
Section II

Statewide Overview

Summary

| | FY 2020 Enacted | FY 2020 Revised | FY 2021 Request | FY 2021 Recommended |
|----------------------------------|--------------------|--------------------|--------------------|------------------------|
| Expenditures by Function* | | | | |
| General Government | \$ 1,630.9 | \$ 1,681.3 | \$ 1,747.7 | \$ 1,719.4 |
| Human Services | 4,212.8 | 4,207.5 | 4,410.8 | 4,258.9 |
| Education | 2,746.5 | 2,769.5 | 2,858.2 | 2,835.9 |
| Public Safety | 624.3 | 646.5 | 627.6 | 613.5 |
| Natural Resources | 107.3 | 109.9 | 120.9 | 107.4 |
| Transportation | 648.8 | 647.0 | 684.2 | 660.0 |
| Total | \$ 9,970.6 | \$ 10,061.8 | \$ 10,449.4 | \$ 10,195.0 |
| Expenditures by Category* | | | | |
| Salaries and Benefits | \$ 1,835.4 | \$ 1,830.0 | \$ 1,912.5 | \$ 1,871.4 |
| Contracted Services | 347.9 | 386.2 | 402.9 | 375.1 |
| Subtotal | \$ 2,183.4 | \$ 2,216.2 | \$ 2,315.3 | \$ 2,246.5 |
| Other State Operations | 1,011.7 | 1,065.6 | 1,057.2 | 1,077.3 |
| Aid to Local Units of Government | 1,519.9 | 1,523.3 | 1,603.6 | 1,572.4 |
| Assistance, Grants, and Benefits | 4,326.2 | 4,302.9 | 4,461.0 | 4,372.6 |
| Capital | 480.4 | 472.1 | 457.2 | 392.7 |
| Capital Debt Service | 268.0 | 256.9 | 289.0 | 270.0 |
| Operating Transfers | 181.1 | 224.7 | 266.1 | 263.5 |
| Total | \$ 9,970.6 | \$ 10,061.8 | \$ 10,449.4 | \$ 10,195.0 |
| Sources of Funds* | | | | |
| General Revenue | \$ 4,077.6 | \$ 4,086.3 | \$ 4,420.1 | \$ 4,247.8 |
| Federal Aid | 3,325.4 | 3,325.2 | 3,381.3 | 3,323.1 |
| Restricted Receipts | 311.4 | 383.2 | 330.6 | 348.9 |
| Other | 2,256.3 | 2,267.1 | 2,317.5 | 2,275.2 |
| Total | \$ 9,970.6 | \$ 10,061.8 | \$ 10,449.4 | \$ 10,195.0 |
| FTE Authorization | 15,074.7 | 15,095.7 | 15,372.1 | 15,074.7 |

**Data in millions*

Summary

The Governor's budget recommendations for FY 2021 are contained in 2020-H 7171, introduced on January 16, 2020, which is the day it was due by law. Supporting documents required as part of that submission were made available with the introduction.

The Governor recommends a total FY 2021 budget of \$10,195.0 million. Total expenditures increase by \$224.4 million from the FY 2020 budget enacted by the 2019 Assembly, or 2.3 percent. Her FY 2020 revised budget totals \$10,061.8 million; FY 2019 expenditures were \$9,377.7 million.

The budget includes \$4,247.8 million of expenditures funded from general revenues, \$170.2 million, or 4.2 percent more than the enacted general revenue funded budget. This is also \$161.5 million more than her revised recommendation.

| FY 2021 | General | | | | All Funds |
|-------------------|----------------|----------------|-------------------|--------------|------------------|
| | Revenue | Federal | Restricted | Other | |
| FY 2020 Enacted | \$ 4,077.6 | \$ 3,325.4 | \$ 311.4 | \$ 2,256.3 | \$ 9,970.6 |
| Governor | 4,247.8 | 3,323.1 | 348.9 | 2,275.2 | 10,195.0 |
| Change to Enacted | \$ 170.2 | \$ (2.2) | \$ 37.5 | \$ 18.9 | \$ 224.4 |
| Percent Change | 4.2% | -0.1% | 12.1% | 0.8% | 2.3% |

| FY 2020 Revised | General | | | | All Funds |
|------------------------------|----------------|----------------|-------------------|--------------|------------------|
| | Revenue | Federal | Restricted | Other | |
| FY 2019 Final | \$ 3,933.8 | \$ 3,334.5 | \$ 287.1 | \$ 2,191.0 | \$ 9,746.4 |
| FY 2019 Reported | 3,924.0 | 3,118.7 | 259.6 | 2,075.4 | 9,377.7 |
| Difference | \$ (9.8) | \$ (215.8) | \$ (27.5) | \$ (115.6) | \$ (368.6) |
| FY 2020 Enacted | \$ 4,077.6 | \$ 3,325.4 | \$ 311.4 | \$ 2,256.3 | \$ 9,970.6 |
| Governor's FY 2020 Revised | 4,086.3 | 3,325.2 | 383.2 | 2,267.1 | 10,061.8 |
| Governor's Change to Enacted | \$ 8.7 | \$ (0.2) | \$ 71.9 | \$ 10.8 | \$ 91.1 |
| Percent Change | 0.2% | 0.0% | 23.1% | 0.5% | 0.9% |

The Budget Office estimated in July that in preparing the FY 2021 budget, the Governor faced a projected revenue-expenditure gap of about \$209 million. The June Fiscal Staff's estimated FY 2021 budget gap was only \$128.6 million with most of the difference from the subsequent Budget Office estimate being expenditure assumptions for human services and education aid. The Budget Office used considerably higher growth rates for the first two items in its July estimate than in the out-year projections presented as part of the Governor's FY 2020 budget submission. The estimates also differed in that the Budget Office assumed no decline in spending on the human service eligibility system, known as "UHIP", as design work is completed.

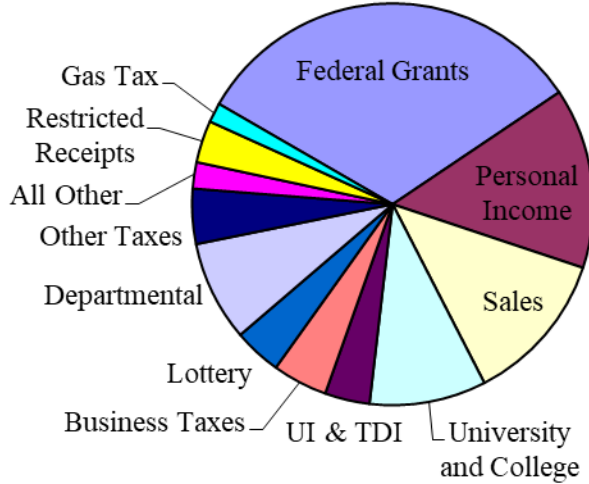
By November, it was clear that agency overspending and increased caseload costs would outstrip increased resources available from the FY 2019 closing and revised consensus caseload and revenue estimates. The House Fiscal Staff estimated in December that those factors meant a roughly \$6.5 million current year deficit would have to be solved as well as a \$122 million issue for FY 2021. The current year estimate assumed several savings initiatives that were not progressing as planned would come to fruition and that the state keeps at least \$33.2 million of the \$50 million settlement with Deloitte, which is still awaiting a federal decision.

The Governor's budget resolves much of the deficit through increased revenues, some of which are structural in nature, as well as reductions to human services caseload expenses and aid to cities and towns. These reductions are offset by updated education aid estimates and new initiatives, increased spending for commerce, job training and prekindergarten initiatives as well as a variety of other new spending priorities.

Her budget follows the traditional Rhode Island budgeting practice of assuming passage of legislation submitted with the budget and approval by requisite federal agencies of changes under their purview. Should any of that legislation not pass; the budget will be significantly unbalanced.

The revenue sources for the enacted budget are shown in the following graph. They include a number of changes to current law, all of which are described in *Section VI, Special Reports: Revenues Changes*.

Sources of Funds



- *Federal funds* continue to be the single largest source, accounting for 32.3 percent of all revenues in FY 2021. Recommended expenditures from federal sources of \$3,323.1 million are \$2.2 million less than enacted for FY 2020, a 0.1 percent decrease, and are from nearly 300 different federal programs.

Medicaid is the single largest source of federal funds. The Budget includes \$1,824.1 million from Medicaid, 54.9 percent of all federal funds, and 17.7 percent of all revenues. Federal Highway funds of \$293.3 million is the second largest category, 8.8 percent of federal funds.

The following table shows the ten largest sources, along with the percent of total federal expenditures attributable to each. They account for 82.3 percent of all federal funds expenditures, with the remaining programs accounting for the other 17.7 percent.

| Top Ten Federal Sources | <i>Total</i> | <i>Percent of Total</i> | <i>Cumulative Percent</i> |
|---|------------------|-------------------------|---------------------------|
| Medicaid | \$ 1,824,062,091 | 54.9% | 54.9% |
| Federal Highway Funds | \$ 293,267,246 | 8.8% | 63.7% |
| Supplemental Nutrition (Food Stamps) | \$ 250,059,537 | 7.5% | 71.2% |
| Temporary Assistance to Needy Families (TANF) | \$ 93,065,749 | 2.8% | 74.0% |
| CHIP Children's Health Insurance | \$ 72,511,890 | 2.2% | 76.2% |
| Title I Grants to Local Education Agencies | \$ 56,535,580 | 1.7% | 77.9% |
| Special Education Grants to States | \$ 48,917,186 | 1.5% | 79.4% |
| National Guard | \$ 32,615,609 | 1.0% | 80.4% |
| National School Lunch Program | \$ 31,800,000 | 1.0% | 81.3% |
| LIHEAP and Weatherization Grants | \$ 31,591,088 | 1.0% | 82.3% |

The following table shows FY 2021 sources with items contributing to general revenues in bold type. It also shows the total percent it contributes to all funds and general revenues for each source.

| All Funds | FY 2020 Enacted | FY 2021 | Change | Percent Change |
|------------------------------|--------------------|--------------------|-----------------|-------------------|
| Federal Grants | \$ 3,325.4 | \$ 3,323.1 | \$ (2.2) | -0.1% |
| Personal Income | 1,426.8 | 1,497.0 | 70.2 | 4.9% |
| Sales | 1,180.4 | 1,269.5 | 89.0 | 7.5% |
| University and College | 940.1 | 969.4 | 29.3 | 3.1% |
| Employment Security and TDI | 366.1 | 372.0 | 5.9 | 1.6% |
| Business Taxes | 459.7 | 457.1 | (2.6) | -0.6% |
| Lottery | 412.8 | 395.5 | (17.3) | -4.2% |
| Miscellaneous Other | 825.2 | 832.9 | 7.7 | 0.9% |
| Departmental Revenues | 448.5 | 456.4 | 8.0 | 1.8% |
| Other Taxes | 212.0 | 218.8 | 6.8 | 3.2% |
| Restricted Receipts | 311.4 | 348.9 | 37.5 | 12.1% |
| Gas Tax | 163.4 | 161.9 | (1.5) | -0.9% |
| Total | \$ 10,071.8 | \$ 10,302.5 | \$ 230.7 | 2.3% |

- *Sales and Personal Income taxes* combine for 26.9 percent of all revenues in FY 2021 and 63.5 percent of all general revenues. Combined with federal funds, they total over half, 59.1 percent.
- *Personal Income taxes* of \$1,497.0 million are the second largest of all revenue sources and the largest source of general revenues. The FY 2021 estimate is \$70.2 million more than the FY 2020 enacted budget estimates, or 4.9 percent.
- *Sales tax* revenues of \$1,269.5 million are the second largest of general revenue sources. That amount is \$89.0 million more than enacted for FY 2020, or 7.5 percent.
- *University and College Funds* are \$969.4 million and 9.4 percent of all sources, including tuition, revenues from the operation of enterprise type activities such as residence and dining halls, sponsored research, the direct student loan program, and federal scholarship and grant funds like Pell grants. These increase \$29.3 million or 3.1 percent from the FY 2020 enacted estimates.
- *Employment Security and Temporary Disability Insurance* payments are estimated at \$372.0 million, which are \$5.9 million more than the levels estimated for the FY 2020 enacted budget.
- *Business taxes* of \$457.1 million account for 4.4 percent of total revenues and 10.5 percent of general revenues for FY 2021. They would decrease \$2.6 million or 0.6 percent from the enacted estimate. These include corporate income tax, public utilities gross earnings, the tax on banks, financial institutions, insurance companies and health care institutions.
- The *Lottery* is expected to contribute \$395.5 million, which is 3.8 percent of all revenues and 9.1 percent of general revenues.
- *Departmental Revenues* of \$456.4 million include \$193.8 million from the hospital licensing fee. Departmental revenues would be 4.4 percent of all revenues and 10.5 percent of general revenues.
- *Other taxes* include cigarettes, alcohol, inheritance, realty transfer, and racing and athletics. These total \$218.8 million in the FY 2021 budget and comprise 2.1 percent of all sources but 5.0 percent of general revenues. This category also includes the Governor's proposed revenues for an assessment on businesses that have employees on Medicaid and revenues from a proposal to legalize adult use of marijuana.

- The *gas tax*, currently 34.5 cents per gallon, not including the one-half cent for the Underground Storage Tank Financial Responsibility Fund. It is estimated to produce \$4.6 million from each cent in FY 2021 for a total of \$161.9 million.
- The remaining sources, estimated at \$1,181.9 million, constitute 11.5 percent of all FY 2021 sources and include sources dedicated to specific purposes such as lottery operations, transportation funds and restricted receipts as well as unclaimed property and miscellaneous other items. Included in this total is the revenue assumed from the proposed adult-use marijuana program.

General Revenue Sources

Less than half of the total funds collected or received from all sources are considered as general revenues, \$4,355.3 million, and 42.3 percent of all sources. They can be used for any legitimate purpose in contrast to federal funds, restricted receipts, and certain other sources that may only be used for specific purposes.

The Consensus Revenue Estimating Conference estimates the amount of general revenues annually in November and May. It is composed of the Budget Officer, the Senate Fiscal Advisor, and the House Fiscal Advisor who must achieve consensus on their forecast; votes are not taken. The estimates are to be based upon current law at the times of the conferences.

Available general revenues also include a balance forward from FY 2019 of \$24.8 million minus transfer of \$131.4 million to the Budget Stabilization and Cash Reserve Account, or “rainy day fund” to be used in case of emergency, and then only by legislative action. Three percent of the opening surplus plus all revenues must be deposited in the account. These amounts had been increasing by 0.2 percent per year until reaching 3.0 percent in FY 2013. Any amounts used must be replaced in the following year.

The account is limited; once the limit is reached, the excess revenues are transferred to the Rhode Island Capital Plan account, where they may be used to fund capital projects. Maximum amounts in the budget reserve are also defined by statute and increased to a maximum of 5.0 percent in 0.4 percent increments in FY 2013. Amounts above the maximum amount transfer to the Rhode Island Capital Plan Fund for use for capital projects. The table below shows the percents.

| Percents of Revenues | FY 2008 | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 |
|----------------------------|---------|---------|---------|---------|---------|---------|
| Transfer to Budget Reserve | 2.0% | 2.2% | 2.4% | 2.6% | 2.8% | 3.0% |
| Budget Reserve Maximum | 3.0% | 3.4% | 3.8% | 4.2% | 4.6% | 5.0% |

The voters approved a constitutional amendment in 2006 to allow the capital account to be used solely for capital projects beginning in FY 2008 and to increase the Budget Stabilization and Cash Reserve Account to five percent and mandating that three percent of the opening surplus and all revenues must be deposited in the account by FY 2013.

FY 2021 Expenditures

Recommended expenditures of \$10,195.0 million are \$224.4 million more than enacted for FY 2020, or 2.3 percent. They can be divided into a functional classification of expenditures that aggregates agencies with like programs and purposes into the six functions used: general government, human services, education, public safety, natural resources, and transportation. Viewing expenditures functionally offers a look at what they do or provide for.

The presentation of expenditure by function and category discussed on the next page reflects the data in the Governor’s budget.

Expenditures by Function

- The *Human Services* function includes all programs for medical assistance, supplemental security income, cash assistance, day care, elderly services, adjudicated youth, mental health, general health, developmental disabilities, children under the care and jurisdiction of the state, and the state's general hospitals. Expenditures of \$4,258.9 million are 41.8 percent of all expenditures and 36.7 percent of those funded from general revenues. These expenditures are \$46.0 million more than enacted for FY 2020 by the 2019 Assembly. Those funded from general revenues are \$69.3 million more.
- *Education* includes programs of elementary and secondary education, public higher education, scholarships and grants for all higher education, arts, and historical preservation and heritage. Education aid to local units of government represents 49.5 percent of total expenses, or \$1,405.0 million of the \$2,835.9 million. Education aid is discussed in detail in *Section VI* of this volume, *Special Reports: Education Aid*. Education expenditures comprise 27.8 percent of total expenditures, but 36.1 percent of general revenue funded ones. They increase by \$89.3 million over the enacted FY 2020 budget, and those funded from general revenues increase by \$45.6 million.
- The Budget includes \$613.5 million for *Public Safety* expenditures, \$10.8 million less than the enacted budget. They comprise 6.0 percent of all expenditures and 11.9 percent of those funded from general revenues.
- *Natural Resources* programs would spend \$107.4 million, which is \$0.1 million more than enacted for FY 2020. They are 1.1 percent of total expenditures and 1.2 percent of those from general revenues.
- *Transportation* programs account for 6.5 percent of expenditures and include the state's highway and transit programs. Funding of \$660.0 million, none from general revenues, is \$11.2 million more than enacted for FY 2020.
- The remaining 16.9 percent of expenditures, \$1,719.4 million, are for the *General Government* programs. These include programs that support all other functions as well as general type activities. Examples of the former include the Ethics Commission and the Department of Administration. Examples of the latter include the general officers except the Attorney General, the Board of Elections, and the Department of Labor and Training.

Expenditures also include all of the state's debt service except that for higher education and the transportation Grant Anticipation Revenue Vehicle bonds. General Government expenditures are \$88.5 million or 5.4 percent more than the enacted budget.

Expenditures by Category

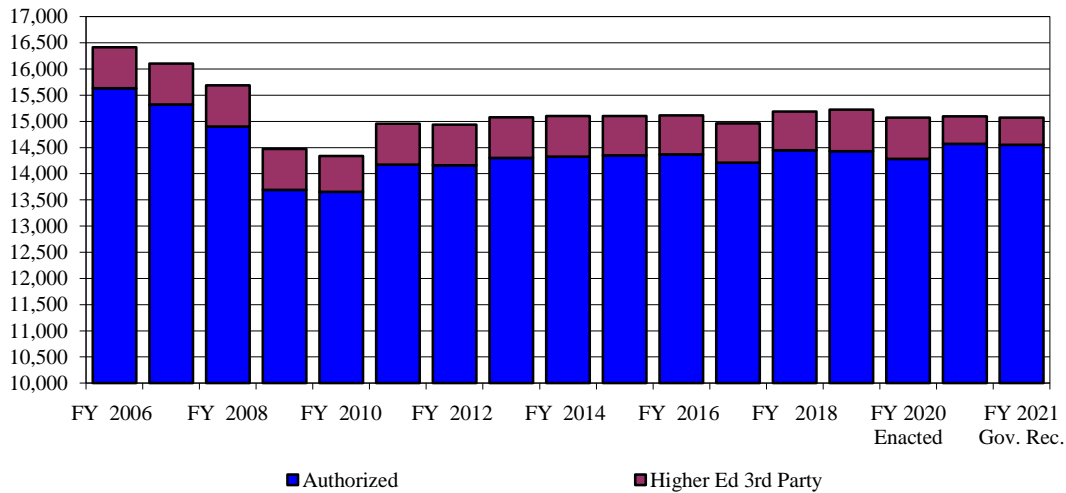
Expenditures are also aggregated and presented by accounting categories that designate what is purchased as opposed to the purpose of expenditures. The categories include: state operations; local aid; assistance, grants and benefits; capital; and operating transfers.

State Operations are the day-to-day expenses of state government. These expenditures include *personnel* and *other operating* expenditures. Personnel expenditures include *salaries and benefits* including fringe benefits, workers' compensation and unemployment compensation, and *contracted professional services*. *Other operating* expenditures are the non-personnel day-to-day expenses of state government, including maintenance and non-fixed capital assets.

The budget includes \$1,871.4 million for total *salaries and benefits* for 15,074.7 full-time equivalent positions and *contracted services* expenditures of \$375.1 million. Salary and benefit expenditures are \$36.0

million more than the enacted budget. Contracted services expenditures would increase \$27.2 million. Salaries and benefits account for 18.4 percent of total expenditures and 23.0 percent of those funded from general revenues. Expenditures for contracted services account for 3.7 percent of the total budget and 2.1 percent of those funded from general revenues.

Full-Time Equivalent Positions



The total personnel expenditures are the costs associated with all positions in state service, excluding those funded through internal service accounts. These accounts are funded from operating charges to state agencies for overhead type services provided by the individuals funded from the accounts. These costs are treated in the budget as operating expenses; the personnel and operating costs in the internal service accounts are essentially off line to avoid double counting. The largest ones were converted to direct appropriations by the 2006 Assembly in the FY 2008 enacted budget. The 2017 Assembly authorized internal service funds for centralized services including information technology, capital asset management and maintenance, and human resources. The Assembly concurred with the Governor’s recommendation to have the FY 2018 revised and FY 2019 budgets reflect the establishment of these internal service funds. A total of \$81.5 million of FY 2018 expenses were converted from direct appropriations to internal service funds. Of that total, \$56.2 million was budgeted as salaries and benefits and is now shown as an operating expense.

The budget includes \$1,077.3 million for *other state operations*, which constitutes 10.6 percent of FY 2021 expenditures from all sources and 4.3 percent of those funded with general revenues. This is \$65.6 million more than enacted, \$19.7 million more from general revenues. The general revenue increase includes \$4.6 million associated with license plate reissuance costs.

Assistance, Grants, and Benefits constitutes payments to individuals and nongovernmental agencies. These payments include Medicaid managed care programs including Rite Care, Rhody Health Partners and Rhody Health Options, and other medical assistance programs. They also include grants to environmental agencies, local law enforcement agencies, unemployment compensation, temporary disability and workers’ compensation. This is the largest category of expenditure.

The following table shows the major grants in human services.

| EOHHS-Human Services Grants | All Funds | | | | General Revenues | | | |
|--|---------------------|--------------------|----------------------|-----------|---------------------|--------------------|----------------------|-----------|
| | FY 2019 Reported | FY 2020 Enacted | FY 2021 Gov. Rec. | Change | FY 2019 Reported | FY 2020 Enacted | FY 2021 Gov. Rec. | Change |
| EOHHS/Human Services | | | | | | | | |
| Managed Care | \$ 707.3 | \$ 747.7 | \$ 705.0 | \$ (42.7) | \$ 300.1 | \$ 324.4 | \$ 307.6 | \$ (16.8) |
| Long Term Care | 387.0 | 428.1 | 450.1 | 22.0 | 186.6 | 201.8 | 208.6 | 6.8 |
| Hospitals | 192.1 | 194.9 | 190.4 | (4.5) | 93.1 | 92.2 | 90.1 | (2.1) |
| Rhody Health Partners | 239.8 | 249.5 | 262.5 | 13.0 | 115.5 | 119.0 | 122.1 | 3.2 |
| Rhody Health Options | 200.5 | 152.6 | 146.2 | (6.4) | 96.2 | 72.0 | 67.6 | (4.4) |
| Expansion | 488.1 | 483.1 | 462.7 | (20.5) | 30.9 | 41.1 | 46.2 | 5.1 |
| Other | 124.2 | 136.3 | 148.6 | 12.3 | 49.8 | 51.8 | 55.8 | 4.1 |
| Pharmacy | 71.5 | 74.1 | 74.7 | 0.7 | 72.0 | 74.4 | 74.9 | 0.5 |
| Health System Transformation Project | 17.4 | 23.5 | 40.0 | 16.5 | - | - | - | - |
| Subtotal: Medical Assistance | \$ 2,427.9 | \$ 2,489.9 | \$ 2,480.3 | \$ (9.6) | \$ 944.1 | \$ 976.6 | \$ 972.9 | \$ (3.6) |
| Child Care | \$ 69.1 | \$ 71.5 | \$ 79.5 | \$ 8.0 | \$ 9.9 | \$ 10.0 | \$ 13.4 | \$ 3.4 |
| Rhode Island Works Program | 23.2 | 25.8 | 23.3 | (2.4) | - | - | - | - |
| SSI State Program | 19.0 | 19.5 | 18.9 | (0.6) | 19.0 | 19.5 | 18.9 | (0.6) |
| SSI/Bridge Program | 0.9 | 0.9 | 0.8 | (0.1) | 1.1 | 1.1 | 0.8 | (0.3) |
| Subtotal: Cash Assistance | \$ 112.2 | \$ 117.7 | \$ 122.5 | \$ 4.8 | \$ 30.0 | \$ 30.6 | \$ 33.1 | \$ 2.5 |
| Supplemental Nutrition Assistance | \$ 250.1 | \$ 265.0 | \$ 250.0 | \$ (15.0) | \$ - | \$ - | \$ - | \$ - |
| Low Income Heating and Energy Assistance Program (LIHEAP) | 25.3 | 31.7 | 31.6 | (0.1) | - | - | - | - |
| Weatherization | 0.0 | 1.0 | 1.0 | - | - | - | - | - |
| HIV/AIDS Prevention | 8.7 | 4.1 | 3.7 | (0.3) | - | - | - | - |
| Veterans' Organizations | 0.2 | 0.2 | 0.2 | - | 0.2 | 0.2 | 0.2 | - |
| Community/Social Services Block Grants | 8.2 | 8.6 | 8.4 | (0.2) | 1.7 | 1.9 | 1.9 | - |
| Subtotal: Other Assistance | \$ 292.5 | \$ 310.6 | \$ 295.0 | \$ (15.4) | \$ 1.9 | \$ 2.1 | \$ 2.1 | \$ - |
| DHS/Office of Healthy Aging | | | | | | | | |
| Medical Assistance | \$ 6.2 | \$ 6.9 | \$ 7.3 | \$ 0.4 | \$ 3.0 | \$ 3.3 | \$ 3.5 | \$ 0.2 |
| Other Grants | 7.4 | 7.4 | 8.9 | 1.5 | 2.0 | 2.3 | 2.3 | (0.0) |
| Behavioral Healthcare, Developmental Disabilities and Hospitals | | | | | | | | |
| Developmental Disabilities* | \$ 233.5 | \$ 257.0 | \$ 273.3 | \$ 16.4 | \$ 111.4 | \$ 115.0 | \$ 121.9 | \$ 6.9 |
| Behavioral Healthcare Services | 19.0 | 27.8 | 31.6 | 3.8 | 0.7 | 0.3 | 1.1 | 0.8 |
| Children, Youth and Families | | | | | | | | |
| Child Welfare | \$ 146.7 | \$ 125.6 | \$ 153.4 | \$ 27.8 | \$ 106.3 | \$ 91.8 | \$ 106.3 | \$ 14.5 |
| Children's Behavioral Health | 9.1 | 9.8 | 8.8 | (1.0) | 3.9 | 4.4 | 3.9 | (0.5) |
| Juvenile Corrections | 1.8 | 1.9 | 2.4 | 0.5 | 1.8 | 1.9 | 2.3 | 0.4 |
| Higher Ed. Incentive Grants | (0.2) | 0.2 | - | (0.2) | (0.2) | 0.2 | - | (0.2) |
| Health | | | | | | | | |
| Women, Infants and Children | \$ 20.9 | \$ 20.1 | \$ 19.0 | \$ (1.1) | \$ - | \$ - | \$ - | \$ - |
| HIV Surveillance & Prevention | 1.2 | 0.6 | 0.8 | 0.3 | - | - | - | - |
| Other Grants | 23.7 | 25.1 | 25.9 | 0.8 | 1.0 | 1.0 | 1.2 | 0.2 |

*Governor recommends privatizing the RICLAS system operated by state employees and transferring services to community providers

Assistance, grants, and benefits are \$4,372.6 million and constitute the largest category, 42.9 percent of all expenditures and 32.0 percent of general revenue funded expenditures. While these include employment security and temporary disability fund expenditures, human services medical assistance, food stamps, and cash assistance make up most of these expenditures. These expenditures are \$46.4 million more than the enacted budget considering all sources, and \$33.6 million more from general revenues.

Local Aid, or *Aid to Local Units of Government*, is payments made to governmental units with taxing authority. It includes both aid to local governments designed to decrease property tax reliance and education aid. The budget includes \$1,572.4 million for *aid to local units of government* that includes \$1,405.0 million in education aid and \$167.5 million in general state aid. These expenditures comprise 15.4 percent of all expenditures. However, they comprise 32.8 percent of general revenue funded ones.

Local aid expenditures from general revenues of \$1,391.3 million consist of \$1,224.8 million in education aid and \$166.5 million in general state aid. General revenue funded education aid increases by \$41.6

million; general aid is \$1.5 million more. Local aid is discussed in detail in *Section VI* of this volume, *Special Reports: State Aid to Local Governments* and *Special Reports: Education Aid*.

Capital expenditures have in the past included only direct pay capital improvements and debt service on financed capital improvements. Expenditures for direct pay are reflected in the years that the payments are made. Financed capital improvements are reflected as the annual debt service payments. Therefore, total capital expenditures for any year are not reflected in the budget. They are, however, presented annually in the capital budget as part of the Governor's budget.

Capital expenses total \$392.7 million, or 3.9 percent of all expenditures; debt service of \$270.0 million is 2.6 percent. Capital expenditures would be \$87.6 million less than enacted for FY 2020 and debt service \$2.0 million more. A comprehensive review of the capital budget is contained in *Section IV: Capital Budget*. However, they now include capital purchases that had formerly been included as capital outlays within state operations. The purpose may be to include all fixed assets above certain threshold values of cost and time. The budget does not present sufficient information to break the new items out from the old.

Operating Transfers are transfers between different funds and to component units of state government. They had been part of other categories in past budgets. Transfers to component units include transfers from general revenues to quasi-public agencies, such as the transfer to the Commerce Corporation. Recent budgets contained a significant increase in these related to limited-term investments via the Commerce Corporation.

They also represent transfers within state agencies from funds distinct from the General Fund. An example is transfers from the Department of Labor and Training to the three Rhode Island institutions of higher education. These transfers double count expenditures that appear elsewhere in this budget or in other state agencies. They total \$263.5 million and constitute 2.6 percent of the total budget. The general revenues portion is \$39.7 million, 0.9 percent of general revenue funded expenditures.

General Revenue Surplus Statement

The Governor recommends an ending FY 2021 surplus of \$0.9 million, and an operating deficit of \$24.0 million reflecting use of the FY 2020 surplus.

| | FY 2019 | FY 2020 | FY 2021 |
|--|-------------------------|-------------------------|-------------------------|
| Opening Surplus | | | |
| Free Surplus | \$ 52,525,379 | \$ 30,502,912 | \$ 24,842,778 |
| Reappropriated Surplus | 10,057,409 | - | - |
| Subtotal | \$ 62,582,788 | \$ 30,502,912 | \$ 24,842,778 |
| Revenues | | | |
| Actual/Enacted/Estimated | \$ 4,024,579,618 | \$ 4,178,728,671 | \$ 4,241,600,000 |
| Governor | - | 18,341,028 | 113,657,550 |
| Assembly | - | - | - |
| Revenues | \$ 4,024,579,618 | \$ 4,197,069,699 | \$ 4,355,257,550 |
| Cash Stabilization Fund | (122,313,150) | (126,829,318) | (131,403,010) |
| Total Available Resources | \$ 3,964,849,256 | \$ 4,100,743,293 | \$ 4,248,697,318 |
| Expenditures | | | |
| Actual/Enacted/Estimated | \$ 3,924,049,893 | \$ 4,077,594,991 | \$ 4,222,362,477 |
| Reappropriations | - | 10,296,451 | - |
| Governor | - | (1,623,147) | 25,442,582 |
| Assembly | - | - | - |
| Total Expenditures | \$ 3,924,049,893 | \$ 4,086,268,295 | \$ 4,247,805,059 |
| Total Surplus | \$ 40,799,363 | \$ 14,474,998 | \$ 892,259 |
| Reappropriations | (10,296,451) | - | - |
| Free Surplus | \$ 30,502,912 | \$ 14,474,998 | \$ 892,259 |
| <i>Operating Surplus/(Deficit)</i> | <i>(11,726,016)</i> | <i>(16,027,914)</i> | <i>(23,950,519)</i> |
| Budget Stabilization and Cash Reserve | \$ 203,855,250 | \$ 211,382,197 | \$ 219,005,016 |
| Percent of Revenues | 5.1% | 5.0% | 5.0% |

The budget reserve and cash stabilization account, the “rainy day fund” would have ending balances of \$203.9 million in FY 2019, \$211.4 million in FY 2020, and \$219.0 million in FY 2021. The account receives 3.0 percent of general revenues plus free surplus annually.

Out-Year Forecasts

The out-years continue to be unbalanced as projected expenditure growth continues to outpace revenue growth. The forecast included with the Governor’s budget estimates a \$31.4 million gap for FY 2022 that grows to \$153.9 million in FY 2025. The FY 2022 gap includes the impact of the use of one-time items in the resolution of the current budget gap as well as growth in local aid based on the ongoing car tax phase-out. The Governor proposes shifting a greater proportion of those costs to the later years by extending the phase-out period by five years. The forecast also assumes the impact of new proposals for spending including increased tax credit proposals and commitments for tax credits. Some of that is offset by growth in newly proposed revenue items for which only a partial year impact is assumed for FY 2021.

Unlike last year, the estimate does include the significant impact of recent changes to the school construction program that are expected to drive costs well above the currently estimated \$80 million per year in addition to the known costs of servicing the debt on the new \$250 million bond. Assumptions on the growth in expenses for the universal prekindergarten proposal and education aid growth may be understated. Staff continues to review assumptions as the legislative budget process progresses.

| | FY 2022 | FY 2023 | FY 2024 | FY 2025 |
|-------------------------------------|------------|------------|------------|------------|
| Opening Surplus | \$ 0.9 | \$ - | \$ - | \$ - |
| Revenues | 4,478.3 | 4,588.8 | 4,687.0 | 4,801.2 |
| Cash Stabilization Fund | (134.4) | (137.7) | (140.6) | (144.0) |
| Useable Revenues | \$ 4,344.8 | \$ 4,451.1 | \$ 4,546.4 | \$ 4,657.2 |
| Expenditures | 4,376.2 | 4,515.8 | 4,685.0 | 4,811.1 |
| Total Surplus | \$ (31.4) | \$ (64.7) | \$ (138.5) | \$ (153.9) |
| Revenue Growth | 6.1% | 2.5% | 2.1% | 2.4% |
| Useable Revenue Growth | 6.1% | 2.4% | 2.1% | 2.4% |
| Expenditure Growth | 3.6% | 3.2% | 3.7% | 2.7% |
| Surplus Percent of Useable Revenues | -0.7% | -1.5% | -3.0% | -3.3% |

The following table shows the out-year forecast surpluses and deficits, as well as the four-year average for the past eight Governor's budgets, including the current one.

| <i>(in millions)</i> | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | Average |
|----------------------|---------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | Out-Year Forecasts | | | | | | | | | | | |
| <i>Gov. Budget</i> | | | | | | | | | | | | |
| FY 2014 | (169.2) | (254.5) | (377.8) | (468.9) | | | | | | | | (317.6) |
| FY 2015 | | (151.1) | (256.7) | (330.5) | (419.3) | | | | | | | (289.4) |
| FY 2016 | | | (74.6) | (211.8) | (285.9) | (376.7) | | | | | | (237.3) |
| FY 2017 | | | | (192.6) | (233.6) | (271.7) | (332.6) | | | | | (257.6) |
| FY 2018 | | | | | (150.0) | (184.1) | (192.6) | (194.1) | | | | (180.2) |
| FY 2019 | | | | | | (86.2) | (123.9) | (173.6) | (227.0) | | | (152.7) |
| FY 2020 | | | | | | | (79.1) | (115.2) | (180.0) | (277.3) | | (162.9) |
| FY 2021 | | | | | | | | (31.4) | (64.7) | (138.5) | (153.9) | (97.1) |

One of the largest contributors to the FY 2021 deficit that required solving was the use of one-time solutions for the FY 2020 budget, including the expected \$25.5 million FY 2019 surplus. Also contributing was the commitment to reimburse municipalities for phasing out car taxes.

One-time revenues are also featured in the resolution of the current budget gap. There are also future commitments for funding such as expanding tax credits and growing prekindergarten enrollment. Some proposals cost more in later years than in FY 2021, and it is not apparent that all are accounted for properly in the out-year estimates.

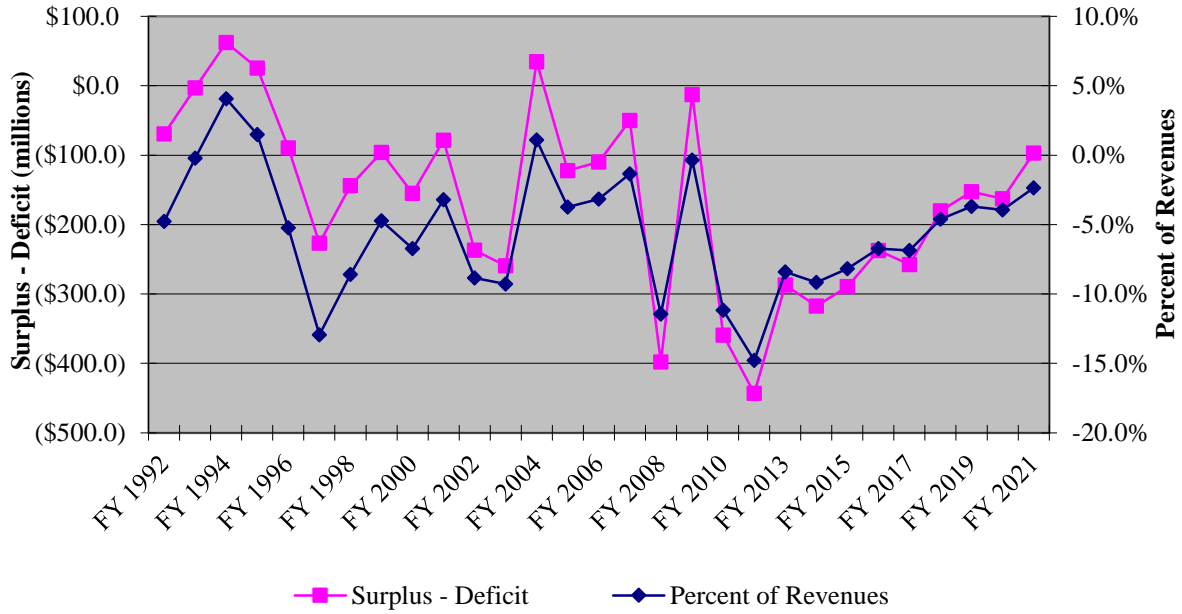
However, out-year projections are a function of both the assumptions made concerning revenues and expenditures and the structure of the budget. That is, the out-year projections are a function of assumed revenue and expenditure growth patterns for FY 2022 through FY 2025 and the FY 2021 budget itself. In the past a more pronounced pattern of growth in the out-year gaps illustrated the fact that projected expenditures continue to grow at faster rates than revenues are expected to grow. This budget does not show that level of growth; however, there is still a notable imbalance between expenditure growth and revenue growth.

The economic data used for the Governor's budget is from the November consensus economic forecast. This had been revised from earlier projections and will be revised again in May.

While deficits cannot constitutionally occur, they indicate the extent to which unresolved structural issues will carry through budgets, and to the extent that the problem in any given year is solved without addressing the underlying structural problem, the deficits amplify each year. Out-year deficits began increasing and reached a high of over \$535 million in Governor Carcieri's final budget.

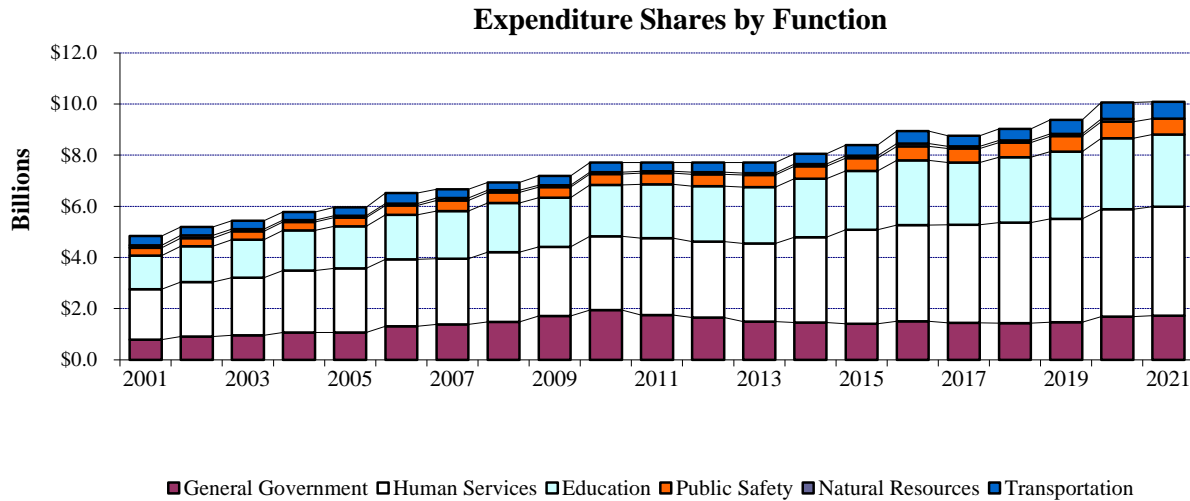
The following chart shows the average surpluses and deficits for the four out-years for each of the proposed budgets since FY 1992.

Average Four Year Surplus - Deficit



Distribution of Total Expenditures

Expenditures can be aggregated many ways. In Rhode Island, we have tended to aggregate by *function* and by *category of expenditure*. The functional classification aggregates agencies with like programs and purposes into the six functions used: general government, human services, education, public safety, natural resources, and transportation. Viewing expenditures functionally offers a look at what they do or provide for. As noted previously, changes in budget presentation relative to internal service funds impact these comparisons.



General Government programs include the regulatory and administrative functions that support all other functions and all the general officers except the Attorney General, whose expenditures are classified under Public Safety.

Human Services includes all programs for medical assistance, supplemental security income, cash assistance, day care, elderly services, adjudicated youth, mental health, general health, developmental disabilities, children under the care and jurisdiction of the state, and the state’s general hospitals.

Education includes programs of elementary and secondary education, public higher education, arts, and historical preservation and heritage.

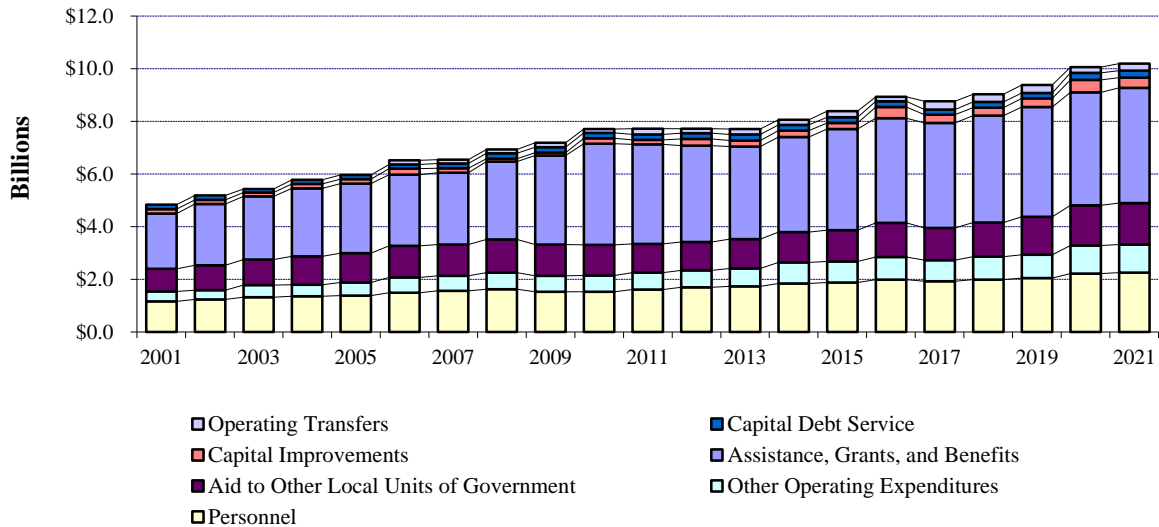
Public Safety includes the state’s law enforcement, adjudication, and penal programs.

The *Natural Resources* function includes the programs that protect the natural and physical resources of the state through regulation and planning and that provide safe recreational resources.

Transportation programs include all highway and transit programs, except airports, which are under the quasi-public Rhode Island Airport Corporation.

Expenditures are also aggregated and presented by accounting categories that designate what is purchased as opposed to the purpose of expenditures. The categories include: state operations; local aid; assistance, grants, and benefits; capital; and operating transfers. As noted previously, changes in budget presentation relative to internal service funds impact these comparisons.

Expenditure Shares by Category



State Operations are the day-to-day expenses of state government. These expenditures include *personnel* and *other operating* expenditures. *Personnel* expenditures include salaries and wages, fringe benefits, workers’ compensation and unemployment compensation, and consultant services. *Other operating* expenditures are the non-personnel day-to-day expenses of state government, including maintenance and non-fixed capital assets.

Local Aid, or *Aid to Local Units of Government*, is payments made to governmental units with taxing authority. It includes both aid to local governments designed to decrease property tax reliance and education aid.

Assistance, Grants, and Benefits constitutes payments to individuals and nongovernmental agencies. These payments include Medicaid managed care programs including RItE Care, Rhody Health Partners and Rhody Health Options, and other medical assistance programs. They also include grants to environmental agencies, local law enforcement agencies, and unemployment compensation, temporary disability and workers’ compensation. This is the largest category of expenditure.

Capital expenditures include both direct pay *capital improvements* and *debt service* on financed capital improvements. Expenditures for direct pay are reflected in the years that the payments are made. Financed capital improvements are reflected as the annual debt service payments. Therefore, total capital expenditures for any year are not reflected in the budget.

However, the budget now includes capital purchases that had formerly been included as capital outlay within state operations as part of capital. The purpose may be to include all fixed assets above certain threshold values of cost and time. The budget does not present sufficient information to break the new items out from the old.

Operating Transfers are transfers between different funds and to component units of state government. They had been part of other categories in past budgets. Transfers to component units include transfers to quasi-public agencies, such as the transfer to the Commerce Corporation. There are also instances where these expenses are already represented elsewhere in the budget thus double-counting the expenditure.

Staff has reviewed the Governor’s recommended changes to the enacted budget for each agency and department, and compared them to the changes requested by those agencies and departments. The agencies and departments are arranged by function.

Distribution Tables

The distribution tables on the following pages array expenditures by function and category. Expenditures by function are read down the table while expenditures by category are read across. The percentages shown in the table represent the percent of the total shown in each cell.

Expenditures from All Funds

| FY 2019 Reported | General Government | Human Services | Education | Public Safety | Natural Resources | Trans- portation | Total |
|-------------------------------------|-------------------------------|-----------------------------|-----------------------------|--------------------------|------------------------------|-----------------------------|------------------------------|
| Salaries & Benefits | \$ 209.7 2.2% | \$ 383.5 4.1% | \$ 570.1 6.1% | \$ 421.7 4.5% | \$ 52.5 0.6% | \$ 76.1 0.8% | \$ 1,713.7 18.3% |
| Contracted Services | 27.6 0.3% | 138.3 1.5% | 79.4 0.8% | 20.9 0.2% | 7.1 0.1% | 56.7 0.6% | 330.1 3.5% |
| Other State Operations | 474.9 5.1% | 127.4 1.4% | 218.9 2.3% | 71.3 0.8% | 15.1 0.2% | (18.6) -0.2% | 889.0 9.5% |
| Aid to Local Units of Government | 128.1 1.4% | - 0.0% | 1,308.5 14.0% | 0.0 0.0% | - 0.0% | - 0.0% | 1,436.6 15.3% |
| Assistance, Grants, & Benefits | 400.0 4.3% | 3,383.0 36.1% | 340.0 3.6% | 34.4 0.4% | 5.4 0.1% | 7.7 0.1% | 4,170.5 44.5% |
| Capital | 20.3 0.2% | 3.0 0.0% | 19.0 0.2% | 52.1 0.6% | 4.6 0.0% | 233.6 2.5% | 332.7 3.5% |
| Debt Service | 141.6 1.5% | - 0.0% | 64.4 0.7% | 2.0 0.0% | - 0.0% | 0.3 0.0% | 208.3 2.2% |
| Operating Transfers | 69.0 0.7% | 1.9 0.0% | 33.5 0.4% | - 0.0% | - 0.0% | 192.5 2.1% | 296.8 3.2% |
| Total | \$ 1,471.2 15.7% | \$ 4,037.1 43.0% | \$ 2,633.9 28.1% | \$ 602.5 6.4% | \$ 84.8 0.9% | \$ 548.3 5.8% | \$ 9,377.7 100.0% |

| FY 2020 Enacted | General Government | Human Services | Education | Public Safety | Natural Resources | Trans- portation | Total |
|-------------------------------------|-------------------------------|-----------------------------|-----------------------------|--------------------------|------------------------------|-----------------------------|------------------------------|
| Salaries & Benefits | \$ 228.8 2.3% | \$ 398.5 4.0% | \$ 608.5 6.1% | \$ 450.9 4.5% | \$ 57.1 0.6% | \$ 91.6 0.9% | \$ 1,835.4 18.4% |
| Contracted Services | 30.6 0.3% | 169.4 1.7% | 76.4 0.8% | 21.9 0.2% | 7.3 0.1% | 42.2 0.4% | 347.9 3.5% |
| Other State Operations | 493.6 5.0% | 144.9 1.5% | 226.0 2.3% | 80.5 0.8% | 16.5 0.2% | 50.1 0.5% | 1,011.7 10.1% |
| Aid to Local Units of Government | 165.9 1.7% | - 0.0% | 1,354.0 13.6% | - 0.0% | - 0.0% | - 0.0% | 1,519.9 15.2% |
| Assistance, Grants, & Benefits | 414.5 4.2% | 3,489.6 35.0% | 364.6 3.7% | 31.6 0.3% | 6.9 0.1% | 19.0 0.2% | 4,326.2 43.4% |
| Capital | 67.8 0.7% | 5.7 0.1% | 45.6 0.5% | 39.3 0.4% | 19.4 0.2% | 302.5 3.0% | 480.4 4.8% |
| Debt Service | 197.0 2.0% | - 0.0% | 70.7 0.7% | - 0.0% | - 0.0% | 0.3 0.0% | 268.0 2.7% |
| Operating Transfers | 32.7 0.3% | 4.7 0.0% | 0.7 0.0% | - 0.0% | 0.1 0.0% | 143.0 1.4% | 181.1 1.8% |
| Total | \$ 1,630.9 16.4% | \$ 4,212.8 42.3% | \$ 2,746.5 27.5% | \$ 624.3 6.3% | \$ 107.3 1.1% | \$ 648.8 6.5% | \$ 9,970.6 100.0% |

Expenditures from All Funds

| FY 2021 Recommended | General Government | Human Services | Education | Public Safety | Natural Resources | Trans- portation | Total |
|-------------------------------------|-------------------------------|-----------------------------|-----------------------------|--------------------------|------------------------------|-----------------------------|-------------------------------|
| Salaries & Benefits | \$ 238.1 2.3% | \$ 404.0 4.0% | \$ 625.9 6.1% | \$ 452.0 4.4% | \$ 58.2 0.6% | \$ 93.3 0.9% | \$ 1,871.4 18.4% |
| Contracted Services | 38.2 0.4% | 169.8 1.7% | 83.8 0.8% | 24.0 0.2% | 7.7 0.1% | 51.4 0.5% | 375.1 3.7% |
| Other State Operations | 522.0 5.1% | 146.3 1.4% | 247.8 2.4% | 86.7 0.9% | 17.6 0.2% | 56.9 0.6% | 1,077.3 10.6% |
| Aid to Local Units of Government | 167.5 1.6% | - 0.0% | 1,405.0 13.8% | - 0.0% | - 0.0% | - 0.0% | 1,572.4 15.4% |
| Assistance, Grants, & Benefits | 438.1 4.3% | 3,514.9 34.5% | 369.3 3.6% | 26.6 0.3% | 7.2 0.1% | 16.5 0.2% | 4,372.6 42.9% |
| Capital | 65.1 0.6% | 6.0 0.1% | 32.6 0.3% | 24.0 0.2% | 16.7 0.2% | 248.3 2.4% | 392.7 3.9% |
| Debt Service | 199.3 2.0% | - 0.0% | 70.4 0.7% | - 0.0% | - 0.0% | 0.3 0.0% | 270.0 2.6% |
| Operating Transfers | 51.2 0.5% | 17.9 0.2% | 1.1 0.0% | - 0.0% | 0.1 0.0% | 193.2 1.9% | 263.5 2.6% |
| Total | \$ 1,719.4 16.9% | \$ 4,258.9 41.8% | \$ 2,835.9 27.8% | \$ 613.5 6.0% | \$ 107.4 1.1% | \$ 660.0 6.5% | \$ 10,195.0 100.0% |

| FY 2021 Recommended Change to Enacted | General Government | Human Services | Education | Public Safety | Natural Resources | Trans- portation | Total |
|--|-------------------------------|---------------------------|--------------------------|----------------------------|------------------------------|-----------------------------|----------------------------|
| Salaries & Benefits | \$ 9.3 4.1% | \$ 5.5 2.4% | \$ 17.4 7.7% | \$ 1.1 0.5% | \$ 1.1 0.5% | \$ 1.7 0.7% | \$ 36.0 16.0% |
| Contracted Services | 7.6 3.4% | 0.4 0.2% | 7.4 3.3% | 2.1 0.9% | 0.4 0.2% | 9.2 4.1% | 27.2 12.1% |
| Other State Operations | 28.4 12.7% | 1.4 0.6% | 21.8 9.7% | 6.2 2.8% | 1.0 0.5% | 6.8 3.0% | 65.6 29.2% |
| Aid to Local Units of Government | 1.6 0.7% | - 0.0% | 51.0 22.7% | - 0.0% | - 0.0% | - 0.0% | 52.6 23.4% |
| Assistance, Grants, & Benefits | 23.5 10.5% | 25.3 11.3% | 4.6 2.1% | (4.9) -2.2% | 0.3 0.2% | (2.5) -1.1% | 46.4 20.7% |
| Capital | (2.7) -1.2% | 0.3 0.1% | (13.0) -5.8% | (15.3) -6.8% | (2.8) -1.2% | (54.2) -24.1% | (87.6) -39.1% |
| Debt Service | 2.3 1.0% | - 0.0% | (0.3) -0.1% | - 0.0% | - 0.0% | - 0.0% | 2.0 0.9% |
| Operating Transfers | 18.5 8.2% | 13.2 5.9% | 0.4 0.2% | - 0.0% | - 0.0% | 50.3 22.4% | 82.4 36.7% |
| Total | \$ 88.5 39.4% | \$ 46.0 20.5% | \$ 89.3 39.8% | \$ (10.8) -4.8% | \$ 0.1 0.0% | \$ 11.2 5.0% | \$ 224.4 100.0% |

Expenditures from General Revenues

| FY 2019 Reported | General Government | Human Services | Education | Public Safety | Natural Resources | Trans- portation | Total |
|-------------------------------------|----------------------------------|------------------------------------|------------------------------------|----------------------------------|--------------------------------|-----------------------------|-------------------------------------|
| Salaries & Benefits | \$ 132.6 <i>3.4%</i> | \$ 196.8 <i>5.0%</i> | \$ 156.6 <i>4.0%</i> | \$ 395.6 <i>10.1%</i> | \$ 33.2 <i>0.8%</i> | \$ - <i>0.0%</i> | \$ 914.8 <i>23.3%</i> |
| Contracted Services | 10.9 <i>0.3%</i> | 34.4 <i>0.9%</i> | 12.7 <i>0.3%</i> | 16.5 <i>0.4%</i> | 0.4 <i>0.0%</i> | - <i>0.0%</i> | 74.8 <i>1.9%</i> |
| Other State Operations | 44.9 <i>1.1%</i> | 45.9 <i>1.2%</i> | 33.2 <i>0.8%</i> | 55.0 <i>1.4%</i> | 9.7 <i>0.2%</i> | - <i>0.0%</i> | 188.8 <i>4.8%</i> |
| Aid to Local Units of Government | 127.1 <i>3.2%</i> | - <i>0.0%</i> | 1,138.3 <i>29.0%</i> | - <i>0.0%</i> | - <i>0.0%</i> | - <i>0.0%</i> | 1,265.3 <i>32.2%</i> |
| Assistance, Grants, & Benefits | 16.2 <i>0.4%</i> | 1,215.6 <i>31.0%</i> | 43.3 <i>1.1%</i> | 12.5 <i>0.3%</i> | 0.8 <i>0.0%</i> | - <i>0.0%</i> | 1,288.4 <i>32.8%</i> |
| Capital | 1.4 <i>0.0%</i> | 0.9 <i>0.0%</i> | 1.7 <i>0.0%</i> | 2.5 <i>0.1%</i> | 0.0 <i>0.0%</i> | - <i>0.0%</i> | 6.5 <i>0.2%</i> |
| Debt Service | 100.0 <i>2.5%</i> | - <i>0.0%</i> | 38.5 <i>1.0%</i> | - <i>0.0%</i> | - <i>0.0%</i> | - <i>0.0%</i> | 138.5 <i>3.5%</i> |
| Operating Transfers | 48.9 <i>1.2%</i> | (1.9) <i>0.0%</i> | - <i>0.0%</i> | - <i>0.0%</i> | - <i>0.0%</i> | - <i>0.0%</i> | 46.9 <i>1.2%</i> |
| Total | \$ 481.9 <i>12.3%</i> | \$ 1,491.7 <i>38.0%</i> | \$ 1,424.3 <i>36.3%</i> | \$ 482.0 <i>12.3%</i> | \$ 44.1 <i>1.1%</i> | \$ - <i>0.0%</i> | \$ 3,924.0 <i>100.0%</i> |

| FY 2020 Enacted | General Government | Human Services | Education | Public Safety | Natural Resources | Trans- portation | Total |
|-------------------------------------|----------------------------------|------------------------------------|------------------------------------|----------------------------------|--------------------------------|-----------------------------|-------------------------------------|
| Salaries & Benefits | \$ 142.3 <i>3.5%</i> | \$ 184.7 <i>4.5%</i> | \$ 168.5 <i>4.1%</i> | \$ 415.5 <i>10.2%</i> | \$ 36.0 <i>0.9%</i> | \$ - <i>0.0%</i> | \$ 946.9 <i>23.2%</i> |
| Contracted Services | 6.8 <i>0.2%</i> | 22.4 <i>0.5%</i> | 11.4 <i>0.3%</i> | 17.1 <i>0.4%</i> | 0.4 <i>0.0%</i> | - <i>0.0%</i> | 58.1 <i>1.4%</i> |
| Other State Operations | 38.4 <i>0.9%</i> | 39.8 <i>1.0%</i> | 23.3 <i>0.6%</i> | 54.0 <i>1.3%</i> | 9.3 <i>0.2%</i> | - <i>0.0%</i> | 164.8 <i>4.0%</i> |
| Aid to Local Units of Government | 165.0 <i>4.0%</i> | - <i>0.0%</i> | 1,183.1 <i>29.0%</i> | - <i>0.0%</i> | - <i>0.0%</i> | - <i>0.0%</i> | 1,348.1 <i>33.1%</i> |
| Assistance, Grants, & Benefits | 15.5 <i>0.4%</i> | 1,242.8 <i>30.5%</i> | 56.4 <i>1.4%</i> | 12.2 <i>0.3%</i> | 0.9 <i>0.0%</i> | - <i>0.0%</i> | 1,327.9 <i>32.6%</i> |
| Capital | 1.9 <i>0.0%</i> | 0.5 <i>0.0%</i> | 5.0 <i>0.1%</i> | 1.5 <i>0.0%</i> | 0.0 <i>0.0%</i> | - <i>0.0%</i> | 8.8 <i>0.2%</i> |
| Debt Service | 158.8 <i>3.9%</i> | - <i>0.0%</i> | 39.8 <i>1.0%</i> | - <i>0.0%</i> | - <i>0.0%</i> | - <i>0.0%</i> | 198.6 <i>4.9%</i> |
| Operating Transfers | 24.5 <i>0.6%</i> | - <i>0.0%</i> | - <i>0.0%</i> | - <i>0.0%</i> | - <i>0.0%</i> | - <i>0.0%</i> | 24.5 <i>0.6%</i> |
| Total | \$ 553.2 <i>13.6%</i> | \$ 1,490.1 <i>36.5%</i> | \$ 1,487.5 <i>36.5%</i> | \$ 500.3 <i>12.3%</i> | \$ 46.5 <i>1.1%</i> | \$ - <i>0.0%</i> | \$ 4,077.6 <i>100.0%</i> |

Expenditures from General Revenues

| FY 2021 Recommended | General Government | Human Services | Education | Public Safety | Natural Resources | Trans- portation | Total |
|-------------------------------------|-------------------------------|-----------------------------|-----------------------------|---------------------------|------------------------------|-----------------------------|------------------------------|
| Salaries & Benefits | \$ 147.2 3.5% | \$ 204.5 4.8% | \$ 173.4 4.1% | \$ 414.8 9.8% | \$ 37.2 0.9% | \$ - 0.0% | \$ 977.2 23.0% |
| Contracted Services | 11.6 0.3% | 48.4 1.1% | 13.6 0.3% | 16.9 0.4% | 0.5 0.0% | - 0.0% | 90.9 2.1% |
| Other State Operations | 52.8 1.2% | 38.0 0.9% | 25.5 0.6% | 57.9 1.4% | 10.2 0.2% | - 0.0% | 184.4 4.3% |
| Aid to Local Units of Government | 166.5 3.9% | - 0.0% | 1,224.8 28.8% | - 0.0% | - 0.0% | - 0.0% | 1,391.3 32.8% |
| Assistance, Grants, & Benefits | 23.3 0.5% | 1,268.0 29.9% | 56.4 1.3% | 12.6 0.3% | 1.1 0.0% | - 0.0% | 1,361.4 32.0% |
| Capital | 1.9 0.0% | 0.6 0.0% | 0.4 0.0% | 1.6 0.0% | 0.0 0.0% | - 0.0% | 4.5 0.1% |
| Debt Service | 159.4 3.8% | - 0.0% | 38.9 0.9% | - 0.0% | - 0.0% | - 0.0% | 198.3 4.7% |
| Operating Transfers | 39.7 0.9% | 0.0 0.0% | - 0.0% | - 0.0% | - 0.0% | - 0.0% | 39.7 0.9% |
| Total | \$ 602.5 14.2% | \$ 1,559.5 36.7% | \$ 1,533.0 36.1% | \$ 503.8 11.9% | \$ 49.0 1.2% | \$ - 0.0% | \$ 4,247.8 100.0% |

| FY 2021 Recommended Change to Enacted | General Government | Human Services | Education | Public Safety | Natural Resources | Trans- portation | Total |
|--|-------------------------------|---------------------------|--------------------------|--------------------------|------------------------------|-----------------------------|----------------------------|
| Salaries & Benefits | \$ 4.9 2.9% | \$ 19.8 11.6% | \$ 5.0 2.9% | \$ (0.7) -0.4% | \$ 1.2 0.7% | \$ - 0.0% | \$ 30.2 17.8% |
| Contracted Services | 4.7 2.8% | 26.0 15.3% | 2.2 1.3% | (0.2) -0.1% | 0.1 0.1% | - 0.0% | 32.9 19.3% |
| Other State Operations | 14.5 8.5% | (1.8) -1.1% | 2.2 1.3% | 3.9 2.3% | 0.9 0.6% | - 0.0% | 19.7 11.6% |
| Aid to Local Units of Government | 1.5 0.9% | - 0.0% | 41.6 24.5% | - 0.0% | - 0.0% | - 0.0% | 43.2 25.4% |
| Assistance, Grants, & Benefits | 7.8 4.6% | 25.2 14.8% | (0.0) 0.0% | 0.4 0.2% | 0.2 0.1% | - 0.0% | 33.6 19.7% |
| Capital | 0.0 0.0% | 0.1 0.1% | (4.5) -2.7% | 0.1 0.0% | (0.0) 0.0% | - 0.0% | (4.3) -2.5% |
| Debt Service | 0.7 0.4% | - 0.0% | (0.9) -0.5% | - 0.0% | - 0.0% | - 0.0% | (0.2) -0.1% |
| Operating Transfers | 15.2 9.0% | 0.0 0.0% | - 0.0% | - 0.0% | - 0.0% | - 0.0% | 15.2 9.0% |
| Total | \$ 49.3 29.0% | \$ 69.3 40.7% | \$ 45.6 26.8% | \$ 3.5 2.0% | \$ 2.5 1.5% | \$ - 0.0% | \$ 170.2 100.0% |

