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# **Section II**

## **Statewide Overview**

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## Summary

	FY 2020 Enacted	FY 2020 Final	FY 2021 Recommended	FY 2021 Enacted
<b>Expenditures by Function*</b>				
General Government	\$ 1,630.9	\$ 3,112.4	\$ 1,719.4	\$ 3,418.2
Human Services	4,212.8	4,329.3	4,258.9	4,994.1
Education	2,746.5	2,833.5	2,835.9	2,947.6
Public Safety	624.3	776.5	613.5	648.7
Natural Resources	107.3	110.9	107.4	114.5
Transportation	648.8	631.0	660.0	607.3
<b>Total</b>	<b>\$ 9,970.6</b>	<b>\$ 11,793.5</b>	<b>\$ 10,195.0</b>	<b>\$ 12,730.4</b>
<b>Expenditures by Category*</b>				
Salaries and Benefits	\$ 1,835.4	\$ 1,822.9	\$ 1,871.4	\$ 1,871.3
Contracted Services	347.9	381.9	375.1	518.1
<b>Subtotal</b>	<b>\$ 2,183.4</b>	<b>\$ 2,204.8</b>	<b>\$ 2,246.5</b>	<b>\$ 2,389.4</b>
Other State Operations	1,011.7	1,240.9	1,077.3	1,507.9
Aid to Local Units of Government	1,519.9	1,572.9	1,572.4	1,669.2
Assistance, Grants, and Benefits	4,326.2	5,841.0	4,372.6	6,084.6
Capital	480.4	457.4	392.7	362.6
Capital Debt Service	268.0	255.8	270.0	266.2
Operating Transfers	181.1	220.6	263.5	450.6
<b>Total</b>	<b>\$ 9,970.6</b>	<b>\$ 11,793.5</b>	<b>\$ 10,195.0</b>	<b>\$ 12,730.4</b>
<b>Sources of Funds*</b>				
General Revenue	\$ 4,077.6	\$ 3,958.7	\$ 4,247.8	\$ 4,153.3
Federal Aid	3,325.4	4,840.3	3,323.1	5,812.9
Restricted Receipts	311.4	365.2	348.9	322.3
Other	2,256.3	2,629.4	2,275.2	2,442.0
<b>Total</b>	<b>\$ 9,970.6</b>	<b>\$ 11,793.5</b>	<b>\$ 10,195.0</b>	<b>\$ 12,730.4</b>
<b>FTE Authorization</b>	<b>15,074.7</b>	<b>15,095.7</b>	<b>15,074.7</b>	<b>15,124.7</b>

*\*Data in millions*

## Summary

The Governor's budget recommendations for FY 2021 are contained in 2020-H 7171, introduced on January 16, 2020, which is the day it was due by law. Supporting documents required as part of that submission were made available with the introduction. The legislative session was suspended in March in response to the COVID-19 pandemic. The House Finance Committee resumed hearings in May and continued through the summer and fall. In the absence of a budget at the start of the fiscal year in July, the state relied on the general law provision allowing it to use the prior year budget authority. The House Finance Committee recommended passage of 2020-H 7171, Substitute A on December 9, and the House passed it on December 16. The Senate Finance Committee passed it on December 17 and the Senate approved it the same day. The Governor signed it on December 21.

The Governor recommended a total FY 2021 budget of \$10,195.0 million. Total expenditures increase by \$224.4 million from the FY 2020 budget enacted by the 2019 Assembly, or 2.3 percent. The proposed budget includes \$4,247.8 million of expenditures funded from general revenues, \$170.2 million, or 4.2 percent more than the enacted general revenue funded budget. This is also \$161.5 million more than her revised recommendation.

<b>FY 2021</b>	<b>General Revenue</b>	<b>Federal</b>	<b>Restricted</b>	<b>Other</b>	<b>All Funds</b>
FY 2020 Enacted	\$ 4,077.6	\$ 3,325.4	\$ 311.4	\$ 2,256.3	\$ 9,970.6
Governor	4,247.8	3,323.1	348.9	2,275.2	10,195.0
Change to Enacted	\$ 170.2	\$ (2.2)	\$ 37.5	\$ 18.9	\$ 224.4
Percent Change	4.2%	-0.1%	12.1%	0.8%	2.3%
<b>FY 2021 Enacted</b>	<b>\$ 4,153.3</b>	<b>\$ 5,812.9</b>	<b>\$ 322.3</b>	<b>\$ 2,442.0</b>	<b>\$ 12,730.4</b>
Change to Enacted	75.7	2,487.6	10.9	185.7	2,759.8
Percent Change	1.9%	74.8%	3.5%	8.2%	27.7%
Change to Governor	\$ (94.5)	\$ 2,489.8	\$ (26.6)	\$ 166.8	\$ 2,535.4
Assembly Change to FY 2020	\$ 194.6	\$ 972.6	\$ (42.9)	\$ (187.4)	\$ 936.9
Percent Change to FY 2020	4.9%	20.1%	-11.7%	-7.1%	7.9%
Assembly Change to FY 2019	\$ 229.2	\$ 2,694.3	\$ 62.7	\$ 366.6	\$ 3,352.7
Percent Change to FY 2019	5.8%	86.4%	24.1%	17.7%	35.8%

The Assembly adopted an FY 2021 budget with total expenditures of \$12,730.4 million, which is \$2,535.4 million more than the Governor recommended. It contains \$4,153.3 million from general revenues, which is \$94.5 million less than the Governor recommended.

The Budget Office estimated in July 2019 that in preparing the FY 2021 budget, the Governor faced a projected revenue-expenditure gap of about \$209 million. The June Fiscal Staff's estimated FY 2021 budget gap was only \$128.6 million with most of the difference from the subsequent Budget Office estimate being expenditure assumptions for human services and education aid. By November 2019, it was clear that agency overspending and increased caseload costs would outstrip increased resources available from the FY 2019 closing and revised consensus caseload and revenue estimates. The House Fiscal Staff estimated in December that those factors meant a roughly \$6.5 million current year deficit would have to be solved as well as a \$122 million issue for FY 2021. The current year estimate assumed several savings initiatives that were not progressing as planned would come to fruition.

The Governor's FY 2021 budget proposed to resolve much of the deficit through increased revenues, some of which are structural in nature, as well as reductions to human services caseload expenses and aid to cities and towns. These reductions are offset by updated education aid estimates and new initiatives, increased spending for commerce, job training and prekindergarten initiatives as well as other new spending priorities.

The state budget picture changed dramatically within months of the January budget submission. The Governor's March 9 state of emergency declaration from the COVID-19 public health emergency was soon followed by a March 13 federal declaration. The federal government made resources available for costs of the immediate response as well as related expenses. This included economic stabilization for individuals and businesses, education budget stabilization and Medicaid assistance. There was no direct relief for lost revenues which were estimated in May to be over \$800 million less than the Governor's budget was based on over FY 2020 and FY 2021.

In adopting a revised FY 2020 budget in June, the Assembly maximized the use of time sensitive Coronavirus Relief funds and other flexible federal funds by substituting current general revenue support

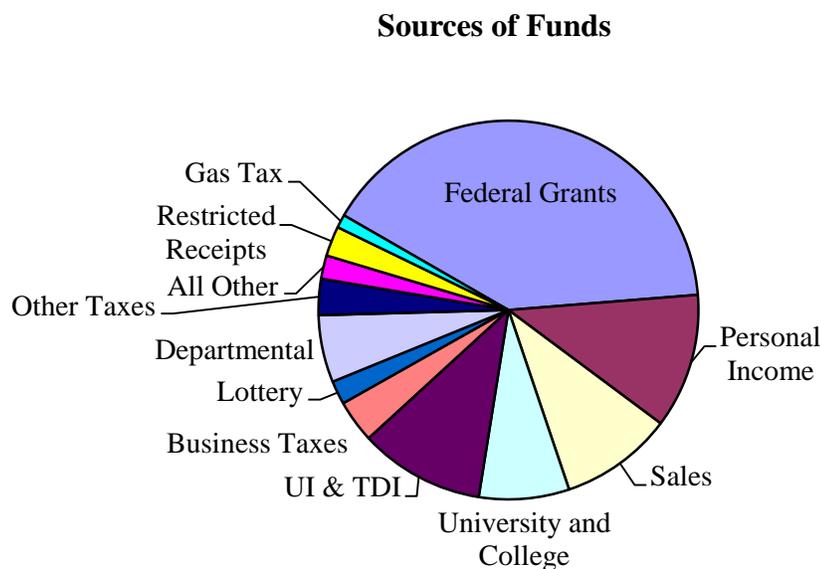
where possible. Because these combined changes were not sufficient to cover the projected deficit, a transfer of \$120 million from the state’s “rainy day” fund was used to cover the difference.

While action on the FY 2021 budget was delayed in anticipation of additional federal relief, the bleak fiscal picture did brighten. Preliminary data from FY 2020 showed a surplus above expectations primarily from better than expected tax collections. The delay in the April filing deadline meant setting income tax estimates without the most current data. These improved revenues continued with revised November estimates which also showed a lower uptick in caseloads than originally projected. Additionally, revised federal guidance widened opportunities to access Coronavirus Relief funds for state spending relief. However, with the December 30 spending deadline, the state was facing COVID response costs with no corresponding federal source to fund them. In November, this updated information led to a revision in the projected budget gap against current law and current service spending to about \$275 million.

The budget enacted for FY 2021 in mid-December again maximized the use of Coronavirus Relief funds and other flexible federal funds using the updated guidance. This allowed for revisiting expenses from FY 2020 creating a larger general revenue surplus. Assistance to local communities increased by \$25.0 million from all sources above current service expectations but is also an area where compliant use of federal funds created an opportunity to address other general revenue spending shortfalls related to pandemic response. The post-December 30 COVID response costs that are likely to come from general revenues now total about \$105 million based on revised assumptions increasing total costs but also accounting for likely Stafford Act (FEMA) reimbursements. The budget also authorized a delay in the payback of the rainy day fund use but allocated \$90 million toward repayment this year, leaving \$30 million to be paid in FY 2022.

Less than a week after the FY 2021 budget was signed into law, President Trump signed another stimulus package that will further affect Rhode Island’s budget for FY 2021 and beyond. Notably, it included a one year extension for use of the state’s allocation of Coronavirus Relief funds, if any remains.

The revenue sources for the enacted budget are shown in the following graph.



In a departure from prior years, they include no changes to current law. The Governor had submitted numerous proposals for such changes and those are described in *Section VI, Special Reports: Revenues Changes*.

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

<b>All Sources</b>	<i>All Funds</i>	<i>Contribution</i>	<i>General Revenue</i>	<i>Contribution</i>
Federal Grants	\$ 5,094.9	40.4%	\$ -	0.0%
<b>Personal Income</b>	1,450.4	11.5%	1,450.4	35.9%
<b>Sales</b>	1,212.8	9.6%	1,212.8	30.0%
University and College	968.7	7.7%	-	0.0%
UI & TDI	1,345.5	10.7%	-	0.0%
<b>Business Taxes</b>	458.2	3.6%	458.2	11.3%
<b>Lottery</b>	254.5	2.0%	254.5	6.3%
<b>Departmental</b>	390.0	3.1%	390.0	9.7%
<b>Other Taxes</b>	251.9	2.0%	251.9	6.2%
<b>All Other</b>	724.4	5.7%	20.6	0.5%
Restricted Receipts	322.3	2.6%	-	0.0%
Gas Tax	142.0	1.1%	-	0.0%
<b>Total</b>	<b>\$ 12,615.6</b>	<b>100%</b>	<b>\$ 4,038.4</b>	<b>100%</b>

*\*Excludes federal funds in Employment Trust Fund*

- *Federal funds* continue to be the single largest source, accounting for 40.4 percent of all revenues in FY 2021, excluding those federal funds supporting unemployment benefits. Adjusted expenditures from federal sources of \$5,094.9 million are \$1,769.6 million more than originally enacted for FY 2020, a 53.2 percent increase, and are from roughly 300 different federal programs.

Medicaid is the single largest source of federal funds. The Budget includes \$2,101.3 million from Medicaid, 41.2 percent of all federal funds, and 16.7 percent of all revenues. Medicaid typically represents over half of all federal funds. This relative share declined in FY 2021 because of the unprecedented influx of federal pandemic relief, primarily the \$1,250 million in Coronavirus Relief funds awarded to Rhode Island in March 2020. These funds were budgeted for expenditure along with estimates of Stafford Act funds administered by the Federal Emergency Management Agency in both the revised FY 2020 budget and the FY 2021 enacted budget.

Other major federal support includes \$291.9 million of federal Highway funds and \$282.1 million for the Supplemental Nutrition Assistance Program.

- *Sales and Personal Income taxes* combine for 21.1 percent of all revenues in FY 2021 and 65.9 percent of all general revenues. Combined with federal funds, they total over half, 51.5 percent.

- *Personal Income taxes* of \$1,450.4 million are the second largest of all revenue sources and the largest source of general revenues. The FY 2021 estimate is \$23.6 million more than the FY 2020 enacted budget estimates, or 1.7 percent.

- *Sales tax* revenues of \$1,212.8 million are the second largest of general revenue sources. That amount is \$32.4 million more than enacted for FY 2020, or 2.7 percent.

- *University and College funds* are \$968.7 million and 7.7 percent of all sources, including tuition, revenues from the operation of enterprise type activities such as residence and dining halls, sponsored

research, the direct student loan program, and federal scholarship and grant funds like Pell grants. These increase \$28.0 million or 3.0 percent from the FY 2020 enacted estimates.

- *Employment Security and Temporary Disability Insurance* payments are estimated at \$1,345.5 million, which are \$979.4 million more than estimated when the FY 2020 budget was originally enacted. As noted previously, this includes \$718.0 million from federal funds authorized in response to the pandemic.
- *Business taxes* of \$458.2 million account for 3.6 percent of total revenues and 11.3 percent of general revenues for FY 2021. They would decrease \$1.5 million or 0.3 percent from the enacted estimate. These include corporate income tax, public utilities gross earnings, the tax on banks, financial institutions, insurance companies and health care institutions.
- The *Lottery* is expected to contribute \$254.5 million, which is 2.0 percent of all revenues and 6.3 percent of general revenues.
- *Departmental Revenues* of \$390.0 million include \$161.5 million from the hospital licensing fee. Departmental revenues would be 3.1 percent of all revenues and 9.7 percent of general revenues.
- *Other taxes* include cigarettes, alcohol, inheritance, realty transfer, and racing and athletics. These total \$251.9 million in the FY 2021 budget and comprise 2.0 percent of all sources but 6.2 percent of general revenues.
- The *gas tax* is currently 34.5 cents per gallon, not including the one-half cent for the Underground Storage Tank Financial Responsibility Fund. It is estimated to produce \$4.1 million from each cent in FY 2021 for a total of \$142.0 million.
- The remaining sources, estimated at \$1,046.7 million, constitute 8.3 percent of all FY 2021 sources and include sources dedicated to specific purposes such as lottery operations, transportation funds and restricted receipts as well as unclaimed property and miscellaneous other items.

### **General Revenue Sources**

Less than half of the total funds collected or received from all sources are considered as general revenues, \$4,038.4 million, and 32.0 percent of all sources. They can be used for any legitimate purpose in contrast to federal funds, restricted receipts, and certain other sources that may only be used for specific purposes.

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

Available general revenues also include a balance forward from FY 2020 of \$250.4 million which includes \$70.0 million more than the preliminary closing assumed minus the transfer of \$128.5 million to the Budget Stabilization and Cash Reserve Account, or “rainy day fund” to be used in case of emergency, and then only by legislative action. Three percent of the opening surplus plus all revenues must be deposited in the account. Any amounts used must be replaced in the following year. The 2020 Assembly used \$120.0 million to close the projected FY 2020 deficit when it adopted the revised budget in late June. Actual revenues and expenditures were more favorable than estimated, which produced the surplus noted above. The FY 2021 budget repaid \$90.0 million of the amounts transferred and adjusted the law to allow for an additional year to make the repayment.

The account is limited to five percent of revenues; once the limit is reached, the excess revenues are transferred to the Rhode Island Capital Plan account, where they may be used to fund capital projects. The voters approved a constitutional amendment in 2006 to allow the capital account to be used solely for capital projects beginning in FY 2008 and to increase the Budget Stabilization and Cash Reserve Account to five percent and mandating that three percent of the opening surplus and all revenues must be deposited in the account by FY 2013.

## **FY 2021 Expenditures**

Enacted expenditures of \$12,730.4 million are \$2,759.8 million more than enacted for FY 2020, or 27.7 percent. They can be divided into a functional classification of expenditures that aggregates agencies with like programs and purposes into the six functions used: general government, human services, education, public safety, natural resources, and transportation. Viewing expenditures functionally offers a look at what they do or provide for.

The presentation of expenditure by function and category discussed below and on the next page reflects the data in the enacted budget.

### **Expenditures by Function**

- The *Human Services* function includes all programs for medical assistance, supplemental security income, cash assistance, day care, elderly services, adjudicated youth, mental health, general health, developmental disabilities, children under the care and jurisdiction of the state, and the state's general hospitals. Expenditures of \$4,994.1 million are 39.2 percent of all expenditures and 38.9 percent of those funded from general revenues. These expenditures are \$781.2 million more than enacted for FY 2020 by the 2019 Assembly. Those funded from general revenues are \$123.8 million more.
- *Education* includes programs of elementary and secondary education, public higher education, scholarships and grants for all higher education, arts, and historical preservation and heritage. Education aid to local units of government represents 11.5 percent of total expenses, or \$1,458.7 million of the \$2,947.6 million. Education aid is discussed in detail in *Section VI* of this volume, *Special Reports: Education Aid*. Education expenditures comprise 23.2 percent of total expenditures, but 36.7 percent of general revenue funded ones. They increase by \$201.1 million over the enacted FY 2020 budget, and those funded from general revenues increase by \$37.6 million.
- The Budget includes \$648.7 million for *Public Safety* expenditures, \$24.5 million more than the enacted budget. They comprise 5.1 percent of all expenditures and 9.2 percent of those funded from general revenues.
- *Natural Resources* programs would spend \$114.5 million, which is \$7.2 million more than enacted for FY 2020. They are 0.9 percent of total expenditures and 1.1 percent of those from general revenues.
- *Transportation* programs account for 4.8 percent of expenditures and include the state's highway and transit programs. Funding of \$607.3 million, none from general revenues, is \$41.4 million less than enacted for FY 2020.
- The remaining 26.9 percent of expenditures, \$3,418.2 million, are for the *General Government* programs. These include programs that support all other functions as well as general type activities. Examples of the former include the Ethics Commission and the Department of Administration. Examples of the latter include the general officers except the Attorney General, the Board of Elections, and the Department of Labor and Training.

Expenditures also include all of the state’s debt service except that for higher education and the transportation Grant Anticipation Revenue Vehicle bonds. General Government expenditures are \$1,787.3 million or 109.6 percent more than the enacted budget. This increase is largely related to spending from federal funds to address the COVID-19 crisis and includes \$1,162.6 million for unemployment insurance benefits.

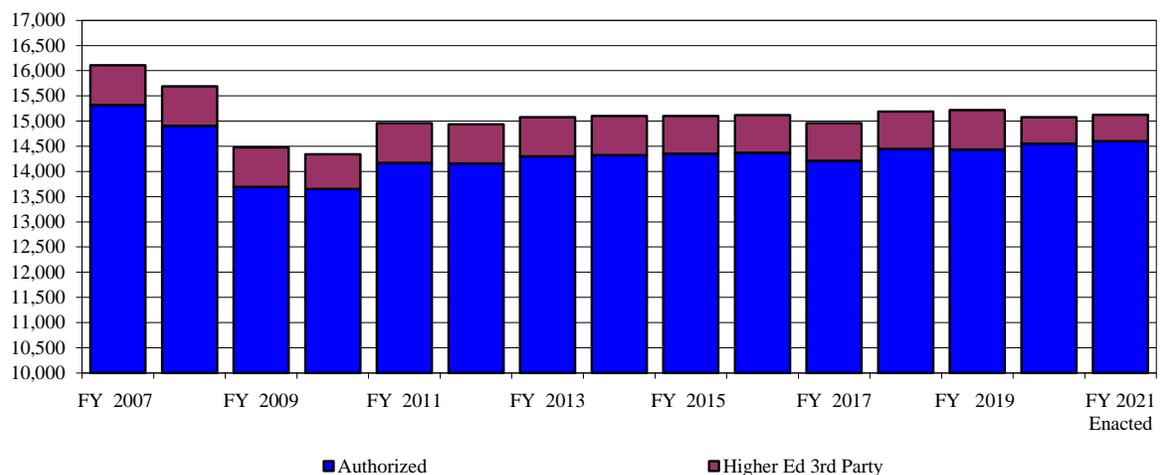
### Expenditures by Category

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

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

The Budget includes \$1,871.3 million for total *salaries and benefits* for 15,124.7 full-time equivalent positions and *contracted services* expenditures of \$518.1 million. Salary and benefit expenditures are \$35.9 million more than the enacted budget. Contracted services expenditures would increase \$170.2 million. Salaries and benefits account for 14.7 percent of total expenditures and 20.5 percent of those funded from general revenues. Expenditures for contracted services account for 4.1 percent of the total budget and 2.5 percent of those funded from general revenues.

Full-Time Equivalent Positions



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

The budget includes \$1,507.9 million for *other state operations*, which constitutes 11.8 percent of FY 2021 expenditures from all sources and 6.6 percent of those funded with general revenues. This is \$496.2 million more than enacted, \$109.8 million more from general revenues. Most of this change relates to federal funds received and budgeted for the state's COVID-19 response such as testing expenses and the construction and operation of surge hospital space.

*Local Aid*, or *Aid to Local Units of Government*, is payments made to governmental units with taxing authority. It includes both aid to local governments designed to decrease property tax reliance and education aid. The budget includes \$1,669.2 million for *aid to local units of government* that includes \$1,458.7 million in education aid and \$210.4 million in general state aid. These expenditures comprise 13.1 percent of all expenditures. However, they comprise 31.3 percent of general revenue funded ones.

Local aid expenditures from general revenues of \$1,298.7 million consist of \$1,225.8 million in education aid and \$72.9 million in general state aid. General revenue funded education aid increases by \$42.7 million; general aid is \$92.1 million less but includes \$136.5 million from Coronavirus Relief funds. Local aid is discussed in detail in *Section VI* of this volume, *Special Reports: State Aid to Local Governments* and *Special Reports: Education Aid*.

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

Capital expenses total \$362.6 million, or 2.8 percent of all expenditures; debt service of \$266.2 million is 2.1 percent. Capital expenditures would be \$117.7 million less than enacted for FY 2020 and debt service \$1.8 million less. A comprehensive review of the capital budget is contained in *Section IV: Capital Budget*. However, they now include capital purchases that had formerly been included as capital outlays within state operations. The purpose may be to include all fixed assets above certain threshold values of cost and time. The budget does not present sufficient information to break the new items out from the old.

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

They also represent transfers within state agencies from funds distinct from the General Fund. An example is transfers from the Department of Labor and Training to the three Rhode Island institutions of higher education. These transfers double count expenditures that appear elsewhere in this budget or in other state agencies. They total \$450.6 million and constitute 3.5 percent of the total budget. The general revenues portion is \$126.3 million, 3.0 percent of general revenue funded expenditures.

*Assistance, Grants, and Benefits* constitutes payments to individuals and nongovernmental agencies. These payments include Medicaid managed care programs including RIte Care, Rhody Health Partners and Rhody Health Options, and other medical assistance programs. They also include grants to environmental agencies, local law enforcement agencies, unemployment compensation, temporary disability and workers' compensation. Assistance, grants, and benefits are \$6,084.6 million and constitute the largest category, 47.8 percent of all expenditures and 31.3 percent of general revenue funded expenditures. These expenditures are \$1,758.4 million more than the enacted budget considering all sources, and \$28.4 million less from general revenues. The increase from all sources includes \$1,162.6 million for unemployment insurance benefits. These benefit are paid to the unemployed from federal sources and employer contributions but passed through the state budget.

The following table shows the major grants in human services.

EOHHS-Human Services Grants	All Funds				General Revenues			
	FY 2019 Actual	FY 2020 Final	FY 2021 Enacted	Change	FY 2019 Actual	FY 2020 Final	FY 2021 Enacted	Change
<b><i>EOHHS/Human Services</i></b>								
Managed Care	\$ 707.3	\$ 734.7	\$ 795.4	\$ 60.7	\$ 300.1	\$ 293.9	\$ 311.5	\$ 17.6
Long Term Care	387.0	451.0	448.0	(3.0)	186.6	199.5	186.1	(13.4)
Hospitals	192.1	186.3	198.2	11.9	93.1	86.7	88.8	2.1
Rhody Health Partners	239.8	272.5	285.6	13.1	115.5	121.3	119.6	(1.7)
Rhody Health Options	200.5	138.6	132.6	(6.0)	96.2	61.3	55.2	(6.1)
Expansion	488.1	505.0	640.8	135.8	30.9	43.5	58.5	15.0
Other	124.2	139.2	138.3	(0.9)	49.8	49.5	44.7	(4.8)
Pharmacy	71.5	66.5	64.9	(1.6)	72.0	66.7	65.6	(1.1)
COVID Relief Programs	-	-	19.2	19.2	-	-	-	-
Health System Transformation Project	17.4	16.8	37.5	20.8	-	-	-	-
Subtotal: Medical Assistance	\$2,427.8	\$2,510.5	\$2,760.5	\$ 250.0	\$ 944.1	\$ 922.5	\$ 930.0	\$ 7.5
Child Care	\$ 69.1	\$ 73.1	\$ 66.6	\$ (6.5)	\$ 9.9	\$ 9.4	\$ 9.0	\$ (0.5)
Rhode Island Works Program	23.2	22.4	17.8	(4.6)	-	-	-	-
SSI State Program	19.0	19.0	18.6	(0.5)	19.0	19.0	18.6	(0.5)
SSI/Bridge Program	0.9	1.0	0.9	(0.1)	0.9	0.8	0.9	0.1
Subtotal: Cash Assistance	\$ 112.2	\$ 115.6	\$ 103.8	\$ (11.7)	\$ 29.8	\$ 29.3	\$ 28.4	\$ (0.8)
Supplemental Nutrition Assistance	\$ 250.1	\$ 250.1	\$ 296.1	\$ 46.0	\$ -	\$ -	\$ -	\$ -
Low Income Heating and Energy Assistance Program (LIHEAP)	25.3	24.9	37.5	12.6	-	-	-	-
Weatherization	0.1	1.0	1.0	0.0	-	-	-	-
HIV/AIDS Prevention	8.7	4.2	3.7	(0.5)	-	-	-	-
Veterans' Organizations	0.2	0.2	0.2	-	0.2	0.2	0.2	-
Community/Social Services Block Grants	6.5	12.1	10.7	(1.4)	2.2	2.2	2.2	-
Subtotal: Other Assistance	\$ 290.9	\$ 292.5	\$ 349.3	\$ 58.2	\$ 2.4	\$ 2.4	\$ 2.4	\$ -
<b><i>DHS/Office of Healthy Aging</i></b>								
Medical Assistance	\$ 6.2	\$ 6.9	\$ 7.3	\$ 0.4	\$ 3.0	\$ 2.6	\$ 3.0	\$ 0.4
COVID Relief Programs	-	2.2	16.4	14.2	-	-	-	-
Other Grants	9.0	15.5	14.0	(1.6)	2.0	2.1	2.3	0.1
<b><i>Behavioral Healthcare, Developmental Disabilities and Hospitals</i></b>								
Developmental Disabilities	\$ 234.2	\$ 246.3	\$ 260.4	\$ 14.1	\$ 111.0	\$ 108.0	\$ 105.0	\$ (3.0)
Behavioral Healthcare Services	19.0	29.0	30.6	1.6	0.7	0.1	0.3	0.2
COVID Relief Programs	-	-	3.1	3.1	-	-	-	-
<b><i>Children, Youth and Families</i></b>								
Child Welfare	\$ 146.7	\$ 149.3	\$ 150.5	\$ 1.2	\$ 106.3	\$ 107.4	\$ 101.1	\$ (6.3)
Children's Behavioral Health	9.1	8.8	8.6	(0.2)	3.9	3.7	3.4	(0.3)
Juvenile Corrections	1.8	2.4	2.4	0.1	1.8	2.2	2.3	0.1
COVID Relief Programs	-	-	2.9	2.9	-	-	-	-
Higher Ed. Incentive Grants	(0.2)	0.2	0.2	-	(0.2)	0.2	0.2	-
<b><i>Health</i></b>								
Women, Infants and Children	\$ 19.0	\$ 19.8	\$ 20.1	\$ 0.3	\$ -	\$ -	\$ -	\$ -
Maternal Infant & Early Childhood Home Visiting	6.8	6.9	6.9	-	-	-	-	-
HIV Surveillance & Prevention	0.8	0.7	0.6	(0.1)	-	-	-	-
COVID Relief Programs	-	-	4.2	4.2	-	-	-	-
Other Grants	13.7	20.1	8.5	(11.6)	1.1	0.9	0.9	-

\$ in millions

## General Revenue Surplus Statement

The Governor recommended an ending FY 2021 surplus of \$0.9 million, and an operating deficit of \$24.0 million reflecting use of the FY 2020 surplus. The Assembly adopted a FY 2021 budget with an ending surplus of \$7.0 million and an operating deficit of \$168.0 million reflecting use of the FY 2020 surplus.

	FY 2019	FY 2020	FY 2021
<b>Opening Surplus</b>			
Free Surplus	\$ 52,525,379	\$ 30,502,912	\$ 175,058,948
Reappropriated Surplus	10,057,409	10,296,451	5,336,652
<b>Subtotal</b>	<b>\$ 62,582,788</b>	<b>\$ 40,799,363</b>	<b>\$ 180,395,600</b>
<b>Revenues</b>			
Actual/Enacted/Estimated	\$ 4,024,579,618	\$ 4,183,948,065	\$ 4,241,600,000
Governor	-	-	113,657,549
Assembly	-	-	(246,832,549)
<b>Revenues</b>	<b>\$ 4,024,579,618</b>	<b>\$ 4,183,948,065</b>	<b>\$ 4,108,425,000</b>
Cash Stabilization Fund	(122,313,150)	(126,433,529)	(128,504,518)
<b>Total Available Resources</b>	<b>\$ 3,964,849,256</b>	<b>\$ 4,098,313,899</b>	<b>\$ 4,160,316,082</b>
<b>Expenditures</b>			
Actual/Enacted/Estimated	\$ 3,924,049,893	\$ 3,917,918,299	\$ 4,222,362,477
Governor	-	-	25,442,582
Assembly	-	-	(94,535,352)
<b>Total Expenditures</b>	<b>\$ 3,924,049,893</b>	<b>\$ 3,917,918,299</b>	<b>\$ 4,153,269,707</b>
<b>Total Surplus</b>	<b>\$ 40,799,363</b>	<b>\$ 180,395,600</b>	<b>\$ 7,046,375</b>
Reappropriations	(10,296,451)	-	-
<b>Free Surplus</b>	<b>\$ 30,502,912</b>	<b>\$ 180,395,600</b>	<b>\$ 7,046,375</b>
<i>Operating Surplus/(Deficit)</i>	<i>(11,726,016)</i>	<i>149,892,688</i>	<i>(168,012,573)</i>
<b>Budget Stabilization and Cash Reserve</b>	<b>\$ 203,855,250</b>	<b>\$ 90,722,549</b>	<b>\$ 214,174,197</b>
Percent of Revenues	5.1%	2.2%	5.2%

The FY 2019 data is audited. The FY 2020 data is based on the preliminary closing and is expected to change based on revisions to the use of federal funds increasing the general revenue surplus as well as the more traditional audit adjustments. FY 2021 revenues includes \$70 million to recognize the expected adjustment to the opening surplus from that federal funds revision. The FY 2021 surplus 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 ending balance of \$214.2 million in FY 2021. The account receives 3.0 percent of general revenues plus free surplus annually.

### Out-Year Forecasts

The out-years continue to be unbalanced as projected expenditure growth continues to outpace revenue growth and the state faces the economic effects of the pandemic. The forecast included with the Governor’s budget submitted in January 2020 estimated a \$31.4 million gap for FY 2022 that grows to \$153.9 million in FY 2025. The FY 2022 gap projected included the impact of the use of one-time items in the resolution of the FY 2021 budget gap as well as growth in local aid based on the ongoing car tax phase-out. The Governor had proposed shifting a greater proportion of those costs to the later years by extending the phase-out period by five years. The forecast also assumed the impact of new proposals for spending including increased tax credit proposals and commitments for tax credits. Some of that was offset by growth in newly proposed revenue items for which only a partial year impact is assumed for FY 2021. Unlike last year, the estimate does include the significant impact of recent changes to the school construction program that are expected to drive costs well above the currently estimated \$80 million per year in addition to the known costs of servicing the debt on the new \$250 million bond.

The enacted budget maintained current law on revenues and other statutory programs. This was possible with the extensive use of one-time federal funds and the larger than expected preliminary FY 2020 surplus. Other savings were achieved through the slowdown in hiring activity and implementation of a workshare program to reduce personnel costs. Typically one of the largest contributors to projected budget gaps in Rhode Island has been the use of one-time solutions, including any prior year surplus.

Fiscal Staff's out-year forecast shown below is as of the mid-December enactment and includes only the known and adopted federal stimulus provisions. Therefore, it excludes the potential impact of the stimulus package signed into law on December 27 and early executive actions by the Biden Administration.

	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
Opening Surplus	\$ 7.0	\$ -	\$ -	\$ -
Revenues	4,207.8	4,326.0	4,436.7	4,537.8
Cash Stabilization Fund	(126.4)	(129.8)	(133.1)	(136.1)
Useable Revenues	\$ 4,088.4	\$ 4,196.2	\$ 4,303.6	\$ 4,401.7
Expenditures	4,534.7	4,665.7	4,875.2	4,990.9
Total Surplus	\$ (446.4)	\$ (469.4)	\$ (571.6)	\$ (589.3)
Revenue Growth	-0.3%	2.8%	2.6%	2.3%
Useable Revenue Growth	-0.1%	2.6%	2.6%	2.3%
Expenditure Growth	7.4%	2.9%	4.5%	2.4%
Surplus Percent of Useable Revenues	-10.9%	-11.2%	-13.3%	-13.4%

As noted above, the use of one time solutions is the primary reason for the projected FY 2022 budget gap. In fact, the estimated \$238 million in surplus funds from FY 2020, which includes \$70 million from retroactive adjustments to the use of federal stimulus funds, represents over half the projected gap. Other non-recurring savings appear in personnel cost shifts to federal stimulus funds, hiring limits and use of the workshare program. The enhanced federal match for Medicaid expenses produced over \$100 million in limited term relief for FY 2021 assuming applicability for three quarters. Some one-time savings did go to one-time expenses such as the payback of most of the funding transferred from the rainy day fund in FY 2020. State aid expenses shifted to federal funds are roughly equivalent to state expenses budgeted for pandemic response costs that were expected to outlast approved federal funding.

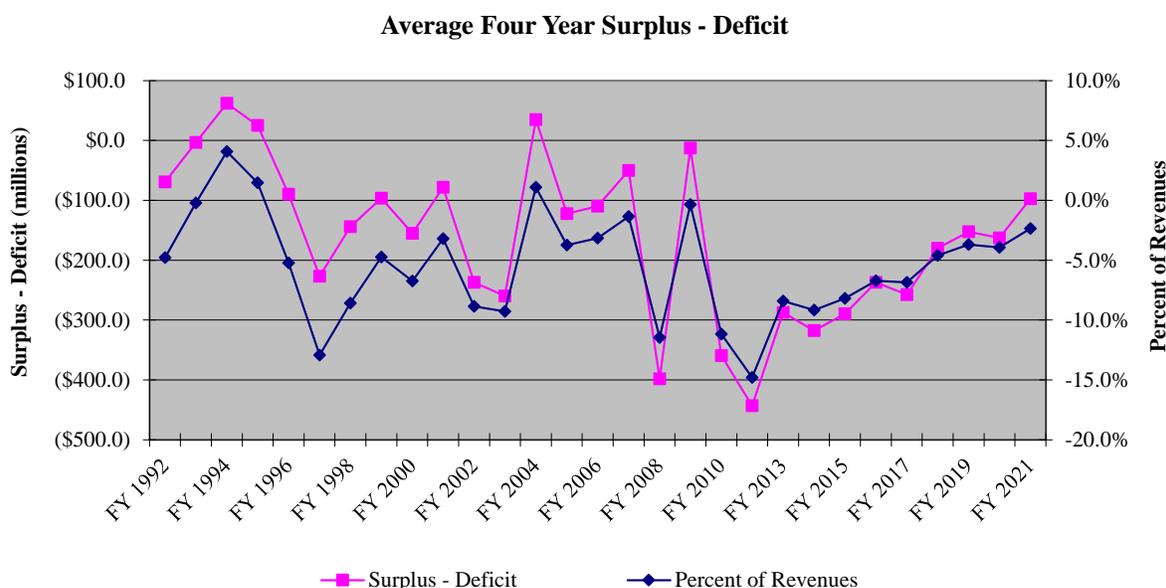
However, out-year projections are a function of both the assumptions made concerning revenues and expenditures and the structure of the budget. That is, the out-year projections are a function of assumed revenue and expenditure growth patterns for FY 2022 through FY 2025 and the FY 2021 budget itself. The economic data used for the Governor's budget is from the November 2019 consensus economic forecast. This had been revised from earlier projections and was revised again in both May and November 2020 before the FY 2021 budget was adopted. These figures are subject to major revision as economists and others struggle to capture the effects of the current emergency on the national and state economy.

The other major dynamic affecting the short-term deficit projections is the availability of federal relief. Rhode Island, like other states, is deeply affected by legislative and executive action at the federal level. In the weeks since the FY 2021 budget was finally adopted, several things occurred that will affect the deficit calculations noted earlier. The enhanced Medicaid match was officially extended for another quarter in early January and then the Biden Administration announced plans to continue renewing it through at least the end of calendar 2021. For state budget purposes, that means at least half of FY 2022. These three quarters represent about \$100 million of relief against the deficit estimate from when the budget was enacted. The Biden Administration also indicated plans to waive state costs sharing on expenses that qualified for reimbursement through the Stafford Act (FEMA). This will likely save the state tens of millions in match requirements.

Reversing some of these budget gains, would be the impact of the recent clarification on the tax treatment of business expenses paid from Paycheck Protection Program loans that was provided in the December 2020 stimulus bill. Early estimates suggest a reduction to state revenues in the tens of millions compared to original projections. The December stimulus bill did provide more funding to help with the direct expenses of the public health response providing an alternative to at least some of the general revenues that have been budgeted for that. That same legislation also included a significant amount of aid to local schools and higher education. None of these items are assumed in the prior out-year deficit table.

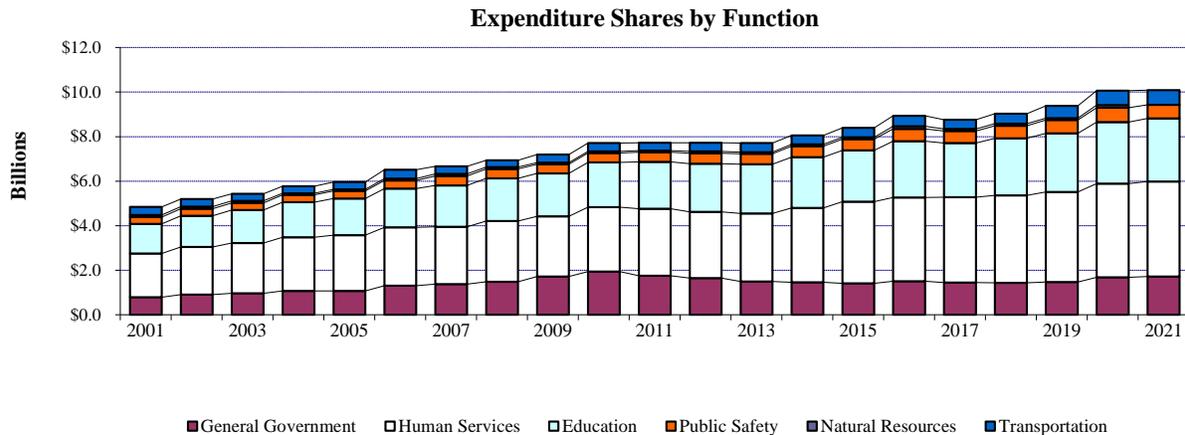
While deficits cannot constitutionally occur, they indicate the extent to which unresolved structural issues will carry through budgets, and to the extent that the problem in any given year is solved without addressing the underlying structural problem, the deficits amplify each year. Out-year deficits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

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



## Distribution of Total Expenditures

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



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

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

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

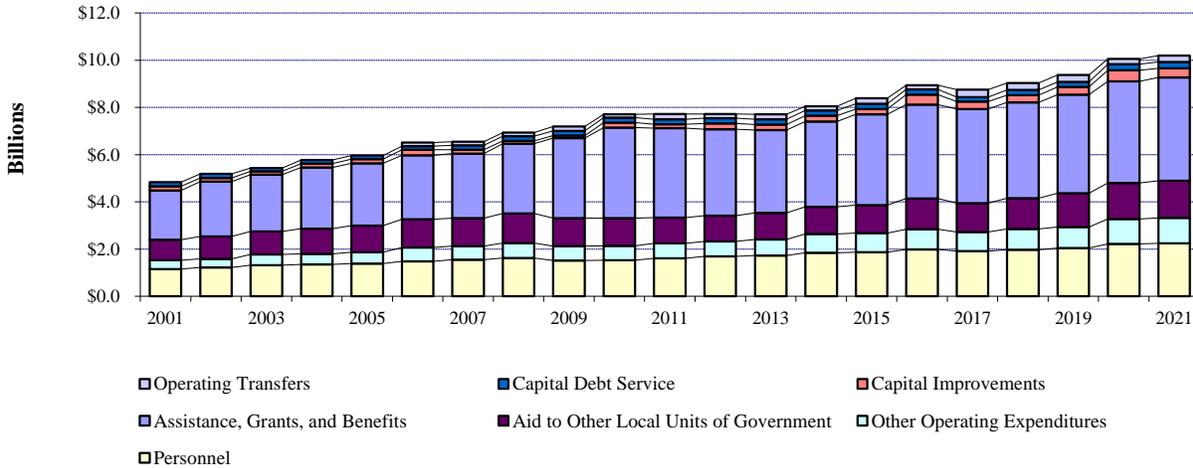
*Public Safety* includes the state’s law enforcement, adjudication, and penal programs.

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

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

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

### Expenditure Shares by Category



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

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

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

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

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

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

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

## **Distribution Tables**

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

## Expenditures from All Funds

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

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

## Expenditures from All Funds

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

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

## Expenditures from All Funds

<b>FY 2021 Enacted</b>	<b>General Government</b>	<b>Human Services</b>	<b>Education</b>	<b>Public Safety</b>	<b>Natural Resources</b>	<b>Trans- portation</b>	<b>Total</b>
Salaries & Benefits	\$ 242.1 <i>1.9%</i>	\$ 407.6 <i>3.2%</i>	\$ 624.9 <i>4.9%</i>	\$ 452.2 <i>3.6%</i>	\$ 56.1 <i>0.4%</i>	\$ 88.5 <i>0.7%</i>	\$ 1,871.3 <i>14.7%</i>
Contracted Services	46.5 <i>0.4%</i>	256.6 <i>2.0%</i>	131.5 <i>1.0%</i>	24.3 <i>0.2%</i>	7.7 <i>0.1%</i>	51.4 <i>0.4%</i>	518.1 <i>4.1%</i>
Other State Operations	609.4 <i>4.8%</i>	446.0 <i>3.5%</i>	263.2 <i>2.1%</i>	117.5 <i>0.9%</i>	20.0 <i>0.2%</i>	51.9 <i>0.4%</i>	1,507.9 <i>11.8%</i>
Aid to Local Units of Government	210.4 <i>1.7%</i>	- <i>0.0%</i>	1,458.7 <i>11.5%</i>	- <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	1,669.2 <i>13.1%</i>
Assistance, Grants, & Benefits	1,799.7 <i>14.1%</i>	3,858.7 <i>30.3%</i>	376.2 <i>3.0%</i>	26.1 <i>0.2%</i>	7.4 <i>0.1%</i>	16.5 <i>0.1%</i>	6,084.6 <i>47.8%</i>
Capital	31.7 <i>0.2%</i>	7.2 <i>0.1%</i>	20.0 <i>0.2%</i>	28.7 <i>0.2%</i>	23.3 <i>0.2%</i>	251.7 <i>2.0%</i>	362.6 <i>2.8%</i>
Debt Service	193.9 <i>1.5%</i>	- <i>0.0%</i>	71.9 <i>0.6%</i>	- <i>0.0%</i>	- <i>0.0%</i>	0.3 <i>0.0%</i>	266.2 <i>2.1%</i>
Operating Transfers	284.5 <i>2.2%</i>	17.9 <i>0.1%</i>	1.1 <i>0.0%</i>	- <i>0.0%</i>	0.1 <i>0.0%</i>	147.0 <i>1.2%</i>	450.6 <i>3.5%</i>
<b>Total</b>	<b>\$ 3,418.2</b> <i>26.9%</i>	<b>\$ 4,994.1</b> <i>39.2%</i>	<b>\$ 2,947.6</b> <i>23.2%</i>	<b>\$ 648.7</b> <i>5.1%</i>	<b>\$ 114.5</b> <i>0.9%</i>	<b>\$ 607.3</b> <i>4.8%</i>	<b>\$ 12,730.4</b> <i>100.0%</i>

<b>FY 2021 Change to Enacted</b>	<b>General Government</b>	<b>Human Services</b>	<b>Education</b>	<b>Public Safety</b>	<b>Natural Resources</b>	<b>Trans- portation</b>	<b>Total</b>
Salaries & Benefits	\$ 13.3 <i>0.5%</i>	\$ 9.1 <i>0.3%</i>	\$ 16.4 <i>0.6%</i>	\$ 1.3 <i>0.0%</i>	\$ (1.1) <i>0.0%</i>	\$ (3.1) <i>-0.1%</i>	\$ 35.9 <i>1.3%</i>
Contracted Services	15.9 <i>0.6%</i>	87.2 <i>3.2%</i>	55.1 <i>2.0%</i>	2.4 <i>0.1%</i>	0.4 <i>0.0%</i>	9.2 <i>0.3%</i>	170.2 <i>6.2%</i>
Other State Operations	115.8 <i>4.2%</i>	301.0 <i>10.9%</i>	37.2 <i>1.3%</i>	37.0 <i>1.3%</i>	3.4 <i>0.1%</i>	1.8 <i>0.1%</i>	496.2 <i>18.0%</i>
Aid to Local Units of Government	44.5 <i>1.6%</i>	- <i>0.0%</i>	104.8 <i>3.8%</i>	- <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	149.3 <i>5.4%</i>
Assistance, Grants, & Benefits	1,385.2 <i>50.2%</i>	369.1 <i>13.4%</i>	11.6 <i>0.4%</i>	(5.5) <i>-0.2%</i>	0.5 <i>0.0%</i>	(2.5) <i>-0.1%</i>	1,758.4 <i>63.7%</i>
Capital	(36.2) <i>-1.3%</i>	1.6 <i>0.1%</i>	(25.6) <i>-0.9%</i>	(10.7) <i>-0.4%</i>	3.9 <i>0.1%</i>	(50.8) <i>-1.8%</i>	(117.7) <i>-4.3%</i>
Debt Service	(3.1) <i>-0.1%</i>	- <i>0.0%</i>	1.3 <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	(1.8) <i>-0.1%</i>
Operating Transfers	251.8 <i>9.1%</i>	13.2 <i>0.5%</i>	0.4 <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	4.0 <i>0.1%</i>	269.5 <i>9.8%</i>
<b>Total</b>	<b>\$ 1,787.3</b> <i>64.8%</i>	<b>\$ 781.2</b> <i>28.3%</i>	<b>\$ 201.1</b> <i>7.3%</i>	<b>\$ 24.5</b> <i>0.9%</i>	<b>\$ 7.2</b> <i>0.3%</i>	<b>\$ (41.4)</b> <i>-1.5%</i>	<b>\$ 2,759.8</b> <i>100.0%</i>

## Expenditures from General Revenues

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

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

## Expenditures from General Revenues

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

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

## Expenditures from General Revenues

<b>FY 2021 Enacted</b>	<b>General Government</b>	<b>Human Services</b>	<b>Education</b>	<b>Public Safety</b>	<b>Natural Resources</b>	<b>Trans- portation</b>	<b>Total</b>
Salaries & Benefits	\$ 139.3 3.4%	\$ 212.5 5.1%	\$ 172.0 4.1%	\$ 293.4 7.1%	\$ 33.6 0.8%	\$ - 0.0%	\$ 850.9 20.5%
Contracted Services	11.7 0.3%	61.4 1.5%	12.5 0.3%	17.3 0.4%	0.5 0.0%	- 0.0%	103.3 2.5%
Other State Operations	63.4 1.5%	124.0 3.0%	18.8 0.5%	57.8 1.4%	10.5 0.3%	- 0.0%	274.5 6.6%
Aid to Local Units of Government	72.9 1.8%	- 0.0%	1,225.8 29.5%	- 0.0%	- 0.0%	- 0.0%	1,298.7 31.3%
Assistance, Grants, & Benefits	15.0 0.4%	1,215.2 29.3%	56.0 1.3%	12.6 0.3%	0.7 0.0%	- 0.0%	1,299.4 31.3%
Capital	1.9 0.0%	0.8 0.0%	0.4 0.0%	1.3 0.0%	0.0 0.0%	- 0.0%	4.4 0.1%
Debt Service	156.0 3.8%	- 0.0%	39.7 1.0%	- 0.0%	- 0.0%	- 0.0%	195.8 4.7%
Operating Transfers	126.3 3.0%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	126.3 3.0%
<b>Total</b>	<b>\$ 586.5 14.1%</b>	<b>\$ 1,613.9 38.9%</b>	<b>\$ 1,525.1 36.7%</b>	<b>\$ 382.4 9.2%</b>	<b>\$ 45.4 1.1%</b>	<b>\$ - 0.0%</b>	<b>\$ 4,153.3 100.0%</b>

<b>FY 2021 Change to Enacted</b>	<b>General Government</b>	<b>Human Services</b>	<b>Education</b>	<b>Public Safety</b>	<b>Natural Resources</b>	<b>Trans- portation</b>	<b>Total</b>
Salaries & Benefits	\$ (3.0) -4.0%	\$ 27.8 36.8%	\$ 3.5 4.6%	\$ (122.1) -161.3%	\$ (2.3) -3.1%	\$ - 0.0%	\$ (96.1) -127.0%
Contracted Services	4.9 6.4%	39.0 51.6%	1.1 1.4%	0.2 0.2%	0.1 0.1%	- 0.0%	45.2 59.8%
Other State Operations	25.0 33.0%	84.2 111.3%	(4.5) -6.0%	3.9 5.1%	1.3 1.7%	- 0.0%	109.8 145.1%
Aid to Local Units of Government	(92.1) -121.7%	- 0.0%	42.7 56.4%	- 0.0%	- 0.0%	- 0.0%	(49.4) -65.3%
Assistance, Grants, & Benefits	(0.5) -0.7%	(27.6) -36.4%	(0.5) -0.6%	0.3 0.4%	(0.2) -0.3%	- 0.0%	(28.4) -37.6%
Capital	0.0 0.0%	0.3 0.4%	(4.5) -6.0%	(0.2) -0.2%	(0.0) 0.0%	- 0.0%	(4.4) -5.8%
Debt Service	(2.7) -3.6%	- 0.0%	(0.0) -0.1%	- 0.0%	- 0.0%	- 0.0%	(2.8) -3.7%
Operating Transfers	101.8 134.5%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	101.8 134.5%
<b>Total</b>	<b>\$ 33.3 44.0%</b>	<b>\$ 123.8 163.6%</b>	<b>\$ 37.6 49.7%</b>	<b>\$ (117.9) -155.8%</b>	<b>\$ (1.2) -1.5%</b>	<b>\$ - 0.0%</b>	<b>\$ 75.7 100.0%</b>

