

Budget Status & Federal Stimulus Guidance Update

Staff Presentation to the House Finance
Committee
June 3, 2021

Introduction

- Overview of updated budget picture and most recent guidance on federal relief situation
- Newest package not in the budget proposal
 - Enormous impact to state and local finances over next several years
 - General and specific programs affecting every facet of the state and its citizens

Recent Timeline

- REC/CEC Q1 – Mid -November
- FY 2021 Budget Signed December 21
- Fifth Federal Stimulus – December 27
- Agencies Q2 – Jan 30
- Budget Office Q2 – Feb 15
- FY 2020 Audited Closing – Feb 23
- Governor's FY 2022 Budget – March 11
 - 2021 - H 6121 & 6122 introduced and referred to Finance
- Sixth Federal Stimulus – March 11

Budget Briefings, Publications & Hearings

- February 25 – Budget Status
- March 16 & 23 – Budget at a Glance
- March 25 – Governor’s Budget Overview
- March 30 – Article hearings begin
- House Fiscal Staff Budget Analysis
 - Updated Federal Funds Analysis
- Early May – Consensus Revenue and Caseload Estimating Conference
- May 15 – Third quarter report due

Governor's FY 2022 Budget

Finance Committee Review

- Briefing - Overview
- Article hearings through June
 - 20 separate articles in 2 bills some with multiple sections affecting different issues
- Subcommittee review of individual agency budgets – April & May
- Governor's requested amendments and other issues of interest
 - Federal Stimulus Funds

References

- Materials are on line on the Assembly website - <http://www.rilegislature.gov>
 - House Fiscal Reports
 - Tabs for 2021 session
 - Links to OMB/Budget Office
 - Includes items prepared by House Fiscal Staff that may be helpful
 - Hearings available “on demand” on Assembly website

Current Budget Status

- May Revenues
- May Caseload
- FY 2021 Third Quarter Report
- Governor's Recommended Solution
- Federal Relief Programs

Revenues

- Revenue estimates are driven by trends, collections to date, and the economic forecasts
- May forecast
 - Updated for 2 recent stimulus packages
 - Vaccine rollout assumptions
- Also incorporate estimate of tax Law changes
 - PPP tax treatment
 - ARPA tax impacts

Forecast Changes

Selected Concepts	FY 2021	FY 2022	FY 2023
<i>Nonfarm Employment – jobs in thousands</i>			
November 2020	475.6	492.1	503.1
May 2021	463.9	487.4	498.9
Change	-11.7	-4.8	-4.2
<i>Wage & Salary Income Growth %</i>			
November 2020	2.5	5.3	4.9
May 2021	3.7	5.8	4.5
Change	1.2	0.5	-0.5
<i>Unemployment Rate %</i>			
November 2020	8.9	6.2	4.9
May 2021	8.4	4.8	3.9
Change	-0.5	-1.4	-1.0

Forecast Changes

- Outlook improved over past few months
 - COVID-19 vaccine rollout
 - Declines in COVID-19 cases & deaths
 - Significant federal fiscal stimulus
 - Consumer spending above pre-COVID levels soon
 - Faster than expected, partially from stimulus checks
- Forecast assumes
 - COVID-related restrictions continue to ease
 - Schools reopen in fall
 - Interest rates near 0% until mid-2024

May 2021

Consensus Revenue Estimates

	FY 2020 Reported	FY 2021 Rev.	Chg. to Enacted	FY 2022 Estimate	Change to Nov.
Personal Income	\$1,405.5	\$1,540.0	\$89.6	\$1,535.0	\$95.9
Business Taxes	478.2	422.9	(35.3)	455.4	(14.9)
Sales & Use Taxes	1,326.2	1,475.1	84.3	1,484.6	45.0
Other Taxes	70.0	61.2	(12.7)	64.8	(2.4)
Total Taxes	\$3,280.0	\$3,499.2	\$125.9	\$3,539.8	\$123.6
Departmental	435.0	398.0	8.0	251.0	2.0
Other Misc.	52.8	13.8	3.5	11.0	(1.2)
Lottery	283.9	288.9	34.4	375.7	19.4
Unclaimed Prop.	12.1	15.6	5.3	14.2	2.9
Total	\$4,063.7	\$4,215.5	\$177.1	\$4,191.7	\$146.8

\$ in millions

Revenue Revisions: FY 2021

	Nov 2019	May 2020	Nov 2020	Enacted	FY 2021 Rev.
Personal Income	\$1,495.7	\$1,295.8	\$1,450.4	\$1,450.4	\$1,540.0
Business Taxes	456.2	418.2	458.2	458.2	422.9
Sales & Use Taxes	1,397.0	1,262.2	1,390.8	1,390.8	1,475.1
Other Taxes	64.1	60.4	73.9	73.9	61.2
Total Taxes	\$3,413.0	\$3,036.6	\$3,373.3	\$3,373.3	\$3,499.2
Departmental	410.0	403.0	390.0	390.0	398.0
Other Misc.	14.7	12.1	10.3	10.3	13.8
Lottery	395.5	265.2	272.5	254.5	288.9
Unclaimed Prop.	8.4	9.0	10.3	10.3	15.6
Total	\$4,241.6	\$3,725.9	\$4,056.4	\$4,038.4	\$4,215.5

\$ in millions

Revenue Revisions: FY 2021

	May 20 vs Nov 19	Nov 20 vs May 20	Enacted vs Nov 20	May 21 vs Enacted	May 21 vs Nov 19
Personal Income	\$(199.9)	\$154.6	\$ -	\$89.6	\$44.3
Business Taxes	(38.0)	40.0	-	(35.3)	(33.3)
Sales & Use Taxes	(134.8)	128.6	-	84.3	78.1
Other Taxes	(3.7)	13.5	-	(12.7)	(2.9)
Total Taxes	\$(376.4)	\$336.7	-	\$125.9	\$86.2
Departmental	(7.0)	(13.0)	-	8.0	(12.0)
Other Misc.	(2.7)	(1.7)	-	3.5	(0.9)
Lottery	(130.3)	7.3	(18.0)	34.4	(106.6)
Unclaimed Prop.	0.6	1.3	-	5.3	7.2
Total	\$(515.8)	\$330.6	\$(18.0)	\$177.1	\$(26.1)

\$ in millions

Revenues: May REC

- FY 2021 enhanced by one-time or limited revenues
 - Personal income tax revenues boosted from high volume of federal enhancements to unemployment benefits
 - Sales tax boosted from federal stimulus measures that increased personal income
 - Driver of consumption

FY 2021 Caseload

FY 2021 Caseload Estimating Conference

<i>All Funds</i>	<i>Enacted</i>	<i>May CEC</i>	<i>Chg.</i>
Medical	\$2,703.9	\$2,690.3	\$(13.6)
Governor's Proposals	13.7	-	(13.7)
<i>Subtotal - Medical</i>	<i>\$2,717.5</i>	<i>\$2,690.3</i>	<i>\$(27.2)</i>
CEC - Cash	\$103.8	\$90.5	\$(13.3)
Gov. Proposals	-	-	-
<i>Subtotal - Cash</i>	<i>\$103.8</i>	<i>\$90.5</i>	<i>\$(13.3)</i>
Total	\$2,821.3	\$2,780.8	\$(40.5)

\$ in millions

FY 2021 Caseload

FY 2021 Caseload Estimating Conference

<i>General Revenues</i>	<i>Enacted</i>	<i>May CEC</i>	<i>Chg.</i>
Medical	\$940.0	\$895.7	\$(44.2)
Governor's Proposals	(29.0)	-	29.0
<i>Subtotal - Medical</i>	<i>\$911.0</i>	<i>\$895.7</i>	<i>\$(15.3)</i>
CEC - Cash	\$28.4	\$27.6	\$(0.8)
Gov. Proposals	-	-	-
<i>Subtotal - Cash</i>	<i>\$28.4</i>	<i>\$27.6</i>	<i>\$(0.8)</i>
Total	\$939.3	\$923.3	\$(16.0)

\$ in millions

FY 2021 Caseload

- Medical Assistance
 - \$27.2 million decrease
 - \$15.3 million from general revenues
 - Enhanced Medicaid rate for 4th quarter
 - General revenue savings of \$30.0 million
 - Decrease in long term care expenses
 - Nursing homes and Rhody health Options
 - Decrease in hospital & other medical expenses
 - Increase in managed care program costs
 - Update to monthly rate paid for 290,000 enrollees

FY 2021 Caseload

Change to Medical Assistance	General Revenues	Total
Long Term Care Expenses	\$(12.9)	\$(36.6)
Hospital Expenses	(0.8)	(1.7)
Pharmacy Expenses	(5.4)	(4.7)
Other Expenses	(1.6)	(4.2)
<i>Savings - Subtotal</i>	<i>\$(20.7)</i>	<i>\$(47.3)</i>
Managed Care Program	3.8	6.8
Expansion Program	1.7	13.3
<i>Expenses – Subtotal</i>	<i>\$5.4</i>	<i>\$20.1</i>
Total	\$(15.3)	\$(27.2)

\$ in millions

FY 2022 Caseload

FY 2022 Caseload Estimating Conference

<i>All Funds</i>	<i>Nov CEC</i>	<i>May CEC</i>	<i>Chg.</i>
Medical	\$2,689.3	\$2,886.9	\$197.6
Governor's Proposals	115.8	(3.4)	(119.2)
<i>Subtotal - Medical</i>	<i>\$2,805.1</i>	<i>\$2,883.5</i>	<i>\$78.4</i>
CEC - Cash	\$104.4	\$102.9	\$(1.5)
Gov. Proposals	6.0	2.4	(3.5)
<i>Subtotal - Cash</i>	<i>\$110.4</i>	<i>\$105.3</i>	<i>\$(5.0)</i>
Total	\$2,915.5	\$2,988.9	\$73.4

\$ in millions

FY 2022 Caseload

FY 2022 Caseload Estimating Conference

General Revenues	Nov CEC	May CEC	Chg.
Medical	\$1,009.3	\$1,001.4	\$(7.9)
Governor's Proposals	(24.2)	0.4	24.6
Subtotal - Medical	\$985.1	\$1,001.9	\$16.8
CEC - Cash	\$28.7	\$28.0	\$(0.7)
Gov. Proposals	(0.6)	(0.6)	(0.0)
Subtotal - Cash	\$28.2	\$27.4	\$(0.8)
Total	\$1,013.2	\$1,029.2	\$16.0

\$ in millions

FY 2022 Caseload

- Medical Assistance
 - \$78.4 million increase
 - \$16.8 million from general revenues
 - Enhanced Medicaid rate for 2 quarters
 - General revenue savings of \$65.3 million
 - Decrease in long term care expenses offsets an increase in all other programs
 - Enrollment declines assumed to begin in January

FY 2022 Caseload

- May Caseload revisions
 - Usual updates result in revised value of proposals included in recommended budget
 - Part of the revisions recognized certain Article 12 savings were overstated
 - Long Term Care Rebalancing
 - FY 2022 budget assumes savings of \$9.2 million
 - Rebased to an add of \$1.0 million
 - General revenue savings of \$4.5 million
 - Rebased to an add of \$0.4 million

FY 2022 Caseload

- May Caseload revisions
 - GBA to correct the overstated savings
 - Add of \$24.0 million
 - \$10.8 million from general revenues
 - Long term care rebalancing
 - \$5.1 million for nursing homes
 - \$5.0 million more for home & community based services
 - ESH discharges
 - \$13.9 million from all sources
 - \$5.9 million from general revenues

Summary – REC/CEC Impact

Changes to Gov.	FY 2021	FY 2022	Total
REC Changes	\$177.1	\$146.8	\$323.8
Changes to Gov.	73.5	42.3	115.8
Subtotal	250.6	189.0	439.6
Minus May CEC	(45.0)	(8.6)	(53.6)
Changes to Gov.	29.0	24.6	53.6
Subtotal CEC	\$(16.0)	\$16.0	\$(0.0)
Combined REC/CEC	266.6	173.0	439.6
Less Rainy Day adj.	(7.5)	(5.7)	(13.2)
Impact to Gov. Budget	\$259.1	\$167.3	\$426.5

Current Year

- The *current year* showed a significant surplus vs enacted expectations with a number of still unknowns linked to federal action
- The Governor's budget increases that significantly *as part of 2-year solution to FY 2022 deficit*
 - Newly available federal funds use
 - RICAP payback delay
 - Response to federal tax law changes

Governor's Budget

	FY 2020	FY 2021	FY 2022
Opening Surplus	\$40.8	\$161.5	\$265.4
FEMA Related Adjustment	-	110.9	-
Revenues	4,183.7	3,999.3	4,245.6
Rainy Day Fund	(126.4)	(124.7)	(135.3)
Available Revenues	\$4,098.1	\$4,147.1	\$4,375.7
Expenditures	\$3,936.6	\$3,881.6	\$4,371.3
Total Surplus	\$161.5	\$265.4	\$ 4.4

\$ in millions

Structural Deficit Issues

- One-time resources currently supporting ongoing expenses
- Further use in this way exacerbates structural imbalance

Selected One-Time Resources	FY 2021	FY 2022
Enhanced FMAP	144.4	78.4
Prior-year surplus	161.5	264.5
CRF for Staff	218.5	-
Total	\$524.4	\$342.9

\$ in millions

Out-Years

- As submitted the budget has out year deficits exceeding \$350 million annually
 - Result of use of one-time solutions in current budget
- Annual expenditures still outpace projected revenues
 - Will change as decisions on stimulus use are made
- *Updated projections increase one-time resources*

Summary – Budget Solve

Governor's Solve – March	FY 22	FY 21	Total
PPP Tax Impact	\$(47.0)	\$(86.3)	\$(133.3)
Other Revenues	73.0	9.3	82.3
Medicaid/HHS Agencies	94.0	31.9	125.9
Locals	(7.4)	0.1	(7.3)
Commerce	6.6	(0.3)	6.3
Cost Shifts	(11.0)	243.5	232.5
Debt Service	2.7	6.1	8.8
New Programs/Initiatives	(14.0)	-	(14.0)
Statewide/Other	30.5	(0.2)	30.2
Total Solution	\$127.4	\$204.0	\$331.4

\$ in millions

Summary – New Issues

Items not accounted for	FY 2021	FY 2022
Eleanor Slater Hospital – IMD mix	\$11.6	\$ -
ESH FY 2022 proposal paused	-	49.1
Higher/lower education MOE	-	8 - ?
Consent Decree – provider ask	-	31.0
DD privatization – provider issue	-	4.5
Nursing homes staffing Increase	-	1.3
Viability of other initiatives	?	?
Other priorities	?	?
Total	~\$106	

\$ in millions

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Current Year

- The Administration's third quarter report provides updated snap shot
 - Current year impacts of Caseload and Revenue conference
 - Some changes to agency spending
 - Availability of federal funds to offset costs
 - Not all potential changes or issues included in bottom line total
 - Some noted in the report

Current Year: *Third Quarter*

Expenditure Changes to Gov. Revised Budget	
EOHHS: Caseload Conference	\$(16.0)
Other Human Services – FEMA one-time	(3.6)
Education	0.1
Public Safety – CRF one-time	(6.9)
Total	\$(26.4)

\$ in millions

Human Services Agencies:

Q3

- Veterans Homes - \$2.3 million less
 - Expenses shifted to FEMA funds
 - Governor's budget adds FEMA but did not assume general revenue savings
- DHS - \$0.9 million more
 - For staff & operating
 - Reflects cost allocation plan
 - Updated quarterly based on staff time spent on each program
- EOHHS - \$1.1 million more for UHIP

Human Services Agencies:

Q3

- Eleanor Slater Hospital billing issues
 - Governor's recommended budget includes \$136.2 million/\$10.0 million from Medicaid
 - GBA – to add \$5.7 million from Medicaid
 - Offset like amount of general revenues
 - 3rd quarter report assumes collecting \$10.0 million included in the enacted budget
 - Based on state plan amendment
 - BHDDH has stopped billing

Education Agencies: Q3

- \$0.1 million above the Governor's revised budget for similar items
 - Elementary and Secondary Education
 - \$153,000 more for group home aid based on current law requirements
 - Higher Education
 - \$0.1 million less for Promise based on final enrollment
 - \$35,000 more for OPC operations

Public Safety Agencies: Q3

- \$6.9 million below Governor's revised budget
 - Shifts additional general revenues to available Coronavirus Relief Funds
 - Would provide a total of \$130.2 million of general revenue relief for staffing costs for FY 2021
 - One-time general revenue savings does not repeat

Governor's Budget

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Opening Surplus	\$40.8	\$161.5	\$265.4
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Revenues	4,183.7	3,999.3	4,245.6
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\$ in millions

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\$ in millions

Revenues Changes

Revenues – \$51.0 million less

- PPP tax treatment changes – \$(65.6)
- Lottery - \$6.1 million
- Adult Use Marijuana - \$1.7 million
- Enhanced Collections - \$1.7 million
- Fees – \$4.1 million
- Transfer from UST Fund -\$1.0 million
- Other - \$0.9 million

Revenues

- Paycheck Protection Program
 - CARES Act established program
 - Provides no-cost, unsecured loans
 - Forgiven loans expressly deemed not income for tax purposes
 - Consolidated Appropriations Act - 12/27
 - Allowed for expenses paid to be deductible
 - Change in tax treatment not in state revenue estimates – but would impact
 - \$133.3 million loss over FY 2021 & FY 2022
 - State personal & income tax revenue

Revenues

- Paycheck Protection Program
 - Governor proposes to partially decouple
 - Only forgiven loans under \$150,000 exempt from taxation
 - Taxation empowered to reverse proposal if future federal stimulus allows for revenue replacement

Original Estimate	FY 2021	FY 2022	Total
Federal Action	\$(86.3)	\$(47.0)	\$(133.3)
Partial Decouple	3.6	64.1	67.7
Total Impact	\$(82.7)	\$17.1	\$(65.6)

\$ in millions

Revenues

- Paycheck Protection Program
 - Governor proposes to partially decouple
 - Only forgiven loans under \$150,000 exempt from taxation
 - Taxation empowered to reverse proposal if future federal stimulus allows for revenue replacement

Revised Estimate	FY 2021	FY 2022	Total
Federal Action – REC	\$(86.6)	\$(42.1)	\$(128.7)
Partial Decouple	2.1	59.4	61.5
Total Impact	\$(84.4)	\$17.3	\$(67.2)

\$ in millions

Governor's Solution

- Revenues
- Medicaid/EOHHS Agencies
- Locals
- Commerce
- Departments and Agencies
 - Statewide
 - Initiatives
 - Debt and Other

Medicaid/EOHHS Agencies

Impact - Original	General Revenues
Hospitals (2-year)	\$57.5
Managed Care	1.7
Long Term Care Redesign	4.0
Home Stabilization Program	(0.7)
Enhanced Collections	1.3
Family Visiting Programs	(0.7)
Healthy Aging – Co-pay programs	(0.7)
Total	\$62.3

\$ in millions

Medicaid/EOHHS Agencies

- Eleanor Slater Hospital patients that can be transferred to alternative settings
 - Increase rates for patients on ventilators?
 - Increase rate for psychiatric residential care?

FY 2022 – Eleanor Slater Hospital	Gen. Rev.
Reorganization Savings	\$47.6
NH Rates – Ventilators	0.5
Enhanced Rates for Residential Services	1.0
Total	\$49.1

\$ in millions

Medicaid/EOHHS Agencies

Division of Developmental Disabilities	GR	All
Transition Fund – Consent Decree	\$(10.0)	\$(15.0)
Privatize RICLAS	[4.5]	[11.7]
<i>RICLAS Savings</i>	8.1	20.2
<i>Community Providers</i>	(3.3)	(7.8)
<i>Contractor</i>	(0.3)	(0.7)
Total	\$(5.5)	\$(3.3)

\$ in millions

Medicaid/EOHHS Agencies

DHS - Original	GR	All
Child Care Reimbursement Rates	\$ -	\$(6.0)
Child Care Coverage Expansion	-	(0.2)
RI Works Expansion & Clothing Allowance	-	(0.3)
RI Community Food Bank	(0.2)	(0.2)
OVS – RI Serves	(0.2)	(0.2)
Total	\$(0.4)	\$(6.9)

\$ in millions

EOHHS Agencies

Department of Children, Youth and Families	General Revenues
Recruitment and Retention	\$1.4
Training School Personnel	0.9
Utilization Management/Extreme Family Finding	(0.1)
Sublease Headquarters	0.5
Families First Prevention Act	(0.4)
Total	\$2.3

\$ in millions

Education Aid

- Governor adds \$43.3 million from general revenues for education aid
 - \$8.1 million more than current service estimate
 - \$10.9 million more for direct aid to schools
 - \$0.9 million less for teacher retirement
 - \$1.9 million less for school construction
 - Governor's out-year estimates=1.4% annual
 - Increased costs will be offset by population decline
 - Prior out years – assumed 2%
- Current recommendation is 3.7%

Education Aid

- Funds 11th year of formula
 - Adds \$36.7 million based on March 2020 data
 - *March 2021 updated expected in April*
 - Adds \$1.5 million for Central Falls stabilization
 - \$0.1 million less for fewer group home beds
- Phase-in adjustments have ended
 - Districts receive aid as produced by formula

Education Aid

- Teacher Retirement
 - \$123.9 million
 - \$5.5 million more than enacted
- State Pre-k
 - \$2.5 million from one-time federal GEER funds to expand classrooms ~ 330 seats
 - Out-year estimates do not account for this
- School Construction Aid \$80 million
 - \$79.4 million - Traditional
 - \$0.6 million – SBA Fund

Departments and Agencies

- Cost Shifts – \$232.5 million
 - Fund sources and timing
 - RICAP payback delayed until FY 2023
 - Net \$70 million more resources available from this delay
 - Opioid settlement - \$1.5 million
 - Freed up CRF - \$69.9 million
 - Revised estimate and FEMA change
 - COVID response to federal \$91.1 million
 - New grants and FEMA change

Expenditures

	Enacted	Budget	Change
General Revenues	\$4,153.3	\$4,371.3	\$218.0
Federal	5,812.9	4,129.5	(1,683.4)
Restricted	322.3	341.9	19.6
Other	2,442.0	2,327.8	(114.1)
Total	\$12,730.4	\$11,170.5	\$(1,560.0)

\$ in millions

Full-time Equivalent Positions

	Total
FY 2020 Avg.	14,205.1
FY 2021 Enacted/Gov. Rev	15,124.7
Diff. from Enacted	-
FY 2022 Gov. Rec.	15,089.2*
Diff from Enacted	(35.5)
Filled May 22	13,680.9
Diff. from Enacted/Gov. Rev.	(1,443.8)
Diff. from Gov. Rec.	(1,408.3)

**includes 130 new positions*

Staffing Changes

- Biggest changes
 - BHDDH - down 150
 - Privatization of RICLAS - 50
 - Eleanor Stater Hospital Reorg -100
 - New State Police Troopers - 28
 - DCYF Frontline Staff – 16
 - Adult marijuana - 22
 - DOC -13 for discharge planning & others
 - DEM – 7 for parks & rec/expand port ops
 - Health - 6

Expenditures

	Enacted	Budget	Change
Sal/Ben	\$1,871.3	\$1,833.8	\$(37.5)
Contracted Services	518.1	584.8	66.7
Operating	1,507.9	1,066.4	(441.5)
Local Aid	1,669.2	1,661.3	(7.9)
Assistance & Grants	6,084.6	4,888.6	(1,196.0)
Capital	362.6	430.9	68.2
Debt Service	266.2	252.7	(13.4)
Operating Transfers	450.6	452.0	1.4
Total	\$12,730.4	\$11,170.5	\$(1,560.0)

\$ in millions

COVID-19 Relief

- 6 federal acts enacted to address crisis
 - Coronavirus Preparedness & Response Supplemental Appropriations – Mar 6
 - Families First Coronavirus Response – Mar 18
 - CARES – Mar 27
 - Paycheck Protection Program & Health Care Enhancement – April 24
 - Consolidated Appropriations Act – Dec 27
 - American Rescue Plan Act – March 11, 2021

COVID -19 Relief

- Federal acts include funding for
 - State and local budgets
 - Strings and limitations
 - Individuals
 - Direct stimulus payments
 - Optional tax changes
 - Businesses
 - Loans
 - Optional tax changes

COVID - 19 Relief

- Consolidated Appropriations for FY 2021
 - Signed December 27, 2020
- \$900 billion cited as new COVID-19 relief
 - Extends or modifies current programs
 - Direct payments to individuals
 - Extended UI benefits
 - Funding for
 - Vaccines & testing
 - Business
 - Schools
 - Rental assistance

COVID - 19 Relief

- Coronavirus Relief Fund use extended to December 31, 2021
 - RI got \$1.25 billion
 - FY 2021 Budget assumed December 30, 2020
- Most funds appeared to be committed by previous deadline
 - Governor's budget reflects use of leftover
 - Program uptake
 - FEMA match change

CRF - Personnel

FY 2021	Enacted	Gov. Rev.	Diff.
Department of Corrections	\$78.6	\$123.3	\$44.7
Department of Public Safety	37.2	59.5	22.3
Department of Health	7.9	10.1	2.2
Vets Home (DHS)	11.8	12.1	0.3
BHDDH	4.9	4.9	-
Other Human Services	2.6	4.2	1.6
General Government/Education	3.6	4.3	0.6
Other Public Safety	0.5	0.2	(0.3)
Environmental Management	1.6	-	(1.6)
Total	\$148.7	\$218.5	\$69.9

\$ in millions

CRF - Personnel

Agency	FY 2020	FY 21 Rev.	Total
Department of Corrections	\$49.3	\$123.3	\$172.6
Department of Public Safety	24.8	59.5	84.3
Department of Health	8.3	10.1	18.4
Vets Home (DHS)	6.9	12.1	19.0
BHDDH	24.0	4.9	28.9
Other Human Services	3.2	4.2	7.4
General Government/Education	4.4	4.3	8.7
Other Public Safety	2.1	0.2	2.3
Environmental Management	1.2	-	1.2
Total	\$124.2	\$218.5	\$342.7

\$ in millions

COVID Funding

	CRF	FEMA	Other Federal	General Revenues	Total
FY 2020	\$255.0	\$1111.0	\$ -	\$ -	\$366.0
FY 2021	995.0	362.1	314.2	14.2	1,685.5
FY 2022	-	156.3	171.8	-	328.0
Total	\$1,250.0	\$629.3	\$485.9	\$14.2	\$2,379.5

\$ in millions; **does not include ARPA**

CRF – Planned Uses

Committed Amounts for FY 2020 & FY 2021 in Gov. Budget	
Hospitals & Provider Relief	\$285.8
Testing, Contact Tracing, Vaccine Campaign, etc.	30.0
Housing	17.8
Education & Municipal Support	256.0
Small Business Relief & Job Training	173.1
“Pause” Supports: Enhanced UI & RI Works Benefits, Business Support Grants *	111.7
State Agency Personnel & Operations	362.4
All Other	13.1
Total	\$1,250.0

\$ in millions; * Gov Includes \$30 million new program – no details at time of budget

CRF – Planned Uses

Committed Amounts for FY 2020 & FY 2021 - 5/6/21		Change
Hospitals & Provider Relief	\$292.4	\$6.6
Testing, Contact Tracing, Vaccine Campaign, etc.	29.9	(0.1)
Housing	15.8	(2.0)
Education & Municipal Support	249.6	(6.4)
Small Business Relief & Job Training	173.1	-
“Pause” Supports: Enhanced UI & RI Works Benefits, Business Support Grants *	111.7	-
State Agency Personnel & Operations	344.9	(17.5)
All Other (Mostly Government Readiness)	32.6	19.5
Total	\$1,250.0	\$ -

\$ in millions;* \$30 million new program – Small Business Initiative

COVID - 19 Relief

- Governor's Small Business Initiative
 - \$5,000 grants
 - Staffing, operating, reopening expenses
 - For-profit RI business are eligible if
 - <\$1.0 million 2020 revenues, <\$25,000 COVID assistance received, & financial need >\$5,000

Governor's Small Business Initiative	General Revenues
Relief Grants	\$20.0
Outreach, Tech. Assist. & Admin	2.5
Reserve funding	7.5
Total	\$30.0

\$ in millions

Post 12/30 Items in 7171, Sub A

Item	General Revenues	Federal Funds	Total
Surge Hospital	\$11.4	\$8.4	\$19.8
Quarantine & Isolation	2.6	-	2.6
Government Readiness	2.2	-	2.2
Vaccine Campaign	12.5	16.7	29.2
Testing & Contact Tracing	72.0	157.5	229.5
Enforcement & Inspection	1.7	0.0	1.7
Landlord Incentives/Rental Assistance	0.4	2.2	2.6
Other COVID Related Expenses	2.9	10.5	13.4
Total	\$105.7	\$196.1	\$301.8

\$ in millions

Post 12/30 COVID Response

- Many of these items are covered by new or freed up federal funds
 - State funds for FEMA match
 - Leftover CRF with deadline extension
 - State funds for expenses with new grants
- Governor's budget includes \$14.2 million from general revenues
 - \$91.5 million less than included in enacted budget
 - Unused CRF or other funds could cover GR

COVID - 19 Relief

- American Rescue Plan Act of 2021
 - Signed March 11, 2021
 - Same day Governor submitted his budget
 - Recommendation does not include any funding from ARP
 - \$360 billion to state & local governments
 - \$1,400 refundable tax credits to individuals
 - Extends enhanced unemployment insurance benefits until September 6, 2021
- FMAP enhanced rate through at least end of 2021 – federal admin action

American Rescue Plan Act

- State & Local Fiscal Recovery Funds
 - RI estimated to get \$1.8 billion over 2 years
 - \$1.1 billion to the state
 - \$112.7 million for capital expenses
 - \$536.8 million to locals – allocated like CDBG
 - Appears to be more flexible uses than CRF
 - Revenue replacement under certain conditions
 - Uses not allowed
 - To enact a tax reduction
 - Deposits into pension fund or rainy day funds,
 - Match for other federal grants education MOE or Medicaid

American Rescue Plan Act

- Funds availability spans several state fiscal years
 - Must be obligated on or before December 31, 2024 - FY 2025
 - Funded projects must be completed on or before December 31, 2026 - FY 2027
- Revenue replacement formula tries to capture value of pandemic effects on tax collections
 - Not all calculation details clear

Local Federal Stimulus Aid

Disbursement Type	Total	Year 1	Year 2
Entitlement	\$ 272.9	\$ 136.5	\$ 136.5
<i>Cranston</i>	26.8	13.4	13.4
<i>East Providence</i>	18.5	9.3	9.3
<i>Pawtucket</i>	44.3	22.1	22.1
<i>Providence</i>	131.4	65.7	65.7
<i>Warwick</i>	23.7	11.8	11.8
<i>Woonsocket</i>	28.3	14.1	14.1
Non-Entitlement	\$ 58.1	\$ 29.1	\$ 29.1
County Level	\$ 205.8	\$ 102.9	\$ 102.9
Grant Total	\$ 536.8	\$ 268.4	\$ 268.4

\$ in millions, US Treasury updated allocations 5/10

COVID - 19 Relief

- State & Local Fiscal Recovery Funds
 - Capital Project Funds - \$112.7 million
 - For “critical capital projects directly enabling work, education, and health monitoring, including remote options”
 - Guidance issuance not complete
 - Application for project consideration beginning in summer 2021

COVID - 19 Relief

Other American Rescue Plan Act Items of Note	RI Share
Students w/ Disabilities & Homeless Youth	\$13.6
Childcare Block Grant & Provider Stabilization	94.4
LIHEAP	30.8
Head Start	3.0
Emergency Assistance for Children & Families	2.7
Supportive Services/Congregate Meals	7.7
Testing/Vaccine	112.0
Mental Health Centers/Behavioral Healthcare	35.3
Transit	29.5

\$ in millions; Data from *Federal Funds Information for States* as of May 25, updated from prior presentation

COVID-19: DOA

	FY 2021 Governor	FY 2022 Governor	Total
Hospital Assistance Partnership	\$125.1	\$ -	\$125.1
Restore RI Grants	87.4	-	87.4
Rent & Utilities Assistance	81.7	120.0	201.7
Higher Education	23.0	-	23.0
Surge Hospital Operations & Deconstruction	30.2	12.0	42.2
Government Readiness	21.9	0.9	22.8
Stimulus Reserve	-	5.3	5.3
Other Expenses	12.6	3.6	16.2
Total	\$381.9	\$141.8	\$523.7

\$ in millions

COVID-19: DOA/Commerce

- New rental and related assistance
 - Dec 27 Stimulus
 - \$200.0 million minimum until Dec 2021
 - Based on Sept 2021 recapture provisions
 - American Rescue Plan Rental Assistance
 - \$152.0 million state minimum for rent & utilities assistance until Sept 2027
 - Separate funds for homeowners

COVID-19: DOA/Commerce

- Rent & Utilities Assistance - Dec. 27, 2020 Consolidated Appropriations Act
 - \$200 million
 - ARPA extended use of funds through September 2022
 - Covers rent & utilities assistance up to 12 months
 - In arrears or prospectively; 15 mo. in limited circumstances
 - Eligibility requires recipient a rent, meet income thresholds ($\leq 80\%$ AMI), show income reduction, & be housing instable
 - No more than 10% for program administration
 - Operated by RI Housing
 - RentReliefRI launched March 31, 2021

COVID –19: DOA/Commerce

- RentRelief RI Administered by RI Housing
 - Online application portal launched 3/31
 - Improved portal relaunched 5/10
 - Call center operational since 4/5
 - Payments to begin late May/early June

RentRelief RI as of June 3	Requested	Approved
Applications	5,061	25
Amount (arrears & future)	\$30.3	\$0.2
<i>Rent (arrears & future)</i>	\$25.2	\$0.19
<i>Utilities (arrears only)</i>	\$5.1	\$0.01

\$ in millions

COVID-19: Government Readiness

State Agencies	FY 2021 Gov.	FY 2022 Gov.
Administration	\$21.7	\$2.4
Business Regulation	0.1	-
Corrections	1.5	0.2
Environmental Management	2.3	0.3
Health	2.0	2.4
Revenue	1.2	-
Transportation	1.0	0.1
Commerce	0.5	0.1
Legislature	0.8	-
Public Defender	0.1	-
Total <i>(in millions)</i>	\$31.2	\$5.5

COVID-19: CDC Grants

Federal Legislation	Amount
Families First Coronavirus Responses Act	\$6.9
Coronavirus Aid, Relief, & Economic Security Act (CARES)	7.4
Paycheck Protection Program & Health Care Enhancement Act	87.6
Coronavirus Response & Relief Supplemental Appropriations Act	70.5
American Rescue Plan Act*	78.3
Total	\$270.7

\$ in millions, *Preliminary estimate

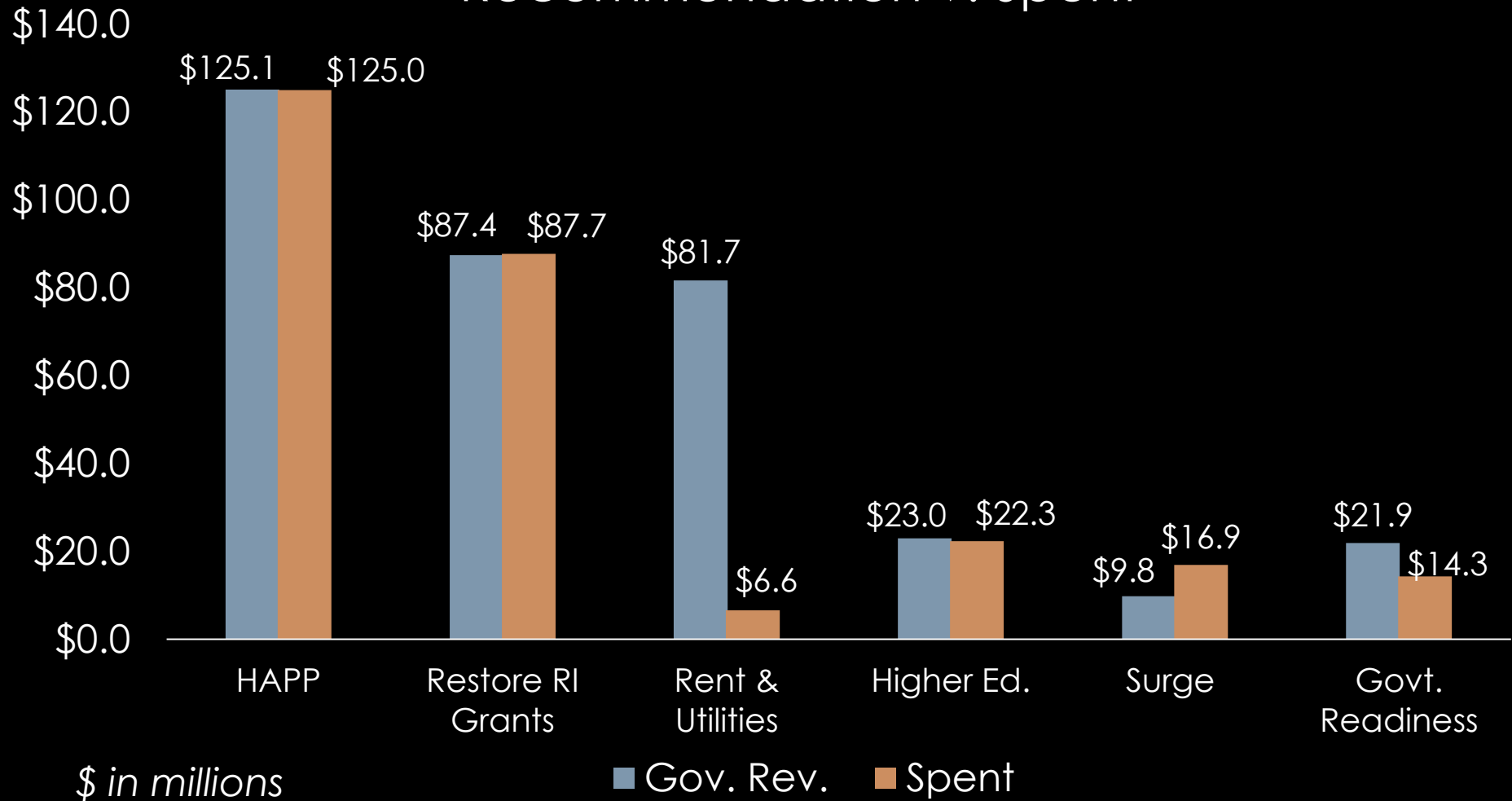
COVID-19: Dept. of Health

	FY 2021 Gov. Rev.	FY 2022 Governor	Total
Testing	\$277.2	\$87.5	\$364.7
Contact Tracing	63.1	33.9	97.0
Vaccine Campaign	35.6	24.2	59.8
Surge	23.0	0.9	23.9
Community Mitigation	9.8	6.5	16.3
Public Health Response	24.3	7.3	31.6
Other Expenses	7.3	1.4	8.7
Total	\$440.3	\$161.7	\$602.0

\$ in millions

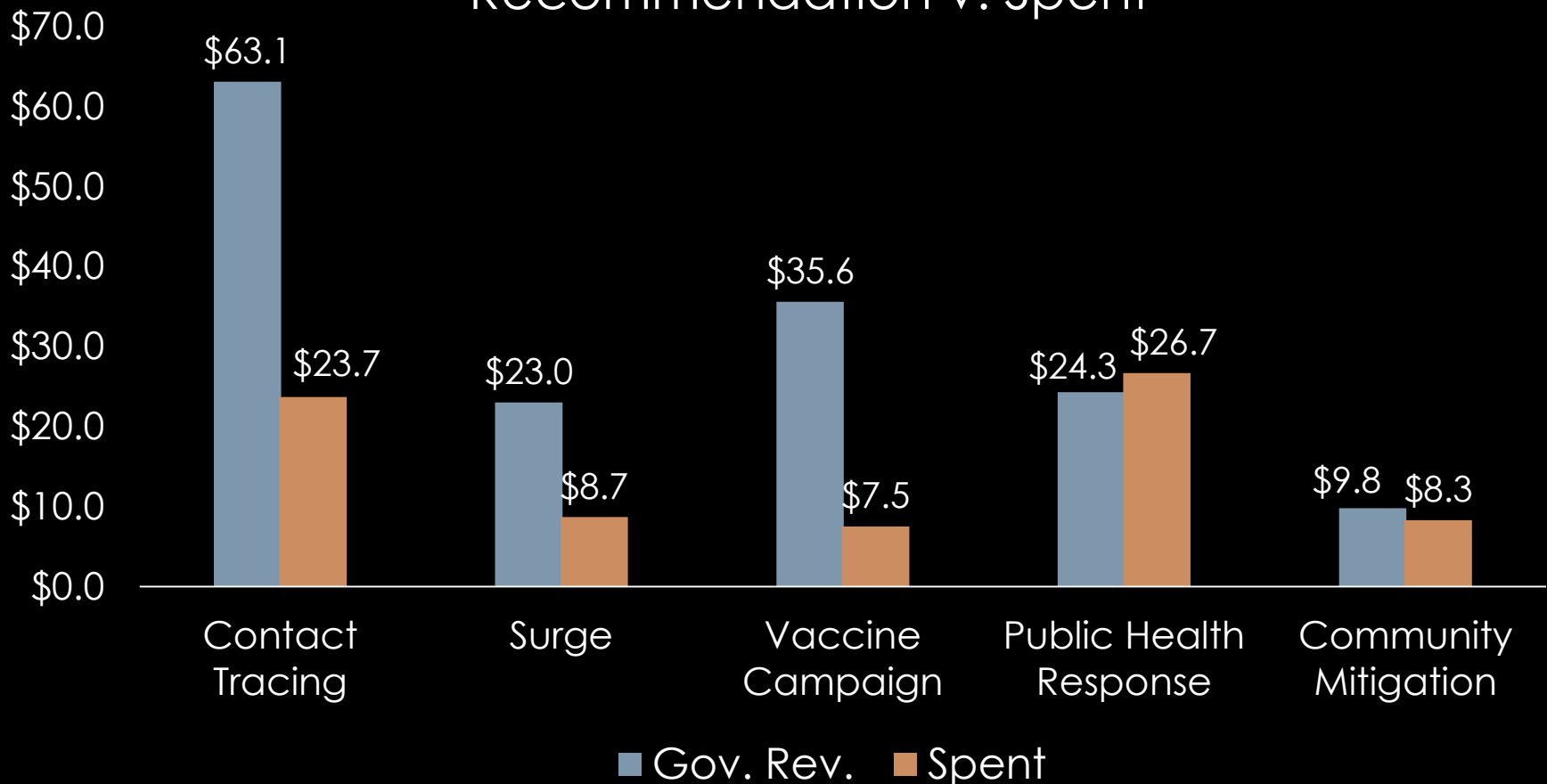
COVID-19 - DOA

Recommendation v. Spent



COVID-19 – DOH

Recommendation v. Spent



\$In millions

COVID –19: Education

- Education - Consolidated Act
 - Mostly distributed same way as CARES Act
 - Requirements to states to maintain spending (MOE) are different
 - Now based on proportion of state spending on education compared to all state spending instead of maintaining specific dollar amounts
 - Complicated to measure during decision making
 - Funding available into FY 2023

COVID –19: Education

- Governor's Fund flexible funding
 - In January, Governor Raimondo submitted her use plan for CARES and new funding

Governor's Initiatives	Total
Increase student access to mental health	\$0.9
Expand prekindergarten	2.5
Expand access to CCRI similar to Promise	5.3
Office of Postsecondary Commissioner	3.9
Private Schools*	7.1
Total	\$19.7

\$ in millions, *only item not in Governor's budget

COVID –19: Education

- ARPA adds much more with same waiver as 5th stimulus but additional rules

Education Funds	CARES	CAA	ARPA	Total
Governor's Fund	\$8.7	\$111.0	\$5.1	\$24.8
K-12 Fund	46.4	184.8	415.0	646.2
Higher Education Fund	29.5	51.5	90.8*	171.8
Total	\$84.6	\$247.3	\$510.9	\$842.8

\$ in millions, *updated from prior presentation

Governor's FY 2022 Budget

- Possible uses of newest federal funds continue to be shaped by updated federal legislation
 - Evolving needs of pandemic recovery
- Major decisions face policymakers on coordinated use of funds
 - Meeting federal rules
 - Maximizing the impact to the state for next several years

Budget Status & Federal Stimulus Guidance Update

Staff Presentation to the House Finance
Committee
June 3, 2021
