

House Fiscal Advisory Staff

2010-H 7397 Substitute A As Recommended by the House Finance Committee



Submitted to the 2010 House of Representatives

House Committee on Finance

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Introduction

Introduction

This document provides information concerning the FY 2011 budget contained in 2010-H 7397, Substitute A as passed out of House Finance Committee on May 27. The sections that follow contain descriptions of the Committee's recommended changes to the Governor and current law. Section I, beginning on page 3, is a short summary of the budget.

Section II, beginning on page 9, presents the changes to the Governor's recommendations for FY 2011 introduced and referred to House Finance on February 4. It is followed by explanations of the items in the table. The explanations are numbered to correspond to the item numbers shown in the table.

Section III, beginning on page 47, contains State Aid to Cities and Towns and Education Aid. Both of these reports contain comparison tables to FY 2010 as well as descriptions of the major aid components.

Section IV, beginning on page 71, contains the changes to the Governor's revised budget which was included as Article 1 of 2010-H 7105 as introduced January 13.

Section V, beginning on page 116, contains summary tables of general revenues by source, expenditures by agency by fund source, and full-time equivalent positions. The expenditure and full-time equivalent positions tables show values for the FY 2010 enacted budget, the final FY 2010 budget as reported by the House Finance Committee, the Governor's FY 2011 recommendations and the House Finance Committee's recommendations.

Section VI, beginning on page 129, contains brief descriptions of the articles contained in 2010-H 7397, Substitute A.

The names and telephone numbers of the House Fiscal Staff are listed below by their assignments. Please feel free to allow staff to assist you with any questions you may have concerning the budget.

General Government Agencies

Analyst and Phone Number

Department of Administration.....	Chantale Sarrasin (2485)
Department of Business Regulation	Edward J. Cooney, Jr. (1303)
Department of Labor and Training.....	Stephanie Perreault (3876)
Department of Revenue.....	Chantale Sarrasin (2485)
Legislature.....	Sharon Reynolds Ferland (1163)
Office of the Lieutenant Governor.....	Edward J. Cooney, Jr. (1303)
Office of the Secretary of State.....	Stephanie Perreault (3876)
Office of the General Treasurer.....	Liza Pinto (2457)
Rhode Island Board of Elections.....	Stephanie Perreault (3876)
Rhode Island Ethics Commission.....	Edward J. Cooney, Jr. (1303)
Office of the Governor.....	Chantale Sarrasin (2485)
Rhode Island Commission for Human Rights	Linda M. Haley (1164)
Public Utilities Commission	Lori Fiset (1386)
Rhode Island Commission on Women.....	Edward J. Cooney, Jr. (1303)
Economic Development Corporation.....	Chantale Sarrasin (2485)

Human Services Agencies

Office of Health and Human Services.....	Linda M. Haley (1164)
Department of Children, Youth and Families	Jodi Aubin (1304)
Department of Elderly Affairs.....	Jodi Aubin (1304)
Department of Health	Lori Fisetto (1386)
Department of Human Services	Stephanie Perreault (3876)
Department of Mental Health, Retardation and Hospitals	Linda M. Haley (1164)
Office of the Child Advocate	Jodi Aubin (1304)
Commission on the Deaf and Hard of Hearing	Lori Fisetto (1386)
Governor's Commission on Disabilities	Lori Fisetto (1386)
Office of the Mental Health Advocate	Linda M. Haley (1164)

Education Agencies

Department of Elementary and Secondary Education.....	Liza Pinto (2059)
Board of Governors for Higher Education	Liza Pinto (2059)
Rhode Island Council on the Arts	Jodi Aubin (1304)
Rhode Island Atomic Energy Commission	Liza Pinto (2059)
Rhode Island Higher Education Assistance Authority	Liza Pinto (2059)
Historical Preservation and Heritage Commission	Edward J. Cooney, Jr. (1303)
Rhode Island Public Telecommunications Authority.....	Jodi Aubin (1304)

Public Safety Agencies

Office of the Attorney General	Nobel Jeudy (3877)
Department of Corrections	Nobel Jeudy (3877)
Judicial Department	Nobel Jeudy (3877)
Military Staff	Lori Fisetto (1386)
Department of Public Safety	Edward J. Cooney, Jr. (1303)
Office of the Public Defender	Nobel Jeudy (3877)

Natural Resources Agencies

Department of Environmental Management	John-Paul Verducci (2014)
Coastal Resources Management Council	John-Paul Verducci (2014)
State Water Resources Board.....	John-Paul Verducci (2014)
Clean Water Finance Agency.....	John-Paul Verducci (2014)
Narragansett Bay Commission	John-Paul Verducci (2014)
Rhode Island Resource Recovery Corporation	John-Paul Verducci (2014)

Transportation Agencies

Department of Transportation	John-Paul Verducci (2014)
Rhode Island Public Transit Authority.....	John-Paul Verducci (2014)
Rhode Island Airport Corporation	John-Paul Verducci (2014)

Section I Overview

Summary

	FY 2010 Enacted	FY 2010 Committee	FY 2011 Recommended	FY 2011 Committee
Expenditures by Function*				
General Government	\$ 1,876.6	\$ 2,080.7	\$ 1,466.7	\$ 1,681.4
Human Services	2,843.5	2,962.0	2,960.1	3,108.8
Education	2,074.4	2,066.7	2,110.1	2,102.5
Public Safety	433.1	444.2	453.6	431.8
Natural Resources	98.0	102.8	97.6	98.9
Transportation	489.1	409.4	424.8	428.9
Total	\$ 7,814.7	\$ 8,065.7	\$ 7,512.9	\$ 7,852.3
Expenditures by Category*				
Salaries and Benefits	\$ 1,432.4	1,363.3	\$ 1,434.1	\$ 1,439.6
Contracted Services	190.8	226.0	236.0	222.5
Subtotal	\$ 1,623.2	\$ 1,589.3	\$ 1,670.1	\$ 1,662.0
Other State Operations	633.7	640.8	633.3	633.2
Aid to Local Units of Government	1,201.5	1,146.7	1,042.2	1,054.9
Assistance, Grants, and Benefits	3,620.4	4,038.9	3,554.7	3,851.3
Capital	334.6	282.1	245.7	266.9
Capital Debt Service	249.7	235.7	238.4	233.8
Operating Transfers	151.6	132.2	128.5	150.1
Total	\$ 7,814.7	\$ 8,065.7	\$ 7,512.9	\$ 7,852.3
Sources of Funds*				
General Revenue	\$ 3,000.3	\$ 2,886.9	\$ 2,849.1	\$ 2,937.5
Federal Aid	2,828.2	3,093.6	2,717.5	2,896.3
Restricted Receipts	162.4	189.5	176.8	180.0
Other	1,823.8	1,895.7	1,769.6	1,838.5
Total	\$ 7,814.7	\$ 8,065.7	\$ 7,512.9	\$ 7,852.3
FTE Authorization	14,863.0	14,340.5	14,894.2	14,829.6

**Data in millions*

Summary

The Governor's budget recommendations for FY 2011 are contained in 2010-H 7397, introduced on February 4, 2010. Under Rhode Island General Laws, it was due 13 days earlier on January 21. The 2004 Assembly amended the budget submission dates for the budget to be due on the third Thursday in January, or January 17. In prior years, it had been due the third Thursday in February.

His revised budget for FY 2010 is contained in 2010-H 7105. While not formally introduced until January 13, 2010, a draft proposal bill was released and supporting materials were made available to legislative staffs on December 15, 2009. 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 House passed 2010-H 7105 on April 13, 2010; it was not enacted.

The House Finance Committee recommends total expenditures of \$7.852 billion, which is \$339.4 million more than the Governor recommended. It contains \$2.938 billion from general revenues, which is \$88.4 million more than the Governor recommended.

FY 2011	General Revenue	Federal	Restricted	Other	All Funds
FY 2010 Enacted	\$ 3,000.3	\$ 2,828.2	\$ 162.4	\$ 1,823.8	\$ 7,814.7
Governor	2,849.1	2,717.5	176.8	1,769.6	7,512.9
Change to Enacted	\$ (151.3)	\$ (110.8)	\$ 14.4	\$ (54.1)	\$ (301.8)
Percent Change	-5.0%	-3.9%	8.8%	-3.0%	-3.9%
House Finance Committee	2,937.5	2,896.3	180.0	1,838.5	7,852.3
Change to Enacted	(62.9)	68.1	17.6	14.7	37.6
Percent Change	-2.1%	2.4%	10.9%	0.8%	0.5%
Change to Governor	\$ 88.4	\$ 178.9	\$ 3.3	\$ 68.9	\$ 339.4
HFC Change to FY 2010 10-H 7397	\$ 50.6	\$ (197.3)	\$ (9.5)	\$ (57.2)	\$ (213.4)
Percent Change to FY 2010 10-H 7397	1.8%	-6.4%	-5.0%	-3.0%	-2.6%
HFC Change to FY 2009	\$ (61.4)	\$ 638.2	\$ 56.1	\$ 30.0	\$ 662.9
Percent Change to FY 2009	-2.0%	28.3%	45.3%	1.7%	9.2%

General revenue expenditures recommended by the Committee are \$62.9 million, or 2.1 percent less than general revenues appropriated for FY 2010 by the 2009 Assembly. General revenue expenditures are \$50.6 million more than the FY 2010 revised budget also contained in 2010-H 7397, Substitute A.

FY 2010 Revised	General Revenue	Federal	Restricted	Other	All Funds
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%
House Finance Committee	\$ 2,886.9	\$ 3,093.6	\$ 189.5	\$ 1,895.7	\$ 8,065.7
Change to Enacted	(113.5)	265.4	27.1	71.9	251.0
Percent Change	-3.8%	9.4%	16.7%	3.9%	3.2%
Change to Governor	\$ 41.8	\$ 104.6	\$ 14.8	\$ 68.1	\$ 229.1
Change to FY 2009	\$ (112.0)	\$ 835.5	\$ 65.6	\$ 87.2	\$ 876.3
Percent Change to FY 2009	-3.7%	37.0%	53.0%	4.8%	12.2%

A significant portion of the changes in the budget relate to large adjustments for payments of unemployment benefits, which are reflected in both federal and other funds. The state includes the value of the payments made from these sources as an expenditure and represent nearly 10 percent of the FY 2010 revised budget. The table below summarizes the progression of those expenditures since FY 2009.

Unemployment Benefits	Employment		
	Federal Funds	Security Fund	Total
FY 2009 Actual	\$ 31,049,694	\$ 530,089,301	\$ 561,138,995
FY 2010 Enacted	162,650,000	489,200,000	651,850,000
<i>Change to FY 2009</i>	<i>\$ 131,600,306</i>	<i>\$ (40,889,301)</i>	<i>\$ 90,711,005</i>
FY 2010 Revised Gov. Rec	222,200,000	478,373,000	700,573,000
FY 2010 Revised HFC	263,597,000	511,173,000	774,770,000
<i>Change to FY 2009</i>	<i>\$ 232,547,306</i>	<i>\$ (18,916,301)</i>	<i>\$ 213,631,005</i>
FY 2011 Governor's Rec	24,513,000	394,828,000	419,341,000
FY 2011 HFC	128,295,000	438,928,000	567,223,000
<i>Change to FY 2010 Enacted</i>	<i>\$ (34,355,000)</i>	<i>\$ (50,272,000)</i>	<i>\$ (84,627,000)</i>

The following table shows the general revenue balances as recommended by the House Finance Committee. The Committee recommends an FY 2011 surplus of \$0.1 million, and has an operating surplus of \$0.1 million. The latter is revenues minus the transfer to the Budget Reserve Fund minus expenditures. It represents the gap between useable revenues and expenditures. The budget reserve and cash stabilization account, the "rainy day fund" would have an FY 2011 balance of \$126.7 million.

	FY 2009	FY 2010 HFC	FY 2011 HFC
Opening Surplus			
Free Surplus	\$ (62,246,923)	\$ (62,246,923)	\$ 33,039
Adjustment	-	-	-
Reappropriated Surplus	1,738,518	998,144	-
Subtotal	\$ (60,508,405)	\$ (61,248,779)	\$ 33,039
Revenues			
Enacted/Actual/Estimated	3,025,201,983	3,076,858,477	3,085,404,003
Governor		(100,517,173)	(158,702,176)
10-H 7397		42,774,951	89,282,351
Revenues	3,025,201,983	3,019,116,255	3,015,984,178
Cash Stabilization Fund	(66,054,353)	(70,964,864)	(78,416,448)
From Cash Stabilization Fund	22,000,000		
Total Available Resources	\$ 2,939,935,669	\$ 2,886,902,612	\$ 2,937,600,769
Expenditures			
Enacted/Actual/Estimated	3,001,184,448	3,000,341,114	3,286,062,984
Reappropriations	-	998,144	-
Governor	-	(156,227,394)	(436,998,615)
10-H 7397	-	41,757,709	88,414,380
Expenditures	\$ 3,001,184,448	\$ 2,886,869,573	\$ 2,937,478,749
Total Surplus	\$ (61,248,779)	\$ 33,039	\$ 122,020
Free Surplus	\$ (61,248,779)	\$ 33,039	\$ 122,020
<i>Operating Surplus/(Deficit)</i>	<i>(40,298,300)</i>	<i>62,279,962</i>	<i>88,981</i>
Budget Stabilization and Cash Reserve	\$ 80,084,001	\$ 112,361,035	\$ 126,672,723

Budget Issues

House Fiscal Staff estimates that in preparing the FY 2011 budget, the Governor faced a projected revenue-expenditure gap of \$400 million, which would grow to \$750 million by FY 2015. This was \$222.7 million more than Staff's FY 2011 forecast in the enacted FY 2010 budget of \$177.3 million,

due mainly to significant downward revision in revenues at the November 2009 Revenue Estimating Conference and unachieved structural changes in FY 2010.

The Budget Office indicates it estimated the gap to be \$427.0 million based on the recommendations in the FY 2010 revised budget to defer the payback of \$22.0 million borrowed from the rainy day fund until FY 2011 and advancing use of \$5.0 million of federal stimulus funds.

The gap narrowed by \$38.4 million for FY 2010 and \$34.5 million for FY 2011 due to stronger than expected revenue estimates adopted at the May 2010 Revenue Estimating Conference.

There are a number of issues of note concerning the budget:

- ***American Recovery and Reinvestment Act of 2009.*** Consistent with the Governor's recommendations, the Budget includes significant savings from the American Recovery and Reinvestment Act of 2009, as well as \$101.9 million assuming an extension of enhanced Medicaid reimbursements set to expire on December 31, 2010. Recent information suggests that Congressional passage of this extension is not certain and the Committee will be developing alternatives should that fail to occur.
- ***Rainy Day Fund Repayment.*** The House Finance Committee repays the \$22.0 million of Budget Stabilization and Cash Reserve Account 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 proposed legislation in his Revised Budget to delay the repayment to FY 2011. Then in his FY 2011 budget proposed any payment due in FY 2011 be paid in FY 2012. The House Finance Committee funds the payback in FY 2011.
- ***Out Years.*** The FY 2011 budget does not resolve the significant gap between available revenues and current service expenditures for FY 2012 through FY 2015. These are estimated at \$321.8 million in FY 2012, growing to \$484.6 million in FY 2015.
- ***Motion Picture Tax Credit Elimination.*** The Budget maintains the Motion Picture Tax Credit program.
- ***Enterprise Zone Tax Credit.*** The Budget maintains the Enterprise Zone Tax Credit program.
- ***K-12 Scholarship Organization Contributions.*** The Budget maintains the \$1.0 million cap for business entities making contributions to scholarship organizations.
- ***Corporate and Franchise Minimum Tax Reduction.*** The Budget maintains the corporate and franchise minimum tax at \$500.
- ***Motor Vehicle Excise Reimbursement.*** The Budget provides \$10.0 million from general revenues in FY 2011 for the Motor Vehicle Excise Tax program. The Committee includes legislation requiring that municipalities provide a \$3,000 exemption, for which the state will reimburse an amount subject to appropriation. The legislation enables municipalities to provide an additional exemption of \$3,000 or more; however, any of such additional exemption will not be subject to reimbursement.
- ***Neighborhood Opportunities Program.*** The Budget restores \$1.5 million from Rhode Island Capital Plan funds for the Neighborhood Opportunities Program to address the housing and revitalization needs of deteriorating neighborhoods.

- ***Pension Changes.*** The House Finance Committee recommends limiting the cost-of-living adjustment to the first \$35,000 of a pension, indexed to inflation but capped at 3.0 percent, beginning on the third anniversary of retirement or age 65, whichever is later. The budget assumes savings of \$16.3 million from all funds, \$14.0 million from general revenues. This includes \$3.6 million from general revenues for state employees and judges and \$10.3 million for the employer share of teacher retirement costs for FY 2011. The savings to teacher retirement include \$4.2 million for the state's 40.0 percent share and \$6.1 million for the local share including charter schools.
- ***State Employee Pay Reductions.*** The Governor's budget assumes savings of approximately \$29.5 million from all sources, including \$17.5 million from general revenues from the agreement reached with state employees for four unpaid days in FY 2011 in exchange for future time off and the delay of a scheduled pay raise from July 1, 2010 to January 2, 2011. The agreement includes the promise of no layoffs. The House Finance Committee concurs.
- ***Police and Fire Benefits.*** The Governor's budget terminates the police and fire benefits program administered by the Department of Labor and Training except to grandfather benefits to those eligible for both pensions and/or education benefits prior to July 1, 2010. He includes savings of \$211,510 from general revenues. The House Finance Committee does not recommend terminating the program and restores the funding.
- ***Hospital Payments.*** The Governor's budget does not include the enacted level of \$25.5 million to reimburse community hospitals for the outpatient upper payment limit in FY 2011. The House Finance Committee includes \$15.3 million for the payment.
- ***State Only Acute Care Hospital Payments.*** The Governor's budget does not include the enacted level of \$3.65 million for the state only payment to four community hospitals. The House Finance Committee includes \$3.65 million to make the payments to the four hospitals by September 1, 2010. The Budget also includes \$4.75 million for the state only payment to 10 hospitals in FY 2011
- ***Medicaid Managed Care Reprocurement.*** The Governor's budget includes general revenue savings of \$29.0 million, \$10.6 million by instituting program changes and rebidding contracts for RItE Care and Rhody Health at lower rates. The changes include the community hospitals receiving reimbursements from the managed care plans that are not higher than the rates paid through the fee for service system for both inpatient and outpatient services. The House Finance Committee includes savings of \$7.9 million from capping the rates paid for inpatient services only as of January 1, 2011 and restores \$21.1 million in funding.
- ***System of Care Transformation.*** The Governor's budget includes savings of \$10.0 million from all sources, \$6.7 million from general revenues from the implementation of Phase Two of the system of care transformation. This involves building a network of community based providers that will strengthen supports provided to children and families with the goal of reducing the length of time that children are in out-of-home placements. The House Finance Committee concurs.
- ***Child Care Rate Reduction.*** *The Budget does not include the Governor's proposal to impose a 5.0 percent rate reduction for child care services the state purchases from all licensed and certified child care providers.*
- ***HIV/AIDS.*** The Budget fully funds pharmaceutical and supportive services for HIV/AIDS. The Governor's budget had proposed a reduction to supportive services.

- ***Mental Health Supportive Employment and Day Programs.*** The Governor's budget includes savings of \$1.0 million, \$0.4 million from general revenues, from engaging individuals with mental health issues in individualized supportive employment programs, instead of group activities. The House Finance Committee did not concur and restores the funding to allow individuals access to a variety of program services.

- ***Developmental Disabilities Services.*** The Governor's budget assumes savings of \$7.0 million, \$2.5 million from general revenues from establishing one or two lead community agencies to take control of the residential and community system of care provided to adults with developmental disabilities. The proposal allows the lead agencies to do a needs and utilization review of the individuals assigned to it. The savings represent a four percent reduction in costs associated with the \$175.0 million privately operated system. The House Finance Committee concurs.

- ***Community Mental Health Treatment Services.*** The Governor's budget reduces community mental health treatment services funding by \$4.0 million, \$1.4 million from general revenues, from implementing a new contract to establish an average annual treatment rate for each client. If any of the ten community providers did not accept a new contract, it would be subject to an across-the-board rate reduction to meet the proposed savings. The House Finance Committee concurs.

- ***Estate Recoveries.*** The Governor included legislation to expand the definition of estate recoveries and assumed additional savings of \$1.3 million, \$0.5 million from general revenues. The House Finance Committee did not concur with the expanded definition and instead provided additional staff to assist the recovery unit with activities allowed under current law and assumes savings of \$1.7 million, \$0.8 million from general revenues. The Committee also requires the Department of Human Services to report its recovery activities monthly.

- ***Emergency TANF Funding.*** The state is eligible to receive up to \$47.5 million in new federal Emergency Temporary Assistance to Needy Families Contingency Funds to implement a new subsidized employment program. The House Finance Committee includes funding in the Departments of Human Services, Labor and Training, and Revenue in FY 2011 for employment and other eligible activities and funds 4.0 time-limited full-time equivalent positions to support eligibility determination.

- ***Higher Education Bond Referenda.*** The House Finance Committee recommends \$78.0 million in proposed general obligation bond projects to go before the voters on the November 2010 ballot. This includes \$61.0 million for a new chemistry building at the University and \$17.0 million for the art center at the College.

- ***Highway Improvement Program Bond Referenda.*** The House Finance Committee recommends the inclusion of \$80.0 million of new general obligation bonds to be submitted to the voters on the November 2010 ballot for the Department of Transportation. Funding will provide state-matching funds for the federal highway improvement program as well as state only funded projects. The voters approved \$80.0 million for this purpose in November 2008.

- ***Bus Purchase Bond Referenda.*** The House Finance Committee recommends the inclusion of \$4.7 million of new general obligation bonds to be submitted to the voters on the November 2010 ballot for the Rhode Island Public Transit Authority. Funding will provide state-matching funds for the purchase and rehabilitation of the Authority's fleet. The voters approved \$7.2 million for this purpose in November 2008

Section II

Adjustments to Governor's FY 2011 Budget

	FY 2011 Changes to Governor	Gen. Rev.	Federal	Restricted	Other	Total
	<i>Revenue Changes</i>					
1	May Revenue Conference	64,531,000	-	-	-	64,531,000
2	E-911 Prepaid Telephone Fees	350,000	-	-	-	350,000
3	Eliminate Small Business Jobs Growth Tax Credit	10,000,000	-	-	-	10,000,000
4	Elimination of Dog Racing	(300,000)	-	-	-	(300,000)
5	End Premium Tax Exemption Joint Underwriting Assoc.	145,000	-	-	-	145,000
6	Hospital License Fee	8,331,989	-	-	-	8,331,989
7	Maintain Corporate and Franchise Minimum Tax	11,535,750	-	-	-	11,535,750
8	Maintain Enterprise Zone Tax Credit	(1,000,000)	-	-	-	(1,000,000)
9	Maintain Motion Picture Tax Credit	(1,940,688)	-	-	-	(1,940,688)
10	Newport Grand Rate Parity	(985,000)	-	-	-	(985,000)
11	No UST Indirect Exemption	210,500	-	-	-	210,500
12	Scholarship Tax Credit at Current Law	1,000,000	-	-	-	1,000,000
13	Surplus lines of Insurance from 3% to 4%	1,080,000	-	-	-	1,080,000
14	Twin River Bankruptcy	(3,676,200)	-	-	-	(3,676,200)
	Total	89,282,351	178,874,859	3,280,837	68,852,011	340,290,058
	<i>Expenditures Changes</i>					
	Administration					
15	Capital - Adolph Meyer Building Renovations	-	-	-	(2,500,000)	(2,500,000)
16	Capital - DoIT Operations Center	-	-	-	3,900,000	3,900,000
17	Capital - Neighborhood Opportunities Program	-	-	-	1,500,000	1,500,000
18	Capital - Old State House	-	-	-	25,000	25,000
19	Capital - Pastore Central Power Plant	-	-	-	900,000	900,000
20	Capital - Veterans' Memorial Auditorium	-	-	-	2,500,000	2,500,000
21	Capital - Washington County Government Center	-	-	-	800,000	800,000
22	Debt Service - State Police Headquarters	(2,265,285)	-	-	-	(2,265,285)
23	Debt Service Adjustments	(591,874)	-	-	(315,092)	(906,966)
24	Higher Education Purchasing Positions	-	-	(189,996)	189,996	-
25	Library Services National Leadership Grant Award	-	249,958	-	-	249,958
26	Motor Vehicle Excise Reimbursement	10,000,000	-	-	-	10,000,000
27	Payment in Lieu of Taxes Correction	(186,729)	-	-	-	(186,729)
28	Rainy Day Payback from FY 2009	22,000,000	-	-	-	22,000,000
29	Sheriffs Transfer to Department of Administration	16,459,231	-	-	-	16,459,231
30	State Employee Pensions	7,145,072	3,207,453	575,396	1,401,344	12,329,265
31	Statewide Assessed Fringe Savings	(124,988)	-	-	-	(124,988)
32	Turnover	(200,000)	-	-	-	(200,000)
33	Utility Savings	(1,878,000)	(100,000)	(47,100)	(365,000)	(2,390,100)
34	VMA Debt Service	(1,388,333)	-	-	-	(1,388,333)

	FY 2011 Changes to Governor	Gen. Rev.	Federal	Restricted	Other	Total
35	Welcome Center Double Count	(400,000)	-	-	-	(400,000)
	Business Regulation					
36	Contracted Services Savings	(16,000)	-	-	-	(16,000)
37	Elimination of Dog Racing	(72,500)	-	-	-	(72,500)
38	Health Insurance Commissioner from Restricted	546,868	-	(546,868)	-	-
39	Market Conduct Examiner Fund Source Shift	30,905	-	(14,774)	-	16,131
40	Statewide Assessed Fringe Savings	(20,145)	-	-	-	(20,145)
41	Turnover	(70,000)	-	-	-	(70,000)
	Labor and Training					
42	Capital - Center General Roof	-	-	-	350,000	350,000
43	Disaster Unemployment Insurance	-	456,250	-	-	456,250
44	Employment Security Fund	-	-	-	44,100,000	44,100,000
45	Income Support - Contingency Funding	-	391,991	-	-	391,991
46	Maintain Police and Fire Relief Grants	433,816	-	-	-	433,816
47	Statewide Assessed Fringe Savings	(6,327)	-	-	-	(6,327)
48	Stimulus - UI	-	103,532,000	-	-	103,532,000
49	TANF Emergency Funds	-	706,634	-	-	706,634
50	UI Modernization	-	-	-	4,279,178	4,279,178
	Revenue					
51	Capital - Registry of Motor Vehicles Building	-	-	-	(1,500,000)	(1,500,000)
52	Revenue Analysis Data Tools	20,000	-	-	-	20,000
53	Statewide Assessed Fringe Savings	(62,496)	-	-	-	(62,496)
54	Taxation TANF Position	-	16,408	-	-	16,408
55	Turnover	(150,000)	-	-	-	(150,000)
	Legislature					
56	Redistricting	1,500,000	-	-	-	1,500,000
57	Statewide Assessed Fringe Savings	(64,285)	-	-	-	(64,285)
	Lieutenant Governor					
58	Turnover and Operating	(48,500)	-	-	-	(48,500)
59	Statewide Assessed Fringe Savings	(2,101)	-	-	-	(2,101)
	Secretary of State					
60	HAVA- MOVE Act Funds	-	100,000	-	-	100,000
61	Statewide Assessed Fringe Savings	(10,753)	-	-	-	(10,753)
62	Master Permit Application/Quick Start	250,000	-	-	-	250,000
	Office of the General Treasurer					
63	Fountain Street Relocation	(22,461)	(3,370)	(59,164)	(4,069)	(89,064)
64	Turnover	(95,000)	-	-	-	(95,000)
65	Statewide Assessed Fringe Savings	(4,345)	-	-	-	(4,345)

	FY 2011 Changes to Governor	Gen. Rev.	Federal	Restricted	Other	Total
66	Unclaimed Property	-	-	506,593	-	506,593
	Board of Elections					
67	Printing Expenses	41,000	-	-	-	41,000
68	Statewide Assessed Fringe Savings	(2,620)	-	-	-	(2,620)
	Ethics Commission					
69	Statewide Assessed Fringe Savings	(3,034)	-	-	-	(3,034)
	Governor's Office					
70	Statewide Assessed Fringe Savings	(10,388)	-	-	-	(10,388)
71	Turnover	(110,000)	-	-	-	(110,000)
	Commission for Human Rights					
72	Statewide Assessed Fringe Savings	(1,899)	-	-	-	(1,899)
	Office of Health and Human Services					
73	Statewide Assessed Fringe Savings	(8,038)	-	-	-	(8,038)
74	Turnover	(100,000)	-	-	-	(100,000)
	Children, Youth and Families					
75	Capital - Training School- Girls Facility (Adolph Meyer)	-	-	-	2,500,000	2,500,000
76	Child Care Rate Reduction Restoration	44,349	18,836	-	-	63,185
77	Howard Teachers Union Settlement	(171,683)	-	-	-	(171,683)
78	New Hope Diner Project	-	(20,000)	-	-	(20,000)
79	Nurse-Family Partnership Grant	-	245,000	-	-	245,000
80	Indirect Cost for Federal Grants	(301,122)	(301,122)	301,122	-	(301,122)
81	Statewide Assessed Fringe Savings	(111,851)	-	-	-	(111,851)
82	Turnover	(1,500,000)	-	-	-	(1,500,000)
	Elderly Affairs and Advocacy					
83	Pharmaceutical Assistance	(307,000)	-	148,000	-	(159,000)
84	Indirect Cost for Federal Grants	(397,091)	(397,091)	397,091	-	(397,091)
85	Statewide Assessed Fringe Savings	(2,000)	-	-	-	(2,000)
	Health					
86	Contracted Medical Examiners	(500,000)	-	-	-	(500,000)
87	Contracted Services Reduction	(50,000)	-	-	-	(50,000)
88	Crime Lab	100,000	-	-	-	100,000
89	HIV Supportive Services	700,000	785,884	-	-	1,485,884
90	Legal Services	(252,000)	-	-	-	(252,000)
91	Safe and Active Commuting	-	-	-	83,958	83,958
92	Statewide Assessed Fringe Savings	(45,559)	-	-	-	(45,559)
93	Stimulus - Communities Putting Prevention to Work	-	1,600,156	-	-	1,600,156
94	Stimulus - Obesity Policy and Environment	-	1,516,251	-	-	1,516,251

	FY 2011 Changes to Governor	Gen. Rev.	Federal	Restricted	Other	Total
95	Stimulus - Physical Activity, Nutrition and Tobacco	-	217,936	-	-	217,936
96	Stimulus - Tobacco Quit Line	-	274,445	-	-	274,445
97	Turnover	(1,000,000)	-	-	-	(1,000,000)
98	Women's Cancer Screening	40,000	49,908	-	-	89,908
	Human Services					
99	May Caseload Adjustments	18,889,258	52,079,567	300,000	-	71,268,825
100	Child Care Rate Reduction Restoration	498,000	-	-	-	498,000
101	Acute Care Hospitals (FY 2010 and FY 2011 Payment)	8,400,000	-	-	-	8,400,000
102	Managed Care Reprourement Savings	7,795,425	13,361,102	-	-	21,156,527
103	Hospitals - Upper Payment Limit	5,478,456	9,820,221	-	-	15,298,677
104	Estate Recoveries	(786,562)	(724,276)	-	-	(1,510,838)
105	SSI Transaction Fee	(3,176,468)	-	-	-	(3,176,468)
106	Stimulus - TANF Emergency Funds	-	35,243,537	-	-	35,243,537
107	Stimulus - IDEA	-	(800,000)	-	-	(800,000)
108	Project Smile	(7,500)	-	-	-	(7,500)
109	Statewide Assessed Fringe Savings	(83,538)	-	-	-	(83,538)
110	Community Service Block Grant Administration	-	63,137	-	-	63,137
	Mental Health, Retardation and Hospitals					
111	Capital - Community Facilities - Fire Code Upgrades	-	-	-	250,000	250,000
112	Capital - DD Private Community Facilities Fire Code Upgrades	-	(716,851)	-	(400,000)	(1,116,851)
113	Capital - Hospital Consolidation	-	-	-	3,000,000	3,000,000
114	Capital - Infection Control to Asset Protection	-	-	-	(400,000)	(400,000)
115	Capital - Medical Equipment Modernization to Asset Protection	-	-	-	(520,000)	(520,000)
116	Capital - Pastore Medical Center Rehab	-	-	-	420,000	420,000
117	CMAP	(94,000)	(106,000)	-	-	(200,000)
118	Hospital License Fee	110,017	199,000	-	-	309,017
119	Indirect Cost for Federal Grants	(632,882)	(632,882)	632,882	-	(632,882)
120	Mental Health - Supportive Employment and Day Programs	414,650	585,350	-	-	1,000,000
121	Statewide Assessed Fringe Savings	(90,470)	-	-	-	(90,470)
122	Support Operations	(100,000)	-	-	-	(100,000)
123	Turnover	(1,000,000)	(1,791,736)	-	-	(2,791,736)
	Office of the Child Advocate					
124	Statewide Assessed Fringe Savings	(1,236)	-	-	-	(1,236)
	Deaf and Hard of Hearing					
125	Statewide Assessed Fringe Savings	(678)	-	-	-	(678)

	FY 2011 Changes to Governor	Gen. Rev.	Federal	Restricted	Other	Total
	Governor's Commission on Disabilities					
126	Statewide Assessed Fringe Savings	(803)	-	-	-	(803)
	Office of the Mental Health Advocate					
127	Statewide Assessed Fringe Savings	(1,006)	-	-	-	(1,006)
	Elementary & Secondary Education					
128	Automatic Data Transfer Grant	-	20,000	-	-	20,000
129	Backfill FY 2010 Stimulus Use	7,000,000	(7,000,000)	-	-	-
130	Capital - Charlho Career and Technical School	-	-	-	(1,378,362)	(1,378,362)
131	Capital - Cranston Career and Technical School	-	-	-	560,000	560,000
132	Capital - East Providence Career and Technical School	-	-	-	107,872	107,872
133	Capital - Newport Career and Technical School	-	-	-	343,362	343,362
134	Capital - Warwick Career and Technical School	-	-	-	258,036	258,036
135	Capital - Woonsocket Career and Technical School	-	-	-	450,788	450,788
136	Charter School Excess Funding	(1,460,578)	-	-	-	(1,460,578)
137	Community Service Grants	(42,794)	-	-	-	(42,794)
138	Education Telecommunications Access Fund	350,000	-	-	-	350,000
139	Physics First	250,000	-	-	-	250,000
140	Race to the Top	-	(35,000,000)	-	-	(35,000,000)
141	Statewide Assessed Fringe Savings	(63,606)	-	-	-	(63,606)
142	Stimulus Administrative Costs	(132,564)	-	-	-	(132,564)
143	Teacher Pension Reduction	21,919,585	-	-	-	21,919,585
	Public Higher Education					
144	Capital - Asset Protection - CCRI	-	-	-	250,000	250,000
145	Capital - Asset Protection - RIC	-	-	-	350,000	350,000
146	Capital - Asset Protection - URI	-	-	-	750,000	750,000
147	Capital - CCRI Fire Safety and HVAC	-	-	-	1,800,000	1,800,000
148	Capital - RIC New Arts Center Planning	-	-	-	400,000	400,000
149	Capital - URI Chemistry Building Planning	-	-	-	1,000,000	1,000,000
150	Capital - URI Joint Nursing Building Feasibility	-	-	-	150,000	150,000
151	Community Service Grant Special Olympics	75,000	-	-	-	75,000
152	OHE - Statewide Data Systems	-	250,000	-	-	250,000
153	OHE Turnover Savings	(200,000)	-	-	-	(200,000)
154	Opportunities Industrialization Center of RI (OIC)	25,000	-	-	-	25,000
155	Statewide Assessed Fringe Savings	(171,789)	-	-	-	(171,789)
156	Workforce Development Initiative - CCRI	-	-	240,000	-	240,000

	FY 2011 Changes to Governor	Gen. Rev.	Federal	Restricted	Other	Total
	Arts Council					
157	Arts for Public Facilities Restoration	-	-	-	435,000	435,000
158	Statewide Assessed Fringe Savings	(1,420)	-	-	-	(1,420)
159	Grants	600,000	-	-	-	600,000
160	Waterfire	100,000	-	-	-	100,000
161	Black Rep Community Service Grant (Bankruptcy)	(21,375)	-	-	-	(21,375)
	Atomic Energy					
162	Statewide Assessed Fringe Savings	(1,906)	-	-	-	(1,906)
	Higher Education Assistance Authority					
163	College Bound Fund	(500,000)	-	-	500,000	-
164	Turnover	(50,000)	-	-	-	(50,000)
165	Statewide Assessed Fringe Savings	(1,011)	-	-	-	(1,011)
	Historical Preservation and Heritage Commission					
166	Statewide Assessed Fringe Savings	(2,380)	-	-	-	(2,380)
	RI Public Telecommunications Authority					
167	Statewide Assessed Fringe Savings	(2,267)	-	-	-	(2,267)
	Attorney General					
168	Statewide Assessed Fringe Savings	(45,866)	-	-	-	(45,866)
169	Tobacco Litigation from FY 2010	123,435	-	-	-	123,435
	Corrections					
170	Drug Market Intervention Grant from FY 2010	-	94,000	-	-	94,000
171	Howard Teacher's Union Contract	(25,407)	-	-	-	(25,407)
172	Indirect Cost for Federal Grants	(87,134)	(87,134)	87,134	-	(87,134)
173	Population	(1,876,425)	-	-	-	(1,876,425)
174	Probation and Parole Database Upgrade	-	200,000	-	-	200,000
175	RIBCO Base Adjustment	(1,100,000)	-	-	-	(1,100,000)
176	Statewide Assessed Fringe Savings	(293,138)	-	-	-	(293,138)
	Judicial					
177	Statewide Assessed Fringe Savings	(142,669)	-	-	-	(142,669)
178	Indirect Cost for Federal Grants	(35,434)	(35,434)	35,434	-	(35,434)
	Military Staff					
179	Capital - Armory of Mounted Commands	-	-	-	500,000	500,000
180	Indirect Cost for Federal Grants	(489,742)	(489,742)	489,742	-	(489,742)
181	Statewide Assessed Fringe Savings	(3,232)	-	-	-	(3,232)
182	Turnover	(100,000)	-	-	-	(100,000)

	FY 2011 Changes to Governor	Gen. Rev.	Federal	Restricted	Other	Total
	Public Safety					
183	Byrne Grant Release to Locals	-	(1,203,075)	-	-	(1,203,075)
184	Capital - Headquarters Complex Expansion	-	-	-	(100,000)	(100,000)
185	Capital - Parking Area Improvements	-	-	-	200,000	200,000
186	Executive Director	(109,011)	-	-	-	(109,011)
187	Fire Training Academy Fees	(42,000)	-	50,000	-	8,000
188	Indirect Cost for Federal Grants	(375,345)	(375,345)	375,345	-	(375,345)
189	Sheriffs to DOA	(16,459,231)	-	-	-	(16,459,231)
190	Statewide Assessed Fringe Savings	(71,619)	-	-	-	(71,619)
191	Turnover	(200,000)	-	-	-	(200,000)
192	Violence Against Women Grant Release	-	(222,157)	-	-	(222,157)
	Public Defender					
193	Statewide Assessed Fringe Savings	(20,093)	-	-	-	(20,093)
	Environmental Management					
194	Capital - Blackstone Valley Bike Path/State Park	-	-	-	500,000	500,000
195	Capital - Fort Adams Rehabilitation	-	-	-	250,000	250,000
196	Capital - Galilee Piers	-	-	-	330,000	330,000
197	Statewide Assessed Fringe Savings	(61,927)	-	-	-	(61,927)
198	Turnover	(200,000)	-	-	-	(200,000)
	Coastal Resources Management Council					
199	Special Area Management Plan	-	521,050	-	-	521,050
200	Statewide Assessed Fringe Savings	(4,564)	-	-	-	(4,564)
	Water Resources Board					
201	Statewide Assessed Fringe Savings	(1,610)	-	-	-	(1,610)
	Transportation					
202	Capital - Salt Storage Facilities	-	-	-	1,000,000	1,000,000
203	Stimulus - Commuter Rail Grant	-	3,075,000	-	-	3,075,000
	Total	88,414,380	178,874,859	3,280,837	68,852,011	339,422,087

FY 2011 Changes to Governor

Revenue Changes

1. **May Revenue Conference.** The Revenue Estimating Conference concluded May 12 and revised the FY 2010 estimate to \$3,024.7 million, which is \$78.3 million more than the revenues included in the November estimate and \$53.9 million more than the Governor's budget revised for his changes included in the estimate. It increased the FY 2011 forecast to \$2,898.9 million, which is \$64.5 million more than the November Revenue Conference.

2. **E-911 Prepaid Telephone Fees.** The House Finance Committee includes legislation to remove the current prepaid wireless surcharge system and requires a 2.5 percent E-911 charge at the time of retail transaction. The charge will be based upon the cost of the prepaid wireless communication device and minutes. The fee will be collected at the point of retail along with any other associated sales tax. The House Finance Committee includes \$350,000 in additional revenues from this change.

3. **Eliminate Small Business Jobs Growth Tax Credit.** The Governor proposes legislation creating a Small Business Jobs Growth Tax Credit for a one-time \$2,000 tax credit for every new employee an eligible company hires from July 1, 2010 through December 31, 2011. The business must have at least five but no more than 100 employees working in the state. A qualified employee must be a Rhode Island resident, have collected unemployment insurance, received Temporary Assistance to Needy Families benefits under the Rhode Island Works Program, and/or recently graduated from a college or a technical school. Additionally, the new employee must work at least 30 hours per week, have health benefits, and make at least 250.0 percent of the state's minimum wage. The employer must retain the added position for at least 18 months. His budget includes a revenue loss of \$10.0 million. The House Finance Committee does not concur with the Governor's recommendation and adjusts revenues accordingly.

4. **Elimination of Dog Racing.** The House Finance Committee decreases revenues by \$0.3 million in FY 2011 based upon the passage of legislation to prohibit dog racing and the operation of a dog track in the town of Lincoln.

5. **End Premium Tax Exemption Joint Underwriting Assoc.** The House Finance Committee recommends applying the 2.0 percent gross premiums tax on the Medical Malpractice Joint Underwriters Association. The Committee includes \$145,000 in additional revenues from the application of the tax to the association's premiums.

6. **Hospital License Fee.** The House Finance Committee recommends adding \$8.3 million from revenues resulting from increasing the licensing fee for FY 2011 from 5.237 percent to 5.276 percent of net patient services revenue and updating the hospital's base year from 2008 to 2009. Total license fees collected will be \$137.2 million including \$131.1 million from community hospital payments and \$6.1 million from state payments for the Eleanor Slater Hospital.

The Committee also recommends adding \$0.9 million from revenues resulting from increasing the licensing fee for FY 2010 from 5.237 percent to 5.276 percent of net patient services revenue. Total license fees collected will be \$129.8 million including \$124.0 million from community hospital payments and \$5.8 million from state payments for the Eleanor Slater Hospital.

7. **Maintain Corporate and Franchise Minimum Tax.** The Governor proposes legislation to reduce the Corporate and Franchise Minimum Tax from \$500 to \$250 and includes a general revenue loss of \$11.5 million effective for tax year 2011 and thereafter. For businesses filing corporate income tax returns, the franchise tax rate is \$500 per million of authorized capital stock or \$500, whichever is greater. The amount of the franchise tax liability is offset by the amount of Corporate Income Tax paid. The corporate minimum tax has been \$500 since January 2004. The House Finance Committee does not concur and adjusts revenues accordingly.

8. **Maintain Enterprise Zone Tax Credit.** The Governor proposes legislation to eliminate the Enterprise Zone Tax Credit Act for a general revenue savings of \$1.0 million. Under current law, a qualified business in an enterprise zone is allowed a credit against personal income taxes for pass through entities or business corporations' taxes for wages paid to employees that are part of the new employees hired to meet the 12 month, 5.0 percent jobs growth requirement. The business is eligible for a credit equal to 50.0 percent of the wages for the new jobs, up to \$2,500 per job. If the new employee lives in the enterprise zone, the credit increases to 75.0 percent, up to \$5,000 per employee. The House Finance Committee does not concur and adjusts revenues accordingly.

9. **Maintain Motion Picture Tax Credit.** The Governor proposes legislation to amend current law to disallow any tax credit for the Motion Picture Tax Credit program effective for tax year 2010 and thereafter. His budget assumes increased revenues of \$1.9 million to reflect the Budget Office's estimate of future tax credits for FY 2011. The 2005 Assembly enacted legislation to provide a 25.0 percent credit for state certified production costs directly attributable to motion picture activity within Rhode Island, with primary filming locations within Rhode Island and minimum total production budgets of \$300,000. The 2008 Assembly capped the amount of motion picture tax credits that could be issued at \$15.0 million per tax year beginning with tax year 2008. The House Finance Committee does not concur and reduces revenues by \$1.9 million.

10. **Newport Grand Rate Parity.** Subsequent to his budget submission, the Governor requested an amendment to change the state's current contract with the owner and operator of Twin River to conform with provisions of the bankruptcy plan. The legislation required state support for a portion of the marketing costs, prohibits dog racing, and allows for establishment of a promotional points program. It also changes the jobs requirement for five year renewal to 650.0 full-time positions, a decrease from 1,300.0 positions from current law. This legislation amends the state's current contract with the owner and operator of Twin River to conform with provisions of the bankruptcy plan. The legislation was amended to also extend marketing cost participation to Newport Grand if earnings thresholds are met. It further provides for Newport's share of income to be consistent with Lincoln. The House Finance Committee includes a revenue loss of \$985,000.

11. **No UST Indirect Exemption.** The Governor's budget exempts certain restricted receipt accounts from the state's 10.0 percent indirect cost recovery charge. The Underground Storage Tank Fund is projected to receive \$2,105,000 in FY 2011, with 10.0 percent of that, or \$210,500 reverting to general revenues. However, the Governor's budget would have the fund retain the 10.0 percent in order to pay claims against the fund for leaking underground storage tank remediation. The House Finance Committee does not recommend the exemption, and recognizes an additional \$210,500 of general revenue for FY 2011.

12. **Scholarship Tax Credit at Current Law.** The Governor proposes legislation to increase the cap on the tax credit allowed for business entities making contributions to scholarship organizations from \$1.0 million to \$2.0 million. Currently, the funds are awarded on a first-come-first-serve basis. The maximum credit per tax year is \$100,000 and must be used in the year it is awarded. His budget

assumes a revenue loss of \$1.0 million. The House Finance Committee does not concur with the Governor's recommendation and adjusts revenues accordingly.

13. **Surplus lines of Insurance from 3% to 4%.** The House Finance Committee recommends increasing the tax charged to the insured by the insurer from 3.0 percent to 4.0 percent on surplus lines of insurance and includes \$1.1 million in additional revenue from increasing the tax to the surplus lines premiums.

14. **Twin River Bankruptcy.** Subsequent to his budget submission, the Governor requested an amendment to change the state's current contract with owner and operator of Twin River to conform with provisions of the bankruptcy plan. The legislation required state support for a portion of the marketing costs, prohibits dog racing, and allows for establishment of a promotional points program. It also changes the jobs requirement for five year renewal to 650.0 full-time positions, a decrease from 1,300.0 positions in current law. The House Finance Committee reduces revenues by \$3.7 million in FY 2011 to reflect an annual pro rata share for marketing fees.

Expenditures Changes

Administration

15. **Capital - Adolph Meyer Building Renovations.** The Governor's FY 2011 through FY 2015 capital plan includes \$9.2 million from Rhode Island Capital Plan funds in the Department of Administration's budget to build a new 24-bed girls' facility on the Pastore Campus in Cranston. He subsequently submitted an amendment to shift \$0.1 million in FY 2010 and \$2.5 million in FY 2011 to the Department of Children, Youth and Families for the girls' training school. The remaining \$6.6 million in the Department of Administration will be used for building renovations. The House Finance Committee concurs.

16. **Capital - DoIT Operations Center.** The FY 2010 revised budget includes \$8.9 million from Rhode Island Capital Plan funds to acquire a new state of the art facility to house the state's computer center. The Department purchased a 70,000 square foot building on Jefferson Boulevard. The Department is currently in the process of designing the facility. Therefore, the majority of the renovations will not occur in FY 2010. The House Finance Committee shifts \$3.9 million from FY 2010 to FY 2011 to reflect the Department's revised project schedule.

17. **Capital - Neighborhood Opportunities Program.** The Governor's budget removes the \$2.5 million from Rhode Island Capital Plan funds included in the enacted budget for the multi-year initiative to address the housing and revitalization needs of deteriorating neighborhoods. The Housing Resource Commission administers the program, which provides grants or low interest loans for the rehabilitation of dilapidated housing units or new construction as well as operating subsidies to reduce rents. The House Finance Committee provides \$1.5 million in FY 2011.

18. **Capital - Old State House.** The FY 2011 through FY 2015 Capital Budget includes \$1.7 million from Rhode Island Capital Plan funds, of which \$1.5 million will be used through FY 2013 for various renovations at the Old State House including repaving the parking lot and replacing the heating system. The House Finance Committee provides a total project cost of \$1.1 million, including \$50,000 for FY 2010, \$275,000 for FY 2011 and \$750,000 for FY 2012. The Committee's recommendation is \$0.4 million less than the Governor's budget to reflect the Department's revised project costs.

19. **Capital - Pastore Central Power Plant.** The FY 2010 revised budget includes \$1.0 million from Rhode Island Capital Plan funds to continue work on the Central Power Plant in the Pastore Center to bring one of the boilers to a high state of reliability. Subsequently, the Department indicated that it would only spent \$0.1 million of its FY 2010 appropriation. The House Finance Committee shifts \$0.9 million from FY 2010 to FY 2011 to reflect the Department's revised project schedule.

20. **Capital - Veterans' Memorial Auditorium.** The Governor proposed legislation in his FY 2010 revised budget authorizing the 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. 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. The House Finance Committee does not recommend the sale of the Veterans Memorial Auditorium and reduces revenues accordingly. It provides a total of \$14.8 million from Rhode Island Capital Plan funds in lieu of debt issuance, including \$1.0 million in FY 2010 for architectural and engineering services, \$2.5 million in FY 2011, \$1.4 million in FY 2012, \$4.3 million in FY 2013, \$3.6 million in FY 2014 and \$2.1 million in FY 2015.

21. **Capital - Washington County Government Center.** The Governor's Capital Budget includes a total project cost of \$2.8 million from Rhode Island Capital Plan funds, of which \$1.1 million is in FY 2010 for fire code improvements and for renovations of the Washington County Government Center to accommodate staff from the Department of Children, Youth and Families, which is currently in leased space. Subsequently, the Department indicated that only \$0.3 million would be used in FY 2010. The House Finance Committee shifts \$0.8 million from FY 2010 to FY 2011 to reflect a project delay.

22. **Debt Service - State Police Headquarters.** The Governor's FY 2011 recommended budget includes \$195.6 million from all funds for debt service expenses, of which \$142.8 million is from general revenues. Subsequently, he requested an amendment to reduce general revenue expenditures by \$2.3 million for the State Police Headquarters, which is being funded with Rhode Island Capital Plan funds. In November 2002, the voters passed a \$55.0 million bond referendum that included \$48.1 million for the new headquarters. After numerous site changes, design delays and escalating costs, the entire project was reassessed and the decision was made to construct a smaller headquarters on the present Scituate site. However, issued proceeds remained available. The Budget Office indicates that after reviewing the situation with bond counsel, it was determined that the most efficient way to utilize these funds is towards a future debt service payment. The House Finance Committee concurs.

23. **Debt Service Adjustments.** The Governor's FY 2011 recommended budget includes \$195.6 million from all funds for debt service expenses, of which \$142.8 million is from general revenues. Subsequently, he requested an amendment to reduce expenditures by \$0.9 million from all funds, including \$0.6 million from general revenues from savings achieved from a general obligation bond refunding. The House Finance Committee concurs.

24. **Higher Education Purchasing Positions.** The Governor's recommended budget includes \$0.2 million from restricted receipts to fund 2.0 positions in the Division of Purchasing. The funds are derived from a 0.5 percent assessment on stimulus accounts to cover oversight expenses. The Administration subsequently indicated that the funds would not become available. The Governor requested an amendment to allow the 2.0 positions, consisting of an administrator and a buyer to be dedicated to procurement for Higher Education. A memorandum of understanding was reached, in

which the Administration will provide the positions and the three institutions and the Office will provide \$45,000 each to fund the positions. The House Finance Committee concurs.

25. **Library Services National Leadership Grant Award.** Subsequent to his budget submission, the Governor requested an amendment to provide \$249,958 in newly available federal funds for the Office of Library and Information Services. The funds will be used to implement an emergency service function for protecting statewide cultural heritage collections as part of the “Protecting the Past-Rhode Island Initiative.”

26. **Motor Vehicle Excise Reimbursement.** The House Finance Committee provides \$10.0 million from general revenues in FY 2011 for the Motor Vehicle Excise Tax program. The Committee includes legislation requiring that municipalities provide a \$3,000 exemption, for which the state will reimburse an amount subject to appropriation. The legislation enables municipalities to provide an additional exemption of \$3,000 or more; however, any of such additional exemption will not be subject to reimbursement.

27. **Payment in Lieu of Taxes Correction.** The Governor’s FY 2011 budget includes \$27.8 million to fund the Payment in Lieu of Taxes program to reimburse 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. His FY 2011 distribution is \$0.2 million less than the amount shown in the appropriations act. Subsequently, he requested an amendment to correct this. The program would be funded at the FY 2010 enacted amount of \$27.6 million. The House Finance Committee includes the adjustment.

28. **Rainy Day Payback from FY 2009.** 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 requires that any amounts used must be replaced in the following year. The Governor proposed legislation in his FY 2010 revised budget to delay the repayment to FY 2011. He proposed legislation as part of his FY 2011 budget to further delay the repayment until FY 2012. The House Finance Committee recommends the repayment in FY 2011.

29. **Sheriffs Transfer to Department of Administration.** The Governor’s budget includes the transfer of the Sheriffs Division to the Department of Public Safety. The House Finance Committee recommends retaining the Division within the Department of Administration and provides \$16.5 million from general revenues and staffing of 180.0 positions, consistent with the Governor’s recommended budget.

30. **State Employee Pensions.** 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. He subsequently requested an amendment to add back \$2.0 million from all funds, including \$1.2 million from general revenues to reflect a more accurate estimate on the pension savings. The House Finance Committee restores \$12.3 million from all funds, including \$7.1 million from general revenues based on its proposal to limit the cost-of-living adjustments to the first \$35,000 of retirement allowance indexed to inflation but capped at 3.0 percent beginning on the third anniversary of the date of retirement or age 65, whichever is later, for state employees, teachers, and judges that were not eligible to retire on September 30, 2009 and do not become eligible to do so before the passage of this proposal.

31. Statewide Assessed Fringe Savings. The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for expenses in FY 2010 and those projected for FY 2011. The House Finance Committee recommends reducing the rate in FY 2011 for total general revenue savings of \$1.6 million based on fewer retirements than previous years and reduces the Department of Administration's FY 2011 budget by \$124,988 to reflect its portion of these savings.

32. Turnover. The Governor's budget includes \$63.9 million from all funds, including \$47.1 million from general revenues to fund 699.6 full-time equivalent positions in the Department of Administration and assumes \$1.6 million in turnover savings. The House Finance Committee recommends an additional \$0.2 million in turnover savings, which is equivalent to 3.1 vacant positions. As of pay period ending May 10, 2010, the Department had 93.4 vacant positions.

33. Utility Savings. The Governor's FY 2011 budget includes \$22.4 million from all funds, of which \$19.2 million is from general revenues for utilities at state buildings under its jurisdiction, including the Pastore Campus. The Department's FY 2010 third quarter report projected total savings of \$2.0 million due to lower natural gas prices than forecasted. Subsequently, the Governor requested an amendment to reduce FY 2010 expenditures by \$2.0 million and FY 2011 expenditures by \$2.4 million. The House Finance Committee concurs. FY 2010 and FY 2011 projected expenditures are \$2.4 million less than the FY 2009 actual.

34. VMA Debt Service. The Governor's FY 2010 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 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 payments of \$1.4 million in FY 2011 and \$2.8 million annually thereafter. The House Finance Committee does not concur with the financing proposal and reduces revenues and debt service expenditures of \$1.4 million accordingly.

35. Welcome Center Double Count. The Department of Transportation's budget request eliminated funding for the Richmond Welcome Center for which the enacted budget included \$0.4 million. The Economic Development Corporation manages the welcome center and the Department transfers the funds to the Corporation on a monthly basis. The Governor inadvertently double funded the Richmond Welcome Center by including \$0.4 million from gasoline tax proceeds in the Department of Transportation and \$0.4 million from general revenues in the Department of Administration. The House Finance Committee recommends funding the welcome center with gasoline tax proceeds, consistent with the enacted budget.

Business Regulation

36. Contract Services Savings. The House Finance Committee recommends reducing purchased service expenditures by \$16,000, for which the Governor's FY 2011 budget includes \$34,232.

37. Elimination of Dog Racing. The House Finance Committee recommends additional general revenue savings of \$72,500 from the elimination of dog racing in the town of Lincoln.

38. Health Insurance Commissioner from Restricted. In his FY 2011 budget the Governor proposed Article 26 which created a restricted receipt account to fund the Office of the Health

Insurance Commissioner. The restricted receipt account would receive funding based upon an assessment placed on the health insurance entities, regulated by the Office. The assessment would be based proportionally upon the providers' market share. The House Finance Committee does not concur and provides \$0.5 million from general revenues to fund the Office of the Health Insurance Commissioner.

39. Market Conduct Examiner Fund Source Shift. The Governor's FY 2011 budget includes \$4.4 million from all funds, including \$3.8 million from general revenues to fund 41.0 full-time equivalent positions in the Insurance Division at Department of Business Regulation. The Governor subsequently submitted an amendment to provide an additional \$30,905 of general revenues and to decrease restricted receipts by \$14,774 to fund a Market Conduct Examiner position. This position was previously not funded and is a 100 percent general revenue funded position. In his FY 2011 budget, the Governor provided funds for a Senior Rate Analyst position, at 70 percent from general revenues and 30 percent from restricted receipts. The Department requested that the Market Conduct Examiner position be filled as opposed to the Senior Rate Analyst position. The House Finance Committee concurs.

40. Statewide Assessed Fringe Savings. The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for expenses in FY 2010 and those projected for FY 2011. The House Finance Committee recommends reducing the rate in FY 2011 for total general revenue savings of \$1.6 million based on fewer retirements than previous years and reduces the Department of Business Regulation's FY 2011 budget by \$20,145 to reflect its portion of these savings.

41. Turnover. The House Finance Committee includes \$70,000 in additional turnover savings for the Department of Business Regulation for FY 2011.

Labor and Training

42. Capital - Center General Roof. The Governor's FY 2011 budget includes \$397,458 from Rhode Island Capital Plan funds in FY 2010 to replace the slate roofs on three of the six Center General Complex buildings. The Department of Labor and Training indicates that this project has not gone out to bid and it will not award contracts until May 30, 2010 or later. The House Finance Committee recommends shifting \$350,000 from FY 2010 to FY 2011 based on a revised project schedule.

43. Disaster Unemployment Insurance. Many Rhode Island businesses were affected by the flooding in March of 2010. The Department of Labor and Training is able to access federal grants to cover the costs of providing unemployment insurance benefits to workers whose place of employment was affected by the floods. This funding is for direct benefits to workers who are not otherwise eligible for regular unemployment insurance benefits and administrative expenses related to processing these claims. In May, the Governor requested an amendment to add \$456,250 from this federal grant for FY 2011. The House Finance Committee concurs.

44. Employment Security Fund. The Governor's FY 2011 budget includes \$394.8 million from the Employment Security Fund for the payment of unemployment insurance benefits, which is \$94.4 million less than enacted. Subsequently, he requested an amendment increasing funding by \$44.1 million from the Employment Security Fund for the payment of unemployment insurance benefits, reflecting the continually high unemployment rate for the state. This would bring FY 2011 funding to \$438.9 million. The House Finance Committee concurs.

45. **Income Support - Contingency Funding.** The Governor's FY 2011 budget includes \$12.8 million from federal funds for salaries and benefits for the Unemployment Insurance division of the Income Support Program, which is \$1.0 million less than enacted. Subsequently, he requested an amendment increasing funding by \$0.4 million from federal unemployment insurance contingency funds to fund 13.3 full-time equivalent positions for the unemployment call center reflecting the continually high unemployment rate for the state. The House Finance Committee concurs.

46. **Maintain Police and Fire Relief Grants.** The Governor's budget includes \$3.6 million from general revenues for the payment of annuities and tuition benefits from the Police and Fire Relief Fund and assumes that no new beneficiaries will be eligible to collect after June 30, 2010. He includes Article 10 in his FY 2011 budget to end the program to new claims on this date. The House Finance Committee does not recommend ending this program, restores the funding the Governor assumes as savings and adds funding to accommodate the significant increase in applications and approvals since the Governor submitted his budget.

47. **Statewide Assessed Fringe Savings.** The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for expenses in FY 2010 and those projected for FY 2011. The House Finance Committee recommends reducing the rate in FY 2011 for total general revenue savings of \$1.6 million based on fewer retirements than previous years and reduces the Department of Labor and Training's FY 2011 budget by \$6,327 to reflect its portion of these savings.

48. **Stimulus - UI.** The Governor's FY 2011 budget includes \$24.5 million from federal Stimulus funds for the payment of unemployment insurance benefits, which is \$138.1 million less than enacted. Subsequently, he requested an amendment increasing funding by \$103.5 million from federal Stimulus funds for the payment of the additional benefit of \$25 per recipient per week and all benefit extensions, reflecting the continually high unemployment rate for the state and the recent federal extensions of the multiple benefit programs. The House Finance Committee concurs.

49. **TANF Emergency Funds.** The Governor's FY 2011 budget does not include any federal Temporary Assistance to Needy Families Emergency Funds for Work First Temporary Assistance to Needy Families within the Workforce Development Services Program. Subsequently, he requested an amendment increasing federal funding by \$0.7 million to reflect funding 19.0 time-limited full-time equivalent positions, accompanying grants and operating costs to assist in the implementation of a new subsidized employment program. The House Finance Committee concurs.

50. **UI Modernization.** The Governor's FY 2011 budget does not include any Unemployment Insurance Modernization funding within the Income Support division. Subsequently, he requested an amendment increasing funding by \$4.3 million from Unemployment Insurance Modernization funding stipulated under the stimulus program to reflect funding 33.1 full-time equivalent positions, including call center employees, central adjudication support and converting part-time status employees to full-time status. The House Finance Committee concurs.

Department of Revenue

51. **Capital - Registry of Motor Vehicles Building.** The Governor's FY 2011 through FY 2015 capital plan includes \$17.7 million from Rhode Island Capital Plan funds, including \$11.4 million in FY 2010 and \$5.6 million in FY 2011 to renovate the Forand Building to be the new home of the Registry of Motor Vehicles. The Department's FY 2010 third quarter report projected expenditures of \$12.9 million, or \$1.5 million more than the Governor recommended. Subsequently, he requested an

amendment to shift \$1.5 million from FY 2011 to FY 2010 to reflect anticipated expenditures. The House Finance Committee concurs.

52. **Revenue Analysis Data Tools.** The Governor's FY 2011 recommended budget includes \$30,000 from general revenues for which the enacted budget included \$100,000 to purchase data tools, including computer hardware and software for the Office of Revenue Analysis. The Office is responsible for preparing cost benefit analyses of all tax expenditures. Subsequently, the Governor requested an amendment to provide \$20,000 from general revenues for maintenance of Regional Economic Models Policy Insight, which allows the Office to do economic impact analysis of various economic development and tax policy proposals. The House Finance Committee concurs.

53. **Statewide Assessed Fringe Savings.** The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for expenses in FY 2010 and those projected for FY 2011. The House Finance Committee recommends reducing the rate in FY 2011 for total general revenue savings of \$1.6 million based on fewer retirements than previous years and reduces the Department of Revenue's FY 2011 budget by \$62,496 to reflect its portion of these savings.

54. **Taxation TANF Position.** The Governor requested an amendment to provide \$16,408 from federal Stimulus funds to support 1.0 full-time position on a limited term to implement a new subsidized employment program that utilizes Temporary Assistance to Needy Families emergency funds in coordination with the Department of Labor and Training and the Department of Human Services. This is consistent with his FY 2010 revised recommendation. The House Finance Committee concurs.

55. **Turnover.** The Governor's budget includes \$36.1 million from all funds, including \$26.3 million from general revenues to fund 428.0 full-time equivalent positions in the Department of Revenue. The recommendation assumes \$0.5 million in turnover savings. The Department has an average of 386.7 filled positions, or 37.3 vacant positions since the beginning of the fiscal year. The House Finance Committee recommends \$150,000 in additional turnover savings, which equates to 1.8 vacant positions.

Legislature

56. **Redistricting.** The House Finance Committee includes \$1.5 million from general revenues to fund the cost of redistricting based on the updated census data.

57. **Statewide Assessed Fringe Savings.** The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for expenses in FY 2010 and those projected for FY 2011. The House Finance Committee recommends reducing the rate in FY 2011 for total general revenue savings of \$1.6 million based on fewer retirements than previous years and reduces the Legislature's FY 2011 budget by \$64,285 to reflect its portion of these savings.

Lieutenant Governor

58. **Turnover and Operating.** The Governor's FY 2011 budget includes \$0.9 million from general revenues to fund 8.0 full-time equivalent positions in the Office of the Lieutenant Governor. The House Finance Committee recommends general revenue savings of \$48,500.

59. Statewide Assessed Fringe Savings. The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for expenses in FY 2010 and those projected for FY 2011. The House Finance Committee recommends reducing the rate in FY 2011 for total general revenue savings of \$1.6 million based on fewer retirements than previous years and reduces the Office of the Lieutenant Governor's FY 2011 budget by \$2,101 to reflect its portion of these savings.

Secretary of State

60. HAVA - MOVE Act funds. The House Finance Committee recommends \$0.1 million from federal Help America Vote Act funds for compliance with the Military and Overseas Voter Empowerment Act of 2009. The Office will use these funds to ensure that overseas uniformed services and civilian voters are aware of their voting rights and have a genuine opportunity to register to vote and have their absentee ballots cast and counted for the November 2010 election.

61. Statewide Assessed Fringe Savings. The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for expenses in FY 2010 and those projected for FY 2011. The House Finance Committee recommends reducing the rate in FY 2011 for total general revenue savings of \$1.6 million based on fewer retirements than previous years and reduces the Secretary of State's FY 2011 budget by \$10,753 to reflect its portion of these savings.

62. Master Permit Application/Quick Start. The House Finance Committee recommends \$250,000 from general revenues for the Office's Quick Start Small Business Initiative. Funding is for an online master application where applicants can enter their contact and business information just once and the information will be automatically entered on all forms the applicant needs to submit. In addition, those who wish to open a business in Rhode Island will find all the relevant forms, fees and additional information needed to open a business all in one place. There are no funds for this in the Governor's budget for this project; the Office proposed it after the Governor submitted his budget.

Office of the General Treasurer

63. Fountain Street Relocation. The Governor requested an amendment for two months of rental savings during FY 2011 for savings of \$89,064. The current lease on Fountain Street expires on April 30, 2011 and the operations on Fountain Street including the Retirement System will be moving to state-owned land off Jefferson Boulevard in Warwick. The House Finance Committee concurs.

64. Turnover. The House Finance Committee recommends additional general revenue turnover savings of \$95,000 for FY 2011. This is equivalent to 1.0 vacant position based on an average cost per position of \$90,801. As of the pay period ending May 8, 2010, the Office had 6.4 vacant positions.

65. Statewide Assessed Fringe Savings. The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for expenses in FY 2010 and those projected for FY 2011. The House Finance Committee recommends reducing the rate in FY 2011 for total general revenue savings of \$1.6 million based on fewer retirements than previous years and reduces the Office of the General Treasurer's FY 2011 budget by \$4,345 to reflect its portion of these savings.

66. Unclaimed Property. Transfers of unclaimed property to the state are shown as expenditures in the Office's operating budget. The House Finance Committee recommends an additional \$0.5 million

for FY 2011 to reflect the estimate of the May Revenue Estimating Conference. This includes an additional \$0.5 million in transfer to the state General Fund.

Board of Elections

67. **Printing Expenses.** The Governor's budget includes \$60,000 from general revenues for printing expenses related to the November 2010 election. This is \$41,000 less than the Board's request. The House Finance Committee recommends restoring the \$41,000.

68. **Statewide Assessed Fringe Savings.** The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for expenses in FY 2010 and those projected for FY 2011. The House Finance Committee recommends reducing the rate in FY 2011 for total general revenue savings of \$1.6 million based on fewer retirements than previous years and reduces the Board of Elections' FY 2011 budget by \$2,620 to reflect its portion of these savings.

Ethics Commission

69. **Statewide Assessed Fringe Savings.** The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for expenses in FY 2010 and those projected for FY 2011. The House Finance Committee recommends reducing the rate in FY 2011 for total general revenue savings of \$1.6 million based on fewer retirements than previous years and reduces the Ethics Commission's FY 2011 budget by \$3,034 to reflect its portion of these savings.

Governor's Office

70. **Statewide Assessed Fringe Savings.** The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for expenses in FY 2010 and those projected for FY 2011. The House Finance Committee recommends reducing the rate in FY 2011 for total general revenue savings of \$1.6 million based on fewer retirements than previous years and reduces the Office of the Governor's FY 2011 budget by \$10,388 to reflect its portion of these savings.

71. **Turnover.** The Governor's budget includes \$4.3 million from general revenues to fund 39.0 full-time equivalent positions in the Office of the Governor. The recommendation assumes \$0.2 million in turnover savings. As of pay period ending May 10, 2010, the Office had 8.0 positions vacant. It is unlikely that the positions will be filled by January 2011. The House Committee recommends an additional \$0.1 million in turnover savings, which equates to 1.0 vacant position assuming a cost of \$110,150 per position.

Commission for Human Rights

72. **Statewide Assessed Fringe Savings.** The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for expenses in FY 2010 and those projected for FY 2011. The House Finance Committee recommends reducing the rate in FY 2011 for total general revenue savings of \$1.6 million based on fewer retirements than previous years and reduces the Commission for Human Rights' FY 2011 budget by \$1,899 to reflect its portion of these savings.

Office of Health and Human Services

73. **Statewide Assessed Fringe Savings.** The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for expenses in FY 2010 and those projected for FY 2011. The House Finance Committee recommends reducing the rate in FY 2011 for total general revenue savings of \$1.6 million based on fewer retirements than previous years and reduces the Office of Health and Human Services' FY 2011 budget by \$8,038 to reflect its portion of these savings.

74. **Turnover.** The House Finance Committee recommends additional general revenue turnover savings of \$100,000 for the Office of Health and Human Services for FY 2011. This is equivalent to 1.5 additional positions remaining vacant.

Children, Youth and Families

75. **Capital - Training School-Girls Facility (Adolph Meyer).** The Governor's FY 2011 through FY 2015 capital plan includes \$9.2 million from Rhode Island Capital Plan funds in the Department of Administration's budget to build a new 24-bed girls' facility on the Pastore Campus in Cranston. He subsequently submitted an amendment to shift \$2.5 million in FY 2011 to the Department of Children, Youth and Families for the girls' training school. The House Finance Committee concurs.

76. **Child Care Rate Reduction Restoration.** The Governor submitted legislation in Article 5 of 2010-H 7015 to impose 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 \$561,185 from all sources, \$542,349 from general revenues. He subsequently requested an amendment to sunset this provision on September 30, 2010. The House Finance Committee does not recommend the rate reduction and restores \$0.6 million from all sources, including \$63,185 from general revenues in the Department of Children, Youth and Families and \$498,000 in the Department of Human Services.

77. **Howard Teachers Union Settlement.** The Governor requested an amendment to save \$171,683 from general revenues from eight pay reduction days and the six-month deferral of the cost-of-living adjustment for teachers in the Howard Teachers Union at the Training School. An agreement had not been met when the budget was submitted; therefore, savings for these days were not included. The agreement also includes four pay reduction days in FY 2010. The House Finance Committee concurs.

78. **New Hope Diner Project.** The Governor requested an amendment to shift \$20,000 from federal stimulus funds from FY 2011 to FY 2010. These funds will be used to begin the New Hope Diner project at the Rhode Island Training School. This project is an introductory vocational program to explore potential employment opportunities for high risk youth offenders. The House Finance Committee concurs.

79. **Nurse-Family Partnership Grant.** The Governor requested an amendment to add \$245,000 from federal funds for the Nurse-Family Partnership program, which will support the Department of Children, Youth and Families' Family Care and Community Partnership initiative. These grants will ensure the well being of low-income, first-time parents and their children by helping communities implement and sustain an evidence-based program of home visiting by registered nurses. Nurses provide support, education and counseling on health, behavioral and self-sufficiency issues. The House Finance Committee concurs.

80. Indirect Cost for Federal Grants. Most federal grants allow for recovery of overhead costs, in addition to direct administrative costs, though the application of a negotiated indirect cost rate. The Departments of Health, Elementary and Secondary Education and Environmental Management take advantage of this allowance to lower state general revenue costs. The House Finance Committee recommends all eligible agencies reduce general revenue expenditures through use of a negotiated federal indirect rate. For the Department of Children, Youth and Families, the Committee recommends reducing general revenues by \$0.3 million assuming an indirect cost recovery rate of not less than 5.0 percent and shifts the grant funded expenditures from federal to restricted sources consistent with current practice for accounting for indirect cost recovery resources.

81. Statewide Assessed Fringe Savings. The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for expenses in FY 2010 and those projected for FY 2011. The House Finance Committee recommends reducing the rate in FY 2011 for total general revenue savings of \$1.6 million based on fewer retirements than previous years and reduces the Department of Children, Youth and Families' FY 2011 budget by \$111,851 to reflect its portion of these savings.

82. Turnover. The Governor's FY 2011 budget includes \$71.3 million from all funds, including \$53.8 million from general revenues to fund 700.0 full-time equivalent positions in the Department of Children, Youth and Families. This includes \$1.5 million in turnover savings for approximately 16.0 positions. The House Finance Committee recommends an additional \$1.5 million in turnover savings, which equates to 2.1 percent of the Governor's recommended budget. Assuming an average cost of \$99,285 per position, the turnover savings is equivalent to 15.1 vacant positions.

Elderly Affairs and Advocacy

83. Pharmaceutical Assistance. The Governor recommends \$1.8 million for the Rhode Island Pharmaceutical Assistance to the Elderly program, including \$1.7 million from general revenues and \$130,840 from restricted receipts. This recommendation is based on higher claims, increased cost of eligible drugs, and lower rebate collections. The House Finance Committee recommends savings of \$0.3 million from general revenues and \$0.1 million more from rebate collections based on current claims activities and actual rebate collections.

84. Indirect Cost for Federal Grants. Most federal grants allow for recovery of overhead costs, in addition to direct administrative costs, though the application of a negotiated indirect cost rate. The Departments of Health, Elementary and Secondary Education and Environmental Management take advantage of this allowance to lower state general revenue costs. The House Finance Committee recommends all eligible agencies reduce general revenue expenditures through use of a negotiated federal indirect rate. For the Department of Elderly Affairs, the Committee recommends reducing general revenues by \$0.4 million assuming an indirect cost recovery rate of not less than 5.0 percent and shifts the grant funded expenditures from federal to restricted sources consistent with current practice for accounting for indirect cost recovery resources.

85. Statewide Assessed Fringe Savings. The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for expenses in FY 2010 and those projected for FY 2011. The House Finance Committee recommends reducing the rate in FY 2011 for total general revenue savings of \$1.6 million based on fewer retirements than previous years and reduces the Department of Elderly Affairs' FY 2011 budget by \$2,000 to reflect its portion of these savings.

Health

86. Contracted Medical Examiners. The House Finance Committee recommends general revenue savings of \$0.5 million from reducing contract medical examiner expenses in the Department of Health. The Department had been unsuccessful in filling two vacant medical examiner positions resulting in the need to utilize contract staff to address the workload. The Department expects to have the vacant positions filled by July 1, 2010.

87. Contracted Services Reduction. The House Finance Committee recommends general revenue savings of \$50,000 from reducing contract services consistent with the Governor's FY 2010 recommended budget. The reductions are in the Environmental Health and Regulations and Public Health programs and include clerical services, stenographers, training, financial, information technology and other temporary services.

88. Crime Lab. The House Finance Committee recommends adding \$100,000 from general revenues to fund the Rhode Island State Crime Lab. The Crime Lab is predominately supported from general revenues. It also receives a yearly Coverdell grant for \$42,000 and recently was awarded \$125,076 from the first year of Byrne Grant funding. Funds are used to support operations and 9.0 positions which are all University of Rhode Island employees.

89. HIV Supportive Services. The House Finance Committee recommends adding \$700,000 from general revenue for HIV services which the Department plans to use to match Medicaid. The Governor's FY 2011 recommended budget reduced general revenues by \$1.2 million for HIV treatment which includes pharmaceuticals and support services.

90. Legal Services. The Governor recommended adding \$120,000 to supplement existing resources for the cost of legal research and reviews for certificate of need, change in effective control and initial licensure requests and \$132,000 for a new full-time legal position to strengthen supportive legal services at the Department. The House Finance Committee does not concur and reduces expenditures accordingly.

91. Safe and Active Commuting. The Governor requested an amendment to add \$83,958 from federal funds passed through the Rhode Island Department of Transportation for the cooperative agreement to promote safe and active commuting under federal authorization of the Safe, Accountable, Flexible, and Efficient Transportation Equity Act. Funds will be used to encourage bicycle pedestrian usage and safety. It also provides funding for bike helmets for children. The House Finance Committee concurs.

92. Statewide Assessed Fringe Savings. The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for expenses in FY 2010 and those projected for FY 2011. The House Finance Committee recommends reducing the rate in FY 2011 for total general revenue savings of \$1.6 million based on fewer retirements than previous years and reduces the Department of Health's FY 2011 budget by \$45,559 to reflect its portion of these savings.

93. Stimulus - Communities Putting Prevention to Work. The Governor requested an amendment to add \$1.6 million from federal stimulus funds for communities putting prevention to work. The goal of the initiative is to develop a model for integrating active living into all local planning decisions through a statewide policy change. The House Finance Committee concurs.

94. **Stimulus - Obesity Policy and Environment.** The Governor requested an amendment to add \$1.5 million from federal stimulus funds for the obesity policy and environment initiative. The goal of the initiative is to develop a model for integrating active living into all local planning decisions through a statewide policy change. The House Finance Committee concurs.

95. **Stimulus - Physical Activity, Nutrition and Tobacco.** The Governor requested an amendment to add \$217,936 from federal stimulus funds for the statewide physical activity, nutrition and tobacco initiative. This initiative is intended to reduce chronic disease risk factors, prevent and delay chronic disease, promote wellness, and better manage chronic conditions. The House Finance Committee concurs.

96. **Stimulus - Tobacco Quit Line.** The Governor requested an amendment to add \$274,445 from federal stimulus funds for the tobacco quit line. This initiative will expand the national network of tobacco quit lines. The House Finance Committee concurs.

97. **Turnover.** The House Finance Committee recommends general revenue savings of \$1.0 million from turnover savings in the Department of Health. The Budget assumes \$574,835 in turnover savings which is equivalent to maintaining 8.5 vacant full-time equivalent positions. The Governor includes full funding for 1.0 new position as well as 415.7 included in the FY 2011 recommended budget. The Department currently has 364.7 full-time equivalent positions filled.

98. **Women's Cancer Screening.** The Department of Health has exhausted all funds for the breast and cervical cancer early detection screening portion of the program and has suspended these services for the remainder of the fiscal year. Subsequently, the Department of Health received \$110,000 from anonymous donations for the Women's Cancer Screening program which the Department plans to use to match Medicaid funds. The Department expects to expend \$70,000 in FY 2010 and \$40,000 in FY 2011. The House Finance Committee concurs with the expenditure plan.

Human Services

99. **May Caseload Adjustments.** The House Finance Committee recommends an additional \$71.3 million, which includes \$18.9 million more from general revenues to adjust the FY 2011 budget for the May Caseload Conference estimates for cash assistance caseloads and medical assistance expenditures. The estimates assume the enhanced federal match assistance percentage will not be extended beyond the current December 31, 2010 end date, which the Governor assumes will be continued through June 30, 2011 in his budget.

100. **Child Care Rate Reduction Restoration.** The Governor submitted legislation in Article 5 of 2010-H 7015 to impose 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 \$561,185 from all sources, \$542,349 from general revenues. He subsequently requested an amendment to sunset this provision on September 30, 2010. The House Finance Committee does not recommend the rate reduction and restores \$0.6 million from all sources, including \$498,000 from general revenues in the Department of Human Services and \$63,185 from all sources in the Department of Children, Youth and Families.

101. **Acute Care Hospitals (FY 2010 and FY 2011 Payment).** The Governor's FY 2010 revised budget does not include the enacted level of \$3.65 million for the state only payments to four community hospitals for additional acute care expenses. The House Finance Committee recommends making the FY 2010 payment in FY 2011, by September 1, 2010, which is still within the hospitals'

fiscal year 2010 in addition to a \$4.75 million payment for FY 2011. The payments for FY 2010 consist of \$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 Committee also provides a \$4.75 million state-only payment in FY 2011 which includes \$1,680,761 to Kent, \$909,256 to St. Joseph's, \$592,290 to Miriam, \$446,451 to Memorial, \$352,982 to Women and Infants, \$321,756 to South County, \$246,251 to Westerly, \$99,974 to Newport, \$51,902 to Butler, and \$48,377 to the Rehabilitation Hospital of Rhode Island.

102. Managed Care Reprourement Savings. The House Finance Committee includes Article 20 for the managed care reprourement savings with payments to hospitals from the managed care plans that are capped at 10 percent above the rates paid through the of the fee for service rates. The change will take effect January 1, 2011.

103. Hospitals - Upper Payment Limit. The Governor's FY 2011 recommended budget eliminates the upper payment limit for inpatient services reimbursement paid to the community hospitals and assumes savings of \$25.5 million from all funds, including \$9.2 million from general revenues. The House Finance Committee recommends restoring \$15.3 million, including \$9.8 million from general revenues.

104. Estate Recoveries. The House Finance Committee recommends additional savings of \$1.5 million, including \$0.8 million from general revenues for total savings of \$2.6 million from estate recoveries in FY 2011. The Committee adds three positions to increase the Department's ability to conduct estate recovery collections under current law. The state has the ability to recover costs provided to certain Medicaid clients in a long term care facility. The Governor included legislation to expand the estate recovery definition; however, the House Finance Committee does not concur with that change.

105. SSI Transaction Fee. The House Finance Committee recommends that the Department of Human Services make the state's portion of the Supplemental Security Income payment directly to the recipients, instead of paying a monthly transaction fee for the federal government to administer the payment. The fees total \$4.2 million in FY 2011. The House Finance Committee includes \$3.2 million in savings, based on an implementation date of September 1, 2010.

106. Stimulus - TANF Emergency Funds. The Governor requested an amendment to provide \$35.2 million in new federal Emergency Temporary Assistance to Needy Families Contingency Funds for a new subsidized employment program. This includes \$34.9 million for the disbursement of subsidized wages to participating employers and \$77,201 to reflect funding 4.0 time-limited full-time equivalent positions to support eligibility determination during the first quarter of FY 2011. The House Finance Committee concurs.

107. Stimulus - IDEA. The Governor includes \$5.5 million from all fund sources for Early Intervention in his FY 2011 budget recommendation. He subsequently requested an amendment to withdraw all \$0.8 million from federal stimulus funding upon the anticipation that these funds will be fully expended in FY 2010. The House Finance Committee concurs.

108. Project Smile. The House Finance Committee recommends the elimination of the Project Smile community service grant for general revenue savings of \$7,500 in FY 2011. This grant was not claimed in FY 2008, FY 2009 or FY 2010. The Department of Human Services does not know whom to contact regarding the reward of the grant and no one has stepped forward to claim it.

109. Statewide Assessed Fringe Savings. The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for expenses in FY 2010 and those projected for FY 2011. The House Finance Committee recommends reducing the rate in FY 2011 for total general revenue savings of \$1.6 million based on fewer retirements than previous years and reduces the Department of Human Services' FY 2011 budget by \$83,538 to reflect its portion of these savings.

110. Community Service Block Grant Administration. The Governor's FY 2011 budget includes \$675 from federal funds for Community Services Block Grant administration. Subsequently, he requested an amendment to add \$63,137 from newly available federal funds in FY 2010. However, it appears that the Department will not spend these funds in FY 2010, but would spend them in FY 2011. The House Finance Committee recommends the funding in FY 2011.

Mental Health, Retardation and Hospitals

111. Capital - Community Facilities - Fire Code Upgrades. The Governor's FY 2011 through FY 2015 Capital Budget includes \$3.4 million from Rhode Island Capital Plan funds to install new and upgrade existing fire alarm and sprinkler systems throughout the community developmental disability and mental health facilities. This includes \$1.3 million in FY 2010 and \$0.8 million annually for FY 2011 through FY 2015. The House Finance Committee reduces FY 2010 funding by \$1.1 million and shifts funding to later years, including \$250,000 for FY 2011.

112. Capital - DD Private Community Facilities Fire Code Upgrades. The Governor's FY 2011 through FY 2015 Capital Budget includes \$4.3 million to install and upgrade fire alarm and sprinkler systems in the private developmental disabilities residences. This includes \$1.9 million from Rhode Island Capital Plan funds and \$2.4 million from matching Medicaid funds. This includes \$2.4 million in FY 2011 and \$1.0 million annually for FY 2012 and FY 2013. The House Finance Committee reduces FY 2011 funding by \$1.1 million, including \$0.4 million from Rhode Island Capital Plan funds, for fire code upgrades.

113. Capital - Hospital Consolidation. The Governor's FY 2011 through FY 2015 Capital Budget includes \$29.0 million for the hospital consolidation plan, including \$28.3 million from Certificates of Participation. The House Finance Committee provides Rhode Island Capital Plan funds instead of issuing debt.

114. Capital - Infection Control to Asset Protection. The Governor's FY 2011 through FY 2015 Capital Budget includes \$2.0 million from Rhode Island Capital Plan funds for a new infection control asset protection project at Eleanor Slater Hospital. This includes \$400,000 annually for FY 2011 through FY 2015. The project includes routine painting of patient and common areas, replacing floor and ceiling tiles. The approved capital plan includes a separate asset protection program for the ongoing maintenance of the hospital and the House Finance Committee shifts the recommended infection control funding that project.

115. Capital - Medical Equipment Modernization to Asset Protection. The Governor's FY 2011 through FY 2015 Capital Budget includes \$1.2 million from Rhode Island Capital Plan funds to purchase new medical equipment at Eleanor Slater Hospital. This includes \$520,000 for FY 2011 and \$170,000 annually for FY 2012 through FY 2015. The approved capital plan includes a separate asset protection program for the ongoing maintenance of hospitals and the House Finance Committee shifts the recommended funding for new medical equipment to that project.

116. Capital - Pastore Medical Center Rehab. The Governor's FY 2011 through FY 2015 Capital Budget includes \$7.0 million from Rhode Island Capital Plan funds for the ongoing maintenance of 11 buildings at the Pastore Center occupied by the Department of Mental Health, Retardation and Hospitals. His capital plan also includes funding for two new projects: \$2.0 million for infection control activities and \$1.2 million for new medical equipment. The House Finance Committee shifts those two projects to the medical center asset protection program and includes \$0.4 million more in FY 2011 for maintenance projects.

117. CMAP. The House Finance Committee recommends savings of \$200,000 from all sources, including \$94,000 from general revenues for total expenses of \$2.8 million for community medical assistance drug expenses based on prior years spending. The Department of Mental Health, Retardation and Hospitals spent \$2.6 million in FY 2008 and \$2.3 million in FY 2009.

118. Hospital License Fee. The House Finance Committee recommends adding \$309,017 million from all funds including \$110,017 from general revenues to fund the hospital license fee at \$6.3 million for Eleanor Slater Hospital. The FY 2011 fee, paid by both the community hospitals and the state, is increasing from 5.237 percent to 5.276 percent of net patient services revenue for the base year 2009. There is also a corresponding revenue adjustment.

119. Indirect Cost for Federal Grants. Most federal grants allow for recovery of overhead costs, in addition to direct administrative costs, though the application of a negotiated indirect cost rate. The Departments of Health, Elementary and Secondary Education and Environmental Management take advantage of this allowance to lower state general revenue costs. The House Finance Committee recommends all eligible agencies reduce general revenue expenditures through use of a negotiated federal indirect rate. For the Department of Mental Health, Retardation and Hospitals, the Committee recommends reducing general revenues by \$0.6 million assuming an indirect cost recovery rate of not less than 5.0 percent and shifts the grant funded expenditures from federal to restricted sources consistent with current practice for accounting for indirect cost recovery resources.

120. Mental Health - Supportive Employment and Day Programs. The House Finance Committee does not concur with the Governor's proposal to limit day programming options to adults with mental health issues and restores \$1.0 million, including \$0.4 million from general revenues.

121. Statewide Assessed Fringe Savings. The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for expenses in FY 2010 and those projected for FY 2011. The House Finance Committee recommends reducing the rate in FY 2011 for total general revenue savings of \$1.6 million based on fewer retirements than previous years and reduces the Department of Mental Health, Retardation and Hospitals' FY 2011 budget by \$90,470 to reflect its portion of these savings.

122. Support Operations. The House Finance Committee recommends reducing operating costs by \$100,000 from general revenues. This is consistent with the recommendation for FY 2010.

123. Turnover. The House Finance Committee recommends additional turnover savings of \$2.8 million, \$1.0 million from general revenues for the Department of Mental Health, Retardation and Hospitals for FY 2011. The Governor's FY 2011 recommended budget assumes 79.6 vacant positions; the Department has averaged 177.7 vacant positions.

Office of the Child Advocate

124. **Statewide Assessed Fringe Savings.** The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for expenses in FY 2010 and those projected for FY 2011. The House Finance Committee recommends reducing the rate in FY 2011 for total general revenue savings of \$1.6 million based on fewer retirements than previous years and reduces the Office of the Child Advocate's FY 2011 budget by \$1,236 to reflect its portion of these savings.

Deaf and Hard of Hearing

125. **Statewide Assessed Fringe Savings.** The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for expenses in FY 2010 and those projected for FY 2011. The House Finance Committee recommends reducing the rate in FY 2011 for total general revenue savings of \$1.6 million based on fewer retirements than previous years and reduces the Deaf and Hard of Hearing's FY 2011 budget by \$678 to reflect its portion of these savings.

Governor's Commission on Disabilities

126. **Statewide Assessed Fringe Savings.** The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for expenses in FY 2010 and those projected for FY 2011. The House Finance Committee recommends reducing the rate in FY 2011 for total general revenue savings of \$1.6 million based on fewer retirements than previous years and reduces the Governor's Commission on Disabilities' FY 2011 budget by \$803 to reflect its portion of these savings.

Office of the Mental Health Advocate

127. **Statewide Assessed Fringe Savings.** The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for expenses in FY 2010 and those projected for FY 2011. The House Finance Committee recommends reducing the rate in FY 2011 for total general revenue savings of \$1.6 million based on fewer retirements than previous years and reduces the Office of the Mental Health Advocate's budget by \$1,006 to reflect its portion of these savings.

Elementary & Secondary Education

128. **Automatic Data Transfer Grant.** The Governor requested an amendment to add \$20,000 from newly available federal funds to continue the development and installation of an automated absentee data transfer system. It would collect data on enrollment, attendance, teachers and courses from the districts and report it to the federal government. The House Finance Committee concurs.

129. **Backfill FY 2010 Stimulus Use.** The House Finance Committee recommends advancing an additional \$7.0 million from federal fiscal stabilization funds from FY 2011 to FY 2010 in lieu of a like reduction from general revenues. This will leave approximately \$19.6 million available for FY 2011. The House Finance Committee recommends backfilling the \$7.0 million in FY 2011.

130. **Capital - Chariho Career and Technical School.** The Governor's budget mistakenly included funding for all career and technical school projects in one appropriation line for Chariho renovations.

The House Finance Committee recommends correcting this mistake by reducing funding for Chariho by \$1.4 million and splitting out the other career and technical school projects. This would leave \$700,000 for FY 2011, consistent with the Governor's capital budget.

131. **Capital - Cranston Career and Technical School.** The Governor's budget mistakenly included funding for all career and technical school projects in one line for Chariho renovations. The House Finance Committee recommends correcting this mistake by providing funding for Cranston Career and Technical renovations as a separate project. The House Finance Committee provides \$560,000 for FY 2011, consistent with the Governor's capital budget.

132. **Capital - East Providence Career and Technical School.** The Governor recommends \$157,872 from Rhode Island Capital Plan funds for FY 2010 to cover remaining fire, health, and life safety repairs at the East Providence Career and Technical Center. Funding is consistent with the approved capital plan but programmed one year earlier. The Department believes that the district will consider taking ownership once these repairs are made. The House Finance Committee recommends shifting \$0.1 million from FY 2010 to FY 2011 based on a revised project schedule. Total funding is as recommended.

133. **Capital - Newport Career and Technical School.** The Governor's budget mistakenly included funding for all career and technical school projects in one line for Chariho renovations. The House Finance Committee recommends correcting this mistake by providing funding for Newport Career and Technical renovations as a separate project. The House Finance Committee provides \$343,362 for FY 2011, consistent with the Governor's capital budget.

134. **Capital - Warwick Career and Technical School.** The Governor recommends \$688,036 from Rhode Island Capital Plan funds for FY 2010 through FY 2012 to replace the roof at the Warwick Career and Technical Center. The House Finance Committee recommends shifting \$158,036 from FY 2010 to FY 2011 and FY 2012 based on a revised project schedule. Total funding is as recommended.

135. **Capital - Woonsocket Career and Technical School.** The Governor recommends \$1.2 million from Rhode Island Capital Plan funds for FY 2010 through FY 2013 to replace the roof at the Woonsocket Career and Technical Center. The House Finance Committee recommends shifting \$275,788 from FY 2010 to FY 2011, FY 2012 and FY 2013 based on a revised project schedule. Total funding is as recommended.

136. **Charter School Excess Funding.** The Governor recommended \$38.1 million from general revenues to fund existing charter schools for FY 2011. This includes \$1.0 million for the opening of two new charter schools for the 2010-2011 school year. Based on the most recent enrollment projections, the FY 2011 need is \$36.6 million or \$1.5 million less than recommended. The House Finance Committee recommends recognizing the additional savings.

137. **Community Service Grants.** The Governor's budget includes \$0.8 million for approximately 50 community service grants to community organizations. The House Finance Committee recommends eliminating three grants for FY 2011 for which the grant recipient has not requested the funds for FY 2010. This equates to a savings of \$42,794.

138. **Education Telecommunications Access Fund.** The Governor proposes reducing 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. The House Finance Committee does not recommend the proposed increase in the surcharge and provides \$350,000 from general revenues for FY 2011.

139. Physics First. The House Finance Committee adds \$250,000 to provide physics textbooks and lab equipment for the five high schools participating in the physics first program.

140. Race to the Top. The Governor's FY 2011 budget includes \$35.0 million and 15.0 new full-time equivalent positions in the event that Rhode Island is awarded Race to the Top funds. The Department was notified at the end of March that it would not be awarded funds in the first round. While it is applying for second round funds, those awards will not be made until June. The House Finance Committee recommends removing the funding and positions from the budget until the outcome of round two is announced.

141. Statewide Assessed Fringe Savings. The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for expenses in FY 2010 and those projected for FY 2011. The House Finance Committee recommends reducing the rate in FY 2011 for total general revenue savings of \$1.6 million based on fewer retirements than previous years and reduces the Department of Elementary and Secondary Education's FY 2011 budget by \$63,606 to reflect its portion of these savings.

142. Stimulus Administrative Costs. The Governor requested an amendment to use \$132,564 that had been allocated for the 0.5 percent administrative charge from education stabilization funds as education aid to districts. This is based on the federal government's decision that the allowable 0.5 percent administrative charge on stabilization funds shall not be assessed against the education share of funds and shall be allocated entirely to the share for general government uses. The Governor proposes using the additional stabilization funds for aid in lieu of a like amount from general revenues. This is consistent with treatment in the FY 2010 revised budget. The House Finance Committee concurs.

143. Teacher Pension Reduction. The Governor proposed 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 in teacher retirement cost 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 same amount to capture those as savings for the state as well.

The House Finance Committee recommends limiting the cost-of-living adjustment to the first \$35,000 of a pension beginning on the third anniversary of retirement or age 65, whichever is later. This is estimated to save \$10.3 million for FY 2011, which is \$21.9 million less than the savings assumed in the Governor's budget. The House Finance Committee recommends adding \$21.9 million, including \$13.2 million for the local share and \$8.8 million for the state's share to account for this.

Public Higher Education

144. Capital - Asset Protection - CCRI. The House Finance Committee recommends adding an additional \$1.3 million from Rhode Island Capital Plan funds to the five year plan for asset protection

projects at the Community College of Rhode Island. This includes an additional \$250,000 in each year of the FY 2011 through FY 2015 period. The FY 2011 appropriation is \$1.5 million.

145. Capital - Asset Protection – RIC. The House Finance Committee recommends adding an additional \$1.8 million from Rhode Island Capital Plan funds to the five year plan for asset protection projects at Rhode Island College. This includes an additional \$350,000 in each year of the FY 2011 through FY 2015 period. The FY 2011 appropriation is \$2.3 million.

146. Capital - Asset Protection – URI. The House Finance Committee recommends adding an additional \$3.8 million from Rhode Island Capital Plan funds to the five year plan for asset protection projects at the University of Rhode Island. This includes an additional \$750,000 in each year of the FY 2011 through FY 2015 period. The FY 2011 appropriation is \$5.3 million.

147. Capital - CCRI Fire Safety and HVAC. The Governor recommends \$3.3 million from Rhode Island Capital Plan funds for FY 2010 to replace the rooftop HVAC units on the main building of the Flanagan Campus. The House Finance Committee recommends \$1.5 million for FY 2010 based on projected expenditures and shifting \$1.8 million from FY 2010 to FY 2011 to complete the project.

148. Capital - RIC New Arts Center Planning. The Governor recommends total funding of \$18.8 million programmed through FY 2013 for a new art center at Rhode Island College. He recommends placing \$17.0 million on the November 2010 ballot for expenditure in FY 2012 and providing Rhode Island Capital Plan funding in FY 2010 and FY 2011 to begin the project. He requested an amendment to add \$0.5 million from Rhode Island Capital Plan funds for FY 2010 consistent with his capital budget. The House Finance Committee recommends shifting \$0.4 million from FY 2010 to FY 2011 based on projected expenditures. Total funding is as recommended.

149. Capital - URI Chemistry Building Planning. The Governor recommends Rhode Island Capital Plan funding of \$4.8 million programmed through FY 2011 to begin construction of a new chemistry building at the University. He recommends placing \$61.0 million on the November 2010 ballot with expenditure for FY 2012 and providing Rhode Island Capital Plan funding in FY 2010 and FY 2011 to begin the project. Based on projected expenditures, the House Finance Committee recommends shifting \$1.0 million from Rhode Island Capital Plan funds from FY 2010 to FY 2011.

150. Capital - URI Joint Nursing Building Feasibility. The Governor requested an amendment to add \$60.0 million to the November 2010 ballot for a new nursing sciences building in Providence for the University and College. There were only preliminary estimates provided at that time. The House Finance Committee recommends \$25,000 from Rhode Island Capital Plan funds for FY 2010 and \$150,000 for FY 2011 for a feasibility study for a new nursing sciences building for the University of Rhode Island and Rhode Island College. The feasibility study must include enrollment projections, operating costs, space sharing, Governance plans, and a comparison to alternate plans for separate facilities.

151. Community Service Grant Special Olympics. The House Finance Committee recommends adding \$75,000 from general revenues for a new community service grant for the Rhode Island Special Olympics.

152. OHE - Statewide Data Systems. The Governor requested an amendment to add \$250,000 from a federal grant through the Department of Elementary and Secondary Education for a statewide data systems initiative. The Office will use the money to fund its existing data warehouse project. The FY 2010 revised budget includes \$200,000 from this grant. The House Finance Committee concurs.

153. OHE Turnover Savings. The Governor's FY 2011 budget assumes turnover savings of \$273,927 for FY 2011. Based on a cost per position of \$105,096, this equates to 2.6 vacant full-time equivalent positions. The Office currently has 6.4 vacant full-time equivalent positions. The House Finance Committee recommends increasing turnover savings by \$0.2 million, which equates to 1.9 vacant positions.

154. Opportunities Industrialization Center of RI (OIC). The House Finance Committee recommends adding \$25,000 from general revenues for a new grant to the Opportunities Industrialization Center of Rhode Island. The mission of the organization is to provide job training for Rhode Island's minority residents.

155. Statewide Assessed Fringe Savings. The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for expenses in FY 2010 and those projected for FY 2011. The House Finance Committee recommends reducing the rate in FY 2011 for total general revenue savings of \$1.6 million based on fewer retirements than previous years and reduces Public Higher Education's FY 2011 budget by \$171,789 to reflect its portion of these savings.

156. Workforce Development Initiative - CCRI. The House Finance Committee recommends adding \$240,000 from Human Resource Investment Council funds for three new positions to work on workforce development initiatives at the Community College of Rhode Island. These positions will oversee the implementation and delivery of employer based training programs based on the needs of employers and industry.

State Council on the Arts

157. Arts for Public Facilities Restoration. The Governor's FY 2011 budget eliminates funding for the Art for Public Facilities program and he submits legislation to eliminate the requirement to expend 1.0 percent of all capital projects on works of art. He subsequently requested an amendment to rescind this recommendation. The House Finance Committee concurs and restores the funding.

158. Statewide Assessed Fringe Savings. The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for expenses in FY 2010 and those projected for FY 2011. The House Finance Committee recommends reducing the rate in FY 2011 for total general revenue savings of \$1.6 million based on fewer retirements than previous years and reduces the Council on the Arts' FY 2011 budget by \$1,420 to reflect its portion of these savings.

159. Grants. The Governor's FY 2011 budget recommendations include eliminating all discretionary grants for the State Council on the Arts for savings of \$0.7 million from general revenues. These 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 House Finance Committee does not concur and restores \$0.6 million from general revenues.

160. Waterfire. The Governor's FY 2011 budget includes \$323,850 from general revenues for various community service grants to art organizations within the state of Rhode Island. The House Finance Committee recommends an additional \$100,000 from general revenues for the Providence Waterfire, for total funding of \$250,000.

161. Black Rep Community Service Grant (Bankruptcy). The Governor's FY 2011 budget includes \$323,850 from general revenues for various community service grants to art organizations within the state of Rhode Island. The House Finance Committee recommends eliminating the grant to the Black Repertory Theater to save \$21,375. The theater is in bankruptcy and receivership.

Atomic Energy Commission

162. Statewide Assessed Fringe Savings. The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for expenses in FY 2010 and those projected for FY 2011. The House Finance Committee recommends reducing the rate in FY 2011 for total general revenue savings of \$1.6 million based on fewer retirements than previous years and reduces the Atomic Energy Commission's FY 2011 budget by \$1,906 to reflect its portion of these savings.

Higher Education Assistance Authority

163. College Bound Fund. The House Finance Committee recommends using \$0.5 million from tuition savings fees in lieu of a like amount from general revenues to fund need based scholarships and grants for FY 2011. This represents the FY 2011 estimated year end balance in tuition savings fees. The Governor's recommendation of \$12.2 million includes \$6.4 million from general revenues and \$5.8 million from tuition savings funds. Tuition savings funds come from maintenance fees paid by out-of-state participants of the Tuition Savings Program that the Authority administers.

164. Turnover. The House Finance Committee recommends general revenue turnover savings of \$50,000 for the Higher Education Assistance Authority for FY 2011. The Governor did not assume any turnover savings in his FY 2011 recommended budget. Based on an average cost per position of \$79,904, this equates to 0.6 vacant positions. As of the pay period ending May 8, 2010, the Authority had 11.6 vacant positions.

165. Statewide Assessed Fringe Savings. The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for expenses in FY 2010 and those projected for FY 2011. The House Finance Committee recommends reducing the rate in FY 2011 for total general revenue savings of \$1.6 million based on fewer retirements than previous years and reduces the Higher Education Assistance Authority's FY 2011 budget by \$1,011 to reflect its portion of these savings.

Historic Preservation and Heritage Commission

166. Statewide Assessed Fringe Savings. The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for expenses in FY 2010 and those projected for FY 2011. The House Finance Committee recommends reducing the rate in FY 2011 for total general revenue savings of \$1.6 million based on fewer retirements than previous years and reduces the Historic Preservation and Heritage Commission's FY 2011 budget by \$2,380 to reflect its portion of these savings.

Public Telecommunications Authority

167. Statewide Assessed Fringe Savings. The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for expenses in FY 2010 and those projected for FY 2011. The House

Finance Committee recommends reducing the rate in FY 2011 for total general revenue savings of \$1.6 million based on fewer retirements than previous years and reduces the Public Telecommunications Authority's FY 2011 budget by \$2,267 to reflect its portion of these savings.

Attorney General

168. Statewide Assessed Fringe Savings. The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for expenses in FY 2010 and those projected for FY 2011. The House Finance Committee recommends reducing the rate in FY 2011 for total general revenue savings of \$1.6 million based on fewer retirements than previous years and reduces the Department of the Attorney General's FY 2011 budget by \$45,866 to reflect its portion of these savings.

169. Tobacco Litigation from FY 2010. The FY 2010 enacted budget did not include funding for the Attorney General's tobacco litigation expenses. However, the Governor's FY 2010 revised budget recommendation adds \$151,400 from general revenues to cover a pro-rated share of salaries of mediators, copies of transcripts, and out-of-state transportation and lodging. It appears this litigation will not go forward before the end of FY 2010. Therefore, the House Finance Committee recommends shifting \$123,435 of uncommitted funding from FY 2010 to FY 2011.

Corrections

170. Drug Market Intervention Grant from FY 2010. The Governor requested an amendment to add \$94,000 from federal funds to the Community Corrections program to fund a probation and parole officer position for FY 2010. The officer is responsible for working in collaboration with the City of Providence and the Attorney General's Office to help neighborhoods affected by illicit drugs and violent crimes. The Department has indicated that the position will not be filled in FY 2010 because the funds were not appropriated until the last quarter of the fiscal year. The House Finance Committee recommends shifting the funds from FY 2010 to FY 2011 based on the proposed hiring date for the position.

171. Howard Teacher's Union Contract. The Governor requested an amendment to reflect the \$25,407 in savings from eight pay reduction days and deferring the cost-of-living adjustment from July 1, 2010 to January 1, 2011 for teachers in the Howard Teacher's Union at the Department of Corrections. This contract was not yet finalized at the time the supplemental budget was submitted; therefore, those savings were not included. The House Finance Committee concurs.

172. Indirect Cost for Federal Grants. Most federal grants allow for recovery of overhead costs, in addition to direct administrative costs, though the application of a negotiated indirect cost rate. The Departments of Health, Elementary and Secondary Education and Environmental Management take advantage of this allowance to lower state general revenue costs. The House Finance Committee recommends all eligible agencies reduce general revenue expenditures through use of a negotiated federal indirect rate. For the Department of Corrections, the Committee recommends reducing general revenues by \$87,134 assuming an indirect cost recovery rate of not less than 5.0 percent and shifts the grant funded expenditures from federal to restricted sources consistent with current practice for accounting for indirect cost recovery resources.

173. Population. The Governor's FY 2011 budget recommendation assumes a prison population of 3,643 inmates based on the Department's request of FY 2011 population projections prepared in the fall of 2008. Recent population reports from the Department show downward trends in prison

population and suggest the population will decline by an average of approximately 193 inmates for a total of 3,450 for FY 2011. The House Finance Committee recommends a reduction of \$1.9 million to reflect anticipated savings associated with the reduction.

174. Probation and Parole Database Upgrade. The FY 2010 enacted budget did not include funding for the Community Corrections' Probation and Parole database upgrade. The Governor's FY 2011 recommendations include \$466,000 from federal funds for technology improvements to improve the criminal justice system. Subsequently, the Governor requested an amendment to add \$200,000 from federal funds to reflect a new grant award for the Community Corrections program to rewrite the Probation and Parole database system in FY 2011. The House Finance Committee concurs.

175. RIBCO Base Adjustment. The FY 2010 enacted budget includes \$7.4 million from general revenues for cost-of-living adjustments for correctional officers for the period including FY 2007 through FY 2010. Estimates calculated by the Budget Office based on the arbitrator's decision anticipate \$6.3 million for this expense in FY 2011. The House Finance Committee recommends a general revenue reduction of \$1.1 million to reflect the anticipated surplus.

176. Statewide Assessed Fringe Savings. The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for expenses in FY 2010 and those projected for FY 2011. The House Finance Committee recommends reducing the rate in FY 2011 for total general revenue savings of \$1.6 million based on fewer retirements than previous years and reduces the Department of Corrections' FY 2011 budget by \$293,138 to reflect its portion of these savings.

Judicial

177. Statewide Assessed Fringe Savings. The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for expenses in FY 2010 and those projected for FY 2011. The House Finance Committee recommends reducing the rate in FY 2011 for total general revenue savings of \$1.6 million based on fewer retirements than previous years and reduces the Judicial Department's FY 2011 budget by \$142,669 to reflect its portion of these savings.

178. Indirect Cost for Federal Grants. Most federal grants allow for recovery of overhead costs, in addition to direct administrative costs, though the application of a negotiated indirect cost rate. The Departments of Health, Elementary and Secondary Education and Environmental Management take advantage of this allowance to lower state general revenue costs. The House Finance Committee recommends all eligible agencies reduce general revenue expenditures through use of a negotiated federal indirect rate. For the Judiciary, the Committee recommends reducing general revenues by \$35,434 assuming an indirect cost recovery rate of not less than 5.0 percent and shifts the grant funded expenditures from federal to restricted sources consistent with current practice for accounting for indirect cost recovery resources.

Military Staff

179. Capital - Armory of Mounted Commands. The House Finance Committee recommends shifting \$500,000 from Rhode Island Capital Plan funds from FY 2010 to FY 2011 due to a revised project schedule for the Armory of Mounted Commands.

180. Indirect Cost for Federal Grants. Most federal grants allow for recovery of overhead costs, in addition to direct administrative costs, though the application of a negotiated indirect cost rate. The Departments of Health, Elementary and Secondary Education and Environmental Management take advantage of this allowance to lower state general revenue costs. The House Finance Committee recommends all eligible agencies reduce general revenue expenditures through use of a negotiated federal indirect rate. For the Military, the Committee recommends reducing general revenues by \$0.5 million assuming an indirect cost recovery rate of not less than 5.0 percent and shifts the grant funded expenditures from federal to restricted sources consistent with current practice for accounting for indirect cost recovery resources.

181. Statewide Assessed Fringe Savings. The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for expenses in FY 2010 and those projected for FY 2011. The House Finance Committee recommends reducing the rate in FY 2011 for total general revenue savings of \$1.6 million based on fewer retirements than previous years and reduces the Military Staffs' FY 2011 budget by \$3,232 to reflect its portion of these savings.

182. Turnover. The Governor's budget includes \$3.2 million or \$77,140 more than enacted from general revenues for salaries and benefits and operating expenses for the Military Staff. The House Finance Committee recommends additional general revenue turnover savings of \$0.1 million for the Military Staff for FY 2010. This includes \$59,470 from the Emergency Management Agency and \$40,530 from the Rhode Island National Guard.

Public Safety

183. Byrne Grant Release to Locals. The Governor's FY 2011 budget includes \$1.3 million from federal funds for the Byrne Memorial Justice Assistance grant program. Subsequent to his budget submission, the Governor requested an amendment to shift \$1.2 million from American Recovery and Reinvestment Act Byrne Justice Assistance grant awards in FY 2011 to FY 2010. These additional funds will be used to support local public safety initiatives. The House Finance Committee concurs.

184. Capital - Headquarters Complex Expansion. The Governor's FY 2011 budget includes \$150,000 from Rhode Island Capital Plan funds for repairs and renovations to the roof of the former National Guard facilities at the State Police Headquarters. The House Finance Committee shifts \$100,000 from FY 2011 to FY 2013 due to project delays.

185. Capital - Parking Area Improvements. The Governor recommends \$225,000 in FY 2010 from Rhode Island Capital Plan funds for parking area improvements at the Hope Valley, Lincoln, and Wickford Barracks. This is consistent with the approved capital plan. The House Finance Committee shifts \$200,000 from FY 2010 to FY 2011 due to project delays.

186. Executive Director. The FY 2011 budget includes 1.0 full-time equivalent position and \$109,011 for an Executive Director position to assist with the transfer of the Sheriffs from the Department of Administration. The House Finance Committee does not concur with the transfer of the Sheriffs and excludes the new position.

187. Fire Training Academy Fees. The Governor's FY 2011 budget includes \$104,736 from general revenues for the Fire Training Academy. Subsequent to his budget submission, the Governor requested an amendment for his FY 2010 revised budget to create a restricted receipt account to fund costs associated with the Fire Training Academy. The Governor subsequently requested an

amendment to include \$50,000 of new restricted receipts collected from the use of the new State Fire Training Academy and removes \$42,000 from general revenues. The House Finance Committee concurs.

188. Indirect Cost for Federal Grants. Most federal grants allow for recovery of overhead costs, in addition to direct administrative costs, though the application of a negotiated indirect cost rate. The Departments of Health, Elementary and Secondary Education and Environmental Management take advantage of this allowance to lower state general revenue costs. The House Finance Committee recommends all eligible agencies reduce general revenue expenditures through use of a negotiated federal indirect rate. For the Department of Public Safety, the Committee recommends reducing general revenues by \$0.4 million assuming an indirect cost recovery rate of not less than 5.0 percent and shifts the grant funded expenditures from federal to restricted sources consistent with current practice for accounting for indirect cost recovery resources.

189. Sheriffs to DOA. The House Finance Committee does not concur with the Governor's recommendation to transfer the Sheriffs to the Department of Public Safety. The Committee recommends the transfer of the program to the Department of Administration and provides \$16.5 million from general revenues and staffing of 180.0 positions, consistent with the Governor's recommended budget.

190. Statewide Assessed Fringe Savings. The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for expenses in FY 2010 and those projected for FY 2011. The House Finance Committee recommends reducing the rate in FY 2011 for total general revenue savings of \$1.6 million based on fewer retirements than previous years and reduces the Department of Public Safety's FY 2011 budget by \$71,619 to reflect its portion of these savings.

191. Turnover. The House Finance Committee recommends additional general revenue turnover savings of \$200,000 for the Department of Public Safety for FY 2011. Assuming an average cost of \$107,733 per position, the turnover savings is equivalent to 1.8 positions. The Governor's FY 2011 recommendation assumes 13.1 vacant positions; the Department has averaged 17.5 vacant positions in FY 2010.

192. Violence Against Women Grant Release. The Governor's FY 2011 budget includes \$0.6 million from federal funds for the Violence Against Women Grant awards. Subsequent to his budget submission, the Governor requested an amendment to shift \$222,157 from American Recovery and Reinvestment Act Violence Against Women grant awards from FY 2011 to FY 2010. These additional funds will be used to develop programs, policies, and practices aimed at ending domestic violence, dating violence, sexual assault, and stalking. The House Finance Committee concurs.

Public Defender

193. Statewide Assessed Fringe Savings. The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for expenses in FY 2010 and those projected for FY 2011. The House Finance Committee recommends reducing the rate in FY 2011 for total general revenue savings of \$1.6 million based on fewer retirements than previous years and reduces the Office of the Public Defender's FY 2011 budget by \$20,093 to reflect its portion of these savings.

Environmental Management

194. Capital - Blackstone Valley Bike Path/State Park. The Governor's FY 2011 through FY 2015 capital plan does not include funding for the Blackstone Valley Bike Path. The Blackstone Valley Bike Path is scheduled to be a 17.1 mile by 12-foot wide scenic bike-path that will connect to the East Bay Bike Path, eventually making a continuous 31.9 mile route for alternative transportation. The House Finance Committee recommends \$0.5 million from Rhode Island Capital Plan funds each year for the FY 2011 through FY 2013 period for the construction of the Bike Path.

195. Capital - Fort Adams Rehabilitation. The Governor's FY 2011 through FY 2015 capital plan includes \$1.3 million from Rhode Island Capital Plan funds to restore and repair historic structures at the Fort Adams State Park in Newport. The state operates the fort and is responsible for conducting programs, developing restoration plans and raising funds from public and private sources. The House Finance Committee recommends an additional \$250,000 each year for the FY 2011 through FY 2015 period to reflect a revised construction schedule.

196. Capital - Galilee Piers. The Governor's FY 2011 through FY 2015 capital plan includes \$700,000 from Rhode Island Capital Plan funds to make repairs and upgrades to the state owned piers in Galilee. The House Finance Committee shifts \$330,000 of Rhode Island Capital Plan funds from FY 2010 to FY 2011 to reflect anticipated expenditures for the construction projects.

197. Statewide Assessed Fringe Savings. The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for expenses in FY 2010 and those projected for FY 2011. The House Finance Committee recommends reducing the rate in FY 2011 for total general revenue savings of \$1.6 million based on fewer retirements than previous years and reduces the Department of Environmental Management's FY 2011 budget by \$61,927 to reflect its portion of these savings.

198. Turnover. The House Finance Committee recommends additional general revenue turnover savings of \$200,000 for the Department of Environmental Management for FY 2011. This is equivalent to the general revenue funded portion of 9.5 positions. The Governor's FY 2011 recommendation assumes 8.5 vacant positions; the Department has averaged 18.0 vacant positions in FY 2010.

Coastal Resources Management Council

199. Special Area Management Plan. The Governor requested an amendment to add \$0.5 million from federal funds to the Council's FY 2011 budget to reflect grant funds from the United States Department of Energy. The additional funding will be used to fund a contract with the University of Rhode Island to develop a Special Area Management Plan, which will analyze the state's offshore environment to assist in the development of renewable energy. The House Finance Committee concurs.

200. Statewide Assessed Fringe Savings. The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for expenses in FY 2010 and those projected for FY 2011. The House Finance Committee recommends reducing the rate in FY 2011 for total general revenue savings of \$1.6 million based on fewer retirements than previous years and reduces the Coastal Resources Management Council's FY 2011 budget by \$4,564 to reflect its portion of these savings.

Water Resources Board

201. Statewide Assessed Fringe Savings. The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for expenses in FY 2010 and those projected for FY 2011. The House Finance Committee recommends reducing the rate in FY 2011 for total general revenue savings of \$1.6 million based on fewer retirements than previous years and reduces the Water Resources Board's FY 2011 budget by \$1,610 to reflect its portion of these savings.

Transportation

202. Capital - Salt Storage Facilities. The Governor's FY 2011 through FY 2015 capital plan includes \$5.3 million from Rhode Island Capital Plan funds and \$5.0 million from new general obligation bond proceeds for repair and renovation projects at the Department of Transportation's salt storage facilities. The approved capital plan funded these projects with Rhode Island Capital Plan funds; however, the Governor's recommended plan includes new general obligation bonds to be submitted to the voters on the November 2010 ballot. The House Finance Committee removes the general obligation bond proceeds from the plan, and replaces them with Rhode Island Capital Plan funds.

203. Stimulus - Commuter Rail Grant. The Governor requests an amendment to add \$3.1 million from federal funds for FY 2011 to reflect additional funds available through the American Recovery and Reinvestment Act of 2009. The funding is allocated by the Federal Transit Administration, and is in addition to the funds the Department has previously received for commuter rail projects. Funding will be used for construction projects at the Wickford Junction facility. The House Finance Committee concurs.

Section III

Special Reports

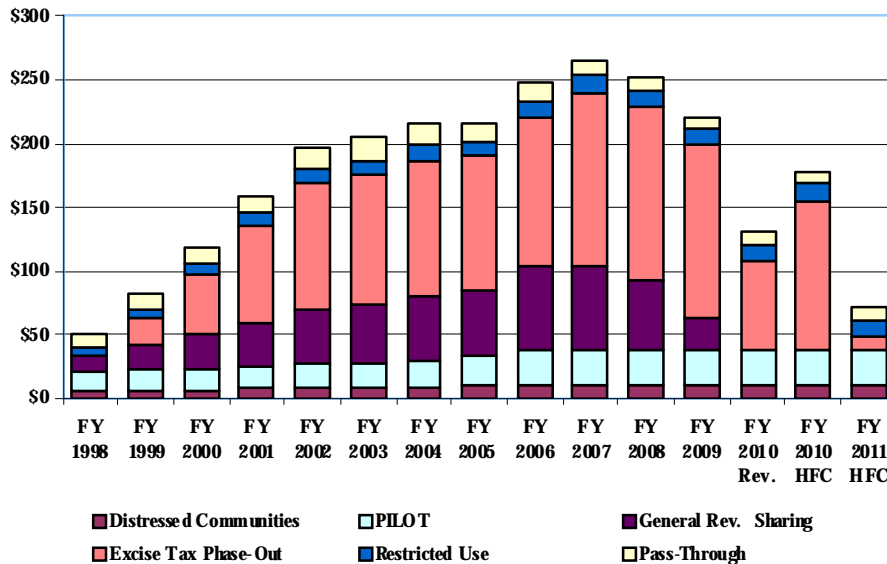
State Aid to Local Governments

Introduction

The House Finance Committee provides state aid to cities and towns totaling \$168.2 million for FY 2010 and \$60.2 million for FY 2011 from state general revenues. Funding in FY 2011 includes \$48.0 million for general aid programs and \$12.3 million for restricted use programs. Local communities will also receive \$10.2 million in public service corporation property taxes that the state collects and passes through to the communities in both FY 2010 and FY 2011.

The revised general aid recommendation for FY 2010 is \$48.6 million more than the Governor's recommendation for the Motor Vehicles Excise Tax program. The Governor proposed legislation to eliminate the third and fourth quarter reimbursements in FY 2010. For FY 2011 and thereafter, the legislation subjects future exemptions to the annual appropriations act.

The Assembly had not taken action on the Governor's budget and the third quarter payment, which was due on February 1, was made. The Committee provided an additional \$16.4 million, for total funding of \$117.2 million to fund the program at 88.0 percent of the amount that would have been due in FY 2010. For fiscal year 2011 and thereafter, the Committee recommended legislation that mandates a \$3,000 exemption for which the state will reimburse municipalities for an amount subject to appropriation. The legislation further requires that municipalities may provide an additional exemption of \$3,000 or more; however, any additional exemption will not be subject to reimbursement. The Committee provides \$10.0 million for FY 2011. It does not recommend funding for fire districts beyond FY 2010.



The major changes in the aid proposal are discussed on the following pages, followed by tables that show recommended distribution of general aid by community as well as each general aid program by community. There are also tables showing the distribution of library operating aid, which is considered restricted and not included in the general aid totals and public service corporations' tax collections, a local levy collected at the state level and returned to local governments for tax collection efficiency purposes.

- **General.** The House Finance Committee recommends \$155.1 million in FY 2010 and \$48.0 million in FY 2011 for general state aid to local governments. The Committee's recommendation is \$48.6 million more for FY 2010 and \$10.0 million more for FY 2011 than the Governor's recommendation.

Fiscal Year	2000	2005	2008	2009	2010 Enacted	2010 Gov. Rev.	2010 HFC	HFC to Gov.	2011 Gov. Rec.	2011 HFC	HFC to Gov.
General Aid - State Sources											
Distressed Communities*	\$ 6.6	\$ 9.5	\$ 10.4	\$ 10.4	\$ 10.4	\$ 10.4	\$ 10.4	\$ -	\$ 10.4	\$ 10.4	\$ -
PILOT	16.1	22.7	27.8	27.6	27.6	27.6	-	-	27.6	27.6	-
General Rev. Sharing	27.6	52.4	55.1	25.0	-	-	-	-	-	-	-
Excise Tax Phase-Out	47.3	105.0	135.3	135.4	135.3	68.6	117.2	48.6	-	10.0	10.0
Subtotal	\$ 97.5	\$ 189.7	\$ 228.6	\$ 198.3	\$ 173.3	\$ 106.6	\$ 155.1	\$ 48.6	\$ 38.0	\$ 48.0	\$ 10.0
Restricted Use Aid - State Sources											
State Aid for Libraries	\$ 5.7	\$ 8.1	\$ 8.8	\$ 8.8	\$ 8.8	\$ 8.8	\$ 8.8	\$ -	\$ 8.8	\$ 8.8	\$ 8.8
Library Const. Aid	1.6	2.5	2.8	2.6	2.8	2.7	2.6	(0.1)	2.5	2.5	2.5
Police & Fire Incentive	0.9	1.1	0.7	-	-	-	-	-	-	-	-
Prop. Reval. Reimb.	0.0	0.6	1.1	1.1	1.8	1.8	1.6	(0.2)	1.0	1.0	1.0
Subtotal	\$ 8.2	\$ 12.3	\$ 13.4	\$ 12.5	\$ 13.5	\$ 13.4	\$ 13.0	\$ (0.3)	\$ 12.3	\$ 12.3	\$ 12.3
Total - State Sources	\$ 105.7	\$ 202.0	\$ 241.9	\$ 210.8	\$ 186.7	\$ 119.9	\$ 168.2	\$ 48.3	\$ 50.2	\$ 60.2	\$ 22.3
Other Aid - Pass-Through											
Public Service Corp.	\$ 12.8	\$ 14.6	\$ 10.3	\$ 9.2	\$ 9.2	\$ 10.2	\$ 10.2	\$ -	\$ 10.2	\$ 10.2	\$ -

*FY 2007 reflects recapture of \$230,272 overpayment from FY 2006.

- **Distressed Communities Relief Fund.** The Committee provides \$10.4 million in both FY 2010 and FY 2011 for the Distressed Communities Relief Fund. Communities' aid distribution for FY 2011 is based on updated qualifying tax levies. Current law mandates that when a new community qualifies, that community receives 50.0 percent of current law requirements the first year it qualifies. The remaining 50.0 percent is distributed to the other distressed communities proportionately. When a community falls out of the program, it receives a one-time transition payment of 50.0 percent of the prior year requirement exclusive of any reduction for first year qualification. For FY 2011, East Providence qualifies for distressed aid and North Providence is disqualified.
- **Payment in Lieu of Taxes Program.** The Committee provides \$27.6 million in both FY 2010 and FY 2011 to fund the Payment in Lieu of Taxes program. Distributions to communities reflect updated data and a ratable reduction to the appropriation.
- **General Revenue Sharing.** The budget does not include any funding for the General Revenue Sharing Program. The 2009 Assembly adopted the Governor's recommendation to subject the program permanently to appropriation, deleted the requirement for a distribution of 3.0 percent of second prior year state tax revenues for FY 2010 and each year thereafter, and deleted the two-thirds requirement for repealing or amending the statute relating to the apportionment of aid.
- **Motor Vehicle Excise Tax Phase-Out.** The Governor included legislation in his FY 2010 revised budget to eliminate the third and the fourth quarter reimbursements to municipalities. 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 Assembly had not taken action on the Governor's revised budget and the third quarter payment, which was due on February 1, was made. The House Finance Committee provided an additional \$16.4

million, for total funding of \$117.2 million to fund the program at 88.0 percent of the amount that would have been due in FY 2010.

For fiscal year 2011 and thereafter, the Committee recommended legislation that mandates a \$3,000 exemption for which the state will reimburse municipalities for an amount subject to appropriation. The legislation further requires that municipalities may provide an additional exemption of \$3,000 or more; however, that additional exemption will not be subject to reimbursement. The Committee provides \$10.0 million for FY 2011. It does not recommend funding for fire districts beyond FY 2010.

- ***Library Resource Sharing Aid.*** The Committee provides \$8.8 million in both FY 2010 and FY 2011 for library operating aid. Community distributions in FY 2011 reflect updated data and a ratable reduction to the appropriation.
- ***Library Construction Aid.*** The Committee provides \$2.6 million in FY 2010 and \$2.5 million in FY 2011 for library construction aid. The state reimburses libraries up to half of the total cost for eligible projects on an installment basis for a period of up to 20 years.
- ***Property Valuation Reimbursement.*** The Committee provides \$1.6 million in FY 2010 and \$1.0 million to fully fund reimbursements to communities conducting property valuation updates.
- ***Public Service Corporation Tax.*** The FY 2010 and FY 2011 budgets assume the state will collect \$10.2 million of property taxes from public service corporations on behalf of municipalities and pass that back to them. The 2009 Assembly adopted the Governor's recommendation to freeze the tax rate applied to the tangible personal property of public service corporations at the FY 2008 rate.

General Aid Total

Includes Distressed Communities, PILOT & Motor Vehicles Excise Tax

<i>Community</i>	<i>FY 2010 Enacted</i>	<i>Governor Revised</i>	<i>FY 2010 HFC</i>	<i>HFC Change to Governor</i>
Barrington	\$ 3,031,882	\$ 1,540,336	\$ 2,629,125	\$ 1,088,789
Bristol	2,168,146	1,377,318	1,917,934	540,616
Burrillville	3,385,743	1,982,515	2,968,830	986,316
Central Falls	1,788,940	1,049,936	1,530,232	480,296
Charlestown	522,331	261,165	441,247	180,082
Coventry	2,954,920	1,477,460	2,537,938	1,060,478
Cranston	15,793,559	9,674,969	14,016,054	4,341,085
Cumberland	2,787,560	1,393,840	2,438,691	1,044,851
East Greenwich	1,373,435	690,652	1,173,419	482,767
East Providence	6,254,731	3,152,196	5,375,720	2,223,524
Exeter	1,020,562	510,281	859,087	348,806
Foster	858,447	429,462	760,337	330,875
Glocester	1,218,863	609,431	1,052,490	443,059
Hopkinton	850,943	425,472	727,489	302,017
Jamestown	432,967	216,483	375,993	159,510
Johnston	5,064,868	2,532,434	4,341,586	1,809,152
Lincoln	2,922,165	1,461,083	2,523,037	1,061,954
Little Compton	292,210	146,105	246,033	99,928
Middletown	1,097,078	548,539	972,216	423,677
Narragansett	1,224,495	612,207	1,041,634	429,427
Newport	2,565,977	1,661,229	2,283,508	622,279
New Shoreham	93,112	46,556	79,784	33,228
North Kingstown	2,830,693	1,418,606	2,429,969	1,011,363
North Providence	6,380,266	3,930,121	5,668,202	1,738,081
North Smithfield	2,171,945	1,111,167	1,933,202	822,035
Pawtucket	11,937,103	6,892,378	10,554,192	3,661,814
Portsmouth	1,559,418	779,709	1,342,618	562,909
Providence	48,518,644	36,760,885	45,814,082	9,053,198
Richmond	834,514	417,257	713,145	295,888
Scituate	1,579,960	789,980	1,364,267	574,287
Smithfield	3,999,465	2,228,855	3,486,729	1,257,874
South Kingstown	2,317,233	1,228,363	2,015,515	787,152
Tiverton	1,413,809	706,904	1,212,910	506,006
Warren	1,125,745	562,872	950,807	387,935
Warwick	14,740,820	7,884,400	12,964,537	5,080,137
Westerly	3,123,736	1,624,267	2,721,993	1,097,726
West Greenwich	594,921	297,460	526,676	229,216
West Warwick	4,129,801	2,537,541	3,641,566	1,104,025
Woonsocket	6,434,911	3,709,377	5,636,230	1,926,853
Subtotal	\$ 171,395,918	\$ 104,679,810	\$ 153,269,025	\$ 48,589,215
Fire Districts	1,875,837	1,875,837	1,875,837	-
Total	\$ 173,271,755	\$ 106,555,647	\$ 155,144,862	\$ 48,589,215

General Aid Total

Includes Distressed Communities, PILOT & Motor Vehicles Excise Tax

<i>Community</i>	<i>FY 2010 Enacted</i>	<i>FY 2011 Governor</i>	<i>FY 2011 HFC</i>	<i>HFC Change to Governor</i>
Barrington	\$ 3,031,882	\$ 85,188	\$ 304,855	\$ 219,667
Bristol	2,168,146	579,478	693,256	113,778
Burrillville	3,385,743	554,105	765,172	211,067
Central Falls	1,788,940	286,706	396,409	109,703
Charlestown	522,331	-	38,437	38,437
Coventry	2,954,920	-	220,899	220,899
Cranston	15,793,559	4,234,275	5,126,565	892,290
Cumberland	2,787,560	109	206,439	206,330
East Greenwich	1,373,435	7,589	108,516	100,927
East Providence	6,254,731	848,673	1,304,385	455,712
Exeter	1,020,562	-	75,186	75,186
Foster	858,447	417	67,683	67,266
Glocester	1,218,863	-	91,663	91,663
Hopkinton	850,943	-	64,168	64,168
Jamestown	432,967	-	32,810	32,810
Johnston	5,064,868	-	378,335	378,335
Lincoln	2,922,165	-	218,482	218,482
Little Compton	292,210	-	22,999	22,999
Middletown	1,097,078	-	84,849	84,849
Narragansett	1,224,495	-	89,361	89,361
Newport	2,565,977	832,133	964,792	132,659
New Shoreham	93,112	-	7,276	7,276
North Kingstown	2,830,693	5,795	214,361	208,566
North Providence	6,380,266	966,280	1,324,916	358,636
North Smithfield	2,171,945	-	164,681	164,681
Pawtucket	11,937,103	1,894,465	2,654,936	760,471
Portsmouth	1,559,418	-	123,782	123,782
Providence	48,518,644	24,184,021	25,974,309	1,790,288
Richmond	834,514	-	64,869	64,869
Scituate	1,579,960	-	119,712	119,712
Smithfield	3,999,465	428,500	689,820	261,320
South Kingstown	2,317,233	124,067	285,133	161,066
Tiverton	1,413,809	-	106,592	106,592
Warren	1,125,745	-	83,404	83,404
Warwick	14,740,820	956,335	2,002,134	1,045,799
Westerly	3,123,736	109,895	334,886	224,991
West Greenwich	594,921	-	46,078	46,078
West Warwick	4,129,801	925,685	1,160,717	235,032
Woonsocket	6,434,911	941,151	1,351,999	410,848
Subtotal	\$ 171,395,918	\$ 37,964,867	\$ 47,964,867	\$ 10,000,000
Fire Districts	1,875,837	-	-	-
Total	\$ 173,271,755	\$ 37,964,867	\$ 47,964,867	\$ 10,000,000

Distressed Communities Relief

<i>City or Town</i>	<i>FY 2010 Enacted</i>	<i>Governor Revised</i>	<i>FY 2010 HFC</i>	<i>HFC Change to Governor</i>
Barrington	\$ -	\$ -	\$ -	\$ -
Bristol	-	-	-	-
Burrillville	508,393	508,393	508,393	-
Central Falls	289,687	289,687	289,687	-
Charlestown	-	-	-	-
Coventry	-	-	-	-
Cranston	-	-	-	-
Cumberland	-	-	-	-
East Greenwich	-	-	-	-
East Providence	-	-	-	-
Exeter	-	-	-	-
Foster	-	-	-	-
Glocester	-	-	-	-
Hopkinton	-	-	-	-
Jamestown	-	-	-	-
Johnston	-	-	-	-
Lincoln	-	-	-	-
Little Compton	-	-	-	-
Middletown	-	-	-	-
Narragansett	-	-	-	-
Newport	-	-	-	-
New Shoreham	-	-	-	-
North Kingstown	-	-	-	-
North Providence	1,021,041	1,021,041	1,021,041	-
North Smithfield	-	-	-	-
Pawtucket	1,497,807	1,497,807	1,497,807	-
Portsmouth	-	-	-	-
Providence	5,294,787	5,294,787	5,294,787	-
Richmond	-	-	-	-
Scituate	-	-	-	-
Smithfield	-	-	-	-
South Kingstown	-	-	-	-
Tiverton	-	-	-	-
Warren	-	-	-	-
Warwick	-	-	-	-
Westerly	-	-	-	-
West Greenwich	-	-	-	-
West Warwick	946,361	946,361	946,361	-
Woonsocket	826,383	826,383	826,383	-
Total	\$ 10,384,458	\$ 10,384,458	\$ 10,384,458	\$ -

Distressed Communities Relief

<i>City or Town</i>	<i>FY 2010 Enacted</i>	<i>FY 2011 Governor</i>	<i>FY 2011 HFC</i>	<i>HFC Change to Governor</i>
Barrington	\$ -	\$ -	\$ -	\$ -
Bristol	-	-	-	-
Burrillville	508,393	487,620	487,620	-
Central Falls	289,687	267,573	267,573	-
Charlestown	-	-	-	-
Coventry	-	-	-	-
Cranston	-	-	-	-
Cumberland	-	-	-	-
East Greenwich	-	-	-	-
East Providence	-	757,605	757,605	-
Exeter	-	-	-	-
Foster	-	-	-	-
Glocester	-	-	-	-
Hopkinton	-	-	-	-
Jamestown	-	-	-	-
Johnston	-	-	-	-
Lincoln	-	-	-	-
Little Compton	-	-	-	-
Middletown	-	-	-	-
Narragansett	-	-	-	-
Newport	-	-	-	-
New Shoreham	-	-	-	-
North Kingstown	-	-	-	-
North Providence	1,021,041	510,516	510,516	-
North Smithfield	-	-	-	-
Pawtucket	1,497,807	1,517,555	1,517,555	-
Portsmouth	-	-	-	-
Providence	5,294,787	5,111,263	5,111,263	-
Richmond	-	-	-	-
Scituate	-	-	-	-
Smithfield	-	-	-	-
South Kingstown	-	-	-	-
Tiverton	-	-	-	-
Warren	-	-	-	-
Warwick	-	-	-	-
Westerly	-	-	-	-
West Greenwich	-	-	-	-
West Warwick	946,361	925,685	925,685	-
Woonsocket	826,383	806,641	806,641	-
Total	\$ 10,384,458	\$ 10,384,458	\$ 10,384,458	\$ -

Payment in Lieu of Taxes

<i>City or Town</i>	<i>FY 2010 Enacted</i>	<i>Governor Revised</i>	<i>FY 2010 HFC</i>	<i>HFC Change to Governor</i>
Barrington	\$ 48,674	\$ 48,732	\$ 48,732	\$ -
Bristol	634,467	610,478	610,478	-
Burrillville	70,725	70,809	70,809	-
Central Falls	21,195	21,220	21,220	-
Charlestown	-	-	-	-
Coventry	-	-	-	-
Cranston	3,564,549	3,560,464	3,560,464	-
Cumberland	119	119	119	-
East Greenwich	7,852	7,861	7,861	-
East Providence	59,510	54,586	54,586	-
Exeter	-	-	-	-
Foster	476	476	476	-
Glocester	-	-	-	-
Hopkinton	-	-	-	-
Jamestown	-	-	-	-
Johnston	-	-	-	-
Lincoln	-	-	-	-
Little Compton	-	-	-	-
Middletown	-	-	-	-
Narragansett	-	-	-	-
Newport	754,667	755,574	755,574	-
New Shoreham	-	-	-	-
North Kingstown	6,499	6,509	6,509	-
North Providence	457,836	458,386	458,386	-
North Smithfield	50,270	50,330	50,330	-
Pawtucket	349,008	349,427	349,427	-
Portsmouth	-	-	-	-
Providence	19,651,150	19,679,744	19,679,744	-
Richmond	-	-	-	-
Scituate	-	-	-	-
Smithfield	457,147	457,696	457,696	-
South Kingstown	139,158	139,325	139,325	-
Tiverton	-	-	-	-
Warren	-	-	-	-
Warwick	1,025,527	1,026,754	1,026,754	-
Westerly	124,499	124,648	124,648	-
West Greenwich	-	-	-	-
West Warwick	-	-	-	-
Woonsocket	157,083	157,271	157,271	-
Total	\$ 27,580,409	\$ 27,580,409	\$ 27,580,409	\$ -

Payment in Lieu of Taxes

<i>City or Town</i>	<i>FY 2010 Enacted</i>	<i>FY 2011 Governor</i>	<i>FY 2011 HFC</i>	<i>HFC Change to Governor</i>
Barrington	\$ 48,674	\$ 85,188	\$ 85,188	\$ -
Bristol	634,467	579,478	579,478	-
Burrillville	70,725	66,485	66,485	-
Central Falls	21,195	19,133	19,133	-
Charlestown	-	-	-	-
Coventry	-	-	-	-
Cranston	3,564,549	4,234,275	4,234,275	-
Cumberland	119	109	109	-
East Greenwich	7,852	7,589	7,589	-
East Providence	59,510	91,068	91,068	-
Exeter	-	-	-	-
Foster	476	417	417	-
Glocester	-	-	-	-
Hopkinton	-	-	-	-
Jamestown	-	-	-	-
Johnston	-	-	-	-
Lincoln	-	-	-	-
Little Compton	-	-	-	-
Middletown	-	-	-	-
Narragansett	-	-	-	-
Newport	754,667	832,133	832,133	-
New Shoreham	-	-	-	-
North Kingstown	6,499	5,795	5,795	-
North Providence	457,836	455,764	455,764	-
North Smithfield	50,270	-	-	-
Pawtucket	349,008	376,910	376,910	-
Portsmouth	-	-	-	-
Providence	19,651,150	19,072,758	19,072,758	-
Richmond	-	-	-	-
Scituate	-	-	-	-
Smithfield	457,147	428,500	428,500	-
South Kingstown	139,158	124,067	124,067	-
Tiverton	-	-	-	-
Warren	-	-	-	-
Warwick	1,025,527	956,335	956,335	-
Westerly	124,499	109,895	109,895	-
West Greenwich	-	-	-	-
West Warwick	-	-	-	-
Woonsocket	157,083	134,510	134,510	-
Total	\$ 27,580,409	\$ 27,580,409	\$ 27,580,409	\$ -

Motor Vehicle Excise Phase-Out

<i>City or Town</i>	<i>FY 2010 Enacted</i>	<i>Governor Revised</i>	<i>FY 2010 HFC</i>	<i>HFC Change to Governor</i>
Barrington	\$ 2,983,208	\$ 1,491,604	\$ 2,580,393	\$ 1,088,789
Bristol	1,533,679	766,840	1,307,456	540,616
Burrillville	2,806,626	1,403,313	2,389,629	986,316
Central Falls	1,478,058	739,029	1,219,325	480,296
Charlestown	522,331	261,165	441,247	180,082
Coventry	2,954,920	1,477,460	2,537,938	1,060,478
Cranston	12,229,010	6,114,505	10,455,590	4,341,085
Cumberland	2,787,441	1,393,721	2,438,572	1,044,851
East Greenwich	1,365,583	682,791	1,165,558	482,767
East Providence	6,195,221	3,097,610	5,321,134	2,223,524
Exeter	1,020,562	510,281	859,087	348,806
Foster	857,971	428,986	759,861	330,875
Glocester	1,218,863	609,431	1,052,490	443,059
Hopkinton	850,943	425,472	727,489	302,017
Jamestown	432,967	216,483	375,993	159,510
Johnston	5,064,868	2,532,434	4,341,586	1,809,152
Lincoln	2,922,165	1,461,083	2,523,037	1,061,954
Little Compton	292,210	146,105	246,033	99,928
Middletown	1,097,078	548,539	972,216	423,677
Narragansett	1,224,495	612,207	1,041,634	429,427
Newport	1,811,310	905,655	1,527,934	622,279
New Shoreham	93,112	46,556	79,784	33,228
North Kingstown	2,824,194	1,412,097	2,423,460	1,011,363
North Providence	4,901,389	2,450,694	4,188,775	1,738,081
North Smithfield	2,121,675	1,060,837	1,882,872	822,035
Pawtucket	10,090,288	5,045,144	8,706,958	3,661,814
Portsmouth	1,559,418	779,709	1,342,618	562,909
Providence	23,572,708	11,786,354	20,839,552	9,053,198
Richmond	834,514	417,257	713,145	295,888
Scituate	1,579,960	789,980	1,364,267	574,287
Smithfield	3,542,318	1,771,159	3,029,033	1,257,874
South Kingstown	2,178,075	1,089,038	1,876,190	787,152
Tiverton	1,413,809	706,904	1,212,910	506,006
Warren	1,125,745	562,872	950,807	387,935
Warwick	13,715,293	6,857,646	11,937,783	5,080,137
Westerly	2,999,237	1,499,619	2,597,345	1,097,726
West Greenwich	594,921	297,460	526,676	229,216
West Warwick	3,183,440	1,591,180	2,695,205	1,104,025
Woonsocket	5,451,446	2,725,723	4,652,576	1,926,853
Municipalities	\$ 133,431,051	\$ 66,714,943	\$ 115,304,158	\$ 48,589,215
Fire Districts	1,875,837	1,875,837	1,875,837	-
Total	\$ 135,306,888	\$ 68,590,780	\$ 117,179,995	\$ 48,589,215

Motor Vehicle Excise Phase-Out

<i>City or Town</i>	<i>FY 2010 Enacted</i>	<i>FY 2011 Governor</i>	<i>FY 2011 HFC</i>	<i>HFC Change to Governor</i>
Barrington	\$ 2,983,208	\$ -	\$ 219,667	\$ 219,667
Bristol	1,533,679	-	113,778	113,778
Burrillville	2,806,626	-	211,067	211,067
Central Falls	1,478,058	-	109,703	109,703
Charlestown	522,331	-	38,437	38,437
Coventry	2,954,920	-	220,899	220,899
Cranston	12,229,010	-	892,290	892,290
Cumberland	2,787,441	-	206,330	206,330
East Greenwich	1,365,583	-	100,927	100,927
East Providence	6,195,221	-	455,712	455,712
Exeter	1,020,562	-	75,186	75,186
Foster	857,971	-	67,266	67,266
Glocester	1,218,863	-	91,663	91,663
Hopkinton	850,943	-	64,168	64,168
Jamestown	432,967	-	32,810	32,810
Johnston	5,064,868	-	378,335	378,335
Lincoln	2,922,165	-	218,482	218,482
Little Compton	292,210	-	22,999	22,999
Middletown	1,097,078	-	84,849	84,849
Narragansett	1,224,495	-	89,361	89,361
Newport	1,811,310	-	132,659	132,659
New Shoreham	93,112	-	7,276	7,276
North Kingstown	2,824,194	-	208,566	208,566
North Providence	4,901,389	-	358,636	358,636
North Smithfield	2,121,675	-	164,681	164,681
Pawtucket	10,090,288	-	760,471	760,471
Portsmouth	1,559,418	-	123,782	123,782
Providence	23,572,708	-	1,790,288	1,790,288
Richmond	834,514	-	64,869	64,869
Scituate	1,579,960	-	119,712	119,712
Smithfield	3,542,318	-	261,320	261,320
South Kingstown	2,178,075	-	161,066	161,066
Tiverton	1,413,809	-	106,592	106,592
Warren	1,125,745	-	83,404	83,404
Warwick	13,715,293	-	1,045,799	1,045,799
Westerly	2,999,237	-	224,991	224,991
West Greenwich	594,921	-	46,078	46,078
West Warwick	3,183,440	-	235,032	235,032
Woonsocket	5,451,446	-	410,848	410,848
Municipalities	\$ 133,431,051	\$ -	\$ 10,000,000	\$ 10,000,000
Fire Districts	1,875,837	-	-	-
Total	\$ 135,306,888	\$ -	\$ 10,000,000	\$ 10,000,000

Library Aid

<i>City or Town</i>	<i>FY 2010 Enacted</i>	<i>Governor Revised</i>	<i>FY 2010 HFC</i>	<i>HFC Change to Governor</i>
Barrington	\$ 321,077	\$ 321,077	\$ 321,077	\$ -
Bristol	58,525	58,525	58,525	-
Burrillville	91,281	91,281	91,281	-
Central Falls	76,209	76,209	76,209	-
Charlestown	45,556	45,556	45,556	-
Coventry	189,995	189,995	189,995	-
Cranston	567,846	567,846	567,846	-
Cumberland	242,267	242,267	242,267	-
East Greenwich	106,867	106,867	106,867	-
East Providence	472,150	472,150	472,150	-
Exeter	32,881	32,881	32,881	-
Foster	33,174	33,174	33,174	-
Glocester	67,171	67,171	67,171	-
Hopkinton	28,196	28,196	28,196	-
Jamestown	74,753	74,753	74,753	-
Johnston	105,464	105,464	105,464	-
Lincoln	176,403	176,403	176,403	-
Little Compton	25,583	25,583	25,583	-
Middletown	130,962	130,962	130,962	-
Narragansett	120,292	120,292	120,292	-
Newport	355,526	355,526	355,526	-
New Shoreham	93,402	93,402	93,402	-
North Kingstown	236,452	236,452	236,452	-
North Providence	174,633	174,633	174,633	-
North Smithfield	57,152	57,152	57,152	-
Pawtucket	415,117	415,117	415,117	-
Portsmouth	100,332	100,332	100,332	-
Providence*	2,299,939	2,299,939	2,299,939	-
Richmond	26,120	26,120	26,120	-
Scituate	92,783	92,783	92,783	-
Smithfield	244,438	244,438	244,438	-
South Kingstown	199,346	199,346	199,346	-
Tiverton	91,028	91,028	91,028	-
Warren	49,036	49,036	49,036	-
Warwick	669,452	669,452	669,452	-
Westerly	281,816	281,816	281,816	-
West Greenwich	23,819	23,819	23,819	-
West Warwick	188,581	188,581	188,581	-
Woonsocket	207,774	207,774	207,774	-
Total	\$ 8,773,398	\$ 8,773,398	\$ 8,773,398	\$ -

**Includes the Statewide Reference Library Resource Grant.*

Library Aid

<i>City or Town</i>	<i>FY 2010 Enacted</i>	<i>FY 2011 Governor</i>	<i>FY 2011 FHC</i>	<i>HFC Change to Governor</i>
Barrington	\$ 321,077	\$ 323,140	\$ 323,140	\$ -
Bristol	58,525	106,449	106,449	-
Burrillville	91,281	124,196	124,196	-
Central Falls	76,209	76,712	76,712	-
Charlestown	45,556	46,444	46,444	-
Coventry	189,995	198,364	198,364	-
Cranston	567,846	564,855	564,855	-
Cumberland	242,267	242,455	242,455	-
East Greenwich	106,867	107,800	107,800	-
East Providence	472,150	454,240	454,240	-
Exeter	32,881	32,685	32,685	-
Foster	33,174	34,283	34,283	-
Glocester	67,171	68,546	68,546	-
Hopkinton	28,196	28,903	28,903	-
Jamestown	74,753	76,368	76,368	-
Johnston	105,464	96,481	96,481	-
Lincoln	176,403	179,391	179,391	-
Little Compton	25,583	26,702	26,702	-
Middletown	130,962	123,398	123,398	-
Narragansett	120,292	113,169	113,169	-
Newport	355,526	364,548	364,548	-
New Shoreham	93,402	94,072	94,072	-
North Kingstown	236,452	246,625	246,625	-
North Providence	174,633	154,613	154,613	-
North Smithfield	57,152	61,584	61,584	-
Pawtucket	415,117	398,156	398,156	-
Portsmouth	100,332	99,917	99,917	-
Providence*	2,299,939	2,276,903	2,276,903	-
Richmond	26,120	21,874	21,874	-
Scituate	92,783	92,532	92,532	-
Smithfield	244,438	254,642	254,642	-
South Kingstown	199,346	205,999	205,999	-
Tiverton	91,028	90,485	90,485	-
Warren	49,036	51,162	51,162	-
Warwick	669,452	657,409	657,409	-
Westerly	281,816	287,122	287,122	-
West Greenwich	23,819	24,649	24,649	-
West Warwick	188,581	171,415	171,415	-
Woonsocket	207,774	195,110	195,110	-
Total	\$ 8,773,398	\$ 8,773,398	\$ 8,773,398	\$ -

**Includes the Statewide Reference Library Resource Grant.*

Public Service Corporation Tax

<i>City or Town</i>	<i>FY 2010 Enacted</i>	<i>Governor Revised</i>	<i>FY 2010 HFC</i>	<i>HFC Change to Governor</i>
Barrington	\$ 147,676	\$ 163,557	\$ 163,557	\$ -
Bristol	197,285	218,500	218,500	-
Burrillville	138,694	153,609	153,609	-
Central Falls	166,194	184,066	184,066	-
Charlestown	69,005	76,425	76,425	-
Coventry	295,616	327,405	327,405	-
Cranston	696,008	770,853	770,853	-
Cumberland	279,566	309,629	309,629	-
East Greenwich	113,688	125,913	125,913	-
East Providence	427,497	473,467	473,467	-
Exeter	53,077	58,785	58,785	-
Foster	37,527	41,563	41,563	-
Glocester	87,347	96,740	96,740	-
Hopkinton	68,803	76,201	76,201	-
Jamestown	49,363	54,671	54,671	-
Johnston	247,561	274,183	274,183	-
Lincoln	183,491	203,223	203,223	-
Little Compton	31,548	34,940	34,940	-
Middletown	152,198	168,565	168,565	-
Narragansett	143,655	159,103	159,103	-
Newport	232,459	257,457	257,457	-
New Shoreham	8,868	9,822	9,822	-
North Kingstown	231,151	256,008	256,008	-
North Providence	284,579	315,181	315,181	-
North Smithfield	93,230	103,255	103,255	-
Pawtucket	640,596	709,481	709,481	-
Portsmouth	150,574	166,766	166,766	-
Providence	1,524,424	1,688,352	1,688,352	-
Richmond	63,412	70,230	70,230	-
Scituate	90,648	100,396	100,396	-
Smithfield	180,989	200,452	200,452	-
South Kingstown	245,156	271,518	271,518	-
Tiverton	133,988	148,396	148,396	-
Warren	99,745	110,471	110,471	-
Warwick	753,423	834,442	834,442	-
Westerly	201,649	223,333	223,333	-
West Greenwich	44,648	49,449	49,449	-
West Warwick	259,731	287,661	287,661	-
Woonsocket	379,521	420,333	420,333	-
Total	\$ 9,204,590	\$ 10,194,401	\$ 10,194,401	\$ -

Public Service Corporation Tax

<i>City or Town</i>	<i>FY 2010 Enacted</i>	<i>FY 2011 Governor</i>	<i>FY 2011 HFC</i>	<i>HFC Change to Governor</i>
Barrington	\$ 147,676	\$ 163,557	\$ 163,557	\$ -
Bristol	197,285	218,500	218,500	-
Burrillville	138,694	153,609	153,609	-
Central Falls	166,194	184,066	184,066	-
Charlestown	69,005	76,425	76,425	-
Coventry	295,616	327,405	327,405	-
Cranston	696,008	770,853	770,853	-
Cumberland	279,566	309,629	309,629	-
East Greenwich	113,688	125,913	125,913	-
East Providence	427,497	473,467	473,467	-
Exeter	53,077	58,785	58,785	-
Foster	37,527	41,563	41,563	-
Glocester	87,347	96,740	96,740	-
Hopkinton	68,803	76,201	76,201	-
Jamestown	49,363	54,671	54,671	-
Johnston	247,561	274,183	274,183	-
Lincoln	183,491	203,223	203,223	-
Little Compton	31,548	34,940	34,940	-
Middletown	152,198	168,565	168,565	-
Narragansett	143,655	159,103	159,103	-
Newport	232,459	257,457	257,457	-
New Shoreham	8,868	9,822	9,822	-
North Kingstown	231,151	256,008	256,008	-
North Providence	284,579	315,181	315,181	-
North Smithfield	93,230	103,255	103,255	-
Pawtucket	640,596	709,481	709,481	-
Portsmouth	150,574	166,766	166,766	-
Providence	1,524,424	1,688,352	1,688,352	-
Richmond	63,412	70,230	70,230	-
Scituate	90,648	100,396	100,396	-
Smithfield	180,989	200,452	200,452	-
South Kingstown	245,156	271,518	271,518	-
Tiverton	133,988	148,396	148,396	-
Warren	99,745	110,471	110,471	-
Warwick	753,423	834,442	834,442	-
Westerly	201,649	223,333	223,333	-
West Greenwich	44,648	49,449	49,449	-
West Warwick	259,731	287,661	287,661	-
Woonsocket	379,521	420,333	420,333	-
Total	\$ 9,204,590	\$ 10,194,401	\$ 10,194,401	\$ -

FY 2011 Education Aid

The budget reported by the House Finance Committee includes a total of \$683.3 million for FY 2011 education aid from all sources of funds for distribution to districts including Central Falls, charter schools and the Metropolitan Career and Technical School. The budget includes an across the board reduction of 3.8 percent, adjusts for group homes consistent with current law requirements and reduces education aid by the amount of retirement contribution savings from adopted pension changes. It also includes growth in existing charter schools, includes funding for two new charter schools and includes a 3.0 percent increase for the Metropolitan Career and Technical School. The budget also restores \$17.8 million from general revenues to backfill \$17.3 million in federal fiscal stabilization funds that will not be available for FY 2011.

HFC FY 2011 Education Aid	
FY 2010 Enacted General Revenues	\$ 673,844,905
FY 2010 Enacted Stabilization Funds	36,149,668
FY 2010 Enacted All Funds	\$ 709,994,573
Across the Board Reduction	(26,474,725)
Pension Reduction	(6,143,459)
Stabilization Funds	(17,259,552)
Backfill Stabilization Funds with General Revenues	17,835,931
Met School, Group Homes and Charter School Increase	5,388,529
FY 2011 HFC Total Aid	\$ 683,341,297

The total aid to districts and changes are shown in the tables at the end of this section. The major changes that correspond to the tables are described below.

General Revenue Changes

- ***Across the Board Reduction.*** Consistent with the Governor’s recommendation, the budget includes a 3.8 percent reduction from general revenues.
- ***Pension Reduction.*** The Governor proposed 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.

The House Finance Committee recommends limiting the cost-of-living adjustment to the first \$35,000 of a pension, indexed to inflation but capped at 3.0 percent, beginning on the third anniversary of retirement or age 65, whichever is later. This is estimated to save \$10.3 million for the employer share of teacher retirement costs for FY 2011. This includes \$4.2 million for the state’s 40.0 percent share and \$6.1 million for the local share including charter schools.

- ***Backfill Stabilization Funds with General Revenues.*** The budget includes an additional \$17.8 million from general revenues to backfill \$17.3 million from federal funds available through the American Recovery and Reinvestment Act of 2009 that will not be available for FY 2011.
- ***Met School, Group Homes and Charter School Data Updates.*** Consistent with the Governor’s recommendation, the budget includes an additional 3.0 percent or \$0.4 million from general revenues for the Metropolitan Career and Technical School. This reflects freezing enrollment at the East Bay campus at 90 students for the second year. The budget also reflects group home aid consistent with

current law that requires that aid be paid for all beds opened as of December 31, 2009. The FY 2011 budget is \$0.6 million less than the FY 2010 enacted budget.

The budget also includes \$5.4 million more for charter schools. This includes funding for two new charter schools to open during the 2010-2011 school year consistent with the Governor's recommendation as well as providing for growth in the existing 13 charter schools. This reflects grade additions, growing enrollments and changes in per pupil amounts and share ratios.

Federal Fund Changes

- ***Stabilization Funds.*** On February 17, 2009, President Obama signed the American Recovery and Reinvestment Act of 2009. The state received a waiver from the requirement that the state maintain support for both elementary and secondary education and public higher education at no less than the FY 2006 level for fiscal years 2009, 2010 and 2011 in order to be eligible for stabilization funds. The budget provides \$17.8 million from federal stabilization funds for FY 2011 to be distributed to school districts in the same proportion as state education aid. FY 2011 is the last year that fiscal stabilization funds will be available.

Distribution Tables

The following tables show the proposed distribution of FY 2011 aid by community, including the Metropolitan Career and Technical School and charter schools.

HFC FY 2011 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</i>	<i>Pension Reduction</i>
Barrington	\$ 1,863,090	\$ 128,427	\$ 1,991,517	\$ (74,196)	\$ (141,676)
Burrillville	12,928,167	684,478	13,612,645	(514,849)	(89,397)
Charlestown	1,697,497	98,948	1,796,445	(67,601)	(22,158)
Coventry	18,056,601	991,787	19,048,388	(719,083)	(238,548)
Cranston	31,662,364	1,752,647	33,415,011	(1,260,916)	(452,295)
Cumberland	11,829,002	654,948	12,483,950	(471,076)	(169,678)
East Greenwich	1,503,975	96,326	1,600,301	(59,894)	(109,232)
East Providence	24,499,858	1,328,384	25,828,242	(975,678)	(221,787)
Foster	1,286,565	69,979	1,356,544	(51,236)	(13,403)
Glocester	2,927,940	158,776	3,086,716	(116,602)	(26,647)
Hopkinton	5,677,786	308,347	5,986,133	(226,112)	(69,049)
Jamestown	398,901	26,278	425,179	(15,886)	(22,866)
Johnston	9,596,568	531,110	10,127,678	(382,172)	(144,318)
Lincoln	6,363,969	365,750	6,729,719	(253,437)	(161,438)
Little Compton	296,650	18,221	314,871	(11,814)	(14,778)
Middletown	9,533,084	518,598	10,051,682	(379,644)	(117,561)
Narragansett	1,467,137	93,727	1,560,864	(58,427)	(80,247)
Newport	10,744,683	586,477	11,331,160	(427,894)	(100,564)
New Shoreham	64,987	5,254	70,241	(2,588)	(11,656)
North Kingstown	10,631,113	592,155	11,223,268	(423,371)	(176,209)
North Providence	12,081,507	661,166	12,742,673	(481,131)	(164,540)
North Smithfield	4,344,329	238,830	4,583,159	(173,008)	(71,276)
Pawtucket	62,176,676	3,311,223	65,487,899	(2,476,112)	(336,258)
Portsmouth	5,923,071	331,008	6,254,079	(235,879)	(115,381)
Providence	178,309,944	9,577,917	187,887,861	(7,100,977)	(961,556)
Richmond	5,652,344	305,742	5,958,086	(225,098)	(68,466)
Scituate	2,926,243	168,328	3,094,571	(116,534)	(67,199)
Smithfield	4,992,643	283,754	5,276,397	(198,826)	(107,818)
South Kingstown	9,224,287	521,147	9,745,434	(367,347)	(187,703)
Tiverton	5,271,861	293,067	5,564,928	(209,946)	(84,431)
Warwick	33,468,879	1,858,870	35,327,749	(1,332,858)	(530,816)
Westerly	5,774,932	338,074	6,113,006	(229,980)	(167,113)
West Warwick	18,738,108	1,009,842	19,747,950	(746,223)	(162,576)
Woonsocket	44,074,702	2,342,811	46,417,513	(1,755,223)	(223,612)
Bristol-Warren	18,764,456	1,009,726	19,774,182	(747,273)	(146,565)
Exeter-West Greenwich	6,814,331	374,779	7,189,110	(271,373)	(94,764)
Chariho	378,758	19,679	398,437	(15,084)	-
Foster-Glocester	5,194,804	283,077	5,477,881	(206,877)	(55,573)
Central Falls	42,507,399	2,167,539	44,674,937	(1,692,807)	(151,046)
Met School	12,187,381	571,386	12,758,767	(125,000)	-
Total Districts	\$ 641,836,593	\$ 34,678,581	\$ 676,515,174	\$ (25,200,032)	\$ (6,080,199)
Adjusted Chariho	\$ 13,406,386	\$ 732,716	\$ 14,139,102	\$ (533,895)	\$ (159,673)
Charter Schools	32,008,312	1,471,087	33,479,399	(1,274,693)	(63,260)
Total Distributed	\$ 673,844,905	\$ 36,149,668	\$ 709,994,573	\$ (26,474,725)	\$ (6,143,459)

HFC FY 2011 Education Aid By Community

<i>Community</i>	<i>Stabilization Funds</i>	<i>Backfill Stabilization Funds with General Revenues</i>	<i>Met School, Group Homes and Charter School Data Update</i>	<i>FY 2011 HFC Aid</i>
Barrington	\$ (57,317)	\$ 59,365	\$ -	\$ 1,777,692
Burrillville	(337,806)	348,719	30,000	13,049,312
Charlestown	(46,968)	48,546	-	1,708,264
Coventry	(482,164)	497,977	-	18,106,570
Cranston	(849,386)	877,331	-	31,729,746
Cumberland	(317,377)	327,820	-	11,853,639
East Greenwich	(44,177)	45,713	(105,000)	1,327,711
East Providence	(649,206)	670,386	(120,000)	24,531,957
Foster	(34,155)	35,271	-	1,293,021
Glocester	(77,588)	80,121	-	2,946,000
Hopkinton	(150,601)	155,517	-	5,695,888
Jamestown	(11,916)	12,336	-	386,846
Johnston	(257,417)	265,885	-	9,609,655
Lincoln	(174,635)	180,467	-	6,320,677
Little Compton	(8,481)	8,772	-	288,570
Middletown	(253,113)	261,382	-	9,562,746
Narragansett	(42,990)	44,484	-	1,423,684
Newport	(285,828)	295,179	-	10,812,053
New Shoreham	(2,225)	2,308	-	56,081
North Kingstown	(286,266)	295,707	-	10,633,129
North Providence	(321,917)	332,459	-	12,107,544
North Smithfield	(116,075)	119,883	-	4,342,683
Pawtucket	(1,630,144)	1,682,940	15,000	62,743,324
Portsmouth	(159,804)	165,082	60,000	5,968,097
Providence	(4,698,510)	4,851,221	(165,000)	179,813,040
Richmond	(149,574)	154,449	-	5,669,397
Scituate	(80,340)	83,024	-	2,913,522
Smithfield	(136,095)	140,620	(75,000)	4,899,277
South Kingstown	(250,519)	258,827	-	9,198,692
Tiverton	(141,789)	146,462	-	5,275,223
Warwick	(899,669)	929,308	-	33,493,714
Westerly	(160,259)	165,650	-	5,721,304
West Warwick	(494,744)	510,845	-	18,855,252
Woonsocket	(1,154,304)	1,191,659	(120,000)	44,356,033
Bristol-Warren	(494,988)	511,087	-	18,896,443
Exeter-West Greenwich	(182,130)	188,106	(120,000)	6,708,949
Chariho	(9,787)	10,101	-	383,667
Foster-Glocester	(138,061)	142,574	-	5,219,945
Central Falls	(1,086,964)	1,121,525	-	42,865,644
Met School	(161,774)	170,884	382,763	13,025,640
Total Districts	\$ (16,837,065)	\$ 17,389,989	\$ (217,237)	\$ 645,570,630
Adjusted Chariho	\$ (356,929)	\$ 368,612	\$ -	\$ 13,457,216
Charter Schools	(422,487)	445,942	5,605,766	37,770,667
Total Distributed	\$ (17,259,552)	\$ 17,835,931	\$ 5,388,529	\$ 683,341,297

FY 2010 Revised Education Aid

The budget reported by the House Finance Committee includes a total of \$683.7 million for revised FY 2010 education aid from all sources of funds for distribution to districts including Central Falls, charter schools and the Metropolitan Career and Technical School. The budget includes an across the board reduction of 2.8 percent, adjusts for group homes consistent with current law requirements, adjusts for updates in charter school enrollment and reduces education aid by the amount of retirement contribution savings from adopted pension changes. The budget also maximizes use of an additional \$12.2 million from federal fiscal stabilization funds in lieu of a similar amount from general revenues.

HFC FY 2010 Revised Education Aid	
FY 2010 Enacted General Revenues	\$ 673,844,905
FY 2010 Enacted Stabilization Funds	36,149,668
FY 2010 Enacted All Funds	\$ 709,994,573
Across the Board Reduction	(20,099,725)
Group Homes and Charter School Data Updates	(281,330)
Pension Reduction	(5,872,750)
General Revenues to Stabilization Funds	(12,247,782)
Stabilization Funds in lieu of General Revenues	12,247,782
FY 2010 HFC Revised Aid	\$ 683,740,768

The total aid to districts and changes are shown in the tables at the end of this section. The major changes that correspond to the tables are described below.

General Revenue Changes

- ***Across the Board Reduction.*** Consistent with the Governor's recommendation, the budget includes a 2.8 percent reduction from general revenues.
- ***Group Homes and Charter School Data Updates.*** The budget includes an additional \$105,000 for seven group home beds that opened prior to December 31, 2009. Current law requires that beds open prior to December 31 shall be paid as part of the supplemental budget. There is also a decrease of \$0.4 million in charter school aid based on updated enrolment data.
- ***Pension Reduction.*** The Governor proposed 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.

The House Finance Committee recommends limiting the cost-of-living adjustment to the first \$35,000 of a pension, indexed to inflation but capped at 3.0 percent, beginning on the third anniversary of retirement or age 65, whichever is later. This is estimated to save \$9.9 million for the employer share of teacher retirement costs for FY 2010. This includes \$4.0 million for the state's 40.0 percent share and \$5.9 million for the local share including charter schools.

- ***General Revenues to Stabilization Funds.*** The budget reduces general revenues by \$12.2 million, which are offset with \$12.2 million from federal funds available through the American Recovery and Reinvestment Act of 2009. This includes \$11.8 million in funding advanced from FY 2011. This also includes \$0.4 million that had been allocated for the 0.5 percent administrative charge from education stabilization funds as education aid to districts. This is based on the federal government's decision that

the allowable 0.5 percent administrative charge on stabilization funds shall not be assessed against the education share of funds and shall be allocated entirely to the share for general government uses. The budget reduces general revenues by this amount, as there is now additional federal stabilization funds available that had been allocated to the administrative charge.

Federal Fund Changes

- ***Stabilization Funds in lieu of General Revenues.*** On February 17, 2009, President Obama signed the American Recovery and Reinvestment Act of 2009. The state received a waiver from the requirement that the state maintain support for both elementary and secondary education and public higher education at no less than the FY 2006 level for fiscal years 2009, 2010 and 2011 in order to be eligible for stabilization funds. The revised budget uses \$12.2 million from stabilization funds in lieu of a like amount from general revenues. The revised budget provides \$48.4 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 the same amount.

Distribution Tables

The following tables show the proposed distribution of revised FY 2010 aid by community including the Metropolitan Career and Technical School and charter schools.

HFC FY 2010 Revised 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</i>	<i>Group Homes and Charter School Data Updates</i>
Barrington	\$ 1,863,090	\$ 128,427	\$ 1,991,517	\$ (55,893)	\$ -
Burrillville	12,928,167	684,478	13,612,645	(387,845)	30,000
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)	15,000
Portsmouth	5,923,071	331,008	6,254,079	(177,692)	60,000
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)	-
Charlho	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 Districts	\$ 641,836,593	\$ 34,678,581	\$ 676,515,174	\$ (19,139,476)	\$ 105,000
Adjusted Charlho	\$ 13,406,386	\$ 732,716	\$ 14,139,102	\$ (402,192)	\$ -
Charter Schools	32,008,312	1,741,087	33,749,399	(960,249)	(386,330)
Total Distributed	\$ 673,844,905	\$ 36,419,668	\$ 710,264,573	\$ (20,099,725)	\$ (281,330)

HFC FY 2010 Revised 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 HFC Revised Aid</i>
Barrington	\$ (135,433)	\$ (39,127)	\$ 39,127	\$ 1,800,191
Burrillville	(85,458)	(243,719)	243,719	13,169,342
Charlestown	(19,889)	(33,221)	33,221	1,725,632
Coventry	(228,036)	(345,210)	345,210	18,278,654
Cranston	(432,365)	(607,147)	607,147	32,032,775
Cumberland	(162,201)	(226,851)	226,851	11,966,879
East Greenwich	(104,418)	(30,598)	30,598	1,450,763
East Providence	(212,014)	(466,066)	466,066	24,881,232
Foster	(12,812)	(24,504)	24,504	1,305,135
Glocester	(25,473)	(55,702)	55,702	2,973,405
Hopkinton	(66,523)	(108,077)	108,077	5,749,276
Jamestown	(21,858)	(8,213)	8,213	391,353
Johnston	(137,959)	(184,007)	184,007	9,701,822
Lincoln	(154,324)	(123,845)	123,845	6,384,476
Little Compton	(14,127)	(5,930)	5,930	291,845
Middletown	(112,381)	(181,580)	181,580	9,653,308
Narragansett	(76,711)	(29,815)	29,815	1,440,139
Newport	(96,133)	(204,923)	204,923	10,912,686
New Shoreham	(11,143)	(1,469)	1,469	57,149
North Kingstown	(168,444)	(204,353)	204,353	10,735,891
North Providence	(157,289)	(230,650)	230,650	12,222,938
North Smithfield	(68,136)	(83,084)	83,084	4,384,693
Pawtucket	(321,441)	(1,174,736)	1,174,736	63,316,158
Portsmouth	(110,296)	(114,001)	114,001	6,026,090
Providence	(919,185)	(3,379,925)	3,379,925	181,619,378
Richmond	(66,225)	(107,428)	107,428	5,722,291
Scituate	(64,238)	(56,966)	56,966	2,942,545
Smithfield	(103,067)	(96,731)	96,731	5,023,550
South Kingstown	(179,432)	(178,300)	178,300	9,289,273
Tiverton	(80,711)	(101,259)	101,259	5,326,062
Warwick	(507,425)	(642,625)	642,625	33,816,257
Westerly	(159,749)	(113,213)	113,213	5,780,009
West Warwick	(155,412)	(355,634)	355,634	19,030,395
Woonsocket	(213,758)	(832,136)	832,136	44,881,514
Bristol-Warren	(140,106)	(355,927)	355,927	19,071,142
Exeter-West Greenwich	(90,588)	(130,344)	130,344	6,894,092
Chariho	-	(7,090)	7,090	387,074
Foster-Glocester	(53,124)	(99,012)	99,012	5,268,913
Central Falls	(144,390)	(786,563)	786,563	43,255,325
Met School	-	(80,050)	80,050	12,508,767
Total Districts	\$ (5,812,277)	\$ (12,050,030)	\$ 12,050,030	\$ 651,668,420
Adjusted Chariho	\$ (152,637)	\$ (255,815)	\$ 255,815	\$ 13,584,273
Charter Schools	(60,473)	(197,752)	197,752	32,072,347
Total Distributed	\$ (5,872,750)	\$ (12,247,782)	\$ 12,247,782	\$ 683,740,768

Section IV

Adjustments to Governor's Revised Budget

	FY 2010 Changes to Governor	Gen. Rev.	Federal	Restricted	Other	Total
	<i>Revenue Changes</i>					
1	May Revenue Conference	53,946,174	-	-	-	53,946,174
2	Hospital License Fee	959,527	-	-	-	959,527
3	No UST Indirect Exemption	209,250	-	-	-	209,250
4	Non Medicaid Hospital Expenses (MHRH Restricted Receipt)	(3,200,000)	-	-	-	(3,200,000)
5	Renewable Energy Fund Transfer	1,000,000	-	-	-	1,000,000
6	RIHEBC Additional Transfer	500,000	-	-	-	500,000
7	Veterans Auditorium Sale/Debt	(10,750,000)	-	-	-	(10,750,000)
8	Women's Cancer Screening	110,000	-	-	-	110,000
	Total	42,774,951	104,565,111	14,752,638	68,066,021	230,158,721
	<i>Expenditures Changes</i>					
	Administration					
9	Capital - Adolph Meyer Building Renovations	-	-	-	(100,000)	(100,000)
10	Capital - DoIT Operations Center	-	-	-	(3,900,000)	(3,900,000)
11	Capital - Forand Building Renovations	-	-	-	(15,000)	(15,000)
12	Capital - McCoy Stadium	-	-	-	(255,487)	(255,487)
13	Capital - Old State House	-	-	-	(200,000)	(200,000)
14	Capital - Pastore Center Rehabilitation	-	-	-	(722,755)	(722,755)
15	Capital - Pastore Center Water Tanks and Pipes	-	-	-	(300,000)	(300,000)
16	Capital - Pastore Central Power Plant	-	-	-	(900,000)	(900,000)
17	Capital - Pastore Utilities Upgrade	-	-	-	(849,335)	(849,335)
18	Capital - State Office Building	-	-	-	(200,000)	(200,000)
19	Capital - Veterans' Memorial Auditorium	-	-	-	1,000,000	1,000,000
20	Capital - Washington County Government Center	-	-	-	(800,000)	(800,000)
21	Community Development Block Grant Adj.	-	1,077,896	-	-	1,077,896
22	Debt Service - DMV Computer Project	-	-	(1,951,567)	-	(1,951,567)
23	Debt Service - Fidelity Job Rent Credits	(346,500)	-	-	-	(346,500)
24	Debt Service Adjustments	(278,906)	-	-	(370,212)	(649,118)
25	EPScore Reduction	200,000	-	-	-	200,000
26	Housing Emergency Shelter Grants	-	60,000	-	-	60,000
27	Library Construction Aid	(105,059)	-	-	-	(105,059)
28	Low Income Heating Assistance Program	-	2,350,970	-	-	2,350,970
29	Motor Vehicle Excise Correction	(1,603,263)	-	-	-	(1,603,263)
30	MV 3rd Quarter	32,188,896	-	-	-	32,188,896
31	MV 4th Quarter- Based on 88% of Current Law	16,357,186	-	-	-	16,357,186
32	MV Technical Correction	41,965	-	-	-	41,965
33	Outside Legal Services	(50,000)	-	-	-	(50,000)
34	Property Revaluation	(219,129)	-	-	-	(219,129)
35	State Employee Pension Reduction 35K	7,541,837	3,117,758	476,150	1,497,209	12,632,954
36	State Employee Pension Savings Revision (GBA)	1,212,902	467,196	93,408	218,660	1,992,166
37	Statewide Assessed Fringe Holiday	(168,319)	-	-	-	(168,319)

	FY 2010 Changes to Governor	Gen. Rev.	Federal	Restricted	Other	Total
38	TANS Interest	160,000	-	3,140,845	-	3,300,845
39	Torts Court Awards	400,000	-	-	-	400,000
40	Turnover and Operating Savings	(1,240,000)	-	-	-	(1,240,000)
41	Utility Savings	(1,522,500)	(1,900)	(35,800)	(409,700)	(1,969,900)
	Business Regulation					
42	Contracted Services	(18,000)	-	-	-	(18,000)
43	Statewide Assessed Fringe Holiday	(26,507)	-	-	-	(26,507)
44	Turnover	(105,000)	-	-	-	(105,000)
	Labor and Training					
45	Capital - Center General Roof	-	-	-	(350,000)	(350,000)
46	Disaster Unemployment Insurance	-	743,750	-	-	743,750
47	Employment Security Fund	-	-	-	81,000,000	81,000,000
48	Income Support - New Positions	-	1,258,860	-	-	1,258,860
49	Other Operations	(12,000)	-	-	-	(12,000)
50	Police and Fire Relief Grants	96,150	-	-	-	96,150
51	Shared Youth Vision Program	-	-	-	100,000	100,000
52	Statewide Assessed Fringe Holiday	(7,812)	-	-	-	(7,812)
53	Stimulus- UI	-	69,240,000	-	-	69,240,000
54	TANF Emergency Funds	-	643,366	-	-	643,366
	Department of Revenue					
55	Capital - Registry of Motor Vehicles Building	-	-	-	1,500,000	1,500,000
56	DMV Computer Technology Project	-	-	4,350,000	-	4,350,000
57	Statewide Assessed Fringe Holiday	(81,898)	-	-	-	(81,898)
58	Taxation TANF Position	-	16,258	-	-	16,258
59	Turnover and Operating Savings	(455,000)	-	-	-	(455,000)
	Legislature					
60	Statewide Assessed Fringe Holiday	(88,632)	-	-	-	(88,632)
61	Turnover	(150,000)	-	-	-	(150,000)
	Lieutenant Governor					
62	Statewide Assessed Fringe Holiday	(2,873)	-	-	-	(2,873)
63	Turnover	(19,000)	-	-	-	(19,000)
	Secretary of State					
64	Statewide Assessed Fringe Holiday	(14,285)	-	-	-	(14,285)
	Office of the General Treasurer					
65	Statewide Assessed Fringe Holiday	(5,799)	-	-	-	(5,799)
66	Turnover and Contracted Services	(95,000)	-	-	-	(95,000)
67	Unclaimed Property	-	-	1,500,581	-	1,500,581
	Board of Elections					
68	Statewide Assessed Fringe Holiday	(3,265)	-	-	-	(3,265)

	FY 2010 Changes to Governor	Gen. Rev.	Federal	Restricted	Other	Total
	Ethics Commission					
69	Statewide Assessed Fringe Holiday	(4,175)	-	-	-	(4,175)
	Governor's Office					
70	Contingency Fund	(156,000)	-	-	-	(156,000)
71	Statewide Assessed Fringe Holiday	(14,211)	-	-	-	(14,211)
72	Stimulus Funds - Personnel	-	35,000	-	-	35,000
73	Turnover and Operating Savings	(143,800)	-	-	-	(143,800)
	Commission for Human Rights					
74	Statewide Assessed Fringe Holiday	(2,620)	-	-	-	(2,620)
75	Unavailable Federal Funds	-	(43,396)	-	-	(43,396)
	Public Utilities Commission					
76	Out of State Travel	-	(2,300)	(50,450)	-	(52,750)
77	Stimulus Electricity Initiative	-	107,334	-	-	107,334
	Office of Health and Human Services					
78	Statewide Assessed Fringe Holiday	(10,708)	-	-	-	(10,708)
79	Turnover	(50,000)	-	-	-	(50,000)
	Children, Youth and Families					
80	Byrne Grant	-	131,832	-	-	131,832
81	Capital - Eckerd Camp E-Hun-Tee	-	-	-	(85,000)	(85,000)
82	Capital - Groden Center Cowesett Road	-	-	-	62,000	62,000
83	Capital - NAFI Center	-	-	-	(50,000)	(50,000)
84	Capital - Training School- Girls Facility (Adolph Meyer)	-	-	-	100,000	100,000
85	Child Care Rate Reduction	88,700	37,669	-	-	126,369
86	Family Preservation and Support Services Grant	-	55,037	-	-	55,037
87	Howard Teachers Union Settlement	(22,660)	-	-	-	(22,660)
88	IDEA Part B Grant	-	107,500	-	-	107,500
89	Indirect Cost for Federal Grants	(507,014)	(507,014)	507,014	-	(507,014)
90	New Hope Diner Project	-	20,000	-	-	20,000
91	Nurse Family Partnership Grant	-	170,000	-	-	170,000
92	Statewide Assessed Fringe Holiday	(142,816)	-	-	-	(142,816)
93	Substance Abuse Block Grant	-	29,750	-	-	29,750
94	Turnover	(1,260,000)	-	-	-	(1,260,000)
	Elderly Affairs					
95	Case Management	(200,000)	(168,346)	-	-	(368,346)
96	Federal Funds for Community Service Grants	(1,000,000)	1,000,000	-	-	-
97	Home and Community Care	(90,000)	(117,059)	-	-	(207,059)
98	Indirect Cost for Federal Grants	(477,228)	(477,228)	477,228	-	(477,228)
99	OHHS Personnel	-	(97,137)	-	-	(97,137)
100	RIPAE Restore Assumed Savings	175,000	-	(175,000)	-	-
101	Statewide Assessed Fringe Holiday	(3,027)	-	-	-	(3,027)

	FY 2010 Changes to Governor	Gen. Rev.	Federal	Restricted	Other	Total
102	Title VIII Food and Nutrition Services	-	125,000	-	-	125,000
103	Turnover	(90,000)	-	-	-	(90,000)
	Health					
104	Autism Training Program	-	250,000	-	-	250,000
105	Community Family Health Operations	(70,000)	-	-	-	(70,000)
106	Healthy Housing Pilot	-	94,311	-	-	94,311
107	Infectious Disease	-	201,830	-	-	201,830
108	Legal Services	(180,000)	-	-	-	(180,000)
109	Licensing and Regulatory Restricted Receipts	(100,000)	-	65,000	-	(35,000)
110	Pandemic Flu	-	-	554,333	-	554,333
111	Safe and Active Commuting	-	-	-	56,749	56,749
112	Statewide Assessed Fringe Holiday	(63,143)	-	-	-	(63,143)
113	Turnover	(1,200,000)	-	-	-	(1,200,000)
114	Women Infants and Children Benefits	-	147,488	-	-	147,488
115	Women's Cancer Screening	70,000	78,588	-	-	148,588
	Human Services					
116	Child Care Rate Reduction Restoration	465,473	516,953	-	-	982,426
117	Elderly Transportation	-	-	-	127,962	127,962
118	Emergency Food Assistance Program-Stimulus	-	185,000	-	-	185,000
119	Estate Recoveries	(450,000)	(498,000)	-	-	(948,000)
120	Hospital Rate Reduction	916,687	1,624,020	-	-	2,540,707
121	IDEA Part C- Stimulus	-	2,400,000	-	-	2,400,000
122	May Caseload Adjustments	(3,112,129)	25,456,155	-	-	22,344,026
123	Project Smile Community Service Grant	(7,500)	-	-	-	(7,500)
124	Statewide Assessed Fringe Holiday	(108,380)	-	-	-	(108,380)
125	TANF Emergency Funds	-	18,079,064	-	-	18,079,064
126	Traumatic Brain Injury Program	-	88,384	-	-	88,384
	Mental Health, Retardation and Hospitals					
127	Capital - Community Facilities - Fire Code Upgrades	-	-	-	(1,050,000)	(1,050,000)
128	Capital - Hospital Consolidation	-	-	-	120,000	120,000
129	Capital - Medical Center Asset Protection	-	-	-	(800,000)	(800,000)
130	Capital - Regional Center Repair/Rehabilitation	-	-	-	(833,196)	(833,196)
131	CMAP to Actual Levels	(130,419)	(145,197)	-	-	(275,616)
132	Hospital License Fee	15,457	27,383	-	-	42,840
133	Indirect Cost for Federal Grants	(986,375)	(986,375)	986,375	-	(986,375)
134	Non-Medicaid Restricted Receipts	(3,200,000)	-	3,200,000	-	-
135	Statewide Assessed Fringe Holiday	(109,883)	-	-	-	(109,883)
136	Support Operations	(154,500)	-	-	-	(154,500)
137	Turnover	(1,400,000)	(2,100,000)	-	-	(3,500,000)
	Office of the Child Advocate					
138	Statewide Assessed Fringe Holiday	(1,681)	-	-	-	(1,681)
						-

	FY 2010 Changes to Governor	Gen. Rev.	Federal	Restricted	Other	Total
	Deaf and Hard of Hearing					
139	Statewide Assessed Fringe Holiday	(940)	-	-	-	(940)
	Governor's Commission on Disabilities					
140	Statewide Assessed Fringe Holiday	(1,085)	-	-	-	(1,085)
	Office of the Mental Health Advocate					
141	Turnover	(14,200)	-	-	-	(14,200)
142	Statewide Assessed Fringe Holiday	(1,212)	-	-	-	(1,212)
	Elementary & Secondary Education					
143	Capital - Chariho Career and Technical School	-	-	-	(300,000)	(300,000)
144	Capital - Cranston Career and Technical School	-	-	-	(229,051)	(229,051)
145	Capital - East Providence Career and Technical School	-	-	-	(107,872)	(107,872)
146	Capital - Met School East Bay	-	-	-	(300,000)	(300,000)
147	Capital - Warwick Career and Technical School	-	-	-	(158,036)	(158,036)
148	Capital - Woonsocket Career and Technical School	-	-	-	(275,788)	(275,788)
149	Community Service Grants - No Application Received	(42,794)	-	-	-	(42,794)
150	Construction Aid Adjustment	(56,781)	-	-	-	(56,781)
151	Education Telecommunications Access Fund	250,000	-	-	-	250,000
152	Federal Expenditure Authority Adjustment	-	(6,100,000)	-	-	(6,100,000)
153	Federal Fund Correction School for the Deaf	-	47,965	-	-	47,965
154	Federal Grants Adjustments	-	477,958	-	-	477,958
155	Formula Aid Adjustments	(19,304)	-	-	-	(19,304)
156	New Davies Federal Grant	-	57,139	-	-	57,139
157	Race to the Top	-	(5,000,000)	-	-	(5,000,000)
158	Statewide Assessed Fringe Holiday	(84,935)	-	-	-	(84,935)
159	Stimulus - Administrative Costs	(402,600)	-	-	-	(402,600)
160	Stimulus from FY 2011	(7,000,000)	7,000,000	-	-	-
161	Teacher Pension Reduction (35K)	20,985,936	-	-	-	20,985,936
162	Turnover	(300,000)	-	-	-	(300,000)
	Public Higher Education					
163	Capital - CCRI Fire Code and HVAC	-	-	-	(1,800,000)	(1,800,000)
164	Capital - RIC New Arts Center Planning	-	-	-	100,000	100,000
165	Capital - URI Nursing Building	-	-	-	(275,000)	(275,000)
166	New Federal Stimulus Byrne Grant	-	125,076	-	-	125,076
167	OHE - Statewide Data Systems	-	200,000	-	-	200,000
168	RIC Debt Service Correction	-	-	-	(2,500,536)	(2,500,536)
169	Statewide Assessed Fringe Holiday	(257,609)	-	-	-	(257,609)
170	Turnover	(1,500,000)	-	-	-	(1,500,000)
171	URI Energy Conservation Debt Service	-	-	-	(798,406)	(798,406)

	FY 2010 Changes to Governor	Gen. Rev.	Federal	Restricted	Other	Total
	Arts Council					
172	Black Rep Community Service Grant (Bankruptcy)	(21,375)	-	-	-	(21,375)
173	Statewide Assessed Fringe Holiday	(1,957)	-	-	-	(1,957)
	Atomic Energy					
174	Statewide Assessed Fringe Holiday	(2,561)	-	-	-	(2,561)
175	Federal Grants Adjustments	-	21,892	-	-	21,892
	Higher Education Assistance Authority					
176	College Access Challenge Grant	-	330,000	-	-	330,000
177	College Bound Fund	(600,000)	-	-	600,000	-
178	Statewide Assessed Fringe Holiday	(1,517)	-	-	-	(1,517)
179	Turnover	(25,000)	-	-	-	(25,000)
	Historical Preservation and Heritage Commission					
180	Certified Local Grants	-	94,367	-	-	94,367
181	Historic Preservation Easement Fund Receipt Adjustment	(2,180)	-	2,180	-	-
182	Statewide Assessed Fringe Holiday	(3,185)	-	-	-	(3,185)
	RI Public Telecommunications Authority					
183	Closed Captioning Services	(5,700)	-	-	-	(5,700)
184	Statewide Assessed Fringe Holiday	(3,157)	-	-	-	(3,157)
	Attorney General					
185	Capital - Building Renovations and Repairs	-	-	-	(120,000)	(120,000)
186	Consumer Education Account	(250,000)	-	250,000	-	-
187	Drug Market Intervention Grant to Federal	(37,500)	40,000	-	-	2,500
188	National Criminal History Improvement Program	-	25,209	-	-	25,209
189	Statewide Assessed Fringe Holiday	(62,403)	-	-	-	(62,403)
190	Tobacco Litigation	(123,435)	-	-	-	(123,435)
	Corrections					
191	Capital - Asset Protection	-	-	-	(800,000)	(800,000)
192	Drug Court Program	(68,000)	68,000	-	-	-
193	Indirect Cost for Federal Grants	(122,837)	(122,837)	122,837	-	(122,837)
194	Population	(1,120,176)	-	-	-	(1,120,176)
195	RIBCO Settlement	(2,000,000)	-	-	-	(2,000,000)
196	State Criminal Alien Assistance	(7,120)	7,120	-	-	-
197	Statewide Assessed Fringe Holiday	(413,107)	-	-	-	(413,107)
	Judicial					
198	Capital - Asset Protection Shift	(557,000)	-	-	557,000	-
199	Indirect Cost for Federal Grants	(104,069)	(104,069)	104,069	-	(104,069)

	FY 2010 Changes to Governor	Gen. Rev.	Federal	Restricted	Other	Total
	National Highway Traffic Safety Administration Grant	-	121,687	-	-	121,687
200						
201	Statewide Assessed Fringe Holiday	(199,594)	-	-	-	(199,594)
202	Turnover	(500,000)	-	-	-	(500,000)
	Military Staff					
203	Capital - Armory of Mounted Commands	-	-	-	(1,000,000)	(1,000,000)
204	Capital - Quonset Point Armory/Hangar Land Acquisition	-	-	-	(40,878)	(40,878)
205	Capital - Woonsocket Demo	-	-	-	(46,540)	(46,540)
206	Emergency Management Grant	-	356,519	-	-	356,519
207	Federal Expenditure Authority Adjustment	-	(7,869,281)	-	-	(7,869,281)
208	Indirect Cost for Federal Grants	(191,123)	(191,123)	191,123	-	(191,123)
209	Statewide Assessed Fringe Holiday	(4,403)	-	-	-	(4,403)
210	Turnover and Operating	(200,000)	-	-	-	(200,000)
	Public Safety					
211	Bullet Proof Vests to Forfeiture Funds	(134,126)	-	134,126	-	-
212	Byrne Grant Release to Locals	-	1,203,075	-	-	1,203,075
213	Capital - Barracks and Training Academy Repairs	-	-	-	(744,490)	(744,490)
214	Capital - E-911 Building Renovations	-	-	-	(55,000)	(55,000)
215	Capital - Parking Area Improvements	-	-	-	(200,000)	(200,000)
216	Drug Recognition Field Sobriety Testing Training	-	25,000	-	-	25,000
217	Forfeiture Restricted Receipt Correction	-	-	162,462	-	162,462
218	General Revenues Expenses to Forfeiture Funds	(200,000)	-	200,000	-	-
219	Hazardous Materials Program	-	50,000	-	-	50,000
220	Indirect Cost for Federal Grants	(347,724)	(347,724)	347,724	-	(347,724)
221	Road Construction Reimbursement	-	-	-	260,000	260,000
222	Stabilization Fund Correction	402,600	-	-	-	402,600
223	Stabilization Offset Correction	(49,579)	(93,806)	-	-	(143,385)
224	Statewide Assessed Fringe Holiday	(54,822)	-	-	-	(54,822)
225	Turnover	(190,000)	-	-	-	(190,000)
226	Violence Against Women Grant Release	-	222,157	-	-	222,157
	Public Defender					
227	Turnover	(40,000)	-	-	-	(40,000)
228	Statewide Assessed Fringe Holiday	(27,648)	-	-	-	(27,648)
	Environmental Management					
229	Brownfields Grant	-	180,000	-	-	180,000
230	Capital - Galilee Piers	-	-	-	(330,000)	(330,000)
231	Federal Expenditure Authority Adjustment	-	(3,550,000)	-	-	(3,550,000)
232	Natural Resources Grant	-	85,000	-	-	85,000
233	Operating	(150,000)	-	-	-	(150,000)
234	Outdoor Recreation Grant	-	700,000	-	-	700,000
235	Saltwater Fishing License	-	-	100,000	-	100,000

	FY 2010 Changes to Governor	Gen. Rev.	Federal	Restricted	Other	Total
236	Statewide Assessed Fringe Holiday	(82,812)	-	-	-	(82,812)
237	Superfund Pre-Remediation Grant	-	65,000	-	-	65,000
238	Turnover Savings	(150,000)	-	-	-	(150,000)
	Coastal Resources Management Council					
239	Grant Adjustments	-	(14,513)	-	-	(14,513)
240	Special Area Management Plan	-	145,000	-	-	145,000
241	Statewide Assessed Fringe Holiday	(6,311)	-	-	-	(6,311)
	Water Resources Board					
	Capital - Big River Management Area					
242	Maintenance	-	-	-	(100,000)	(100,000)
243	Statewide Assessed Fringe Holiday	(2,183)	-	-	-	(2,183)
	Department of Transportation					
244	Federal Expenditure Authority Adjustment	-	(10,000,000)	-	-	(10,000,000)
245	Gasoline Tax Estimate Adjustment	-	-	-	3,138,723	3,138,723
246	New Transportation Safety Research Grant	-	31,627	-	-	31,627
247	Stimulus - Commuter Rail Grant	-	1,278,273	-	-	1,278,273
248	Stimulus - Engineering Apprenticeships for Disadvantaged Youth	-	200,000	-	-	200,000
	Total	41,757,709	104,565,111	14,752,638	68,066,021	229,141,479

FY 2010 Revised Changes to Governor

Revenue Changes

- 1. May Revenue Conference.** The Revenue Estimating Conference concluded May 10 and revised the FY 2010 estimate to \$3,024.7 million, which is \$78.3 million above the November revenue estimate and is \$53.9 million more than the revenues included in the Governor's budget revised for his changes included in the estimate.
- 2. Hospital License Fee.** The House Finance Committee recommends adding \$1.0 million from revenues resulting from increasing the licensing fee for FY 2010 from 5.237 percent to 5.276 percent of net patient services revenue. Total license fees collected will be \$129.8 million including \$124.0 million from community hospital payments and \$5.8 million from state payments for the Eleanor Slater Hospital.
- 3. No UST Indirect Exemption.** The Governor submitted Article 10 of the revised budget, which retroactively exempts certain restricted receipt accounts from the state's 10.0 percent indirect cost recovery charge. The Underground Storage Tank Fund is projected to receive \$2,092,500 in FY 2010, with 10.0 percent of that, or \$209,250 reverting to general revenues. However, the Governor's budget would have the fund retain the 10.0 percent in order to pay claims against the fund for leaking underground storage tank remediation. The House Finance Committee does not recommend the exemption and includes an additional \$209,250 of general revenues for FY 2010.
- 4. Non Medicaid Hospital Expenses (MHRH Restricted Receipt).** The Governor's FY 2011 budget recommends a new restricted receipt account in the Department of Mental Health, Retardation and Hospitals' budget for state hospital costs reimbursed from third party payers, such as Medicare and commercial insurers. The House Finance Committee concurs and creates the new account in the FY 2010 revised budget. This requires a \$3.2 million reduction to general revenues and a corresponding adjustment to expenses to increase restricted receipts.
- 5. Renewable Energy Fund Transfer.** The Rhode Island Economic Development Corporation indicates that as of December 31, 2009, the Renewable Energy Fund balance was \$4.3 million and it anticipates new revenues of \$2.2 million through December 31, 2010. Projected expenditures for calendar year 2010 are \$3.8 million, which would leave a fund balance of \$2.5 million. The House Finance Committee recommends the transfer of \$1.0 million from the Renewable Energy Fund to the State General Fund.
- 6. RIHEBC Additional Transfer.** The revised budget includes \$1.0 million transferred from the Rhode Island Health and Educational Building Corporation to the state general fund. The House Finance Committee recommends transferring an additional \$0.5 million for FY 2010. FY 2010 is the second year of a three year commitment from the Corporation to provide funding to the state for three positions in the Department of Elementary and Secondary Education and four positions in the Department of Health.
- 7. Veterans Auditorium Sale/Debt.** The Governor's FY 2010 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 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 payments of \$1.4 million in FY 2011 and \$2.8 million annually thereafter. The House Finance Committee does not concur with the financing proposal and includes \$14.8 million from Rhode Island Capital Plan funds over five years, including \$1.0 million to begin renovations with pay-go sources.

8. **Women's Cancer Screening.** The Department of Health has exhausted all funds for the breast and cervical cancer early detection screening portion of the program and has suspended these services for the remainder of the fiscal year. Subsequently, the Department of Health received \$110,000 from donations for the Women's Cancer Screening program which the Department plans to use to match Medicaid. The House Finance Committee concurs.

Expenditures Changes

Administration

9. **Capital – Adolph Meyer Building Renovations.** The Governor's FY 2011 through FY 2015 capital plan includes \$9.2 million from Rhode Island Capital Plan funds in the Department of Administration's budget to build a new 24-bed girls' facility on the Pastore Campus in Cranston. He subsequently submitted an amendment to shift \$0.1 million in FY 2010 to the Department of Children, Youth and Families for the girls' training school. The remaining \$6.6 million in the Department of Administration will be used for building renovations. The House Finance Committee concurs.

10. **Capital - DoIT Operations Center.** The FY 2010 revised budget includes \$8.9 million from Rhode Island Capital Plan funds to acquire a new state of the art facility to house the state's computer center. The Department purchased a 70,000 square foot building on Jefferson Boulevard. The Department is currently in the process of designing the facility. Therefore, the majority of the renovations will not occur in FY 2010. The House Finance Committee shifts \$3.9 million from FY 2010 to later years based on the Department's revised project schedule.

11. **Capital - Forand Building Renovations.** The FY 2010 revised budget includes \$216,972 from Rhode Island Capital Plan funds to replace and repair the Forand building's spandrel panels, doors and windows, and soffits. The project is completed and the Department made the last payment of \$0.2 million, resulting in a surplus balance of \$15,000. The House Finance Committee reduces the project costs to reflect the savings.

12. **Capital – McCoy Stadium.** The Governor's FY 2011 through FY 2015 Capital Budget includes \$2.3 million from Rhode Island Capital Plan funds to be used through FY 2012 for asset protection at McCoy Stadium in Pawtucket. He subsequently requested an amendment to shift \$0.3 million from FY 2010 to FY 2012 based on the availability of Rhode Island Capital Plan funds. He recommends \$1.0 million in FY 2010 to address pedestrian safety issues; \$372,500 in FY 2011 and \$628,000 in FY 2012 to upgrade the HVAC unit. The House Finance Committee includes the FY 2010 reduction.

13. **Capital - Old State House.** The FY 2011 through FY 2015 Capital Budget includes \$1.7 million from Rhode Island Capital Plan funds, of which \$1.5 million will be used through FY 2013 for various renovations at the Old State House including repaving the parking lot and replacing the heating system. The House Finance Committee provides \$50,000 for FY 2010 to reflect the Department's revised project costs.

14. **Capital – Pastore Center Rehabilitation.** The FY 2011 through FY 2015 Capital Budget includes \$5.8 million from Rhode Island Capital Plan funds to fund major maintenance and capital

repairs for five of its 17 buildings at the Pastore Center, now under the responsibility of the Division of Facilities Management. Work will focus on the Benjamin Rush, Pasteur, Harrington and Hazard buildings and will address various code and structural deficiencies. The Governor subsequently requested an amendment to reduce FY 2010 funding by \$0.2 million to reflect the availability of Rhode Island Capital Plan funds. The House Finance Committee concurs and shifts \$0.5 million from FY 2010 to later years to reflect the Department's updated project schedule.

15. **Capital - Pastore Center Water Tanks and Pipes.** The Capital Budget includes total expenditures of \$2.3 million from Rhode Island Capital Plan funds to identify and address deficiencies at the Pastore Center with respect to water supply and distribution, including \$0.5 million for FY 2010. Subsequently, the Department indicated that only \$0.2 million of the available funding would be used in FY 2010. The House Finance Committee shifts \$0.3 million from FY 2010 to later years to reflect a revised project schedule.

16. **Capital - Pastore Central Power Plant.** The FY 2010 revised budget includes \$1.0 million from Rhode Island Capital Plan funds to continue work on the Central Power Plant at the Pastore Center to bring one of the boilers to a high state of reliability. Subsequently, the Department indicated that it would only spend \$0.1 million of its FY 2010 appropriation. The House Finance Committee shifts \$0.9 million from FY 2010 to later years to reflect the Department's revised project schedule.

17. **Capital - Pastore Utilities Upgrade.** The Governor's FY 2011 through FY 2015 Capital Budget includes \$9.1 million from Rhode Island Capital Plan funds to be used to repair and make improvements to the electrical distribution system at the Pastore Center. He subsequently requested an amendment to reduce FY 2010 funding by \$0.8 million to reflect the availability of Rhode Island Capital Plan funds. An engineering survey was conducted in 2001 and concluded that the existing system is undersized and would possibly not support major future construction projects like the Re-integration Center, the new training school and others.

18. **Capital - State Office Building.** The FY 2011 through FY 2015 capital plan includes \$5.4 million from Rhode Island Capital Plan funds, of which \$3.5 million would be used through FY 2013 for bathroom repairs, window replacement, fire code upgrades and other renovations to the Department of Transportation's building. The revised budget includes \$1.1 million in expenditures for FY 2010. Subsequently, the Department indicated that only \$0.9 million will be used in FY 2010. The House Finance Committee shifts \$0.2 million from FY 2010 to later years to reflect the Department's updated project schedule.

19. **Capital - Veterans' Memorial Auditorium.** The Governor proposed legislation in his FY 2010 revised budget authorizing the 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. 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. The House Finance Committee does not recommend the sale of the Veterans Memorial Auditorium and reduces revenues accordingly. It provides a total of \$14.8 million from Rhode Island Capital Plan funds in lieu of debt issuance, including \$1.0 million in FY 2010 for architectural and engineering services.

20. **Capital - Washington County Government Center.** The Governor's Capital Budget includes a total project cost of \$2.8 million from Rhode Island Capital Plan funds, of which \$1.1 million is in FY 2010 for fire code improvements and for renovations of the Washington County Government Center to

accommodate staff from the Department of Children, Youth and Families, which is currently in leased space. Subsequently, the Department indicated that only \$0.3 million would be used in FY 2010. The House Finance Committee shifts \$0.8 million from FY 2010 to later years to reflect a project delay.

21. **Community Development Block Grant Adj.** The revised budget includes \$6.0 million or \$5.7 million less than enacted from federal funds for the community development block grants. The Governor subsequently requested an amendment to provide an additional \$1.1 million to reflect anticipated increases. 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.

22. **Debt Service DMV Computer Project.** The FY 2010 revised budget includes \$2.0 million from restricted receipts supported by a transaction surcharge for debt service expenditures to replace the computer system at the Division of Motor Vehicles. The 2009 Assembly amended the Public Debt Management Act to extend the collection of the surcharge from seven to 10 years and allow the surcharge collection to be used for project expenses in addition to debt service costs. Subsequently, the Governor requested an amendment to allow use of \$4.4 million from collection of the surcharge for the project. The House Finance Committee concurs and reduces budgeted debt service in the Department of Administration to reflect a delay from issuing the Certificates of Participation.

23. **Debt Service - Fidelity Job Rent Credits.** Subsequent to his budget submission, the Governor requested an amendment to decrease general revenue debt service payments of \$0.3 million for which the enacted budget includes \$2.8 million for required payments under the Fidelity Job Rent Credits agreement. Under the incentive based agreement between the state and Fidelity, the state provides job rent credits for each full-time equivalent employee in excess of a 1,000 employee base.

24. **Debt Service Adjustments.** The Governor's FY 2010 recommended budget includes \$198.1 million from all funds for debt service expenses, of which \$149.6 million is from general revenues. In addition to adjustments made for short-term borrowing and Fidelity Jobs Rent Credits, the Department's FY 2010 third quarter report identified \$87,000 in debt service savings. The Governor subsequently requested an amendment to decrease expenditures by \$562,118, including \$191,906 from general revenues from savings achieved by refunding general obligation bonds. The House Finance Committee concurs and reduces expenditures accordingly.

25. **EPScore Reduction.** The Governor's revised budget reduces funding for the Experimental Program to Stimulate Competitive Research grant by \$0.2 million for which the enacted budget included \$1.5 million from general revenues. The Science and Technology and Advisory Council had planned to award six grants in the amount of \$0.2 million. The reduction equates to one less grant award. He subsequently requested that it be restored and indicated that reductions to this program could jeopardize the state's ability to obtain federal matching. The House Finance Committee concurs.

26. **Housing Emergency Shelter Grants.** Subsequent to the budget submission, the Governor requested an amendment to increase emergency shelter grant expenditures by \$60,000 for which the revised budget includes \$352,000. The increase is based on additional funds that the Office of Housing and Community Development will receive. The House Finance Committee concurs.

27. **Library Construction Aid.** The Governor recommends the enacted amount of \$2.8 million for library construction aid for FY 2010. Rhode Island General Laws establish a library construction aid program, which is administered by the Office of Library and Information Services. The statute provides the authority to make grants-in-aid to a municipality or a free public library for the

construction or capital improvements of any free public library designed to provide better services to the public. He subsequently requested an amendment to include \$0.1 million in savings based on information submitted by municipalities. The House Finance Committee concurs.

28. **Low Income Heating Assistance Program.** The Governor's FY 2010 revised budget includes \$49.0 million from federal funds for the Low Income Home Energy Assistance Program grant program, for which the enacted budget included \$39.0 million. Subsequent to his budget submission, the Governor requested an amendment to add \$2.4 million from federal funds to reflect the increased funding available for the program. The House Finance Committee recommends the additional funds.

29. **Motor Vehicle Excise Correction.** The Governor's proposal to eliminate the third and the fourth quarter reimbursements to municipalities, excluding fire districts, for the Motor Vehicles Excise Tax, understated the savings by \$1.6 million. He subsequently requested an amendment to correct this error. The House Finance Committee includes this adjustment.

30. **MV 3rd Quarter.** The Governor proposes legislation to eliminate 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 due on February 1st and the fourth quarter payment on May 1st. The Assembly had not taken action on the Governor's budget before February 1, and that payment was made to the municipalities. Information obtained from the Division of Municipal Finance indicates that the value of the 3rd quarter payment made to the municipalities totaled \$32.2 million. The House Finance Committee also recommends \$16.4 million for the 4th quarter payment. The Committee restores a total of \$48.6 million. This assumes total reimbursement of 88.0 percent of the calculated value in FY 2010 for the Motor Vehicles Excise Tax program.

31. **MV 4th Quarter- Based on 88% of Current Law.** The Governor proposes legislation to eliminate 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 due on February 1st and the fourth quarter payment on May 1st. The Assembly had not taken action on the Governor's budget before February 1, and that payment was made to the municipalities. Information obtained from the Division of Municipal Finance indicates that the value of the 3rd quarter payment made to the municipalities totaled \$32.2 million. The House Finance Committee also recommends \$16.4 million for the 4th quarter payment. The Committee restores a total of \$48.6 million. This assumes total reimbursement of 88.0 percent of the calculated value in FY 2010 for the Motor Vehicles Excise Tax program.

32. **MV Technical Correction.** The Governor proposes legislation to eliminate 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 due on February 1st and the fourth quarter payment on May 1st. The Assembly had not taken action on the Governor's budget before February 1, and that payment was made to the municipalities. Information obtained from the Division of Municipal Finance indicates that the value of the 3rd quarter payment made to the municipalities totaled \$32.2 million. Subsequently, the Department of Administration indicated that an additional \$41,965 would be needed for an updated growth rate.

33. **Outside Legal Services.** The House Finance Committee recommends reducing outside legal service expenditures by \$50,000, for which the Governor's revised budget includes \$60,000. The Department has incurred only \$7,539 as of March 12.

34. Property Revaluation. The Department's FY 2010 third quarter report projects \$1.6 million in expenditures for the Property Revaluation program for which the enacted budget included \$1.8 million. This program reimburses communities conducting scheduled property revaluations or statistical updates. Expenditures fluctuate annually; they were \$1.0 million in FY 2009, \$1.1 million in FY 2008 and \$2.2 million in FY 2007. The House Finance Committee concurs and reduces expenditures accordingly.

35. State Employee Pension Reduction 35K. 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. He subsequently requested an amendment to add back \$2.0 million from all funds, including \$1.2 million from general revenues to reflect a more accurate estimate on the pension savings. The House Finance Committee restores \$12.6 million from all funds, including \$7.5 million from general revenues based on its proposal to limit the cost-of-living adjustments to the first \$35,000 of retirement allowance indexed to inflation but capped at 3.0 percent beginning on the third anniversary of the date of retirement or age 65, whichever is later, for state employees, teachers, and judges that were not eligible to retire on September 30, 2009 and do not become eligible to do so before the passage of this proposal.

36. State Employee Pension Savings Revision (GBA). 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 budget assumes general revenue savings of \$42.9 million, \$12.1 million is budgeted in the Department of Administration for state employees. He subsequently requested an amendment to add back \$2.0 million from all funds, including \$1.2 million from general revenues to reflect a more accurate estimate of the pension savings. The House Finance Committee concurs.

37. Statewide Assessed Fringe Holiday. The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for projected expenses. The FY 2009 and the FY 2010 budgets included a significant increase in the rate charged to cover the unusually large payouts associated with the recent retirement surge. The Budget Office has suspended the assessment for three pay periods in FY 2010, which saves \$2.1 million from general revenues. The House Finance Committee recommends reducing the Department of Administration's FY 2010 budget by \$168,319 to reflect its portion of these savings.

38. TANS Interest. The Governor's FY 2010 revised budget includes \$4.5 million from general revenues and restricted receipts to pay borrowing costs net of interest earnings in FY 2010. He subsequently requested an amendment to increase expenditures by \$3.3 million, including \$0.2 million from general revenues to cover the final debt service payment due on June 30, 2010. The House Finance Committee concurs.

39. Torts Court Awards. The Department of Administration receives an annual appropriation to pay for any liability claims against any state department or any state worker. Historical spending for this varies depending on court awarded settlements. The Governor's FY 2010 revised budget includes the enacted amount of \$0.4 million from general revenues for tort payments. Subsequently, he requested an amendment to increase expenditures by an additional \$0.4 million to reflect additional pending litigations that will result in settlements in FY 2010. The House Finance Committee concurs.

40. Turnover and Operating Savings. The revised budget includes \$74.0 million from all funds, including \$59.0 million from general revenues to fund 879.6 full-time equivalent positions in the

Department of Administration. The Department has an average of 806.1 positions filled, or 89.5 vacant positions since the beginning of the fiscal year. The Department's third quarter report identified \$1.2 million in turnover savings, which equates to 1.9 percent of the Governor's recommended budget. Assuming an average cost of \$84,000 per position, the turnover savings is equivalent to 16.8 vacant positions. The House Finance Committee includes the turnover savings.

41. Utility Savings. The Governor's revised budget includes \$21.9 million from all funds, of which \$18.7 million is from general revenues for utilities at state buildings under its jurisdiction, including the Pastore Campus. The Department's FY 2010 third quarter report projected expenditures totaling \$20.0 million or \$2.0 million less than enacted due to lower natural gas prices than forecasted. Subsequently, the Governor requested an amendment to reduce expenditures by \$2.0 million, including \$1.5 million from general revenues. The House Finance Committee concurs.

Business Regulation

42. Contracted Services. The House Finance Committee recommends reducing purchased service expenditures by \$18,000, for which the Governor's revised budget includes \$37,408. Information obtained from the state's accounting network system indicates that as of April 6, 2010 there had been a delay in procuring the services.

43. Statewide Assessed Fringe Holiday. The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for projected expenses. The FY 2009 and FY 2010 budgets included a significant increase in the rate charged to cover the unusually large payouts associated with the recent retirement surge. The Budget Office has suspended the assessment for three pay periods in FY 2010, which saves \$2.1 million from general revenues. The House Finance Committee recommends reducing the Department of Business Regulation's FY 2010 budget by \$26,507 to reflect its portion of these savings.

44. Turnover. The House Finance Committee recommends additional general revenue turnover savings of \$105,000 based on continued vacancies. The Governor's revised budget assumes \$528,349 from turnover savings, equivalent to 4.6 positions.

Department of Labor and Training

45. Capital – Center General Roof. The Governor's FY 2010 budget includes \$397,458 in FY 2010 from Rhode Island Capital Plan funds to replace the slate roofs on three of the six Center General Complex buildings. The Department of Labor and Training indicates that this project has not gone out to bid and will not award contracts until May 30, 2010 or later. The House Finance Committee recommends shifting \$350,000 from FY 2010 to later years based on a revised project schedule.

46. Disaster Unemployment Insurance. Many Rhode Island businesses were affected by the flooding in March of 2010. The Department of Labor and Training is able to access federal grants to cover the costs of providing unemployment insurance benefits to workers whose place of employment was affected by the floods. This funding is for direct benefits to workers who are not otherwise eligible for regular unemployment insurance benefits and administrative expenses related to processing these claims. In May, the Governor requested an amendment to authorize \$743,750 from this federal grant for the remainder of FY 2010. The House Finance Committee concurs.

47. **Employment Security Fund.** The Governor's revised budget includes \$478.7 million from the Employment Security Fund for the payment of unemployment insurance benefits, which is \$10.8 million less than enacted. Subsequently, he requested two separate amendments to increase funding by \$81.0 million, reflecting the continually high unemployment rate for the state and claims activity backlog, bringing total FY 2010 funding to \$559.4 million. The House Finance Committee concurs.

48. **Income Support – New Positions.** The Governor's revised budget includes \$14.8 million from all sources for salaries and benefits for the Unemployment Insurance division of the Income Support Program, which is \$0.2 million more than enacted. Subsequently, he requested an amendment increasing funding by \$1.3 million from federal funds to reflect funding 26.4 full-time equivalent positions for the unemployment call center reflecting the continually high unemployment rate for the state and claims activity backlog. The House Finance Committee concurs.

49. **Other Operations.** The House Finance Committee recommends reducing general revenue expenditures by \$12,000 based on year-to-date spending and the Department's third quarter report. This includes \$10,000 in additional turnover savings available from the Labor Relations Board and savings of \$2,000 from various grants and general operating expenses, excluding the Police and Fire Relief Fund.

50. **Police and Fire Relief Grants.** The Governor's revised budget includes \$3.9 million from general revenues for the payment of annuities and tuition benefits from the Police and Fire Relief Fund, which is \$0.4 million more than enacted and is consistent with the Department's request. The House Finance Committee recommends an increase of \$96,150 for the Police and Fire Relief Fund based on the Department's third quarter report, year-to-date expenditures, anticipated annuity approvals, and a recently approved one-time death benefit, which will be paid out in June 2010.

51. **Shared Youth Vision Program.** The Governor requested an amendment to add \$100,000 for a new shared youth vision program. This federal program is intended to serve the nation's neediest youth through interagency collaboration and improved program efficiencies. Funding will be used to hire a management consultant. The House Finance Committee concurs.

52. **Statewide Assessed Fringe Holiday.** The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for projected expenses. The FY 2009 and FY 2010 budgets included a significant increase in the rate charged to cover the unusually large payouts associated with the recent retirement surge. The Budget Office has suspended the assessment for three pay periods in FY 2010, which saves \$2.1 million from general revenues. The House Finance Committee recommends reducing the Department of Labor and Training's FY 2010 budget by \$7,812 to reflect its portion of these savings.

53. **Stimulus - UI.** The Governor's revised budget includes \$222.2 million from federal Stimulus funds for the payment of unemployment insurance benefits, which is \$69.2 million more than enacted. Subsequently, he requested two separate amendments to increase funding by \$69.2 million, bringing FY 2010 funding to \$291.4 million. The House Finance Committee concurs.

54. **TANF Emergency Funds.** The Governor's revised budget includes \$1.4 million from federal funds for salaries and benefits for Work First Temporary Assistance to Needy Families within the Workforce Development Services Program, which is \$0.6 million less than enacted. Subsequently, he requested two amendments increasing funding by \$0.6 million from federal funds to reflect funding 19.0 full-time equivalent positions on a time-limited basis and accompanying grants to assist in the

implementation of a new subsidized employment program and funding for additional operating costs and computer purchases. The House Finance Committee concurs.

Department of Revenue

55. **Capital - Registry of Motor Vehicles Building.** The Governor's FY 2011 through FY 2015 capital plan includes \$17.7 million from Rhode Island Capital Plan funds, including \$11.4 million in FY 2010 and \$5.6 million in FY 2011 to renovate the Forand Building to be the new home of the Registry of Motor Vehicles. The Department's FY 2010 third quarter report projected expenditures of \$12.9 million, or \$1.5 million more than the Governor recommended. Subsequently, he requested an amendment to shift \$1.5 million from FY 2011 to FY 2010 to reflect anticipated expenditures. The House Finance Committee concurs.

56. **DMV Computer Technology Project.** The 2006 Assembly authorized the Department of Administration to borrow \$13.0 million from Certificates of Participation to replace the computer system at the Division of Motor Vehicles with debt service supported by a transaction surcharge. The Department developed and adopted the surcharge by rule and regulation, which could not exceed seven years and started collecting the surcharge of \$1.50 per transaction on July 3, 2007. The 2009 Assembly amended the Public Debt Management Act to extend the collection of the surcharge from seven to 10 years and allow the surcharge collection to be used for project expenses in addition to debt service costs. Subsequently, the Governor requested an amendment to allow use of \$4.4 million from the restricted receipts collection for the project. The House Finance Committee concurs and reduces budgeted debt service in the Department of Administration to reflect delays from issuing the Certificates of Participation.

57. **Statewide Assessed Fringe Holiday.** The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for projected expenses. The FY 2009 and the FY 2010 budgets included a significant increase in the rate charged to cover the unusually large payouts associated with the recent retirement surge. The Budget Office has suspended the assessment for three pay periods in FY 2010, which saves \$2.1 million from general revenues. The House Finance Committee recommends reducing the Department of Revenue's FY 2010 budget by \$81,898 to reflect its these savings.

58. **Taxation TANF Position.** The Governor subsequently requested an amendment to provide \$16,258 from federal Stimulus funds to support 1.0 full-time position on a limited term to implement a new subsidized employment program that utilizes Temporary Assistance to Needy Families emergency funds in coordination with the Department of Labor and Training and the Department of Human Services. The House Finance Committee concurs.

59. **Turnover and Operating Savings.** The Governor's revised budget includes \$33.2 million from all funds, including \$26.1 million from general revenues to fund 428.0 full-time equivalent positions in the Department of Revenue. The Department has an average of 386.7 filled positions, or 37.3 vacant positions since the beginning of the fiscal year. The Department's third quarter report projects a general revenues surplus of \$0.5 million primarily from turnover savings. The House Finance Committee reduces expenditures to reflect the additional savings.

Legislature

60. **Statewide Assessed Fringe Holiday.** The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated

more resources than necessary for projected expenses. The FY 2009 and FY 2010 budgets included a significant increase in the rate charged to cover the unusually large payouts associated with the recent retirement surge. The Budget Office has suspended the assessment for three pay periods in FY 2010, which saves \$2.1 million from general revenues. The House Finance Committee recommends reducing the Legislature's budget FY 2010 budget by \$88,632 to reflect its portion of these savings.

61. Turnover. The House Finance committee recommends a \$150,000 reduction to the Legislature's budget from turnover savings above the amount assumed in its revised budget.

Lieutenant Governor

62. Statewide Assessed Fringe Holiday. The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for projected expenses. The FY 2009 and FY 2010 budgets included a significant increase in the rate charged to cover the unusually large payouts associated with the recent retirement surge. The Budget Office has suspended the assessment for three pay periods in FY 2010, which saves \$2.1 million from general revenues. The House Finance Committee recommends reducing the Office of the Lieutenant Governor's FY 2010 budget by \$2,873 to reflect its portion of these savings.

63. Turnover. The House Finance Committee recommends general revenue turnover savings of \$19,000. The revised budget assumes \$14,737 from turnover savings.

Secretary of State

64. Statewide Assessed Fringe Holiday. The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for projected expenses. The FY 2009 and FY 2010 budgets included a significant increase in the rate charged to cover the unusually large payouts associated with the recent retirement surge. The Budget Office has suspended the assessment for three pay periods in FY 2010, which saves \$2.1 million from general revenues. The House Finance Committee recommends reducing the Secretary of State's FY 2010 budget by \$14,285 to reflect its portion of these savings.

Treasurer

65. Statewide Assessed Fringe Holiday. The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for projected expenses. The FY 2009 and FY 2010 budgets included a significant increase in the rate charged to cover the unusually large payouts associated with the recent retirement surge. The Budget Office has suspended the assessment for three pay periods in FY 2010, which saves \$2.1 million from general revenues. The House Finance Committee recommends reducing the Office of the General Treasurer's FY 2010 budget by \$5,799 to reflect its portion of these savings.

66. Turnover and Contracted Services. Based on the Office's third quarter report, the House Finance Committee recommends additional general revenue turnover savings of \$82,000 and savings of \$13,000 in contracted services. This is equivalent to 1.0 vacant positions based on an average cost per position of \$85,587. The total reduction to the Governor's FY 2010 revised budget is \$95,000.

67. Unclaimed Property. Transfers of unclaimed property to the state are shown as expenditures in the Office's operating budget. The House Finance Committee recommends an additional \$1.5 million

for FY 2010 to reflect the estimate of the May Revenue Estimating Conference. This includes an additional \$0.4 million in transfer to the state General Fund.

Board of Elections

68. **Statewide Assessed Fringe Holiday.** The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for projected expenses. The FY 2009 and FY 2010 budgets included a significant increase in the rate charged to cover the unusually large payouts associated with the recent retirement surge. The Budget Office has suspended the assessment for three pay periods in FY 2010, which saves \$2.1 million from general revenues. The House Finance Committee recommends reducing the Board of Elections' FY 2010 budget by \$3,265 to reflect its portion of these savings.

Ethics Commission

69. **Statewide Assessed Fringe Holiday.** The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for projected expenses. The FY 2009 and FY 2010 budgets included a significant increase in the rate charged to cover the unusually large payouts associated with the recent retirement surge. The Budget Office has suspended the assessment for three pay periods in FY 2010, which saves \$2.1 million from general revenues. The House Finance Committee recommends reducing the Ethics Commission's FY 2010 budget by \$4,175 to reflect its portion of these savings.

Governor's Office

70. **Contingency Fund.** The FY 2010 revised budget includes the enacted amount of \$250,000 in expenditures for the contingency fund. The Contingency Fund may be used for expenditures in any state department or agency where funding is insufficient, or where such requirements are due to unforeseen conditions or are non-recurring items of an unusual nature. The Office's third quarter report projected expenditures of \$94,000, resulting in a surplus of \$156,000. The House Finance Committee reduces expenditures to reflect the savings.

71. **Statewide Assessed Fringe Holiday.** The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for projected expenses. The FY 2009 and the FY 2010 budgets included a significant increase in the rate charged to cover the unusually large payouts associated with the recent retirement surge. The Budget Office has suspended the assessment for three pay periods in FY 2010, which saves \$2.1 million from general revenues. The House Finance Committee recommends reducing the Office of the Governor's FY 2010 budget by \$14,211 to reflect its portion of these savings.

72. **Stimulus Funds – Personnel.** Subsequent to his budget submission, the Governor requested an amendment to provide \$35,000 from federal stimulus funds for the Office of Economic Recovery and Reinvestment for personnel expenditures. The Budget Office indicates that the funds will be used for salaries and benefits for staff time spent on stimulus energy related projects.

73. **Turnover and Operating Savings.** The Governor's revised budget includes \$4.5 million from general revenues to fund 39.0 full-time positions in the Office of the Governor and operating expenses. The Office's third quarter report projected a \$143,800 surplus, primarily from turnover savings. The Office has an average of 36.1 positions filled since the beginning of the fiscal year. The House Finance Committee reduces expenditures to reflect the projected savings.

Commission for Human Rights

74. **Statewide Assessed Fringe Holiday.** The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for projected expenses. The FY 2009 and FY 2010 budgets included a significant increase in the rate charged to cover the unusually large payouts associated with the recent retirement surge. The Budget Office has suspended the assessment for three pay periods in FY 2010, which saves \$2.1 million from general revenues. The House Finance Committee recommends reducing the Commission on Human Rights' FY 2010 budget by \$2,620 to reflect its portion of these savings.

75. **Unavailable Federal Funds.** The House Finance Committee reduces revised expenses by \$43,396 to correctly reflect federal funds available to the Commission. The Governor's recommendation overstated the federal receipts.

Public Utilities Commission

76. **Out of State Travel.** The Governor requested an amendment to eliminate the enacted level of \$52,750 for out-of-state travel. The House Finance Committee concurs.

77. **Stimulus Electricity Initiative.** The Governor requested an amendment to add \$0.1 million from American Recovery and Reinvestment Act funds and 2.0 full-time equivalent positions. Funds will be used to support training on various energy initiatives. The House Finance Committee concurs.

Office of Health and Human Services

78. **Statewide Assessed Fringe Holiday.** The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for projected expenses. The FY 2009 and FY 2010 budgets included a significant increase in the rate charged to cover the unusually large payouts associated with the recent retirement surge. The Budget Office has suspended the assessment for three pay periods in FY 2010, which saves \$2.1 million from general revenues. The House Finance Committee recommends reducing the Office of Health and Human Services' FY 2010 budget by \$10,708 to reflect its portion of these savings.

79. **Turnover.** The House Finance Committee recommends additional general revenue turnover savings of \$50,000 for the Office of Health and Human Services for FY 2010. This is equivalent to 0.7 vacant positions based on an average cost per position of \$67,799.

Department of Children, Youth and Families

80. **Byrne Grant.** The Governor requested an amendment to add \$131,832 from federal funds for the Juvenile Corrections program. The grant will be used towards a training program for youth at risk of recidivism, including culinary, social and entrepreneurial skills. The House Finance Committee concurs.

81. **Capital - Eckerd Camp E-Hun-Tee.** The Governor budget includes \$85,000 in FY 2010 from Rhode Island Capital Plan funds to provide a septic system, a toilet system, and separate hand washing facilities for the 30 youth at Camp E-Hun-Tee. The Department of Children, Youth and Families indicates that this project has not started and that temporary restrooms were purchased last year. The

House Finance Committee recommends shifting \$85,000 from FY 2010 to later years based on a revised project schedule.

82. Capital - Groden Center Cowesett Road. The House Finance Committee recommends \$62,000 in FY 2010 from Rhode Island Capital Plan funds to provide fire code upgrades at the state owned group home located on Cowesett Road and to reimburse the Groden Center for expenses incurred prior to its accreditation in September 2009, including painting the exterior and the interior of the house, renovating one of the bathrooms, repairing the front fence, replacing the living room furniture and the exit doors, and temporarily fixing the driveway to prevent further erosion.

83. Capital - NAFI Center. The Governor's budget includes \$50,000 in FY 2010 from Rhode Island Capital Plan funds for repairs to the North American Family Institute on New London Avenue in Cranston. The Department of Children, Youth and Families indicates that this project has not started and that it plans to meet with engineers to discuss the accuracy of the estimates. The House Finance Committee recommends eliminating the funding in FY 2010.

84. Capital - Training School - Girls Facility (Adolph Meyer). The Governor's FY 2011 through FY 2015 capital plan includes \$9.2 million from Rhode Island Capital Plan funds in the Department of Administration's budget to build a new 24-bed girls' facility on the Pastore Campus in Cranston. He subsequently submitted an amendment to shift \$0.1 million in FY 2010 to the Department of Children, Youth and Families for the girls' training school. The House Finance Committee concurs.

85. Child Care Rate Reduction. The Governor submitted legislation in Article 5 of 2010-H 7105 to impose 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 revenues by approximately \$0.1 million. He subsequently requested an amendment to sunset this provision on September 30, 2010. The House Finance Committee does not recommend the rate reduction and restores \$1.1 million from all sources, including \$126,369 in the Department of Children, Youth and Families and \$1.0 million in the Department of Human Services.

86. Family Preservation and Support Services Grant. The Governor requested an amendment to add \$55,037 from federal funds for the Family Preservation and Support Services grant. The purpose of this grant is to encourage and enable each state to develop and establish, or expand, and to operate a program of family preservation services and community-based family support services. The House Finance Committee concurs.

87. Howard Teachers Union Settlement. The Governor requested an amendment to save \$22,660 from general revenues from four pay reduction days for teachers in the Howard Teachers Union Settlement at the Training School. An agreement had not been met when the supplemental budget was submitted; therefore, savings for these days were not included. The agreement also includes eight pay reduction days in FY 2011 and the six-month deferral of the cost-of-living adjustment. The House Finance Committee concurs.

88. IDEA Part B Grant. The Governor requested an amendment to add \$107,500 from federal stimulus funds for the Juvenile Corrections program. The grant will be used to create an introductory vocational program at the Training School. The House Finance Committee concurs.

89. Indirect Cost for Federal Grants. Most federal grants allow for recovery of overhead costs, in addition to direct administrative costs, through the application of a negotiated indirect cost rate. The Departments of Health, Elementary and Secondary Education and Environmental Management take advantage of this allowance to lower state general revenue costs. The House Finance Committee recommends all eligible agencies reduce general revenue expenditures through use of a negotiated federal indirect rate. For the Department of Children, Youth and Families, the Committee recommends reducing general revenues by \$0.5 million assuming an indirect cost recovery rate of not less than 5.0 percent and shifts the grant funded expenditures from federal to restricted sources consistent with current practice for accounting for indirect cost recovery resources.

90. New Hope Diner Project. The Governor requested an amendment to shift \$20,000 from federal stimulus funds from FY 2011 to FY 2010. These funds will be used to begin the New Hope Diner project at the Rhode Island Training School. This project is an introductory vocational program to explore potential employment opportunities for high risk youth offenders. The House Finance Committee concurs.

91. Nurse Family Partnership Grant. The Governor requested an amendment to add \$170,000 from federal funds for the Nurse Family Partnership program, which will support the Department of Children, Youth and Families' Family Care and Community Partnership initiative. These grants will ensure the well being of low-income, first-time parents and their children by helping communities implement and sustain an evidence-based program of home visiting by registered nurses. Nurses provide support, education and counseling on health, behavior and self-sufficiency issues. The House Finance Committee concurs.

92. Statewide Assessed Fringe Holiday. The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for projected expenses. The FY 2009 and FY 2010 budgets included a significant increase in the rate charged to cover the unusually large payouts associated with the recent retirement surge. The Budget Office has suspended the assessment for three pay periods in FY 2010, which saves \$2.1 million from general revenues. The House Finance Committee recommends reducing the Department of Children, Youth and Families' FY 2010 budget by \$142,816 to reflect its portion of these savings.

93. Substance Abuse Block Grant. The Governor requested an amendment to add \$29,750 from federal Substance Abuse grant funds for the Juvenile Corrections program. The grant will be used to treat substance abuse for residents at the Training School. The House Finance Committee concurs.

94. Turnover. The revised budget includes \$65.8 million from all funds, including \$48.3 million from general revenues to fund 700.0 full-time positions in the Department of Children, Youth and Families. The Department has an average of 629.6 positions filled, or 70.4 vacant positions since the beginning of the fiscal year. The House Finance Committee recommends \$1.3 million in turnover savings, which equates to 1.9 percent of the Governor's recommended budget. Assuming an average cost of \$91,397 per position, the turnover savings is equivalent to 13.8 vacant positions.

Elderly Affairs

95. Case Management. The revised budget includes \$1.1 million from all sources, including \$0.6 million from general revenues for case management services. The Department has spent \$0.4 million or 32.7 percent of its funding to date. The House Finance Committee recommends savings of \$0.4

million from all sources, including \$0.2 million from general revenues for case management services based on lower than anticipated utilization of services.

96. Federal Funds for Community Service Grants. The House Finance Committee recommends removing \$1.0 million from general revenues by using the Title III Part B federal fiscal year 2010 grant award to fund the FY 2010 community service grants. Based on current documentation, the Department of Elderly Affairs is spending its federal fiscal year 2009 grant award. As of February 16, 2010 there was \$0.2 million left in this grant award. The grant award for federal fiscal year 2010, which began on October 1, 2009, totals \$1.8 million. The Department is able to draw down its federal fiscal year 2011 funding beginning October 1, 2010. Part B of Title III of the Older Americans Act of 1965 funds transportation, case management, housing, health information, and general assistance services. Many of these services are provided through senior centers, which also receive community service grants. This proposal will not reduce funding provided to senior centers; it will bring the grant awards from which the Department is drawing from up to date.

97. Home and Community Care. The House Finance Committee recommends general revenue savings of \$90,000 from the Home and Community Care programs based on lower than expected utilization. The Governor's recommendations include \$4.0 million from all sources, the enacted level of funding for the Adult Day and Home Care programs; however, as of the end of February 2010 it appears that there are savings of approximately \$0.1 million from all sources in both programs.

98. Indirect Cost for Federal Grants. Most federal grants allow for recovery of overhead costs, in addition to direct administrative costs, through the application of a negotiated indirect cost rate. The Departments of Health, Elementary and Secondary Education and Environmental Management take advantage of this allowance to lower state general revenue costs. The House Finance Committee recommends all eligible agencies reduce general revenue expenditures through use of a negotiated federal indirect rate. For the Department of Elderly Affairs, the Committee recommends reducing general revenues by \$0.5 million assuming an indirect cost recovery rate of not less than 5.0 percent and shifts the grant funded expenditures from federal to restricted sources consistent with current practice for accounting for indirect cost recovery resources.

99. OHHS Personnel. The Governor requested an amendment to reduce federal funds by \$97,137 for an employee whose salary is included in both the Office of Health and Human Services and the Department of Elderly Affairs. This position is authorized in the Office of Health and Human Services. The House Finance Committee concurs.

100. RIPAE Restore Assumed Savings. The Governor recommends \$1.6 million for the Rhode Island Pharmaceutical Assistance to the Elderly program, including \$0.8 million from general revenues and \$0.8 million from restricted receipts. This includes a shift of \$0.4 million from general revenues to restricted receipts. The recommendation is based on prior year rebate collections and does not reflect actual collections. The House Finance Committee does not concur and shifts \$175,000 from restricted receipts to general revenues based on actual collections.

101. Statewide Assessed Fringe Holiday. The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for projected expenses. The FY 2009 and FY 2010 budgets included a significant increase in the rate charged to cover the unusually large payouts associated with the recent retirement surge. The Budget Office has suspended the assessment for three pay periods in FY 2010, which saves \$2.1 million from general revenues. The House Finance Committee recommends reducing the Department of Elderly Affairs' FY 2010 budget by \$3,027 to reflect its portion of these savings.

102. Title VIII Food and Nutrition Services. The Governor requested an amendment to add \$125,000 from federal Title VIII Food and Nutrition funds. This funding provides meal reimbursements to senior nutrition programs, funds for home delivered meals, for seniors 60 and older and funds for over 75 congregate meal sites for seniors 60 or older. The House Finance Committee concurs.

103. Turnover. The House Finance Committee recommends additional general revenue turnover savings of \$90,000. The revised budget assumes \$33,830 from turnover savings.

Health

104. Autism Training Program. The Governor requested an amendment to add \$250,000 from federal funds for an autism project. The grant is provided from the Health Resources and Services Administration to the Department of Health to train teachers, physicians and other community providers on the early detection, education and intervention activities for autism and other developmental disorders. The House Finance Committee concurs.

105. Community Family Health Operations. The House Finance Committee recommends general revenue savings of \$70,000 from reducing Community and Family Health and Equity funding. Based on updated information, the Department indicates it has excess funds in this program.

106. Healthy Housing Pilot. The Governor requested an amendment to add \$94,311 from federal funds for a healthy homes pilot project. The grant is provided from the Centers for Disease Control to the Department of Health to evaluate and mitigate multi-family residences that contain molds, pesticides and other toxins. The House Finance Committee concurs.

107. Infectious Disease. The Governor requested an amendment to add \$201,830 from federal stimulus funds for gathering and improving reporting capabilities for health care associated infections. The House Finance Committee concurs.

108. Legal Services. The House Finance Committee does not concur with the Governor's recommendation to add \$180,000 from general revenues to support additional contracted legal services in environmental health and 1.0 legal position at the Department and reduces funding accordingly and eliminates the position.

109. Licensing and Regulatory Restricted Receipt Shift. The House Finance Committee recommends increasing restricted receipt expenses by \$65,000 for licensing and regulatory functions and reducing general revenues by \$0.1 million. Funds are used to support policy determination on all licensing and regulatory entities or personnel in Rhode Island, manage certificate of needs operations and Hospital Conversion Act activities.

110. Pandemic Flu. The Governor requested an amendment to add \$554,333 from restricted receipts to cover costs incurred in FY 2009 for Pandemic Flu expenses that were not invoiced until FY 2010. The House Finance Committee concurs.

111. Safe and Active Commuting. The Governor requested an amendment to add \$56,749 from federal funds passed through the Rhode Island Department of Transportation for a new cooperative agreement to promote safe and active commuting under federal authorization of the Safe, Accountable, Flexible, Efficient, Transportation Equity Act. Funds will be used to encourage bicycle pedestrian

usage and safety. It also provides for bike helmets for children. The House Finance Committee concurs.

112. **Statewide Assessed Fringe Holiday.** The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for projected expenses. The FY 2009 and FY 2010 budgets included a significant increase in the rate charged to cover the unusually large payouts associated with the recent retirement surge. The Budget Office has suspended the assessment for three pay periods in FY 2010, which saves \$2.1 million from general revenues. The House Finance Committee recommends reducing the Department of Health's FY 2010 budget by \$63,143 to reflect its portion of these savings.

113. **Turnover.** The House Finance Committee recommends additional general revenue turnover savings of \$1.2 million for the Department of Health for FY 2010. This is equivalent to 13.3 vacant positions based on an average cost per position of \$89,919. The Governor's FY 2010 revised budget assumes turnover savings of \$968,713 which is equivalent to 10.8 vacant positions; the Department has averaged 49.7 vacant positions funded from all sources.

114. **Women Infants and Children Benefits.** The Governor requested an amendment to add \$147,488 from federal stimulus funds for the Women Infants and Children nutritional program. The increased funding is a result of an increased appropriation from American Recovery and Reinvestment Act funds. The House Finance Committee concurs.

115. **Women's Cancer Screening.** The Department of Health has exhausted all funds for the breast and cervical cancer early detection screening portion of the program and has suspended these services for the remainder of the fiscal year. Subsequently, the Department of Health received \$110,000 from anonymous donations for the Women's Cancer Screening program which the Department plans to use to match Medicaid. The Department expects to expend \$70,000 from general revenues in the current year of the donation with the remainder allocated to FY 2011. The House Finance Committee concurs.

Human Services

116. **Child Care Rate Reduction Restoration.** The Governor proposed Article 5 to permanently reduce the child care subsidy rates paid to both family and center based child care providers by five percent of the 2009 rate, effective January 1, 2010. He subsequently requested an amendment to sunset this provision on September 30, 2010. The House Finance Committee does not recommend the rate reduction and restores \$1.0 million, including \$465,473 from general revenues.

117. **Elderly Transportation.** The Governor's budget includes \$4.1 million from the Intermodal Surface Transportation Fund, \$0.3 million less than enacted, which supports operation of the RIDE transit program. He subsequently requested an amendment to add \$127,962 to reflect the current per penny yield forecast associated with the revised gas tax estimate for FY 2010. The House Finance Committee concurs.

118. **Emergency Food Assistance Program - Stimulus.** The Governor requested an amendment to provide expenditure authority for \$185,000 from federal stimulus funds for the Emergency Food Assistance Program. There is no funding included in the enacted budget. The House Finance Committee concurs.

119. Estate Recoveries. The House Finance Committee assumes savings of \$0.9 million, \$0.5 million from general revenues from adding three positions in FY 2010 to assist in estate recoveries at the Department of Human Services. The state has the ability to recover costs provided to certain Medicaid clients in a long term care facility. This assumes \$1.0 million in additional recoveries offset by staffing costs.

120. Hospital Rate Reduction. The enacted budget assumes savings of \$2.5 million from implementing a new reimbursement system utilizing the diagnostic related group model. Payments are to be made to hospitals based on diagnoses, procedures and patient age. The Governor's budget includes additional savings of \$2.7 million, including \$1.0 million from general revenues, or 2.3 percent of expenses, from a temporary rate reduction in the final quarter of FY 2010. The House Finance Committee does not concur and restores \$2.5 million, \$0.9 million from general revenues.

121. IDEA Part C - Stimulus. The Governor includes \$4.6 million from all fund sources for Early Intervention in his revised recommendation. Early Intervention is a comprehensive system of services designed to support families' capacities to enhance the growth and development of toddlers, birth to 3 years, who may have certain diagnosed conditions, delays in their development or be experiencing circumstances that are likely to result in significant developmental problems without intervention. He subsequently requested an amendment to provide expenditure authority for \$1.6 million from newly available federal Stimulus funds to reflect available IDEA Part C funds. He subsequently requested an additional amendment to transfer \$0.8 million included in his FY 2011 budget into FY 2010, for a total increase of \$2.4 million. The House Finance Committee concurs.

122. May Caseload Adjustments. The House Finance Committee recommends an additional \$22.3 million, which includes a \$3.1 million reduction from general revenues to adjust the FY 2010 budget for the May Caseload Conference estimates for cash assistance caseloads and medical assistance expenditures. The caseload estimators meet twice per year to estimate cash and medical assistance expenditures to provide a more stable and accurate method of financial planning and budgeting per Rhode Island General Law 35-17-1.

123. Project Smile Community Service Grant. The House Finance Committee recommends the elimination of the project smile community service grant. This grant, valued at \$7,500, was not claimed in either FY 2008 or FY 2009. The Department of Human Services does not know whom to contact regarding the award of the grant and no one has stepped forward to claim it.

124. Statewide Assessed Fringe Holiday. The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for projected expenses. The FY 2009 and FY 2010 budgets included a significant increase in the rate charged to cover the unusually large payouts associated with the recent retirement surge. The Budget Office has suspended the assessment for three pay periods in FY 2010, which saves \$2.1 million from general revenues. The House Finance Committee recommends reducing the Department of Human Services' FY 2010 budget by \$108,380 to reflect its portion of these savings.

125. TANF Emergency Funds. The Governor requested an amendment to provide \$18.1 million in new federal emergency Temporary Assistance to Needy Families contingency funds for a new subsidized employment program. This includes \$18.0 million for the disbursement of subsidized wages to participating employers and \$72,964 to reflect funding 4.0 time-limited positions to support eligibility determination. The House Finance Committee concurs.

126. Traumatic Brain Injury Program. The Governor requested an amendment to increase federal fund authority by \$88,384 to reflect the planned disbursement of residual funding available under the Traumatic Brain Injury Program. There is no funding included in the enacted budget. The House Finance Committee concurs.

Mental Health, Retardation and Hospitals

127. Capital - Community Facilities - Fire Code Upgrades. The Governor's FY 2011 through FY 2015 Capital Budget includes \$3.4 million from Rhode Island Capital Plan funds to install new and upgrade existing fire alarms and sprinkler systems throughout the community developmental disability and mental health facilities. This includes \$1.3 million in FY 2010. The House Finance Committee reduces FY 2010 funding by \$1.1 million to reflect expenses to date.

128. Capital - Hospital Consolidation. The Governor's FY 2011 through FY 2015 Capital Budget includes \$29.0 million for the Eleanor Slater Hospital consolidation plan, including \$28.3 million from Certificates of Participation and \$670,000 from Rhode Island Capital Plan funds. He subsequently requested an amendment to increase FY 2010 funding by \$120,000 to be consistent with his capital recommendation for increased architectural and engineering costs. The House Finance Committee concurs.

129. Capital - Medical Center Asset Protection. The Governor's FY 2011 through FY 2015 Capital Budget includes \$7.0 million for the ongoing maintenance of 11 buildings at the Pastore Center occupied by the Department of Mental Health, Retardation and Hospitals. He also includes \$1.2 million for FY 2010. The House Finance Committee reduces funding by \$0.8 million for FY 2010 based on past spending patterns, which includes \$146,380 for FY 2007, \$94,090 for FY 2008 and \$27,640 for FY 2009.

130. Capital - Regional Center Repair/Rehabilitation. The Governor's FY 2011 through FY 2015 Capital Budget includes \$1.5 million from Rhode Island Capital Plan funds for repairs and renovations to the state's 11 regional workshop centers that provide day services to adults with development disabilities. He includes \$1.3 million for projects in FY 2010. He subsequently requested an amendment to decrease FY 2010 funding by \$333,196 to be consistent with his capital recommendation. The House Finance Committee concurs and further decreases funding by \$0.5 million.

131. CMAP to Actual Levels. The House Finance Committee recommends savings of \$275,616, \$130,419 from general revenues for total expenses of \$2.5 million for community medical assistance drug expenses based on prior years spending. The Department of Mental Health, Retardation and Hospitals spent \$2.6 million in FY 2008 and \$2.3 million in FY 2009.

132. Hospital License Fee. The House Finance Committee recommends adding \$42,840 from all funds including \$15,457 from general revenues to fund the hospital license fee at \$5.8 million for Eleanor Slater Hospital. The FY 2010 fee, paid by both the community hospitals and the state, is increasing from 5.237 percent to 5.276 percent of net patient services revenue. There is also a corresponding revenue adjustment.

133. Indirect Cost for Federal Grants. Most federal grants allow for recovery of overhead costs, in addition to direct administrative costs, though the application of a negotiated indirect cost rate. The Departments of Health, Elementary and Secondary Education and Environmental Management take advantage of this allowance to lower state general revenue costs. The House Finance Committee

recommends all eligible agencies reduce general revenue expenditures through use of a negotiated federal indirect rate. For the Department of Mental Health, Retardation and Hospitals, the Committee recommends reducing general revenues by \$1.0 million assuming an indirect cost recovery rate of not less than 5.0 percent and shifts the grant funded expenditures from federal to restricted sources consistent with current practice for accounting for indirect cost recovery resources.

134. Non-Medicaid Restricted Receipts. The Governor's FY 2011 budget establishes a new restricted receipt account in the Department of Mental Health, Retardation and Hospitals' budget for state hospital costs reimbursed from third party payers, such as Medicare and commercial insurers. The House Finance Committee creates the new account in the FY 2010 revised budget and adds \$3.2 million from restricted receipts and reduces general revenues by the same amount.

135. Statewide Assessed Fringe Holiday. The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for projected expenses. The FY 2009 and FY 2010 budgets included a significant increase in the rate charged to cover the unusually large payouts associated with the recent retirement surge. The Budget Office has suspended the assessment for three pay periods in FY 2010, which saves \$2.1 million from general revenues. The House Finance Committee recommends reducing the Department of Mental Health, Retardation and Hospitals' FY 2010 budget by \$109,883 to reflect its portion of these savings.

136. Support Operations. The House Finance Committee recommends reducing operating costs by \$154,500 from general revenues based on updated projections from the Department of Mental Health, Retardation and Hospitals' second quarter report.

137. Turnover. The House Finance Committee recommends additional turnover savings of \$3.5 million, \$1.4 million from general revenues for the Department of Mental Health, Retardation and Hospitals for FY 2010. The Governor's FY 2010 revised budget assumes 122.7 vacant positions and the Department has averaged 177.7 vacant positions.

Office of the Child Advocate

138. Statewide Assessed Fringe Holiday. The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for projected expenses. The FY 2009 and FY 2010 budgets included a significant increase in the rate charged to cover the unusually large payouts associated with the recent retirement surge. The Budget Office has suspended the assessment for three pay periods in FY 2010, which saves \$2.1 million from general revenues. The House Finance Committee recommends reducing the Office of the Child Advocate's FY 2010 budget by \$1,681 to reflect its portion of these savings.

Deaf and Hard of Hearing

139. Statewide Assessed Fringe Holiday. The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for projected expenses. The FY 2009 and FY 2010 budgets included a significant increase in the rate charged to cover the unusually large payouts associated with the recent retirement surge. The Budget Office has suspended the assessment for three pay periods in FY 2010, which saves \$2.1 million from general revenues. The House Finance Committee recommends

reducing the Deaf and Hard of Hearing's FY 2010 budget by \$940 to reflect its portion of these savings.

Governor's Commission on Disabilities

140. **Statewide Assessed Fringe Holiday.** The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for projected expenses. The FY 2009 and FY 2010 budgets included a significant increase in the rate charged to cover the unusually large payouts associated with the recent retirement surge. The Budget Office has suspended the assessment for three pay periods in FY 2010, which saves \$2.1 million from general revenues. The House Finance Committee recommends reducing the Governor's Commission on Disabilities FY 2010 budget by \$1,085 to reflect its portion of these savings.

Office of the Mental Health Advocate

141. **Turnover.** The House Finance Committee recommends additional turnover savings of \$14,200 to reflect an individual taking a temporary leave of absence in the current fiscal year.

142. **Statewide Assessed Fringe Holiday.** The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for projected expenses. The FY 2009 and FY 2010 budgets included a significant increase in the rate charged to cover the unusually large payouts associated with the recent retirement surge. The Budget Office has suspended the assessment for three pay periods in FY 2010, which saves \$2.1 million from general revenues. The House Finance Committee recommends reducing the Office of the Mental Health Advocate's FY 2010 budget by \$1,212 to reflect its portion of these savings.

Elementary & Secondary Education

143. **Capital - Chariho Career and Technical School.** The Governor recommends \$1.6 million from Rhode Island Capital Plan funds to make health and safety renovations and repairs to the Chariho Career and Technical Center for this district to consider taking ownership of the facility. Renovations include replacing the electrical panel system, paving the parking areas and replacing the failing plumbing system. Approximately \$3.0 million of the \$15.0 million bond issue for the career and technical schools was spent on Chariho. Nearly half of that amount was spent for a new HVAC system. The remaining funds were used for fire code upgrades and to correct the drinking water issue. The House Finance Committee recommends shifting \$0.3 million from FY 2010 to FY 2012 based on a revised project schedule. Total funding is as recommended.

144. **Capital - Cranston Career and Technical School.** The Governor recommends \$1.7 million from Rhode Island Capital Plan funds for FY 2010 through FY 2013 to cover remaining miscellaneous life and fire safety repairs and the replacement of the HVAC system at the Cranston Career and Technical Center. The Regents have identified Cranston as the highest priority because the HVAC system has been reported as in a state of constant failure. The House Finance Committee recommends shifting \$0.2 million from FY 2010 to FY 2013 based on a revised project schedule. Total funding is as recommended.

145. **Capital - East Providence Career and Technical School.** The Governor recommends \$157,872 from Rhode Island Capital Plan funds for FY 2010 to cover remaining fire, health, and life

safety repairs at the East Providence Career and Technical Center. Funding is consistent with the approved capital plan but programmed one year earlier. The Department believes that the district will consider taking ownership once these repairs are made. The House Finance Committee recommends shifting \$0.1 million from FY 2010 to FY 2011 based on a revised project schedule. Total funding is as recommended.

146. Capital - Met School East Bay. The Governor recommends \$10.1 million from Rhode Island Capital Plan funds for FY 2009 through FY 2013 to renovate and add new space to the Florence Gray Community Center in Newport to accommodate the growing student enrollment at the Met School's East Bay Campus. The school opened in August 2006 with 30 students; it now has 90. Funding is consistent with the approved capital plan but programmed two years later to reflect a revised project schedule. The House Finance Committee recommends shifting \$0.3 million from FY 2010 to later years based on a revised project schedule. This will provide \$0.8 million for FY 2010 consistent with project needs. Total funding is as recommended.

147. Capital - Warwick Career and Technical School. The Governor recommends \$688,036 from Rhode Island Capital Plan funds for FY 2010 through FY 2012 to replace the roof at the Warwick Career and Technical Center. The House Finance Committee recommends shifting \$158,036 from FY 2010 to FY 2011 and FY 2012 based on a revised project schedule. Total funding is as recommended.

148. Capital - Woonsocket Career and Technical School. The Governor recommends \$1.2 million from Rhode Island Capital Plan funds for FY 2010 through FY 2013 to replace the roof at the Woonsocket Career and Technical Center. The House Finance Committee recommends shifting \$275,788 from FY 2010 to FY 2011, FY 2012 and FY 2013 based on a revised project schedule. Total funding is as recommended.

149. Community Service Grants - No Application Received. The Governor's budget includes \$0.8 million for approximately 50 community service grants to community organizations. The House Finance Committee recommends eliminating three grants for which the grant recipient has not requested the funds for a savings of \$42,794.

150. Construction Aid Adjustment. The House Finance Committee recommends savings of \$56,781 for FY 2010 school housing aid based on updated spending projections.

151. Education Telecommunications Access Fund. The Governor proposes reducing 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. The House Finance Committee does not recommend the proposed increase in the surcharge and provides \$250,000 from general revenues for FY 2010.

152. Federal Expenditure Authority Adjustment. Based on information from the state's accounting network and the Department's second quarter report, the House Finance Committee recommends reducing the Department's FY 2010 federal expenditure authority by \$6.1 million to reflect anticipated expenditures.

153. **Federal Fund Correction School for the Deaf.** The Governor requested an amendment to add \$47,965 from federal funds for the School for the Deaf to reflect available funding. The House Finance Committee concurs.

154. **Federal Grants Adjustments.** The Governor requested an amendment to add \$0.5 million from federal funds for the Department of Elementary and Secondary Education based on the availability of federal grants. Two grants received an extension and the Department inadvertently omitted available carry forward funding from its request. The House Finance Committee concurs.

155. **Formula Aid Adjustments.** The Governor requested an amendment to reduce formula education aid by \$19,304 to reflect current law requirements for several aid programs. Changes include an additional \$105,000 to fund seven group home beds that opened by December 31, 2009 consistent with current law requirements offset by savings of \$6,139 based on actual expenditures in the textbook reimbursement program and \$118,165 in charter school aid based on updated enrollment data. The House Finance Committee concurs.

156. **New Davies Federal Grant.** The Governor requested an amendment to add \$57,139 from federal funds for the Davies Career and Technical School to reflect newly available federal funds. This includes a new grant to improve school support as well as additional stimulus funding for special education. The House Finance Committee concurs.

157. **Race to the Top.** The Governor's FY 2010 revised budget includes \$5.0 million in the event that Rhode Island is awarded Race to the Top funds. The Department was notified at the end of March that it would not be awarded funds in the first round. While it is intending to apply for second round funds, those awards will not be made until June and even if Rhode Island is successful, funding will not be available until FY 2011.

158. **Statewide Assessed Fringe Holiday.** The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for projected expenses. The FY 2009 and FY 2010 budgets included a significant increase in the rate charged to cover the unusually large payouts associated with the recent retirement surge. The Budget Office has suspended the assessment for three pay periods in FY 2010, which saves \$2.1 million from general revenues. The House Finance Committee recommends reducing the Department of Elementary and Secondary Education's FY 2010 budget by \$84,935 to reflect its portion of these savings.

159. **Stimulus - Administrative Costs.** The Governor requested an amendment to use \$402,600 that had been allocated for the 0.5 percent administrative charge from education stabilization funds as education aid to districts. This is based on the federal government's decision that the allowable 0.5 percent administrative charge on stabilization funds shall not be assessed against the education share of funds and shall be allocated entirely to the share for general government uses. The Governor proposes using the additional stabilization funds for aid in lieu of a like amount from general revenues. He also proposes adding \$402,600 from general revenues to the Department of Public Safety to backfill the loss of additional funding for administrative overhead. The House Finance Committee concurs.

160. **Stimulus from FY 2011.** The House Finance Committee recommends advancing an additional \$7.0 million from federal fiscal stabilization funds from FY 2011 to FY 2010 in lieu of a like reduction from general revenues. This will leave approximately \$19.6 million available for FY 2011.

161. **Teacher Pension Reduction (35K).** The Governor proposed 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 in teacher retirement cost 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 same amount to capture those as savings for the state as well.

The House Finance Committee recommends limiting the cost-of-living adjustment to the first \$35,000 of a pension beginning on the third anniversary of retirement or age 65, whichever is later. This is estimated to save \$9.9 million, which is \$20.9 million less than the savings assumed in the Governor's budget. The House Finance Committee recommends adding \$21.0 million, including \$12.6 million for the local share and \$8.4 million for the state's share to account for this.

162. Turnover. The House Finance Committee recommends additional general revenue turnover savings of \$300,000 for the Department of Elementary and Secondary Education for FY 2010 based on the Department's third quarter report. This is equivalent to 3.1 vacant positions based on an average cost per position of \$97,809. The Governor's FY 2010 revised budget assumes 18.1 vacant positions; the Department has averaged 24.8 vacant positions.

Higher Education

163. Capital - CCRI Fire Code and HVAC. The Governor recommends \$3.3 million from Rhode Island Capital Plan funds for FY 2010 to replace the rooftop HVAC units on the main building of the Flanagan Campus. The House Finance Committee recommends \$1.5 million for FY 2010 based on projected expenditures. This is \$1.8 million less than recommended.

164. Capital - RIC New Arts Center Planning. The Governor recommends total funding of \$18.8 million programmed through FY 2013 for a new art center at Rhode Island College. He recommends placing \$17.0 million on the November 2010 ballot for expenditure in FY 2012 and providing Rhode Island Capital Plan funding in FY 2010 and FY 2011 to begin the project. He requested an amendment to add \$0.5 million from Rhode Island Capital Plan funds for FY 2010 consistent with his capital budget. The House Finance Committee recommends adding \$100,000 based on projected expenditures.

165. Capital - URI Nursing Building. The Governor requested an amendment to add \$60.0 million to the November 2010 ballot for a new nursing sciences building in Providence for the University and College. There were only preliminary estimates provided at that time. The House Finance Committee recommends \$25,000 from Rhode Island Capital Plan funds for FY 2010 and \$150,000 for FY 2011 for a feasibility study on a new nursing sciences building for the University of Rhode Island and Rhode Island College. The feasibility study must include enrollment projections, operating costs, space sharing plans, and planned Governance.

166. New Federal Stimulus Byrne Grant. The Governor requested an amendment to add \$125,076 from federal stimulus funds for the crime lab at the University of Rhode Island. The grant is awarded through the Department of Public Safety's grant administration office. The House Finance Committee concurs.

167. OHE - Statewide Data Systems. The Governor requested an amendment to add \$200,000 from a federal grant through the Department of Elementary and Secondary Education for a statewide data systems initiative. The Office will use the money to fund its existing data warehouse project. The House Finance Committee concurs.

168. RIC Debt Service Correction. The Governor requested an amendment to reduce debt service paid for Rhode Island College projects by \$2.5 million. This will reflect current debt service expenditures. Debt service on the College's residence hall was mistakenly budgeted twice and at a higher amount than required. This will provide the correct amount of \$1.6 million for FY 2010. The House Finance Committee concurs.

169. Statewide Assessed Fringe Holiday. The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for projected expenses. The FY 2009 and FY 2010 budgets included a significant increase in the rate charged to cover the unusually large payouts associated with the recent retirement surge. The Budget Office has suspended the assessment for three pay periods in FY 2010, which saves \$2.1 million from general revenues. The House Finance Committee recommends reducing Public Higher Education's FY 2010 budget by \$257,609 to reflect its portion of these savings.

170. Turnover. The House Finance Committee recommends additional general revenue turnover savings of \$1.5 million for public higher education for FY 2010. This is equivalent to 17.5 vacant positions based on an average cost per position of \$85,731. The Governor's FY 2010 revised budget assumes 85.5 vacant positions; the institutions and the Office of Higher Education have averaged 137.4 vacant positions during FY 2010.

171. URI Energy Conservation Debt Service. The Governor requested an amendment to reduce debt service paid for the University's energy conservation project by \$0.8 million for a total of \$1.3 million for FY 2010 based on anticipated expenditures. The House Finance Committee concurs.

Arts Council

172. Black Rep Community Service Grant (Bankruptcy). The Governor's FY 2010 revised budget includes \$620,725 from general revenues for various community service grants to art organizations within the state of Rhode Island. The House Finance Committee recommends eliminating the grant to the Black Repertory Theater to save \$21,375. The theater is in bankruptcy and receivership.

173. Statewide Assessed Fringe Holiday. The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for projected expenses. The FY 2009 and FY 2010 budgets included a significant increase in the rate charged to cover the unusually large payouts associated with the recent retirement surge. The Budget Office has suspended the assessment for three pay periods in FY 2010, which saves \$2.1 million from general revenues. The House Finance Committee recommends reducing the Council on the Arts' FY 2010 budget by \$1,957 to reflect its portion of these savings.

Atomic Energy

174. Statewide Assessed Fringe Holiday. The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for projected expenses. The FY 2009 and FY 2010 budgets included a significant increase in the rate charged to cover the unusually large payouts associated with the recent retirement surge. The Budget Office has suspended the assessment for three pay periods in FY 2010, which saves \$2.1 million from general revenues. The House Finance Committee recommends reducing the Atomic Energy Commission's FY 2010 budget by \$2,561 to reflect its portion of these savings.

175. Federal Grants Adjustments. The Governor requested an amendment to add \$21,892 from federal funds to reflect additional available funds for training costs for new staff as well as out of state transportation expenses for reactor licensing review. The House Finance Committee concurs.

Higher Education Assistance Authority

176. College Access Challenge Grant. The Governor requested an amendment to add \$330,000 to the budget of the Higher Education Assistance Authority for college access challenge grant funding. The Authority was notified late in the year that they would be receiving this funding. The grant is intended to increase the number of low income students who are prepared to enter post-secondary education. The House Finance Committee concurs.

177. College Bound Fund. The House Finance Committee recommends using \$0.6 million from tuition savings fees in lieu of a like amount from general revenues to fund need based scholarships and grants for FY 2010. This represents a portion of the estimated year end balance in tuition savings fees. The Governor's recommendation of \$12.1 million includes \$6.4 million from general revenues and \$5.8 million from tuition savings funds. Tuition savings funds come from maintenance fees paid by out-of-state participants of the Tuition Savings Program that the Authority administers.

178. Statewide Assessed Fringe Holiday. The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for projected expenses. The FY 2009 and FY 2010 budgets included a significant increase in the rate charged to cover the unusually large payouts associated with the recent retirement surge. The Budget Office has suspended the assessment for three pay periods in FY 2010, which saves \$2.1 million from general revenues. The House Finance Committee recommends reducing the Higher Education Assistance Authority's FY 2010 budget by \$1,517 to reflect its portion of these savings.

179. Turnover. The House Finance Committee recommends additional general revenue turnover savings of \$25,000 for the Higher Education Assistance Authority for FY 2010. This will be achieved by keeping a part-time storekeeper position vacant and not filling another position recently vacated through retirement.

Historical Preservation and Heritage Commission

180. Certified Local Grants. The Governor's FY 2010 revised budget includes \$0.5 million from federal sources for the Survey and Planning fund. Subsequent to his budget submission, the Governor requested an amendment to add \$0.1 million from additional federal funds, as the Commission had more Certified Local Grant expenditures than previously anticipated. The House Finance Committee concurs.

181. Historic Preservation Easement Fund Receipt Adjustment. The Governor requested an amendment to add \$2,180 from restricted receipts to reflect the actual receipts received by the Commission. The House Finance Committee concurs and offsets this increase with a corresponding decrease in general revenue expenditures.

182. Statewide Assessed Fringe Holiday. The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for projected expenses. The FY 2009 and FY 2010 budgets included a significant increase in the rate charged to cover the unusually large payouts associated with the recent retirement surge. The Budget Office has suspended the assessment for three pay periods in FY 2010,

which saves \$2.1 million from general revenues. The House Finance Committee recommends reducing the Historic Preservation and Heritage Commission's FY 2010 budget by \$3,185 to reflect its portion of these savings.

RI Public Telecommunications Authority

183. **Closed Captioning Services.** The Governor's revised recommendations include \$11,700 for closed captioning services for the Public Telecommunications Authority. The House Finance Committee recommends general revenue savings of \$5,700 based on anticipated closed captioning service expenditures and historical spending. In FY 2009, the Authority spent \$5,400 on this service.

184. **Statewide Assessed Fringe Holiday.** The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for projected expenses. The FY 2009 and FY 2010 budgets included a significant increase in the rate charged to cover the unusually large payouts associated with the recent retirement surge. The Budget Office has suspended the assessment for three pay periods in FY 2010, which saves \$2.1 million from general revenues. The House Finance Committee recommends reducing the Public Telecommunications Authority's FY 2010 budget by \$3,157 to reflect its portion of these savings.

Attorney General

185. **Capital - Building Renovations and Repairs.** The Governor recommends \$0.7 million from Rhode Island Capital Plan funds for FY 2010 to repair and renovate the Attorney General's main building. The House Finance Committee recommends \$0.6 million for FY 2010 based on projected expenditures. This is \$0.1 million less than recommended.

186. **Consumer Education Account.** The FY 2010 enacted budget includes \$428,337 from general revenues for the Attorney General's consumer education unit. The Governor's revised recommendation includes \$154,909 more than enacted, including \$22,591 less from general revenues and \$177,500 more from restricted receipts. Based on a recent settlement reached by the Department and funds available in the restricted receipt account, the House Finance Committee recommends shifting expenses totaling \$250,000 from general revenues to the restricted receipt account.

187. **Drug Market Intervention Grant to Federal.** The Governor included \$37,500 from general revenues for a grant for the drug market intervention initiative. The funding should be reflected as a federal source and the House Finance Committee makes the necessary adjustments to reflect this.

188. **National Criminal History Improvement Program.** The FY 2010 enacted budget did not include funding for the National Criminal History Improvement Program of the Bureau of Criminal Identification. However, the Governor subsequently requested an amendment to add \$25,209 from available federal funds for FY 2010. The House Finance Committee concurs.

189. **Statewide Assessed Fringe Holiday.** The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for projected expenses. The FY 2009 and FY 2010 budgets included a significant increase in the rate charged to cover the unusually large payouts associated with the recent retirement surge. The Budget Office has suspended the assessment for three pay periods in FY 2010, which saves \$2.1 million from general revenues. The House Finance Committee recommends reducing the Attorney General's FY 2010 budget by \$62,403 to reflect its portion of these savings.

190. Tobacco Litigation. The FY 2010 enacted budget did not include funding for the Attorney General's tobacco litigation expenses. However, the Governor's revised budget recommendation adds \$151,400 from general revenues to cover a pro-rated share of salaries of mediators, copies of transcripts, and out-of-state transportation and lodging. However, it appears this litigation will not go forward before the end of FY 2010, the House Finance Committee recommends shifting \$123,435 of uncommitted funding from FY 2010 to FY 2011.

Corrections

191. Capital - Asset Protection. The Governor recommends \$3.1 million from Rhode Island Capital Plan funds for FY 2010 for asset protection projects. The House Finance Committee recommends shifting \$0.8 million of uncommitted funding from FY 2010 to later years based on updated project schedules and anticipated expenses.

192. Drug Court Program. The Governor requested an amendment to add \$68,000 from federal funds to fully fund a probation and parole office in the drug court program. The House Finance Committee concurs and reduces general revenues accordingly.

193. Indirect Cost for Federal Grants. Most federal grants allow for recovery of overhead costs, in addition to direct administrative costs, through the application of a negotiated indirect cost rate. The Departments of Health, Elementary and Secondary Education and Environmental Management take advantage of this allowance to lower state general revenue costs. The House Finance Committee recommends all eligible agencies reduce general revenue expenditures through use of a negotiated federal indirect rate. For the Department of Corrections, the Committee recommends reducing general revenues by \$122,837 assuming an indirect cost recovery rate of not less than 5.0 percent and shifts the grant funded expenditures from federal to restricted sources consistent with current practice for accounting for indirect cost recovery resources.

194. Population. The Governor's FY 2010 revised budget assumes a prison population of 3,659 inmates based on the Department's FY 2011 population projections prepared in the fall of 2008. Recent population reports from the Department show downward trends in prison population and suggest the population will decline by an average of approximately 108 inmates for a total of 3,551 for FY 2010. The House Finance Committee recommends a reduction of \$1.1 million to reflect anticipated savings associated with the reduction.

195. RIBCO Settlement. The enacted budget includes \$7.4 million from general revenues for cost-of-living adjustments for correctional officers for the period of FY 2007 through FY 2010. Estimates calculated by the Budget Office based on the arbitrator's decision anticipate \$5.4 million for this expense for FY 2010. The House Finance Committee recommends a general revenue reduction of \$2.0 million to reflect an anticipated surplus budgeted for this expense.

196. State Criminal Alien Assistance. The Governor's FY 2010 revised budget adds \$352,824 from general revenues to restore a shortfall for overestimated federal State Criminal Alien Assistance funds for incarcerating undocumented immigrants. Subsequently, the Governor requested an amendment to reduce general revenues by \$7,120 to reflect a carry forward balance from prior federal awards for this program. The House Finance Committee concurs.

197. Statewide Assessed Fringe Holiday. The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for projected expenses. The FY 2009 and FY 2010 budgets included a

significant increase in the rate charged to cover the unusually large payouts associated with the recent retirement surge. The Budget Office has suspended the assessment for three pay periods in FY 2010, which saves \$2.1 million from general revenues. The House Finance Committee recommends reducing the Department of Corrections' FY 2010 budget by \$413,107 to reflect its portion of these savings.

Judicial

198. **Capital - Asset Protection Shift.** The Governor's capital budget included \$529,466 for FY 2010 from Rhode Island Capital Plan funds for asset protection projects for the Judiciary. The Department provided further information indicating the need for additional capital funds for asset protection projects for FY 2010. The House Finance Committee recommends shifting \$557,000 from general revenues to Rhode Island Capital Plan funds for FY 2010.

199. **Indirect Cost for Federal Grants.** Most federal grants allow for recovery of overhead costs, in addition to direct administrative costs, through the application of a negotiated indirect cost rate. The Departments of Health, Elementary and Secondary Education and Environmental Management take advantage of this allowance to lower state general revenue costs. The House Finance Committee recommends all eligible agencies reduce general revenue expenditures through use of a negotiated federal indirect rate. For the Judiciary, the Committee recommends reducing general revenues by \$104,069 assuming an indirect cost recovery rate of not less than 5.0 percent and shifts the grant funded expenditures from federal to restricted sources consistent with current practice for accounting for indirect cost recovery resources.

200. **National Highway Traffic Safety Administration Grant.** The FY 2010 enacted budget did not include funding for the Judiciary's electronic traffic citation program. However, the Governor's revised budget added \$235,081 from federal funds for the program. Subsequently, the Governor requested an amendment to add an additional \$121,687 from available federal funds for FY 2010. The House Finance Committee concurs.

201. **Statewide Assessed Fringe Holiday.** The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for projected expenses. The FY 2009 and FY 2010 budgets included a significant increase in the rate charged to cover the unusually large payouts associated with the recent retirement surge. The Budget Office has suspended the assessment for three pay periods in FY 2010, which saves \$2.1 million from general revenues. The House Finance Committee recommends reducing the Judiciary's FY 2010 budget by \$199,594 to reflect its portion of these savings.

202. **Turnover.** The House Finance Committee recommends additional general revenue turnover savings of \$500,000 for the Judiciary for FY 2010. This will be achieved by keeping 54.7 positions vacant for the remainder of FY 2010.

Military Staff

203. **Capital - Armory of Mounted Commands.** The Governor's FY 2010 recommended Capital Budget includes \$1.9 million from Rhode Island Capital Plan funds for the Armory of Mounted Commands. Due to revised project schedules, the House Finance Committee recommends reducing FY 2010 funding by \$1.0 million and shifting it to later years.

204. Capital - Quonset Point Armory/Hangar Land Acquisition. The Governor's FY 2010 recommended Capital Budget includes \$501,675 from Rhode Island Capital Plan funds designated to reimburse the Department of Transportation for various expenses relating to the construction of the Military's maintenance hangar/armory at Quonset Point. The Department of Transportation has spent \$460,797 and the House Finance Committee recommends reducing funding by \$40,878 to reflect updated costs.

205. Capital - Woonsocket Demo. The Governor's recommended Capital Budget includes \$63,340 for FY 2010 for the final expenses for the Woonsocket Building Demolition. He subsequently requested an amendment to shift \$46,540 of available Rhode Island Capital Plan funds from this project to the asset protection project. The House Finance Committee does not concur with the shift but eliminates the remaining funds.

206. Emergency Management Grant. The Governor's budget includes \$130,922 or \$59,554 less than enacted from federal funds for the Emergency Management Performance Grant. The Governor subsequently requested an amendment to add \$356,519 to reflect additional expenditures to be funded from the unspent FY 2009 allocation that were not included in the recommended budget. The House Finance Committee concurs.

207. Federal Expenditure Authority Adjustment. The House Finance Committee recommends reducing federal funds in the Military Staff by \$7.9 million for FY 2010. This is a reduction for nine separate grants, which is being recommended to better reflect the Department's anticipated expenditures from these federal grants.

208. Indirect Cost for Federal Grants. Most federal grants allow for recovery of overhead costs, in addition to direct administrative costs, though the application of a negotiated indirect cost rate. The Departments of Health, Elementary and Secondary Education and Environmental Management take advantage of this allowance to lower state general revenue costs. The House Finance Committee recommends all eligible agencies reduce general revenue expenditures through use of a negotiated federal indirect rate. For the Military, the Committee recommends reducing general revenues by \$0.2 million assuming an indirect cost recovery rate of not less than 1.25 percent and shifts the grant funded expenditures from federal to restricted sources consistent with current practice for accounting for indirect cost recovery resources.

209. Statewide Assessed Fringe Holiday. The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for projected expenses. The FY 2009 and FY 2010 budgets included a significant increase in the rate charged to cover the unusually large payouts associated with the recent retirement surge. The Budget Office has suspended the assessment for three pay periods in FY 2010, which saves \$2.1 million from general revenues. The House Finance Committee recommends reducing the Military Staff's FY 2010 budget by \$4,403 to reflect its portion of these savings.

210. Turnover and Operating. The Governor's budget includes \$3.3 million or \$17,190 less than enacted from general revenues for the Military Staff. The House Finance Committee recommends additional general revenue turnover and operating savings of \$0.2 million for the Military Staff for FY 2010. This includes \$185,000 from the Emergency Management Agency and \$15,000 from the Rhode Island National Guard.

Public Safety

211. Bullet Proof Vests to Forfeiture Funds. The Governor's FY 2010 revised budget includes \$134,126 from general revenues to purchase 199 soft body armor bullet proof vests at a cost of \$674 each. The House Finance Committee recommends using the proceeds from forfeiture receipts as opposed to general revenues for the purchase of this equipment.

212. Byrne Grant Release to Locals. The Governor's FY 2010 revised budget includes \$1.0 million from federal funds for the Byrne Memorial Justice Assistance grant program. Subsequent to his budget submission, the Governor requested an amendment to add \$1.2 million from American Recovery and Reinvestment Act Byrne Justice Assistance grant awards. These additional funds will be used to support local public safety initiatives. The House Finance Committee concurs.

213. Capital - Barracks and Training Academy Repairs. The Governor's FY 2010 revised budget includes \$844,900 from Rhode Island Capital Plan funds for the continued renovations to the State Police barracks. He subsequently requested an amendment to eliminate \$0.3 million from Rhode Island Capital Plan funds for FY 2010 consistent with his capital budget. The House Finance Committee concurs and shifts \$0.4 million from FY 2010 to later years due to project delays.

214. Capital - E-911 Building Renovations. The Governor recommends \$55,000 from Rhode Island Capital Plan funds for a climate control system for the server room, renovations to the generator, replacement of the current HVAC system, and roof replacement on the current E-911 facility. This is included in the approved capital plan. The House Finance Committee does not recommend funding for this project.

215. Capital - Parking Area Improvements. The Governor recommends \$225,000 from Rhode Island Capital Plan funds for parking area improvements at the Hope Valley, Lincoln, and Wickford Barracks. This is consistent with the approved capital plan. The House Finance Committee shifts \$200,000 from FY 2010 to later years due to project delays.

216. Drug Recognition Field Sobriety Testing Training. The House Finance Committee recommends \$25,000 from federal sources for drug recognition and standard field sobriety tests. The Municipal Police Training Academy will utilize these additional funds for in-service training in the fields of drug recognition and standard field sobriety tests.

217. Forfeiture Restricted Receipt Correction. The Governor's FY 2010 revised budget includes \$570,694 from restricted receipts for the Rhode Island State Police to purchase equipment, \$94,694 more than enacted. The House Finance Committee recommends adding \$162,462 more based on available receipts.

218. General Revenue Expenses to Forfeiture Funds. The House Finance Committee recommends \$200,000 more from available forfeiture receipts to offset previously identified general revenue expenses for the purchase of equipment.

219. Hazardous Materials Program. The Governor requested an amendment to add \$50,000 from federal sources for hazardous materials training. The State Fire Marshal will utilize these additional funds to provide hazardous material training to local departments. The House Finance Committee concurs.

220. Indirect Cost for Federal Grants. Most federal grants allow for recovery of overhead costs, in addition to direct administrative costs, though the application of a negotiated indirect cost rate. The Departments of Health, Elementary and Secondary Education and Environmental Management take advantage of this allowance to lower state general revenue costs. The House Finance Committee

recommends all eligible agencies reduce general revenue expenditures through use of a negotiated federal indirect rate. For the Department of Public Safety, the Committee recommends reducing general revenues by \$0.3 million assuming an indirect cost recovery rate of not less than 2.5 percent and shifts the grant funded expenditures from federal to restricted sources consistent with current practice for accounting for indirect cost recovery resources.

221. Road Construction Reimbursement. The Governor's FY 2010 revised budget includes \$2.0 million from other sources of funds for road construction reimbursement. Subsequent to his budget submission, the Governor requested an amendment to add \$0.3 million more from additional Department of Transportation funds for road construction reimbursement. These additional funds will be used to reflect an increase in reimbursement rates for Troopers. The House Finance Committee concurs.

222. Stabilization Fund Correction. The Governor requested an amendment to use \$402,600 that had been allocated for the 0.5 percent administrative charge from education stabilization funds as education aid to districts. This is based on the federal government's decision that the allowable 0.5 percent administrative charge on stabilization funds shall not be assessed against the education share of funds and shall be allocated entirely to the share for general government uses. The Governor proposes using the additional stabilization funds for aid in lieu of a like amount from general revenues. He also proposes adding \$402,600 from general revenues to the Department of Public Safety to backfill the loss of additional funding for administrative overhead. The House Finance Committee concurs.

223. Stabilization Offset Correction. The FY 2010 enacted budget includes \$10.0 million from federal fiscal stabilization funds for the Department of Public Safety. The Governor's FY 2010 revised budget includes an additional \$111,475 based upon more funding being available than previously anticipated. However, this is \$93,806 more than what is actually available. The House Finance Committee corrects this by eliminating the additional amount. It also uses \$49,579 of available federal funds in lieu of a like amount from general revenues.

224. Statewide Assessed Fringe Holiday. The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for projected expenses. The FY 2009 and FY 2010 budgets included a significant increase in the rate charged to cover the unusually large payouts associated with the recent retirement surge. The Budget Office has suspended the assessment for three pay periods in FY 2010, which saves \$2.1 million from general revenues. The House Finance Committee recommends reducing the Department of Public Safety's FY 2010 budget by \$54,822 to reflect its portion of these savings.

225. Turnover. The House Finance Committee recommends additional general revenue turnover savings of \$190,000. The revised budget assumes \$971,148 from turnover savings.

226. Violence Against Women Grant Release. The Governor's FY 2010 revised budget does not include any federal funding for the Violence Against Women grant awards. Subsequent to his budget submission, the Governor requested an amendment to add \$222,157 from American Recovery and Reinvestment Act Violence Against Women grant awards. These additional funds will be used to provide support to female victims of violent crime. The House Finance Committee concurs.

Public Defender

227. Turnover. The House Finance Committee recommends additional general revenue turnover savings of \$40,000 for the Office of the Public Defender for FY 2010. This will be achieved through vacancies and other personnel savings anticipated for FY 2010.

228. Statewide Assessed Fringe Holiday. The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for projected expenses. The FY 2009 and FY 2010 budgets included a significant increase in the rate charged to cover the unusually large payouts associated with the recent retirement surge. The Budget Office has suspended the assessment for three pay periods in FY 2010, which saves \$2.1 million from general revenues. The House Finance Committee recommends reducing the Office of the Public Defender's FY 2010 budget by \$27,648 to reflect its portion of these savings.

Environmental Management

229. Brownfields Grant. The Governor requested an amendment to add \$0.2 million from federal funds for FY 2010 to reflect an additional award from the Environmental Protection Agency for state brownfields projects. Properties classified as brownfields include any property that can not be developed, expanded or reused due to the presence of an environmental hazard. The additional funds would be used for pre-remediation activities at seven individual sites throughout the state. The House Finance Committee concurs.

230. Capital - Galilee Piers. The House Finance Committee recommends shifting \$330,000 of Rhode Island Capital Plan funds from FY 2010 to later years to reflect anticipated expenditures for construction projects at the state owned piers in Galilee.

231. Federal Expenditure Authority Adjustment. The House Finance Committee recommends reducing federal funds in the Department of Environmental Management by \$3.6 million for FY 2010. This is a reduction for five separate grants, which is being recommended to better reflect the Department's anticipated expenditures from these federal grants.

232. Natural Resources Grant. The House Finance Committee recommends increasing federal funds in the Department of Environmental Management by \$85,000 for FY 2010. The additional funding reflects changes from federal grants for fish and wildlife management and hunter safety. Funding will be used to support personnel working in these program areas.

233. Operating. Based on the Department of Environmental Management's FY 2010 revised budget, the House Finance Committee reduces \$0.2 million from general revenues. This equates to a 10.0 percent reduction for the remainder of the year.

234. Outdoor Recreation Grant. The Governor requested an amendment to add \$0.7 million from federal funds for FY 2010 to reflect an additional award from the Bureau of Outdoor Recreation Grant. The grant is funded through the Department of the Interior's National Parks Service. The additional funds would be used for building renovations and repairs to state owned and municipal outdoor recreational facilities. The House Finance Committee concurs.

235. Saltwater Fishing License. The Governor requested an amendment to add \$0.1 million from restricted receipts for FY 2010 to reflect additional receipts from the sale of saltwater fishing licenses. The Governor's revised recommendation did not include any funding because he had vetoed the bill enacting the license. The requested amendment adds the funding to reflect the Assembly's action to

override the veto. Funding derived from the sale of licenses would be used to hire outside consultants to design the licensing system, as well as operating costs for licensing activities. The House Finance Committee concurs.

236. **Statewide Assessed Fringe Holiday.** The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for projected expenses. The FY 2009 and FY 2010 budgets included a significant increase in the rate charged to cover the unusually large payouts associated with the recent retirement surge. The Budget Office has suspended the assessment for three pay periods in FY 2010, which saves \$2.1 million from general revenues. The House Finance Committee recommends reducing the Department of Environmental Management's FY 2010 budget by \$82,812 to reflect its portion of these savings.

237. **Superfund Pre-Remediation Grant.** The House Finance Committee recommends increasing federal funds in the Department of Environmental Management by \$65,000 for FY 2010. The additional funding reflects changes from federal grants for pre-remediation activities at superfund sites throughout the state. The superfund program is designed to locate, investigate and clean up the worst uncontrolled and abandoned toxic waste sites. The additional funding will be used for pre-remediation activities, which include soil testing, site work and remediation plans.

238. **Turnover Savings.** The House Finance Committee recommends additional general revenue turnover savings of \$150,000 for the Department of Environmental Management for FY 2010. This is equivalent to the general revenue funded portion for 6.6 positions. The Governor's FY 2010 revised budget assumes 10.0 vacant positions; the Department has averaged 16.6 vacant positions.

Coastal Resources Management Council

239. **Grant Adjustments.** The Governor requested an amendment to decrease federal funds by \$14,513 to reflect the actual anticipated award from the National Oceanographic Atmospheric Administration for operating expenses. The House Finance Committee concurs.

240. **Special Area Management Plan.** The Governor requested an amendment to add \$0.1 million from federal funds to the Council's FY 2010 budget to reflect grant funds from the United States Department of Energy. The additional funding will be used to fund a contract with the University of Rhode Island to develop a Special Area Management Plan, which will analyze the state's offshore environment to assist in the development of renewable energy. The House Finance Committee concurs.

241. **Statewide Assessed Fringe Holiday.** The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for projected expenses. The FY 2009 and FY 2010 budgets included a significant increase in the rate charged to cover the unusually large payouts associated with the recent retirement surge. The Budget Office has suspended the assessment for three pay periods in FY 2010, which saves \$2.1 million from general revenues. The House Finance Committee recommends reducing the Coastal Resources Management Council's FY 2010 budget by \$6,311 to reflect its portion of these savings.

Water Resources Board

242. Capital - Big River Management Area Maintenance. The House Finance Committee recommends \$100,000 less from Rhode Island Capital Plan funds to reflect anticipated expenditures for maintenance activities at the Big River Management Area for FY 2010. Funding is used for security, litter and dumping enforcement as well as the demolition of vacant structures.

243. Statewide Assessed Fringe Holiday. The state's assessments to agency budgets for payout of employee benefits such as unused leave, unemployment and workers' compensation have generated more resources than necessary for projected expenses. The FY 2009 and FY 2010 budgets included a significant increase in the rate charged to cover the unusually large payouts associated with the recent retirement surge. The Budget Office has suspended the assessment for three pay periods in FY 2010, which saves \$2.1 million from general revenues. The House Finance Committee recommends reducing the Water Resources Board's FY 2010 budget by \$2,183 to reflect its portion of these savings.

Department of Transportation

244. Federal Expenditure Authority Adjustment. The House Finance Committee recommends reducing federal funds in the Department of Transportation by \$10.0 million for FY 2010. This is a reduction for two separate programs, which is being recommended to better reflect the Department's anticipated expenditures from these federal awards.

245. Gasoline Tax Estimate Adjustment. The Governor requested an amendment to add \$3.1 million from gasoline tax proceeds for FY 2010 to reflect additional funds that would be available from the upward revision of the gasoline tax yield estimate. The requested amendment increases the pass through funding to the Rhode Island Public Transit Authority, increases the debt service payment for its GARVEE bonds and provides additional operating funds to be used by the Department's maintenance division. The House Finance Committee concurs.

246. New Transportation Safety Research Grant. The Governor requested an amendment to add \$31,627 from federal funds for FY 2010 to reflect additional funds available from the National Highway Traffic Safety Administration. The funds will be used to pay for a principal research technician for the final 10 pay periods of the year. The House Finance Committee concurs.

247. Stimulus - Commuter Rail Grant. The Governor requested an amendment to add \$1.3 million from federal funds for FY 2010 to reflect additional funds available through the American Recovery and Reinvestment Act of 2009. The funding consists of \$1.0 million from Federal Transit Administration funds that the Department was previously ineligible to receive. An additional \$0.3 million is also being requested to reflect an increase in the Department's annual transit capital grant. Funding will be used for construction projects at the Wickford Junction facility. The House Finance Committee concurs.

248. Stimulus - Engineering Apprenticeships for Disadvantaged Youth. The Governor requested an amendment to add \$200,000 from federal stimulus funds for FY 2010 to reflect a new grant for on-the-job training and supportive services. The funds are available from the American Recovery and Reinvestment Act and will be used to fund apprenticeships and training centers for underrepresented or disadvantaged people seeking careers in transportation, engineering or construction. The House Finance Committee concurs.

Section V

Summary Tables

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Expenditures from All Funds

	FY 2010 Enacted	FY 2010 Final	FY 2011 Recommended	FY 2011 Committee
General Government				
Administration	\$ 601,864,659	\$ 611,479,601	\$ 438,998,756	\$ 499,299,809
Business Regulation	11,332,045	10,356,273	11,061,944	10,899,430
Labor and Training	930,034,066	1,120,577,856	679,314,897	833,558,439
Revenue	239,805,187	246,127,998	238,006,505	236,330,417
Legislature	37,430,724	35,445,564	37,613,429	39,049,144
Lieutenant Governor	973,262	876,616	975,080	924,479
Secretary of State	6,495,579	6,126,746	7,164,027	7,503,274
General Treasurer	30,736,632	32,519,559	32,700,174	33,018,358
Board of Elections	1,850,141	1,378,912	3,919,591	3,957,971
Rhode Island Ethics Commission	1,437,730	1,412,657	1,485,693	1,482,659
Governor's Office	5,737,384	5,708,844	6,371,540	6,251,152
Human Rights	1,424,747	1,272,473	1,373,566	1,371,667
Public Utilities Commission	7,412,531	7,322,031	7,726,656	7,726,656
Commission on Women	109,462	69,270	-	-
Subtotal - General Government	\$ 1,876,644,149	\$ 2,080,674,400	\$ 1,466,711,858	\$ 1,681,373,455
Human Services				
Health and Human Services	\$ 9,390,689	\$ 7,977,185	\$ 7,275,747	\$ 7,167,709
Children, Youth and Families	247,749,655	240,451,660	236,894,644	237,598,173
Elderly Affairs	25,523,166	27,428,759	27,270,687	26,712,596
Health	132,310,791	142,565,007	112,565,829	116,086,808
Human Services	1,963,510,139	2,088,797,387	2,126,180,064	2,272,530,423
MHRH	462,873,731	453,223,940	447,681,817	446,808,895
Child Advocate	588,148	556,478	590,863	589,627
Deaf and Hard of Hearing	370,146	348,730	363,502	362,824
Commission on Disabilities	726,400	745,181	825,256	824,453
Mental Health Advocate	448,423	376,197	441,956	440,950
Subtotal - Human Services	\$ 2,843,491,288	\$ 2,962,470,524	\$ 2,960,090,365	\$ 3,109,122,458
Education				
Elementary and Secondary	\$ 1,150,007,562	\$ 1,138,925,293	\$ 1,143,551,130	\$ 1,129,732,869
Higher Education	886,769,732	892,076,886	932,884,178	937,802,389
Arts Council	3,274,826	3,646,818	1,942,131	3,054,336
Atomic Energy	1,217,115	1,412,172	1,494,256	1,492,350
HEAA	28,631,338	25,860,272	25,840,120	25,789,109
Historical Preservation	2,613,504	2,651,856	2,666,351	2,663,971
Public Telecommunications	1,908,358	1,614,724	1,674,984	1,672,717
Subtotal - Education	\$ 2,074,422,435	\$ 2,066,188,021	\$ 2,110,053,150	\$ 2,102,207,741

Expenditures from All Funds

	FY 2010 Enacted	FY 2010 Final	FY 2011 Recommended	FY 2011 Committee
Public Safety				
Attorney General	\$ 23,507,213	\$ 23,568,471	\$ 23,783,650	\$ 23,861,219
Corrections	185,355,506	181,730,372	190,269,623	187,181,519
Judicial	95,984,801	93,452,000	97,533,099	97,354,996
Military Staff	27,041,133	31,904,686	26,731,138	26,638,164
Public Safety	91,427,484	104,050,177	105,282,008	86,749,570
Public Defender	9,809,087	9,518,100	10,040,494	10,020,401
Subtotal-Public Safety	\$ 433,125,224	\$ 444,223,806	\$ 453,640,012	\$ 431,805,869
Natural Resources				
Environmental Management	\$ 90,973,245	\$ 91,090,836	\$ 92,302,638	\$ 93,120,711
CRMC	5,541,521	10,169,916	3,867,225	4,383,711
Water Resources	1,473,785	1,551,731	1,438,150	1,436,540
Subtotal-Natural Resources	\$ 97,988,551	\$ 102,812,483	\$ 97,608,013	\$ 98,940,962
Transportation				
Transportation	\$ 489,066,491	\$ 409,378,642	\$ 424,818,766	\$ 428,893,766
Subtotal-Transportation	\$ 489,066,491	\$ 409,378,642	\$ 424,818,766	\$ 428,893,766
Total	\$ 7,814,738,138	\$ 8,065,747,876	\$ 7,512,922,164	\$ 7,852,344,251

Expenditures from General Revenues

	FY 2010 Enacted	FY 2010 Final	FY 2011 Recommended	FY 2011 Committee
General Government				
Administration	\$ 429,600,820	\$ 418,864,518	\$ 275,494,281	\$ 324,063,375
Business Regulation	9,577,234	8,622,375	8,756,919	9,156,047
Labor and Training	6,667,994	6,608,141	6,689,542	7,117,031
Revenue	36,191,064	33,345,389	35,671,581	35,479,085
Legislature	35,874,012	33,942,533	36,038,421	37,474,136
Lieutenant Governor	973,262	876,616	975,080	924,479
Secretary of State	5,521,241	5,221,421	6,669,460	6,908,707
General Treasurer	2,500,299	2,198,884	2,392,455	2,270,649
Board of Elections	1,600,141	1,158,331	3,919,591	3,957,971
Rhode Island Ethics Commission	1,437,730	1,412,657	1,485,693	1,482,659
Governor's Office	5,106,754	4,416,430	4,872,994	4,752,606
Human Rights	1,016,242	959,254	1,016,877	1,014,978
Public Utilities Commission	-	-	-	-
Commission on Women	109,462	69,270	-	-
Subtotal - General Government	\$ 536,176,255	\$ 517,695,819	\$ 383,982,894	\$ 434,601,723
Human Services				
Health and Human Services	\$ 3,621,896	\$ 3,263,120	\$ 3,528,201	\$ 3,420,163
Children, Youth and Families	158,822,427	152,284,086	155,086,402	153,046,095
Elderly Affairs	9,920,687	7,822,399	10,806,690	10,100,599
Health	29,554,572	26,959,269	28,572,462	27,564,903
Human Services	662,081,602	663,066,660	673,746,309	710,753,380
MHRH	166,015,780	162,129,887	165,097,248	163,704,563
Child Advocate	547,048	510,584	545,058	543,822
Deaf and Hard of Hearing	370,146	348,730	363,502	362,824
Commission on Disabilities	366,450	343,142	368,032	367,229
Mental Health Advocate	448,423	376,197	441,956	440,950
Subtotal - Human Services	\$ 1,031,749,031	\$ 1,017,104,074	\$ 1,038,555,860	\$ 1,070,304,528
Education				
Elementary and Secondary	\$ 857,726,770	\$ 808,041,835	\$ 828,248,498	\$ 856,068,541
Higher Education	173,306,844	161,208,876	163,878,632	163,606,843
Arts Council	1,983,986	1,916,542	991,141	1,668,346
Atomic Energy	775,346	786,438	877,687	875,781
HEAA	7,305,741	6,611,633	7,274,358	6,723,347
Historical Preservation	1,285,100	1,256,873	1,351,097	1,348,717
Public Telecommunications	1,142,702	1,000,695	1,038,234	1,035,967
Subtotal - Education	\$ 1,043,526,489	\$ 980,822,892	\$ 1,003,659,647	\$ 1,031,327,542

Expenditures from General Revenues

	FY 2010 Enacted	FY 2010 Final	FY 2011 Recommended	FY 2011 Committee
Public Safety				
Attorney General	\$ 21,099,743	\$ 19,635,128	\$ 21,132,161	\$ 21,209,730
Corrections	177,390,562	171,119,682	181,711,505	178,329,401
Judicial	83,907,229	78,865,419	84,728,358	84,550,255
Military Staff	3,279,979	2,867,263	3,375,409	2,782,435
Public Safety	54,745,909	54,156,915	84,281,696	67,024,490
Public Defender	9,583,189	9,136,777	9,610,354	9,590,261
Subtotal-Public Safety	\$ 350,006,611	\$ 335,781,184	\$ 384,839,483	\$ 363,486,572
Natural Resources				
Environmental Management	\$ 35,484,369	\$ 32,429,116	\$ 34,665,256	\$ 34,403,329
CRMC	2,027,574	1,938,735	2,043,079	2,038,515
Water Resources	1,370,785	1,097,753	1,318,150	1,316,540
Subtotal-Natural Resources	\$ 38,882,728	\$ 35,465,604	\$ 38,026,485	\$ 37,758,384
Transportation				
Transportation	\$ -	\$ -	\$ -	\$ -
Subtotal-Transportation	\$ -	\$ -	\$ -	\$ -
Total	\$ 3,000,341,114	\$ 2,886,869,573	\$ 2,849,064,369	\$ 2,937,478,749

Expenditures from Federal Grants

	FY 2010 Enacted	FY 2010 Final	FY 2011 Recommended	FY 2011 Committee
General Government				
Administration	\$ 80,173,897	\$ 92,734,715	\$ 76,215,134	79,572,545
Business Regulation	-	-	-	-
Labor and Training	214,366,612	356,968,034	76,870,788	181,957,663
Revenue	2,604,929	2,419,140	2,273,362	2,289,770
Legislature	-	-	-	-
Lieutenant Governor	-	-	-	-
Secretary of State	500,000	408,400	-	100,000
General Treasurer	1,293,540	1,276,605	1,111,550	1,108,180
Board of Elections	250,000	220,581	-	-
Rhode Island Ethics Commission	-	-	-	-
Governor's Office	630,630	35,000	-	-
Human Rights	408,505	313,219	356,689	356,689
Public Utilities Commission	103,600	203,864	296,330	296,330
Commission on Women	-	-	-	-
Subtotal - General Government	\$ 300,331,713	\$ 454,579,558	\$ 157,123,853	\$ 265,681,177
Human Services				
Health and Human Services	\$ 4,484,003	\$ 3,853,419	\$ 2,873,533	\$ 2,873,533
Children, Youth and Families	85,504,945	84,988,948	77,912,449	77,855,163
Elderly Affairs	15,210,364	18,512,017	16,333,157	15,936,066
Health	77,831,370	89,689,148	58,814,531	63,259,111
Human Services	1,288,587,124	1,412,801,126	1,439,002,554	1,548,045,842
MHRH	280,058,238	275,363,153	262,420,126	259,957,007
Child Advocate	41,100	45,894	45,805	45,805
Deaf and Hard of Hearing	-	-	-	-
Commission on Disabilities	174,949	198,329	193,598	193,598
Mental Health Advocate	-	-	-	-
Subtotal - Human Services	\$ 1,751,892,093	\$ 1,885,452,034	\$ 1,857,595,753	\$ 1,968,166,125
Education				
Elementary and Secondary	\$ 278,346,091	\$ 310,039,586	\$ 282,960,896	\$ 240,980,896
Higher Education	20,338,416	19,841,010	14,754,667	15,004,667
Arts Council	855,840	1,195,276	950,990	950,990
Atomic Energy	107,000	322,051	300,159	300,159
HEAA	14,575,320	12,185,920	12,044,337	12,044,337
Historical Preservation	819,367	913,734	835,804	835,804
Public Telecommunications	-	-	-	-
Subtotal - Education	\$ 315,042,034	\$ 344,497,577	\$ 311,846,853	\$ 270,116,853

Expenditures from Federal Grants

	FY 2010 Enacted	FY 2010 Final	FY 2011 Recommended	FY 2011 Committee
Public Safety				
Attorney General	\$ 1,274,540	\$ 1,986,361	\$ 1,248,830	\$ 1,248,830
Corrections	2,196,668	3,354,329	2,587,994	2,794,860
Judicial	1,445,452	3,585,831	2,361,961	2,326,527
Military Staff	21,941,615	26,309,289	22,640,496	22,150,754
Public Safety	17,227,246	23,578,895	8,932,131	7,131,554
Public Defender	225,898	381,323	430,140	430,140
Subtotal-Public Safety	\$ 44,311,419	\$ 59,196,028	\$ 38,201,552	\$ 36,082,665
Natural Resources				
Environmental Management	\$ 33,680,872	\$ 35,283,320	\$ 35,386,175	\$ 35,386,175
CRMC	1,608,438	6,325,672	1,574,146	2,095,196
Water Resources	-	-	-	-
Subtotal-Natural Resources	\$ 35,289,310	\$ 41,608,992	\$ 36,960,321	\$ 37,481,371
Transportation				
Transportation	\$ 381,348,383	\$ 308,302,952	\$ 315,733,127	\$ 318,808,127
Subtotal-Transportation	\$ 381,348,383	\$ 308,302,952	\$ 315,733,127	\$ 318,808,127
Total	\$ 2,828,214,952	\$ 3,093,637,141	\$ 2,717,461,459	\$ 2,896,336,318

Expenditures from Restricted Receipts

	FY 2010 Enacted	FY 2010 Final	FY 2011 Recommended	FY 2011 Committee
General Government				
Administration	\$ 18,938,514	\$ 27,282,120	\$ 16,802,039	\$ 17,140,339
Business Regulation	1,754,811	1,733,898	2,305,025	1,743,383
Labor and Training	25,314,950	22,018,670	17,529,145	17,529,145
Revenue	845,292	5,089,952	824,191	824,191
Legislature	1,556,712	1,503,031	1,575,008	1,575,008
Lieutenant Governor	-	-	-	-
Secretary of State	474,338	496,925	494,567	494,567
General Treasurer	26,740,503	28,829,896	28,973,185	29,420,614
Board of Elections	-	-	-	-
Rhode Island Ethics Commission	-	-	-	-
Governor's Office	-	1,257,414	1,498,546	1,498,546
Human Rights	-	-	-	-
Public Utilities Commission	7,308,931	7,118,167	7,430,326	7,430,326
Commission on Women	-	-	-	-
Subtotal - General Government	\$ 82,934,051	\$ 95,330,073	\$ 77,432,032	\$ 77,656,119
Human Services				
Health and Human Services	\$ 1,284,790	\$ 860,646	\$ 874,013	\$ 874,013
Children, Youth and Families	2,203,059	2,512,807	2,005,793	2,306,915
Elderly Affairs	392,115	1,094,343	130,840	675,931
Health	24,693,437	25,753,580	25,082,953	25,082,953
Human Services	8,316,413	8,519,601	9,146,201	9,446,201
MHRH	5,203,044	8,690,705	10,055,752	10,688,634
Child Advocate	-	-	-	-
Deaf and Hard of Hearing	-	-	-	-
Commission on Disabilities	10,001	13,559	13,626	13,626
Mental Health Advocate	-	-	-	-
Subtotal - Human Services	\$ 42,102,859	\$ 47,445,241	\$ 47,309,178	\$ 49,088,273
Education				
Elementary and Secondary	\$ 7,501,077	\$ 17,030,683	23,930,750	23,930,750
Higher Education	667,543	754,577	690,000	930,000
Arts Council	-	100,000	-	-
Atomic Energy	-	-	-	-
HEAA	-	-	-	-
Historical Preservation	509,037	481,249	479,450	479,450
Public Telecommunications	-	-	-	-
Subtotal - Education	\$ 8,677,657	\$ 18,366,509	\$ 25,100,200	\$ 25,340,200

Expenditures from Restricted Receipts

	FY 2010 Enacted	FY 2010 Final	FY 2011 Recommended	FY 2011 Committee
Public Safety				
Attorney General	\$ 932,930	\$ 1,340,135	\$ 1,202,659	\$ 1,202,659
Corrections	-	122,837	-	87,134
Judicial	9,807,120	9,614,284	9,592,780	9,628,214
Military Staff	337,449	538,032	352,733	842,475
Public Safety	609,000	1,558,906	377,761	803,106
Public Defender	-	-	-	-
Subtotal-Public Safety	\$ 11,686,499	\$ 13,174,194	\$ 11,525,933	\$ 12,563,588
Natural Resources				
Environmental Management	\$ 15,246,049	\$ 13,950,042	\$ 14,136,916	\$ 14,136,916
CRMC	250,000	250,000	250,000	250,000
Water Resources	-	-	-	-
Subtotal-Natural Resources	\$ 15,496,049	\$ 14,200,042	\$ 14,386,916	\$ 14,386,916
Transportation				
Transportation	\$ 1,500,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Subtotal-Transportation	\$ 1,500,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Total	\$ 162,397,115	\$ 189,516,059	\$ 176,754,259	\$ 180,035,096

Expenditures from Other Funds

	FY 2010 Enacted	FY 2010 Final	FY 2011 Recommended	FY 2011 Committee
General Government				
Administration	\$ 73,151,428	\$ 72,598,248	\$ 70,487,302	\$ 78,523,550
Business Regulation	-	-	-	-
Labor and Training	683,684,510	734,983,011	578,225,422	626,954,600
Revenue	200,163,902	205,273,517	199,237,371	197,737,371
Legislature	-	-	-	-
Lieutenant Governor	-	-	-	-
Secretary of State	-	-	-	-
General Treasurer	202,290	214,174	222,984	218,915
Board of Elections	-	-	-	-
Rhode Island Ethics Commission	-	-	-	-
Governor's Office	-	-	-	-
Human Rights	-	-	-	-
Public Utilities Commission	-	-	-	-
Commission on Women	-	-	-	-
Subtotal - General Government	\$ 957,202,130	\$ 1,013,068,950	\$ 848,173,079	\$ 903,434,436
Human Services				
Health and Human Services	\$ -	\$ -	\$ -	\$ -
Children, Youth and Families	1,219,224	665,819	1,890,000	4,390,000
Elderly Affairs	-	-	-	-
Health	231,412	163,010	95,883	179,841
Developmental Disabilities *				
Human Services	4,525,000	4,410,000	4,285,000	4,285,000
MHRH	11,596,669	7,040,195	10,108,691	12,458,691
Child Advocate	-	-	-	-
Deaf and Hard of Hearing	-	-	-	-
Commission on Disabilities	175,000	190,151	250,000	250,000
Mental Health Advocate	-	-	-	-
Subtotal - Human Services	\$ 17,747,305	\$ 12,469,175	\$ 16,629,574	\$ 21,563,532
Education				
Elementary and Secondary	\$ 6,433,624	\$ 3,813,189	\$ 8,410,986	\$ 8,752,682
Higher Education	692,456,929	710,272,423	753,560,879	758,260,879
Arts Council	435,000	435,000	-	435,000
Atomic Energy	334,769	303,683	316,410	316,410
HEAA	6,750,277	7,062,719	6,521,425	7,021,425
Historical Preservation	-	-	-	-
Public Telecommunications	765,656	614,029	636,750	636,750
Subtotal - Education	\$ 707,176,255	\$ 722,501,043	\$ 769,446,450	\$ 775,423,146

Expenditures from Other Funds

	FY 2010 Enacted	FY 2010 Final	FY 2011 Recommended	FY 2011 Committee
Public Safety				
Attorney General	\$ 200,000	\$ 606,847	\$ 200,000	\$ 200,000
Corrections	5,768,276	7,133,524	5,970,124	5,970,124
Judicial	825,000	1,386,466	850,000	850,000
Military Staff	1,482,090	2,190,102	362,500	862,500
Public Safety	18,845,329	24,755,461	11,690,420	11,790,420
Public Defender	-	-	-	-
Subtotal-Public Safety	\$ 27,120,695	\$ 36,072,400	\$ 19,073,044	\$ 19,673,044
Natural Resources				
Environmental Management	\$ 6,561,955	\$ 9,428,358	\$ 8,114,291	\$ 9,194,291
CRMC	1,655,509	1,655,509	-	-
Water Resources	103,000	453,978	120,000	120,000
Subtotal-Natural Resources	\$ 8,320,464	\$ 11,537,845	\$ 8,234,291	\$ 9,314,291
Transportation				
Transportation	\$ 106,218,108	\$ 100,075,690	\$ 108,085,639	\$ 109,085,639
Subtotal-Transportation	\$ 106,218,108	\$ 100,075,690	\$ 108,085,639	\$ 109,085,639
Total	\$ 1,823,784,957	\$ 1,895,725,103	\$ 1,769,642,077	\$ 1,838,494,088

Full-Time Equivalent Positions

	FY 2010 Enacted	FY 2010 Final	FY 2011 Recommended	FY 2011 Committee
General Government				
Administration	895.6	835.4	699.6	871.6
Business Regulation	91.0	85.5	91.0	90.0
Labor and Training	436.3	514.4	454.0	519.4
Revenue	424.0	413.5	428.0	426.0
Legislature	297.9	288.8	297.9	295.9
Lieutenant Governor	8.0	8.0	8.0	8.0
Secretary of State	57.0	56.5	57.0	57.0
General Treasurer	83.0	79.5	83.0	82.0
Board of Elections	12.0	11.5	12.0	12.0
Rhode Island Ethics Commission	12.0	12.0	12.0	12.0
Governor's Office	43.0	44.0	46.0	45.0
Human Rights	14.5	14.2	14.5	14.5
Public Utilities Commission	44.0	45.5	46.0	46.0
Commission on Women	1.0	1.0	-	-
Subtotal - General Government	2,419.3	2,409.8	2,249.0	2,479.4
Human Services				
Health and Human Services	74.1	52.9	75.6	75.6
Children, Youth and Families	700.0	658.5	700.0	691.0
Elderly Affairs	31.0	29.5	31.0	31.0
Health	414.6	397.4	416.7	410.7
Human Services	954.6	919.7	967.6	963.6
MHRH	1,398.4	1,294.0	1,395.2	1,372.2
Child Advocate	5.7	5.8	5.8	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	3,589.1	3,368.5	3,602.6	3,560.6
Education				
Elementary and Secondary	327.4	315.8	342.4	325.4
Higher Education	4182.1	4029.9	4182.1	4,152.1
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	37.3	42.6	41.6
Historical Preservation	16.6	16.6	16.6	16.6
Public Telecommunications	18.0	16.0	16.0	16.0
Subtotal - Education	4,603.9	4,432.8	4,616.9	4,568.9

Full-Time Equivalent Positions

	FY 2010 Enacted	FY 2010 Final	FY 2011 Recommended	FY 2011 Committee
Public Safety				
Attorney General	231.1	230.0	231.1	231.1
Corrections	1,423.0	1,402.5	1,423.0	1,419.0
Judicial	729.3	699.7	729.3	723.3
Military Staff	111.0	109.0	112.0	111.0
Public Safety	432.1	418.6	607.1	423.1
Public Defender	91.0	92.0	93.0	93.0
Subtotal-Public Safety	3,017.5	2,951.8	3,195.5	3,000.5
Natural Resources				
Environmental Management	417.0	402.5	414.0	412.0
CRMC	30.0	30.0	30.0	30.0
Water Resources	6.0	6.0	6.0	6.0
Subtotal-Natural Resources	453.0	438.5	450.0	448.0
Transportation				
Transportation	780.2	739.4	780.2	772.2
Subtotal-Transportation	780.2	739.4	780.2	772.2
Total Positions	14,863.0	14,340.8	14,894.2	14,829.6

Section VI

Article Explanations

Explanations of Budget Articles

2010-H 7397 Substitute A

Article 1

Section 1. Appropriations. This section of Article 1 contains the appropriations for FY 2011.

Section 2. Line Item Appropriations. This section establishes that each line of Section 1 in Article 1 constitutes an appropriation.

Section 3. Transfer of Functions. This section of Article 1 authorizes the Governor to transfer appropriations and full-time equivalent position authorizations associated with transfers of functions.

Section 4. Contingency Fund. This section of Article 1 allows for expenditures from the contingency account located within the Office of the Governor's budget for unexpected and unbudgeted statewide expenditures. The Governor must approve all expenditures and transfers from this account.

Section 5. Internal Service Funds. Section 5 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 6. Legislative Intent. This section of Article 1 authorizes the chairpersons of the finance committees of the two chambers to provide a "statement of legislative intent" for specifying the purpose of the appropriations contained in Section 1 of this article.

Section 7. Temporary Disability Insurance Funds. Section 7 of Article 1 appropriates all funds required for benefit payments from the Temporary Disability Insurance Fund and the Temporary Disability Insurance Reserve Fund for FY 2011. This section appears annually.

Section 8. Employment Security Funds. Section 8 of Article 1 appropriates all funds required for benefit payments to the unemployed from the Employment Security Fund for FY 2011. This section appears annually.

Section 9. University and College Funds. This section of Article 1 had appeared annually to appropriate all funds for Higher Education. It appears to duplicate authority already granted in state law. The 2005, 2006, 2007, 2008, and 2009 Assemblies removed this section from the FY 2006, FY 2007, FY 2008, FY 2009, and FY 2010 appropriations bills as unnecessary.

Section 10. Lottery. This section of Article 1 appropriates to the Lottery Division any funds required for the payment of prizes and commissions. Prizes are not included as expenditures in the budget.

Section 11. 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 2011. It 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 Officer and the 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

Explanations of Budget Articles

limited shall receive appointments limited to the availability of the non-state funding source. In addition, this section provides that the Governor or designee, Speaker of the House or designee, and President of the Senate or designee may jointly adjust the authorization.

Total staffing is 14,829.6 full time equivalent positions, 33.4 less than the FY 2010 enacted budget. Changes adopted by the House Finance Committee include a 10.0 percent reduction of current vacancies for FY 2011.

Section 12. Multi Year Appropriations. Section 12 of Article 1 makes multi-year appropriations for a number of capital projects included in the FY 2011 through FY 2015 Capital Budget that are funded from Rhode Island Capital Plan funds. The FY 2011 and multi-year appropriations supersede appropriations made for capital projects in Section 13 of Article 1 of the FY 2010 Appropriations Act.

Section 13. Reappropriations. This section of Article 1 provides for automatic reappropriation of unexpended balances from FY 2011 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 provision for the Budget Officer's discretion over balances less than \$500 appeared for the first time in FY 2006.

Section 14. Extension of Previous Authorizations. This section authorizes the extension of the issuance of \$1.3 million of Clean Water Act general obligation bonds and \$4.9 million of Water Pollution Revolving Loan Fund general obligation bonds until June 30, 2013.

Section 15. RIHEBC Transfer. This section transfers \$1.0 million from the Rhode Island Health and Educational Building Corporation to the State Controller on June 30, 2011.

Section 16. Effective Date. This section of Article 1 establishes July 1, 2010 as the effective date of the article.

Article 2. Short Term Borrowing

Article 2 allows the state to borrow a maximum of \$350.0 million during FY 2011 for cash flow purposes in anticipation of tax receipts. The note must be repaid by June 30, 2011.

Article 3. Supplemental Security Income Payment

Article 3 requires the Department of Human Services to make the state's portion of the federal/state supplemental security income payment directly to a recipient instead of paying a monthly transaction fee to have the payment federally administered. The article deletes the reference to the Department of Mental Health, Retardation and Hospitals making the state payment to its clients who receive residential services.

The article also makes a technical adjustment reducing the state's portion of the payment to reflect the accurate amount that went into effect January 1, 2009. The 2008 Assembly adopted this change and the Department of Human Services' rules and regulations were updated; however, a change to current law was not made.

Explanations of Budget Articles

Article 4. 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 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 5. Capital Development Program

Article 5 would place \$162.7 million of new general obligation bond authorizations on the November 2010 ballot as referendum. The referendum would provide \$61.0 million for a new Chemistry building at the University of Rhode Island, \$17.0 million for a new Art Center at Rhode Island College, \$80.0 million for the Highway Improvement Program and \$4.7 million for bus purchases by the Rhode Island Public Transit Authority.

Article 6. Public Corporation Debt Management

The Public Corporation Debt Management Act requires that all new debt authorizations be approved by the Assembly except in certain circumstances. This article contains two authorizations, including \$32.2 million in energy savings contracts to fund energy conservation improvements at the University of Rhode Island and the Community College of Rhode Island. This includes projects not to exceed \$12.6 million for the University and \$11.5 million for the Community College. This article also contains an authorization of \$68.1 million of revenue bonds for the Turnpike and Bridge Authority for the purpose of repairing and maintaining both the Mount Hope and Newport Pell Bridges.

Article 7. Government Restructuring

Sections 1 through 3. 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 7 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.

Sections 4 through 7. Violent Fugitive Task Force. These sections create a new Worker's Compensation Investigations Unit and eliminate the State Police's Violent Fugitive Task Force. The budget includes \$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 to fund the new fraud investigation unit. This unit will be comprised of 5.0 members of the former Violent Fugitive Task Force.

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These sections also define members of the Worker's Compensation Investigations Unit as peace officers and allows them to carry concealed firearms.

Section 8. Department of Veterans' Affairs. This section delays the creation of the Department of Veterans' Affairs from July 1, 2010 until July 1, 2011 and delays the required recommendations from the Department of Human Services on the transition until October 1, 2010.

Sections 9 through 10. Public Safety Communications Dispatch. These sections transfer the dispatch functions of the Divisions of Enforcement from the Department of Environmental Management to the Department of Public Safety. This article will take effect upon passage, but the transfer shall occur no later than January 1, 2011.

Section 11. Rhode Island State Crime Lab. Section 11 of Article 7 requires the Department of Administration on or before December 1, 2010 to conduct a feasibility study and submit a plan to the chairpersons of the House and Senate Finance Committees and to the State Budget Officer. The study will include specific recommendations regarding allocation of staffing, use of facilities and identifying any additional needs.

Section 12. Public Utilities Commission. The 2002 Assembly raised the number of commissioners in the Public Utilities Commission from three to five, effective January 31, 2004. Article 7, Section 12 reduces the number of Commissioners from five to three.

Article 8. Restricted Receipts

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.

Article 9. Revenues

Sections 1 through 7. Division of Motor Vehicles. Sections 1 through 7 of this article increase five existing fees and establish two new fees, including one for road tests and one for flashing lights permits. Currently a fee of \$5 is charged to obtain a flashing lights permit; however, there is no current law provision that allows for the charge. The article increases the following fees: state identification card from \$15 to \$25, school bus registration from \$3 to \$25, motor vehicle dealer's license fee from \$100 to \$300, manufacturers and distributors' license fee from \$40 to \$100 and factory representatives licensing fee from \$200 to \$300. The Budget assumes \$1.0 million in additional revenues. The article also extends the requirement to have a title in order to resell cars up to 20 years old instead of the current 10 years. The article takes effect on July 1, 2010.

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Section 8. Accident Report Fees. This section of Article 9 increases the fee for a copy of an official state police accident report from \$10 to \$15. The increase of the fee will provide additional revenues of \$26,910 in FY 2011. This article is effective July 1, 2010.

Section 9. Licensing of Hospital Facilities. This section increases the hospital license fee for FY 2010 from 5.237 percent to 5.276 percent of net patient services revenue using the 2008 base year. Total license fees collected will be \$129.8 million including \$124.0 million from community hospital payments and \$5.8 million from state payments for the Eleanor Slater Hospital.

It extends the hospital licensing fee in FY 2011 at a rate of 5.276 percent of hospitals' net patient services revenue for an updated 2009 base year. It also includes the due date for the filing returns and making the payment.

The total revenue collected from the hospitals for FY 2011 will be \$137.2 million including \$131.1 million from the community hospitals and \$6.1 million from Eleanor Slater Hospital at the Department of Mental Health, Retardation and Hospitals. This article appears annually in the Appropriations Act.

Sections 10 through 12. E-911 Prepaid Card. These sections of Article 9 remove the current prepaid wireless surcharge system and requires that the state levy a 2.5 percent E-911 charge at the time of retail transaction. The charge will be based upon the cost of the prepaid wireless communication device and minutes. The fee will be collected at the point of retail along with any other associated sales tax. It will be the responsibility of the retailer to remit the taxes collected according to the normal sales tax process; however, the retailer is allowed to deduct and retain 1.0 percent of the total collected. The House Finance Committee includes \$0.4 million in additional revenues from this change.

Sections 13 and 14. Medical Malpractice. These sections of Article 9 remove the 2.0 percent gross premiums tax exemption currently provided to the Medical Malpractice Joint Underwriters Association. The budget includes \$145,000 in additional revenue from the application of the tax, effective tax year 2011.

Section 15. Surplus Lines. This section of Article 9 increases the tax charged to the insured by the insurer from 3.0 percent to 4.0 percent on surplus lines of insurance. The Budget assumes \$1.1 million in additional revenue from increasing the tax to the surplus lines premiums.

Article 10. Resource Recovery Corporation

This article would allow the Resource Recovery Corporation to delay until June 30, 2013 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 delay is included to allow for more stable revenue sources as well as a better defined implementation plan.

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Article 10 also extends the municipal tipping fees for the Resource Recovery Corporation enacted by the 2009 Assembly for an additional year. The 2009 Assembly allowed the statutory increases of municipal tipping fees to be sunset as of June 30, 2009, which would leave no statutory guidance for setting the fees. Absent this extension, the Corporation would be responsible for the determination of municipal tipping fees.

Article 11. FY 2010 Revised Appropriations

Section 1. FY 2010 Appropriations. This section of Article 11 contains the revised appropriations for FY 2010.

Section 2. Line Item Appropriations. This section establishes that each line of Section 1 in Article 11 constitutes an appropriation.

Section 3. Internal Service Funds. Section 3 of Article 11 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 11 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.

Total staffing is 14,340.8 full time equivalent positions, 522.2 less than the FY 2010 enacted budget. Changes adopted by the House Finance Committee include a 50.0 percent reduction of current agency vacancies for FY 2010.

Section 5. State Fleet Replacement Revolving Loan Fund. This section of Article 11 authorizes the transfer of \$3.6 million from the State Fleet Revolving Loan Fund to the state General Fund by June 30, 2010. The revised budget includes this revenue. 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 budget 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.

Section 6. Renewable Energy Development Fund. This section of Article 11 authorizes the transfer of \$1.0 million from the Renewable Energy Development Fund to the state General Fund by June 30, 2010. Information obtained from the Rhode Island Economic Development Corporation indicates that as of December 31, 2009, the fund balance was \$4.3 million and it anticipates new revenues of \$2.2

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million through December 31, 2010. Projected expenditures for calendar year 2010 is estimated at \$3.8 million, which would leave a fund balance of \$2.5 million.

Section 7. RIHEBC Transfer. This section transfers \$1.5 million from the Rhode Island Health and Educational Building Corporation to the State Controller on June 30, 2010.

Section 8. Effective Date. This section establishes that this article is effective upon passage.

Article 12. Community Antenna Television Assessment

This article removes the \$250,000 cap on the amount that can be assessed in any fiscal year on Community Antenna Television, also known as cable, franchise holders for the cost of regulation. Currently, the Division of Public Utilities can recover its expenses, up to 3.0 percent of cable franchise's gross revenues not to exceed \$250,000. Recent years' expenditures have exceeded the cap by an average of \$125,000 causing the Division to use assessments from other regulated utilities to cover the costs. The Division currently has a 100.0 percent recovery mechanism for all other regulated utilities.

Article 13. Education Aid

Section 1. This section contains legislation for implementation of the revised FY 2010 and FY 2011 education aid proposals. It reduces education aid by 2.8 percent or \$19.1 million including Central Falls and the Metropolitan Career and Technical School for FY 2010 and by 3.8 percent or \$25.2 million for FY 2011. It also reduces education aid by the amount of retirement contribution savings proposed in Article 16 in both years. It uses \$11.7 million from federal fiscal stabilization funds slated for use in FY 2011 in lieu of a like amount from general revenues in FY 2010 and uses \$17.8 million from federal stabilization funds in FY 2011. It also adds \$105,000 in group home aid in FY 2010 based on current law requirements that beds open prior to December 31 of each year be paid as part of the supplemental budget. Finally, Section 1 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.

Section 2. This section amends the local maintenance of effort requirement for local communities to provide as much funding for education as it did the prior year. For FY 2010 and FY 2011, communities must contribute 95.0 percent of the amount it provided in FY 2009.

Section 3. This section allows the state to reimburse that portion of housing aid owed on debt service paid prior to the year of project completion over a three year period instead of in the first year. It excludes amounts to be deferred if they are under \$500,000. Reimbursement under the school housing aid program is based on the debt service payments made by a community in any given year and does not begin until the project is completed. Under current law, a district is reimbursed for any eligible costs it made before completion of the project in the first year's aid payment. This article will allow the state to spread the first year "catch up" payment over three years. Absent passage of this article, the budget would require an additional \$4.5 million in housing aid reimbursements for FY 2011.

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Sections 4 through 6. These sections authorize the Department of Elementary and Secondary Education, with the Department of Administration, to establish a voluntary statewide purchasing system and to permit public schools to join cooperatives consisting of two or more states for purchasing goods, supplies and services. Participation is subject to approval of the chief purchasing officer and rules and regulations promulgated by the Department.

Article 14. Mental Health Law

This article amends current law to authorize psychiatric hospitals, under certain conditions, to share with the Department of Children, Youth and Families confidential healthcare documents of children in its care. This is intended to clarify current law in order to ensure that the Department has all of the information necessary to ensure timely and effective planning for the children in its care. The disclosure would be authorized if a child is hospitalized for psychiatric services or so that a child may be discharged from an acute care facility to a mental health facility and the services are paid wholly or in part by the state.

Article 15. Hospital Uncompensated Care

This article extends the uncompensated care payments to the community hospitals with the state making a payment for FY 2012 that does not exceed \$125.4 million.

Article 16. Pensions

This article limits the cost-of-living adjustments to the first \$35,000 of retirement allowance indexed to inflation but capped at 3.0 percent, beginning on the third anniversary of the date of retirement or age 65, whichever is later, for state employees, teachers, and judges that were not eligible to retire on September 30, 2009 and do not become eligible to do so before the passage of this proposal.

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. General Public Assistance-Hardship Contingency Fund

This article provides \$478,000 from general revenues that the Director of the Department of Human Services may provide for hardship contingency payments for FY 2011, consistent with the enacted level.

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Article 18. Treatment Alternatives to Street Crime

This article eliminates the Treatment Alternatives to Street Crime program, which is a requirement for persons who are initially convicted with a controlled substance classified as highly addictive under schedule I or II of the controlled substance act or a second conviction with a less addictive schedule III or IV substance. This article corrects the reference as to who should direct an individual to attend and complete a drug counseling and education program from the director of the Department of Health to the director of the Department of Mental Health, Retardation and Hospitals. It also requires that the alcohol and drug safety unit within the Division of Motor Vehicles will be administered in conjunction with alcohol and drug programs licensed by the state for placement, clinical assessment and monitoring.

The article provides that a clinical assessment may be performed by the Community College of Rhode Island's Center for Workforce and Education and the individuals will then be referred to an approved program. The article also extends the current fee of \$86 for those convicted of a violation for driving under the influence of alcohol or drugs.

Article 19. Children's Health Account

The article increases the annual assessment ceiling applied to all insurers for home health services, children and adolescent intensive treatment services and Comprehensive Evaluation, Diagnosis, Assessment, Referral and Re-evaluation services from \$5,000 to \$6,000 per child for each service and clarifies the services that are covered under the Children's Health Account.

Article 20. Medical Assistance

Section 1. Selective Contracting and Hospital Payments. This section delays the implementation of the diagnosis related group reimbursement method from March 30, 2010 to July 1, 2010. It provides that reimbursements for inpatient services through the managed care plans be no more than 10 percent above the rate paid through the fee for service system, or 110 percent of the fee for service rate effective January 1, 2011. The reimbursements through the diagnosis related group payment method will be reviewed annually by the Department of Human Services, making adjustments considering trends in hospital costs and access to care and the national Centers for Medicare and Medicaid Services payment system hospital input price index.

The article also adds non-emergency transportation to the list of items or services the Department of Human Services can use the selective contracting process to obtain.

Section 2. State Only Hospital Payments. Section 2 provides for a \$3.65 million state only payment to be made no later than September 1, 2010 to four community hospitals for acute care expenses to 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, or the community hospitals' fiscal year 2010.

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It also provides \$4.75 million in state fiscal year 2011 to include the following payments to certain hospitals: \$1,680,761 to Kent, \$909,256 to St. Joseph's, \$592,290 to Miriam, \$446,451 to Memorial, \$352,982 to Women and Infants, \$321,756 to South County, \$246,251 to Westerly, \$99,974 to Newport, \$51,902 to Butler and \$48,377 to the Rehabilitation Hospital of Rhode Island.

Section 3. Long Term Care. Section 3 provides the authority to contractually manage the acute care and primary care medical benefits of Medicaid-eligible clients residing in a long term care facility. This is considered a category II change under the Medicaid global waiver and the resolution approving those changes is contained in Article 21 of 2010-H 7397, Substitute A.

Section 4. Estate Recovery Reporting. Section 4 requires the Department of Human Services to include estate recovery information in the monthly caseload report that it submits to members of the Caseload Estimating Conference.

Section 5. Long Term Care Reform. This section makes a technical adjustment and adds adults with mental disabilities, over the age of 65, to those recipients whose services are to be included in the long-term care rebalancing effort that allocates 50 percent of the funding for a population in a home or community based care setting.

Article 21. Medicaid Global Waiver

Article 21 is a resolution to notify the Assembly and seek approval to make eight changes to the Medicaid global waiver, including four for programs through the Department of Mental Health, Retardation and Hospitals and four for programs through the Department of Human Services. The changes affect services provided through the long-term care and community systems for elderly and adults with developmental disabilities, medical benefits through the managed care plans, pharmacy costs through the fee-for-service system and programs provided to adults with behavioral health issues. These changes are considered category II and assumes requiring statutory changes or changes to the state's rules and regulations.

Article 22. Unemployment Insurance

This article increases the weekly dependents' allowance from \$10 to \$15 for each dependent, implements a new dependents' allowance maximum of \$50 or 25.0 percent of the individuals' weekly benefit rate, and pro-rates dependents' allowances for individuals collecting partial benefits. The article also expands benefit eligibility to include two additional voluntary reasons to leave employment. This article is effective January 1, 2011 and applies to all new claims filed from that day forward, but not to existing claims. Implementing these changes will allow the state to receive \$15.6 million in Unemployment Insurance Modernization funding made available through the American Recovery and Reinvestment Act of 2009.

Article 23. Motor Vehicle Reimbursements

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This article provides for an 88.0 percent reimbursement of the current law amount due for FY 2010. The budget provides a total of \$117.2 million for the program, which is \$48.6 million more than the Governor recommended. This includes \$1.9 million for fire districts.

For fiscal year 2011 and thereafter, the legislation mandates a \$3,000 exemption for which the state will reimburse municipalities for an amount subject to appropriation. The legislation enables municipalities to provide an additional exemption of \$3,000 or more; however, any such additional exemption will not be subject to reimbursement. The House Finance Committee provides \$10.0 million in FY 2011 to fund the program. It does not recommend funding for fire districts beyond FY 2010. The article takes effect upon passage.

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.

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