community hospitals. The expenditures, as estimated, are \$15.5 million more than enacted, including \$4.7 million more from general revenues. The conference accounted for expenses associated with the fee-for-service clients shifted into Rhody Health managed care plans. The state pays a capitated rate, but some outstanding

fee-for-service costs are still due in FY 2010.

The conference also added back \$5.3 million from all sources to restore unachieved savings for several initiatives assumed the enacted budget that will not be realized. This includes \$3.3 million from limiting emergency room visits and \$2.0 million from reviewing the cases that appear more frequently in a hospital setting. The Department's request reflects the conference estimate.

The Governor recommends \$9.6 million less than the estimate and the request, including \$5.8 million less from general revenues. His recommendation is \$5.9 million more than enacted. He includes several proposals to reduce hospital expenses, each are listed separately.

Hospital High Cost Case Review. The enacted budget assumes savings of \$2.0 million from all sources from monitoring higher cost populations and providing appropriate care. The savings were restored at the November Caseload Conference based on testimony from the Department that the savings related to this proposal could not be achieved. The Department's request reflects the conference estimate. *The Governor assumes that the proposal can be implemented in the current year and includes savings of \$2.0 million, \$0.7 million from general revenues.*

Hospital Reimbursement Rates. The enacted budget assumes savings of \$2.5 million from implementing a new reimbursement system utilizing the diagnostic related group model no later than March 30, 2010. Payments are to be made to hospitals based on diagnoses, procedures and patient age. *The Governor's recommendation includes savings of \$2.7 million, including \$1.0 million from general revenues, or 2.3 percent of expenses, from a temporary rate reduction in FY 2010.*

Emergency Room Visits. The Department reimburses community hospitals on a fee-for-service basis for emergency room visits for its elderly and disabled clients. The reimbursements are based on the diagnosis for individuals whose medical condition do not require hospitalization. The rates are determined based on the severity of patient need ranging from minor medical conditions to life-threatening conditions. *The Governor's budget assumes savings of \$0.5 million from all sources, \$0.2 million from general revenues by monitoring and verifying that the emergency room reimbursements reflect the patient's treatment and condition and higher payments are not being made for less serious diagnoses.*

Neonatal Intensive Care Rates. The Department reimburses Women and Infants Hospital for all neonatal intensive care days for Medicaid eligible infants based upon agreed rates modified by birth weight. The FY 2010 enacted budget assumes savings of \$1.6 million from a five percent rate reduction that was effective April 1, 2009. *The Governor assumes savings of \$750,000, including \$270,600 from general revenues from a one-time reduction of five percent for the final two quarters of FY 2010, effective January 1, 2010.*

Disproportionate Share Payments to Hospitals. The Caseload Estimating Conference added \$57,423 for a total of \$121.7 million from all sources of funds for the disproportionate share payments for uncompensated care costs to the hospitals. This includes \$57.7 million from general revenues and \$64.0 million from federal funds and correctly funds the amount available for the uncompensated care payments which was slightly underfunded in the enacted budget. The Department's request reflects the conference estimate.

Funding is provided to Eleanor Slater Hospital and the state's community hospitals through the Department of Human Services. Additional funding for Butler Hospital appears in the budget of the Department of Mental Health, Retardation and Hospitals.

Uncompensated care costs are defined as the sum of the costs incurred by a hospital during the base

year for inpatient or outpatient services attributable to charitable care and bad debt for which the patient has no health insurance or third-party liability coverage less payment received directly from patients and costs attributable to Medicaid clients, less Medicaid reimbursements. *The Governor's recommendation is consistent with the caseload estimate and the Department's request.*

FY 2010 Uncompensated Care	FY 2009 Final	FY 2010 Enacted	Nov 2009 CEC	FY 2010 Gov. Rec.	Change to Enacted
Community Hospitals					
State	\$ 47,167,726	\$ 54,307,569	\$ 54,304,873	\$ 54,304,873	\$ (2,696)
Federal	52,321,256	60,312,520	60,372,639	60,372,639	60,119
Subtotal	\$ 99,488,982	\$ 114,620,089	\$ 114,677,512	\$ 114,677,512	\$ 57,423
Eleanor Slater Hospital					
State	\$ 3,358,042	\$ 3,358,043	\$ 3,358,043	\$ 3,358,043	\$ -
Federal	3,724,942	3,667,517	3,667,517	3,667,517	-
Subtotal	\$ 7,082,984	\$ 7,025,560	\$ 7,025,560	\$ 7,025,560	\$ -
Upper Payment Limit					
State	\$ 7,603,831	\$ 9,207,253	\$ 9,207,253	\$ 9,207,253	\$ -
Federal	13,453,580	16,290,539	16,290,539	16,290,539	-
Subtotal	\$ 21,057,411	\$ 25,497,792	\$ 25,497,792	\$ 25,497,792	\$ -
Unqualified Expenses					
State	\$ 3,650,000	\$ 3,650,000	\$ 3,650,000	\$ -	\$ (3,650,000)
Federal	-	-	-	-	-
Subtotal	\$ 3,650,000	\$ 3,650,000	\$ 3,650,000	\$ -	\$ (3,650,000)
Total	\$ 131,279,377	\$ 150,793,441	\$ 150,850,864	\$ 147,200,864	\$ (3,592,577)

State Only Acute Care Payments. The Caseload Conference estimate included \$3.65 million for state only payments to be made to four hospitals for additional acute care costs. This includes \$1.6 million for Miriam Hospital, \$0.8 million for Kent Hospital, \$0.75 million for Westerly Hospital and \$0.5 million for South County Hospital. The Department's request reflects the conference estimate.

The Assembly passed Section 2 of Article 19 of 2009-H 5983 Substitute A, as amended and included an outpatient upper payment limit reimbursement totaling \$25.5 million from all funds as well as a \$3.65 million state payment for acute care hospitals for additional uncompensated care costs. *The Governor includes Article 7 to eliminate the state payment in FY 2010 and assumes saving of \$3.65 million in his budget.*

Long Term Care

Long Term Care. The Caseload Estimating Conference estimated long term care expenses at \$363.7 million, \$131.2 million from general revenues and includes \$313.2 million for nursing facilities and hospice care and \$50.5 million for home and community care. This is \$4.4 million more than included in the enacted budget. *The Governor recommends \$360.4 million from all funds, \$130.0 million from general revenues for long term care costs. This is \$3.3 million less than the conference estimate and \$1.1 million more than enacted. He includes several proposals to reduce expenses in the current year; each is discussed separately.*

Nursing Facilities and Hospice Care. The Caseload Estimating Conference estimated revised FY 2010 expenditures at \$313.2 million, of which \$113.0 million is general revenues for the state's 85 nursing facilities, \$21.8 million more than enacted, including \$7.9 million more from general revenues. The estimate shifts \$26.3 million in hospice expenses that were incorrectly included in the enacted budget as home and community care expenses to the appropriate nursing facility expenses. Adjusting for the transfer, the estimate is \$4.5 million less than enacted for projected nursing home costs based on up to date expenses. The Department's request reflects the conference estimates.

The Governor recommends \$311.0 million from all funds, \$130.0 million from general revenues, which is \$2.2 million less than the conference estimate and \$19.6 million more than enacted. The Governor includes savings of \$0.2 million, \$0.1 million from developing a prior authorization process for hospice services, decreasing the amount paid for hospice services provided in a nursing home setting and reviewing national standards for a patient's placement in hospice care. He includes several other proposals to reduce expenses in the current year, each is discussed separately.

Nursing Facilities Principles of Reimbursement Acuity Rates. The enacted budget assumes savings of \$2.6 million from a change to the reimbursement rate paid to the state's 85 nursing facilities. As of January 15, 2010, the reimbursement rates applied through four separate cost centers, the direct labor cost center, other operating expenses, pass through items, and the fair rental value system, will be adjusted by an acuity rate. The Department of Human Services is required to hold public hearings and to submit a final implementation plan to both Chairmen of the House and Senate Finance Committees no later than December 1, 2009. *The Governor's recommendation assumes the savings included in the enacted budget.*

Nursing Facilities High Cost Case Review. The enacted budget assumes saving of \$2.0 million from all sources, \$0.7 million from general revenues from monitoring higher cost populations and providing appropriate care for nursing home residents. The savings were restored at the November Caseload Conference based on testimony from the Department that the savings related to this proposal could not be achieved. *The Governor includes the savings in his recommendation assuming that the savings from this proposal can be achieved in the remaining six months of the fiscal year.*

Home and Community Care. The Caseload Estimating Conference included \$50.5 million for home and community care expenses. This includes \$17.4 million less from all funds and shifts \$26.3 million in hospice expenses incorrectly included in the home and community care program in the enacted budget to the nursing facilities program. Adjusting for hospice care, the estimate adds \$8.9 million for up-to-date costs for the home and community care program. The Department's request reflects the conference estimate.

The Governor recommends \$49.4 million, \$1.1 million less than the caseload conference estimate and the Department's request is \$17.8 million less than enacted. He assumes \$0.4 million of savings from two proposals, \$0.2 million from each of the personal choice and habilitation waivers, under the Medicaid global waiver, by reevaluating costs, improving oversight and monitoring, and providing less costly alternatives when appropriate.

Selective Contracting – Assisted Living Services. The enacted budget assumes savings of \$0.7 million from using selective contracting agreements for supportive services for those in an assisted living care setting as a component of the rebalancing objectives in the global waiver.

At the November Caseload Conference, the estimators restored the savings based on testimony from the Department that the savings could not be achieved in FY 2010. It should be noted that this proposal was also part of the FY 2009 enacted budget and funding was restored at the following November 2008 Caseload Conference. *The Governor assumes that the savings can be achieved and reduces expenses by \$0.7 million from all sources, \$0.3 million from general revenues from this proposal.*

Managed Care

The Caseload Estimating Conference estimated managed care expenses at \$568.3 million, \$2.3 million less than enacted. This includes \$207.9 million from general revenues and \$360.3 million from federal funds. This includes RItE Care expenses at \$465.1 million, RItE Share at \$15.7 million and fee-for-service expenses at \$87.5 million; a discussion of each follows. The Department's request reflects the conference estimate.

The Governor recommends \$566.9 million from all sources, including \$206.8 million from general revenues, which \$1.4 million less than the caseload conference and the Department's request. His recommendation is also \$3.7 million less than enacted and he includes several proposals to reduce program expenses, each is discussed separately.

RItE Care. The Caseload Estimating Conference estimated RItE Care expenditures at \$465.1 million including \$182.2 million from general revenues. This is \$8.1 million less than enacted, including \$0.8 million more from general revenues based on a decrease in caseload and updated cost projections. *The Governor recommends \$463.7 million, \$1.4 million less than the conference estimate and the Department's request. He assumes saving from several proposals, each discussed separately.*

State Only Costs. The caseload estimate includes \$2.7 million in state only expenses for medical benefits provided to certain managed care populations. The estimate includes funding for legal permanent residents who have not met the five year residency requirement necessary to be eligible for Medicaid.

The Governor includes savings of \$0.6 million from general revenues and assumes the ability to leverage Medicaid for some of the expenses for this population. He assumes that the Department will review its current caseload and update the eligibility status of these individuals to determine which recipients have reached the five year time limit and whose medical expenses can be matched by Medicaid.

Third Party Liability. The state is designated as the payer of last resort for medical services. This includes families enrolled in RItE Care who may be eligible for commercial or employer sponsored insurance. If a RItE Care family has access to another form of insurance, they will be enrolled in RItE Share with the state paying any co-payments or deductibles as long as these payments do not exceed the cost of enrolling this population in RItE Care.

The Governor includes savings of \$1.4 million from all sources, \$0.5 million from general revenues and proposes that 1,932 RItE Care individuals may have access to other insurance and can be moved to the RItE Share program. The Governor's proposal assumes the Department can shift these members to RItE Share for the last five months of the fiscal year for monthly savings of \$150 for each member.

RItE Share. The Caseload Estimating Conference estimated RItE Share expenditures at \$15.7 million, including \$7.8 million from general revenues. This is \$1.2 million more than enacted, including \$0.4 million more from general revenues.

The RItE Share program allows families who are eligible for medical assistance to remain in their employer based health insurance plan. The state pays the health care premiums and co-payments of RItE Care eligible recipients if the coverage is similar to the cost and services offered through RItE Care.

The Department mandates enrollment in RItE Share as a condition of medical assistance eligibility if a parent has access to an approved comparable employer based health insurance plan. Mandated enrollment is not an eligibility requirement if medical assistance coverage applies only to an individual younger than 19 years of age. *The Governor recommends funding consistent with the caseload estimate.*

Fee-Based Managed Care. The Caseload Estimating Conference estimated FY 2010 revised fee-based managed care expenditures at \$87.5 million from all sources, of which \$44.4 million is general revenues. The estimate is \$2.8 million more than enacted from all sources of funds, including \$1.0 million more from general revenues for projected expenditures. Fee-based managed care provides additional services to those in the contracted managed care system. *The Governor recommends funding consistent with the caseload estimate.*

Rhody Health

Rhody Health. The Caseload Estimating Conference estimated the enacted amount of \$148.0 million from all sources, including \$53.4 million from general revenues for the program for the remainder of FY 2010. The Department indicates that 12,055 individuals are enrolled as of October 1, 2009. In April 2008, the Department began enrolling a portion of the elderly and disabled population into Rhody Health, a managed care plan that replaces the fee-for-service system. The Department's request reflects the conference estimate. *The Governor recommends funding consistent with the caseload estimate.*

Pharmacy

The Caseload Estimating Conference estimated pharmacy expenses at \$58.2 million; this is \$2.4 million more than enacted. This includes direct pharmacy costs and the state's estimated Medicare Part D clawback payment. The Department's request reflects the caseload estimate. Pharmacy costs also include psychotropic medicines for the Department of Mental Health, Retardation and Hospitals' Medicaid eligible behavioral health clients. *The Governor includes \$58.0 million for pharmacy costs, \$0.3 million less than the caseload estimate and the Department's request and \$2.2 million more than enacted.*

Pharmacy. The Caseload Estimating Conference estimated FY 2010 pharmacy expenditures at \$14.2 million, of which \$5.1 million is general revenues. This is \$3.1 million more than enacted, including \$1.1 million more from general revenues. The Department's request reflects the conference estimate. Elderly and disabled individuals who are not enrolled in Rhody Health receive this fee-for-service pharmacy benefit. The caseload estimate separates the actual pharmacy costs for fee-for-service clients and the state's payment for the Medicare Part D clawback, discussed below.

The Governor includes \$14.0 million for pharmacy costs, \$0.3 million less than the estimate and \$2.9 million more than the enacted budget. He assumes savings of \$0.3 million from establishing a state maximum allowable cost program for generic drugs dispensed to Medicaid beneficiaries receiving prescription drugs through the fee-for-service system.

Medicare Drug Benefit-Part D Clawback. The Caseload Estimating Conference estimated the state payment for Medicare Part D clawback provision at \$44.0 million, \$0.7 million less than enacted. The Department's request reflects the conference estimate. On January 1, 2006, full implementation of the federal Medicare Part D drug plan took effect paying for coverage previously not offered through Medicare. The plan provides coverage with a series of deductibles and co-payments based on the recipient's income level. For individuals enrolled in Medicaid, as well as Medicare, commonly referred to as dual eligibles, the state paid a portion of their drug costs matched by the federal participation rate. The state longer directly pays for the drug costs; however, the state does pay a

portion of the savings to the federal government, or a clawback, which has been calculated based on a nationwide formula. The dual eligibles do not pay any annual deductible, but pay a \$1 co-payment for generic drugs or \$3 co-payment for brand names. *The Governor recommends funding consistent with the caseload estimate.*

Other Medical Services

The Caseload Estimating Conference estimated costs for other medical services which include Part B Medicare premium payments for the dually eligible population and additional payments to dentists, physicians and other practitioners. Similar to the pharmacy payments, a portion of the Department of Mental Health, Retardation and Hospitals' adults with developmental disabilities and behavioral health clients are eligible for other medical services.

Other Medical Services. The Caseload Estimating Conference estimated expenditures for other medical services expenditures at \$112.6 million, which includes \$35.0 million from general revenues. The estimate is \$21.0 million more than the enacted budget, including \$6.7 million more from general revenues. The Department's request reflects the conference estimate.

The conference accounts for remaining expenses associated with the fee-for-service clients that have been shifted into Rhody Health managed care plans. The state pays a capitated rate for their services now, but some outstanding fee-for-service costs are still due in FY 2010. The conference also added \$3.8 million from all funds to backfill unachieved savings for the initiative in the enacted budget that allowed the Department director to make program changes at his discretion. The Department did not make any changes to achieve these savings.

The Governor recommends \$112.0 million, \$34.8 million from general revenues for other medical services. This is \$0.6 million less than the conference estimate and the Department's request. It is also \$20.4 million more than the enacted budget. He includes several proposals to reduce expenses; each is included separately.

Tavares Pediatric Center. The November Caseload Conference estimate included \$7.5 million from all sources for payments made to Tavares Pediatric Center. The center is a 30-bed facility licensed as an intermediate care facility providing services to disabled children. *The Governor's recommended budget includes savings of \$0.2 million, \$0.1 million from general revenues from a one time four percent rate reduction in FY 2010.*

Selective Contracting - Durable Medical Equipment. The enacted budget assumes savings of \$0.4 million from implementing a competitive bidding process for the equipment consistent with the selective contracting portion of the global waiver. At the November Caseload Conference, the estimators restored the savings based on testimony from the Department that the savings would not be achieved in FY 2010.

The Governor assumes that the savings can be achieved and he reduces expenses by \$0.4 million from all sources, from this proposal, including \$0.2 million from general revenues. The Department has issued the request for proposals and is in the process of awarding the contract.

Selective Contracting – Outpatient Services. The enacted budget assumes savings of \$0.4 million from issuing a request for proposals for a sole supplier for each of the following out-patient services: occupational therapy, physical therapy, speech pathology and laboratory services. At the November

Caseload Conference, the estimators restored the savings based on testimony from the Department that the savings would not be achieved in FY 2010. *The Governor concurs.*

Other Medical Adjustments. The enacted budget assumes savings of \$3.8 million from discretionary changes that the director would be allowed to make to the medical benefits program that did not require a statutory change. The November caseload estimate restores the savings based on the Department's testimony that the savings could not be achieved. *The Governor concurs.*

Medical Assistance Administration

RIte Care Administration. The Department requests \$4.2 million from all sources of funds, for RIte Care administration expenditures, excluding salaries and benefits of \$1.1 million. The request is \$0.6 million less than enacted and includes ten percent reduction for contracted RIte Care administrative costs, specifically with Allied Computer Services. The Department indicates that the direct staffing portion the contract will not change, just the administrative component of the contract award. *The Governor recommends funding essentially as requested; however, he includes an additional \$7,781 from federal sources to reflect funds available from statewide personnel savings.*

RIte Share Administration. The Department requests \$1.4 million, which is \$0.2 million less than enacted from all sources for RIte Share administration expenditures. This reflects a ten percent decrease for contracted services with Allied Computer Services, the program administrator, as part of the statewide operating adjustments included in the working budget. *The Governor recommends funding as requested.*

Medical Services Operations. The Department requests \$32.3 million from all sources, or \$0.2 million more than enacted for expenditures related to the operations of the medical benefits program. This excludes salary and benefit expenses and is \$0.6 million less from general revenues. The request includes \$15.1 million for administrative services provided by HP Enterprise (formerly Electronic Data Systems) to maintain and operate the state's Medicaid billing system, \$0.3 million more than enacted.

The Department also reduces its contract with Northrup Grumman by \$2.8 million from all funds, \$1.1 million from general revenues for total funding of \$5.7 million to operate and maintain the InRhodes eligibility system. Of the \$2.8 million in savings, \$0.8 million is for the portion applied to the medical services program. The Department indicates that staff from the Department of Administration's Division of Information Technology will provide technical support.

The request also includes \$1.8 million more from all funds, including \$0.2 million from general revenues for a new advanced planning grant for continued monitoring of the global waiver activities. This is offset by savings of \$0.8 million incorrectly included in the enacted budget for contracted administrative activities with Qualidigm for nursing services. *The Governor recommends funding essentially as requested; however, he includes an additional \$119,390 from federal sources to reflect additional funds available from statewide personnel savings.*

Office of Rehabilitative Services. The Department requests \$2.8 million more than enacted of which \$38,600 is general revenues, to support operations in the Office of Rehabilitative Services. This includes \$3.0 million more from federal funds primarily for medical services for individuals applying for disability benefits through the disability determination unit. It also includes a savings of \$0.2 million from office supplies and other contracted services. *The Governor adds \$100,612 from federal funds to reflect additional funds available from statewide personnel savings.*

Cash Assistance Programs

The Caseload Estimating Conference estimated \$117.3 million from all sources, including \$30.2 million from general revenues for cash assistance programs, including Rhode Island Works, child care, state only supplemental security income program payments and general public assistance bridge program benefits. The Department's request is consistent with the caseload estimate.

The Governor recommends \$116.1 million from all funds, \$1.2 million less than the caseload estimate and the Department's request. The estimate is \$3.7 million less than enacted including \$0.1 million more from general revenues. His proposal to reduce child care costs is discussed separately.

Rhode Island Works. The Caseload Estimating Conference set program expenditures at \$45.7 million entirely from federal funds. The estimated monthly caseload increases by 184 cases to a level of 18,500. The cost per case is estimated to increase by \$7.50 to a \$190.00 monthly cost per person. The estimated program expenditures are \$0.7 million less than the enacted budget, including \$2.7 million less for transportation expenses, offset by increases to the caseload and costs per case. The Department's request reflects the conference estimates. *The Governor recommends \$45.7 million from federal funds, consistent with the caseload estimate and the Department's request.*

The following chart itemizes cash assistance expenditures as enacted by the 2009 Assembly, adopted by the caseload estimators and recommended by the Governor. Each category is discussed separately.

Cash Assistance	FY 2008 Spent	FY 2009 Spent	FY 2010 Enacted	FY 2010 Nov CEC	FY 2010 Gov. Rev.
Rhode Island Works					
Persons	26,324	24,389	18,316	18,500	18,500
Monthly Cost per Person	\$ 174.85	\$ 177.93	\$ 182.50	\$ 190.00	\$ 190.00
General Revenue	\$ 17.6	\$ 3.4	\$ -	\$ -	\$ -
Federal Funds	38.0	54.9	46.3	45.7	45.7
Total Costs*	\$ 55.6	\$ 58.3	\$ 46.3	\$ 45.7	\$ 45.7
Child Care					
Subsidies	8,149	6,833	6,810	6,400	6,400
Annual Cost per Subsidy	\$ 7,044	\$ 7,160	\$ 7,350	\$ 7,300	\$ 7,146
General Revenue	\$ 12.7	\$ 6.5	\$ 6.5	\$ 6.2	\$ 5.8
Federal Funds	44.4	42.4	43.6	40.5	40.0
Total Costs*	\$ 57.1	\$ 48.9	\$ 50.1	\$ 46.7	\$ 45.7
Child Care Development Block Grant					
Federal Stimulus	\$ -	\$ 0.5	\$ -	\$ -	\$ -
Total Costs	\$ -	\$ 0.5	\$ -	\$ -	\$ -
SSI					
Persons	31,625	31,850	32,200	32,000	32,000
Monthly Cost per Person	\$ 64.00	\$ 55.22	\$ 46.27	\$ 47.00	\$ 46.56
Total Costs/General Revenue*	\$ 28.0	\$ 25.1	\$ 21.8	\$ 22.1	\$ 21.9
SSI Transition/Bridge					
Persons	412	440	450	514	514
Monthly Cost per Person	\$ 87.54	\$ 118.70	\$ 118.50	\$ 118.50	\$ 118.50
General Revenues	\$ 2.6	\$ 2.4	\$ 1.9	\$ 2.0	\$ 2.0
Federal Funds	-	0.5	0.9	0.8	0.8
Total Costs*	\$ 2.6	\$ 2.9	\$ 2.8	\$ 2.8	\$ 2.8
General Revenue	59.5	37.3	30.2	30.2	29.7
Federal Funds	84.6	97.8	90.8	87.0	86.4
Total Cash Assistance*	\$ 144.1	\$ 135.1	\$ 121.0	\$ 117.3	\$ 116.1
<i>*Expenditures in millions</i>					

Maintenance of Effort Requirement. The state is required to spend \$60.4 million from general

revenues as part of its maintenance of effort requirement for the \$95.0 million temporary assistance to needy families' block grant.

The state can report any spending for its maintenance of effort requirement as long as it meets one of the four temporary assistance to needy families purposes: assisting needy families so that children can be cared for in their own homes; reducing the dependency of needy parents by promoting job preparation, work and marriage; preventing out-of-wedlock pregnancies; and encouraging the formation and maintenance of two-parent families. The state uses the circuit breaker program, earned income tax credit, administrative expenses through the Department of Human Services, and services provided through the Department of Children, Youth and Families and the Department of Labor and Training. *The Governor's budget assumes that state meets its maintenance of effort requirement for the block grant funding.*

Child Care. The Caseload Estimating Conference set caseload child care expenditures at \$46.7 million, of which \$6.2 million is from general revenues. This is \$3.3 million less than enacted, including \$0.3 million less from general revenues and reflects 410 fewer child care slots for a monthly level of 6,400. The estimators decreased the annual cost by \$50 to \$7,300 for the remainder of FY 2010.

The Governor recommends \$45.7 million from all sources for child care services, \$1.0 million less than the caseload estimate and the Department's request. He includes a proposal to reduce child care rates, which is discussed separately.

Child Care Provider Rates. The state pays child care providers serving state subsidized clients the average of the 2002 and 2004 market rate surveys; the rates are established in statute. *The Governor includes savings of \$1.0 million, \$0.5 million from general revenues from reducing child care rates by five percent. He includes Article 5 for this proposal. The Governor subsequently submitted an amendment on January 5, 2010 to sunset the rate reduction on September 30, 2010.*

Supplemental Security Income. The Caseload Estimating Conference estimated FY 2010 direct supplemental security income expenditures at \$22.1 million from general revenues, or \$0.3 million more than enacted. The caseload decreased by 200 persons to a monthly level of 32,000. Estimators also increased the monthly cost per person by \$0.25 to \$47.00. The Department's request reflects the conference estimates. The state chooses to supplement the federal program and transfers its funds to the federal government so the recipient receives one check.

The state pays transaction fees for the service, which totals \$4.0 million for FY 2010. The 2009 Assembly included legislation to have the Department of Mental Health, Retardation and Hospitals make the state's portion of the monthly payment directly to its clients. The enacted budget assumes savings of \$0.3 million from the state no longer paying a monthly transaction fee to the federal government for this population. The November Caseload Conference added back \$0.3 million for the transaction fees since no action to make this change has occurred. The Caseload Conference recognized total expenditures of \$22.1 million, of which \$21.0 million appears in the Department of Human Services' budget and \$1.1 million in the Department of Mental Health, Retardation and Hospitals' budget.

The Governor recommends \$21.9 million for the program, \$0.2 million less than the caseload conference. He includes savings from one proposal that is discussed separately.

The following chart includes the separate categories and monthly payments.

Category	State	Federal	Total
Individual Living Alone	\$ 39.92	\$ 674.00	\$ 713.92
Couple Living Alone	79.38	1,011.00	1,090.38
Individual Living with Others	51.92	449.34	501.26
Couple Living with Others	97.30	674.00	771.30
Resident in State Licensed Supportive Residential Care	300.00	674.00	974.00
Resident in Assisted Living	538.00	674.00	1,212.00
Supplement	20.00	30.00	50.00

Supplemental Security Income Transfer. The Department's request transfers \$1.1 million in direct supplemental security income payments for adults with developmental disabilities who receive residential services from the Department of Mental Health, Retardation and Hospitals to the Department of Human Services' budget. This reverses the action taken by the 2009 Assembly to have the Department of Mental Health, Retardation and Hospitals make the state's portion of the monthly payment directly to its clients. *The Governor recommends funding as requested.*

Supplemental Security Income Residential Payment. The enacted budget assumes general revenue savings of \$0.2 million from a new category for individuals living in state licensed residential care settings. The individuals will receive a state payment of \$300, \$238 less than the current state payment if they remained in a licensed assisted living facility. The payment is made to the individuals receiving their monthly expenses in the residential care facilities; the federal payment will remain the same. This proposal is consistent with the Medicaid global waiver and anticipates that the licensed residential care setting will become Medicaid eligible sites. The sites will be able to leverage Medicaid for any medical services provided which is anticipated to offset any loss in the monthly income payment.

At the November Caseload Estimating Conference, the Department reported that the changes needed to implement this proposal would be in place by January 1, 2010; however, maintained that it would not realize the savings included in the enacted budget. The November estimate, however, maintained that the savings could be achieved and did not restore the funding. *Governor assumes savings of \$0.2 million for this proposal, which appears to double count the savings.*

Supplemental Security Income Transition/Bridge Program. The Caseload Estimating Conference estimated expenditures for the supplemental security income transition/bridge program at \$2.8 million from general revenues, or \$0.1 million more than enacted. This increases the projected number of persons by 64 for a level of 514. The estimators maintained the monthly cost per person at \$118.50. The Department's request reflects the conference estimate. The program is for individuals eligible for Medicaid who maintain active applications for supplemental security income. *The Governor recommends funding consistent with the caseload conference.*

Cash Assistance Administration

Rhode Island Works Program Administration. The Department requests \$0.8 million less for Rhode Island Works program administration expenses, including \$0.7 million less from general revenues and excludes salary and benefit expenses, for total funding of \$11.3 million from all sources. The Department reduced its contract with Northrup Grumman by \$2.8 million from all funds, \$1.1 million from general revenues for total funding of \$5.7 million to operate and maintain the InRhodes eligibility system. Of the \$2.8 million in savings, \$0.7 million is for the portion applied to the Rhode Island Works program. The Department indicates that staff from the Department of Administration's

Division of Information Technology will provide technical support. The request also shifts \$0.6 million in general revenue expenses to federal funds carried forward from FY 2009.

Grant expenditures include \$5.9 million for training and work activities for program recipients. Operating expenses total \$2.7 million including \$1.3 million for rental costs for the satellite offices, \$0.9 million for office expenses. This also includes \$0.5 million for other expenses including \$0.1 million for the monthly fee to charge the electronic benefit cards for the Rhode Island Works recipients.

The Governor recommends \$84,370 more than requested, including \$17,562 less from general revenues for rental and lease expenses and an additional \$101,932 to reflect federal sources that may become available from the reduction to statewide personnel costs.

Child Care Administration. The Department requests \$2.3 million for child care administration expenditures excluding salary and benefit costs totaling \$1.3 million. This is \$0.5 million more than enacted, including \$0.1 million less from general revenues and \$0.6 million more from federal funds. The Department reduced its contract with Northrup Grumman by \$2.8 million from all funds, \$1.1 million from general revenues for total funding of \$5.7 million to operate and maintain the InRhodes eligibility system. Of the \$2.8 million in savings, \$0.3 million is for the portion applied to the child care program. The Department indicates that staff from the Department of Administration's Division of Information Technology will provide technical support. The request also includes \$0.7 million in unspent federal stimulus funds available for FY 2010 to support child care quality expansion programs. *The Governor adds \$4,927 to reflect federal sources that may become available from the reduction to statewide personnel costs.*

Veterans' Affairs

Veterans' Home Operations. Excluding salaries and benefits, the Department requests \$64,248 less than enacted, including \$0.2 million less from general revenues for operating costs at the Veterans' Home. This includes \$0.2 million less for pharmaceutical and other medical expenses with adjustments for other operating costs. *The Governor adds \$84,855 to reflect federal sources that may become available from the reduction to statewide personnel costs.*

Veterans' Home Capital Projects. The Department requests \$1.3 million, or \$0.3 million less than enacted, for capital projects at the Veterans' Home. This includes \$0.5 million more from federal funds and \$0.8 million less from restricted receipts. *The Governor recommends funding as requested.*

Veterans' Cemetery. The Department requests \$0.2 million more from federal funds for the final payments for the development of the Master Plan and the first phase of construction of several projects included in the plan. *The Governor recommends funding as requested.*

Other Programs

Child Support Enforcement Program. Excluding salaries and benefits, the Department requests \$5.7 million, \$0.1 million more than enacted for operating expenses of the child support enforcement program. This includes \$10,983 less from general revenues. The Department reduced its contract with Northrup Grumman by \$2.8 million from all funds, \$1.1 million from general revenues for total funding of \$5.7 million to operate and maintain the InRhodes eligibility system. Of the \$2.8 million in savings, \$0.3 million is for the portion applied to the child support enforcement program. The Department indicates that staff from the Department of Administration's Division of Information

Technology will provide technical support. The Department also increases operating expenses by \$0.3 million.

The revised request includes \$0.2 million from a new federal grant, Project Restore, which provides education and other services to non-custodial parents who have historically paid their child support obligations, but due to job loss and foreclosure, can no longer do so. This project will also provide services to custodial parents who have been negatively impacted by the non-custodial parent's job loss. *The Governor adds \$35,477 to reflect federal sources that may become available from the reduction to statewide personnel costs.*

Supplemental Nutrition Assistance Program. The Department requests \$197.3 million from all sources of funds for expenditures related to the Supplemental Nutrition Assistance Program, formerly called the food stamp program, excluding salary and benefit costs, which total \$9.8 million. The request is \$60.3 million more than enacted, primarily from federal funds. Program expenditures are budgeted at \$190.3 million or \$60.5 million more than enacted. The Department's request reflects actual and anticipated increases in utilization.

The Department reduced its contract with Northrup Grumman by \$2.8 million from all funds, \$1.1 million from general revenues for total funding of \$5.7 million to operate and maintain the InRhodes eligibility system. Of the \$2.8 million in savings, \$0.7 million is for the portion applied to the supplemental nutrition assistance program. The Department indicates that staff from the Department of Administration's Division of Information Technology will provide technical support. The request also includes \$0.3 million more for the electronic benefit cards and adjustments to various program operating costs. *The Governor adds \$64,351 to reflect federal sources that may become available from the reduction to statewide personnel costs.*

Special Education. The Department's request includes the enacted level of \$25.2 million from federal sources for the federal portion of special education expenditures. The state match is provided by the local school districts. *The Governor recommends funding as requested.*

Paratransit Services for the Elderly. The Department requests the enacted level of \$7.7 million from all sources for elderly transportation services. This includes \$4.4 million from the Department's one-cent share of the gas tax. *The Governor recommends \$0.3 million less than requested for the Department's one-cent share of the gas tax based on an estimate from the state Budget Officer and Office of Revenue Analysis of a per penny yield of \$4.1 million for the remainder of FY 2010.*

Community Services Block Grant. The Department requests \$8.5 million from federal funds, \$0.9 million more than enacted for the community services block grant. This includes \$1.0 million more from stimulus funding that was carried forward from FY 2009 and \$0.2 million less for administrative expenses. Funding is awarded to the state's nine community action agencies. *The Governor recommends funding as requested.*

Individual and Family Support Other State Operations. The Department requests \$1.0 million more than enacted for total funding of \$7.2 million for all other expenditures in the individual and family support program. The request is \$37,127 more from general revenues. It includes \$0.3 million more for services to the blind and visually impaired, \$0.2 million more for the independent living program, and \$0.1 million more for family violence prevention. The request includes \$0.2 million more from federal funds the Department receives for providing supportive services to disabled clients. *The Governor adds \$18,722 from federal funds to reflect sources that may become available from the reduction to statewide personnel costs.*

Central Management Other State Operations. The Department requests \$2,849 less from all funds for all other state operations in central management, excluding salaries and benefits for total revised funding of \$5.4 million. The request includes the enacted level of \$2.7 million for the community service grants, \$1.2 million for the community health centers, \$0.8 million for Head Start programs and \$360,000 for Crossroads. *The Governor adds \$6,762 to reflect federal sources that may become available from the reduction to statewide personnel costs.*

Capital – Blind Vending Facilities. The Department requests \$125,000 from Rhode Island Capital Plan funds for the ongoing construction and renovation of statewide vending facilities, consistent with the enacted budget. *The Governor recommends \$50,000 less than requested.*

Legislation

The Governor recommends legislation that affects implementation and operation for some of the Department's programs. These are included as articles in the Governor's FY 2010 revised recommended budget and are summarized below.

Article 5 Child Care Providers Rates. The Governor recommends a 5.0 percent reduction to the rate the state pays providers for subsidized child care.

Article 7 State Funded Acute Care Payments. The Governor's recommendation eliminates the \$3.65 million state only payment to be made to four community hospitals for acute care payments.

Department of Mental Health, Retardation and Hospitals

	FY 2009 Reported	FY 2010 Enacted	FY 2010 Rev. Req.	FY 2010 Revised
Expenditures by Program				
Central Management	\$ 974,136	\$ 1,166,740	\$ 1,166,740	\$ 1,108,491
Hosp. & Comm. System Support	3,240,876	6,703,300	6,634,422	6,267,551
Services for the Dev. Disabled	253,024,050	230,019,017	226,639,150	243,315,029
Integrated Mental Health Services	79,348,971	82,378,778	81,936,878	78,603,291
Hospital & Comm Rehab. Services	100,418,164	109,871,191	99,042,589	97,798,151
Substance Abuse	29,585,286	32,734,705	34,770,540	33,678,157
Total	\$ 466,591,483	\$ 462,873,731	\$ 450,190,319	\$ 460,770,670
Expenditures by Category				
Salaries and Benefits	\$ 119,452,227	\$ 126,581,534	\$ 119,800,846	\$ 115,911,357
Contracted Services	827,181	1,205,922	1,235,418	1,201,875
Subtotal	\$ 120,279,408	\$ 127,787,456	\$ 121,036,264	\$ 117,113,232
Other State Operations	16,687,847	17,398,623	15,400,151	15,487,495
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	325,962,858	303,277,282	303,533,117	316,517,974
Capital	574,889	13,924,760	10,220,787	11,651,969
Capital Debt Service	-	-	-	-
Operating Transfers	3,086,481	485,610	-	-
Total	\$ 466,591,483	\$ 462,873,731	\$ 450,190,319	\$ 460,770,670
Sources of Funds				
General Revenue	\$ 184,060,033	\$ 166,015,780	\$ 164,960,780	\$ 168,095,607
Federal Aid	273,867,200	280,058,238	272,518,967	278,567,342
Restricted Receipts	4,695,837	5,203,044	4,504,330	4,504,330
Other	3,968,413	11,596,669	8,206,242	9,603,391
Total	\$ 466,591,483	\$ 462,873,731	\$ 450,190,319	\$ 460,770,670
FTE Authorization	1,352.4	1,398.4	1,396.2	1,396.2
FTE Average	1,241.2			

FY 2010 Revised Request. The Department requests \$12.7 million less than enacted including \$1.1 million less from general revenues, \$7.5 million less from federal funds, \$0.7 million less from restricted receipts and \$3.4 million less from Rhode Island Capital Plan funds. It includes 2.2 fewer positions.

The general revenue request is \$2.6 million more than the “working budget” of \$162.4 million. The working budget is the enacted budget adjusted for the Budget Office’s distribution of statewide personnel and operating reductions and retirement adjustments the 2009 Assembly budgeted centrally in the Department of Administration.

The Governor recommends \$10.6 million more than requested from all sources, including \$2.1 million more from general revenues. This includes additional funding for services provided for adults with developmental disabilities. The recommendation is \$5.7 million more than the working budget. He also includes 2.0 fewer positions as requested.

Developmental Disabilities Programs. The Department's request includes \$226.6 million from all sources, \$79.8 million from general revenues for the program to support adults with developmental disabilities. Funding is provided through the Medicaid global waiver for adults with developmental disabilities and supports community based residential support programs in the state-run system which is comprised of 36 homes, has a capacity to hold 262 patients, or 13.0 percent of the caseload. Three of the 36 homes are considered nursing facilities or special care facilities, since the homes allow and accommodate 24-hour care for special care patients. The private provider system is comprised of 339 homes, has a capacity to offer residential supports to 1,741 clients, and represents 87.0 percent of the residential caseload. In addition to the residential support, the state also provides funding for day programming, supported employment activities and family support services through a Medicaid waiver.

The Governor recommends \$243.3 million from all sources, \$16.7 million more than requested for privately provided services, including \$6.0 million more from general revenues. The items are explained in the changes below.

Developmental Disabilities Medicaid Waiver Support Programs. The Department requests \$0.2 million less for the residential, day and family support programs including \$0.8 million less in the state-run system and \$0.6 million more for the privately operated system. The FY 2010 enacted budget restored \$15.8 million of assumed savings from implementation of the global waiver, leaving \$17.1 million to be achieved in the current year.

The Department requests \$0.6 million in additional funding for updated costs and caseload projections for residential and day services provided through the privately run system and assumes additional federal funds by adjusting the federal match rate. The revised request does not restore any of the global waiver savings nor does it identify how the Department will achieve these savings. The Department does assume a slight caseload increase from individuals who are eligible for day programming services through the Medicaid rehabilitation option now being eligible for the same services through the global waiver based on a reassessment of their disabilities.

The \$0.8 million adjustment requested for the state operated program includes savings of \$3.2 million in salaries and benefits, primarily for state employees who staff the group homes. This includes \$2.6 million less from staff vacancies and \$0.6 million less from other benefit adjustments. The personnel savings is offset by \$1.9 million in additional overtime costs to continue providing the necessary staffing for the community residences in the state run program. The request also includes \$0.2 million less for various maintenance and building repairs.

The Governor recommends \$16.6 million more than requested from all sources for the privately operated services to restore the unachieved savings, including \$6.0 million from general revenues. He assumes that the Department will be able to achieve only \$0.5 million of savings included in the enacted budget.

The Governor also recommends \$0.8 million less than requested for the state run system from adjusting for the three medical benefit holidays and eight pay reduction days. He also adds \$0.4 million to reflect federal sources that may become available from the reduction to statewide personnel costs. This

appears to be incorrect since the federal funds are Medicaid, and any Medicaid expenses need to be matched by general revenues.

The Governor's also assumes general revenue savings of \$51,775 from increasing the census in the Rhode Island Community Living and Supports program and leveraging Medicaid for new two patients without increasing staffing in the group homes. It appears that if clients were new to the system they may also require day programming services which are not accounted for in the calculation. This also appears to contradict the Department's efforts to consolidate vacancies within the state run group homes.

Developmental Disabilities Day Programs-Rehabilitation Option. The Department requests \$1.0 million less for day programming services provided through the Medicaid rehabilitation option, which allows the state to provide services to individuals who are Medicaid eligible but do not meet the criteria for these services through the primary developmental disabilities waiver. This is \$1.0 million less from all funds including \$0.2 million less from general revenues to reflect current caseloads. The Department assumes that some clients will now be eligible for the same services through the Medicaid global waiver based on a reassessment of their disabilities. *The Governor adds \$309 from federal funds to the request.*

Other Developmental Disabilities Programs. The Department requests \$5.0 million for other services provided to clients in the developmental disabilities system that are not eligible for either the home and community based Medicaid program or services through the rehabilitation option. This is \$0.3 million less than enacted; however, adds \$0.4 million from general revenues to backfill Medicaid funds included in the enacted budget that cannot be realized. The request includes general revenue funding of \$2.6 million for salaries and benefits and \$0.2 million for operating expenses to support the program's administrative costs. The request also includes \$2.3 million for day programming and other community based services.

The Department assumed that, through the global waiver, it could receive Medicaid for these services but it has since been determined that a portion of the funds cannot be leveraged because some of the clients receiving the day services have annual incomes above the threshold of \$30,630 that is allowed under the global waiver in order to receive Medicaid reimbursement. *The Governor recommends \$124,114 less than requested from general revenues for the three medical benefit holidays and eight pay reduction days. He includes the requested funding for day programming and other community based services.*

Supplemental Security Income Payments. The Department's revised request transfers \$1.1 million in direct supplemental security income payments for its clients who receive residential services to the Department of Human Services' budget. This reverses the action taken by the 2009 Assembly to have the Department of Mental Health, Retardation and Hospitals make the state's portion of monthly payments directly to its clients. This action was taken to avoid paying the monthly transaction fee but the Department of Human Services did not make the necessary changes. The Department of Human Services' request also includes the transfer. *The Governor recommends funding as requested and includes the change in the Department of Human Services' budget.*

State Operated System Client Revenue. The enacted budget includes \$2.0 million from restricted receipts to reflect the \$713.92 monthly supplemental security income payments made to clients in the state run developmental disabilities system supporting their living costs, such as rent, food, utilities and other daily living expenses. The Department's request decreases this by \$0.8 million to accurately reflect the payments. The request corrects the enacted budget which appears to have included a higher

expenditure authority than was necessary for this population. *The Governor recommends funding as requested.*

Community Mental Health Services-Rehabilitation Option. The Department requests essentially the enacted level of \$66.6 million for mental health services provided through the Medicaid rehabilitation option, which allows the state to provide mental health treatment services that are otherwise eligible under Medicaid. This includes \$44.0 million from federal Medicaid funds and \$22.6 million from general revenues. The services are reimbursed at a higher Medicaid rate than was included in the American Recovery and Reinvestment Act of 2009.

The Department overstated the Medicaid rate for the community based treatment services in its initial FY 2010 request and the Governor's recommended budget made an adjustment for the enhanced Medicaid match for expenses based on the Department's overstated rate. Instead of the 63.92 percent enhanced Medicaid rate, the enacted budget includes 66.12 percent. The Department's FY 2010 revised request does not correct for this error. The request is \$2.1 million more than the final costs for FY 2009 and \$1.4 million more than FY 2008 final expenses.

The Governor reduces program expenses by \$4.0 million by reducing federal funds to reflect only those Medicaid funds that can be matched by the general revenues included in the Department's request. He does not identify what actions the Department should take to reduce program costs.

Inpatient Psychiatric Hospitalization-Pool I. The Department's revised request eliminates the enacted level of \$2.6 million from all sources for inpatient psychiatric services through the uncompensated care Pool I funding that the state receives to support psychiatric hospitalization. The Department indicates that since there is an increase in the use of less expensive community placements, it cannot use the uncompensated care funding. The Department contracts for mental health treatment services and under its previous agreement, the federal funds were used to reimburse the state for inpatient treatment services at Butler Hospital. The Department is increasing its community based, non-hospital treatment options, and the current contract does not allow the Department to access the federal uncompensated care funds.

The excess funding will revert to the uncompensated care pool that is included in the Department of Human Services' budget and may be used to support expenses at the community hospitals. State funding would need to be added to the Department of Human Services' budget to match the federal payments.

The Governor recommends funding as requested. The Governor did not add the federal resources available from the Pool I fund to the Department of Human Services' budget.

Other Community Mental Health Treatment Programs. The Department requests \$2.1 million more from all funds for community mental health treatment programs for more total funding of \$6.6 million. This includes \$1.4 million more from general revenues and \$0.6 million more from federal funds. It also assumes the Department shifts general revenues that are no longer needed to match the federal uncompensated care funding since the Department cannot leverage these funds under its current contract with the Stanley Street Treatment and Resources (SSTAR). The new contract emphasizes community based, less intensive treatment services, not in-patient hospitalization which is eligible for the federal uncompensated reimbursement payment. The Department continues to assume the ability to leverage Medicaid through the global waiver.

The Governor provides \$7.2 million from all sources and assumes an additional \$0.7 million can be leveraged through the global waiver above the \$3.0 million included in the enacted budget for community treatment services that were previously state only. His recommendation leaves \$0.2 million in general revenues for services that cannot be matched by Medicaid.

Community Medical Assistance Program Drug Expenses. The Department requests \$0.7 million less from all funds, \$0.5 million less from general revenues for community medical assistance program drug expenses based on updated costs. The revised request totals \$2.8 million and is \$0.5 million more than FY 2009 final expenses and \$0.2 million more than expenses for FY 2008. ***The Governor recommends funding as requested.***

Additional Mental Health New Federal Grants. The Department requests \$0.8 million from newly awarded federal funds, including treatment services for veterans and prisoners as well as disaster preparedness activities. ***The Governor recommends funding as requested.***

Substance Abuse Capacity Beds. The Department includes the enacted level of \$1.0 million from general revenues for the transition from the prison to community program expanding the number of substance abuse beds for prisoners recently paroled but remain incarcerated from a lack of treatment beds. As of December 2009, there have been 430 assessments, 328 admissions with 197 completing treatment, 37 currently enrolled, 94 leaving the program and 102 waiting who are either waiting for placement, have sought alternative programming or have refused to enroll. ***The Governor recommends funding as requested.***

Substance Abuse Treatment Services-Medicaid Rehabilitation Option. The Department requests essentially the enacted level of \$5.4 million from all sources for substance abuse services provided through the Medicaid rehabilitation option, which allows the state to provide mental health treatment services that are otherwise eligible under Medicaid. This includes \$3.8 million from federal Medicaid funds and \$1.6 million from general revenues. The services are reimbursed at the higher Medicaid rate that was included in the American Recovery and Reinvestment Act of 2009.

The Department overstated the Medicaid rate for the community based treatment services in its initial FY 2010 request and the Governor's recommended budget made an adjustment for the enhanced Medicaid match for expenses based on the Department's overstated rate. Instead of applying a 63.92 percent enhanced Medicaid rate, the enacted budget includes an incorrect Medicaid rate of 70.89. The Department's request does not correct for this error.

The Governor recommends reducing program expenses by \$1.0 million. He reduces federal funds to leverage only Medicaid funds that can be matched by the general revenues included in the Department's request. He does not identify what actions the Department should take to reduce program costs.

Other Substance Abuse Treatment Services. The Department requests \$1.0 million more from all funds for a total of \$10.5 million for other substance abuse treatment services. This is \$0.9 million more from federal funds and \$0.1 million more from general revenues. The Department increases expenses based on a projected caseload increase and also assumes the continued use of Medicaid funds available through the global waiver. ***The Governor adds \$2,119 from federal funds to the request.***

Substance Abuse Block Grant. The Department requests \$0.9 million less from federal funds for total expenses of \$6.7 million to be awarded through the substance abuse block grant. The request reflects the availability of funding based on the award. The Department indicates that there will be

continued support for community agencies through the access to recovery grant noted below. *The Governor recommends funding as requested.*

Access to Recovery Grant. The Department requests \$2.1 million more than enacted for total federal funding of \$4.8 million from the access to recovery grant to reflect funds carried forward from FY 2009. The program is a voucher based system to expand treatment opportunities for recently released prisoners, juveniles released from the training school and parents and guardians involved with the Department of Children, Youth and Families who meet the substance abuse treatment income limits of at or below 200 percent of the federal poverty level. *The Governor recommends funding as requested.*

Hospital Census. The state hospital is a 495 bed licensed facility licensed comprised of two-campuses: the main Pastore campus in Cranston and the Zambarano unit in Burrillville. The revised budget is based on a census of 279 patients.

The Governor's assumes general revenue savings of \$0.9 million from increasing the census by 14 patients without increasing staffing. This will allow the Department to receive Medicaid reimbursements for 14 hospital beds that were empty, which Medicaid does not pay for.

Hospital Licensing Fee. The enacted budget includes \$5.6 million from all sources to pay the 5.237 percent fee assessed on state and community hospitals' gross patient services revenue, including \$2.3 million from general revenues. The Department adds \$0.4 million in state funds and reduces the federal portion by the same amount. Since the enacted budget includes the allowable federal match at the correct rate, it appears that this request is in error. *The Governor recommends funding consistent with the enacted budget.*

Personnel and Other Hospital Expenses. The Department requests \$6.9 million less than enacted for all other hospital expenses, including staffing of which \$0.4 million is from general revenues. The Department adjusts the federal funding that is available to match state expenses and the request primarily adjusts salary and benefit expenses including updated benefit costs. It appears that the federal funds included in the enacted budget for salary and benefit expenses were overstated and the revised request corrects for this.

The Department decreases operating expenses by \$1.1 million including \$0.8 million for updated projections for pharmaceutical expenses and \$0.5 million less for laundry costs. Contracted expenses, such as medical and dental costs are reduced by \$0.2 million.

The Governor recommends \$1.8 million less than requested for the three medical benefit holidays and eight pay reduction days. He also adds \$0.6 million to reflect federal sources that may become available from the reduction to statewide personnel costs. This appears to be incorrect since the federal funds are Medicaid, and any Medicaid expenses need to be matched by general revenues.

All Other Salary and Benefit Adjustments. Excluding adjustments for the state hospital and the developmental disabilities program, the Department requests \$0.5 million for all other salary and benefit adjustments primarily from general revenues. This includes \$0.3 million to shift five employees from the hospital and community support program to the hospital program to consolidate employees in the motor pool. The reduction also includes 2.2 fewer positions through attrition and other benefit adjustments. *The Governor further reduces other salaries and benefits by \$0.2 million for the three medical benefit holidays and eight pay reduction days.*

All Other Operating Expenses. The Department requests \$0.2 million less from all sources for all other operating adjustments. This includes \$0.3 million less from general revenues primarily for various office expenses in the hospital and community system support program. *The Governor further reduces expenses by \$24,738 from all sources, \$52,392 from general revenues for printing expenses, computer supplies and software maintenance services based on savings identified by the Department after submission of its request. He does include \$9,393 from federal funds to reflect federal sources that may become available from the reduction to statewide personnel costs.*

Capital. The Department requests \$3.4 million less from Rhode Island Capital Plan funds for various capital projects and includes shifting costs out one year for the consolidation project at the state hospital. *The Governor recommends \$1.4 million more than requested from Rhode Island Capital Plan funds.*

Office of the Child Advocate

	FY 2009		FY 2010		FY 2010		FY 2010
	Reported		Enacted		Rev. Req.		Revised
Expenditures by Category							
Salaries and Benefits	\$ 501,532	\$	570,061	\$	564,519	\$	542,961
Contracted Services	87		1,000		200		200
Subtotal	\$ 501,619	\$	571,061	\$	564,719	\$	543,161
Other State Operations	9,557		17,087		17,906		14,998
Aid to Local Units of Government	-		-		-		-
Assistance, Grants, and Benefits	-		-		-		-
Capital	829		-		-		-
Capital Debt Service	-		-		-		-
Operating Transfers	-		-		-		-
Total	\$ 512,005	\$	588,148	\$	582,625	\$	558,159
Sources of Funds							
General Revenue	\$ 501,518	\$	547,048	\$	535,489	\$	512,265
Federal Aid	10,487		41,100		47,136		45,894
Restricted Receipts	-		-		-		-
Other	-		-		-		-
Total	\$ 512,005	\$	588,148	\$	582,625	\$	558,159
FTE Authorization	5.7		5.7		5.7		5.8
FTE Average	5.3						

FY 2010 Revised Request. The Office of the Child Advocate requests \$5,523 less than enacted, including \$11,559 less from general revenues and \$6,036 more from federal funds. The general revenue request is \$23,045 more than the “working budget” of \$512,444. The working budget is the enacted budget adjusted for the Budget Office’s distribution of statewide personnel and operating reductions and retirement adjustments the 2009 Assembly budgeted centrally in the Department of Administration.

The Governor recommends \$24,466 less than requested, including \$23,224 from general revenues and \$1,242 from federal funds. He recommends 5.8 full-time equivalent positions, 0.1 more than requested. The recommendation is \$179 less than the working budget.

Salaries and Benefits. The Office requests \$5,542 less than the enacted budget for all salaries and benefits, including \$11,322 less from general revenues and \$5,780 more from federal funds. The request includes \$1,137 from turnover savings, \$905 less for benefit adjustments, and overtime reductions of \$3,500. ***The Governor recommends \$21,558 less than requested, including \$19,615 from general revenues and \$1,943 from federal funds to reflect savings for eight pay reduction days and three medical benefits holidays.***

Other Operations. The Office requests \$19 more from all sources, including \$237 less from general revenues and \$256 more from federal funds, for other operations. This includes adjustments to mileage reimbursements and various operating expenses, including staff training and office supplies. *The Governor further reduces general revenue expenses by \$3,609 for additional reductions to travel expenses.*

Commission on Deaf and Hard of Hearing

	FY 2009	FY 2010	FY 2010	FY 2010
	Reported	Enacted	Rev. Req.	Revised
Expenditures by Category				
Salaries and Benefits	\$ 291,810	\$ 303,940	\$ 304,130	\$ 291,590
Contracted Services	37,710	55,500	55,500	48,950
Subtotal	\$ 329,520	\$ 359,440	\$ 359,630	\$ 340,540
Other State Operations	7,897	10,706	13,706	9,130
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	-	-	-	-
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 337,417	\$ 370,146	\$ 373,336	\$ 349,670
Sources of Funds				
General Revenue	\$ 341,317	\$ 370,146	\$ 373,336	\$ 349,670
Federal Aid	(3,900)	-	-	-
Restricted Receipts	-	-	-	-
Other Funds	-	-	-	-
Total	\$ 337,417	\$ 370,146	\$ 373,336	\$ 349,670
FTE Authorization	3.0	3.0	3.0	3.0
FTE Average	3.0			

FY 2010 Revised Request. The Commission requests \$3,190 more than enacted from general revenues and the enacted level of full-time equivalent positions. The general revenue request is \$30,200 more than the “working budget” of \$343,136. The working budget is the enacted budget adjusted for the Budget Office’s distribution of statewide personnel and operating reductions and retirement adjustments the 2009 Assembly budgeted centrally in the Department of Administration.

The Governor recommends \$20,476 less than enacted and \$23,666 less than requested. The recommendation is \$6,534 more than the working budget.

Salaries and Benefits. The Commission requests \$190 more than the enacted budget for benefit adjustments consistent with Budget Office planning values for medical benefits, assessed fringe benefits and retirement rates. *The Governor recommends \$12,540 less than requested to reflect the eight pay reduction days and three medical benefit holidays.*

Other Operations. The Commission requests \$3,000 more than enacted to replace the interpreter referral service database which is used to coordinate all interpreter functions. *The Governor does not recommend funding and further reduces operating expenses by \$1,576 and interpreter services by \$6,550 based on historical spending patterns.*

Governor's Commission on Disabilities

	FY 2009	FY 2010	FY 2010	FY 2010
	Reported	Enacted	Rev. Req.	Revised
Expenditures by Category				
Salaries and Benefits	\$ 347,059	\$ 382,802	\$ 379,144	\$ 365,676
Contracted Services	30,501	26,416	7,458	7,458
Subtotal	\$ 377,560	\$ 409,218	\$ 386,602	\$ 373,134
Other State Operations	27,749	33,051	27,210	27,690
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	67,349	107,250	153,410	153,410
Capital	118,680	176,881	192,032	192,032
Capital Debt Service	-	-	-	-
Operating Transfers	7,780	-	-	-
Total	\$ 599,118	\$ 726,400	\$ 759,254	\$ 746,266
Sources of Funds				
General Revenue	\$ 383,041	\$ 366,450	\$ 355,608	\$ 344,227
Federal Aid	56,245	174,949	199,936	198,329
Restricted Receipts	8,432	10,001	13,559	13,559
Other Funds	151,400	175,000	190,151	190,151
Total	\$ 599,118	\$ 726,400	\$ 759,254	\$ 746,266
FTE Authorization	4.0	4.0	4.0	4.0
FTE Average	4.0			

FY 2010 Revised Request. The Commission requests \$32,854 more than enacted from all sources. This includes \$10,842 less general revenues, \$24,987 more federal funds, \$3,558 more restricted receipts and \$15,551 more from Rhode Island Capital Plan funds. The general revenue request is \$12,413 more than the “working budget” of \$343,195. The working budget is the enacted budget adjusted for the Budget Office’s distribution of statewide personnel and operating reductions and retirement adjustments the 2009 Assembly budgeted centrally in the Department of Administration.

The Governor recommends \$19,866 more than enacted and \$12,988 less than requested. The recommendation is \$1,032 more than the working budget.

Salaries and Benefits. The Commission requests \$3,658 less than enacted for all salaries and benefits, including \$4,291 more from general revenues. This reflects shifting additional expenses from federal funds to general revenues as well as benefit adjustments based on the current complement of employees and revision to statewide rates. *The Governor recommends \$13,468 less than requested from all funds, including \$11,381 less general revenues to reflect the eight pay reduction days and three medical benefit holidays.*

All Other Operations. The Commission’s revised request includes \$21,361 more from all funds than enacted including \$15,133 less from general revenues for all other expenditures. This primarily

reflects an increase in resources from federal grants offset by the elimination of contracted services that were used to conduct accessibility surveys of polling places and businesses. *The Governor essentially recommends funding as requested and adds \$480 more from federal funds to adjust for the availability of resources freed up from statewide personnel savings.*

Capital. The Commission requests \$15,151 from Rhode Island Capital Plan funds reappropriated from FY 2010 for accessibility projects. *The Governor recommends funding as requested.*

Office of the Mental Health Advocate

	FY 2009		FY 2010		FY 2010		FY 2010
	Reported		Enacted		Rev. Req.		Revised
Expenditures by Category							
Salaries and Benefits	\$ 424,735	\$	434,605	\$	387,728	\$	372,128
Contracted Services	4,444		2,500		4,500		7,000
Subtotal	\$ 429,179	\$	437,105	\$	392,228	\$	379,128
Other State Operations	11,881		11,318		12,481		12,481
Aid to Local Units of Government	-		-		-		-
Assistance, Grants, and Benefits	-		-		-		-
Capital	-		-		-		-
Capital Debt Service	-		-		-		-
Operating Transfers	-		-		-		-
Total	\$ 441,060	\$	448,423	\$	404,709	\$	391,609
Sources of Funds							
General Revenue	\$ 441,060	\$	448,423	\$	404,709	\$	391,609
Federal Aid	-		-		-		-
Restricted Receipts	-		-		-		-
Other	-		-		-		-
Total	\$ 441,060	\$	448,423	\$	404,709	\$	391,609
FTE Authorization	3.7		3.7		3.7		3.7
FTE Average	3.6						

FY 2010 Revised Request. The Office of the Mental Health Advocate requests \$43,714 less than enacted from general revenues in updated costs for FY 2010. The general revenue request is \$14,997 less than the “working budget” of \$419,706. The working budget is the enacted budget adjusted for the Budget Office’s distribution of statewide personnel and operating reductions and retirement adjustments the 2009 Assembly budgeted centrally in the Department of Administration. *The Governor further reduces expenses by \$13,100. The recommendation is \$28,097 less than the working budget.*

Salaries and Benefits. The Office requests \$46,877 less for revised salary and benefit expenses to include updated costs to reflect savings from a temporary leave of absence and other benefit adjustments based on Budget Office planning values. *The Governor recommends \$15,600 less than the request to reflect three medical benefit holidays and eight pay reduction days.*

Other Operating Adjustments. The Office requests \$3,163 more for other operating adjustments, including \$2,000 for contracted psychiatric services for total funding of \$4,200 consistent with prior year spending. The balance is allocated to various office expenses. *The Governor recommends \$2,500 more than requested for outside legal services to represent the Office in a legal action filed against it.*

Department of Elementary and Secondary Education

	FY 2009 Reported	FY 2010 Enacted	FY 2010 Rev. Req.	FY 2010 Revised
Expenditures by Program				
State Aid	\$ 648,073,603	\$ 658,218,551	\$ 675,900,198	\$ 634,161,080
School Housing Aid	54,140,052	61,538,663	58,355,896	58,355,896
Teachers' Retirement	73,299,378	77,752,559	77,752,559	63,952,515
RI School for the Deaf	6,439,441	7,219,156	7,286,586	7,176,810
Central Falls School District	42,022,492	44,780,100	42,612,561	44,105,383
Davies Career & Technical School	16,032,722	18,203,732	18,852,103	17,881,936
Met School	11,665,600	16,758,767	15,937,381	13,612,008
Administration	199,989,594	265,536,034	289,294,505	291,237,828
Total	\$1,051,662,882	\$1,150,007,562	\$1,185,991,789	\$1,130,483,456
Expenditures by Category				
Salaries and Benefits	\$ 32,289,396	\$ 36,577,159	\$ 35,741,571	\$ 34,812,549
Contracted Services	18,137,548	17,727,628	31,250,327	30,851,577
Subtotal	\$ 50,426,944	\$ 54,304,787	\$ 66,991,898	\$ 65,664,126
Other State Operations	10,028,404	11,852,782	11,558,885	12,722,844
Aid to Local Units of Government	974,622,331	1,013,854,653	973,579,419	963,132,434
Assistance, Grants, and Benefits	15,010,202	63,297,211	83,786,484	83,757,271
Capital	1,440,001	6,573,129	7,259,080	5,206,781
Capital Debt Service	-	-	-	-
Operating Transfers	135,000	125,000	42,816,023	-
Total	\$1,051,662,882	\$1,150,007,562	\$1,185,991,789	\$1,130,483,456
Sources of Funds				
General Revenue	\$ 825,851,737	\$ 857,726,770	\$ 852,888,954	\$ 794,712,313
Federal Aid	210,014,722	278,346,091	309,387,036	313,556,524
Restricted Receipts	6,511,894	7,501,077	16,680,683	17,030,683
Other	9,284,529	6,433,624	7,035,116	5,183,936
Total	\$1,051,662,882	\$1,150,007,562	\$1,185,991,789	\$1,130,483,456
FTE Authorization				
Administration	128.4	134.4	134.4	134.4
Davies	133.0	133.0	133.0	133.0
School for the Deaf	50.0	60.0	60.0	60.0
Total Authorized Positions	311.4	327.4	327.4	327.4
FTE Average	290.4			

FY 2010 Revised Request. The Board of Regents requests an additional \$36.0 million of spending for FY 2010, including \$4.8 million less from general revenues. Major general revenue savings include \$3.2 million in school housing aid, \$0.2 million in charter school aid and \$0.3 million for the Metropolitan Career and Technical School. The request also includes \$31.0 million more from federal

funds, largely due to unspent stimulus funds from FY 2009 carrying forward to FY 2010, \$0.6 million more from other funds and \$9.2 million more from restricted receipts of which \$8.6 million is for the statewide transportation system. The general revenue request is \$2.3 million less than the “working budget” of \$855,140,414. The working budget is the enacted budget adjusted for the Budget Office’s distribution of statewide personnel and operating reductions and retirement adjustments the 2009 Assembly budgeted centrally in the Department of Administration.

The Governor recommends \$63.0 million less from general revenues than enacted and \$58.2 million less than requested. This includes a \$19.8 million general revenue reduction in education aid to districts including Central Falls and charter schools. It also includes \$30.8 million in savings from new changes to teacher pensions of which \$18.5 million is from recapture of local savings and \$12.3 million is the state’s share of teacher retirement costs based on his proposal to eliminate the cost of living adjustment. He also uses an additional \$5.0 million from federal fiscal stabilization funds in lieu of a like amount from general revenues. There is a \$1.5 million adjustment to reflect updated teacher payroll data. Housing aid is \$3.2 million less than enacted based on actual costs as requested. The recommendation is \$60.4 million less than the working budget.

Charter Schools. The FY 2010 revised budget request includes \$150,000 less for charter schools. The 2009 Assembly provided \$1.5 million as the estimated cost for new charter schools and mayoral academies to open in FY 2010. Two schools opened and actual aid is projected to be \$1.3 million. The Department is still waiting for final October 1, 2009 enrollment to finalize the mid-year adjustment for FY 2010 charter aid. *The Governor recommends funding as requested.*

School Housing Aid. Final FY 2010 school construction aid is \$3.2 million less than the enacted level of \$61.5 million. Reimbursement cannot begin until a project is completed, and several 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 recommends funding as requested.*

Education Aid. The Regents request the enacted level of \$698.5 million of which \$662.9 million is general revenues and \$35.6 million is stabilization funds for education aid to districts including Central Falls and charter schools. *The Governor’s FY 2010 revised budget reduces education aid to districts by 2.8 percent including 3.0 percent from general revenues or \$19.8 million. This includes the Central Falls School District and charter schools.*

State Fiscal Stabilization Funds. The Regents request an additional \$6.2 million from state fiscal stabilization funds for FY 2010. This includes local school districts, the Metropolitan Career and Technical School and the Central Falls School District. Of the \$38.3 million appropriated for FY 2009, only \$33.2 million was expended, leaving \$5.1 million in carry forward funds plus an additional \$1.0 million available to elementary and secondary education based on the final FY 2009 budget.

The Budget provides \$34.1 million from federal stabilization funds for FY 2010 to be distributed to school districts in the same proportion as state education aid and reduces general revenues by a similar amount. Including charter schools, the Metropolitan Career and Technical School and the state schools, the total amount from stabilization funds for elementary and secondary education for FY 2010 is \$37.2 million.

Based on updated figures, elementary and secondary education’s three-year total share of the \$134.9 million from stabilization funds will be \$107.3 million with higher education receiving \$27.6 million.

The Governor recommends an additional \$10.3 million in federal fiscal stabilization funds for use in FY 2010 compared to the enacted budget. This includes \$5.1 million in carry forward funds from FY 2009 and using \$5.0 million in lieu of a like reduction from general revenues. It should be noted that the carry forward funds to not appear in any of the statewide totals by district.

	Higher Education*	Elementary and Secondary Education	Total
FY 2009 Spent	\$ -	\$ 33,207,223	\$ 33,207,223
FY 2009 Carry Forward	-	5,117,599	5,117,599
FY 2010 Gov Rev Rec	16,106,895	42,195,185	58,302,080
FY 2011 Available	11,484,097	26,801,143	38,285,240
Total	\$ 27,590,992	\$ 107,321,150	\$ 134,912,142

**** This may change based on the additional allocation to elementary education.***

Teacher Retirement Base Adjustment. The enacted budget includes \$77.8 million to pay the state's share of teacher retirement costs. ***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.***

Pension Changes. The 2009 Assembly adopted pension changes that apply to teachers eligible to retire on or after October 1, 2009 and do not become eligible before the date of passage. The changes include establishing a minimum retirement age of 62 with a proportional application of that minimum age to current members based on their current service as of October 1, 2009. Changes also include freezing service credits for those in Plan A, shifting all future accrual to the lower accruals of Plan B. The cost of living adjustments would all be based on the Plan B model of the lesser of inflation or 3.0 percent on the third anniversary, and the salary basis for benefits was changed to the five consecutive highest years, from three.

The Governor proposes eliminating the cost of living adjustment for retirees not eligible to retire as of September 30, 2009 and do not become eligible before the date of passage, the same group affected by the 2009 pension changes. His revised budget assumes \$30.8 million savings from these new changes. This includes \$12.3 million for the state's 40.0 percent share of teacher retirement costs. Assumed savings to local school districts is \$18.3 million, and the Governor reduces general operating aid by that amount to capture those as savings for the state as well.

Metropolitan Career and Technical School. The FY 2010 request includes a reduction of \$250,000 or 2.1 percent from general revenues for the Metropolitan Career and Technical School based on the Department's instruction to the school to participate in budget reductions. The majority of the reduction is from deferring some maintenance projects.

The Governor recommends the general revenue reduction as requested and also recommends an additional \$76,809 from federal fiscal stabilization funds in lieu of a like amount from general revenues as noted above. He also removes \$2.9 million from Rhode Island Capital Plan funds that was provided for the second year of a project approved by the 2008 Assembly to renovate and add space to the Florence Gray Community Center in Newport to accommodate the growing student enrollment at the Met School's East Bay Campus. This is based on a revised construction schedule. This would leave \$1.1 million for FY 2010.

Teacher Certification Redesign. The FY 2010 revised budget includes \$0.4 million in savings from redesigning the teacher certification process. The Office of Educator Quality is responsible for assessing candidate performance, the licensure and recertification of educators, and setting standards for high quality professional development for all Rhode Island educators. The Department has eliminated one licensing officer and one information aide. In addition, two Regent's fellows assigned to this work will be eliminated in FY 2010 and one in FY 2011.

The savings will be achieved as the Department has already implemented this initiative. The Department indicates that the changes will have no impact on revenue collections. Its FY 2010 revised estimate of revenues is \$682,000, which is consistent with FY 2009 receipts. *The Governor recommends funding as requested.*

Other Salaries and Benefits. The Regents request \$16.1 million for salaries and benefits for the Department's 134.4 administration positions. This is \$0.4 million less than enacted and includes \$29,271 more from general revenues. Changes include hiring four new positions that will require specific expertise not currently available in the Department to transform failing schools. Two of the positions will lead the new centers for High Performing Learning Environments and Educator Excellence and Effectiveness. A Transformation Officer will be responsible for the transformation work that will focus on turning around our lowest performing schools and a new position is a conversion of a secondary reform fellow that will work with the lowest performing high schools. The request also shifts \$0.2 million from general revenues to federal funds, and increases turnover savings by \$0.5 million compared to the enacted budget. *The Governor recommends funding as requested and further reduces salaries and benefits by \$577,593, including general revenues by \$362,424 to reflect savings from eight pay reduction days and three medical benefits holidays.*

Education Telecommunication Fund. The Regents requests a decrease of \$0.1 million from restricted receipts for FY 2010 from the education telecommunications access fund based on estimated available funds. The telecommunications education access fund is designed to provide financial assistance to qualified libraries and schools to acquire, install, and use telecommunications technologies to access the Internet. This fund is supported by a \$0.26 monthly surcharge levied upon each residence and business telephone access line.

Prior to FY 2009, general revenue support was used to supplement the program; however, the Department proposed raising the monthly surcharge and eliminating general revenue support as part of the FY 2009 budget process. The 2008 Assembly eliminated general revenue support for the program and maintained the surcharge fee at the same level. The 2010 Assembly provided \$350,000 from general revenues to support this program for FY 2010.

The Governor's FY 2010 revised budget eliminates the \$350,000 from general revenues provided to support the telecommunications education access fund. The Governor proposes lowering the monthly surcharge levied upon each residence and business telephone access line to \$0.15 and expanding it to include wireless lines. He assumes that \$350,000 in additional revenue will be raised to offset the elimination of general revenues. It should be noted that, although wireless customers are not currently charged for this, they do pay a \$0.26 charge that goes to the General Fund. It had initially been imposed to support geo-coding for the state's E-911 calls.

Statewide Transportation. The Regents request \$8.6 million from restricted receipts to fund implementation of a statewide transportation system. The 2009 Assembly adopted legislation mandating the use of a statewide transportation system for special needs students and the eventual implementation of the transportation system for all students. Districts will reimburse the state for its

share of the cost, offsetting this expenditure. The November Revenue Estimating Conference included \$8.6 million in offsetting revenue for this initiative. *The Governor recommends funding as requested and recommends legislation to create a restricted receipt account and exempt it from the 10.0 percent indirect cost recovery.*

Parking. The Regents requests \$245,000 from all sources of funds for parking passes for Department staff at the Convention Center. This is \$25,000 less than the FY 2010 enacted budget. The savings are the result of the renegotiation of the contract with the Convention Center Authority to achieve savings. *The Governor recommends funding as requested.*

Uniform Chart of Accounts. The revised request reflects savings of \$25,000 from the uniform chart of accounts initiative, leaving \$225,000 available for FY 2010. The 2007 Assembly appropriated \$1.1 million for FY 2008 for the first of a two-year implementation of a statewide uniform chart of accounts to standardize budgeting and accounting across all school districts and charter schools. Under Rhode Island General Law, the Office of the Auditor General and the Department of Elementary and Secondary Education are charged with promulgating a uniform system of accounting, including a uniform chart of accounts for all school districts and charter schools. *The Governor recommends funding as requested.*

Vision Services. The Department's revised budget includes savings of \$103,000 in vision services. Of this amount, \$40,000 is for tuition for those students who attend Perkins School for the Blind. Most blind students are educated in their own districts with support from the state's vision services program. Parents who believe the state cannot meet their children's needs may apply to the Commissioner to exercise his authority to appoint the child to attend any suitable institution or school. Local districts pay only their per-pupil special education cost towards tuition and the state pays the difference. The enacted budget provided for three students to attend Perkins School for the Blind in Watertown, Massachusetts, based on information received in FY 2009. Actual enrollment for FY 2010 is two students.

The remaining \$63,000 is a 10.0 percent reduction to Rhode Island Vision Services Education Program at the Paul Sherlock Center at Rhode Island College. The Rhode Island Vision Services Education Program at the Paul Sherlock Center provides teaching and consultation services to children who are blind or visually impaired, their families, and educational staff within the school environment. *The Governor recommends funding as requested.*

New England Common Assessment Program Testing. The Regents request savings of \$354,664 from general revenues for the annual contract for New England Common Assessment Program (NECAP) testing. The Department 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. The enacted budget included \$1.4 million for the cost of the contract for FY 2010. Because the state of Maine has decided to join the program, the cost to Rhode Island will decrease \$0.4 million. *The Governor recommends funding as requested.*

Adult Education Grants. The Regents request an additional \$0.4 million from Human Resource Investment Council funds for adult education grants. This would provide \$5.1 million from Human Resource Investment Council funds for FY 2010. The 2005 Assembly consolidated the state's adult literacy initiatives in the Department of Elementary and Secondary Education under a new executive director. *The Governor recommends funding as requested.*

Stimulus Grants. The Regents request an additional \$20.2 million from federal stimulus funds for distribution to local school districts including Title I and special education funds. This represents carry-forward funds from FY 2009. Funding was made available too late in FY 2009 for districts to expend it. On February 17, 2009, President Obama signed the American Recovery and Reinvestment Act of 2009. In addition to the state fiscal stabilization funds, there was additional relief to local schools through Title I and special education through the Individuals with Disabilities Education Act program and other education related federal stimulus funds for competitive grants to local schools and use by the Department for technology and other school improvements. *The Governor's recommendation is \$7,722 more than requested.*

Race to the Top. The Regents' request includes \$5.0 million in the event that Rhode Island is awarded Race to the Top funds. The Department is currently in the process of applying for a share of the \$4.35 billion available from the federal stimulus "Race to the Top" funds. The Department expects to submit a successful application later this year. Awards for these funds will be made in spring 2010.

A requirement of the award is that 50.0 percent of funds must be used directly for education aid; most of the remaining funds will be used for consultants and new full-time equivalent positions. New personnel will include transformation specialists, multiple pathway specialists, data managers/analysts, grants management, and clerical support. *The Governor recommends funding as requested.*

Nutrition Grants. The Regents request authorization to spend \$42.2 million from federal nutrition program funds. This is \$2.9 million less than the enacted level. The decrease results from a decrease in meal participation estimates compared to the enacted budget. FY 2009 expenditures were \$37.6 million. *The recommendation is \$21,611 more than requested.*

Special Education Grants. The Regents request authorization to spend \$42.7 million, \$0.2 million more than enacted, from federal special education funds to reflect revised grant awards. The funds are distributed to school districts and provide administrative support and statewide programming to the Department and the districts. Most of the funds must be distributed to local education agencies serving children directly. Federal funds are combined with state and local funds to provide children with disabilities free and appropriate public education, including special education and related services. FY 2009 expenditures were \$29.9 million. *The recommendation is \$47,466 more than requested.*

Title I Grants. The Regents request \$55.7 million in revised federal fund expenditures from Title I funds. This is \$0.3 million more than enacted for FY 2010 to account for higher than anticipated grant awards. Most Title I funds go directly to local schools, where they are used to provide extra help to low-achieving students. FY 2009 expenditures were \$51.8 million. *The recommendation is \$64,412 less than requested.*

Vocational Education Grants. The Regents request \$6.5 million from federal vocational education grants for FY 2010. This is \$0.6 million more than the FY 2010 enacted level to reflect available carry forward funds from previous years. These funds are used to improve vocational educational programs throughout the state. FY 2009 expenditures were \$4.9 million. *The recommendation is \$18,641 more than requested.*

Teacher Quality Grants. The Regents request \$18.3 million from federal funds that support teacher quality and professional development. This is \$0.3 million more than enacted to account for available carry forward funds. FY 2009 expenditures were \$17.2 million. *The recommendation is \$17,354 more than requested.*

Capital Projects. The Regents request an additional \$121,388 from Rhode Island Capital Plan funds to finish installing a supplemental air conditioning system for the sixth floor of the Department's portion of the Shepard Building. The project was supposed to be completed in FY 2009.

The Governor recommends an additional \$25,000 for the Shepard Building project. He also recommends \$1.8 million from Rhode Island Capital Plan funds for the repairs to the Chariho career and technical center, which is \$1.6 million more than enacted and requested. The recommendation advances all funding to FY 2010 in the hope that the district will take ownership of the school once the repairs are made.

Grants and Programming Revisions. The Regents request adjustments in federal and restricted receipts producing an increase of \$1.3 million, including a decrease of \$6,684 from general revenues. Federal funds make up almost all of the increase and reflect adjustments for actual grant awards. Minor adjustments were made in other operating and contracted services. *General revenues are at the requested level; federal funds are \$0.2 million more than requested to reflect updated information of actual grant awards.*

Davies Career and Technical School. The Regents request an additional \$0.6 million from all funds for FY 2010. Federal funds are \$0.4 million more than enacted to reflect actual grant awards. Rhode Island Capital Plan funds are requested \$0.5 million over the enacted level to advance funding for the HVAC and roof projects from the out years to FY 2010. General revenues are \$0.2 million less than enacted largely reflecting the use of stabilization funds in lieu of general revenues to fund 5.0 of the school's full-time equivalent positions.

The recommendation is \$1.0 million less than requested including \$0.3 million less from general revenues. The majority of the decrease for capital projects. The Governor recommends a \$0.3 million reduction from Rhode Island Capital Plan funds for the HVAC project and \$0.4 million for the roof project. The general revenue change includes savings of \$75,506 for eight pay reduction days and \$141,808 for three medical holidays. The budget also shifts \$0.1 million from general revenues to additional federal fiscal stabilization funds.

Rhode Island School for the Deaf. The Regents request \$67,430 more for the School for the Deaf for FY 2010. This includes \$85,026 less from general revenues. The School reduced budgeted expenses for interpreters, security services, sewer, insurance, building maintenance and repairs, and supplies and equipment to achieve its share of statewide savings.

Federal funds are \$35,055 more than enacted and the Regents include \$0.7 million from restricted receipts for the fee for service model established at the beginning of FY 2010. The School for the Deaf has defined its core program as one that will support the needs of all students with hearing loss, deaf or hard of hearing, which will include teachers of the deaf and core program speech, and language support. This has been defined as Level I services and is totally supported by state funding. The school has also defined three other levels of support that are given at the school. The School has instituted a fee service for any/all services that fall outside the core program offered (i.e. Level II, III and IV). Funding for these other levels of service come directly from each of the districts who have students attending the School for the Deaf. The calculation was derived using the current student enrollment, current Individualized Education Program services mandated and base salaries of staff members providing those services. In instances where services are now being provided by non-full-time equivalent positions an hourly rate was used in the calculation.

The recommendation is \$0.1 million less than requested including \$176,818 less from general revenues. This includes \$52,924 in general revenue savings from eight pay reduction days and \$79,898 from three medical benefits holidays. The recommendation also shifts \$43,996 from general revenues to additional federal fiscal stabilization funds.

Board of Governors for Higher Education

	FY 2009 Reported	FY 2010 Enacted	FY 2010 Rev. Req.	FY 2010 Revised
Expenditures by Program				
Board of Governors/Higher Ed.	\$ 9,875,804	\$ 11,121,545	\$ 10,471,299	\$ 10,444,071
University of Rhode Island	569,723,927	587,064,490	594,897,684	607,292,950
Rhode Island College	136,874,160	156,150,286	140,690,144	149,458,329
Community College of RI	124,219,989	132,433,411	126,732,504	131,588,011
Total	\$ 840,693,880	\$ 886,769,732	\$ 872,791,631	\$ 898,783,361
Expenditures by Category				
Salaries and Benefits	\$ 402,479,469	\$ 447,087,476	\$ 419,679,209	\$ 412,679,452
Contracted Services	13,763,385	19,392,337	15,846,439	15,846,439
Subtotal	\$ 416,242,854	\$ 466,479,813	\$ 435,525,648	\$ 428,525,891
Other State Operations	172,852,890	171,441,473	174,583,182	180,655,977
Aid to Local Units of Government	82,446,675	-	-	-
Assistance, Grants, and Benefits	103,530,063	175,889,948	204,281,662	204,281,662
Capital	10,527,728	30,810,592	18,049,001	40,051,349
Capital Debt Service	34,716,042	42,147,906	37,438,045	42,354,389
Operating Transfers	20,377,628	-	2,914,093	2,914,093
Total	\$ 840,693,880	\$ 886,769,732	\$ 872,791,631	\$ 898,783,361
Sources of Funds				
General Revenue	\$ 170,814,823	\$ 173,306,844	\$ 163,886,461	\$ 162,966,485
Federal Aid	3,735,334	20,338,416	3,409,040	19,515,934
Restricted Receipts	651,932	667,543	754,577	754,577
Other Funds	665,491,791	692,456,929	704,741,553	715,546,365
Total	\$ 840,693,880	\$ 886,769,732	\$ 872,791,631	\$ 898,783,361
Uses of Funds				
Unrestricted Use Funds	\$ 505,856,128	\$ 551,891,308	\$ 520,565,941	\$ 524,462,710
Restricted Use Funds	334,837,752	334,878,424	352,225,690	374,320,651
Total	\$ 840,693,880	\$ 886,769,732	\$ 872,791,631	\$ 898,783,361
FTE Authorization	3,395.0	3,397.1	3,397.1	3,397.1
<i>Limited to Third Party Funds</i>	<i>785.0</i>	<i>785.0</i>	<i>785.0</i>	<i>785.0</i>
Total Authorized Positions	4,180.0	4,182.1	4,182.1	4,182.1
FTE Average	3,799.9			

FY 2010 Revised Request. The Board of Governors' revised request is \$14.0 million below the FY 2010 enacted level. This includes \$9.4 million less from general revenues, \$23.1 million less tuition and fee revenues, \$1.2 million more from other unrestricted sources, and \$17.3 million more from restricted sources. The general revenue request is \$187,465 less than the "working budget" of \$164,073,926. The working budget is the enacted budget adjusted for the Budget Office's distribution

of statewide personnel and operating reductions and retirement adjustments the 2009 Assembly budgeted centrally in the Department of Administration.

The Governor recommends \$12.0 million more than enacted from all sources of funds, which is \$26.0 million more than requested. His revised budget includes \$10.3 million less general revenues than enacted, which is \$0.9 million less than requested. The recommendation is \$1.1 million less than the working budget.

Unrestricted Source Expenditures. The unrestricted budget consists of those funds that can be used for any legitimate purpose. Those purposes fall within the education and general operations of the institutions. They include state general revenue appropriations, tuition and general fees, and sponsored research overhead. The unrestricted budget is similar to the general revenue budget of other agencies and departments. The FY 2010 unrestricted budget includes spending of \$520.6 million. This is \$31.3 million less than the enacted budget including \$9.4 million less from general revenues.

The revised unrestricted budget includes \$28.3 million less than the enacted budget for all salaries and benefits. The institutions are holding positions vacant as a means for achieving its share of statewide savings. The revised budget also includes \$2.2 million less for contracted services and \$3.2 million less for operating, with \$4.2 million more for grants. Debt service expenditures are \$4.3 million less than enacted and capital expenditures are \$2.4 million more than enacted. The changes in spending include \$0.4 million less for the Office, \$15.5 million or 4.7 percent less at the University, \$8.4 million or 7.6 percent less at the College, and \$6.9 million or 6.8 percent less at the Community College.

In order to achieve the statewide savings and to align expenditures with revised revenue projections, the Office reduced its budget by \$0.4 million by increasing turnover savings and reducing expenditures for the Shepard Building. The University made almost the entire reduction in salaries and benefits by leaving vacant positions open. Minor reductions were made in general operating expenditures. The College increased turnover savings, and reduced general operating expenditures including contracted services. The reductions were offset by increases for student aid, computers and furniture. The Community College increased turnover savings and reduced building maintenance and grounds keeping contracted services. These reductions were offset by increases in student aid and furniture purchases.

The Governor's unrestricted budget contains \$3.4 million more in expenditures than requested, including \$919,976 less from general revenues. The changes include an additional \$4.9 million for debt service expenditures inadvertently omitted from the request including \$0.3 million from general revenues to pay debt service on general obligation bonds. These additional expenditures are partially offset by savings for the medical benefit holiday. The general revenue value of the savings for public higher education is \$1.2 million. The institutions will realize savings for the portion of these expenses they fund from tuition and fee revenues.

The system has agreed to participate in pay reduction days on a limited basis, which will also contribute to the achievement of the statewide savings. Like other state employees, members of Council 94 who work at the institutions agreed to eight payless days for FY 2010 in exchange for 1.25 days of paid leave for every payless day. The value of the pay reduction for union employees is \$332,606. At the December 7, 2009 meeting of the Board of Governors, the Board voted to impose a 1.0 percent pay reduction for all non-unclassified non-union employees of the system excluding athletic coaches. This will affect 306 individuals. The value of the 1.0 percent reduction is \$107,417 from general revenues for total savings of \$440,023. This is included in the \$9.4 million statewide savings assigned to the system.

Restricted Source Operating Expenditures. The restricted budget is composed of what are generally thought of as restricted receipt funds or enterprise funds. They include the residence hall funds, dining funds and any other funds whose sources are limited to use for certain purposes. Federal funds are considered restricted use. The revised restricted budget includes \$33.0 million more general operating expenditures from restricted sources. The revised request includes \$0.9 million more for salaries and benefits, \$1.3 million less for contracted services, \$8.7 million more for operations with \$24.7 million more for grants.

The changes in spending include \$0.2 million or 6.3 percent less for the Office. Expenditures at the University are \$29.5 million or 13.0 percent more than enacted. At the College, restricted expenditures are \$0.7 million or 2.0 percent less. Expenditures at the Community College are \$4.4 million or 18.5 percent more than estimated in the enacted budget. *The Governor recommends \$0.6 million more than requested in general and office operating expenditures. It is unclear what this is intended to reflect but appears to be related to funds freed up from the medical savings and eight payless workdays.*

Restricted Capital Improvements. The revised budget includes a \$15.2 million reduction, including a \$0.7 million increase from Rhode Island Capital Plan funds. This reflects \$0.7 million in unused FY 2009 asset protections funds reappropriated to FY 2010 at the College. It appears that \$9.1 million from unused Rhode Island Capital Plan funds were actually carried forward to FY 2010. Historically, the Board's revised request does not reflect all of the reappropriation. This is because the systems used to account for the expenditures at the institution level generally show more being spent than was recorded by the state system, and the discrepancies are not resolved quickly enough to be shown in the budget request.

The recommendation is \$22.0 million more than requested. The majority of this, \$16.0 million, reflects federal fiscal stabilization funds that were excluded from the Board's request. The 2009 Assembly allocated 50.0 percent of the estimated total allocation for higher education in each FY 2010 and FY 2011 for fire safety repair work at the institutions of higher education. Distribution to the institutions is based on the square feet of academic buildings that need fire safety improvements. For FY 2010 the total \$16.1 million allocation is distributed as \$7.2 million for the University, \$5.7 million for the College and \$3.2 million for the Community College.

Based on the final allocation, higher education's share of the total \$134.9 million will be \$27.6 million, with \$11.5 million available for FY 2011. Based on the same method of distribution, the remaining allocation would be distributed as \$5.1 million for the University, \$4.1 million for the College and \$2.3 million for the Community College. The remainder of the increase is \$6.0 million from unspent FY 2009 Rhode Island Capital Plan funds carried forward to FY 2010.

Restricted Debt Service. Based on an audit recommendation suggesting that the state report only debt service payments related to the primary government within the state's governmental funds, the 2006 Assembly shifted \$19.5 million from the Department of Administration's budget to Public Higher Education's budget. The revised budget decreases restricted use debt service costs by \$0.5 million to reflect anticipated expenditures. *The Governor recommends funding as requested.*

Rhode Island Council on the Arts

	FY 2009	FY 2010	FY 2010	FY 2010
	Reported	Enacted	Rev. Req.	Revised
Expenditures by Category				
Salaries and Benefits	\$ 626,050	\$ 669,912	\$ 727,695	\$ 684,691
Contracted Services	36,808	30,000	30,000	37,500
Subtotal	\$ 662,858	\$ 699,912	\$ 757,695	\$ 722,191
Other State Operations	57,565	104,189	100,717	105,410
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	1,649,972	2,070,725	2,290,225	2,442,549
Capital	231,774	400,000	400,000	400,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 2,602,169	\$ 3,274,826	\$ 3,548,637	\$ 3,670,150
Sources of Funds				
General Revenue	\$ 1,591,482	\$ 1,983,986	\$ 1,987,746	\$ 1,939,874
Federal Aid	698,153	855,840	1,125,891	1,195,276
Restricted Receipts	83,440	-	-	100,000
Other	229,094	435,000	435,000	435,000
Total	\$ 2,602,169	\$ 3,274,826	\$ 3,548,637	\$ 3,670,150
FTE Authorization	8.6	8.6	8.6	8.6
FTE Average	7.4			

FY 2010 Revised Request. The Rhode Island Council on the Arts requests \$273,811 more than enacted from all sources including \$3,760 more from general revenues, \$270,051 more from federal funds, and the enacted level of 8.6 positions. The general revenue request is \$46,054 more than the “working budget” of \$1,941,692. The working budget is the enacted budget adjusted for the Budget Office’s distribution of statewide personnel and operating reductions and retirement adjustments the 2009 Assembly budgeted centrally in the Department of Administration.

The Governor recommends \$121,513 more than requested, including \$47,872 less from general revenues, \$69,385 more from federal funds, and \$100,000 more from restricted receipts; he recommends the enacted level of full-time equivalent positions. The recommendation is \$1,818 less than the working budget.

Salaries and Benefits. The Council requests \$57,783 more than enacted for salaries and benefits, including \$7,232 more from general revenues and \$50,551 more from federal funds. The request includes \$2,096 from adjustments to benefit rates, and \$63,826 for a new position which was authorized in the enacted budget, but was not funded. This is offset by turnover and other adjustments that total \$8,139.

The Governor further reduces salaries and benefits by \$43,004 from all sources, including \$37,372 from general revenues to include savings of \$19,280 from eight pay reduction days, \$9,393 from three medical benefit holidays, and \$14,331 for medical co-shares that was erroneously omitted from the request.

Operating Expenses. The Council requests \$3,472 less than enacted from general revenues for operating expenses. The request includes adjustments to miscellaneous expenses, such as office supplies, mileage, printing and advertising.

The Governor recommends \$12,193 more than requested, including \$7,500 from general revenues for his official portrait and various adjustments to operating expenses. It is required by Rhode Island General Law 37-8-9 that every governor has an official portrait that is hung in the State House.

Federal Stimulus Funds. The Council requests \$0.2 million more than enacted to reflect federal stimulus funds carried forward from FY 2009. The funding is from the National Endowment for the Arts to preserve jobs in the nonprofit arts sector. The 2009 Assembly included these funds for FY 2009; however, the Council had not awarded all of the grants by June 30, 2009. The Council also received \$100,000 from the Rhode Island Foundation to use for the same purpose; however it failed to include this in its revised request.

The Governor recommends \$70,324 more than requested from federal funds to reflect stimulus funds that were understated in the Council's request. He also includes \$100,000 from restricted receipts to reflect the grant award from the Rhode Island Foundation. Currently, the Council does not have statutory authority for a restricted receipt account.

The Governor subsequently requested an amendment to provide the Council with the statutory authority for a restricted receipt account and exempt the account from an indirect cost recovery.

Council Grants. The Council requests the enacted level of \$1.6 million from all sources, \$0.7 million from general revenues for discretionary grants. Discretionary grants are awarded to individuals and organizations to help support the arts and encourage artists to continue to make the arts visible in the community. ***The Governor recommends \$18,000 less than requested to account for the elimination of a discretionary grant the Council had intended for an agency that is now in bankruptcy and receivership.***

Rhode Island Atomic Energy Commission

	FY 2009	FY 2010	FY 2010	FY 2010
	Reported	Enacted	Rev. Req.	Revised
Expenditures by Category				
Salaries and Benefits	\$ 846,901	\$ 937,197	\$ 890,016	\$ 901,662
Contracted Services	7,965	18,000	15,158	15,158
Subtotal	\$ 854,866	\$ 955,197	\$ 905,174	\$ 916,820
Other State Operations	146,555	159,918	413,387	406,021
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	51,495	102,000	70,000	70,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 1,052,916	\$ 1,217,115	\$ 1,388,561	\$ 1,392,841
Sources of Funds				
General Revenue	\$ 784,077	\$ 775,346	\$ 775,346	\$ 788,999
Federal Aid	51,548	107,000	300,159	300,159
Restricted Receipts	-	-	-	-
Other	217,291	334,769	313,056	303,683
Total	\$ 1,052,916	\$ 1,217,115	\$ 1,388,561	\$ 1,392,841
FTE Authorization	8.6	8.6	8.6	8.6
FTE Average	8.3			

FY 2010 Revised Request. The Rhode Island Atomic Energy Commission requests \$171,446 more than enacted; general revenues are requested at the enacted level. The general revenue request is \$48,283 more than the “working budget” of \$727,063. The working budget is the enacted budget adjusted for the Budget Office’s distribution of statewide personnel and operating reductions and retirement adjustments the 2009 Assembly budgeted centrally in the Department of Administration. The Commission requests 8.6 full-time equivalent positions.

The Governor recommends \$175,726 more than enacted and \$4,280 more than requested. General revenues are \$13,653 more than enacted and requested. The recommendation is \$61,936 more than the working budget.

Personnel. The Commission’s revised request is \$47,181 less than enacted including \$15,721 more from general revenues. This reflects a vacant senior facility engineer position remaining unfilled. The Commission notes that it would like to fill the vacant position as the other nuclear operators are retirement age and there is a need to train someone new. The general revenue increase includes \$2,016 for longevity increases and \$13,705 to reflect an additional employee taking medical insurance in lieu of the cash waiver, an increase in retirement costs and other minor benefit adjustments.

The Governor recommends \$11,646 more than requested including \$19,365 more from general revenues. The Governor's recommendation provides an additional \$46,891 from general revenues to support a supervisor reactor operator position for six months offset by savings from three medical benefit holidays and eight payless work days for combined savings of \$27,526.

New Federal Grant Award. The Commission's budget includes \$0.2 million for a new federal grant awarded in FY 2010. The Commission has received this grant to purchase new equipment for the reactor and the new counting laboratory. The Commission had previously used federal funding from federal reactor support grants for equipment purchases, program supplies and staff training. Congress eliminated the reactor support grants in the Department of Energy's budget for FY 2009 and FY 2010. This new grant will be able to fund some of the purchases that the Authority previously funded from the reactor support grants. ***The Governor recommends funding as requested.***

Other Operating Adjustments. The Commission's request includes \$28,373 less from all funds, \$15,721 less from general revenues for all other operating adjustments. The majority of the decrease reflects the elimination of federally funded equipment purchases. Minor increases are made in maintenance, repairs and office expenditures. These expenditures were reduced in order to submit a budget request at the enacted level. The Commission overspent its FY 2009 general revenue funded operating expenditures by \$9,185 suggesting that it might not be able to achieve the proposed reductions. ***The Governor's recommendation is \$7,366 less than requested from all sources including \$5,712 less from general revenues for maintenance and other general office supplies.***

Rhode Island Higher Education Assistance Authority

	FY 2009	FY 2010	FY 2010	FY 2010
	Reported	Enacted	Rev. Req.	Revised
Expenditures by Program				
Scholarship and Grant Program	\$ 7,976,460	\$ 7,668,523	\$ 7,636,992	\$ 7,615,301
Loans Program	12,430,604	14,212,538	11,544,844	11,478,769
Tuition Savings Program	6,837,701	6,750,277	6,468,778	6,462,719
Total	\$ 27,244,765	\$ 28,631,338	\$ 25,650,614	\$ 25,556,789
Expenditures by Category				
Salaries and Benefits	\$ 3,024,798	\$ 3,597,420	\$ 3,188,656	\$ 3,062,298
Contracted Services	3,815,632	7,509,000	5,508,100	5,508,100
Subtotal	\$ 6,840,430	\$ 11,106,420	\$ 8,696,756	\$ 8,570,398
Other State Operations	2,736,678	4,013,136	3,703,638	3,736,171
Aid to Local Units of Government	-	-	-	-
Assistance, Grant, and Benefits	17,667,657	13,009,782	12,749,220	12,749,220
Capital	-	502,000	501,000	501,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 27,244,765	\$ 28,631,338	\$ 25,650,614	\$ 25,556,789
Sources of Funds				
General Revenue	\$ 7,283,678	\$ 7,305,741	\$ 7,259,841	\$ 7,238,150
Federal Aid	13,123,386	14,575,320	11,921,995	11,855,920
Restricted Receipts	-	-	-	-
Other	6,837,701	6,750,277	6,468,778	6,462,719
Total	\$ 27,244,765	\$ 28,631,338	\$ 25,650,614	\$ 25,556,789
FTE Authorization	42.6	42.6	42.6	42.6
FTE Average	36.6			

FY 2010 Revised Request. The Authority requests a decrease of \$3.0 million for FY 2010, including \$45,900 less from general revenues. The request also includes \$2.7 million less from federal funds and \$0.3 million less from the Authority's Tuition Savings program revenues. The Authority requests 42.6 full-time equivalent positions, the same as the enacted authorization. The general revenue request is \$2,092 less than the "working budget" of \$7.3 million. The working budget is the enacted budget adjusted for the Budget Office's distribution of statewide personnel and operating reductions and retirement adjustments the 2009 Assembly budgeted centrally in the Department of Administration.

The Governor recommends \$25.6 million from all sources of funds, which is \$3.1 million less than enacted and \$93,825 less than requested. The recommendation is \$23,783 less than the working budget.

Personnel. The FY 2010 revised request includes \$0.4 million less than enacted for all salary and benefit expenditures. This includes \$26,871 less from general revenues, \$0.4 million less from federal funds and \$14,199 less from other funds to reflect turnover savings and minor adjustments in personnel allocations among sources of funds. The Authority has had 33.0 of its 42.6 authorized full-time equivalent positions filled as of the October 10 pay period. Based on an average cost per full-time equivalent position of \$72,677, the requested turnover savings represents 5.6 vacant positions throughout the entire year.

The Governor recommends \$126,358 less than requested including \$18,191 less from general revenues. The general revenue reduction includes \$12,705 from eight payless work days and \$5,486 from three medical benefits holidays. The recommendation also increases turnover in the loan division, which is funded from federal funds to reflect current vacancies.

Scholarships and Grants			
	FY 2010 Enacted	FY 2010 Gov. Rev. Rec.	Change to Enacted
Uses			
Need Based Scholarships and Grants			
General Revenues	\$ 6,382,700	\$ 6,375,069	\$ (7,631)
Tuition Savings Fees	5,717,300	5,750,000	32,700
<i>Subtotal</i>	<i>\$ 12,100,000</i>	<i>\$ 12,125,069</i>	<i>\$ 25,069</i>
Other Grant Programs			
Academic Promise	\$ -	\$ -	\$ -
Matching Grant	-	-	-
Adult Education	300,000	-	(300,000)
LEAP/SLEAP	362,782	377,151	14,369
<i>Subtotal</i>	<i>\$ 662,782</i>	<i>\$ 377,151</i>	<i>\$ (285,631)</i>
Total	\$ 12,762,782	\$ 12,502,220	\$ (260,562)
Sources			
General Revenues	\$ 6,382,700	\$ 6,375,069	\$ (7,631)
Federal Funds	362,782	377,151	14,369
Tuition Savings Fees	6,017,300	5,750,000	(267,300)
Total	\$ 12,762,782	\$ 12,502,220	\$ (260,562)

Need Based Grants. The Authority increases need-based scholarships and grants by \$25,069. General revenues are \$7,631 less than enacted and tuition savings fees are \$32,700 more than enacted. Tuition savings funds come from maintenance fees paid by out of state participants of the Tuition Savings Program that the Authority administers through AllianceBernstein. The appropriations bill currently lists expenditures by fund source. These fees generate approximately \$6.0 million per year. General revenues were reduced to meet the enacted budget and tuition savings fees were rounded up. *The Governor recommends funding as requested.*

Other Grant Programs. The Authority requests \$0.3 million less for the Authority's other grant programs including \$300,000 less from tuition savings fees and \$14,369 more from federal Leveraging Educational Assistance Partnerships and Special Leveraging Educational Assistance Partnerships funds. This includes eliminating the \$0.3 million in the enacted budget for the adult education program as the Authority has not used what was previously provided.

The FY 2008 budget included \$0.6 million from tuition savings fees for a new adult education initiative to provide financial aid for adults taking less than six credits and are therefore, ineligible for most financial assistance. Most programs will not provide financial aid for individuals taking fewer

credits. While there is only funding committed for FY 2008, the Board indicated at the time that it intended to use this money in FY 2008 and FY 2009 for the new program. The Assembly provided \$0.3 million for FY 2010. *The Governor recommends funding as requested.*

Loan Division Activities. The Authority requests \$2.3 million less from federal funds for loan division activities. The request reflects a reduction of \$0.5 million less for expenses associated with data processing of guaranteed loans and \$2.0 million less for collections commissions as a result of a revised projection of total collection activity offset by \$0.2 million more for web portal services and maintenance.

On September 16, 2009, the United States House of Representatives passed HR 3221, the Student Aid and Fiscal Responsibility Act (SAFRA), which makes significant changes in student financial assistance program, including a provision that would eliminate loan originations under the Federal Family Education Loan program effective July 1, 2010 and stipulates that all new guaranteed student loans would be originated under the Federal Direct Loan Program. The United States Senate has yet to act on comparable legislation; however, guaranty agencies would continue to be required to provide services for loans currently in their portfolio including claims payments, reinsurance transactions, default prevention and aversion activities and collections of defaulted student loans. The Authority's management is currently evaluating the effect that these changes will have on its operations. *The Governor recommends funding as requested.*

Other Operating Adjustments. The Authority requests a decrease of \$11,398 from general revenues for all other operating expenses. *The Governor's recommendation is \$32,533 more than requested including \$3,500 less from general revenues. This includes restricted receipts and federal funds freed up from statewide personnel savings that are now available for other uses.*

Historical Preservation and Heritage Commission

	FY 2009	FY 2010	FY 2010	FY 2010
	Reported	Enacted	Rev. Req.	Revised
Expenditures by Category				
Salaries and Benefits	\$ 1,489,917	\$ 1,555,636	\$ 1,552,785	\$ 1,490,700
Contracted Services	3,340	14,558	14,951	14,951
Subtotal	\$ 1,493,257	\$ 1,570,194	\$ 1,567,736	\$ 1,505,651
Other State Operations	93,986	96,166	100,645	102,379
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	423,119	936,644	936,644	936,644
Capital	10,776	10,500	18,000	16,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 2,021,138	\$ 2,613,504	\$ 2,623,025	\$ 2,560,674
Sources of Funds				
General Revenue	\$ 1,241,495	\$ 1,285,100	\$ 1,324,589	\$ 1,262,238
Federal Aid	509,473	819,367	819,367	819,367
Restricted Receipts	270,170	509,037	479,069	479,069
Other	-	-	-	-
Total	\$ 2,021,138	\$ 2,613,504	\$ 2,623,025	\$ 2,560,674
FTE Authorization	16.6	16.6	16.6	16.6
FTE Average	16.4			

FY 2010 Revised Request. The Historical Preservation and Heritage Commission requests \$2.6 million from all sources for FY 2010, \$9,521 more than enacted. This includes \$39,489 more from general revenues offset by \$29,968 less from restricted receipts. The general revenue request is \$109,690 more than the “working budget” of \$1.2 million. The working budget is the enacted budget adjusted for the Budget Office’s distribution of statewide personnel and operating reductions and retirement adjustments the 2009 Assembly budgeted centrally in the Department of Administration.

The Governor recommends \$52,830 less than enacted, including \$22,862 less from general revenues and \$29,968 from restricted receipts. The recommendation is \$47,339 more than the working budget.

Salaries and Benefits. The Commission requests \$1.6 million for salaries and benefits, \$2,851 less than enacted. This includes \$33,737 more from general revenues and a corresponding decrease of \$36,588 from restricted receipts. The Commission has revised its estimate of restricted receipt revenue available in the current fiscal year and requests the shortfall be replaced with general revenue funding.

The Governor recommends \$62,085 less than requested, including \$49,876 less from general revenues for salaries and benefits. This reflects eight uncompensated leave days and three medical benefits holidays.

Eisenhower House Repair. The Commission requests \$11,718 more than enacted for all other operations and to make repairs to Eisenhower House in FY 2010. This includes \$9,000 for safety related repairs including: loose hand railings; rotted stair treads; a damaged roof; and mold forming in the outdoor restrooms. The remaining \$2,718 is for other miscellaneous expenses associated with the operating of the facility and redesign of the Eisenhower House website to attract more business.

The Governor provides \$10,125 less than requested providing \$6,000 for renovations and \$4,125 for other miscellaneous expenses which is consistent with FY 2008 and FY 2009 spending levels.

Other Operating Expenses. The Commission requests \$1.0 million for its operating and maintenance expenses, \$654 more than enacted including \$5,966 less from general revenues and \$6,620 more from restricted receipts for non-recurring expenses. This includes general revenue reductions of \$3,100 for advertising and printing, \$680 for communication system expenses, \$710 for travel, and \$1,476 for other miscellaneous expenses. These decreases are offset by \$5,500 more from restricted receipts for computer software, \$650 more for travel expenses, and \$470 more for other miscellaneous expenses.

The Governor recommends \$2,350 less than requested from general revenues for all other operating expenses, as part of an effort to limit expenses for specific accounts. He also adds \$8,668 from federal funds and \$3,541 from restricted receipts to reflect funds available from statewide personnel savings for other uses.

[Staff Note: It should be noted that the \$3,541 from additional restricted receipts is available to offset a portion of the general revenue increase requested for salaries and benefits though the recommendation does not make this change.]

Rhode Island Public Telecommunications Authority

	FY 2009	FY 2010	FY 2010	FY 2010
	Reported	Enacted	Rev. Req.	Revised
Expenditures by Category				
Salaries and Benefits	\$ 1,798,883	\$ 1,831,858	\$ 1,676,091	\$ 1,574,824
Contracted Services	5,339	13,000	13,000	11,700
Subtotal	\$ 1,804,222	\$ 1,844,858	\$ 1,689,091	\$ 1,586,524
Other State Operations	119,053	63,500	18,500	37,057
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	-	-	-	-
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 1,923,275	\$ 1,908,358	\$ 1,707,591	\$ 1,623,581
Sources of Funds				
General Revenue	\$ 1,206,333	\$ 1,142,702	\$ 1,093,562	\$ 1,009,552
Federal Aid	-	-	-	-
Restricted Receipts	-	-	-	-
Other	716,942	765,656	614,029	614,029
Total	\$ 1,923,275	\$ 1,908,358	\$ 1,707,591	\$ 1,623,581
FTE Authorization	18.0	18.0	17.0	16.0
FTE Average	17.5			

FY 2010 Revised Request. The Public Telecommunications Authority requests \$200,767 less than enacted from all sources including \$49,140 from general revenues, \$151,627 from Corporation for Public Broadcasting funds, and 1.0 less full-time equivalent position. The general revenue request is \$25,189 more than the “working budget” of \$1,068,373. The working budget is the enacted budget adjusted for the Budget Office’s distribution of statewide personnel and operating reductions and retirement adjustments the 2009 Assembly budgeted centrally in the Department of Administration.

The Governor recommends \$84,010 less than requested from general revenues and the requested level of Corporation for Public Broadcasting funds. He recommends 16.0 full-time equivalent positions, 1.0 less than requested and 2.0 less than enacted. The recommendation is \$58,821 less than the working budget.

Salaries and Benefits. The Authority requests \$155,767 less than enacted for salaries and benefits and 17.0 full-time equivalent positions. This includes \$4,140 less from general revenues, \$151,627 less from Corporation for Public Broadcasting funds, and the elimination of 1.0 full-time equivalent position. It also includes savings of \$81,501 from various salary and benefit adjustments and maintaining a vacant position and \$72,431 in savings from the elimination of a vacant maintenance engineer position. This is offset by an additional \$2,703 from all funds, including \$2,210 more from

general revenues to reflect changes to medical benefits and retirement rates consistent with Budget Office planning values and \$1,812 more for overtime expenses.

The Governor further reduces salaries and benefits by \$101,267 from all sources, including \$82,710 from general revenues to reflect savings of \$15,721 from three medical benefit holidays, \$43,484 from eight pay reduction days, and \$42,062 from the elimination of 1.0 additional full-time equivalent position. This is a producer position that has been vacant since the start of FY 2010 and is in addition to the requested elimination of a maintenance engineer.

Operating Expenses. The Authority requests \$45,000 less than enacted from general revenues for its operating expenses. This reduction includes \$35,000 less for electricity costs related to the analog transmitter that was no longer in use as of February 2009, and \$10,000 less for maintenance of the transmitter. *The Governor further reduces contracted services by 10.0 percent for savings of \$1,300 from closed captioning services leaving \$11,700; the Authority spent \$5,339 for these services in FY 2009.*

Office of the Attorney General

	FY 2009	FY 2010	FY 2010	FY 2010
	Reported	Enacted	Rev. Req.	Revised
Expenditures by Program				
Criminal	\$ 14,892,520	\$ 14,572,581	\$ 15,192,917	\$ 14,534,450
Civil	4,539,679	4,973,822	5,041,047	4,831,601
Bureau of Criminal Identification	1,052,123	1,056,744	1,135,278	1,087,627
General	2,789,152	2,904,066	3,582,072	3,392,922
Total	\$ 23,273,474	\$ 23,507,213	\$ 24,951,314	\$ 23,846,600
Expenditures by Category				
Salaries and Benefits	\$ 20,947,120	\$ 21,457,440	\$ 21,480,247	\$ 20,428,140
Contracted Services	816,047	118,252	737,017	734,544
Subtotal	\$ 21,763,167	\$ 21,575,692	\$ 22,217,264	\$ 21,162,684
Other State Operations	1,224,584	1,657,635	1,760,367	1,770,233
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	285,723	273,886	973,683	913,683
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 23,273,474	\$ 23,507,213	\$ 24,951,314	\$ 23,846,600
Sources of Funds				
General Revenue	\$ 20,811,424	\$ 21,099,743	\$ 21,067,635	\$ 20,108,466
Federal Aid	1,397,373	1,274,540	1,983,570	1,921,152
Restricted Receipts	843,798	932,930	1,113,262	1,090,135
Other	220,879	200,000	786,847	726,847
Total	\$ 23,273,474	\$ 23,507,213	\$ 24,951,314	\$ 23,846,600
FTE Authorization	231.1	231.1	231.1	231.1
FTE Average	228.1			

FY 2010 Revised Request. The Office of the Attorney General requests \$1.4 million more than enacted from all funds including \$32,108 less from general revenues and 231.1 full-time equivalent positions, consistent with the authorized level. The general revenue request is \$1.3 million more than the “working budget” of \$19.8 million. The working budget is the enacted budget adjusted for the Budget Office’s distribution of statewide personnel and operating reductions and retirement adjustments the 2009 Assembly budgeted centrally in the Department of Administration.

The Governor recommends \$0.3 million more than enacted from all sources, including \$1.0 million less from general revenues, \$0.6 million more from federal funds, \$0.2 million more from restricted receipts, and \$0.5 million more from other funds. This is \$1.1 million less than requested, including \$1.0 million less from general revenues. He also recommends the enacted level of 231.1 full-time equivalent positions, as requested. The recommendation is \$0.4 million more than the working budget.

Drug Intervention Initiative. The Office requests \$39,050 from general revenues to support a new initiative that is funded by a grant from the Providence Police Department to address the challenges of effectively responding to illegal drug markets and their associated crime, violence, and disorder in the Chad Brown and Lockwood Plaza areas of Providence. Funding for this initiative will be reimbursed to the Office on a quarterly basis and deposited as general revenues. *The Governor recommends \$1,550 less than requested to reflect savings for eight pay reduction days and three medical benefit holidays. It should be noted that the Governor's budget does not include a revenue item for this grant.*

Community Prosecutors. The Office's request shifts \$109,459 from general revenues to federal funds to support 1.1 full-time equivalent positions which would have been requested from general revenues because of expired funds. The request correctly reflects a new federal grant award for the Office to support partial salary and benefit expenses for a community prosecutor and an adult drug court prosecutor. The community prosecutor will handle gang related cases and the adult drug court prosecutor will handle drug cases and screen candidates for drug treatment programs. *The Governor recommends the shift, but adjusts it by \$3,065 to reflect savings for eight pay reduction days and three medical benefit holidays.*

Domestic Violence Arrests Grant. The Office's request shifts \$45,736 from general revenues to federal funds to support staffing for the domestic violence unit. This unit's function includes holding violent offenders accountable for their actions through investigation, arrest, and prosecution. The awarded funds will support approximately one-fourth of the salaries for two prosecutors for the domestic violence unit. *The Governor recommends the shift, but adjusts it by \$1,200 to reflect savings for eight pay reduction days and three medical benefit holidays.*

New Federal Award for Traffic Safety. The Office's request shifts \$25,449 from general revenues to federal funds to partially support staffing for traffic safety prosecution. The traffic safety prosecutor position were initially funded from general revenues, but the Office received a new federal grant award from the National Highway Traffic Safety Administration and shifted general revenue expenses to federal funds to partially support the position. The request correctly reflects the federal grant award for the Office. The enacted budget included funding to cover 1.0 full-time equivalent position. The new federal grant award allows the Office to shift part of the salary and benefit expenses for the position from general revenues to federal funds. *The Governor recommends the shift, but adjusts it by \$2,753 to reflect savings for eight pay reduction days and three medical benefit holidays.*

All Other Salary and Benefit Adjustments. The Office requests \$16,243 less than enacted from all funds including \$77,962 more from general revenues for all other salaries and benefits. This includes \$51,386 to reflect rate adjustments for retirement, assessed fringe benefits and medical benefits. The general revenue increase reflects unachieved turnover savings. The enacted budget assumes turnover savings of \$493,829 which equates to holding 5.5 full-time equivalent positions vacant for FY 2010. Currently, the Office is averaging 228.0 filled full-time equivalent positions or 3.1 positions below the authorized level. *The Governor recommends \$1.1 million less than requested to reflect \$0.3 million more turnover savings than requested in addition to \$0.8 million of savings for eight pay reduction days and three medical benefit holidays.*

Insurance Unit. The Office requests \$12,673 less than enacted from general revenues for its insurance unit to cover reduced operating expenses such as utilities, dues and subscriptions, building repairs, parking rental, purchase of transcriptions, and postal services. The request will place these expenses more in line with historical spending. *The Governor recommends \$97 less than requested to reflect further reductions for transportation expenses based on historical expenditures.*

Consumer Education. The Office requests \$177,500 from restricted receipts recovered by the Consumer Protection Unit from deceptive trade practice cases over the course of ten years and deposited into a restricted receipt account. The funds will be used to support consumer training on fraud and consumer protection pamphlets, brochures, and flyers. In FY 2009, the Office spent only \$32,812 from this account for consumer education expenses of the \$197,649 budgeted. *The Governor recommends funding as requested.*

Domestic Violence System Design. The Office requests \$140,000 from federal funds for information technology system design for the prosecution project. Grant funds will also cover computer equipment and supplies, furniture and staff training to improve tracking of domestic violence cases. The request correctly reflects this stimulus grant awarded to the Office to ensure that violent offenders are held accountable for their actions through investigation, arrest, and prosecution. This is a one-time stimulus award that was not included in the enacted budget because the Office did not anticipate receiving this award when it formulated its FY 2010 original request. *The Governor recommends funding essentially as requested, but adds \$583 to reflect additional funds available from statewide personnel savings.*

Forfeitures. The Office requests \$61,424 more than enacted from restricted receipts from gambling forfeitures and forfeiture of property. This request reflects anticipated federal forfeiture payment of awards for information and/or assistance leading to a civil or criminal proceeding. The requested funds will cover vehicle purchases, office supplies, computer equipment and training. *The Governor recommends \$1,513 more than requested to reflect additional funds available from statewide personnel savings.*

Integrated Information System. The Office requests \$430,000 from federal funds for the implementation of the integrated case management information system for the Criminal Division. Currently, the Office manages its annual caseloads through a labor-intensive manual state repository for all criminal history information. This system will help eliminate duplicate information and processes and provide reporting without additional licensing fees. This application will have integration with the Rhode Island Court Judicial Information System for disposition information and with the Rhode Island Criminal History System for arrest and expungement information. The request correctly reflects the federal grant awarded to the Office for this project. *The Governor recommends funding as requested.*

Protection of State Witnesses. The Office requests \$21,021 more than enacted from general revenues for protection of state witnesses. This request will place this expense more in line with historical spending and reflects anticipated expenses to provide housing, food, accessories and 24 hour security services for several state witnesses. *The Governor recommends \$3,763 less than requested to reflect reduction for transportation expenses based on historical expenditures.*

Tobacco Enforcement Litigation. The Office requests \$151,400 from general revenues for tobacco litigation expenses. This enforcement litigation case was brought by the leading United States tobacco product manufacturers against the state under the settlement agreement entitled "Master Settlement Agreement" for its lack of due diligence in appropriating collected funds. The requested funding will cover a pro-rated share of salaries of mediators, copies of transcripts, clerical services, out-of-state transportation and lodging and other miscellaneous expenses. At this time, it is unclear whether the litigation will go forward in FY 2010 as this case has been formulating nationwide for approximately three years. *The Governor recommends funding as requested.*

National Criminal History Improvement Program. The Office requests \$5,500 from federal funds for the National Criminal History Improvement Program. The request correctly reflects the federal grant awarded to the Office for database system design to improve the accuracy of information for protective orders including stalking cases. This request was not included in the enacted budget because the Office was unaware if it would be awarded the funds. *The Governor recommends funding as requested.*

Asset Protection. The Office requests \$586,847 from Rhode Island Capital Plan funds including \$60,000 in new funding with the balance carried forward from FY 2009 for its asset protection projects. The Office noted a delay in its Automated Fingerprint Identification System because this is not a high priority project. *The Governor recommends \$526,847 more than enacted, which is \$60,000 less than requested.*

All Other Operations. The Office requests \$139,725 less than enacted from all funds including \$128,244 less from general revenues for all other state operations. This reduction reflects the across-the-board savings allocated by the Budget Office for FY 2010. This includes additional expenses for audit services for the Civil Division and other temporary services for the Criminal Division based on revised estimates. Other offsetting operating reductions include building maintenance and repairs, office and computer supplies, subscription fees, record center expenses, parking fees, and printing service expenses.

The Governor recommends \$130,568 less than enacted, which is \$9,157 more than requested to reflect additional funds available from statewide personnel savings as well as further reductions for transportation and printing service expenses based on historical spending. His recommendation assumes the Office can contract with the Department of Health for its printing service needs.

Department of Corrections

	FY 2009 Reported	FY 2010 Enacted	FY 2010 Rev. Req.	FY 2010 Revised
Expenditures by Program				
Central Management	\$ 7,735,262	\$ 8,021,430	\$ 7,311,264	\$ 6,954,560
Parole Board	1,274,926	1,293,696	1,392,719	1,333,845
Institutional Corrections	156,331,333	161,009,611	168,030,817	163,885,224
Community Corrections	13,794,027	15,030,769	14,695,914	14,012,863
Total	\$ 179,135,548	\$ 185,355,506	\$ 191,430,714	\$ 186,186,492
Expenditures by Category				
Salaries and Benefits	\$ 148,652,299	\$ 149,296,397	\$ 153,560,667	\$ 147,847,378
Contracted Services	11,256,269	11,916,890	12,364,106	12,307,201
Subtotal	\$ 159,908,568	\$ 161,213,287	\$ 165,924,773	\$ 160,154,579
Other State Operations	15,738,583	16,447,305	17,366,583	16,452,931
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	1,213,180	1,451,364	1,396,364	1,396,364
Capital	2,275,217	6,243,550	6,742,994	8,182,618
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 179,135,548	\$ 185,355,506	\$ 191,430,714	\$ 186,186,492
Sources of Funds				
General Revenue	\$154,269,696	\$ 177,390,562	\$ 181,354,474	\$ 174,850,922
Federal Aid	22,288,285	2,196,668	3,302,046	3,402,046
Restricted Receipts	-	-	-	-
Other	2,577,567	5,768,276	6,774,194	7,933,524
Total	\$179,135,548	\$ 185,355,506	\$ 191,430,714	\$ 186,186,492
FTE Authorization	1423.0	1,423.0	1,423.0	1,423.0
FTE Average	1406.1			
Prison Population	3,773	3,767	3,669	3,659

FY 2010 Revised Request. The Department requests \$6.1 million more than enacted from all funds including \$4.0 million from general revenues and 1,423.0 full-time equivalent positions, consistent with the enacted level. The Department's revised request is based on a population of 3,669, a decrease of 98. The general revenue request is \$16.6 million more than the "working budget" of \$164.8 million. The working budget is the enacted budget adjusted for the Budget Office's distribution of statewide personnel and operating reductions and retirement adjustments the 2009 Assembly budgeted centrally in the Department of Administration.

The Governor recommends \$830,986 more than enacted from all sources, including \$2.5 million less from general revenues, \$1.2 million more from federal funds, and \$2.2 million more from other funds.

This is also \$5.2 million less than requested, including \$6.5 million less from general revenues. The recommendation is \$9.5 million more than the working budget.

Population. The enacted budget assumes \$5.0 million in savings based on initiatives approved by the 2008 Assembly to reduce prison population by allowing for expanded opportunities for earning time off sentences. The Department has implemented the initiatives and has been current on automated calculations for the days earned for rehabilitation program credit since FY 2009. The enacted budget assumes a population of 3,767, which is 241 fewer inmates than the Department’s initial population projection of 4,008 for FY 2010.

The Department’s current population is tracking below staff estimates for the FY 2010 enacted budget, which assumed those reductions; however, the Department is not able to quantify population changes related to the reduction options. The House Fiscal Staff uses a simple model using trend data and population through the second quarter that suggests an average population of 3,655. The Department contracts with a firm to prepare population estimates, which has subsequently revised these estimates downward to 3,669. That is the population upon which the revised budget request is based.

Population reductions result in the greatest savings when there are enough to allow for the closure of housing modules. Current population has resulted in the closure of two double modules in the Intake Center. The maximum capacity of the prison is governed by the terms of an overcrowding lawsuit. In FY 2008, the Department reached an agreement with the federal courts to increase the allowed capacity at facilities from 4,085 to 4,265.

The following table depicts the recent history of budgeted and actual prison population from FY 2001 through the FY 2011 request. The average population for the first five months of FY 2010 is 3,643. Total cost per inmate including staff, can be expressed by dividing the Institutional Corrections’ budget by the number of inmates. This is \$45,797 in the FY 2010 revised budget request. The enacted budget included \$42,742. FY 2009 actual expenditures suggest a cost of \$41,434.

History	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
<i>Request</i>	3,355	3,492	3,297	3,333	3,305	3,299	3,200	2,583	3,803	4,008	3,709
Governor	3,292	3,464	3,393	3,724	3,640	3,244	3,375	3,289	3,848	4,008	
Enacted	3,292	3,464	3,393	3,500	3,575	3,244	3,375	3,289	3,848	3,767	
Revised Request	3,464	3,251	3,658	3,640	3,575	3,375	3,723	4,018	3,869	3,669	
Governor Revised	3,464	3,370	3,658	3,600	3,377	3,375	3,723	3,925	3,869	3,659	
Final	3,464	3,370	3,550	3,600	3,377	3,475	3,755	3,925	3,788		
<i>Actual</i>	3,348	3,387	3,537	3,554	3,361	3,510	3,771	3,860	3,773		

The Governor’s revised budget assumes 3,659 inmates, which is 10 fewer inmates than the Department’s request.

Unachieved Population Savings. The FY 2010 enacted budget anticipates \$5.0 million in savings associated with the prison population reduction. The Department’s request restores \$2.8 million noting that it has been unable to close enough housing units to achieve the budgeted savings. This is despite the Department’s projections being based on 98 fewer inmates than assumed in the enacted budget. The anticipated savings were calculated by multiplying the total cost per inmate, which is \$41,332, by 241 inmates and then divided by two in recognition of certain fixed costs that cannot be reduced.

Subsequently, the Department submitted a corrective action plan that includes overtime savings of \$123,538 in addition to \$61,769 for the elimination of 18 one-shift posts on a weekly basis at the

Intake Service Center. *The Governor's revised budget restores the unachieved savings and includes the corrective action plan savings.*

Population: Per Diem Expenditures. The Department requests \$418,426 less than enacted from general revenues for population related expenditures that are calculated on a per diem basis, excluding staffing. This is based on 98 fewer inmates and a significant increase in food costs. The Department requests \$4,122 per inmate for items such as food, linen, household supplies and medical services; the enacted budget assumed \$4,127. In FY 2009, the Department's actual per inmate cost was \$3,874 or \$250 less than the current request. *The Governor recommends \$900,799 less than enacted, which is \$482,373 less than requested to reflect further reductions for food expenses and household supplies.*

State Criminal Alien Assistance Funds. The Department requests \$352,824 more than enacted from general revenues to replace overestimated federal State Criminal Alien Assistance funds. This is a formula grant awarded to the Department for incurring costs of incarcerating undocumented immigrants who are being held as a result of state and/or local charges or convictions. The enacted budget anticipated \$1.2 million based on previous awards of \$1.5 million and \$1.2 million for FY 2008 and FY 2009, respectively. The federal award for FY 2010 is \$845,306 and the Department's revised budget requests general revenues to offset this shortfall. *The Governor recommends funding as requested.*

New Officer Recruitment and Training. The Department requests \$715,891 less than enacted from delaying recruitment and training for one new officer class. The enacted budget included funding for recruitment and training of two new correctional officer classes. The Department's revised request reflects completion of only one new correctional officer class and indicates that the second class will not be conducted this fiscal year. *The Governor recommends this request and includes the savings.*

RIBCO Base Adjustment. The Rhode Island Brotherhood of Correctional Officers is currently in arbitration to settle the labor contract that includes base wage adjustments for correctional officers for FY 2010. The FY 2010 enacted budget includes \$7.4 million for cost-of-living adjustments for correctional officers for the period including FY 2007 through FY 2010. This estimate is based on agreement reached with other state government unions. It includes an 8.7 percent cost-of-living adjustment for FY 2007 through FY 2010 assuming adjustments of 3.0 percent for FY 2007 and FY 2008, 0.0 percent for FY 2009 and 2.5 percent for FY 2010. The Department's revised budget requests an additional \$1.9 million to reflect its updated estimate of \$9.3 million based on current staffing. *The Governor does not recommend this request.*

Other Salaries and Benefits. The Department requests \$234,154 more than enacted from all sources including \$180,468 from general revenues for all other salaries and benefits for FY 2010. This includes \$145,389 to reflect rate adjustments for retirement, assessed fringe benefits and medical benefits. The Department notes that it can achieve \$1.2 million in turnover savings from keeping positions vacant primarily those in probation and parole. However, the Department's request proposes to fill 33.0 full-time equivalent positions effective January 2010 for total costs of \$1.3 million. Currently, the Department is averaging 1,386.0 full-time equivalent positions or 37.0 positions below the authorized level.

The Governor recommends \$3.3 million less than enacted from all sources, which is \$3.5 million less than requested to reflect \$1.1 million more turnover savings than requested in addition to \$2.4 million of savings for eight pay reduction days and three medical benefit holidays. His recommendation includes funding for a full-time medical director position effective January 2010 for a total cost of \$118,156.

Electronic Medical Records. The Department requests \$44,594 more than enacted for the remaining expenses associated with the electronic medical records system. In FY 2009, the Department only paid for the portion of the project that was fully completed as of the last day of the fiscal year. The unpaid balance is carried forward to be paid out of FY 2010 appropriations. The system is currently in operation and it is intended to improve efficiency and efficacy in providing medical treatments and services for the prison population. *The Governor recommends funding as requested.*

Staff Development Grants. The Department requests \$304,846 more than enacted from federal funds to reflect new and increased federal grants that support staff development programs for FY 2010. The new federal grant awards support numerous staff activities intended to prevent and control crime and improve the criminal justice system. These activities include information sharing, research and evaluation of existing programs, and technical improvement and training. *The Governor recommends funding as requested.*

Educational Grant Awards. The Department requests \$471,827 more than enacted from federal funds to reflect new and increased federal grants to support educational programs for FY 2010. The new federal grant award adds support for special education services for eligible inmates. The grant increases support existing basic adult education, literacy services and career and technical education programs for both men and women. *The Governor recommends funding essentially as requested, but adds \$5,013 to reflect additional funds available from statewide personnel savings.*

Community Corrections Grant Awards. The Department requests \$355,637 more than enacted from federal funds to reflect new and increased federal grants to support the community corrections programs for FY 2010. The new federal grant awards support crime prevention and information sharing initiatives to reduce recidivism rates through family reunification programs and enhanced assessment and discharge services. The grant increases support existing risk assessment and victim of crime outreach services. *The Governor recommends funding as requested.*

National Criminal History Improvement Project. The Department requests \$95,000 from federal funds to reflect a new federal grant award for training and technical assistance for the National Criminal History Improvement project. This request was not included in the enacted budget because the Department was not aware whether it would be awarded the funds. The award for FY 2009 was \$37,000. *The Governor recommends funding as requested.*

Women's Reentry Grant. The Department requests \$174,546 more than enacted from federal funds carried forward from FY 2009 for its pilot women's reentry program. This is a two-year grant and the funds support risk assessment, vocational programming, computer equipment and training, and pre-employment services in order to improve reentry for female offenders into the community. *The Governor recommends funding as requested.*

Litter Crews. The Department has a memorandum of understanding with the Department of Transportation to provide work crews for litter control. In FY 2009, the Department of Transportation requested only five work crews per day at \$350 each from July through early March 2009. As of March 12, 2009, the memorandum was amended to include an additional five work crews for a total of eleven crews with a charge of \$350 per workday for each crew. The Department requests \$101,927 more than enacted from general revenues to reflect increased overtime expenses and decreased payments from the Department of Transportation based on FY 2009 expenses and payments collected. *The Governor does not recommend this request based on the expectation that the Department adjusts its budget to absorb the cost.*

All Other Operations. The Department requests \$324,931 less than enacted from all funds including \$327,591 less from general revenues for all other operations for FY 2010. This reflects savings for contracted medical services including hospital treatments and doctor's services. The total operating request is \$13.7 million, an increase of \$1.6 million compared to FY 2009 actual expenses. The request reflects additional expenses for computer equipment and supplies, furniture, equipment, an inmate assessment tool, building renovations and repairs, medical and janitorial supplies and other miscellaneous expenses.

The Governor recommends \$550,585 less than enacted from all sources, which is \$225,654 less than requested to reflect further reductions for office supplies, furniture and equipment, and purchased services for victim of crimes based on historical spending and severe budget restrictions. His recommendation does not include funding for computer equipment and the inmate assessment tool.

Capital Projects. The Department requests \$6.8 million from Rhode Island Capital Plan funds for its capital projects in FY 2010. This is \$1.0 million more than enacted to reflect the Department's revised cost estimates for several projects. *The Governor recommends \$2.2 million more than enacted, which is \$1.2 million more than requested to reflect carried forward balances from FY 2009.*

Judicial Department

	FY 2009 Reported	FY 2010 Enacted	FY 2010 Rev. Req.	FY 2010 Revised
Expenditures by Program				
Supreme Court	\$ 27,159,275	\$ 26,907,561	\$ 28,714,884	\$ 27,090,710
Defense of Indigent Persons	3,345,088	3,365,689	3,365,689	3,365,689
Commission on Judicial Tenure & Discipline	97,172	128,922	109,838	106,403
Superior Court	19,455,462	20,238,308	20,568,053	19,912,834
Family Court	18,743,559	19,404,572	19,248,005	18,777,596
District Court	10,248,553	10,815,151	10,536,020	10,184,331
Traffic Tribunal	7,456,138	7,545,676	7,644,866	7,368,035
Workers' Compensation Court	7,279,342	7,578,922	7,492,276	7,328,378
Total	\$ 93,784,589	\$ 95,984,801	\$ 97,679,631	\$ 94,133,976
Expenditures by Category				
Salaries and Benefits	\$ 70,243,567	\$ 72,449,515	\$ 72,188,241	\$ 69,313,601
Contracted Services	2,722,502	3,064,855	3,794,155	3,653,862
Subtotal	\$ 72,966,069	\$ 75,514,370	\$ 75,982,396	\$ 72,967,463
Other State Operations	9,298,470	9,193,517	9,347,660	9,606,156
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	9,556,477	9,935,552	10,228,708	10,228,708
Capital	1,963,573	1,341,362	2,120,867	1,331,649
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 93,784,589	\$ 95,984,801	\$ 97,679,631	\$ 94,133,976
Sources of Funds				
General Revenue	\$ 81,658,618	\$ 83,907,229	\$ 83,933,925	\$ 80,226,082
Federal Aid	1,625,278	1,445,452	2,422,515	3,568,213
Restricted Receipts	8,796,528	9,807,120	9,711,691	9,510,215
Other	1,704,165	825,000	1,611,500	829,466
Total	\$ 93,784,589	\$ 95,984,801	\$ 97,679,631	\$ 94,133,976
FTE Authorization	729.3	729.3	729.3	729.3
FTE Average	683.5			

FY 2010 Revised Request. The Judiciary requests \$1.7 million more than enacted from all funds including \$26,696 more from general revenues and 729.3 full-time equivalent positions, consistent with the enacted level. The general revenue request is \$4.5 million more than the “working budget” of \$79.4 million. The working budget is the enacted budget adjusted for the Budget Office’s distribution of statewide personnel and operating reductions and retirement adjustments the 2009 Assembly budgeted centrally in the Department of Administration.

The Governor recommends \$1.9 million less than enacted from all sources, including \$3.7 million less from general revenues. This is \$3.5 million less than requested, including \$3.7 million less from general revenues. The recommendation is \$0.8 million more than the working budget.

Judges Pensions. The Judiciary requests \$139,656 more than enacted, including \$113,964 from general revenues, for retirement costs for judges and magistrates who are not part of the state employee retirement system. The revision reflects actual costs for current retirees. ***The Governor recommends funding as requested.***

Salaries and Benefits. The Judiciary requests \$261,274 less than enacted from all funds including \$3,411 less from general revenues for salaries and benefits. This includes \$904,270 more to reflect rate adjustments for retirement, assessed fringe benefits and medical benefits. The Judiciary increased its turnover assumption to cover the added costs of the benefit adjustments. It will continue to hold vacancies open to achieve the savings. ***The Governor recommends \$3.1 million less than enacted, including \$2.5 million less from general revenues to reflect savings for eight pay reduction days and three medical benefit holidays.***

Adult Drug Court. The Department requests \$85,000 from federal funds to support the Superior Court's adult drug court program. This request correctly reflects a new stimulus grant award to support drug treatment services for the adult drug court clients. The request was not included in the enacted because the Department was not aware it would be awarded the funds. ***The Governor recommends funding as requested.***

Indigent Defense Services. The Department requests the enacted amount of \$3.4 million for its indigent defense services based on historical spending. FY 2009 actual expenses were \$3.3 million. This program assigns private attorneys to transferred clients when the Office of the Public Defender is unable to provide representation services because of conflicts of interest. ***The Governor recommends funding as requested.***

Facilities and Maintenance. The Department requests \$103,210 less than enacted from general revenues for the maintenance of the judicial complex facilities. This general revenue reduction reflects the Department's intended allocation of FY 2010 expenditures to federal funds and restricted receipts to include facilities and maintenance expenses associated with the child support enforcement unit and Workers' Compensation Court. ***The Governor recommends funding as requested.***

Court Technology. The Department requests \$115,584 more than the \$1.9 million included in the enacted budget from general revenues for its court computer technology expenses. The increase reflects actual costs for software licenses and maintenance fee agreements. ***The Governor recommends funding as requested.***

Child Support Consulting Services. The Department requests new expenditures of \$98,800 from general revenues for consulting services for the Family Court Child Support Enforcement Unit to ensure maximum reimbursement from the federal government for previously provided services. This is for a one-time expense. ***The Governor recommends the requested funding, but shifts this expense and \$1.1 million of enacted general revenue expenses to federal funds based on newly anticipated federal reimbursement for services provided by this unit.***

Pre-Trial Services. The Judiciary requests \$20,966 more than enacted from general revenues for temporary staff to support the pre-trial service unit. The temporary staff will perform some of the functions of several vacant positions that are unfilled in order to achieve turnover savings. This

increase will place this expense more in line with historical spending. *The Governor recommends funding as requested.*

New Federal Grant Awards. The Department requests \$469,753 from federal funds to reflect new federal grant awards for ongoing federally funded programs for FY 2010. This includes \$235,081 for the e-citation program, \$128,180 for the Rhode Island mental health court clinic program, \$43,428 for the violence against women program, \$37,584 for victim's assistance portal and \$25,480 for the prevention and control of juvenile delinquency. *The Governor recommends funding as requested.*

Other Federal Grant Awards. The Department requests \$655,854 more than enacted from federal funds to reflect grant increases to support several federally funded programs for FY 2010. This includes \$369,332 for six Family Court programs and \$286,522 for two Supreme Court programs. *The Governor recommends funding essentially as requested, but adds \$695 to reflect additional funds available from statewide personnel savings.*

Supreme Court Disciplinary Counsel. The Department requests \$46,820 less than enacted from restricted receipts to support the Rhode Island Supreme Court Disciplinary Counsel Office for FY 2010. This reflects anticipated expenses for investigative staff and court reporters based on projected demand. According to Supreme Court Article IV, Rule 1, this restricted receipts account collects annual fees of \$200 from each active attorney in the Rhode Island Bar to fund the Disciplinary Counsel functions. *The Governor recommends \$18,223 more than requested to reflect additional funds available from statewide personnel savings.*

Rhode Island Foundation Grant Award. The Department requests \$33,251 from restricted receipts to reflect \$7,300 in new funding for FY 2010 in addition to \$25,951 carried forward from FY 2009 from a grant received from the Rhode Island Foundation to preserve historic documents. Funds will be used by the Judicial Records Center to store, preserve and provide access to the pre-1900 court records created by the five judicial counties of the State of Rhode Island. *The Governor recommends funding as requested.*

Small Claims Mediation. The 2009 Assembly adopted legislation that increased the entry fee for claimants involved in small claims mediation from \$30 to \$50. Of the increase, \$10 is deposited into the small claims mediation fund which was converted into a restricted receipt account and the remaining \$10 is deposited as general revenues. The enacted budget includes \$236,784 from restricted receipts and \$50,000 from general revenues to cover costs for contracted mediation services. The Department requests \$150,000 less than enacted to reflect decreased expenses for contracted mediation services based on projected demand. This includes shifting \$50,000 from general revenues budgeted for the Community Mediation Center of Rhode Island to the restricted receipt account.

The Governor recommends the requested changes and adds \$6,538 to reflect additional funds available from statewide personnel savings.

Jurors' Fees/Transportation. The Department requests \$28,282 less than enacted from general revenues for juror's fees, food, and transportation. This request is based on the estimated number of cases requiring a trial by jury and the length of those trials. This will place this expense more in line with historical spending. FY 2009 actual expenses were \$574,652. *The Governor recommends funding as requested.*

Other Operating Adjustments. The Department requests \$120,948 less than enacted from all funds including \$137,715 less from general revenues for all other operating adjustments for FY 2010. This

includes reduced purchased services such as fees for expert witnesses, Family Court medical services, court reporters, legal expenditures for the Commission on Judicial Tenure and Discipline and other temporary services. These reductions are based on the needs of the courts. Other operating reductions includes credit card processing fees, insurance, transportation, office supplies, parking rental fees, furniture and equipment and fees and dues. The request will place these expenses more in line with historical spending. FY 2009 actual expenses were \$5.8 million, including \$5.2 million from general revenues.

The Governor recommends \$85,563 more than requested to reflect additional funds available from statewide personnel savings.

Capital Projects. The Department requests \$1.6 million from Rhode Island Capital Plan funds for its capital projects for FY 2010. This is \$786,500 more than enacted to reflect a wider scope of several capital projects including asset protection. This exceeds the approved capital plan of \$825,000 by \$786,500. *The Governor recommends \$4,466 more than enacted to reflect a carried forward balance from FY 2009. His recommendation is \$782,034 less than requested, consistent with the approved capital plan.*

Military Staff

	FY 2009	FY 2010	FY 2010	FY 2010
	Reported	Enacted	Rev. Req.	Revised
Expenditures by Program				
National Guard	\$ 11,230,425	\$ 14,198,287	\$ 14,481,639	\$ 16,061,766
Emergency Management	17,620,016	12,842,846	24,798,979	24,838,626
Total	\$ 28,850,441	\$ 27,041,133	\$ 39,280,618	\$ 40,900,392
Expenditures by Category				
Salaries and Benefits	\$ 6,525,054	\$ 8,405,333	\$ 8,169,517	\$ 7,772,146
Contracted Services	952,990	1,070,162	1,393,769	1,393,769
Subtotal	\$ 7,478,044	\$ 9,475,495	\$ 9,563,286	\$ 9,165,915
Other State Operations	5,867,018	5,994,351	6,283,454	6,429,166
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	13,549,743	8,873,697	20,736,288	20,812,291
Capital	1,955,636	2,697,590	2,697,590	4,493,020
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 28,850,441	\$ 27,041,133	\$ 39,280,618	\$ 40,900,392
Sources of Funds				
General Revenue	\$ 3,489,126	\$ 3,279,979	\$ 3,375,477	\$ 3,262,789
Federal Aid	24,421,511	21,941,615	34,074,058	34,013,174
Restricted Receipts	99,797	337,449	348,993	346,909
Other	840,007	1,482,090	1,482,090	3,277,520
Total	\$ 28,850,441	\$ 27,041,133	\$ 39,280,618	\$ 40,900,392
FTE Authorization	101.0	111.0	112.0	112.0
FTE Average	96.5			

FY 2010 Revised Request. The Military Staff requests FY 2010 revised expenditures of \$39.3 million from all sources, which is \$12.2 million more than enacted, including \$95,498 more from general revenues, \$12.1 million more from federal funds, \$11,554 more from restricted receipts, and the enacted level from Rhode Island Capital Plan funds. The revised request includes 112.0 full-time equivalent positions, 1.0 more than enacted to account for a position shifted from the Governor's Office.

The general revenue request is \$310,805 more than the "working budget" of \$3.1 million. The working budget is the enacted budget adjusted for the Budget Office's distribution of statewide personnel and operating reductions and retirement adjustments the 2009 Assembly budgeted centrally in the Department of Administration.

The Governor recommends a total of \$40.9 million and 112.0 positions. This is \$13.9 million more than enacted and \$1.6 million more than requested, primarily due to adjustments to Rhode Island Capital Plan funds. The recommendation is \$198,117 more than the working budget.

National Guard

National Guard Salaries and Benefits. The revised request includes \$5.8 million for salaries and benefits for the National Guard. This is \$99,739 less than enacted and includes \$230,537 less federal funds and \$130,798 more from general revenues. The change reflects \$11,793 less from all funds and \$220 less general revenues for all benefit adjustments consistent with Budget Office planning values. It also adds 1.0 position and \$69,264 for an administrative manager position, funded 50.0 percent from general revenues transferred from the emergency management agency. The request appears to restore most of the \$100,000 of general revenue turnover savings included in the enacted budget.

The Governor recommends \$308,992 less than requested from all funds which includes \$98,830 less from general revenues. This reflects eight pay reduction days and three medical benefit holidays.

Military Funerals. The National Guard requests revised expenses of \$85,000 from general revenues for funeral expenses, which is \$2,250 more than enacted to reflect revised estimates. In April 2008, the National Guard reduced the participants by three, to a four member detail. The honor guard detail had been fully funded by federal funds, but as of April 2008 the Federal National Guard Bureau informed the Rhode Island National Guard that federal funds are available to support a maximum of a three member detail. The fourth member had been funded in the FY 2009 budget by general revenues. The FY 2010 request assumes use of volunteer retirees at a rate of \$50 per day.

The Governor recommends \$28,450 less than requested to more accurately reflect anticipated spending based on the shift to stipends.

Life Insurance Reimbursement. The National Guard requests FY 2010 revised expenditures of \$25,000 from general revenues for the reimbursement of life insurance premiums, which is \$39,400 less than enacted. Upon return from active duty, guardsmen are entitled to file a claim for full reimbursement of all premiums paid while deployed. The Department of Defense reimburses premiums for those individuals in a combat zone, and the state reimburses the others. The program reduction reflects updated estimates based on prior year expenditures, which were \$43,896 in FY 2007 and \$77,146 for FY 2008, and \$6,036 in FY 2009. ***The Governor recommends funding as requested.***

Security and Other Contracted Services. The National Guard requests revised expenditures of \$1.0 million for contracted services which includes \$33,725 more from general revenues. This is \$67,184 more than enacted from all sources and \$965 more from general revenues for additional security costs and repairs at all armories. ***The Governor recommends funding as requested.***

Operating Adjustments. The National Guard requests \$4.0 million, which is \$0.3 million less than enacted and includes \$108,434 less from federal funds and \$141,309 less from general revenues for all other operating expenses. The decrease reflects reductions to maintenance, utility and insurance expenses. ***The Governor recommends \$122,139 more from all funds than requested, which includes \$34,827 more from general revenues for insurance expenses and \$87,312 from additional federal funds available from statewide personnel savings. It should be noted that costs are shared based on a match rate; therefore, additional federal funds are not available when costs go down.***

Capital Projects. The National Guard requests \$2.7 million from Rhode Island Capital Plan funds for capital projects. The request is consistent with the enacted level of funding. *The Governor recommends \$1.8 million from Rhode Island Capital Plan funds carried forward from unspent FY 2009 funds.*

Capital Stimulus Projects. The National Guard requests \$0.6 million for two federal stimulus projects which include the replacement of a roof and windows. The projects are currently out to bid with an expected start date of spring 2010. Funds were not included in the enacted budget as the National Guard anticipated use of all funds during FY 2009. *The Governor recommends funding as requested.*

Emergency Management Agency

Rhode Island Statewide Communications Network. The Agency requests \$2.6 million of revised expenses from all funds, including \$1.1 million from general revenues for the Rhode Island Statewide Communications Network. This is \$0.9 million more than enacted including \$29,288 more from general revenues to reflect this year's grant award and projected program expenses including increased staffing expenses. Funding is used for the continued expansion of the network, which includes upgrading equipment, training, and travel expenses. *The Governor recommends \$7,880 less general revenues than requested to reflect eight pay reduction days and three medical benefit holidays.*

Emergency Management Agency Other Salaries and Benefits. The Agency requests \$2.4 million in revised FY 2010 expenditures for all other salary and benefits. This is \$69,472 less than enacted but \$85,491 more from general revenues. The changes include a reduction of 1.0 full-time equivalent position and \$69,264 split equally between state and federal sources for a position transferred to the National Guard and 1.0 new full-time equivalent position and \$37,498 from general revenues for a position that had been shared with the Governor's Office. The remaining changes include \$5,024 of which \$2,571 is from general revenues, for benefit adjustments consistent with Budget Office planning values and \$80,054 of unachieved general revenue turnover savings. While total turnover savings are increased by \$40,030, the Agency shifts \$80,054 of expenses to general revenues, effectively representing unachieved savings.

The Governor recommends \$80,499 less from all funds than requested, which includes \$25,402 less from general revenues to reflect savings from eight pay reduction days and three medical benefit holidays.

Homeland Security Grants. The Agency requests \$11.1 million for expenditures from homeland security grants. This is \$5.6 million more from federal funds than enacted to reflect new grant awards and the extension granted by the Department of Homeland Security to continue to make the remaining funds available to cities and towns. The funds are intended to enhance the capacity of emergency responders when faced with incidents of terrorism involving weapons of mass destruction. *The Governor recommends funding as requested, and adds \$5,334 available from statewide personnel savings.*

Emergency Performance Grant. The Agency requests expenditures of \$3.1 million from federal funds for the emergency performance grant, which is \$2.4 million more than enacted. The increase reflects a new grant award, offset by adjustments to reflect actual grant award balances. Funds are used to support state and local governments to sustain and enhance all-hazards emergency management capabilities. *The Governor recommends funding as requested and adds \$6,527 available from statewide personnel savings.*

Transit Security. The Agency requests \$1.0 million for revised FY 2010 expenditures for transit security. This is \$0.6 million more from federal funds than enacted. The increase reflects the actual grant award balance. The Agency is a pass through for funds provided to the Rhode Island Public Transit Authority to help strengthen the nation's critical infrastructure against risks associated with potential terrorist attacks. *The Governor recommends funding as requested and adds \$383 available from statewide personnel savings.*

All Other Grant Funding. The Agency requests revised expenditures of \$4.8 million, which is \$2.5 million more from all funds and includes \$27,415 more from general revenues. The increase reflects new and adjusted grant awards and carried forward funds consistent with the Department of Homeland Security's authorization for grant extensions. This funding supports specific goals of federal grants; buffer zone protection, emergency operation center, flood mitigation, law enforcement terrorism prevention, map modernization and disaster mitigation.

The Governor recommends \$0.1 million more than requested from all funds which includes \$8,047 more from general revenues for increased insurance premiums. This reflects \$0.1 million from a new hazardous materials grant, and \$2,175 from additional federal funds available from statewide personnel savings.

Department of Public Safety

	FY 2009	FY 2010	FY 2010	FY 2010
	Reported	Enacted	Rev. Req.	Revised
Expenditures by Program				
Central Management	\$ 4,409,844	\$ 5,435,033	\$ 6,918,797	\$ 6,878,006
E-911	5,564,660	4,886,572	5,328,215	5,105,316
Fire Marshal	2,814,726	3,007,162	3,541,139	3,458,011
Security Services	3,553,682	3,310,591	3,450,005	3,201,578
Municipal Police Training Academy	444,108	536,201	654,944	640,252
State Police	61,786,117	74,251,925	86,895,902	84,177,141
Total	\$ 78,573,137	\$ 91,427,484	\$ 106,789,002	\$ 103,460,304
Expenditures by Category				
Salaries and Benefits	\$ 45,876,671	\$ 45,717,691	\$ 49,270,849	\$ 46,893,533
Contracted Services	698,463	879,745	1,444,631	1,421,131
Subtotal	\$ 46,575,134	\$ 46,597,436	\$ 50,715,480	\$ 48,314,664
Other State Operations	7,053,460	6,953,809	6,603,967	6,279,580
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	18,720,291	19,677,597	21,578,402	21,576,941
Capital	6,224,252	18,198,642	27,891,153	27,289,119
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 78,573,137	\$ 91,427,484	\$ 106,789,002	\$ 103,460,304
Sources of Funds				
General Revenue	\$ 63,138,445	\$ 54,745,909	\$ 57,476,916	\$ 54,730,566
Federal Aid	7,925,798	17,227,246	22,442,347	22,520,193
Restricted Receipts	243,803	609,000	703,694	714,594
Other	7,265,091	18,845,329	26,166,045	25,494,951
Total	\$ 78,573,137	\$ 91,427,484	\$ 106,789,002	\$ 103,460,304
FTE Authorization	396.1	432.1	418.1	430.1
FTE Average	377.8			

FY 2010 Revised Request. The Department of Public Safety requests \$15.4 million more than enacted from all sources, including \$2.7 million more from general revenues, \$5.2 million more from federal sources, \$0.1 million more from restricted receipts, and \$7.3 million more from Rhode Island Capital Plan funds, and 14.0 fewer positions. The general revenue request is \$3.8 million more than the “working budget” of \$53.6 million. The working budget is the enacted budget adjusted for the Budget Office’s distribution of statewide personnel and operating reductions and retirement adjustments the 2009 Assembly budgeted centrally in the Department of Administration.

The Governor recommends \$3.3 million less than requested, including \$2.7 million less from general revenues. The Governor recommends 2.0 fewer positions than enacted, 12.0 more than requested.

Staffing Authorization. The Department requests staffing authorization of 418.1 full-time positions, which is 14.0 positions fewer than enacted. The request eliminates positions indicating they are vacant, including 2.0 from Central Management, 1.0 from E-911, 2.0 from the Fire Marshal, 4.0 from the Capitol Police, and 4.0 from the State Police. *The Governor recommends 430.1 full-time positions, 12.0 positions more than requested. The Governor maintains the 2.0 vacant civilian positions from the State Police.*

E-911 Telephone System

Salaries and Benefits. The Department requests \$4.2 million from general revenues salaries and benefits, \$360,814 more than the enacted. This includes \$346,670 for unachieved turnover savings, but eliminates a vacant Assistant Shift Supervisor position. The request reflects \$13,628 more for overtime expenditures, and \$516 more for updated benefit rates changes. *The Governor recommends \$0.3 million less than requested which includes the eight unpaid work days and three medical holidays and additional turnover savings based upon the retirement of the associate director of E-911.*

Computer Maintenance. The Department requests \$372,418 or \$67,685 less than enacted from general revenues for two computer maintenance contracts. A review of the contracts showed too much funding was included in the enacted budget. *The Governor recommends funding as requested.*

Telephone Charges. The Department requests \$267,200 for expenditures related to providing 911 access. This is \$56,800 less than enacted to reflect the current average cost of \$22,266 per month. The enacted budget included funding of \$324,000 or \$27,000 per month for telephone charges. *The Governor recommends funding as requested.*

Special Needs Emergency Registry. The Department requests \$16,347 of new federal funds to create a special needs registry along with the Department of Health and the Emergency Management Agency. The registry is a system of identification of Rhode Island citizens, who require special assistance during an emergency, including individuals with disabilities, chronic conditions, and special healthcare needs. *The Governor recommends funding as requested.*

Pictometry Upgrade. The Department's request includes \$250,000 from new federal Homeland Security funds to provide updates for the pictometry database project. The initial project was completed in FY 2009, and the Department will use these funds to continue to update the database to provide an up-to-date resource for the telecommunicators. *The Governor recommends funding as requested.*

Other Operations. The Department requests \$247,167 for all other E-911 operating and capital expenses, which is \$61,033 less from all sources, including \$6,033 less from general revenues. General revenue changes include \$5,000 more for computer upgrades at the primary public safety answering point facility. This is offset by \$13,800 less for fuel and utility expenses, and \$2,767 more for increases and decreases in accounts.

The Department does not include \$55,000 from Rhode Island Capital Plan funds for upgrades to the E-911 primary public safety answering point in its request. The Department anticipates the state will sell the North Providence location when the primary public safety answering point is moved to the new State Police headquarters and E-911 primary public safety answering point building in North Scituate.

The Governor recommends general revenue funding as requested; however, does include the \$55,000 from Rhode Island Capital Plan funds for the upgrades to the North Providence public safety answering point facility.

Fire Marshal

Salaries and Benefits. The Department requests \$2.2 million from general revenues for salaries and benefits, \$57,889 less than the enacted. This includes \$59,165 from additional turnover savings, accomplished by eliminating 2.0 vacant positions, \$35,312 less for overtime expenditures and \$4,183 more for updated benefit rates. *The Governor recommends \$2.2 million, \$79,913 less than requested to reflect the value of the eight unpaid work days and three medical holidays as well as additional adjustments based on updated employee benefit choices.*

Grant Adjustments. The Department requests \$1.0 million primarily from federal funds for the purchase of equipment and fire safety supplies, \$0.6 million more than enacted. The request includes \$0.7 million from Homeland Security funds for the purchase of an all-terrain vehicle, bomb suits, body armor, and other equipment. The remaining \$0.3 million from federal funds is for the training of local fire departments for first responder and emergency response to hazardous materials procedure training. The Department's request also includes \$10,900 from a grant award from the Rhode Island State Fireman's League, which it inappropriately classifies as other funds, to assist in training activities at the Fire Training Academy. *The Governor recommends funding as requested.*

Other Operating. The Department requests \$272,620 for all other operating expenses, \$53,646 less than enacted. The request includes reductions for vehicle expenses, legal, travel, and general office expenses which appear to be consistent with prior years' needs. *The Governor provides \$3,125 less than requested with adjustments for vehicle expenses.*

Capitol Police

Salaries and Benefits. The Department requests \$3.4 million from general revenues for salaries and benefits, \$129,859 more than enacted. The request adds \$291,000 for overtime expenditures. This is offset by \$233,181 in additional turnover savings from eliminating 5.0 vacant positions. The remaining changes reflect benefit rate adjustments. *The Governor recommends \$0.2 million less than requested to reflect the value of the eight unpaid work days and three medical holidays and provides \$0.1 million less than requested for overtime expenses based upon revised projections.*

Other Operating. The Department requests \$83,695 for other operating expenses, \$9,555 more than enacted. This includes \$14,300 for the replacement of uniforms not funded in the enacted budget, offset by reductions in telephone and other operating expenses. *The Governor provides \$20,300 less than requested. He does not include the \$14,300 requested for the replacement of uniforms and further reduces uniform expenditures by \$5,000 and other operating expenses by \$1,000.*

Municipal Police Training Academy

Salaries and Benefits. The Department requests \$1,587 less from general revenues than enacted for salaries and benefits. This reflects savings from the Department's elimination of overtime expenditures offset by other benefit adjustments made consistent with Budget Office instructions. *The Governor recommends \$280,657, \$11,192 less than requested to reflect the eight unpaid work days and three medical holidays.*

Curriculum and Assessment Coordinator. The Department requests \$57,022 from a new federal grant for a new Curriculum and Assessment Coordinator contract position. The Department will contract with an individual to oversee the development and implementation of a new curriculum and assessment program based upon specialized police duties protocol. The basic training component will increase from 15 to 18 weeks to accommodate the new learning objectives that will be devised and implemented by the Basic Training Coordinator. The Department anticipates hiring the individual on January 1, 2010, with project completion in FY 2011. *The Governor recommends funding as requested.*

Basic Training Coordinator. The Department of Public Safety requests \$53,465 from new federal grant awards for a Basic Training Coordinator contract position. The Department will contract with an individual to oversee the entry-level training and certification of recruit officers at the Municipal Police Training Academy. The basic training component will increase from 15 to 18 weeks to accommodate the new learning objectives that will be devised and implemented by the Basic Training Coordinator. The Department anticipates hiring the individual on January 1, 2010, with project completion in FY 2011. *The Governor recommends funding as requested.*

Grant Adjustments. The Department requests \$22,584 more than enacted for all other grant adjustments. This includes \$15,034 of new Drug Recognition and Standard Field Sobriety Test Training grant funding, which will allow for in-service training in the fields of drug recognition and standard field sobriety tests. The Department requests \$32,550 of Byrne Grant funding to conduct in-service training programs, \$7,550 more than enacted. *The Governor recommends funding as requested.*

Other Operating. The Department requests \$12,741 less from general revenues for all other operating expenditures. This includes reductions for vehicle maintenance, for training expenses; and for other operating expenses to bring spending estimates more in line with FY 2009 expenditures. *The Governor provides \$3,500 less than requested by eliminating funding for office supplies and food expenditures.*

State Police

Operations and Maintenance Coordinator. The Department requests includes \$49,597 and 1.0 full-time equivalent position for a new operations and maintenance coordinator that was hired in October 2009 for the new State Police Headquarters. The responsibilities of this position include: the HVAC system, chemical systems, bio-hazard materials, and the regular operations of the new facility. The Department requested and the Governor recommended adding this position in FY 2010; however, the 2009 Assembly did not concur. *The Governor recommends funding as requested.*

Retirement Contribution Correction. The 2009 Assembly did not adopt the Governor's proposed changes to State Police retirement benefits. It added \$3.5 million from all sources including \$2.0 million from general revenue and \$1.5 million from federal funds to the Department of Administration budget to fully fund the contribution. However, the allocation to each fund source was not calculated correctly because additional federal sources were not available. The actual requirement is \$3.5 million from general revenues. The Department's request includes the correct amount. *The Governor recommends \$0.1 million less than requested to reflect benefit adjustments.*

Violent Fugitive Task Force. The Violent Fugitive Task Force is responsible for tracking and locating subjects that are wanted on felony charges. The enacted budget includes \$779,897 for 7.0

task force members to track and investigate long-term fugitive matters and track a number of parole violators.

The Governor includes Article 8 of his proposed budget to eliminate the Violent Fugitive Task Force and create a new statewide fraud investigation unit. He provides \$0.3 million less from general revenues from the elimination of the Violent Fugitive Task Force on January 1, 2010. The budget provides \$0.2 million from available internal service funds from agency payroll assessments in the Department of Administration to fund the new fraud investigation unit. This unit will be comprised of 4.0 members of the former Violent Fugitive Task Force and will report to the Superintendent of the Department of Public Safety.

The Governor subsequently submitted an amendment which made a number of technical and substantive changes, including changing the name of the new unit from the Employment Integrity Unit to the Worker's Compensation Investigations Unit. The amendment also defines members of the Worker's Compensation Investigations Unit as Peace Officers and allows them to carry concealed firearms.

Other Salaries and Benefits. The Department requests \$0.5 million less than enacted from all sources for all other salaries and benefits, including \$0.9 million less from general revenues. The Department achieved these savings by keeping the 36.0 graduates of the 53rd Trooper Training Academy an additional week at the academy payment rate and by eliminating 5.0 vacant positions. These positions include 3.0 civilian vacancies and the retirement of 2.0 Troopers. The request reflects a decrease of \$0.2 million for updated benefit rate changes.

The enacted budget did not include any cost-of-living increase to the sworn members of the Rhode Island Troopers Association, but does include benefit adjustments consistent with Budget Office instructions and longevity and step increases.

The Governor includes \$1.3 million less than requested to reflect the eight unpaid work days and three medical holidays and includes additional turnover savings based upon the retirement of one State Trooper and the resignation of another trooper. This assumes that all employees participate in the pay reduction days, although the Administration has not yet reached an agreement with the Troopers Association. The value of the eight unpaid work days for members of the Troopers Association is \$0.6 million.

54th Trooper Training Class Recruitment. The Department requests \$4,500 more than enacted for the recruitment of the 54th Trooper Training Academy for additional postage costs. The Department will begin recruiting in the spring of 2010 with the written examination administered in June, 2010. The remainder of the recruiting process will take place in FY 2011 with the 54th Trooper Training Academy beginning on March 14, 2011.

The Governor's revised budget removes the full \$57,500 in the enacted budget for the recruitment of the 54th Trooper Training Academy, based on a subsequent Department corrective action plan proposal to shift this to August 2010, which is FY 2011. The Department also indicates that the 54th Trooper Training Academy will be delayed until FY 2012.

Computer Maintenance Contracts. The Department requests \$6,657 less from general revenues for computer maintenance contracts. The State Police, spent \$8,393 less than the enacted budget in FY 2009. *The Governor recommends funding as requested.*

Pay-Go Pensions. The Department requests \$15.8 million from all sources for pensions for troopers hired before July 1, 1987. These pensions are funded through a general revenue appropriation and are projected to exceed the enacted budget by \$125,094. Changes to the enacted budget assumptions include two more widow's pensions and two fewer regular pensions, as the result of three new retirees and the deaths of five pensioners. *The Governor recommends funding as requested.*

Laptops for New Troopers. The Department requests \$150,000 from new traffic enforcement funds made available from the Governor's Office on Highway Safety to purchase 36 new laptop computers for the graduates of the 53rd Trooper Training Academy. The Department initially requested \$150,000 from general revenues for the purchase of the laptop computers in the FY 2009 revised budget; however, funding was removed as part of the Department's corrective action plan. *The Governor recommends funding as requested.*

Staff Training. The Department requests \$72,252 from general revenues, \$24,594 less than enacted for training expenses. The Department includes \$25,000 less for tuition payments for sworn members attending Roger Williams, Salve Regina and Anna Maria Colleges to bring spending estimates more in line with FY 2009 expenditures. The Department requests \$460 more for monthly training for explosive detection canines and their handlers. *The Governor recommends funding as requested.*

Vehicle Maintenance. The Department requests \$1.6 million for vehicle maintenance costs. This is \$173,889 less than enacted from general revenues and the enacted level from Department of Transportation funding. It appears that overall costs will be lower, but the amount funded by the Department of Transportation is consistent with the enacted budget. *The Governor recommends total funding as requested but includes the Department's proposal, as part of its corrective action plan, to utilize narcotic forfeiture funds to offset \$200,000 of general revenue expenditures for the payment of debt service for vehicles.*

Fleet Replacement. The Department requests \$1.1 million for fleet replacement costs, \$0.2 million more than enacted. This increase reflects debt service for vehicles that have already been purchased and the purchase of eight patrol vehicles and four detective vehicles. The repayment schedule is provided by the Budget Office. *The Governor provides \$39,912 less than enacted, due to a revised payment schedule provided by the Budget Office. The Governor does not include funding for the purchase of any new vehicles in FY 2010.*

Bullet Proof Vests. In FY 2010 the Department spent \$134,126 from general revenues to purchase 199 soft body armor bullet proof vests at a cost of \$674 each. This is \$65,874 less than the \$200,000 provided in the enacted budget, which assumed a cost of \$1,000 each. *The Governor recommends funding as requested.*

Fusion Center. The Department includes \$1.4 million from federal sources for the purchase of a comprehensive intelligence system for the Rhode Island Fusion Center. This is \$0.8 million more than enacted carried forward from FY 2009. The Rhode Island Fusion Center electronically collects information from a number of government and public databases. This information allows the Department to use the Fusion Center to cross reference and look for disparities of information relating to individuals that may be partaking in illegal activities. *The Governor recommends funding as requested.*

Cyber Terrorism Task Force. The Department includes \$0.4 million, \$0.3 million more from federal United States Army Intelligence Cyber Terrorism Task Force funds. This includes \$227,000 more from new federal grant awards and \$152,150 from additional federal sources carried forward

from FY 2009. These funds are to be used to protect the nation's cyber infrastructure including the Internet and other infrastructures that use computer systems. *The Governor recommends funding as requested.*

Port Security. The Division requests \$205,245 from new federal funds to purchase new equipment for the State Police Dive team. This request includes \$24,980 from Homeland Security port security grant awards and \$180,265 as part of American Recovery and Reinvestment Act funds. *The Governor recommends funding as requested.*

Drug Enforcement Program. The Department requests \$0.3 million from federal funds, of which \$0.2 million is carried forward from FY 2009 for the installation of a records management system. *The Governor recommends funding as requested.*

Internet Crimes Against Children. The Division requests \$0.2 million more from federal funds to establish a statewide multi-agency law enforcement task force to target online predators and child exploitation investigations. This request includes \$23,500 more from funds carried forward from FY 2009 and \$204,925 as part of the American Recovery and Reinvestment Act. This new grant award will allow the Department to create two new contact positions, a Grants Project Specialist and a Computer Forensic Analyst. *The Governor recommends funding as requested.*

Communications. The Division requests \$507,770 from a new federal Homeland Security grant to purchase new radio dispatch equipment. The new radio dispatch equipment will be installed at the Lincoln, Wickford and Hope Valley barracks to provide access to the Rhode Island Statewide Communications Network. This will allow for the barracks to connect and communicate with the Emergency Management Agency, the Department of Transportation and other state and local public safety personnel. The Department will utilize this funding to purchase a radio logging recorder for the State Police Headquarters and mobile and portable radios for the use by State Police personnel. *The Governor recommends funding as requested.*

Grant Adjustments. The Department requests \$77,802 more than enacted for other grant adjustments. This includes \$24,583 of new funding to create a new task force with the Providence Police Department, \$12,100 to purchase three vehicles for the commercial enforcement unit and \$40,829 more for the Motor Carrier Safety program. *The Governor provides \$0.2 million more than requested from American Recovery and Reinvestment Act stabilization funds to reflect funds available from statewide personnel savings for other uses.*

Training and Surveillance Equipment. The Department requests \$566,694 from restricted receipts and federal funds available from the forfeiture of seized money to purchase new equipment. This is \$101,694 more than enacted. The Department plans to purchase a new polygraph machine, radio and phone recording equipment, police equipment, a network upgrade, a server and desktop replacement, in addition to software upgrades. *The Governor provides \$200,000 less than requested to reflect the Department's subsequent proposal to utilize narcotic forfeiture funds to offset \$200,000 of general revenue expenditures for vehicle debt service payments.*

Other Operating. The Department requests \$1.0 million from all sources for all other operating expenses. This is \$104,856 less than enacted from all sources including \$92,156 less from general revenues. This reflects reductions in expenses for costs associate with the 53rd Trooper Training Academy, utility and other operating expenses. *The Governor recommends funding essentially as requested and includes additional federal funds to reflect funds available from statewide personnel savings for other uses.*

Capital. The State Police requests \$23.3 million from Rhode Island Capital Plan Funds for its capital projects, \$7.0 million more than enacted. This includes \$1.5 million more for improvements to the State Police Training Facility, \$3.6 million more for improvements to the State Police Headquarters and \$2.3 million more for the Information Technology and Microwave Ring upgrade. This is not consistent with the Department's Capital Budget request as it includes \$0.7 million more for improvements to the State Police Barracks in error. *The Governor provides \$22.6 million from Rhode Island Capital Plan funds for the Department's capital projects. This corrects the Department's error.*

Central Management

Salaries and Benefits. The Department requests \$1.2 million, \$14,002 more from all sources for salaries and benefits, including \$69,545 less from general revenues. The Department includes \$107,598 less than enacted to reflect additional turnover savings, offset by \$38,053 more for updated benefit rate changes. *The Governor recommends \$1.2 million, \$47,391 less than requested to reflect eight unpaid work days and three medical benefit holidays.*

Byrne Memorial Grant. The Division requests \$1.0 million from new federal grant awards to provide the Edward Byrne Memorial Justice Assistance Grants. Funding may be used to support state and local initiatives, purchase supplies, contractual support, and information systems that will assist in Criminal Justice. Funding is to be provided to law enforcement agencies, prosecution and court programs, prevention and educational programs, corrections programs, drug treatment and enforcement programs. *The Governor recommends funding essentially as requested and includes \$445 more to reflect funds available from statewide personnel savings for other uses.*

Crime Victim Assistance. The Division requests \$1.6 million from federal grant awards to provide the Crime Victim Assistance grant program. The request is \$538,948 more than enacted. The increase includes \$370,644 from carried forward funds from FY 2009 and \$168,304 as part of American Recovery and Reinvestment Act funds. These grant awards will allow the Department to provide funding to groups who assist victims of crime. *The Governor recommends funding essentially as requested and includes \$1,558 more to reflect funds available from statewide personnel savings for other uses.*

Grant Adjustments. The Department requests \$2.9 million, \$38,137 less than enacted from federal sources for grant adjustments. This includes \$247,770 less than enacted for Juvenile Accountability grants, \$4,814 more for the Narcotics Control Assistance Program; \$27,596 from new grant awards for the Rhode Island Forensic Improvement Program; \$98,260 more for United States Department of Justice grants to Encourage Arrest Policies and \$78,591 from new American Recovery and Reinvestment Act funds for Violence Against Women grant awards. *The Governor recommends funding as requested and includes \$4,597 more to reflect funds available from statewide personnel savings for other uses.*

Office of the Public Defender

	FY 2009 Reported	FY 2010 Enacted	FY 2010 Rev. Req.	FY2010 Revised
Expenditures by Category				
Salaries and Benefits	\$ 8,374,199	\$ 8,785,964	\$ 8,897,827	\$ 8,557,007
Contracted Services	115,975	178,766	215,525	215,525
Subtotal	\$ 8,490,174	\$ 8,964,730	\$ 9,113,352	\$ 8,772,532
Other State Operations	756,835	818,957	789,861	789,816
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	25,205	25,400	23,400	23,400
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 9,272,214	\$ 9,809,087	\$ 9,926,613	\$ 9,585,748
Sources of Funds				
General Revenue	\$ 8,986,912	\$ 9,583,189	\$ 9,537,594	\$ 9,204,425
Federal Aid	285,302	225,898	389,019	381,323
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 9,272,214	\$ 9,809,087	\$ 9,926,613	\$ 9,585,748
FTE Authorization	91.0	91.0	93.0	93.0
FTE Average	88.2			

FY 2010 Revised Request. The Office of the Public Defender requests \$117,526 more than enacted from all funds including \$45,595 less from general revenues and 2.0 full-time equivalent positions above the authorized level. The requested additional positions will be funded from newly available federal grants. The general revenue request is \$565,754 more than the “working budget” of \$9.0 million. The working budget is the enacted budget adjusted for the Budget Office’s distribution of statewide personnel and operating reductions and retirement adjustments the 2009 Assembly budgeted centrally in the Department of Administration.

The Governor recommends \$0.2 million less than enacted from all sources, including \$0.4 million less from general revenues and \$0.2 million more from federal funds. This is \$0.3 million less than requested and includes the 2.0 additional positions requested. The recommendation is \$0.2 million more than the working budget.

Tri-County Screening Attorney. The Office requests \$78,507 from federal funds and 1.0 new full-time equivalent position to reflect a new federal grant award for an additional attorney position to support the Tri-County Screening project in Washington, Newport and Kent counties. The Office did not anticipate receiving this award when it submitted its original FY 2010 budget request. *The Governor recommends the position, but includes \$1,946 less than requested to reflect savings for eight pay reduction days and three medical benefit holidays.*

Adult Drug Court Attorney. The Office requests \$68,048 from federal funds and 1.0 new full-time equivalent position to reflect a new federal grant award for an additional attorney position to support the Adult Drug Court program. The Office did not anticipate receiving this award when it submitted its original FY 2010 budget request. *The Governor recommends the position, but includes \$1,690 less than requested to reflect savings for eight pay reduction days and three medical benefit holidays.*

Community Partnership Project. The Office requests \$36,542 more than enacted from federal funds to reflect a federal grant increase to support this project. The changes include \$40,411 in contractual services for a social worker, \$11,403 for salary and benefit changes for the full-time staff funded from this grant offset by \$15,272 in other expenditure adjustments for the program. *The Governor recommends \$1,573 less than requested to reflect savings for eight pay reduction days and three medical benefit holidays.*

All Other Salaries and Benefits. The Office requests \$43,289 less than enacted from general revenues for all other salaries and benefits. When adjusted for the request to add \$29,925 for purchased network administration services to backfill the vacancy, the reduction to the enacted budget is \$13,364. This includes additional turnover and statewide benefit adjustments. Currently, the Office is averaging 89.0 full-time equivalent positions or 2.0 positions below the authorized level. *The Governor recommends \$340,599 less than enacted, which is \$327,235 less than requested to reflect savings for eight pay reduction days and three medical benefit holidays.*

Juvenile Response Unit. The Office requests \$20,000 less than enacted from federal funds to reflect a reduction in contractual social work services for the Juvenile Response Unit project. This reflects purchased service expenses for a portion of FY 2010 because the revised request for temporary services for this unit is currently awaiting a public hearing for authorization. *The Governor recommends funding as requested.*

Other Operations. The Office requests \$32,207 less than enacted from all funds including \$32,231 less from general revenues for all other operations. This reduction reflects less than anticipated across-the-board savings due to increased rental expenses. This includes reduced trial-related expenses including expert witnesses, interpreters/translators, and court reporters. Other operating reductions include electronic entry maintenance fees, janitorial services, rental costs, fees and dues, office supplies, utilities, mileage reimbursement and other miscellaneous expenses. *The Governor recommends \$8,421 less than requested, including \$5,934 less from general revenues to reflect further reductions for utilities, office equipment and supplies, and staff training based on actual FY 2009 expenditures.*

Department of Environmental Management

	FY 2009 Reported	FY 2010 Enacted	FY 2010 Rev. Req.	FY 2010 Revised
Expenditure by Program				
Office of the Director	\$ 6,930,608	\$ 8,645,285	\$ 7,980,893	\$ 7,615,877
Bureau of Natural Resources	34,752,699	45,574,332	47,100,685	48,286,565
Bureau of Environmental Protection	24,882,906	36,753,628	40,596,380	38,321,206
Subtotal	\$ 66,566,213	\$ 90,973,245	\$ 95,677,958	\$ 94,223,648
Expenditures by Category				
Salaries and Benefits	\$ 42,507,339	\$ 43,589,499	\$ 43,629,019	\$ 41,705,625
Contracted Services	3,558,577	9,173,609	14,692,736	14,424,227
Subtotal	\$ 46,065,916	\$ 52,763,108	\$ 58,321,755	\$ 56,129,852
Other State Operations	8,389,791	10,304,086	10,106,992	10,152,270
Aid to Local Units of Government	-	-	-	-
Assistance, Grants and Benefits	3,996,921	11,255,349	9,829,875	8,515,614
Capital	8,014,445	16,650,702	17,419,336	19,425,912
Capital Debt Service	-	-	-	-
Operating Transfers	99,140	-	-	-
Total	\$ 66,566,213	\$ 90,973,245	\$ 95,677,958	\$ 94,223,648
Sources of Funds				
General Revenue	\$ 32,853,893	\$ 35,484,369	\$ 34,767,550	\$ 32,811,928
Federal Aid	19,660,114	33,680,872	37,943,275	37,803,320
Restricted Receipts	11,413,374	15,246,049	15,276,809	13,850,042
Other	2,638,832	6,561,955	7,690,324	9,758,358
Total	\$ 66,566,213	\$ 90,973,245	\$ 95,677,958	\$ 94,223,648
FTE Authorization	409.0	417.0	408.0	414.0
FTE Average	409.5			

FY 2010 Revised Request. The Department requests \$4.7 million more than enacted, including \$0.7 million less from general revenues, \$4.3 million more from federal funds, \$30,760 more from restricted receipts and \$1.1 million more from other funds. The Department requests 408.0 full-time equivalent positions, which is 9.0 less than authorized. The general revenue request is \$1,545,113 more than the “working budget” of \$33,222,473. The working budget is the enacted budget adjusted for the Budget Office’s distribution of statewide personnel and operating reductions and retirement adjustments the 2009 Assembly budgeted centrally in the Department of Administration.

The Department subsequently identified savings in a corrective action plan that included maintaining vacant positions, reducing operating expenditures to FY 2009 actual levels and eliminating non-essential contracted services.

The Governor recommends \$3.3 million more than enacted, including \$2.7 million less from general revenues, \$4.1 million more from federal funds, \$3.2 million more from other funds and \$1.4 million less from restricted receipts. The recommendation is \$410,545 less than the working budget.

Administration

Permit Streamlining. The Department requests \$52,248 less than enacted from general revenues for its permit streamlining process, which creates a centralized system for tracking permits allowing departmental personnel and consumers the ability to track the status and progress of applications through the Department's website. The request reflects a delay in portions of the project. ***The Governor further reduces the request by \$40,000 to reflect reduced information technology contracted services, consistent with the Department's corrective action plan.***

One Stop Reporting. The Department requests \$135,000 less from federal funds to reflect the Department's anticipated award in FY 2010 for the One Stop Reporting Program. This program provides consulting and technology to the Department to upgrade its communication technology as well as insuring it is capable of uploading air quality information obtained by the Department to the national system, which is operated by the Environmental Protection Agency. ***The Governor recommends funding as requested.***

Bays, Rivers and Watersheds. The Department requests \$250,000 less from the Bays, Rivers and Watersheds restricted receipt account. The funding is derived from a \$1 per hundred gallons charge on septage disposal in the state, and is used to fund the Bays, Rivers and Watersheds Coordination Team, which is responsible for the coordination of the environmental agencies in the state to restore and develop both freshwater and marine waters and watersheds. The request is reduced to more accurately reflect available funding. ***The Governor recommends funding essentially as requested, but adds \$2,155 for additional operating expenses based on a revised estimate of available funds.***

Salaries and Benefits. The Department requests \$0.2 million less than enacted, primarily from general revenues, for salaries and benefits in the Department's administrative program. The request reflects holding a hearing officer position vacant for the year.

The Governor recommends \$0.5 million less than enacted and \$0.3 million less than requested. The recommendation includes \$0.6 million less from general revenues to reflect personnel savings from two additional vacant positions as well as the eight pay reduction days and medical benefit holidays. The recommendation also includes \$0.1 million more from restricted receipts to reflect additional funds available from indirect cost recovery charges from the Department's federal grants.

All Other Operating. The Department requests \$26,980 less than enacted, including \$26,480 from general revenues for all other operating adjustments not mentioned above. The request reduces expenditures primarily for operating supplies, which includes reductions for printing costs, temporary services and office supplies. ***The Governor recommends \$0.1 million less than enacted, including \$105,005 less from general revenues to reflect operating reductions consistent with the Department's subsequent corrective action plan.***

Natural Resources

Fish and Wildlife Salaries and Benefits. The Department requests \$3.9 million from all funds for salary and benefit expenditures in the Division of Fish and Wildlife. The request is \$0.3 million more than enacted, including \$20,337 less from general revenues, \$101,881 more from restricted receipts

and \$248,038 more from federal funds. The increase reflects the filling of the vacant chief of fish and wildlife position, as well as adjustments to retirement costs and other benefits consistent with Budget Office instructions. *The Governor recommends \$0.2 million less than requested, and does not include funding to fill the vacant position. The recommendation also includes \$67,029 less to reflect the eight pay reduction days and medical benefit holidays.*

Fish and Wildlife Operating. The Department requests \$5.7 million from all funds, or \$0.2 million more than enacted for operating expenses in the Division of Fish and Wildlife. The majority of additional funding is being requested from federal funds to be used for operating expenses within the Division. The Department is requesting the additional funds to better reflect its anticipated expenses and award. *The Governor recommends the increase and adds \$43,490 from federal funds to reflect additional funds available from statewide personnel savings.*

Fish and Wildlife Federal Grants. The Department requests \$1.3 million more than enacted from federal funds to better reflect its anticipated award for five grants in the Fish and Wildlife Division. The request includes \$1.0 million more for the state's wildlife management and development, \$0.4 million more for the construction of boating infrastructure, \$0.2 million more for the restoration of freshwater fisheries offset by a decrease of \$0.2 million for removal of marine debris. *The Governor recommends funding essentially as requested, with the exception of \$11,491 less to adjust for the eight pay reduction days and medical benefit holidays.*

Enforcement Salaries and Benefits. The Department requests \$4.5 million from all sources, including \$2.7 million from general revenues and \$0.9 million each from federal funds and restricted receipts for the Division of Enforcement. The Division provides 24-hour patrols on the state's waters, protecting commercial fish and shellfish industries, and enforcing state laws and regulations governing the recreational take of fish and wildlife. The request is \$0.1 million more than enacted to reflect updated retirement and benefit costs, consistent with Budget Office instructions.

The Governor recommends \$0.1 million less than enacted and \$0.2 million less than requested for the Division's salaries and benefits. The reduction from the request includes \$151,473 less from general revenues, \$32,108 less from restricted receipts and \$29,266 less from federal funds to reflect turnover for 1.0 position as well as the eight pay reduction days and medical benefit holidays.

Enforcement Operations. The Department requests \$58,454 more than enacted from all funds for operating expenses in the Division of Enforcement. The request includes \$10,684 less from general revenues, \$78,812 less from restricted receipts offset by an increase of \$147,950 from federal funds. The Department notes the additional funds are derived from an enforcement grant from the National Oceanographic and Atmospheric Administration. The increase in the request reflects the Division's plan to build docks and acquire an evidence storage building at the Wickford facility.

The Governor recommends \$59,836 more than enacted and \$1,382 more than requested for the Division's operations. The increase to the request includes \$8,963 less from general revenues and \$10,345 more from federal funds to reflect additional funds available from statewide personnel savings.

Forestry Operations. The Department requests \$125,518 less than enacted, including \$132,418 less from general revenues for its Forestry Division. The division is responsible for the management and protection of the state's 40,000 acres of forested land. The request reflects 1.0 vacant position as well as a reduction in overtime costs to more closely match actual FY 2009 expenditures. *The Governor*

recommends \$0.2 million less than enacted, including \$192,810 less from general revenues. This is \$79,437 less than requested to reflect the eight pay reduction days and medical benefit holidays.

Natural Resources Administration. The Department requests \$0.2 million more than enacted from all funds, including \$0.1 million from general revenues for operations in the Natural Resources Administration Division. The division is responsible for the administration of the Bureau of Natural Resources. The request is primarily for increased personnel costs attributed to step and longevity increases, as well as adjustments to retirement costs and other benefits consistent with Budget Office instructions.

The Governor recommends the requested changes and also includes \$1.2 million for an operating transfer from the Department of Transportation for recreational projects, such as the Blackstone Valley Bike Path. The transfer was inadvertently excluded from the enacted budget and the Department's revised request.

National Estuarine Construction. The Department requests \$0.2 million more than enacted from federal funds to reflect its anticipated award from the National Oceanographic and Atmospheric Administration to make repairs to the Department's educational facilities on Block Island. Funding will also be used to install a new floating dock which will increase the Department's ability to perform sampling and monitoring activities. *The Governor recommends funding essentially as requested, with the exception of \$373 less to reflect the eight pay reduction days and medical benefit holidays.*

Payments to Host Beach Communities. The Department requests \$493,901 from general revenues for payments to host beach communities. The request is \$43,901 more than enacted to reflect actual payments to host beach communities. The Department collects fees for daily and seasonal parking at seven facilities across the state and reimburses the four host communities of Charlestown, Westerly, Narragansett and South Kingstown 27.0 percent of all daily parking fees collected from Memorial Day to Labor Day. *The Governor recommends funding as requested.*

Parks and Recreation. The Department requests \$0.3 million less from general revenues for its Division of Parks and Recreation. The request reflects reductions for operating supplies, personnel, and contracted services to align more closely with FY 2009 actual expenditures.

The Governor recommends \$0.5 million less than enacted and \$0.2 million less than requested. The decrease from the request includes \$0.1 million for operating reductions consistent with the Department's corrective action plan; and \$0.1 million to adjust for the eight pay reduction days and medical benefit holidays.

Capital Projects. The Department requests \$3.9 million from Rhode Island Capital Plan funds for five ongoing capital projects. The request is \$0.6 million less than enacted, including \$0.8 million less for state owned dam repairs, \$50,000 less for upgrades to the state piers at Galilee offset by a \$0.2 million increase for repairs to the state piers in Newport. The changes are being requested to recognize changes in the Department's construction schedule.

The Governor recommends funding essentially as requested, but includes funds carried forward from FY 2009 which result in a \$0.9 million increase compared to the request. This includes \$0.8 million more for the state's recreational facility improvements and \$21,670 more for remediation activities at the Rose Hill Landfill Superfund site.

Natural Resources All Other. The Department requests \$88,103 more than enacted, including \$10,046 less from general revenues, \$17,886 more from federal funds and \$80,263 more from other

funds for all other personnel and operating expenses not mentioned above. The Department is receiving the funds as part of a Memorandum of Understanding with the Department of Transportation, which funds a portion of personnel costs for the Bureau when it performs environmental work for the agency.

The Governor recommends \$15,853 more than enacted for all other operations not previously mentioned in the Bureau of Natural Resources. The recommendation is \$72,250 less than requested to adjust for the eight pay reduction days and medical benefit holidays.

Environmental Protection

Retrofit Heavy Duty Diesel Vehicles. The Department requests \$1.6 million from other funds to recognize additional funds from a grant for the Department to develop and implement a program to retrofit municipal and contracted diesel school buses statewide in order to reduce air pollution from diesel engines through cost effective retrofit technologies. Funding is transferred from the Department of Transportation's Congestion Mitigation and Air Quality funds to fund this program. The enacted budget included \$1.0 million for these purposes, and the Department was recently notified it would receive an additional \$1.6 million, for a total of \$2.6 million for this program in FY 2010. *The Governor recommends funding as requested.*

Diesel Emissions Program. The Department requests an additional \$0.5 million from federal funds for its diesel emission reduction program. The program is funded through American Recovery and Reinvestment Act funds, and lowers diesel emissions by retrofitting state-owned vehicles with diesel emission reduction technology or by partially funding the replacement of diesel powered vehicles in the state or municipal fleet. The additional funds are being requested to more accurately reflect the Department's FY 2010 award. *The Governor recommends funding as requested.*

Compliance and Inspection. The Department requests \$0.3 million less than enacted from general revenues for the Office of Compliance and Inspection, which is responsible for the regulatory enforcement activities related to air, waste, and water resources. The decrease in the request is due to a reduction of 4.0 full-time equivalent positions in the office. *The Governor recommends funding essentially as requested, with the exception of \$101,159 less to adjust for the eight pay reduction days and medical benefit holidays.*

Oil Spill Prevention, Administration and Response Fund. The Department requests \$0.4 million more than enacted from the Oil Spill Prevention, Administration and Response Fund. The increase in the request reflects funding for additional work at the Dawley Park facility for Emergency Response, with the remaining funding used for maintenance of the Physical Oceanographic Real-Time system and contractual services with the University of Rhode Island to update the state's emergency response plan, and to support the Narragansett Bay National Estuarine Research Reserve. *The Governor recommends funding essentially as requested, with the exception of \$15,813 less to adjust for the eight pay reduction days and medical benefit holidays.*

Environmental Response Fund. The Department requests \$2.3 million, or \$86,001 less than enacted from the Environmental Response Fund. Funding is derived from fines against entities found in violation of the state's environmental regulations, and is used for personnel and operating expenses related to environmental emergency response and preparedness. The Department is reducing its request from this source to reflect projected available funds for FY 2010. *The Governor recommends funding essentially as requested, with the exception of \$40,156 less to adjust for the eight pay reduction days and medical benefit holidays.*

Underground Storage Tank Financial Responsibility Fund Review Board. The Department requests \$3.8 million from restricted receipts for the Underground Storage Tank Financial Responsibility Fund Review Board. The Board is funded through a one-half cent per gallon tax on motor fuel. The request is \$74,660 less than enacted to reflect available restricted receipt funding.

The Governor recommends \$1.5 million less than enacted. The recommendation includes \$1.3 million less to reflect a reduction in available restricted receipt funding which is used to pay claims on leaking underground storage tanks. The Governor includes \$0.3 million less to adjust for the eight pay reduction days and medical benefit holidays. The recommendation also includes an additional \$159,949 from general revenues to fund 1.5 positions that are responsible for the Underground Storage Tank program.

The Governor includes Article 10 in the FY 2010 revised budget, which would exempt the fund from the 10.0 percent indirect cost recovery mandated by Rhode Island General Laws. This would provide the fund with an additional \$0.2 million, which would be used to ensure that all claims approved in FY 2010 can be paid.

Brownfields. The Department requests \$1.0 million from federal stimulus funds for brownfields rehabilitation projects throughout the state. Properties classified as brownfields include any property that can not be developed, expanded or reused due to the presence of an environmental hazard. The Department currently operates a brownfields program funded through federal funds; however, the Department's revised request includes an additional \$1.0 million from federal funds to reflect additional funds made available through the American Recovery and Reinvestment Act of 2009. *The Governor recommends funding as requested.*

Rose Hill Landfill. The Department requests \$0.4 million more than enacted, including \$50,000 from general revenues and \$312,000 from federal funds for maintenance activities at the state's Superfund site located at the former Rose Hill Landfill in South Kingstown. The Comprehensive Resource Conservation and Liability Act, known as the Superfund law, mandates that for fund financed remedial actions, the state is required to share a minimum of 10.0 percent and up to 50.0 percent for municipal or state-operated facilities. As part of the regulations, states must agree to assume responsibility for operation and maintenance of the implemented remedial action for the expected life of such action and states must ensure that any institutional controls implemented as part of the remedial action at a site are sustained. The increase in the request reflects the state's portion for upgrades to the site methane gas collection system.

It should be noted that the Department concluded FY 2009 with \$0.4 million unspent from general revenues. The Department originally anticipated upgrading the methane gas collection facilities in FY 2009; however, the repairs were not necessary until the current year. Because of this, the Department is requesting additional funds to reflect making the necessary upgrades during FY 2010.

The Governor recommends \$304,973 more than enacted and \$57,027 less than requested for post-closure activities at the site. The recommendation includes a \$55,000 reduction to general revenues that are used as the state match for this project. The Department will instead use Rhode Island Capital Plan funds carried forward from FY 2009 as well as additional federal funds to complete the repairs. The recommendation also reduces expenditures by \$2,027 to adjust for the eight pay reduction days and medical benefit holidays.

Transportation Memorandum of Understanding. The Department requests \$0.1 million more than enacted from other funds to reflect a Memorandum of Understanding with the Department of Transportation. The agreement transfers funding to the Department for work performed for Department of Transportation projects that involve wetland or brownfields issues. *The Governor recommends funding essentially as requested, with the exception of \$3,022 less to adjust for the eight pay reduction days and medical benefit holidays.*

Division of Water Resources. The Department requests \$4.9 million or \$0.1 million less from general revenues for its Division of Water Resources. The office is responsible for the state's water resources that are used for recreation, habitat and commerce. The request reflects 1.0 vacant position that was not included in the enacted budget.

The Governor recommends \$0.5 million less than enacted and \$0.4 million less than requested for the Division. The recommendation includes \$0.1 million less for operating reductions included in the Department's corrective action plan, and \$0.3 million less to adjust for the eight pay reduction days and medical benefit holidays.

Environmental Protection Grants. The Department requests \$0.4 million more than enacted from federal funds to more accurately reflect the Department's anticipated award for eight grants that support specific activities in the Bureau of Environmental Protection. Changes include \$0.2 million more each for air pollution control and stormwater runoff prevention, \$0.1 million for water quality planning offset by a \$0.2 million reduction for groundwater contamination studies. *The Governor recommends funding essentially as requested, with the exception of \$34,790 less to adjust for the eight pay reduction days and medical benefit holidays.*

Environmental Protection Other. The Department requests \$39,225 more than enacted for other expenditures in the Bureau of Environmental Protection, including personnel and operating expenses. The request includes \$66,220 more from general revenues, \$1,145 more from federal funds and \$28,140 less from restricted receipts. An additional \$0.5 million is being requested for increased water quality testing and non-point source pollution abatement. The request also decreases expenditures for equipment purchases and operating supplies by \$0.5 million.

The Governor recommends \$0.2 million less than enacted and requested for all other operating expenses not previously mentioned. The recommendation includes \$224,781 less than enacted from general revenues and \$60,875 less than enacted from federal funds to reflect adjustments for the eight pay reduction days and medical benefit holidays. The recommendation also includes \$115,408 more than requested from restricted receipts to reflect additional expenditures that are being offset to the Department's indirect account to reflect anticipated federal receipts.

Coastal Resources Management Council

	FY 2009	FY 2010	FY 2010	FY 2010
	Reported	Enacted	Rev. Req.	Revised
Expenditures by Category				
Salaries and Benefits	\$ 3,029,856	\$ 3,170,909	\$ 3,164,059	\$ 3,039,539
Contracted Services	226,557	324,820	4,731,970	4,801,117
Subtotal	\$ 3,256,413	\$ 3,495,729	\$ 7,896,029	\$ 7,840,656
Other State Operations	130,102	117,783	271,449	230,575
Assistance, Grants, and Benefits	220,500	-	-	-
Capital	-	1,928,009	1,974,509	1,974,509
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 3,607,015	\$ 5,541,521	\$ 10,141,987	\$ 10,045,740
Sources of Funds				
General Revenue	\$ 2,002,176	\$ 2,027,574	\$ 2,056,156	\$ 1,945,046
Federal Aid	1,384,339	1,608,438	6,180,322	6,195,185
Restricted Receipts	220,500	250,000	250,000	250,000
Other	-	1,655,509	1,655,509	1,655,509
Total	\$ 3,607,015	\$ 5,541,521	\$ 10,141,987	\$ 10,045,740
FTE Authorization	30.0	30.0	30.0	30.0
FTE Average	29.9			

FY 2010 Revised Request. The Coastal Resources Management Council requests \$4.6 million more than enacted from all sources, including \$28,582 more from general revenues and \$4.6 million more from federal funds, most of which is from a new federal stimulus grant. The Council requests the enacted amount of 30.0 full-time equivalent positions. The general revenue request is \$160,689 more than the “working budget” of \$1,895,467. The working budget is the enacted budget adjusted for the Budget Office’s distribution of statewide personnel and operating reductions and retirement adjustments the 2009 Assembly budgeted centrally in the Department of Administration.

The Governor recommends \$4.5 million more than enacted, including \$0.1 million less from general revenues and \$4.6 million more from federal funds. The recommendation is \$49,579 more than the working budget.

Legal Services. The Council requests \$20,000 of federal fund expenditures be shifted to general revenues to purchase legal services for the Council. The enacted budget includes these expenditures from federal funds to reflect an initiative by the Council to shift a portion of the general revenue funded legal costs to federal sources. The Council’s federal partner, the National Oceanographic and Atmospheric Administration, did not allow this transfer.

The Governor does not recommend the shift, and further reduces the general revenue portion by \$12,390. The recommendation increases the federal portion to reflect additional available federal

funds which can be used to offset the legal services expense. Previously, the Council's federal partner did not allow the fund shift; however, savings were achieved in federally funded personnel that allows the Council to shift additional legal expenses to federal sources.

Invasive Species Management. The agency requests \$68,877, or \$25,743 more than enacted from federal funds to reflect the Council's anticipated award for the aquatic invasive species management program. Funding is used to coordinate and communicate early detection and rapid response strategies to prevent the spread of aquatic invasive species. *The Governor recommends funding as requested.*

Stimulus – Fish Passage Projects. The Council requests \$3.0 million from federal stimulus funds to reflect a competitive grant that was awarded to the Council during FY 2010 from the National Oceanographic and Atmospheric Administration. Funding will be used for six individual projects in the Pawcatuck River and Ten Mile River areas that will restore access to the rivers for migratory fish as well as restoring the surrounding habitat. *The Governor recommends funding as requested.*

Management Plans. The Council requests \$1.5 million, or \$1.4 million more than enacted from federal funds for FY 2010 for contracts with the University of Rhode Island and Roger Williams University to develop management plans for coastal waters throughout the state. Historically, the Council requests funding for this program in its revised request to more accurately reflect the anticipated federal award. Of the requested increase, \$0.1 million reflects carry forward funds from FY 2009, with the remainder included to represent two new federal coastal initiatives involving the Council and the Universities. *The Governor recommends funding essentially as requested, but includes an additional \$270 to reflect the anticipated federal award.*

Federal Operating. The Council requests \$3.0 million, \$0.1 million more than enacted from federal funds for other operating expenses. The additional federal funds are being requested to reflect carry forward funds from FY 2009 as well as the Council's anticipated award and expenses from federal funds for FY 2010. *The Governor includes the funding, as requested, and also adds an additional \$32,029 to reflect federal sources available from the reduction to personnel costs.*

Salaries and Benefits. The Council requests \$6,850 less for salaries and benefits, including \$11,682 more from general revenues and \$18,532 less from federal funds. The revised request reflects federal fund savings generated through the downgrading of a position which was fully funded in the enacted budget. The additional general revenues are being requested to reflect step and longevity increases as well as adjustments to retirement costs and other benefits consistent with Budget Office instructions.

The Governor recommends \$0.1 million less than enacted, including \$63,012 less from general revenues and \$68,358 less from federal funds for salaries and benefits. The \$0.1 million decrease to the request reflects eight uncompensated leave days and medical benefit savings.

All Other Operating. The Council requests \$20,894, or \$3,100 less from general revenues for all other operating expenditures not mentioned above. The request includes reductions to temporary services, equipment rental and advertising, because these expenditures are being shifted to the federal account.

The Governor recommends \$7,126 less than enacted and \$4,026 less than requested for all other operations at the Council. The recommendation includes further reductions to reflect additional operating expenses that could be funded from additional federal sources referenced above.

State Water Resources Board

	FY 2009 Reported	FY 2010 Enacted	FY 2010 Rev. Req.	FY 2010 Revised
Expenditures by Category				
Salaries and Benefits	\$ 499,108	\$ 644,862	\$ 672,212	\$ 646,247
Contracted Services	417,635	493,234	739,734	233,000
Subtotal	\$ 916,743	\$ 1,138,096	\$ 1,411,946	\$ 879,247
Other State Operations	114,374	144,445	144,445	132,445
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	102,212	88,244	88,244	88,244
Capital	-	103,000	177,458	553,978
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 1,133,329	\$ 1,473,785	\$ 1,822,093	\$ 1,653,914
Sources of Funds				
General Revenue	\$ 999,005	\$ 1,370,785	\$ 1,644,635	\$ 1,099,936
Federal Aid	(1,034)	-	-	-
Restricted Receipts	109,816	-	-	-
Other	25,542	103,000	177,458	553,978
Total	\$ 1,133,329	\$ 1,473,785	\$ 1,822,093	\$ 1,653,914
FTE Authorization	6.0	6.0	6.0	6.0
FTE Average	4.2			

FY 2010 Revised Request. The State Water Resources Board requests \$0.3 million more than enacted from all sources including \$0.3 million more from general revenues, \$74,458 more from Rhode Island Capital Plan funds and the enacted level of 6.0 full-time equivalent positions. The general revenue request is \$377,204 more than the “working budget” of \$1,267,431. The working budget is the enacted budget adjusted for the Budget Office’s distribution of statewide personnel and operating reductions and retirement adjustments the 2009 Assembly budgeted centrally in the Department of Administration.

The Governor recommends \$0.2 million more than enacted, including \$0.3 million less from general revenues and \$0.5 million more from Rhode Island Capital Plan funds. The recommendation is \$167,495 less than the working budget.

Big River Ground Water Development. The Board’s request includes \$246,500 more than enacted from general revenues for design and engineering services, which will be used to determine the feasibility of installing ground water wells at the Big River Management Area. The enacted budget includes \$130,000 for these purposes; however, the Board is requesting the additional funds to reflect \$98,800 that was unspent during FY 2009 as well as \$147,700 more to reflect an increase in the costs for the design and engineering work. The revised request includes adequate funding to complete this work during the current year.

The Governor does not recommend the funding from general revenues; rather, he includes the requested amount from Rhode Island Capital Plan funds. The Assembly has provided general revenue in the past for this project given the nature of the expenditure; however, Rhode Island Capital Plan funds are being recommended in order for the Board to reduce its general revenue expenditures.

Big River Maintenance Reappropriation. The Board requests \$74,458 more than enacted from Rhode Island Capital Plan funds to reflect a carry forward balance from FY 2009. Funding is used for maintenance activities, which include litter and dumping enforcement as well as remediation of any areas affected by these activities. Of the \$100,000 appropriated for FY 2009, the Department spent \$25,542 which resulted in a surplus balance of \$74,458. Section 12 of Article 1 of the FY 2010 Appropriations Act provides for automatic reappropriation of unexpended and unencumbered balances from FY 2009 Rhode Island Capital Plan fund projects over \$500. *The Governor recommends funding as requested.*

Salaries and Benefits. The Board requests \$27,350 more than enacted from general revenues for salaries and benefits. This reflects the Board's filling of three vacant positions at salaries which were higher than originally requested for FY 2010. Two of the three new employees had previous state employment and the request includes \$18,579 more than enacted for personnel costs to reflect the higher salaries. The request reflects longevity increases and also includes \$8,771 more for medical and retirement benefits.

The Governor recommends \$1,385 more than enacted and \$25,965 less than requested to reflect savings derived from eight unpaid work days and medical benefit savings.

Water Allocation Project. The Board requests the enacted amount of \$249,734 from general revenues for its Water Allocation Project, which consists of hydro-geologic studies which are used to develop water management and allocation strategies throughout the state.

The Governor recommends \$141,000 or \$108,734 less than enacted. Subsequent to its budget submission, the Board suggested these savings could be achieved by reducing the project's scope for FY 2010. The recommendation reflects delays in the hydro-geologic models for the Chipuxet and Pawtuxet River Basins, as well as the development of a yield estimating database and model.

All Other Operating. The Board requests the enacted level of general revenues, or \$323,475 for all other operating expenditures not previously mentioned.

The Governor recommends \$290,245 or \$33,500 less than enacted. This includes reductions to insurance expenses to better reflect historical expenditures, the removal of funding for food expenses at Board Corporate meetings, delaying the purchase of a copy machine as well as other reductions for financial and design and engineering services.

Department of Transportation

	FY 2009	FY 2010	FY 2010	FY 2010
	Reported	Enacted	Rev. Req.	Revised
Expenditures by Program				
Central Management	\$ 4,806,238	\$ 19,109,271	\$ 15,673,370	\$ 15,675,548
Management and Budget	172,574	1,186,330	1,357,102	1,356,992
Infrastructure Program	357,812,304	468,770,890	404,851,374	397,697,479
Total	\$ 362,791,116	\$ 489,066,491	\$ 421,881,846	\$ 414,730,019
Expenditures by Category				
Salaries and Benefits	\$ 51,675,496	\$ 66,092,302	\$ 63,351,856	\$ 62,310,641
Contracted Services	39,560,212	33,425,380	43,314,100	43,314,100
Subtotal	\$ 91,235,708	\$ 99,517,682	\$ 106,665,956	\$ 105,624,741
Other State Operations	46,377,850	60,977,437	46,703,082	46,869,573
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	56,081,968	33,884,283	43,831,853	44,121,853
Capital	57,234,561	190,284,209	122,007,325	119,135,692
Capital Debt Service	-	-	-	-
Operating Transfers	111,861,029	104,402,880	102,673,630	98,978,160
Total	\$ 362,791,116	\$ 489,066,491	\$ 421,881,846	\$ 414,730,019
Sources of Funds				
General Revenue	\$ -	\$ -	\$ -	\$ -
Federal Aid	222,082,466	381,348,383	316,752,494	316,793,052
Restricted Receipts	370,919	1,500,000	1,000,000	1,000,000
Other	140,337,731	106,218,108	104,129,352	96,936,967
Total	\$ 362,791,116	\$ 489,066,491	\$ 421,881,846	\$ 414,730,019
FTE Authorization	691.2	780.2	780.2	780.2
FTE Average	640.8			

FY 2010 Revised Request. The Department of Transportation requests \$67.2 million less than the enacted budget, including \$64.6 million less from federal funds, \$2.1 million less from other funds, \$0.5 million more from restricted receipts and the enacted number of positions. *The Governor recommends \$74.3 million less than enacted, including \$64.6 million less from federal funds, \$0.5 million less from restricted receipts and \$7.2 million less from other funds, primarily to adjust expenses to reflect a change in the gasoline tax yield.*

Fund Sources

The Department receives funding through five major sources; federal funds, general obligation bond proceeds, gasoline tax proceeds, restricted receipts and Rhode Island Capital Plan funds. The Department also receives funding from other departmental revenue, such as funding derived from the

sale of Department owned land. This analysis will explain the individual fund sources as well as expenditures from these sources. The following table illustrates the Department's fund sources.

Source	FY 2009 Enacted	FY 2009 Revised	FY 2009 Final	FY 2010 Enacted	FY 2010 Rev. Req.	FY 2010 Gov. Rec.
Federal Highway Admin. Funds	\$ 169,190,000	\$ 176,141,574	\$ 169,190,000	169,749,735	140,250,964	138,476,589
Federal Stimulus Funds	-	-	20,000,000	92,288,099	60,431,529	59,432,511
Other Federal Funds	94,247,353	89,927,902	96,068,931	113,079,763	108,732,129	104,698,742
Gasoline Tax*	92,282,976	90,534,750	91,300,000	103,976,517	103,976,517	102,453,075
General Obligation Bonds**	[40,000,000]	[40,000,000]	[40,000,000]	[40,000,000]	[40,000,000]	[40,000,000]
Land Sale Revenue	5,598,459	2,000,000	5,598,459	3,199,768	2,000,000	2,000,000
Rhode Island Capital Plan Funds	6,981,023	7,681,023	6,981,023	5,047,609	5,165,707	6,844,102
Restricted Receipts	1,447,246	1,450,000	1,447,246	1,500,000	1,000,000	500,000
Other Funds	279,323	850,000	279,323	225,000	325,000	325,000
Total	\$ 370,026,380	\$ 368,585,249	\$ 390,864,982	\$ 489,066,491	\$ 421,881,846	\$ 414,730,019

*Excludes gasoline tax debt service for the Department and the Rhode Island Public Transit Authority.

It should be noted that the Federal Highway Administration source includes the full appropriation that is used for projects as well as the annual debt service for GARVEE bonds. Approximately \$45 million of the total appropriation is annually used as debt service for GARVEE bond funded projects. The above table reflects the amount of funding transferred from the Federal Highway Administration to the Department, net of the debt service. This funding is also included in the Department's capital budget under the Highway Improvement Program, under the fund source FHWA funds. It should also be noted that the FY 2010 requested amount of \$158.6 million is not consistent with the FY 2011 through FY 2015 capital request, and the Department notes this is due to changes that occurred in the federal award between the submission of the capital and operating budget requests.

The Department's fund sources are described in greater detail below.

Federal Funds-Highway Administration. The Department receives an average of \$208.0 million annually from the Federal Highway Administration. The Department's annual allotment of funds is based on existing and prior year contracts for projects, anticipated new construction, design and engineering costs, and other planning activities such as traffic studies. These funds appear in both the Department's capital budget and operating requests. In the Department's capital plan, funds appear in the project labeled Highway Improvement Program (HIP). This program is prepared seven to nine months in advance of actual receipt of federal funds, which the Department notes can lead to increases or decreases in funding during the state fiscal year.

The Highway Improvement Program represents those highway and intermodal projects that utilize federal funds administered by the Federal Highway Administration. The program utilizes state funds for matching purposes in the form of proceeds from general obligation bonds. Federal funds earmarked for the Department's transit projects administered by the Federal Transit Administration are not included under this project, but are included in the Fixed Guideway Project. Rhode Island Public Transit Authority projects funded with FTA funds are included in the Authority's capital budget submission. The Highway Improvement Program is directed towards implementing the Department's capital program as identified in the Transportation Improvement Program. This is adopted by the State Planning Council and approved by the Governor, establishes priorities for planning, design, and project implementation. A final draft of the TIP for FY 2009 through FY 2012 plan has been approved by the State Planning Council.

The Governor recommends \$138.5 million from Federal Highway Administration funds for infrastructure projects in FY 2010. The recommendation is \$1.8 million less than the revised request

to reflect an updated estimate of the Department's annual federal award from the Federal Highway Administration.

Other Federal Funds. This source is comprised of the federal funds the Department receives that are not for capital improvement projects. A majority of this funding comes from the National Highway Transportation Safety Administration, and is used to fund safety activities such as enforcement, traffic studies, signage and research. Other federal funding comes from the Federal Transit Authority, which is being used for the development of commuter rail in the southern part of the state. This source has increased recently due to more available funds from the National Highway Transportation Safety Administration for grants to states, as well as the increase from Federal Transit Authority funds to reflect the Commuter Rail Project. *The Governor recommends \$104.7 million for expenditures from federal funds not related to Federal Highway Administration projects. The recommendation is \$1.0 million less than requested to reflect minor adjustments to grants throughout the Department.*

Gasoline Tax Proceeds. The 2009 Assembly removed one cent of the 33 cent gasoline tax from general revenues and transferred it to the Department. The revised request does not change the current disposition of funding. The following table illustrates the current and requested disposition of proceeds. *The Governor does not recommend any changes to the disposition of gasoline tax proceeds.*

Entity	FY 2009 Enacted	FY 2009 Final	FY 2010 Enacted	FY 2010 Revised	FY 2010 Gov. Rec.
Department of Transportation	20.75	20.75	21.75	21.75	21.75
Rhode Island Public Transit Authority	7.25	7.75	9.75	9.75	9.75
General Fund	1.0	1.0	-	-	-
Elderly Transportation	1.0	1.0	1.0	1.0	1.0
Underground Storage Tank Fund	1.0	0.5	0.5	0.5	0.5
Total	31.0	31.0	33.0	33.0	33.0

Department of Transportation Gasoline Tax. Section 31-36-7 of the Rhode Island General Laws sets the gasoline tax at 33 cents per gallon. The disposition of proceeds is outlined in Section 31-36-20 of the General Laws. Upon receipt, all gasoline proceeds are deposited into the Intermodal Surface Transportation fund from which statutory transfers are made to the Rhode Island Public Transit Authority and the elderly/disabled transportation program. The FY 2010 enacted budget was based on a per penny yield of \$4.400 million and the Department utilized that estimate in its current request, as well as a total receipt of 21.75 cents from gasoline tax proceeds.

The Consensus Revenue Estimating Conferences no longer estimate the gasoline tax yield because none of it goes to state general revenues. The Governor's recommendation is based on an estimate from the state Budget Officer and Office of Revenue Analysis of a per penny yield of \$4.1 million for the remainder of FY 2010. This equates to a gasoline tax recommendation of \$88.9 million for the Department. This is \$6.8 million less than the Department's request, which was based on the enacted estimate of \$4.4 million per penny.

Rhode Island Public Transit Authority Gasoline Tax. Under existing statute, the Rhode Island Public Transit Authority receives 9.75 cents of the 33 cent gasoline tax. The funds are transferred to the Authority but reflected in the Department of Transportation budget as a grant to the Authority in order to account for the gas tax in the state's accounting structure, since the Authority is a quasi-public corporation. The FY 2010 enacted budget was based on a per penny yield of \$4.4 million and the Department utilized that estimate in its current request, which would allocate \$42.1 million to the Authority.

The Consensus Revenue Estimating Conferences no longer estimate the gasoline tax yield because none of it goes to state general revenues. The Governor's recommendation is based on an estimate from the state Budget Officer and Office of Revenue Analysis of a per penny yield of \$4.1 million for the remainder of FY 2010. This equates to a gasoline tax recommendation of \$39.0 million for the Authority. This is \$3.1 million less than the Department's request for the Authority, which was based on the enacted estimate of \$4.4 million per penny.

The following table shows the recent history of available gasoline tax proceeds and other funds:

Other Funds	FY 2009 Reported	FY 2010 Enacted	FY 2010 Rev. Req.	FY 2010 Revised
<i>Gas Tax Yield per Cent</i>	<i>4.327</i>	<i>4.400</i>	<i>4.400</i>	<i>4.085</i>
<i>RIDOT Cents</i>	<i>20.75</i>	<i>21.75</i>	<i>21.75</i>	<i>21.75</i>
<i>RIPTA Cents</i>	<i>7.75*</i>	<i>9.75**</i>	<i>9.75</i>	<i>9.75</i>
DOT Budget (RIDOT and RIPTA)				
Balance Forward	\$ 7,603,958	\$ 124,541	\$ 123,915	\$ 192,261
Gas Tax	123,413,380	138,600,000	138,600,000	128,688,777
Debt Service Transfer	(36,416,069)	(42,176,392)	(41,350,022)	(40,334,437)
Internal Services Funds Transparency	(1,248,906)	(1,748,628)	(1,481,878)	(1,481,878)
Nonland Surplus Property	-	25,000	40,000	40,000
Land Sales	1,335,330	3,199,768	1,199,768	1,199,768
Other (SIB, RICAP, Outdoor Adv)	4,587,653	7,497,593	6,878,707	8,557,102
Available	\$ 99,275,346	\$ 105,521,882	\$ 104,010,490	\$ 96,861,593
Expenditures	98,391,553	107,577,221	103,184,120	96,036,732
Surplus/Deficit	\$ 123,915	\$ (2,881,709)	\$ -	\$ 824,862
RIDOT				
Balance Forward	\$ 7,603,958	\$ 124,541	\$ 123,915	\$ 192,261
Gas Tax	89,799,983	95,700,000	95,700,000	88,856,537
Debt Service Transfer	(36,416,070)	(41,350,022)	(41,350,022)	(40,334,437)
Internal Services Funds Transparency	(1,248,906)	(1,748,628)	(1,481,878)	(1,481,878)
Nonland Surplus Property	-	25,000	40,000	40,000
Land Sales	1,335,330	3,199,768	1,199,768	1,199,768
Other (SIB, RICAP, Outdoor Adv)	4,587,653	7,497,593	6,878,707	8,557,102
Available	\$ 65,661,948	\$ 63,448,252	\$ 61,110,490	\$ 57,029,353
Gas Tax	59,616,783	55,607,600	52,992,015	47,232,419
Land Sales	1,335,330	3,199,768	1,199,768	1,199,768
Nonland Surplus Property	-	25,000	40,000	40,000
Other (SIB, RICAP, Outdoor Adv)	4,585,920	7,497,593	6,878,707	8,557,102
Other Expenditures	65,538,033	66,329,961	61,110,490	57,029,289
Surplus/Deficit	\$ 123,915	\$ (2,881,709)	\$ -	\$ 64
RIPTA				
Gas Tax	\$ 33,613,398	\$ 42,900,000	\$ 42,900,000	\$ 39,832,241
Debt Service Transfer	(759,878)	(826,370)	(826,370)	(824,797)
Available	32,853,520	41,247,260	42,073,630	39,007,444
Expenditures	\$ 32,853,520	\$ 41,247,260	\$ 42,073,630	\$ 39,007,444

**Total includes one half cent transferred from the Underground Storage Tank Fund.*

***Total includes one half cent transferred from the UST Fund and two additional cents included by the 2009 Assembly.*

General Obligation Bond Proceeds. The state has utilized general obligation bonds to provide a match totaling \$40.0 million for federal funds in addition to the match used for GARVEE projects, which is provided by the Motor Fuel Tax Revenue bonds. General Obligation bond debt service is paid with gasoline tax revenue and the Motor Fuel Tax Revenue Bonds' debt service is paid by \$0.02 cents of the gasoline tax. Gasoline tax proceeds are used by the Department for operations; however,

the amount of funding is not sufficient as a state match for capital expenditures, as those continue to be needed for increasing costs related to operations and debt service. *The Governor recommends the use of bond proceeds in FY 2010.*

Land Sale Revenue. This fund source is comprised of land sales from Department owned land, as well as revenue derived from land that becomes available through the Interstate 195 relocation project. Traditional land sale proceeds can be used by the Department to purchase equipment or to offset operating costs throughout the Department. This is not the case with the Interstate I-95 land sales. These funds may only be used to fund other portions of the project, and cannot be used at the Department's discretion. The Department requests \$2.0 million from land sale revenue for FY 2010. *The Governor recommends funding as requested.*

Rhode Island Capital Plan Funds. These funds are appropriated according to the Department's capital budget request, and appear as operating transfers in the Department's operating budget. Funds are used for projects such as the building of storage and maintenance facilities, as well as upgrades to Department owned property such as roof repairs or fire alarm installation. The Department's revised request includes \$5.2 million for four ongoing projects. *The Governor recommends \$6.8 million, \$1.7 million more than enacted, primarily to reflect carried forward funds from FY 2009.*

Restricted Receipts. This source is comprised of funds the Department receives when it performs work for municipalities. This source is used to fund personnel costs for employees who perform work on the projects. This source contributes \$1.0 million to the Department, and is based on projected municipal work. The Department requested \$1.0 million from this source for FY 2010. *The Governor recommends \$0.5 million less than requested based on anticipated receipts.*

Other Funds. These funds are derived from the sale of state owned surplus property and equipment, as well as proceeds derived from the sale of outdoor advertising at the Department's maintenance facilities. The Department requests \$325,000 from this source for FY 2010. *The Governor recommends funding as requested.*

Expenditures

Federal Highway Stimulus Projects. The Department requests \$31.8 million less than enacted from federal funds for projects funded by the American Recovery and Reinvestment Act of 2009. The Department identified 55 separate projects for construction, reconstruction, rehabilitation, resurfacing, restoration, and operational improvements for highways, interstates and bridges. The enacted budget included \$92.0 million of stimulus related projects; however, the Department is projecting expenses of \$60.2 million to reflect a revised construction schedule. The Department notes that these funds are not at risk for recapture and have been obligated consistent with the provisions of the Recovery Act. *The Governor recommends funding essentially as requested, and includes an additional \$70,595 to adjust Federal Highway Administration fees that were inadvertently excluded from the Department's request.*

Federal Highway Administration Projects. Excluding salaries and benefits, the Department's revised request includes \$140.3 million from federal funds for highway projects in FY 2010. This is \$29.5 million less than enacted to reflect a revised construction schedule. The Department notes it must submit its projected federal fund expenditures before the end of the federal fiscal year, and budgets the projected expenditures in anticipation of the actual federal award. The Department also notes that this practice can lead to adjustments both during and prior to the state's fiscal year.

For FY 2010, requested expenditures include \$11.1 million for the five GARVEE funded projects, \$41.4 million for repairs and maintenance on bridges, \$17.6 million for congestion mitigation and road enhancements, \$8.5 million for highways, \$10.1 million for interstate projects, \$26.6 million for pavement and resurfacing and \$12.3 million for traffic safety improvement projects.

The Governor recommends \$29.1 million less than enacted and \$0.4 million more than requested. The increase reflects administrative fees for the use of Federal Highway Administration funds that were inadvertently excluded from the request.

The following table shows program expenditures and their proportionate share of total Federal Highway Administration fund expenditures.

Program Area	FY 2010 Gov. Rec.	Share of Total
Administrative Program	\$ 6,036,637	4%
Enhancements	11,430,215	8%
Bridge Program	40,838,019	29%
Highway Program	8,419,159	6%
Interstate Program	9,962,866	7%
GARVEE Projects	10,930,164	8%
Pavement Management Program	26,219,812	19%
Traffic Safety Program	12,173,129	9%
Federal Highway Earmark Projects	7,785,588	6%
Other Programs	4,681,001	3%
Total	\$ 138,476,589	100%

Administrative Program involves project modifications and change order expenses, Equal Employment Opportunity program activities and motor fuel tax evasion enforcement expenses.

Enhancement Program is a means to address environmental impacts on local communities from transportation and highway construction. Enhancement projects must have a relationship to transportation and fall within at least one of an established list of categories.

Bridge Improvement Program focuses on system preservation. The Department maintains 749 bridges throughout the state. Bridge projects originate from state assessments and community requests that are evaluated and prioritized through the department's Bridge Management Program. Included in this category are funds for design, right-of-way acquisition, bridge instrumentation, preventative maintenance activities, and the bridge inspections program.

Highway Program includes funding for construction projects as well as project-related design and right-of way acquisition. A majority of the highway construction projects (and the majority of funds) are devoted to projects that preserve and manage the existing system, without appreciable expansion of highway capacity.

Interstate Program projects are determined by the Department's prioritization. Projects to be implemented under the Interstate Program between FY 2009 and FY 2012 include: Longhouse mitigation; I-295 safety, bridge, lighting, and rest area; I-95 resurfacing from Connecticut line to West Warwick; I-95 service roads in Pawtucket; and I-195 improvements. Funding has also been included for design-related work for Interstate projects.

GARVEE Projects represent five separate projects being funded through Grant Anticipation Revenue Vehicle bonds. The bonds utilize future federal funds as debt service in order for the Department to expedite the completion of large projects, including: the I-195 Relocation project, Route 403 Quonset Access Road, Washington Bridge replacement, Sakonnet River Bridge replacement and the Freight Rail Improvement project.

Pavement Management includes the resurfacing of roadways as well as treatment options such as crack sealing and micro surfacing. Road surfaces are ranked and repaired based on their level of disrepair and frequency of travel.

Traffic/Safety Program includes the following major programs: roadway lane striping, repair of damaged safety devices, traffic monitoring, highway lighting improvements, traffic signal optimization, high hazard intersection improvements, traffic signal installation, and roadway drainage improvements.

Other Programs is a combination of four smaller programs.

The ***Bicycle/Pedestrian Program*** includes the planning, design, and construction of independent bike paths and walking trails, on-road bicycle lanes, on-road bicycle routes, and bike/pedestrian promotional programs.

Congestion Mitigation funds projects to assist the state in improving air quality through congestion relief and lowering emissions.

Study and Development Program scopes each project and assesses the environmental impact, community acceptability, constructability and cost. This is the first step in the process for a project that is new to the Transportation Improvement Program.

Planning Program is administered through the statewide planning program, which includes the State Planning Council, the Department of Transportation and the Rhode Island Public Transit Authority. The program involves long range planning, the development of the Transportation Improvement Program as well as environmental and traffic studies.

Salaries and Benefits. The Department requests \$2.7 million less from all funds for salaries and benefits. This includes \$1.0 million more from federal funds offset by \$3.7 million less from gasoline tax proceeds. The request includes a reduction of \$0.5 million to reflect eight unpaid workdays during FY 2010. It should be noted that all other state agencies were instructed to exclude this adjustment.

The Department is authorized for 780.2 positions. As of the final pay period in November the Department has 701.6 filled full-time equivalent positions or 78.6 positions below the authorized level. The Department notes the revised request reflects actual filled positions at the time of the revised budget submission, and does not include funding for vacant positions.

The Governor recommends \$3.8 million less than enacted and \$1.0 million less than requested. The recommendation includes savings from three medical benefits holidays and reflects a recalculation of savings from the eight unpaid work days. The recommendation also includes \$0.6 million for turnover that was not included in the Department's revised request.

National Highway Transportation Safety Administration Grants. The Department requests \$14.1 million, \$2.7 million less than enacted from the National Highway Transportation Safety

Administration for FY 2010. The request is being revised to reflect the actual federal award. Major changes include \$4.5 million less for the safety belt use enforcement program, \$0.1 million less for the racial profiling prohibition program offset by a \$1.7 million increase for impaired driving prevention programs. *The Governor recommends funding as requested.*

Transit CMAQ. The Department requests \$0.2 million, \$1.0 million less than enacted from federal funds for Congestion Mitigation Air Quality projects. The Department allocates these funds to state agencies and municipalities for programs that reduce toxic emissions through traffic reduction or new technologies. The request reflects a contraction of the federal program as well as the anticipated awards for FY 2010. *The Governor recommends funding as requested.*

Fixed Guideway/Commuter Rail. The Department requests \$10.9 million, or \$0.7 million more from federal transit funds for the Fixed Guideway Commuter Rail project, which will extend commuter rail service along Amtrak's northeast corridor south of Providence. Service is expected to operate between Providence and North Kingstown, with stops at T.F. Green Airport and the Wickford Junction. The Department notes the request is being increased to reflect the anticipated award. The Department's revised request is consistent with its FY 2010 through FY 2014 capital budget request. *The Governor recommends funding as requested.*

Vehicle Maintenance. The Department requests \$6.0 million from other funds for vehicle maintenance throughout the Department. The request is \$0.7 million more than enacted to reflect an increase in projected vehicle maintenance for FY 2010. The Department notes that vehicle maintenance costs have increased in recent years due to the lack of new vehicle purchases, which has effected all divisions, and includes vehicles such as dump trucks, pavers, tractors, grading equipment, backhoes and street sweepers. *The Governor recommends funding essentially as requested, and includes an additional \$60 to reflect an increase for insurance costs.*

Winter Maintenance Operations. The Department requests \$9.4 million in operating expenses related to the winter maintenance program for FY 2010, \$0.4 million more than enacted. Funding would be used to purchase additional salt, sand and liquid de-icers. The average annual cost for winter maintenance operations from FY 2005 through FY 2009 was \$10.7 million, and the Department notes that its revised request includes \$9.4 million because winter maintenance is budgeted based on available resources and not historical spending. The request is \$1.3 million below the five-year average cost of winter maintenance expenditures.

The Governor recommends \$0.2 million more than enacted and \$0.2 million less than requested for a total of \$9.1 million for winter maintenance operations in FY 2010. The recommendation is \$1.6 million below the five-year average of \$10.7 million for winter maintenance costs. It appears the recommendation is based on available gasoline tax revenues and not on historical spending.

Equipment Purchase. The Department requests \$2.0 million from land sale revenue for equipment purchases in the Infrastructure Engineering Division. The request is \$1.2 million less than enacted due to lower than anticipated land sale revenue, and the Department has decreased its request to reflect this change. The Department notes funding would be used to purchase catch basin cleaners, mini-excavators, road surfacing equipment and miscellaneous roadside maintenance equipment such as weed trimmers. *The Governor recommends funding as requested.*

Maintenance Operations. The Department requests \$6.5 million from gasoline tax proceeds for maintenance operations excluding activities associated with winter maintenance. These include activities such as trash and debris removal, landscaping, sand removal, graffiti removal and catch basin

cleaning. The request is \$0.5 million more than enacted to reflect updated projections for FY 2010. The major increase in the request is for repairs to maintenance vehicles and equipment. The Department notes the increase is attributed to aging vehicles and equipment. Repair costs have increased as the equipment and vehicles reach their useful life, similar to the expenses for vehicle maintenance previously mentioned in this analysis. *The Governor recommends funding essentially as requested, and includes \$7,400 less to reflect insurance cost savings on maintenance vehicles.*

Information System. The Department requests \$0.1 million or \$0.7 million less than enacted from gasoline tax proceeds for the Department's Management Information System, which is used primarily for construction scheduling. The Department notes that accurate funding for the system was included in the enacted budget; however, the revised request shifts expenditures for the system to the Department's general obligation bond account. Funding is used for personnel costs, software and maintenance for the system. *The Governor recommends funding as requested.*

Rhode Island Capital Plan Fund Projects. The Department requests \$0.1 million more than enacted from Rhode Island Capital Plan funds for four ongoing projects at the Department. Changes include \$0.1 million less for the Lincoln maintenance facility, \$49,804 less for improvements to salt storage facilities, \$1.0 million more for the East Providence maintenance facility and \$0.1 million more for asset protection projects at statewide maintenance facilities. The request reflects actual expenditures and a revised construction schedule for the maintenance facilities.

The Governor recommends \$1.8 million more than enacted and \$0.1 million more than requested, primarily to reflect carried forward funds from FY 2009. This includes \$1.4 million more for the Rhode Island Public Transit Authority's Elnwood Expansion projects, \$0.3 million more for improvements to salt storage facilities and \$0.2 million more for upgrades to maintenance facilities.

Rhode Island Public Transit Authority Operating. The Department requests the enacted amount of \$42.1 million from gasoline tax proceeds in the Intermodal Surface Transportation Fund be transferred to the Rhode Island Public Transit Authority for operating expenses. The request is based on the enacted per penny yield of \$4.4 million, and is distributed to the Authority pursuant to R.I.G.L. 31-36-20.

The Governor recommends \$39.0 million, \$3.1 million less than enacted for the transfer to the Authority. Gasoline tax funding is used by the Authority for operating expenses, which will be adjusted accordingly to account for the reduction in proceeds.

All Other Operating. The Department requests \$55,489 less than enacted from all sources for all other operating costs. This includes \$1.3 million less from federal funds, \$1.7 million more from other funds and \$0.5 million less from restricted receipts. Major reductions include \$1.0 million less for equipment and vehicle purchases, \$0.3 million less for operating supplies, and \$1.2 more to reflect a revised gasoline tax transfer to the Rhode Island Public Transit Authority.

The Governor recommends \$5.0 million less than enacted and requested for all other operations not previously mentioned. This includes \$0.2 million more from federal funds to reflect additional operating expenditures being shifted to federal sources and \$5.2 million less from gasoline tax revenues.

The recommended gasoline tax yield was \$0.3 million less per penny than was included in the Department's request. This led to a reduction of \$5.2 million of revenue for the Department. The

recommendation reflects some of this change by reducing expenditures for capital purchases, highway electricity, and maintenance operations throughout the Department.

Section IV

Special Reports

State Aid to Local Governments

Introduction

The Governor recommends revised state aid to cities and towns of \$121.6 million from state general revenues. Funding includes \$108.2 million for general aid programs and \$13.5 million for restricted use programs. Local communities will also receive \$9.2 million in public service corporation property taxes that the state collects and passes through to the communities.

The general aid is \$65.1 million less than the FY 2010 enacted budget. This reflects the Governor's proposal to withdraw the third and the fourth quarter payments for the Motor Vehicles Excise Tax program to communities in FY 2010. The recommendation includes the enacted amount of \$1.9 million for the fire districts. The Governor includes legislation to allow municipalities to levy a supplemental tax to capture the loss of the \$65.1 million. This is subject to certification from the Department of Revenue in accordance with statutes governing property tax limitations. Current law requires an affirmative vote of at least four-fifths of the full membership of the governing body.

[Staff Note: Excluding the fire districts, the FY 2010 enacted budget includes \$133.4 million for the Motor Vehicles Excise Tax program; two-quarter payments equates to \$66.7 million. The Governor includes \$65.1 million in savings. It appears that the budget understates the savings by \$1.6 million. The distribution on the following page illustrates the Governor's intent.]

The following table lists the general aid programs.

Fiscal Year	2000	2005	2006	2007	2008	2009	2010 Enacted	2010 Gov. Rev.	Gov. Chng.
General Aid - State Sources									
Distressed Communities*	\$ 6.6	\$ 9.5	\$ 10.6	\$ 10.2	\$ 10.4	\$ 10.4	\$ 10.4	\$ 10.4	\$ -
PILOT	16.1	22.7	27.0	27.8	27.8	27.6	27.6	27.6	-
General Rev. Sharing	27.6	52.4	65.0	65.1	55.1	25.0	-	-	-
Excise Tax Phase-Out	47.3	105.0	117.6	136.2	135.3	135.4	135.3	70.2	(65.1)
Subtotal	\$ 97.5	\$ 189.7	\$ 220.2	\$ 239.3	\$ 228.6	\$ 198.3	\$ 173.3	\$ 108.2	\$ (65.1)
Restricted Use Aid - State Sources									
State Aid for Libraries	\$ 5.7	\$ 8.1	\$ 8.4	\$ 8.7	\$ 8.8	\$ 8.8	\$ 8.8	\$ 8.8	\$ -
Library Const. Aid	1.6	2.5	2.6	2.8	2.8	2.6	2.8	2.8	-
Police & Fire Incentive	0.9	1.1	1.1	0.7	0.7	-	-	-	-
Prop. Reval. Reimb.	0.0	0.6	0.6	2.0	1.1	1.1	1.8	1.8	-
Other	-	-	-	-	-	-	-	-	-
Subtotal	\$ 8.2	\$ 12.3	\$ 12.7	\$ 14.2	\$ 13.4	\$ 12.5	\$ 13.5	\$ 13.5	\$ -
Total - State Sources	\$ 105.7	\$ 202.0	\$ 233.0	\$ 253.5	\$ 241.9	\$ 210.8	\$ 186.7	\$ 121.6	\$ (65.1)
Other Aid - Pass-Through									
Public Service Corp.	\$ 12.8	\$ 14.6	\$ 14.6	\$ 10.3	\$ 10.3	\$ 9.2	\$ 9.2	\$ 9.2	\$ -

*FY 2007 reflects recapture of \$230,272 overpayment from FY 2006.

- **Distressed Communities Relief Fund.** Consistent with the enacted budget, the Governor recommends \$10.4 million for the Distressed Communities Relief Fund in FY 2010.
- **Payment in Lieu of Taxes Program.** Consistent with the enacted budget, the Governor recommends \$27.6 million for the payment in lieu of taxes program, which reimburses cities and towns for property taxes that would have been due on real property owned by nonprofit educational

institutions, nonprofit hospitals, or any state-owned hospital, veterans' residential facility or correctional facility, which is exempt from taxation by state law. Reimbursement is 27.0 percent of the forgone tax, subject to appropriation.

- ***Motor Vehicles Excise Tax Phase-Out.*** The Governor's budget eliminates the third and the fourth quarter reimbursements to municipalities for the Motor Vehicles Excise Tax for a general revenue savings of \$65.1 million. This reduction excludes the reimbursement for fire districts. The third quarter payment is on February 1st and the fourth quarter payment is made on May 1st. He includes legislation to allow municipalities to levy a supplemental tax to capture the loss of the tax for FY 2010. This is subject to certification from the Department of Revenue. Current law requires an affirmative vote of at least four-fifths of the full membership of the municipal's governing body. For FY 2011 and thereafter, the legislation subjects the program to appropriation.

The enacted budget includes \$135.3 million from general revenues to fund the \$6,000 exemption. Communities are reimbursed at 98.0 percent of the calculated reimbursement beginning with FY 2008.

- ***Library Resource Sharing Aid.*** Consistent with the enacted budget, the Governor recommends \$8.8 million for FY 2010 library operating aid

- ***Library Construction Aid.*** The Governor recommends the enacted amount of \$2.8 million for library construction aid. The state grants-in-aid for library construction are limited to a maximum of 50.0 percent of the total eligible costs as determined by the Office of Library and Information Services. The grants are paid on an installment basis for a period up to 20 years.

- ***Property Valuation Reimbursement.*** The Governor includes the enacted amount of \$1.8 million to reimburse communities conducting revaluations in FY 2010. Current law requires that municipalities update property valuations using statistical techniques every third and sixth year after a full revaluation. The statute also requires that the state reimburse municipalities for 100.0 percent of the costs for the first update at a rate not to exceed \$20 per parcel.

- ***Public Service Corporation Tax.*** The Budget assumes the state will collect \$9.2 million of property taxes from public service corporations on behalf of municipalities and pass that back to them. The 2009 Assembly enacted legislation to freeze the tax rate applied to the tangible personal property of public service corporations at the FY 2008 rates.

The following table illustrates the total enacted amount for general state aid and the Governor's revised budget recommendation.

General Aid Total

Includes Distressed Communities, PILOT, General Revenue Sharing and Motor Vehicles Excise Tax

<i>Community</i>	<i>FY 2009</i>	<i>FY 2010 Enacted</i>	<i>Governor Revised*</i>	<i>Difference</i>
Barrington	\$ 3,125,947	\$ 3,031,882	\$ 1,540,278	\$ (1,491,604)
Bristol	2,499,709	2,168,146	1,401,307	(766,839)
Burrillville	3,655,225	3,385,743	1,982,430	(1,403,313)
Central Falls	2,437,447	1,788,940	1,049,911	(739,029)
Charlestown	679,079	522,331	261,165	(261,166)
Coventry	3,344,912	2,954,920	1,477,460	(1,477,460)
Cranston	17,949,054	15,793,559	9,679,054	(6,114,505)
Cumberland	3,386,290	2,787,560	1,393,840	(1,393,720)
East Greenwich	1,441,549	1,373,435	690,643	(682,792)
East Providence	7,286,516	6,254,731	3,157,120	(3,097,611)
Exeter	1,055,363	1,020,562	510,281	(510,281)
Foster	977,677	858,447	429,462	(428,985)
Glocester	1,436,958	1,218,863	609,431	(609,432)
Hopkinton	937,764	850,943	425,472	(425,471)
Jamestown	489,316	432,967	216,483	(216,484)
Johnston	6,046,614	5,064,868	2,532,434	(2,532,434)
Lincoln	3,290,880	2,922,165	1,461,083	(1,461,082)
Little Compton	332,886	292,210	146,105	(146,105)
Middletown	1,473,502	1,097,078	548,539	(548,539)
Narragansett	1,563,584	1,224,495	612,207	(612,288)
Newport	3,274,428	2,565,977	1,660,322	(905,655)
New Shoreham	128,280	93,112	46,556	(46,556)
North Kingstown	3,172,884	2,830,693	1,418,596	(1,412,097)
North Providence	7,361,946	6,380,266	3,929,571	(2,450,695)
North Smithfield	2,422,658	2,171,945	1,111,107	(1,060,838)
Pawtucket	14,043,657	11,937,103	6,891,959	(5,045,144)
Portsmouth	1,811,059	1,559,418	779,709	(779,709)
Providence	54,401,275	48,518,644	36,732,290	(11,786,354)
Richmond	955,893	834,514	417,257	(417,257)
Scituate	1,753,959	1,579,960	789,980	(789,980)
Smithfield	4,726,296	3,999,465	2,228,306	(1,771,159)
South Kingstown	2,687,023	2,317,233	1,228,196	(1,089,037)
Tiverton	1,662,201	1,413,809	706,904	(706,905)
Warren	1,318,756	1,125,745	562,872	(562,873)
Warwick	16,616,539	14,740,820	7,883,173	(6,857,647)
Westerly	3,417,763	3,123,736	1,624,118	(1,499,618)
West Greenwich	680,747	594,921	297,460	(297,461)
West Warwick	4,684,296	4,129,801	2,537,541	(1,592,260)
Woonsocket	7,929,413	6,434,911	3,709,188	(2,725,723)
Subtotal	\$ 196,459,347	\$ 171,395,918	\$ 104,679,810	\$ (66,716,108)
Fire Districts	1,875,837	1,875,837	1,875,837	-
Total	\$ 198,335,184	\$ 173,271,755	\$ 106,555,647	\$ (66,716,108)

Display adjusted to reflect Governor's intent although budget is only reduced by \$65.1 million.

** Display adjusted to reflect Governor's intent the budget is only reduced by \$65.1 million*

Motor Vehicle Excise Phase-Out

<i>City or Town</i>	<i>FY 2009</i>	<i>FY 2010 Enacted</i>	<i>Governor Revised*</i>	<i>Difference</i>
Barrington	\$ 2,983,208	\$ 2,983,208	\$ 1,491,604	\$ (1,491,604)
Bristol	1,533,679	1,533,679	766,840	(766,839)
Burrillville	2,806,626	2,806,626	1,403,313	(1,403,313)
Central Falls	1,478,058	1,478,058	739,029	(739,029)
Charlestown	522,331	522,331	261,165	(261,166)
Coventry	2,954,920	2,954,920	1,477,460	(1,477,460)
Cranston	12,229,010	12,229,010	6,114,505	(6,114,505)
Cumberland	2,786,499	2,787,441	1,393,721	(1,393,720)
East Greenwich	1,365,583	1,365,583	682,791	(682,792)
East Providence	6,195,221	6,195,221	3,097,610	(3,097,611)
Exeter	1,020,562	1,020,562	510,281	(510,281)
Foster	857,971	857,971	428,986	(428,985)
Glocester	1,218,863	1,218,863	609,431	(609,432)
Hopkinton	850,943	850,943	425,472	(425,471)
Jamestown	432,967	432,967	216,483	(216,484)
Johnston	5,064,868	5,064,868	2,532,434	(2,532,434)
Lincoln	2,922,165	2,922,165	1,461,083	(1,461,082)
Little Compton	292,210	292,210	146,105	(146,105)
Middletown	1,097,078	1,097,078	548,539	(548,539)
Narragansett	1,224,495	1,224,495	612,207	(612,288)
Newport	1,811,310	1,811,310	905,655	(905,655)
New Shoreham	93,112	93,112	46,556	(46,556)
North Kingstown	2,824,194	2,824,194	1,412,097	(1,412,097)
North Providence	4,901,389	4,901,389	2,450,694	(2,450,695)
North Smithfield	2,121,675	2,121,675	1,060,837	(1,060,838)
Pawtucket	10,090,288	10,090,288	5,045,144	(5,045,144)
Portsmouth	1,559,418	1,559,418	779,709	(779,709)
Providence	23,572,708	23,572,708	11,786,354	(11,786,354)
Richmond	898,884	834,514	417,257	(417,257)
Scituate	1,579,960	1,579,960	789,980	(789,980)
Smithfield	3,542,318	3,542,318	1,771,159	(1,771,159)
South Kingstown	2,178,075	2,178,075	1,089,038	(1,089,037)
Tiverton	1,413,809	1,413,809	706,904	(706,905)
Warren	1,125,745	1,125,745	562,872	(562,873)
Warwick	13,715,293	13,715,293	6,857,646	(6,857,647)
Westerly	2,999,237	2,999,237	1,499,619	(1,499,618)
West Greenwich	594,921	594,921	297,460	(297,461)
West Warwick	3,183,440	3,183,440	1,591,180	(1,592,260)
Woonsocket	5,451,446	5,451,446	2,725,723	(2,725,723)
Municipalities	\$ 133,494,480	\$ 133,431,051	\$ 66,714,943	\$ (66,716,108)
Fire Districts	1,875,837	1,875,837	1,875,837	-
Total	\$ 135,370,317	\$ 135,306,888	\$ 68,590,780	\$ (66,716,108)

Education Aid

The Governor recommends a total of \$797.3 million for FY 2010 total revised education aid from all sources of funds for distribution to districts including Central Falls and the Metropolitan Career and Technical School. This includes \$37.4 million less for local education operating aid for each school district, including Central Falls and the Met School excluding stimulus special education and Title I funding distributed to districts through the Department. The decrease includes an across the board 3.0 percent reduction to general revenues for savings of \$19.1 million. His recommendation also includes reducing education aid by the \$18.3 million estimated savings to local communities from his changes to the pension system proposed in Article 16. The recommendation also includes \$1.4 million less for other formula aid and distribution by the Department, \$13.8 million less for the state share of teacher retirement costs primarily from proposed pension savings, and \$3.2 million less for construction aid. The specific savings are described below.

Education Aid	FY 2010 Enacted	FY 2010 Gov. Rev.	Change to Enacted
Distributed Aid			
Local School Operations	\$ 467,073,275	\$ 431,638,812	\$ (35,434,463)
Central Falls Operations	44,596,475	42,867,280	(1,729,195)
Met School Operations	12,758,767	12,508,767	(250,000)
Other Distributed Aid	152,086,657	152,086,657	-
<i>Subtotal</i>	<i>\$ 676,515,174</i>	<i>\$ 639,101,516</i>	<i>\$ (37,413,658)</i>
Set-Aside Funds			
Progressive Support & Intervention	\$ 3,163,432	\$ 2,879,734	\$ (283,698)
Charter Schools - Direct Aid	33,479,399	32,329,020	(1,150,379)
School Visits	145,864	145,864	-
Textbook Loans	240,000	240,000	-
School Breakfast	300,000	300,000	-
<i>Subtotal</i>	<i>\$ 37,328,695</i>	<i>\$ 35,894,618</i>	<i>\$ (1,434,077)</i>
Total	\$ 713,843,869	\$ 674,996,134	\$ (38,847,735)
Other Aid			
Teacher Retirement	\$ 77,752,559	\$ 63,952,515	\$ (13,800,044)
Construction Aid	61,538,663	58,355,896	(3,182,767)
Statewide Total	\$ 853,135,091	\$ 797,304,545	\$ (55,830,546)

Distributed Aid

- **Local School Operations.** The Governor recommends \$431.6 million in support to locally operated school districts, excluding Central Falls. This is the enacted level, with a 2.8 percent reduction to districts, which is based on a 3.0 percent general revenue reduction. It also includes adjustments for savings to local districts from pension changes. Savings to local districts from the Governor's proposal to eliminate the cost of living increase are estimated to be \$17.8 million, excluding Central Falls, and the budget reduces education aid by that amount. The recommendation also uses an additional \$5.0 million from federal stabilization funds in lieu of a like amount from general revenues.
- **Central Falls Operations.** The Governor recommends 42.9 million in support for the state operated Central Falls School District. This is \$1.7 million less than enacted and includes a \$1.3 million or 3.0 percent reduction from general revenues and a \$0.5 million reduction for the estimated

savings for pension changes. The tables at the end of the report include the \$78,462 in charter school indirect aid that the district receives.

- ***Metropolitan Career and Technical School.*** The Governor recommends \$12.5 million from all funds for the operation of the Metropolitan Career and Technical School. This is \$250,000 less than the enacted level 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.

Set-Aside Funds

- ***Progressive Support and Intervention.*** The Governor recommends \$2.9 million from general revenues or \$0.3 million less than the FY 2010 allocation for support of reform efforts in selected school districts. This includes shifting the \$0.7 million for a preschoolers' pilot program to increase school readiness provided by the 2009 Assembly from education aid to the Department's operation's budget offset by an additional \$0.4 million to hire consultants to begin the design and development of the Department's new efforts to transform failing schools.
- ***Charter Schools.*** The Governor recommends \$32.3 million for aid to public charter schools. This is \$1.2 million less than enacted and includes a 2.8 percent reduction of \$960,249. It also includes a \$150,000 reduction to adjust for 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 to open in FY 2010; actual aid will be \$1.3 million. The savings also include a reduction of \$0.2 million to reflect estimated savings from changes to teacher retirement.

Indirect aid, provided to districts that send students to charters schools, is \$1.2 million, which is based on data that has not been updated since FY 2006. Indirect aid is reflected in the community distribution tables at the end of the report.

Charter schools are public schools authorized by the state through the Board of Regents to operate independently from many state and local district rules and regulations. Current law limits the statewide total to no more than 20 charters, serving no more than 4.0 percent of the state's school age population. At least 10 of the 20 total charters shall be reserved for charter school applications designed to increase the educational opportunities for at-risk pupils. There are currently 13 charter schools in Rhode Island.

Other Aid

- ***Teacher Retirement.*** The Governor recommends \$64.0 million to fund the state's 40.0 percent share of the employer contribution for teacher retirement, a decrease of \$13.8 million to the enacted budget. This includes two changes. The Governor's FY 2010 revised budget includes an adjustment for the state's share of teacher retirement costs under current law by \$1.5 million to reflect a more updated teacher payroll data.

The Governor's FY 2010 revised budget also assumes \$12.3 million in savings from changes to teacher pensions for the state's 40.0 percent share of teacher retirement costs. He proposes eliminating the cost of living adjustment for retirees not eligible to retire as of September 30, 2009 and do not become eligible before passage of his proposal. This is the same group affect by the 2009 pension

changes. Those changes include establishing a minimum retirement age of 62 with a proportional application of that minimum age to current members based on their current service as of October 1, 2009. Changes also include freezing service credits for those in Plan A, shifting all future accrual to the lower accruals of Plan B. The cost of living adjustments would all be based on the Plan B model of the lesser of inflation or 3.0 percent on the third anniversary, and the salary basis for benefits was changed to the five consecutive highest years, from three. Teachers contribute 9.5 percent of their salaries for retirement benefits; that rate is set in the General Laws. Employers pay the difference between the teachers' share and the amount needed to support the system, as determined annually by the State Employees' Retirement System. The state pays 40.0 percent of the employer's share.

- ***School Housing (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.

Distribution Tables

The following tables show the Governor's proposed distribution of FY 2010 aid by community.

Education Aid By Community

<i>Community</i>	<i>FY 2010 Enacted General Revenues</i>	<i>FY 2010 Enacted Fiscal Stabilization</i>	<i>FY 2010 Enacted Aid All Funds</i>	<i>Across the Board Reduction 3% of GR</i>
Barrington	\$ 1,863,090	\$ 128,427	\$ 1,991,517	\$ (55,893)
Burrillville	12,928,167	684,478	13,612,645	(387,845)
Charlestown	1,697,497	98,948	1,796,445	(50,925)
Coventry	18,056,601	991,787	19,048,388	(541,698)
Cranston	31,662,364	1,752,647	33,415,011	(949,871)
Cumberland	11,829,002	654,948	12,483,950	(354,870)
East Greenwich	1,503,975	96,326	1,600,301	(45,119)
East Providence	24,499,858	1,328,384	25,828,242	(734,996)
Foster	1,286,565	69,979	1,356,544	(38,597)
Glocester	2,927,940	158,776	3,086,716	(87,838)
Hopkinton	5,677,786	308,347	5,986,133	(170,334)
Jamestown	398,901	26,278	425,179	(11,967)
Johnston	9,596,568	531,110	10,127,678	(287,897)
Lincoln	6,363,969	365,750	6,729,719	(190,919)
Little Compton	296,650	18,221	314,871	(8,900)
Middletown	9,533,084	518,598	10,051,682	(285,993)
Narragansett	1,467,137	93,727	1,560,864	(44,014)
Newport	10,744,683	586,477	11,331,160	(322,340)
New Shoreham	64,987	5,254	70,241	(1,950)
North Kingstown	10,631,113	592,155	11,223,268	(318,933)
North Providence	12,081,507	661,166	12,742,673	(362,445)
North Smithfield	4,344,329	238,830	4,583,159	(130,330)
Pawtucket	62,176,676	3,311,223	65,487,899	(1,865,300)
Portsmouth	5,923,071	331,008	6,254,079	(177,692)
Providence	178,309,944	9,577,917	187,887,861	(5,349,298)
Richmond	5,652,344	305,742	5,958,086	(169,570)
Scituate	2,926,243	168,328	3,094,571	(87,787)
Smithfield	4,992,643	283,754	5,276,397	(149,779)
South Kingstown	9,224,287	521,147	9,745,434	(276,729)
Tiverton	5,271,861	293,067	5,564,928	(158,156)
Warwick	33,468,879	1,858,870	35,327,749	(1,004,066)
Westerly	5,774,932	338,074	6,113,006	(173,248)
West Warwick	18,738,108	1,009,842	19,747,950	(562,143)
Woonsocket	44,074,702	2,342,811	46,417,513	(1,322,241)
Bristol-Warren	18,764,456	1,009,726	19,774,182	(562,934)
Exeter-West Greenwich	6,814,331	374,779	7,189,110	(204,430)
Chariho	378,758	19,679	398,437	(11,363)
Foster-Glocester	5,194,804	283,077	5,477,881	(155,844)
Central Falls	42,507,399	2,167,539	44,674,937	(1,275,222)
Met School	12,187,381	571,386	12,758,767	(250,000)
Total Distributed	\$ 629,649,212	\$ 34,678,581	\$ 676,515,174	\$ (19,139,476)
Adjusted Chariho	\$ 13,406,386	\$ 732,716	\$ 14,139,102	\$ (402,192)

Education Aid By Community

<i>Community</i>	<i>Pension Reduction</i>	<i>General Revenues to Stabilization Funds</i>	<i>Stabilization Funds in lieu of General Revenues</i>	<i>FY 2010 Gov Revised Aid</i>
Barrington	\$ (425,811)	\$ (17,264)	\$ 17,264	\$ 1,509,813
Burrillville	(268,686)	(92,012)	92,012	12,956,114
Charlestown	(62,531)	(13,301)	13,301	1,682,989
Coventry	(716,961)	(133,322)	133,322	17,789,729
Cranston	(1,359,383)	(235,601)	235,601	31,105,757
Cumberland	(509,970)	(88,042)	88,042	11,619,110
East Greenwich	(328,298)	(12,949)	12,949	1,226,884
East Providence	(666,586)	(178,569)	178,569	24,426,660
Foster	(40,282)	(9,407)	9,407	1,277,665
Glocester	(80,089)	(21,344)	21,344	2,918,789
Hopkinton	(209,154)	(41,450)	41,450	5,606,646
Jamestown	(68,724)	(3,532)	3,532	344,488
Johnston	(433,752)	(71,395)	71,395	9,406,029
Lincoln	(485,206)	(49,166)	49,166	6,053,594
Little Compton	(44,416)	(2,449)	2,449	261,556
Middletown	(353,333)	(69,713)	69,713	9,412,356
Narragansett	(241,185)	(12,599)	12,599	1,275,665
Newport	(302,249)	(78,838)	78,838	10,706,570
New Shoreham	(35,033)	(706)	706	33,258
North Kingstown	(529,600)	(79,601)	79,601	10,374,735
North Providence	(494,528)	(88,878)	88,878	11,885,700
North Smithfield	(214,223)	(32,105)	32,105	4,238,606
Pawtucket	(1,010,632)	(445,115)	445,115	62,611,967
Portsmouth	(346,779)	(44,496)	44,496	5,729,608
Providence	(2,889,979)	(1,287,522)	1,287,522	179,648,584
Richmond	(208,216)	(41,100)	41,100	5,580,300
Scituate	(201,968)	(22,628)	22,628	2,804,815
Smithfield	(324,049)	(38,144)	38,144	4,802,568
South Kingstown	(564,147)	(70,056)	70,056	8,904,559
Tiverton	(253,760)	(39,396)	39,396	5,153,012
Warwick	(1,595,379)	(249,880)	249,880	32,728,304
Westerly	(502,261)	(45,446)	45,446	5,437,497
West Warwick	(488,625)	(135,749)	135,749	18,697,182
Woonsocket	(672,070)	(314,935)	314,935	44,423,202
Bristol-Warren	(440,504)	(135,733)	135,733	18,770,744
Exeter-West Greenwich	(284,815)	(50,380)	50,380	6,699,865
Chariho	-	(2,645)	2,645	387,074
Foster-Glocester	(167,025)	(38,053)	38,053	5,155,012
Central Falls	(453,973)	(291,374)	291,374	42,945,742
Met School	-	(76,809)	76,809	12,508,767
Total Distributed	\$ (18,274,182)	\$ (4,661,704)	\$ 4,661,704	\$ 639,101,516
Adjusted Chariho	\$ (479,901)	\$ (98,496)	\$ 98,496	\$ 13,257,009

Revenues Changes

The Governor recommends \$29.9 million more general revenues than estimated at the November 2009 Revenue Estimating Conference for FY 2010 and \$15.8 million less for FY 2011. The Revenue Estimating Conference lowered the enacted FY 2010 estimates by \$130.5 million to \$2,946.4 million and estimated \$2,934.4 million for FY 2011.

Recommended General Revenues Changes	FY 2010	FY 2011
Departmental Revenues		
Statewide Student Transportation	\$ (8,600,000)	\$ (15,640,000)
Underground Storage Tank Replacement Fund	(202,852)	(202,852)
Other Miscellaneous Revenue		
Veterans Memorial Auditorium	10,750,000	-
Old Training School	6,200,000	-
Johnston Computer Center	1,500,000	-
Two Metacom Avenue in Bristol	2,800,000	-
Group Home Donations	6,000,000	-
State Fleet Revolving Loan Fund	3,638,000	-
Child Support Prior Years Collections	7,214,906	-
Unclaimed Property	641,250	-
Total General Revenue Changes	\$ 29,941,304	\$ (15,842,852)

Departmental Revenues

- Statewide Student Transportation.*** The 2009 Assembly adopted legislation mandating the use of a statewide transportation system for special needs students and the eventual implementation of the transportation system for all students. Districts will reimburse the state for its share of the cost, offsetting this expenditure. The November Revenue Estimating Conference included \$8.6 million in revenue for this initiative with the expectation that a like amount of general revenue expenditures would be included in the revised budget. The Governor's budget removes the \$8.6 million in revenue and the corresponding general revenue expenditure and includes legislation to establish a restricted receipt account to handle the transactions.

- Underground Storage Tank Fund.*** The Budget includes \$0.2 million less to the General Fund to reflect the proposed exemption of the Underground Storage Tank Fund from the state's 10.0 percent indirect cost recovery charge. The Fund is projected to receive \$2.2 million during FY 2010, and the Governor's proposal would retain \$220,000, which would have been deposited as general revenues. The recommendation is designed to ensure that underground storage tank claims that have been approved can be paid, which will avoid a possible unfunded liability for the state.

Other Miscellaneous Revenue. The Governor also recommends \$38,744,156 in other miscellaneous revenues in FY 2010.

- Veterans Memorial Auditorium.*** The 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 agreement between the state and the Authority, in the event that the Authority is running an operating deficit, the state would be responsible for covering this shortfall. Assuming an interest

rate of 7.0 percent and a 20-year term, the Budget Office projects debt service payment of \$1.2 million in FY 2011 and \$2.8 million annually thereafter.

- ***Old Training School.*** The 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.
- ***Johnston Computer Center.*** The Budget includes \$1.5 million in new revenues from the sale of the state's old computer center located in Johnston. The Division 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.
- ***Two Metacom Avenue in Bristol.*** The 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 individuals being served in Bristol.
- ***Group Home Donations.*** The 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.
- ***State Fleet Revolving Loan Fund.*** The 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. The recommendation assumes that funds used to purchase vehicles from FY 2008 through FY 2010, which totaled \$3.9 million, will be paid back into the fund and be used to continue the program.
- ***Child Support Prior Years Collections.*** The Governor's budget includes \$7.2 million in new general revenues to reflect services provided by the Family Court's Child Support Enforcement Unit during FY 2005 through FY 2009 for which the state is entitled to reimbursement. This is a one-time increase to state general revenues.
- ***Unclaimed Property.*** The 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. The additional revenues reflect \$950,000 from transferred funds reduced by the 25.0 percent liability that must be carried forward to the next year.

Explanations of Revised Budget Articles

Article 1

Section 1. Appropriations. This section of Article 1 contains the revised appropriations for FY 2010.

Section 2. Line Item Appropriations. This section establishes that each line of Section 1 in Article 1 constitutes an appropriation.

Section 3. Internal Service Funds. Section 3 of Article 1 authorizes the establishment of limited and specific internal service accounts to implement the cases in which state agencies provide services to other state agencies, institutions and other governmental units on a cost reimbursement basis.

Section 4. Full-Time Equivalent Positions. This section of Article 1 limits the maximum number of full-time equivalent positions authorized for the departments and agencies during any payroll period in FY 2010. This section also provides that no contracted employee can be hired nor may any agency contract for services replacing work done by state employees without public hearings and recommendations by the Budget Office and State Director of Personnel and determination of need by the Director of Administration. In addition, state employees whose funding is from non-state funds that are time limited shall receive appointments limited to the availability of the non-state funding source. This section also contains the usual provision that the Governor or designee, Speaker of the House or designee, and President of the Senate or designee may jointly adjust the authorization.

Section 5. Effective Date. This section establishes that this article is effective upon passage.

Article 2. Motor Vehicle Reimbursement

This article eliminates the third and the fourth quarter reimbursements to municipalities, excluding fire districts, for the Motor Vehicles Excise Tax which produces a general revenue savings of \$66.7 million. The third quarter payment is made on February 1st and the fourth quarter payment on May 1st. The proposed legislation would allow municipalities to levy a supplemental tax to capture the loss of the reimbursement for FY 2010. This is subject to certification from the Department of Revenue. The law further requires an affirmative vote of at least four-fifths of the full membership of the municipal's governing body. For FY 2011 and thereafter, the legislation subjects future exemptions to the annual appropriations act. The article takes effect upon passage.

The enacted budget includes \$133.4 million from general revenues to fund the \$6,000 exemption, excluding fire districts. The Governor includes \$65.1 million in savings in the appropriations act. Since two payments equates to \$66.7 million, it appears that the savings are understated by \$1.6 million.

Article 3. Budget Reserve Fund

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. Rhode Island General Law

Explanations of Revised Budget Articles

requires that any amounts used must be replaced in the following year. This article amends current law to delay the repayment to FY 2011.

Article 4. Public Utilities Commission

The 2002 Assembly raised the number of commissioners in the Public Utilities Commission from three to five, effective January 31, 2004. Passage of Article 4 would rescind that action. The same article was introduced during the 2003, 2004, 2005, 2006, 2007, 2008 and 2009 Sessions, but was not passed by the Assembly. However, the Governor has never appointed the additional commissioners. Introduction of this article during the 2010 session marks the eighth attempt.

Article 5. Child Care State Subsidies

This article imposes a permanent 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 cycle 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 submitted an amendment on January 5, 2010 to sunset the rate reduction on September 30, 2010.

Article 6. Administrative Management of Food and Nutritional Services

The FY 2009 Assembly passed Article 5, Section 1, which transfers food and nutrition services to the Office of Health and Human Services effective March 1, 2010. Article 6 delays that transfer to October 1, 2010 to coincide with the beginning of the new federal fiscal year. The Office notes that due to reporting requirements, it would be less disruptive to shift the program at the beginning of the new federal fiscal year.

Article 7. Hospital Payments

This article eliminates the \$3.65 million included in the enacted budget for state funded reimbursements to be made to four community hospitals for additional uncompensated care costs. Payments include \$1.6 million for Miriam Hospital, \$0.8 million for Kent Hospital, \$0.75 million for Westerly Hospital and \$0.5 million for South County Hospital.

Article 8. Violent Fugitive Task Force

This article creates a new statewide fraud investigation unit and eliminates the State Police's Violent Fugitive Task Force. The budget includes \$0.3 million less from general revenues from the

Explanations of Revised Budget Articles

elimination of the Violent Fugitive Task Force on January 1, 2010. The budget provides \$0.2 million from available internal service funds from agency payroll assessments to fund the new fraud investigation unit. This unit will be comprised of 4.0 members of the former Violent Fugitive Task Force.

The Governor subsequently requested an amendment on January 5, 2010 to make a number of technical and substantive changes, including changing the name of the new unit from the Employment Integrity Unit to the Worker's Compensation Investigations Unit. The amendment also defines members of the Worker's Compensation Investigations Unit as Peace Officers and allows them to carry concealed firearms.

Article 9. Education Aid

Article 9 contains legislation for implementation of the Governor's revised FY 2010 education aid proposal. It reduces education aid by 2.8 percent or \$19.8 million including Central Falls and charter schools. It also reduces education aid by the amount of retirement contribution savings proposed in Article 16 and uses \$5.0 million from federal fiscal stabilization funds slated for use in FY 2011 in lieu of a like amount from general revenues.

It suspends the local appropriation appeal process, often referred to as the Caruolo Act, in any fiscal year when education aid or general revenue sharing is reduced or suspended for that year. The article creates a three-member budget resolution panel to resolve those school budget disputes.

Article 9 requires that the final execution of a collective bargaining agreement between a school committee and representatives of teachers and/or other school employees be approved by the city or town council in which the school district is located.

Finally, Article 9 establishes a mechanism for the payment of certain educational services at the School for the Deaf and the statewide transportation system, both approved by the 2009 Assembly.

Article 10. Restricted Receipt Accounts

This article establishes several new restricted receipt accounts and exempts those from the 10.0 percent indirect cost recovery charge. It also changes the name of an account currently exempt.

This article allows the Commissioner of Elementary and Secondary Education to grant a variance to the requirement for the purchase of transportation services through the statewide transportation system for non-public and non-shared routes if an alternative system is more cost effective. The Department of Elementary and Secondary Education has indicated that some districts are able to transport their non-public students at a cheaper cost than through the statewide system. The budget assumes loss of \$0.2 million from passage of this article and is retroactive to July 1, 2009.

The Governor requested a subsequent budget amendment on January 5, 2010 to allow the Rhode Island Council on the Arts to establish a restricted receipt account to receive Rhode Island Foundation grant funds, allow the Attorney General and the Department of Corrections to establish restricted receipt

Explanations of Revised Budget Articles

accounts to receive federal pass-through grant funding from the City of Providence for a drug market intervention initiative and exempts all three accounts from the indirect cost recovery charge.

Article 11. Rhode Island Telecommunication Education Access Fund

Article 11 reduces 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. This Fund is designed to provide financial assistance for qualified libraries and schools to acquire, install, and use telecommunications technologies to access the Internet. It should be noted that, although wireless customers are not currently charged for this, they do pay a different \$0.26 charge that goes to the General Fund. It had initially been imposed to support geo-coding for the state's E-911 calls.

Article 11 also adds 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.

Article 12. Police Officers and Firefighters – Injured on Duty

This article reduces the compensation from 100.0 percent to 80.0 percent of salaries for officers injured while performing emergency assistance whether on or off-duty, effective upon passage. Compensation for benefits and medical expenses remain the same. Although the provision applies to a number of state employees, the proportion is small, thus the savings to the state is minimal and the revised budget assumes none. However, municipalities would incur significant savings since use of this provision is more common.

Article 13. Municipal Retirement

Article 13 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, eliminating of cost of living increases, increased employee contributions, and mandatory cost sharing and other limitations on retiree health insurance for current and future retirees.

This article is effective July 1, 2010. There is no fiscal impact to the state, and there is a presumed savings to local governments. This proposal is similar to the Governor's proposal contained in Article 45 of 2009-H 5019. An actuarial analysis of that proposal indicated that annual municipal savings would be \$14.3 million including police and fire.

Article 14. Medical Insurance Coverage

Explanations of Revised Budget Articles

This article would terminate employer sponsored health insurance coverage provided to divorced spouses effective May 30, 2010 and would prohibit the practice in the future. There are no savings assumed in the budget from passage of this article.

Article 15. Public Debt Management Act

This article authorizes the Rhode Island Convention Center Authority to issue up to \$29.8 million in debt for the purchase and renovation of the Veterans Memorial Auditorium. The Governor's revised budget includes \$10.8 million in new revenues from the sale of the auditorium to the Authority. Assuming an interest rate of 7.0 percent and a 20-year term, the Budget Office projects debt service payments of \$1.2 million in FY 2011 and \$2.8 million annually thereafter. Under the terms of the Lease and Agreement between the state and the Convention Center Authority, the state is responsible for covering operating shortfalls; it currently appropriates \$24.3 million annually for debt service and operating shortfalls.

Article 16. Pension

This article eliminates the cost-of-living adjustments for state employees, teachers, judges and state police that were not eligible to retire on September 30, 2009 and do not become eligible to do so before the passage of this proposal. The budget assumes general revenue savings of \$42.9 million from passage of this article.

This article also provides that no supplemental contributions be made to the Retirement System for FY 2009, FY 2010 and FY 2011. Rhode Island General Law requires that for any fiscal year in which the actuarially determined state contribution rate for state employees or teachers is lower than that for the prior fiscal year, the Governor shall include an appropriation to that system equal to 20.0 percent of the rate reduction for the state's contribution rate to be applied to the actuarial accrued liability of the system.

Article 17. Resource Recovery Corporation

This article would allow the Resource Recovery Corporation to delay until June 30, 2014, the construction of a facility which would enable it to recycle plastics labeled three through seven. These plastics include bottle caps, food containers and detergent bottles. Current law mandates the facility begin accepting plastics labeled one through seven by January 1, 2011. The Corporation is currently unclear on which funding approach it would use for the new facility, and has also recently experienced declining revenues. Based on the Corporation's request, the Governor is including the delay to allow for more stable revenue sources as well as a better defined implementation plan.

Article 18. Statewide Purchasing

Explanations of Revised Budget Articles

Article 18 authorizes the Department of Elementary and Secondary Education with the Department of Administration to permit public schools to join cooperatives for purchasing goods, supplies and services on a voluntary basis. It also exempts the Department of Elementary and Secondary Education exemption from state purchasing laws upon specific approval of chief purchasing officer. There are no savings assumed in the budget from this article, which would be effective upon passage.

Article 19. American Recovery and Reinvestment Act

This article authorizes the Public Finance Management Board to allocate among issuers tax-exempt and taxable bond issuance capacity authorized under the American Recovery and Reinvestment Act of 2009. Under current law, the Board is authorized to allocate tax exempt bond capacity in the state; however, there is some question if this authority extends to the allocation of federally taxable bonds associated with tax credits created under the Act. The article extends that authority, has no impact on the budget and takes effect upon passage.

Article 20. School Realignment Commission

This article creates a School Realignment Commission to review and make recommendations for realigning school services in cases where such realignment will be cost effective. The Commission must submit their recommendations to the General Assembly by March 31, 2011. The General Assembly shall approve or reject the recommendations and pass necessary legislation to place the recommendations on the November 2012 ballot for voter approval.

Article 21. Firefighter and Municipal Police Manning

This article would remove any issue relating to minimum manning from the collective bargaining process regarding firefighters and municipal police officers. Upon passage, manning would be a management right, and the decision will fall upon the chiefs of the respective departments.

Article 22. Municipal Health Insurance Cost Sharing

This article requires that all new and extended collective bargaining agreements pertaining to public school teachers, police officers, firefighters or municipal employees must include a minimum of 25.0 percent health and dental insurance premiums co-share.

Article 23. School Employee Health Insurance

Article 23 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. This article authorizes the

Explanations of Revised Budget Articles

Department Administration to create uniform health care benefits for all Rhode Island school district and charter school employees including, but not limited to medical benefits and prescription drug coverage. The choice of benefit plans from those approved in accordance with the new plan, medical insurance cost-sharing, payment for waiving medical insurance, and providing benefits for retirees shall continue to be negotiated through the collective bargaining process. The value of any approved plan may not be greater than the value of the state employee health plan.

There are no savings assumed in the budget from the passage of this article. Information gathered by the Department of Elementary and Secondary Education during FY 2007 indicates that districts would be able to achieve annual savings of approximately \$17.1 million through competitive bidding, establishment of a limited number of common plan designs resulting in reduced administrative fees, and co-sharing and buy-back provisions. It should be noted that many district have implemented such provisions.

The Governor also recommends legislation in Article 22 that requires a minimum of 25.0 percent health and dental insurance premiums co-share for all new and extended collective bargaining agreements pertaining to public school teachers, police officers, firefighters or municipal employees. This is in contradiction with Article 23 that allows for the negotiation of cost sharing for teachers and school employees.

Article 24. Effective Date

Article 24 provides that the act shall take effect upon passage, except where a provision within the article specifies a retroactive or prospective effective date.

Explanations of Revised Budget Articles

Section V

Summary Tables

General Revenues

	FY 2010 Enacted	FY 2010 Consensus	Change	FY 2010 Gov. Rev.
Personal Income Tax	\$ 963,200,000	\$ 919,200,000	\$ (44,000,000)	\$ 919,200,000
General Business Taxes				
Business Corporations	113,000,000	94,100,000	(18,900,000)	94,100,000
Public Utilities Gross	115,000,000	120,000,000	5,000,000	120,000,000
Financial Institutions	3,750,000	2,000,000	(1,750,000)	2,000,000
Insurance Companies	81,900,000	80,000,000	(1,900,000)	80,000,000
Bank Deposits	1,730,000	1,800,000	70,000	1,800,000
Health Care Provider	36,126,589	34,900,000	(1,226,589)	34,900,000
Sales and Use Taxes				
Sales and Use	815,000,000	751,000,000	(64,000,000)	751,000,000
Motor Vehicle	50,400,000	48,600,000	(1,800,000)	48,600,000
Motor Fuel	920,000	1,000,000	80,000	1,000,000
Cigarettes	148,000,000	140,300,000	(7,700,000)	140,300,000
Alcohol	10,900,000	11,000,000	100,000	11,000,000
Other Taxes				
Inheritance and Gift	29,399,700	26,400,000	(2,999,700)	26,400,000
Racing and Athletics	2,100,000	2,000,000	(100,000)	2,000,000
Realty Transfer	7,200,000	6,500,000	(700,000)	6,500,000
Total Taxes	2,378,626,289	\$ 2,238,800,000	\$ (139,826,289)	\$ 2,238,800,000
Departmental Receipts	335,532,188	342,000,000	6,467,812	333,197,148
Gas Tax Transfer	-	-	-	-
Other Miscellaneous	9,000,000	8,500,000	(500,000)	46,602,906
Lottery	348,700,000	351,900,000	3,200,000	351,900,000
Unclaimed Property	5,000,000	5,200,000	200,000	5,841,250
Total General Revenues	3,076,858,477	\$ 2,946,400,000	\$ (130,458,477)	\$ 2,976,341,304

Expenditures from All Funds

	FY 2009 Reported	FY 2010 Enacted	FY 2010 Rev. Req.	FY 2010 Revised
General Government				
Administration	\$ 590,170,091	\$ 601,864,659	\$ 638,429,256	\$ 556,422,155
Business Regulation	9,890,282	11,332,045	11,323,747	10,505,780
Labor and Training	802,175,193	930,034,066	967,889,328	967,865,542
Revenue	224,429,886	239,805,187	238,647,822	240,798,638
Legislature	33,526,663	37,430,724	36,869,308	35,684,196
Lieutenant Governor	852,985	973,262	944,736	898,489
Secretary of State	7,031,773	6,495,579	6,432,392	6,141,031
General Treasurer	25,383,395	30,736,632	30,712,066	31,119,777
Board of Elections	2,042,871	1,850,141	1,597,491	1,382,177
Rhode Island Ethics Commission	1,349,725	1,437,730	1,461,423	1,416,832
Governor's Office	5,171,859	5,737,384	6,386,561	5,987,855
Human Rights	1,373,187	1,424,747	1,314,845	1,318,489
Public Utilities Commission	5,635,602	7,412,531	7,526,092	7,267,447
Commission on Women	112,319	109,462	107,462	69,270
Subtotal - General Government	\$ 1,709,145,831	\$ 1,876,644,149	\$ 1,949,642,529	\$ 1,866,877,678
Human Services				
Health and Human Services	\$ 7,075,645	\$ 9,390,689	\$ 8,258,045	\$ 8,037,893
Children, Youth and Families	249,961,027	247,749,655	246,662,095	241,716,662
Elderly Affairs	32,186,471	25,523,166	27,769,877	28,546,556
Health	122,192,186	132,310,791	144,947,357	142,659,851
Human Services	1,826,236,998	1,963,510,139	2,062,355,121	2,043,113,698
MHRH	466,591,483	462,873,731	450,190,319	460,770,670
Child Advocate	512,005	588,148	582,625	558,159
Deaf and Hard of Hearing	337,417	370,146	373,336	349,670
Commission on Disabilities	599,118	726,400	759,254	746,266
Mental Health Advocate	441,060	448,423	404,709	391,609
Subtotal - Human Services	\$ 2,706,133,410	\$ 2,843,491,288	\$ 2,942,302,738	\$ 2,926,891,034
Education				
Elementary and Secondary	\$ 1,051,662,882	\$ 1,150,007,562	\$ 1,185,991,789	\$ 1,130,483,456
Higher Education	840,693,880	886,769,732	872,791,631	898,783,361
Arts Council	2,602,169	3,274,826	3,548,637	3,670,150
Atomic Energy	1,052,916	1,217,115	1,388,561	1,392,841
HEAA	27,244,765	28,631,338	25,650,614	25,556,789
Historical Preservation	2,021,138	2,613,504	2,623,025	2,560,674
Public Telecommunications	1,923,275	1,908,358	1,707,591	1,623,581
Subtotal - Education	\$ 1,927,201,025	\$ 2,074,422,435	\$ 2,093,701,848	\$ 2,064,070,852

Expenditures from All Funds

	FY 2009 Reported	FY 2010 Enacted	FY 2010 Rev. Req.	FY 2010 Revised
Public Safety				
Attorney General	\$ 23,273,474	\$ 23,507,213	\$ 24,951,314	\$ 23,846,600
Corrections	179,135,548	185,355,506	191,430,714	186,186,492
Judicial	93,784,589	95,984,801	97,679,631	94,133,976
Military Staff	28,850,441	27,041,133	39,280,618	40,900,392
Public Safety	78,573,137	91,427,484	106,789,002	103,460,304
Public Defender	9,272,214	9,809,087	9,926,613	9,585,748
Subtotal-Public Safety	\$ 412,889,403	\$ 433,125,224	\$ 470,057,892	\$ 458,113,512
Natural Resources				
Environmental Management	\$ 66,566,213	\$ 90,973,245	\$ 95,677,958	\$ 94,223,648
CRMC	3,607,015	5,541,521	10,141,987	10,045,740
Water Resources	1,133,329	1,473,785	1,822,093	1,653,914
Subtotal-Natural Resources	\$ 71,306,557	\$ 97,988,551	\$ 107,642,038	\$ 105,923,302
Transportation				
Transportation	\$ 362,791,116	\$ 489,066,491	\$ 421,881,846	\$ 414,730,019
Subtotal-Transportation	\$ 362,791,116	\$ 489,066,491	\$ 421,881,846	\$ 414,730,019
Total	\$ 7,189,467,342	\$ 7,814,738,138	\$ 7,985,228,891	\$ 7,836,606,397

Expenditures from General Revenues

	FY 2009 Reported	FY 2010 Enacted	FY 2010 Rev. Req.	FY 2010 Revised
General Government				
Administration	\$ 475,081,215	\$ 429,600,820	\$ 441,114,472	\$ 366,295,408
Business Regulation	8,527,973	9,577,234	9,572,286	8,771,882
Labor and Training	6,433,975	6,667,994	6,716,869	6,531,803
Revenue	32,332,034	36,191,064	35,286,181	33,882,287
Legislature	32,018,330	35,874,012	35,327,396	34,181,165
Lieutenant Governor	852,985	973,262	944,736	898,489
Secretary of State	6,318,527	5,521,241	5,518,244	5,235,706
General Treasurer	2,353,044	2,500,299	2,364,404	2,299,683
Board of Elections	1,547,547	1,600,141	1,597,491	1,161,596
Rhode Island Ethics Commission	1,349,725	1,437,730	1,461,423	1,416,832
Governor's Office	4,627,388	5,106,754	5,103,840	4,730,441
Human Rights	918,462	1,016,242	951,019	961,874
Public Utilities Commission	-	-	-	-
Commission on Women	112,319	109,462	107,462	69,270
Subtotal - General Government	\$ 572,473,524	\$ 536,176,255	\$ 546,065,823	\$ 466,436,436
Human Services				
Health and Human Services	\$ 3,434,394	\$ 3,621,896	\$ 3,457,097	\$ 3,323,828
Children, Youth and Families	161,307,641	158,822,427	158,822,267	154,127,876
Elderly Affairs	14,056,863	9,920,687	9,646,978	9,507,654
Health	26,238,737	29,554,572	30,188,928	28,502,412
Developmental Disabilities *				
Human Services	658,673,264	662,081,602	676,153,195	665,362,509
MHRH	184,060,033	166,015,780	164,960,780	168,095,607
Child Advocate	501,518	547,048	535,489	512,265
Deaf and Hard of Hearing	341,317	370,146	373,336	349,670
Commission on Disabilities	383,041	366,450	355,608	344,227
Mental Health Advocate	441,060	448,423	404,709	391,609
Subtotal - Human Services	\$ 1,049,437,868	\$ 1,031,749,031	\$ 1,044,898,387	\$ 1,030,517,657
Education				
Elementary and Secondary	\$ 825,851,737	\$ 857,726,770	\$ 852,888,954	\$ 794,712,313
Higher Education	170,814,823	173,306,844	163,886,461	162,966,485
Arts Council	1,591,482	1,983,986	1,987,746	1,939,874
Atomic Energy	784,077	775,346	775,346	788,999
HEAA	7,283,678	7,305,741	7,259,841	7,238,150
Historical Preservation	1,241,495	1,285,100	1,324,589	1,262,238
Public Telecommunications	1,206,333	1,142,702	1,093,562	1,009,552
Subtotal - Education	\$ 1,008,773,625	\$ 1,043,526,489	\$ 1,029,216,499	\$ 969,917,611

Expenditures from General Revenues

	FY 2009 Reported	FY 2010 Enacted	FY 2010 Rev. Req.	FY 2010 Revised
Public Safety				
Attorney General	\$ 20,811,424	\$ 21,099,743	\$ 21,067,635	\$ 20,108,466
Corrections	154,269,696	177,390,562	181,354,474	174,850,922
Judicial	81,658,618	83,907,229	83,933,925	80,226,082
Military Staff	3,489,126	3,279,979	3,375,477	3,262,789
Public Safety	63,138,445	54,745,909	57,476,916	54,730,566
Public Defender	8,986,912	9,583,189	9,537,594	9,204,425
Subtotal-Public Safety	\$ 332,354,221	\$ 350,006,611	\$ 356,746,021	\$ 342,383,250
Natural Resources				
Environmental Management	\$ 32,853,893	\$ 35,484,369	\$ 34,767,550	\$ 32,811,928
CRMC	2,002,176	2,027,574	2,056,156	1,945,046
Water Resources	999,005	1,370,785	1,644,635	1,099,936
Subtotal-Natural Resources	\$ 35,855,074	\$ 38,882,728	\$ 38,468,341	\$ 35,856,910
Transportation				
Transportation	\$ -	\$ -	\$ -	\$ -
Subtotal-Transportation	\$ -	\$ -	\$ -	\$ -
Total	\$ 2,998,894,312	\$ 3,000,341,114	\$ 3,015,395,071	\$ 2,845,111,864

Expenditures from Federal Grants

	FY 2009 Reported	FY 2010 Enacted	FY 2010 Rev. Req.	FY 2010 Revised
General Government				
Administration	\$ 48,933,450	\$ 80,173,897	90,926,741	85,662,795
Business Regulation	87,315	-	-	-
Labor and Training	62,635,505	214,366,612	284,937,538	285,082,058
Revenue	1,551,477	2,604,929	2,448,648	2,402,882
Legislature	-	-	-	-
Lieutenant Governor	-	-	-	-
Secretary of State	285,130	500,000	408,400	408,400
General Treasurer	783,113	1,293,540	1,283,993	1,276,605
Board of Elections	495,324	250,000	-	220,581
Rhode Island Ethics Commission	-	-	-	-
Governor's Office	544,471	630,630	-	-
Human Rights	454,725	408,505	363,826	356,615
Public Utilities Commission	67,758	103,600	98,830	98,830
Commission on Women	-	-	-	-
Subtotal - General Government	\$ 115,838,268	\$ 300,331,713	\$ 380,467,976	\$ 375,508,766
Human Services				
Health and Human Services	\$ 2,989,143	\$ 4,484,003	\$ 3,916,330	\$ 3,853,419
Children, Youth and Families	85,846,952	85,504,945	84,845,645	84,944,174
Elderly Affairs	12,831,308	15,210,364	17,730,784	18,246,787
Health	75,887,694	77,831,370	89,401,427	88,916,931
Developmental Disabilities *				
Human Services	1,161,607,333	1,288,587,124	1,373,007,326	1,364,949,550
MHRH	273,867,200	280,058,238	272,518,967	278,567,342
Child Advocate	10,487	41,100	47,136	45,894
Deaf and Hard of Hearing	(3,900)	-	-	-
Commission on Disabilities	56,245	174,949	199,936	198,329
Mental Health Advocate	-	-	-	-
Subtotal - Human Services	\$ 1,613,092,462	\$ 1,751,892,093	\$ 1,841,667,551	\$ 1,839,722,426
Education				
Elementary and Secondary	\$ 210,014,722	\$ 278,346,091	\$ 309,387,036	\$ 313,556,524
Higher Education	3,735,334	20,338,416	3,409,040	19,515,934
Arts Council	698,153	855,840	1,125,891	1,195,276
Atomic Energy	51,548	107,000	300,159	300,159
HEAA	13,123,386	14,575,320	11,921,995	11,855,920
Historical Preservation	509,473	819,367	819,367	819,367
Public Telecommunications	-	-	-	-
Subtotal - Education	\$ 228,132,616	\$ 315,042,034	\$ 326,963,488	\$ 347,243,180

Expenditures from Federal Grants

	FY 2009 Reported	FY 2010 Enacted	FY 2010 Rev. Req.	FY 2010 Revised
Public Safety				
Attorney General	\$ 1,397,373	\$ 1,274,540	\$ 1,983,570	\$ 1,921,152
Corrections	22,288,285	2,196,668	3,302,046	3,402,046
Judicial	1,625,278	1,445,452	2,422,515	3,568,213
Military Staff	24,421,511	21,941,615	34,074,058	34,013,174
Public Safety	7,925,798	17,227,246	22,442,347	22,520,193
Public Defender	285,302	225,898	389,019	381,323
Subtotal-Public Safety	\$ 57,943,547	\$ 44,311,419	\$ 64,613,555	\$ 65,806,101
Natural Resources				
Environmental Management	\$ 19,660,114	\$ 33,680,872	\$ 37,943,275	\$ 37,803,320
CRMC	1,384,339	1,608,438	6,180,322	6,195,185
Water Resources	(1,034)	-	-	-
Subtotal-Natural Resources	\$ 21,043,419	\$ 35,289,310	\$ 44,123,597	\$ 43,998,505
Transportation				
Transportation	\$ 222,082,466	\$ 381,348,383	\$ 316,752,494	\$ 316,793,052
Subtotal-Transportation	\$ 222,082,466	\$ 381,348,383	\$ 316,752,494	\$ 316,793,052
Total	\$ 2,258,132,778	\$ 2,828,214,952	\$ 2,974,588,661	\$ 2,989,072,030

Expenditures from Restricted Receipts

	FY 2009 Reported	FY 2010 Enacted	FY 2010 Rev. Req.	FY 2010 Revised
General Government				
Administration	\$ 9,476,353	\$ 18,938,514	\$ 26,824,274	\$ 25,559,084
Business Regulation	1,274,994	1,754,811	1,751,461	1,733,898
Labor and Training	18,912,729	25,314,950	22,009,907	22,018,670
Revenue	706,530	845,292	780,634	739,952
Legislature	1,508,333	1,556,712	1,541,912	1,503,031
Lieutenant Governor	-	-	-	-
Secretary of State	428,116	474,338	505,748	496,925
General Treasurer	22,088,138	26,740,503	26,844,591	27,329,315
Board of Elections	-	-	-	-
Rhode Island Ethics Commission	-	-	-	-
Governor's Office	-	-	1,282,721	1,257,414
Human Rights	-	-	-	-
Public Utilities Commission	5,567,844	7,308,931	7,427,262	7,168,617
Commission on Women	-	-	-	-
Subtotal - General Government	\$ 59,963,037	\$ 82,934,051	\$ 88,968,510	\$ 87,806,906
Human Services				
Health and Human Services	\$ 652,108	\$ 1,284,790	\$ 884,618	\$ 860,646
Children, Youth and Families	2,232,511	2,203,059	2,005,793	2,005,793
Elderly Affairs	850,000	392,115	392,115	792,115
Health	19,955,652	24,693,437	25,248,950	25,134,247
Developmental Disabilities *				
Human Services	5,923,901	8,316,413	8,519,600	8,519,601
MHRH	4,695,837	5,203,044	4,504,330	4,504,330
Child Advocate	-	-	-	-
Deaf and Hard of Hearing	-	-	-	-
Commission on Disabilities	8,432	10,001	13,559	13,559
Mental Health Advocate	-	-	-	-
Subtotal - Human Services	\$ 34,318,441	\$ 42,102,859	\$ 41,568,965	\$ 41,830,291
Education				
Elementary and Secondary	\$ 6,511,894	\$ 7,501,077	16,680,683	17,030,683
Higher Education	651,932	667,543	754,577	754,577
Arts Council	83,440	-	-	100,000
Atomic Energy	-	-	-	-
HEAA	-	-	-	-
Historical Preservation	270,170	509,037	479,069	479,069
Public Telecommunications	-	-	-	-
Subtotal - Education	\$ 7,517,436	\$ 8,677,657	\$ 17,914,329	\$ 18,364,329

Expenditures from Restricted Receipts

	FY 2009 Reported	FY 2010 Enacted	FY 2010 Rev. Req.	FY 2010 Revised
Public Safety				
Attorney General	\$ 843,798	\$ 932,930	\$ 1,113,262	\$ 1,090,135
Corrections	-	-	-	-
Judicial	8,796,528	9,807,120	9,711,691	9,510,215
Military Staff	99,797	337,449	348,993	346,909
Public Safety	243,803	609,000	703,694	714,594
Public Defender	-	-	-	-
Subtotal-Public Safety	\$ 9,983,926	\$ 11,686,499	\$ 11,877,640	\$ 11,661,853
Natural Resources				
Environmental Management	\$ 11,413,374	\$ 15,246,049	\$ 15,276,809	\$ 13,850,042
CRMC	220,500	250,000	250,000	250,000
Water Resources	109,816	-	-	-
Subtotal-Natural Resources	\$ 11,743,690	\$ 15,496,049	\$ 15,526,809	\$ 14,100,042
Transportation				
Transportation	\$ 370,919	\$ 1,500,000	\$ 1,000,000	\$ 1,000,000
Subtotal-Transportation	\$ 370,919	\$ 1,500,000	\$ 1,000,000	\$ 1,000,000
Total	\$ 123,897,449	\$ 162,397,115	\$ 176,856,253	\$ 174,763,421

Expenditures from Other Funds

	FY 2009 Reported	FY 2010 Enacted	FY 2010 Rev. Req.	FY 2010 Revised
General Government				
Administration	\$ 56,679,073	\$ 73,151,428	\$ 79,563,769	\$ 78,904,868
Business Regulation	-	-	-	-
Labor and Training	714,192,984	683,684,510	654,225,014	654,233,011
Revenue	189,839,845	200,163,902	200,132,359	203,773,517
Legislature	-	-	-	-
Lieutenant Governor	-	-	-	-
Secretary of State	-	-	-	-
General Treasurer	159,100	202,290	219,078	214,174
Board of Elections	-	-	-	-
Rhode Island Ethics Commission	-	-	-	-
Governor's Office	-	-	-	-
Human Rights	-	-	-	-
Public Utilities Commission	-	-	-	-
Commission on Women	-	-	-	-
Subtotal - General Government	\$ 960,871,002	\$ 957,202,130	\$ 934,140,220	\$ 937,125,570
Human Services				
Health and Human Services	\$ -	\$ -	\$ -	\$ -
Children, Youth and Families	573,923	1,219,224	988,390	638,819
Elderly Affairs	4,448,300	-	-	-
Health	110,103	231,412	108,052	106,261
Developmental Disabilities *	-	-	-	-
Human Services	32,500	4,525,000	4,675,000	4,282,038
MHRH	3,968,413	11,596,669	8,206,242	9,603,391
Child Advocate	-	-	-	-
Deaf and Hard of Hearing	-	-	-	-
Commission on Disabilities	151,400	175,000	190,151	190,151
Mental Health Advocate	-	-	-	-
Subtotal - Human Services	\$ 9,284,639	\$ 17,747,305	\$ 14,167,835	\$ 14,820,660
Education				
Elementary and Secondary	\$ 9,284,529	\$ 6,433,624	\$ 7,035,116	\$ 5,183,936
Higher Education	665,491,791	692,456,929	704,741,553	715,546,365
Arts Council	229,094	435,000	435,000	435,000
Atomic Energy	217,291	334,769	313,056	303,683
HEAA	6,837,701	6,750,277	6,468,778	6,462,719
Historical Preservation	-	-	-	-
Public Telecommunications	716,942	765,656	614,029	614,029
Subtotal - Education	\$ 682,777,348	\$ 707,176,255	\$ 719,607,532	\$ 728,545,732

Expenditures from Other Funds

	FY 2009 Reported	FY 2010 Enacted	FY 2010 Rev. Req.	FY 2010 Revised
Public Safety				
Attorney General	\$ 220,879	\$ 200,000	\$ 786,847	\$ 726,847
Corrections	2,577,567	5,768,276	6,774,194	7,933,524
Judicial	1,704,165	825,000	1,611,500	829,466
Military Staff	840,007	1,482,090	1,482,090	3,277,520
Public Safety	7,265,091	18,845,329	26,166,045	25,494,951
Public Defender	-	-	-	-
Subtotal-Public Safety	\$ 12,607,709	\$ 27,120,695	\$ 36,820,676	\$ 38,262,308
Natural Resources				
Environmental Management	\$ 2,638,832	\$ 6,561,955	\$ 7,690,324	\$ 9,758,358
CRMC	-	1,655,509	1,655,509	1,655,509
Water Resources	25,542	103,000	177,458	553,978
Subtotal-Natural Resources	\$ 2,664,374	\$ 8,320,464	\$ 9,523,291	\$ 11,967,845
Transportation				
Transportation	\$ 140,337,731	\$ 106,218,108	\$ 104,129,352	\$ 96,936,967
Subtotal-Transportation	\$ 140,337,731	\$ 106,218,108	\$ 104,129,352	\$ 96,936,967
Total	\$ 1,808,542,803	\$ 1,823,784,957	\$ 1,818,388,906	\$ 1,827,659,082

Full-Time Equivalent Positions

	FY 2009 Final	FY 2010 Enacted	FY 2010 Rev. Req.	FY 2010 Revised
General Government				
Administration	845.6	895.6	891.6	881.6
Business Regulation	91.0	91.0	91.0	91.0
Labor and Training	395.3	436.3	476.7	475.1
Revenue	410.0	424.0	428.0	428.0
Legislature	297.9	297.9	297.8	297.9
Lieutenant Governor	8.0	8.0	8.0	8.0
Secretary of State	55.0	57.0	57.0	57.0
General Treasurer	83.0	83.0	83.0	83.0
Board of Elections	12.0	12.0	12.0	12.0
Rhode Island Ethics Commission	12.0	12.0	12.0	12.0
Governor's Office	39.0	43.0	46.0	46.0
Human Rights	14.5	14.5	14.5	14.5
Public Utilities Commission	44.0	44.0	46.0	44.0
Commission on Women	1.0	1.0	1.0	1.0
Subtotal - General Government	2,308.3	2,419.3	2,464.6	2,451.1
Human Services				
Health and Human Services	85.1	74.1	75.6	75.6
Children, Youth and Families	694.0	700.0	700.0	700.0
Elderly Affairs	32.0	31.0	31.0	31.0
Health	409.6	414.6	427.7	428.7
Human Services	884.6	954.6	953.6	954.6
MHRH	1,352.4	1,398.4	1,396.2	1,396.2
Child Advocate	5.7	5.7	5.7	5.8
Deaf and Hard of Hearing	3.0	3.0	3.0	3.0
Commission on Disabilities	4.0	4.0	4.0	4.0
Mental Health Advocate	3.7	3.7	3.7	3.7
Subtotal - Human Services	3,474.1	3,589.1	3,600.5	3,602.6
Education				
Elementary and Secondary	311.4	327.4	327.4	327.4
Higher Education	4,180.0	4182.1	4182.1	4,182.1
Arts Council	8.6	8.6	8.6	8.6
Atomic Energy	8.6	8.6	8.6	8.6
Higher Education Assistance Authority	42.6	42.6	42.6	42.6
Historical Preservation	16.6	16.6	16.6	16.6
Public Telecommunications	18.0	18.0	17.0	16.0
Subtotal - Education	4,585.8	4,603.9	4,602.9	4,601.9

Full-Time Equivalent Positions

	FY 2009 Final	FY 2010 Enacted	FY 2010 Rev. Req.	FY 2010 Revised
Public Safety				
Attorney General	231.1	231.1	231.1	231.1
Corrections	1,423.0	1,423.0	1,423.0	1,423.0
Judicial	729.3	729.3	729.3	729.3
Military Staff	101.0	111.0	112.0	112.0
Public Safety	396.1	432.1	418.1	430.1
Public Defender	91.0	91.0	93.0	93.0
Subtotal-Public Safety	2,971.5	3,017.5	3,006.5	3,018.5
Natural Resources				
Environmental Management	409.0	417.0	408.0	414.0
CRMC	30.0	30.0	30.0	30.0
Water Resources	6.0	6.0	6.0	6.0
Subtotal-Natural Resources	445.0	453.0	444.0	450.0
Transportation				
Transportation	691.2	780.2	780.2	780.2
Subtotal-Transportation	691.2	780.2	780.2	780.2
Total Positions	14,475.9	14,863.0	14,898.7	14,904.3

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