



SENATE FISCAL OFFICE
REPORT

FY2021 BUDGET AS ENACTED: PERSONNEL

2020-H-7171 SUBSTITUTE A

FEBRUARY 2, 2021

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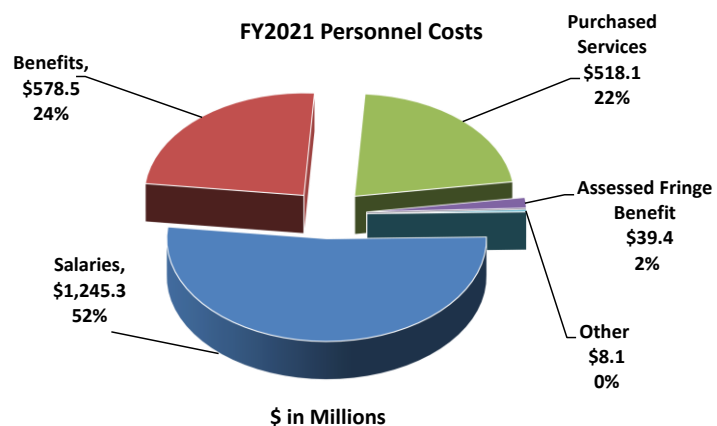
Personnel – FY2021 Budget as Enacted

The FY2021 Budget as Enacted includes a total of \$2,389.4 million for personnel expenditures, an increase of \$206.1 million compared to the FY2020 Budget as Enacted, and \$184.6 million more than the FY2020 Revised Budget. Salaries and benefits total \$1,823.8 million and comprise 76.3 percent of FY2021 personnel expenditures (34.8 percent of the salaries and benefits costs are supported by general revenue).

The FY2020 Final Budget includes \$2,204.8 million for personnel expenditures, an increase of \$21.5 million compared to the FY2020 Budget as Enacted. Salaries and benefits total \$1,779.0 million and comprise 80.7 percent of FY2020 personnel expenditures (41.6 percent of the salaries and benefits costs are supported by general revenue).

PERSONNEL EXPENDITURE TRENDS

Expenditures for salaries in FY2021 total \$1,245.3 million, comprising 52.1 percent of total personnel costs, an increase of \$38.2 million (3.2 percent) from the FY2020 Budget as Enacted, reflecting an increase in the number of authorized FTE positions, overtime, and salary inflation that includes a full year impact of the recent contractual COLA adjustments. Total benefit costs, excluding assessed fringed benefits and other costs, amount to \$626.0 million and comprise 26.2 percent of total personnel costs. Benefits, excluding assessed fringe benefits and other costs, decrease \$2.4 million (0.4 percent) from the FY2020 Budget as Enacted, primarily due to lower health and retiree health costs offset by an increase in retirement costs. Purchased services costs are \$518.1 million (21.7 percent) of the total personnel costs. Purchased services increase \$170.2 million (48.9 percent) from the FY2020 Budget as Enacted.



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Expenses by Description	FY2019	FY2020	FY2020	FY2021	% of	Change to Enacted	
	Actual	Enacted	Final	Enacted	Total		
Salaries	\$1,135.7	\$1,207.1	\$1,221.1	\$1,245.3	52.1%	\$38.2	3.2%
Benefits	530.3	580.9	557.9	578.5	24.2%	(2.4)	-0.4%
Purchased Services	330.1	347.9	381.9	518.1	21.7%	170.2	48.9%
Assessed Fringe Benefits	40.4	40.4	38.8	39.4	1.6%	(1.0)	-2.5%
Other	7.4	7.0	5.1	8.1	0.3%	1.1	15.7%
Total	\$2,043.9	\$2,183.3	\$2,204.8	\$2,389.4	100.0%	\$206.1	9.4%

\$ in millions. Totals may vary due to rounding.

Expenses by Function	FY2019	FY2020	FY2020	FY2021	% of Pers.	FY2021	FY2021
	Actual	Enacted	FY2020 Final	Enacted	Budget	General Revenue	General Revenue %
General Government	\$237.4	\$259.4	\$261.3	\$288.6	12.1%	\$151.0	52.3%
Human Services	521.8	567.9	591.0	664.3	27.8%	273.9	41.2%
Education	649.6	684.9	678.6	756.4	31.7%	184.4	24.4%
Natural Resources	59.7	64.5	64.2	63.8	2.7%	34.1	53.4%
Public Safety	442.6	472.8	469.4	476.6	20.6%	310.8	65.2%
Transportation	132.8	133.8	140.3	139.8	5.9%	-	-
Total	\$2,043.9	\$2,183.3	\$2,204.8	\$2,389.5	100.0%	\$954.2	39.9%

\$ in millions. Totals may vary due to rounding.

STATE EMPLOYEE CONTRACT AGREEMENT

The current state employee contract agreements between the State and most of the state employee bargaining units included a 4-year contract that ended on June 30, 2020. The current 4-year contract provided cost-of-living adjustment (COLA) increases of 2.0 percent retroactive to January 2018, 2.5 percent in January 2019, 2.0 percent in July 2019, and 1.0 percent in January 2020. The agreement increased general revenue expenditures by \$6.4 million in FY2018, \$19.8 million in FY2019, and \$23.9 million in FY2020.

The Rhode Island State Police contract expired in October 2020. The State exchanged requests to bargain with all unions but negotiations were placed on hold due to the COVID-19 pandemic. The contract bargaining agreements, by their terms, remain in full force and effect during the period of negotiations. The State recently heard from the attorney representing Rhode Island State Police, indicating they would like to start negotiations soon and the State expects that the other unions will likewise look to start negotiations soon.

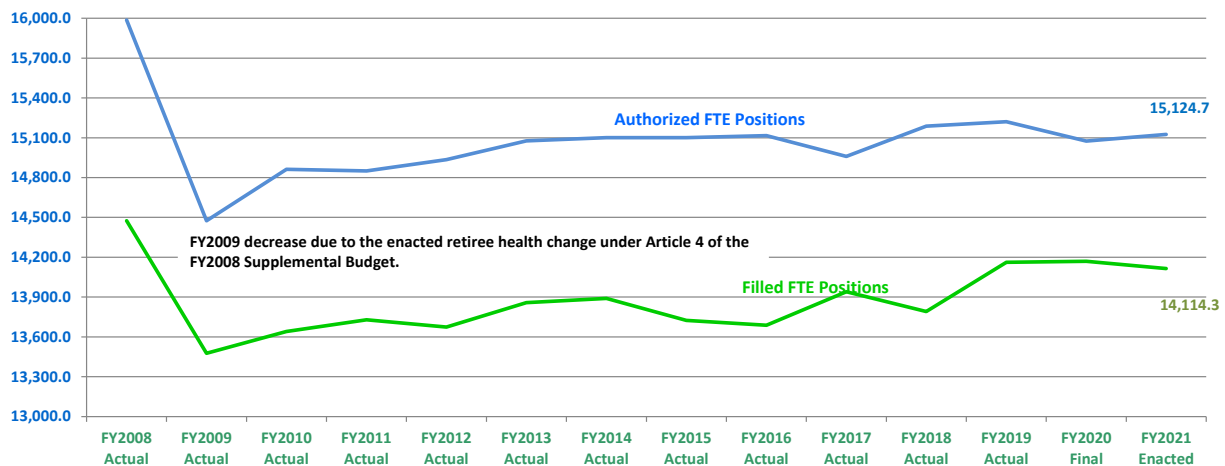
Effective Date	Percentage Increase
30-Jun-02	4.5%
27-Jun-04	1.5%
25-Jun-05	2.5%*
26-Jun-05	4.0%
25-Jun-06	3.0%
24-Jun-07	3.0%
21-Jun-09	2.5%
2-Jan-11	3.0%
19-Jun-11	3.0%
6-Apr-14	2.0%
5-Oct-14	2.0%
4-Oct-15	2.0%
1-Jan-18	2.0%**
1-Jan-19	2.5%
1-Jul-19	2.0%
1-Jan-20	1.0%

*Not compounded on 1.5%

** Retroactive payment to January 1, 2018

FTE POSITIONS

The FY2021 Budget as Enacted on date authorizes 15,124.7 FTE positions. At the start of the fiscal year, 14,114.3 FTE positions (93.3 percent of the original enacted authorized amount) were filled, leaving 1,010.4 FTE positions vacant, a rate of 6.7 percent.



The following table illustrates the number of FTE positions by government function. The bullets that follow the table detail the adopted FTE position changes in the FY2020 Supplemental Budget and in the FY2021 Budget as Enacted.

Government Function	FY2020 Enacted	FY2020 Final	Change to Enacted	FY2021 Enacted	% of Total	Change to Enacted
General Government	2,406.9	2,406.9	-	2,441.9	16.1%	35.0
Human Services	3,556.6	3,556.6	-	3,571.6	23.6%	15.0
Education	3,953.4	4,218.4	265.0	4,218.4	27.9%	-
Public Safety	3,190.0	3,190.0	-	3,190.0	21.1%	-
Natural Resources	424.0	424.0	-	424.0	2.8%	-
Transportation	755.0	755.0	-	755.0	5.0%	-
Subtotal	14,285.9	14,550.9	265.0	14,600.9	96.5%	50.0
Sponsored Research	788.8	523.8	(265.0)	523.8	3.5%	-
Total FTE Positions	15,074.7	15,074.7	-	15,124.7	100.0%	50.0

- **An increase of 265.0 FTE positions in Public Higher Education:** As per the request of the University of Rhode Island, the FY2020 Supplemental Budget redistributes 265.0 FTE positions that were previously third-party paid sponsored research positions at the University of Rhode Island to regular FTE positions at the University.
- **A decrease of 265.0 FTE positions in Higher Education Sponsored Research positions:** As per the request of the University of Rhode Island, the FY2020 Supplemental Budget redistributes 265.0 FTE positions that were previously third-party paid sponsored research positions at the University of Rhode Island to regular FTE positions at the University.
- **An increase of 35.0 FTE positions in the Department of Labor and Training:** The Budget includes an additional 35.0 FTE positions within the Department's Unemployment Insurance Administration. The additional positions are included to help the Department process the increased number of unemployment claims due to the COVID-19 pandemic.
- **An increase of 14.0 FTE positions in the Department of Health:** The Budget includes an FTE authorization of 513.6 positions within the Department of Health. This reflects the addition of 15.0 FTE positions for COVID-19 contract tracing, offset by the elimination of 1.0 Legal Council position that is transferred to the Executive Office of Health and Human Services (EOHHS).
- **An increase of 6.0 FTE positions in the Executive Office of Health and Human Services:** The Budget adds 6.0 FTE positions to reflect the centralization of health and human services legal staff within the Executive Office. This includes the transfer of 4.0 FTE positions from the Department of Children, Youth, and Families; 1.0 FTE position from the Department of Health; and 1.0 FTE position from the Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals.
- **A decrease of 4.0 FTE positions in the Department of Children, Youth, and Families:** The Budget removes 4.0 FTE positions to reflect the centralization of health and human services legal staff within the Executive Office of Health and Human Services. The Department's revised request contemplated the transfer of two existing Senior Legal Counsels to EOHHS and the addition of two more in FY2021. These positions were within DCYF's existing FTE authorization but are cost allocated to EOHHS.
- **A decrease of 1.0 FTE position in the Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals (BHDDH):** The Budget includes an FTE authorization of 1,188.4 positions within BHDDH. This reflects the elimination of 1.0 Legal Council position that is transferred to Executive Office of Health and Human Services (EOHHS).

TURNOVER

The FY2021 Budget lists turnover as a natural account under the personnel category. This practice started with Governor's recommendation for the FY2020 Budget. As illustrated in the table, the FY2020 Budget as Enacted contained \$52.9 million in turnover savings, of which \$28.2 million or 53.3 percent consisted of general revenue funds. The FY2020 Final Budget reduced the total turnover to \$33.3 million (reflecting unachieved personnel savings), thus requiring \$19.6 million to be included in the supplemental budget. The

FY2021 Budget as Enacted includes turnover savings of \$36.3 million, of which \$26.9 million or 74.1 percent reflects general revenue.

Turnover by Funding Source

Funding Source	FY2020 Enacted	FY2020 Final	Change	FY2021 Enacted	Change
General Revenue	(\$28,204,506)	(\$24,201,467)	\$4,003,039	(\$26,936,632)	\$1,267,874
Federal Funds	(11,211,025)	(5,967,387)	5,243,638	(5,370,985)	5,840,040
Restricted Receipts	(960,261)	(1,239,209)	(278,948)	(1,646,210)	(685,949)
Other Funds	(12,530,178)	(1,934,263)	10,595,915	(2,308,212)	10,221,966
Total	(\$52,905,970)	(\$33,342,326)	\$19,563,644	(\$36,262,039)	\$16,643,931

In FY2021, turnover is stated in 30 agency budgets. The following table illustrates the top 10 agencies with all fund turnover savings exceeding a million dollars.

Turnover by Agency

Turnover by Agency	FY2020			FY2021	
	Enacted	FY2020 Final	Change	Enacted	Change
Corrections	(\$2,248,675)	(\$5,608,824)	(\$3,360,149)	(\$6,062,265)	(\$3,813,590)
BHDDH	(13,922,083)	(5,685,908)	8,236,175	(7,201,475)	9,294,175
Judiciary	(2,347,193)	(2,479,138)	(131,945)	(162,964)	(1,168,456)
Human Services	(4,989,606)	(2,933,407)	2,056,199	(3,973,034)	1,558,248
Transportation	(13,021,627)	(1,787,555)	11,234,072	(3,077,828)	9,943,799
DCYF	(5,478,775)	(2,538,661)	2,940,114	(2,327,411)	3,151,364
Revenue	(2,557,480)	(1,367,615)	1,189,865	(3,653,283)	499,471
Administration	(474,269)	(1,378,764)	(904,495)	(1,306,453)	(832,184)
EOHHS	(214,967)	(669,674)	(454,707)	(1,057,807)	(842,840)
Elementary and Secondary Education	(921,278)	(846,288)	74,990	(1,050,485)	(126,597)
All Other Agencies	(6,730,017)	(6,173,888)	556,129	(6,479,034)	1,082,454
Total	(\$52,905,970)	(\$31,469,722)	\$21,436,248	(\$36,352,039)	\$18,745,844

PURCHASED SERVICES

Purchased services expenditures provide for contractors (non-state employees) who deliver special expertise to the State or where the work is temporary or project-specific. There are 10 categories of purchased services: four of the 10 categories, Management and Consultant Services, Training and Educational Services, Medical Services, and Information Technology, comprise 72.5 percent of the total FY2021 purchased service expenditure recommendation in the FY2021 Budget as Enacted.

Purchased Services	FY2017	FY2018	FY2019	FY2020	FY2020	FY2021	FY21 to
	Actual	Actual	Actual	Enacted	Final	Enacted	FY20 Enacted
Design & Engineering	\$44.9	\$56.0	\$61.5	\$47.9	\$52.2	\$51.7	\$3.8
Management & Consultant Services	79.1	80.8	72.7	69.1	102.0	81.4	12.3
Training & Educational Services	45.9	52.6	56.3	56.3	58.5	110.4	54.1
Information Technology	29.6	54.3	58.0	94.8	73.4	100.2	5.4
Medical Services	15.7	19.0	19.8	19.7	26.9	83.6	63.9
Other Contracts	15.6	15.8	17.4	19.5	22.5	44.0	24.5
Clerical & Temporary Services	4.3	5.5	5.5	5.4	6.4	6.2	0.8
Buildings & Grounds Maintenance	6.0	7.3	7.5	7.2	8.8	8.5	1.3
Legal Services	7.1	5.9	5.9	6.1	7.6	8.0	1.9
University & College Services	16.8	22.1	25.4	21.9	23.6	24.1	2.2
Total	\$265.2	\$319.3	\$330.0	\$347.9	\$381.9	\$518.1	\$170.2

\$ in millions. Totals may vary due to rounding.

Does not include Internal Service Funds

The FY2021 Budget as Enacted includes \$518.1 million for purchased service expenses, of which \$103.3 million (19.9 percent) is general revenue. The FY2021 Budget reflects an increase of \$170.2 million from the FY2020 Budget as Enacted and an increase of \$136.2 million from the FY2020 Final Budget.

Approximately \$433.1 million (83.6 percent) of the appropriation funds services in seven state departments, of which three agencies saw the largest increase: Department of Health (\$85.6 million), Elementary and Secondary Education (\$53.4 million), and Department of Human Services (\$10.3 million).

Purchased Services

Department	FY2020 Enacted	FY2020 Final	FY2021 Enacted	FY2021 General Revenue
Office Health and Human Services	\$118.2	\$124.9	\$106.8	\$20.7
Elementary and Secondary Education	46.0	45.5	99.4	7.3
Transportation	42.2	51.9	51.4	-
Administration	8.4	10.5	11.4	1.9
Human Services	27.1	24.5	37.4	15.5
BHDDH	6.7	8.0	9.4	6.2
Corrections	15.2	16.3	16.1	14.2
Health	11.1	21.8	96.7	15.5
Environmental Management	7.1	8.0	7.5	0.3
Children, Youth, and Families	6.1	7.3	6.1	3.3
Labor and Training	4.5	4.9	11.2	0.1
University of Rhode Island	22.6	23.9	25.3	2.9
Revenue	5.0	5.5	9.3	5.8
General Treasurer	4.9	4.9	5.5	0.2
All Other Agencies	22.8	24.0	24.6	9.4
Total	\$347.9	\$381.9	\$518.1	\$103.3

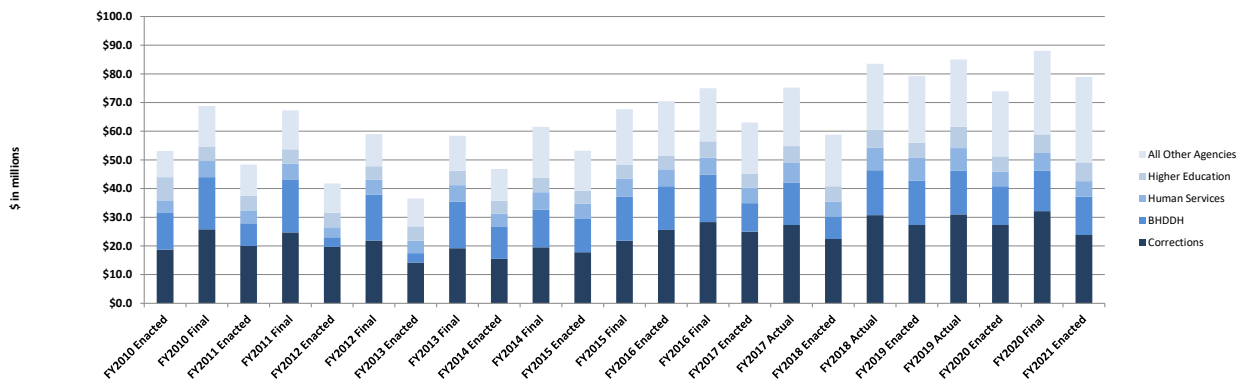
\$ in millions

Does not include ISFs

OVERTIME

The FY2021 Budget as Enacted includes \$78.9 million for projected overtime costs, \$5.0 million more than the FY2020 Budget as Enacted and \$9.1 million less than FY2021 Revised Budget. General revenue supports 42.1 percent of overtime expenses. 30.2 percent of the total FY2021 enacted overtime expenditures for the State occur within the Department of Corrections, which is projected to decrease 12.7 percent in FY2021.

Overtime Costs



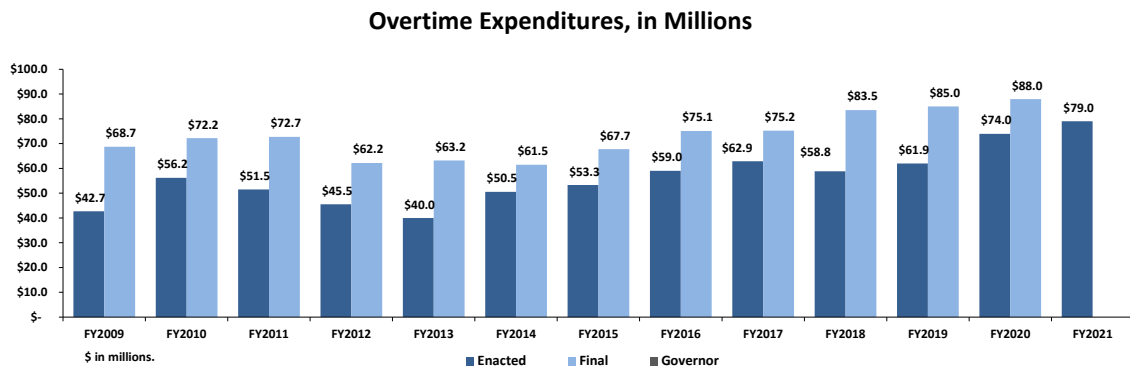
State agencies regularly over spend their overtime appropriation. Over the last ten fiscal years, overtime expenditures have exceeded enacted amounts by an average of \$17.7 million (33.0 percent).

The Department of Corrections and Behavioral Healthcare, Developmental Disabilities, and Hospitals generally exceed their overtime appropriations by the largest amounts. Overtime costs often result from staffing shortages, due either to high turnover rates or insufficient FTE authorizations in the enacted budget.

Where there are state or federally mandated minimum staffing levels (such as at Eleanor Slater Hospital in BHDDH), or caseload-driven personnel requirements (such as inmate population levels at the Department of Corrections) agencies must use overtime or contract personnel to provide adequate coverage.

The FY2021 Budget as Enacted includes a decrease of \$3.5 million in overtime costs within the Department of Corrections. These savings will be achieved by more strictly enforcing sick leave policies to reduce fraudulent discharging of sick time, the closure of multiple modules within the Intake Service Center, Medium Security, and High Security, an anticipated reduction in emergency room and hospital trips, and stricter enforcement of overtime policies throughout the Department. The Budget also accelerated the next Correctional Officer class, that graduated 63 November 2020. The additional officers will reduce workloads for current Correctional Officers and reduce the need for overtime.

The following chart illustrates the variances between the enacted and actual expenditures for overtime costs:



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Senior Legislative Fiscal Analyst

Administration
Board of Elections
Commission on Disabilities
Convention Center Authority
Ethics Commission
General Treasurer
Governor
Human Rights Commission
I-195 Redevelopment Commission
Lieutenant Governor
Military Staff
Public Defender
Public Utilities Commission
Quonset Development Corporation
RI Emergency Management Agency
Secretary of State

Kelly M. Carpenter

Senior Legislative Fiscal Analyst

Arts Council
Atomic Energy Commission
Coastal Resources Management Council
Elementary and Secondary Education
Environmental Management
Health & Educational Building Corporation
Higher Education
Judiciary
Narragansett Bay Commission
Resource Recovery Corporation
RI Infrastructure Bank
Student Loan Authority

David Tremblay

Deputy Senate Fiscal Advisor

Executive Office of Commerce
Legislature
Public Safety
Revenue
RI Commerce Corporation
RIHMFC (RI Housing)

Emily W. Tumber

Legislative Fiscal Analyst I

Executive Office of Health and Human Services
Child Advocate
Children, Youth, and Families

Shanna Vecchio-Schubert

Legislative Fiscal Analyst I

Attorney General
Corrections
Historic Preservation and Heritage Commission
Human Services
Labor and Training
RI Airport Corporation
RI Public Transit Authority
RI Turnpike & Bridge Authority
Transportation

Brittany A. Church

Legislative Fiscal Analyst I

Behavioral Health, Developmental Disabilities,
and Hospitals
Business Regulation
Commission on Deaf and Hard of Hearing
Health
HealthSource RI
Mental Health Advocate