
Section V

FY 2021

Revised Budget

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FY 2021 Revised Budget

	FY 2020 Reported	FY 2021 Enacted	FY 2021 Revised	FY 2021 Final
Expenditures by Function*				
General Government	\$ 2,832.1	\$ 3,418.2	\$ 4,177.0	\$ 4,828.7
Human Services	4,143.0	4,994.1	5,151.4	5,082.0
Education	2,674.8	2,947.6	2,953.3	2,957.5
Public Safety	669.2	648.7	662.3	659.8
Natural Resources	89.9	114.5	115.0	112.4
Transportation	608.7	607.3	691.3	684.5
Total	\$ 11,017.7	\$ 12,730.4	\$ 13,750.2	\$ 14,325.0
Expenditures by Category*				
Salaries and Benefits	\$ 1,760.5	\$ 1,871.3	\$ 1,891.8	\$ 1,881.4
Contracted Services	341.0	518.1	940.5	923.0
Subtotal	\$ 2,101.5	\$ 2,389.4	\$ 2,832.3	\$ 2,804.3
Other State Operations	1,030.7	1,507.9	1,216.0	1,233.9
Aid to Local Units of Government	1,503.3	1,669.2	1,670.8	1,671.0
Assistance, Grants, and Benefits	5,557.7	6,084.6	6,909.4	7,378.2
Capital	341.9	362.6	402.1	391.5
Capital Debt Service	234.7	266.2	265.9	265.9
Operating Transfers	248.0	450.6	453.8	580.1
Total	\$ 11,017.7	\$ 12,730.4	\$ 13,750.2	\$ 14,325.0
Sources of Funds*				
General Revenue	\$ 3,936.6	\$ 4,153.3	\$ 3,881.6	\$ 3,982.6
Federal Aid	4,475.1	5,812.9	7,059.1	7,538.6
Restricted Receipts	332.1	322.3	353.2	348.7
Other	2,274.0	2,442.0	2,456.3	2,455.0
Total	\$ 11,017.7	\$ 12,730.4	\$ 13,750.2	\$ 14,325.0
FTE Authorization	15,095.7	15,124.7	15,246.5	15,124.7
FTE Average	14,205.1			

**Data in millions*

Summary

The Governor's revised budget recommendations for FY 2021 are contained in 2021-H 6121, introduced on March 11, 2021. The Governor recommends total revised expenditures for FY 2021 of \$13,750.2 million, which is \$1,019.8 million or 8.0 percent more than enacted by the 2020 Assembly. Final revisions to FY 2021, contained in Article 5 of 2021-H 6122, Substitute A, as amended, passed the House on June 24 and the Senate on July 1. The Governor signed it into law on July 6.

Under the Governor's revised recommendation, total expenditures would increase \$2,732.5 million or 24.8 percent over FY 2020 audited expenditures. General revenue expenditures are \$271.6 million or 6.5 percent less than the FY 2021 budget adopted by the 2020 Assembly and \$54.9 million or 1.4 percent less than FY 2020. Expenditures from federal funds are \$1,246.2 million more than enacted and \$2,584.1 million more

than FY 2020. Expenditures from restricted receipts are \$30.9 million more than enacted and \$21.1 million more than FY 2020. Those from other funds, including the gas tax, Rhode Island Capital Plan funds and unemployment trust funds, are \$14.3 million or 0.6 percent more than enacted and \$182.3 million more than spent in FY 2020

The Assembly provided total expenditures of \$14,325.0 million, which is \$574.8 million more than the Governor recommended. This includes \$539.9 million more for unemployment insurance benefits paid to Rhode Islanders since the COVID-19 emergency began and reflects other federal funding received in response to the crisis. It contains \$3,982.6 million from general revenues, \$101.0 million more than the Governor recommended. This includes \$112.5 million to pay back the Rhode Island Capital Plan Fund for resources used from the Rainy Day Fund instead of the Governor's proposed delay.

FY 2021 Revised	General				All Funds
	Revenue	Federal	Restricted	Other	
FY 2021 Enacted	\$ 4,153.3	\$ 5,812.9	\$ 322.3	\$ 2,442.0	\$ 12,730.4
Governor's FY 2021 Revised	3,881.6	7,059.1	353.2	2,456.3	13,750.2
Governor's Change to Enacted	\$ (271.6)	\$ 1,246.2	\$ 30.9	\$ 14.3	\$ 1,019.8
Percent Change	-6.5%	21.4%	9.6%	0.6%	8.0%
FY 2021 Final	\$ 3,982.6	\$ 7,538.6	\$ 348.7	\$ 2,455.0	\$ 14,325.0
Change to Enacted	(170.6)	1,725.7	26.4	13.1	1,594.6
Percent Change	-4.1%	29.7%	8.2%	0.5%	12.5%
Change to Governor	\$ 101.0	\$ 479.5	\$ (4.5)	\$ (1.2)	\$ 574.8
Change to FY 2020	\$ 46.1	\$ 3,063.5	\$ 16.6	\$ 181.1	\$ 3,307.3
Percent Change to FY 2020	1.2%	68.5%	5.0%	8.0%	30.0%

\$ in millions

The FY 2020 final budget projected \$2.1 million would be available for FY 2021. Preliminary closing data and updated information showed a significant increase would be available by the time the FY 2021 budget was adopted. The State Controller finalized the closing statement on February 2021, and it showed a surplus of \$156.2 million.

FY 2020 Closing	Enacted	Final	Variance
<i>Open:</i> Free Surplus	\$ 30,502,912	\$ 30,502,912	\$ -
<i>Plus:</i> Reappropriated Surplus	10,296,451	10,296,451	-
<i>Equals:</i> Total Surplus	\$ 40,799,363	\$ 40,799,363	\$ -
<i>Plus:</i> Revenues*	4,042,158,498	4,183,713,406	141,554,908
<i>Minus:</i> Transfer to Budget Stabilization Fund	(122,179,842)	(126,426,490)	(4,246,648)
<i>Equals:</i> Total Available	\$ 3,960,778,019	\$ 4,098,086,279	\$ 137,308,260
<i>Minus:</i> Expenditures	(3,958,714,339)	(3,936,561,251)	22,153,088
<i>Equals:</i> Closing Surplus	\$ 2,063,680	\$ 161,525,028	\$ 159,461,348
<i>Minus:</i> Reappropriations	-	(5,336,653)	(5,336,653)
<i>Equals:</i> Free Surplus	\$ 2,063,680	\$ 156,188,375	\$ 154,124,695

*includes \$120 million transfer from Rainy Day Fund

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. Medicaid growth from the onset of the pandemic's economic effects was lower than expected.

After the preliminary closing, revised federal guidance widened opportunities to access Coronavirus Relief funds for state spending relief including for expenses incurred in FY 2020. Some positive changes were already built into FY 2021 budget assumptions. Revenues were up \$141.6 million or 3.6 percent above

estimates. Taxes were \$132.5 million more than budgeted with income and sales tax accounting for most of the change.

Technical accounting rules for reimbursements from the Federal Emergency Management Agency forced unbudgeted state expenses in FY 2020. That essentially gets reversed in FY 2021 with that reimbursement added to the available fund balance for no net change over the two years. Expenditures from all sources were \$775.8 million less than enacted, or 0.5 percent. General revenue expenditures were \$22.2 million less. Expenditures from federal funds and restricted receipt accounts were \$365.2 million and \$33.0 million less, respectively. Expenditures from other sources were \$355.4 million less than the final enacted budget.

The Governor's revised budget was designed to build a major surplus to be available for use in FY 2022 from new extended Medicaid match enhancements and other federal funds made available and delaying the repayment to the Rhode Island Capital Plan Fund for the FY 2020 use of the Rainy Day Fund. It also recognized the revenue impact from a December federal law change that would lower estimated tax revenue and proposes a partial claw back of that loss.

Following the May revenue and caseload conferences, available resources over the two year period were increased by over \$400 million. There were also significant issues with funding for the operations at Eleanor Slater Hospital involving Medicaid billings that required additional funding in both FY 2021 and FY 2022 in addition to adjustments to FY 2020 assumptions.

The Assembly used those resources to resolve the issues noted above and also to ensure that the Rhode Island Capital Plan fund repayment occurred in FY 2021 instead of the three year timeframe the Governor proposed and sooner than required by the budget adopted in December. It declined to approve the Governor's proposal for a more than \$31 million increase in the previously adopted Hospital License fee for FY 2021 and narrowed the proposal to decouple from federal tax treatment of forgiven loans made through the Paycheck Protection Program reducing expected revenues in both FY 2021 and FY 2022.

The Assembly also allocated \$67.0 million to recapitalize the funds for state technology improvement allowing for a new system for the Department of Children, Youth and Families as well a multiyear overhaul of the state's outdated payroll and financial management systems. Another \$20.0 million was used to recapitalize the Historic Tax Credit fund to reach more projects in an existing queue.

There are numerous other changes included that represent more current information on spending, particularly related to the public health emergency and new federal grants made available through major relief programs.

The pages that follow include full analyses of the expenditure changes by agency.

The revised budget as recommended by the Governor would have left a \$253.2 million surplus for use in FY 2022. The final FY 2021 budget has a \$268.9 million surplus; the FY 2022 enacted budget has a \$0.5 million ending surplus and is presented as part of the overview of the FY 2022 budget in that section of this publication.

	Enacted*	Final	Difference
Opening Surplus			
Free Surplus	\$ 180,395,600	\$ 156,188,375	\$ (24,207,225)
Reappropriated Surplus	5,336,652	5,336,653	1
Adjustment to Opening Surplus	-	(8,422,773)	(8,422,773)
Adjustment to Fund Balance - FEMA	-	110,877,242	110,877,242
Subtotal	\$ 185,732,252	\$ 263,979,497	\$ 78,247,245
Revenues			
Actual/Enacted/Estimated	\$ 4,108,425,000	\$ 4,038,425,000	\$ (70,000,000)
Governor	-	(39,086,736)	(39,086,736)
Assembly	-	218,717,342	218,717,342
Revenues	\$ 4,108,425,000	\$ 4,218,055,606	\$ 109,630,606
Budget Stabilization and Cash Reserve Fund	\$ (128,664,618)	\$ (131,227,319)	\$ (2,562,701)
Total Available Resources	\$ 4,165,492,634	\$ 4,350,807,784	\$ 185,315,150
Expenditures			
Actual/Enacted/Estimated	\$ 4,153,269,709	\$ 4,153,269,709	\$ -
Governor	-	(271,636,821)	(271,636,821)
Assembly	-	101,016,324	101,016,324
Total Expenditures	\$ 4,153,269,709	\$ 3,982,649,212	\$ (170,620,497)
Total Surplus	\$ 12,222,925	\$ 368,158,572	\$ 355,935,647
Transfers to IT and HTC	-	(87,000,000)	(87,000,000)
Free Surplus	\$ 12,222,925	\$ 281,158,572	\$ 268,935,647
<i>Operating Surplus/(Deficit)</i>	<i>(168,172,675)</i>	<i>109,515,728</i>	<i>277,688,403</i>
Budget Stabilization and Cash Reserve	\$ 198,502,233	\$ 77,633,071	\$ (120,869,163)
Percent of Revenues	4.8%	1.8%	-3.0%

*Opening & ending surpluses adjusted upward by \$5.3 million to correct error in 2020 Session publications

Department of Administration

	FY 2020 Reported	FY 2021 Enacted	FY 2021 Revised	FY 2021 Final
Expenditures by Program				
Central Management	\$ 98,786,451	\$ 2,067,998	\$ 238,627,312	\$ 238,540,821
Accounts & Control	5,598,208	5,283,112	7,005,779	5,005,779
Office of Management & Budget	8,642,510	9,543,885	9,766,909	9,691,909
Purchasing	4,239,469	4,526,725	4,117,924	4,192,924
Human Resources	433,139	389,142	389,142	389,142
Personnel Appeal Board	58,466	125,298	125,503	125,503
General	46,595,213	33,081,127	128,266,553	240,796,553
Debt Service	183,931,605	194,010,814	193,768,814	193,768,814
Legal Services	2,148,844	1,978,549	3,243,181	3,343,181
Information Technology	13,435,589	10,961,048	20,038,460	20,038,460
Library Programs	2,559,960	2,975,869	2,987,798	2,987,798
Planning	5,128,533	7,292,535	7,407,227	7,407,227
Energy Resources	16,241,079	8,483,725	13,925,482	13,925,482
Statewide	(2,000,000)	308,465,000	-	4,688,688
Health Benefits Exchange	8,827,229	21,544,792	21,914,299	13,544,790
Diversity, Equity & Opportunity	1,275,107	1,447,830	1,452,320	1,202,320
Capital Asset Mgmt. & Maint.	38,028,509	10,870,867	58,105,506	58,105,506
Total	\$ 433,929,911	\$ 623,048,316	\$ 711,142,209	\$ 817,754,897
Expenditures by Category				
Salaries and Benefits	\$ 27,488,151	\$ 30,829,686	\$ 31,284,934	\$ 31,134,934
Contracted Services	17,189,837	11,424,063	57,051,691	56,895,691
Subtotal	\$ 44,677,988	\$ 42,253,749	\$ 88,336,625	\$ 88,030,625
Other State Operations	49,315,302	114,304,438	36,633,868	41,322,556
Aid to Local Units of Government	11,078,909	12,264,938	12,264,938	12,264,938
Assistance, Grants, and Benefits	110,453,159	142,008,719	147,085,129	139,085,129
Capital	25,836,207	28,305,658	33,566,660	31,296,660
Capital Debt Service	159,645,376	193,910,814	193,668,814	193,668,814
Operating Transfers	32,922,970	90,000,000	199,586,175	312,086,175
Total	\$ 433,929,911	\$ 623,048,316	\$ 711,142,209	\$ 817,754,897
Sources of Funds				
General Revenue	\$ 219,395,038	\$ 313,013,170	\$ 216,692,413	\$ 333,875,101
Federal Aid	107,478,555	205,851,758	382,308,649	380,308,649
Restricted Receipts	32,650,283	38,833,760	46,955,663	38,655,663
Other	74,406,035	65,349,628	65,185,484	64,915,484
Total	\$ 433,929,911	\$ 623,048,316	\$ 711,142,209	\$ 817,754,897
FTE Authorization	647.7	647.7	647.7	647.7
FTE Average	629.9			

FY 2021 Revised Request. The revised request includes expenditures of \$323.8 million from all sources for FY 2021. This is \$299.3 million less than enacted; the revised request predates the enactment of the

budget and therefore does not include general revenue expenditures of \$90.0 million for the repayment of the Rhode Island Capital Plan Fund and \$218.5 million for COVID-19 related expenses, of which \$16.2 million is from general revenues which was provided to support expenses after December 30. These expenditures account for \$308.5 million of the reduction. The revised request also includes staffing of 658.1 full-time equivalent positions, 10.4 more than enacted.

The Governor recommended expenditures of \$711.1 million from all sources for FY 2021, which is \$88.1 million more than enacted. This includes \$96.3 million less from general revenues to primarily reflect a delay in repaying the Rhode Island Capital Plan Fund. The recommendation includes \$176.5 million more from federal funds, primarily for COVID-19 related expenses shifted from other departments, and \$8.1 million more from restricted receipts. The recommendation is \$387.4 million more than the revised request.

The enacted budget includes \$16.2 million from general revenues for expenditures which were expected to be incurred in the second quarter of the fiscal year. Subsequent to the enactment of the budget, President Trump signed the Coronavirus Response and Relief Supplemental Appropriations Act extending the date by which state and local governments are able to make expenditures from the Coronavirus Relief Fund by one year. Although these funds were fully programmed, other administrative decisions such as waiving the required match for Federal Emergency Management Agency freed up Coronavirus Relief funds for other uses.

*The Governor subsequently requested several amendments: shifting expenditures for the settlement with the Laborers' International Union of North America from FY 2022 to FY 2021, providing additional expenses for tort court awards, removing \$2.0 million from federal funds for the federal Coronavirus Relief funds for the federal grants management system and revising capital expenditures for four projects. **The Assembly concurred with the amended recommendation and included \$112.5 million from general revenues to complete the full repayment of the Rhode Island Capital Plan Fund in FY 2021. It also adjusted expenditures to reflect an updated timeline for reinsurance payments.***

Staffing. The Department requested \$31.0 million from all sources of funds, or \$0.2 million more for salary and benefit expenditures for 244.6 full-time equivalent positions. The authorization for the remaining 413.5 full-time equivalent positions are budgeted in the Department of Administration; however, they are supported with internal service fund charges, which appear as operating costs in the agencies billed. There are savings of \$0.3 million, including \$0.2 million from general revenues, available for FY 2021 based on 71 individuals from the Department who opted to participate in the workshare program that are not reflected in the revised request.

The revised request assumes staffing of 658.1 full-time equivalent positions. It appears that staffing adjustments were made in several programs, resulting in 10.4 positions more than enacted. Subsequently, the Department indicated that it had intended to request staffing consistent with the Governor's original FY 2021 recommendation, which had assumed 5.0 more new positions than the FY 2020 enacted budget. It appears that staffing authorization increased by 1.0 in the Office of Accounts and Control, 2.0 in the Division of Legal Services, 1.4 in Information Technology, and 1.0 in Telecommunications. The latter two programs are supported by internal service charges. As of the pay period ending January 2, the Department had 35.6 positions vacant. *The Governor recommended staffing consistent with the enacted budget. The revised budget includes \$31.3 million for salaries and benefits, which is \$455,248 more than enacted, based on updated staffing time allocated to COVID-19 relief funds and to reflect an updated statewide benefit rate increase attributed to the voluntary retirement incentive program. State employees eligible to retire on or before December 31, 2020 are eligible for the incentive, which is two times the employee's longevity, capped at \$40,000. According to information provided by the administration, there are 63 employees in the Department that are eligible to participate in the program. **The Assembly provided \$150,000 less from general revenues to reflect turnover savings and concurred with the remainder of the recommendation.***

Centralized Services. The 2017 Assembly authorized the establishment of internal service funds for centralized services including information technology, capital asset management and maintenance, and human resources to maximize available non-general revenue sources. Prior to this change, the costs for the staff and other expenses related to these services were budgeted in the Department of Administration. The state uses internal service funds to reimburse one agency for services provided to another.

The revised request includes \$12.3 million from all sources, including \$11.7 million from general revenues for the Department's share of centralized services. This is \$1.6 million less than enacted; however, it is \$1.1 million more than FY 2020 reported expenses. Through the second quarter of the fiscal year, the Department spent \$5.9 million; all but \$0.1 million is from general revenues. The information suggests that the revised request is \$0.6 million more than may be needed; by component, facilities services are \$0.6 million more, human resources are \$62,842 less and information technology services are \$1.2 million less based on a lack of previously assumed resources from the 1.0 percent assessment on master price agreements from vendors and resources from the Information Technology Investment Fund. *The Governor recommended \$13.1 million from all sources, \$0.8 million less from restricted receipts than enacted for information technology services. Through March 23, expenses total \$7.1 million, which would leave \$6.0 million for the remainder of the fiscal year.* **The Assembly concurred.**

Statewide

COVID Relief - Hospital Assistance Partnership Program. The administration announced a Hospital Assistance Partnership Program, which provides financial assistance to hospitals with the intent of maintaining a responsive hospital system. A total of \$95.5 million was provided in FY 2020 as part of phase one. The FY 2021 enacted budget includes \$125.0 million from federal Coronavirus Relief funds for a second round of funding, which was paid on December 30, 2020. The revised request predates the enactment of the budget and therefore excludes this expense. *The Governor recommended \$0.1 million more than enacted, based on actual expenses.* **The Assembly concurred.**

COVID Relief - Rent and Utilities Assistance. The federal Coronavirus Response and Relief Supplemental Appropriations Act adopted on December 27, 2020 provides the state a minimum allocation of \$200.0 million for rental assistance and utilities expenses. States that have not obligated at least 65 percent of the allocation by September 30, 2021 will have funds recaptured. For Rhode Island, that threshold is \$130.0 million. Not less than 90.0 percent of funding must be used for financial assistance for rent, home utility costs, or other housing expenses incurred due to COVID-19; up to 10.0 percent may be used for supportive services including case management and other services. Applicants may apply for both rental and utility assistance or separately for either expense as of March 13, 2020. Payments are made directly to property owners or utility providers if possible. Income eligibility is limited to 80.0 percent of area median income, with a requirement to prioritize households with income under 50.0 percent of area median income or where a member has been unemployed for 90 days. Based on Housing and Urban Development rates for 2020, the most current data available, 50.0 percent of area median income for Rhode Island is \$31,450 to \$59,250 depending on family size and 80.0 percent area median income is \$50,300 to \$94,850 depending on family size.

Households within the income thresholds that rent are eligible, provided a member qualified for unemployment benefits, has a pandemic-related income reduction, or is at risk for homelessness or housing instability. Grants for households may be used for rent or utilities prospectively or in arrears for up to 12 months in three month increments; the state may provide up to an additional three months in cases of housing insecurity. Utility expenses include electricity, water, sewer, gas, oil, refuse removal, and internet service may be included based on parameters determined by the state to maximize the availability of rental assistance funds. Recipients of other federal housing support programs are ineligible for any expenses reimbursed by other federal assistance. The revised request predates the enactment of the budget and therefore excludes this expense. *The Governor's budget assumes these expenses in the Department of*

*Administration's budget, including \$80.0 million in FY 2021 and \$120.0 million in FY 2022. On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021, extending the use of funds from December 31, 2021 to September 30, 2022. The revised budget also includes \$1.7 million from federal Coronavirus Relief funds to Rhode Island Housing to purchase two properties as part of part of the Housing Acquisition Program. Rhode Island Housing indicated that the long-term goal is to convert these properties to permanent supportive housing. **The Assembly concurred.***

COVID Relief - Higher Education. The enacted budget includes a total of \$23.0 million from federal funds for COVID-related expenses for the three higher education institutions to ensure that they are able to safely reopen. The expenses include refunds for housing, testing costs, classroom upgrades, personal protective equipment, and reconfigurations to meet regulations, and training for remote learning, computer equipment and supplies. This includes \$14.0 million for the University, \$5.0 million for the Community College and \$4.0 million for the College. The revised request assumes these expenses in Higher Education's budget. *The revised budget includes the enacted amount of \$23.0 million; however, the expenses were shifted to the Department of Administration's budget. **The Assembly concurred.***

COVID Relief - Restore RI Grants. The enacted budget includes \$65.5 million from federal funds in the Executive Office of Commerce's budget to reflect anticipated support for small businesses and non-profits during the Coronavirus pandemic. The revised request, which was submitted prior to the FY 2021 budget enactment, excludes this funding. The program provides financial support up to \$30,000 to restaurants and caterers, small businesses up to 50 employees, nonprofits, sole proprietors, child care businesses and businesses without employees or contractors. To be eligible, businesses must demonstrate at least a 30.0 percent revenue loss during at least one month due to COVID-19. Funding also supports program implementation. Subsequently, the administration reported having increased its anticipated commitments to \$76.0 million, but updated information shows \$76.4 million spent as of January 15, 2021.

*The Governor's revised budget includes \$87.4 million in the Department of Administration's budget and \$30.0 million in the Executive Office of Commerce's budget for a total of \$117.4 million, which is \$51.9 million more than the enacted budget had assumed. **The Assembly concurred.***

COVID Relief - Surge Hospital Operations and Deconstruction. The enacted budget includes \$53.1 million from all sources for surge hospital operations and deconstruction related to COVID-19. This includes \$11.4 million from general revenues to cover expenses to be incurred in the second half of the fiscal year for which there was expected to be no other federal support. A total of three alternate site hospitals were constructed in Providence, Cranston, and North Kingstown to handle an influx of COVID-19 positive patients. Information obtained from the transparency portal shows expenditures of \$40.0 million through the end of January; \$26.1 million was spent in FY 2020. The revised request predates the enactment of the budget and does not include this expense.

*The recommended budgets include a total of \$67.9 million over two years for surge expenses, which is \$11.4 million more than the enacted budget had assumed. This includes \$3.2 million less from general revenues, offset by \$11.6 million more from federal funds; additional federal funds have become available since the budget was adopted. Of the \$55.0 million recommended for FY 2021, \$30.2 million is included in the Department of Administration's budget, \$23.0 million is also included in the Department of Health's budget. Through the first half of the fiscal year, \$30.7 million from federal funds has been spent including \$8.4 million for leases, \$2.0 million for cleaning services and \$2.3 million for security and screening services. **The Assembly concurred.***

COVID Relief - Government Readiness. The enacted budget includes \$26.1 million from all sources in the Department of Administration's budget, including \$11.4 million from general revenues for expenses associated with government readiness related to COVID-19 response services, including screening, janitorial and reconfiguration of lobby and cubicle areas in the state. FY 2021 expenditures through the

end of January total \$7.8 million from federal funds. This includes \$5.7 million for information technology projects, of which \$1.8 million is to upgrade telephone lines, \$1.6 million for a data security project, \$1.3 million to implement a content management system to create a common platform for workflow, storage, and distributed publishing of content for websites and applications, and \$1.0 million for other projects. The revised request predates the enacted budget and did not assume these expenses.

The recommended budgets include \$36.7 million over two years, which is \$2.9 million more than enacted, including \$0.2 million more from general revenues and \$2.7 million more from federal funds; additional federal funds have become available since the budget was adopted. Of the \$31.2 million recommended for FY 2021, \$21.7 million is included in the Department of Administration for information technology projects mentioned above and \$2.0 million for a grants management system. It should be noted that the recommended budgets also include \$2.0 million from indirect cost recovery restricted receipts in the Department of Health's budget for the system, including \$465,762 in FY 2021 and \$1.6 million in FY 2022. This brings expenditures to \$4.0 million; it is unclear if that is the total project cost.

*The recommendation also includes \$0.9 million for short term borrowing expenses associated with the line of credit obtained last March, and \$0.3 million for marketing and communication relating to HealthSource RI's Special Enrollment Program for extending the open enrollment by an additional month. Remaining expenditures of \$9.5 million are included in other agencies' budgets. Through the first half of the fiscal year, \$18.2 million has been spent. The Governor requested an amendment to remove federal fund expenditures of \$2.0 million for the grants management system based on an alternative plan to finance the project with indirect cost recovery receipts in the Department of Health, federal funds and agency billings through the Information Technology internal service fund. **The Assembly concurred with the amended recommendation.***

COVID Relief - Individual Support. The enacted budget includes \$12.9 million from all sources, of which \$2.6 million is from general revenues for expenses associated with quarantine and isolation, which includes temporary housing for those that cannot isolate in their homes. For FY 2021, it appears that \$3.2 million from federal funds has been spent through the end of January. The revised request predates the enactment of the budget and does not assume these expenses.

*The Governor recommended a total of \$27.3 million in both FY 2021 and FY 2022. This is \$12.2 million more than the enacted budget had assumed, including \$1.6 million less from general revenues offset by \$13.8 million more from federal funds; additional federal funds have become available since the budget was adopted. Of the \$20.5 million included in the revised budget, \$7.6 million is included in the Department of Administration's budget and remaining expenses of \$12.8 million are included in the various agencies, including the Departments of Children, Youth and Families, Health, Human Services, Environmental Management and Behavioral Healthcare, Developmental Disabilities and Hospitals, and the Executive Office of Commerce. Expenses through the half of the fiscal year total \$10.8 million for rental, bedding supplies and other expenses. **The Assembly concurred.***

COVID Relief - Supplies. Under current federal law, the Stafford Act authorizes the President to provide federal assistance when the magnitude of an incident exceeds a government's capabilities to respond or recover. On March 13, 2020, the President declared that an emergency exists nationwide as a result of COVID-19 beginning on January 20, 2020. The Stafford Act constitutes the statutory authority for most federal disaster response activities as they pertain to Federal Emergency Management Agency programs. Under this declaration, Rhode Island qualified for reimbursement of 75 percent of certain expenses. The enacted budget includes \$32.0 million from federal funds to account for these expenses in addition to \$0.3 million from general revenues in the Emergency Management Agency's budget. *The Governor recommended a total of \$42.9 million for FY 2021 and FY 2022, which is \$10.9 million more than the enacted budget had assumed. This includes \$0.3 million less from general revenues, offset by \$11.2 million more from federal funds; additional federal funds have become available since the budget*

was adopted. Of the \$41.1 million assumed for FY 2021, \$1.5 million is included in the Department of Administration's budget for lease expenses to store supplies. **The Assembly concurred.**

COVID Relief - Public Health Response. The enacted budget includes \$10.6 million from all sources in the Department of Health's budget for technical enablement and development related expenses, including the CrushCovid RI App, the Salesforce software which is used to coordinate the tracking of demographic data, and personnel costs for contractors providing support and information technology expenses. The revised request predates the enactment of the budget and does not assume these expenses. *The Government recommended a total of \$40.1 million over two years, which is \$16.7 million more than the enacted budget had assumed. Of the \$29.7 million included in FY 2021, \$1.2 million is included in the Department of Administration's budget primarily for contracted services.* **The Assembly concurred.**

COVID Relief - Legal. The administration provided a report which showed committed spending of \$1.6 million over FY 2020 and FY 2021 for legal services related to COVID-19. This includes \$1.0 million for outside legal services and \$0.6 million for a case management software system to track the status of legal cases statewide. It appears that \$0.2 million was spent in FY 2020. The Department selected a vendor and expects the system to be completed in FY 2021. The enacted budget includes \$1.4 million, including \$0.3 million from general revenues. Through January, \$0.6 million from federal funds has been spent in FY 2021. The revised request predates the enactment of the budget and does not include these expenses. *The Governor recommended \$0.1 million less than enacted, based on expenditures through the first half of the fiscal year, which totaled \$0.7 million from federal funds.* **The Assembly concurred.**

COVID Relief - Lobbyist. The revised request includes new expenditures of \$175,000 from general revenues to hire a lobbyist to help ascertain federal funds for COVID-19 related expenses. This expense should be supported by federal Coronavirus Relief funds. It should also be noted that the administration did not identify this as a post-December 30 expense. *The Governor did not recommend funding.* **The Assembly concurred.**

Rainy Day Fund. The FY 2020 final budget transferred \$120.0 million from the Budget Stabilization and Cash Reserve Account or "Rainy Day Fund" for use in balancing that budget. At the time of the transfer, current law required that the repayment be made the following fiscal year to the Rhode Island Capital Plan Fund. The 2020 Assembly appropriated \$90.0 million for the repayment and included legislation in Section 18 of Article 1 of 2020-H 7171, Substitute A, to delay the full payback until FY 2022. The revised request predates the enacted budget and does not include this expense. *The Governor proposed legislation in Article 1 of 2021-H 6121 to delay the repayment. It includes \$7.5 million in FY 2021 and \$42.5 million in FY 2022, leaving \$70.0 million to be paid in FY 2023.* **The Assembly added \$112.5 million from general revenues for FY 2021 to complete the full repayment in FY 2021.**

Laborers' International Union of North America Settlement. The state anticipates a settlement agreement with the Laborers' International Union of North America regarding back pay for longevity and overtime payments. The methodology for the way in which payments were made understated the state's contribution. *The FY 2022 recommended budget reserves an estimated \$4.3 million from general revenues to correct for this, in anticipation of an agreement. The Governor requested an amendment to include \$4.7 million in FY 2021 as the settlement agreement is anticipated to occur in June 2021.* **The Assembly concurred with the amended recommendation.**

Office of Energy Resources

Regional Greenhouse Gas Initiative. The Department requested \$5.4 million more than enacted from Regional Greenhouse Gas Initiative restricted receipt funds based on available resources. The receipts are derived from the sale of carbon emission credits through an auction process. Program expenditures are \$0.2 million more for energy research and clerical services. The request includes \$8.1 million, or \$4.8

million more than enacted, to provide grants to invest in projects that reduce long-term energy demands and costs. At the end of FY 2020, the Department had \$12.7 million in available resources and anticipates receipts of \$9.6 million in FY 2021. Four auctions are held annually and receipts were \$5.0 million from the first two auctions. *The Governor concurred and added \$754 to reflect an updated assessed fringe benefit rate attributed to the voluntary retirement incentive program for which associated savings are assumed in the FY 2022 recommended budget.* **The Assembly concurred.**

Volkswagen Settlement Funds. The revised request includes \$42,028 less restricted receipts from Volkswagen Settlement funds than enacted for the Electric Vehicle Charging Station Incentive Program. This adjustment is to account for salaries and benefits for updated staffing allocations and benefit rates consistent with FY 2021 revised planning values. The Department of Environmental Management is the designated state agency and has the primary responsibility for implementation of the “Beneficiary Mitigation Plan” for use of the Volkswagen Settlement funds. Consistent with the enacted budget, the revised request includes \$1.2 million to provide incentives to purchase and install electric vehicle charging station equipment. Incentives are based upon applicant type, state agencies, quasi, local government or another entity and whether the charging stations will be available for public use. *The Governor recommended funding consistent with the enacted budget and added \$480 to reflect an updated assessed fringe benefit rate attributed to the voluntary retirement incentive program.* **The Assembly concurred.**

Other Expenses. The request includes \$0.4 million more from federal funds and restricted receipts for all other expenditures for the Office of Energy Resources. Funds will be used for an Offshore Wind consultant for which costs are shared with the Division of Public Utilities and Carriers, and to conduct a study to verify energy savings of energy efficiency programs, pursuant to legislation adopted by the 2018 Assembly. Remaining funds will be used for staff training on several initiatives, including solar power systems. *The Governor recommended \$0.4 million less than requested, which is \$29,281 more than enacted. This adds \$4,281 to reflect an updated assessed fringe benefit rate attributed to the voluntary retirement incentive program, and \$25,000 from federal settlement funds for contracted services.* **The Assembly concurred.**

HealthSource RI

Health Reform Assessment Receipts. The 2015 Assembly adopted legislation authorizing the Department of Administration to charge a health reform assessment to support the operations of HealthSource RI. The 2019 Assembly concurred with the Governor’s proposal and adopted legislation to decouple the state’s premium assessment upon those insurers offering products on the Exchange from the rate charged for federally facilitated marketplaces and established a 3.5 percent fee in statute, effective January 1, 2020. The federal rate decreased from 3.5 percent to 3.0 percent on January 1, 2020. The revised request assumes receipts of \$7.4 million, \$0.2 million less than enacted based on updated enrollment. Enrollments as of December 31, 2020, were 30,761 in the individual/family group and 6,070 in the small business group. The enacted budget is based on 33,926 in the individual/family group and 6,169 in the small business group. At the end of FY 2020, there was \$3.4 million available from assessment receipts and the enacted budget shifted \$1.0 million of general revenue expenses to these receipts based on the office’s updated projections. *The Governor concurred.* **The Assembly concurred.**

Health Insurance Market Integrity Fund. The 2019 Assembly adopted legislation establishing a Reinsurance Program, to provide stability in the individual insurance market. The legislation imposes a Shared Responsibility Payment penalty for individuals who do not have health insurance coverage, with certain exemptions, effective on January 1, 2020. The penalty will be collected by the tax administrator and deposited into a restricted account and will be used to provide reinsurance, or payments to health insurance carriers, as a means of ensuring that premiums do not increase drastically, and for administrative costs. General revenues may not be used. Remaining funds from the penalty can be used for preventative health care programs in consultation with the Executive Office of Health and Human Services.

The revised request assumes \$1.2 million from a penalty payment, \$8.3 million less than the enacted amount based on the office's updated timeline of when reinsurance payments to health insurance carriers will likely be made. The office indicated that by the time taxes are due, individuals getting approved for extensions and potential amendments, it would be difficult for payments to be made in the current year. Consistent with the enacted budget, the revised request includes \$1.2 million for program expenses, \$0.4 million will be provided to support approximately three positions in the Division of Taxation for collection activities and the office's staff time dedicated to reviewing and approving exemptions. The remaining \$0.8 million will be used to make modifications to the State Tax Administration and Revenue System. *The Governor recommended funding consistent with the enacted budget.* **The Assembly provided \$1.2 million in FY 2021 based on HealthSource RI's updated timeline for reinsurance payments.**

Other Expenses. The revised request includes \$32,743 more than enacted from general revenues and restricted receipts for all other expenses. Salary and benefit expenses are \$11,588 less than enacted from turnover savings and updated benefits, consistent with FY 2021 revised planning values. Expenditures for HealthSource RI's share of the Unified Health Infrastructure Project are \$96,015 more than enacted. *The Governor recommended \$6,545 more than enacted to reflect an updated assessed fringe benefit rate attributed to the voluntary retirement incentive program. He also added \$57,962 for staff time responding directly to the COVID-19 emergency. The Governor subsequently requested an amendment to include general revenue savings of \$0.1 million from HealthSource RI's share of Unified Health Infrastructure Project expenses.* **The Assembly concurred with the amended recommendation.**

Debt

38 Studios. The enacted budget includes \$12.1 million from general revenues to make the final year's debt service payment relating to 38 Studios. The total payment is \$12.3 million; however, \$0.2 million from interest earnings from settlement proceeds will be used. The revised request reduces this expense by \$11.6 million, in error. The final payment was made in November 2020. *The revised budget includes an additional \$0.2 million in savings from available interest earnings.* **The Assembly concurred.**

Convention Center Authority. The revised request includes \$21.4 million from general revenues for debt service payments for the Convention Center Authority. The request is \$1.5 million less than enacted and it appears to be based on FY 2020 expenses. The enacted budget properly funds the debt service expense. Under the terms of the lease agreement between the state and the Authority, the minimum rentals payable to the state in any fiscal year are equal to the gross debt service costs in that year; the state is responsible for covering any operating shortfalls and recoups any operating profits. On March 9, the Governor declared a state of emergency because of dangers posed by COVID-19. Subsequently, all scheduled events at the facility were cancelled and the Authority negotiated a lease to use the Convention Center facility as hospital space for coronavirus patients.

The Authority oversees the operations of the Convention Center, Dunkin' Donuts Center, Veterans Memorial Auditorium and the Garrahy Courthouse Garage, once it becomes operational; the facilities are managed by a third-party, which is ASM Global. The contract with ASM Global will expire on June 30, 2025. Under the terms of the lease agreement between the state and the Authority, the minimum rentals payable to the state in any fiscal year are equal to the gross debt service costs in that year; the state is responsible for covering any operating shortfalls and recoups any operating profits. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Garrahy Parking Garage. The revised request includes \$3.0 million from general revenues for the total costs of debt service for the Garrahy Parking Garage in FY 2021. This is \$1.0 million more than enacted and it appears to be based on FY 2020 expenses, which did not assume any offsetting revenue from opening of the garage due to the pandemic. The garage opened in March 2020. Through the first half of FY 2021, \$0.7 million has been collected and operating expenses totaled \$0.1 million, resulting in \$0.6 million in

available revenues. Assuming the same experience for the second half of the fiscal year, \$1.2 million would be available for debt; the enacted budget had assumed \$1.0 million in revenues would be collected. This suggests additional savings are available. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

I-195 Land Acquisition Debt Service. The request includes \$0.4 million more than enacted for debt service costs of the I-195 land acquisition project. This is based on FY 2020 expenses and does not reflect a recent update to use \$0.4 million from available land sale proceeds. The debt service amount is \$4.4 million; the enacted budget assumes that \$2.3 million of proceeds from land sales will be used to cover the debt. The 2011 Assembly's debt authorization stipulated that proceeds from the eventual sale of the land parcels would be used for debt service costs. The principal amount for the bonds is \$38.4 million, which was originally amortized over a ten-year period, with a balloon payment of \$32.0 million due in FY 2023; however, the FY 2020 budget indicated the balloon payment was to be amortized for an additional ten years. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

General Obligation Bond Debt. The revised request includes \$106.6 million from all sources, including \$70.7 million from general revenues, \$1.4 million from federal Build America Bonds, and \$34.6 million from transportation funds for general obligation bond debt service. The request is \$1.8 million less than enacted and it appears to be based on FY 2020 and does not reflect a recent update to debt service expenses. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Certificates of Participation. The enacted budget includes \$27.1 million from general revenues for all debt issued through Certificates of Participation for information technology, energy conservation, and the Department of Children, Youth and Families' Training School. The revised request increases these expenditures by \$2.1 million, in error. This does not reflect the current service estimate. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Fidelity Job Rent Credits. The Department requested \$1.4 million from general revenues for payments under the Fidelity Job Rent Credits agreement. The enacted budget does not include this expense; the exclusion was consistent with a Governor's requested amendment, noting available reserve funds for this expense. Under the incentive-based agreement between the state and Fidelity, the state provides job rent credits for each full-time equivalent employee in excess of a 1,000 employee base. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Other Debt. The Department requested \$19.5 million from general revenues and other funds for all other debt expenses. This includes \$19.4 million from general revenues to fund costs for debt issued to pay for historic tax credits. The debt comes from the 2008 Assembly's legislation, which significantly modified the program. It required upfront processing fees, placed a moratorium on new projects, reduced the overall effective credit from 27.75 percent to 22.0 percent, and authorized borrowing sufficient funds to cash out all credits. The 2013 Assembly adopted legislation to allow new projects to replace those projects that are not progressing and developed new requirements and standards. It also includes \$0.1 million for borrowing expenses relating to tax anticipation notes. The request is \$221 less than enacted and it appears to have been reduced to align expenses with FY 2020 actuals, in error. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Purchasing

E-Procurement System - Unachieved Savings. The 2017 Assembly concurred with the Governor's proposal authorizing the chief purchasing officer to establish, charge, and collect a statewide contract administrative fee not to exceed 1.0 percent of master price agreements from vendors. The funds would be deposited as restricted receipts and would be used for the implementation of an electronic procurement system. The Governor's FY 2020 recommended budget assumes the implementation of the assessment,

effective January 1, 2020. It appears that collections started in July 2020 and through the second quarter of FY 2021, \$88,995 has been collected. The Division of Legal Services sets the requirement that the Department can only apply the assessment to master price agreements where both the original solicitation and the purchase orders have the fee language, which has limited the number of master price agreements it can collect from in the near future.

The enacted budget assumes expenditures of \$0.5 million would be supported from these receipts, including \$0.2 million for software maintenance of the system and salary and benefit expenses for a programmer analyst manager and partial expenses for a senior buyer position in the division. Based on anticipated collections, the revised request shifts \$0.3 million of these restricted receipt expenditures to general revenues. It should be noted that the FY 2020 final budget had assumed the implementation of this initiative; however, due to a delay, the division overspent its general revenues final appropriation by \$0.3 million. *The Governor reduced the restricted receipt expenditures; however, no general revenue funding was recommended to support these expenses.* **The Assembly concurred.**

Other Expenses. The revised request includes \$9,737 less than enacted from all sources for all other expenses in the Division of Purchasing. It includes \$20,800 more from other funds for four positions that are dedicated to transportation related projects and one for the University of Rhode Island. Each entity reimburses the Department for the cost of the positions; however, pursuant to the Memorandum of Understanding with the University, the amount it would be reimbursed is capped at \$180,000. General revenue expenses are \$30,587 less than enacted for office supplies and clerical services.

The Governor recommended \$53,893 more than enacted, including \$10,339 more from general revenues. This includes \$11,895 to reflect an updated statewide benefit rate increase attributed to the voluntary retirement incentive program. It also includes \$41,998 from federal funds based on staff time responding directly to the COVID-19 emergency. **The Assembly provided an additional \$75,000 from general revenues based on projected expenditures for staffing expenses.**

Office of Management and Budget

Audit Review. The enacted budget includes \$35,000 from general revenues to obtain outside services to assess and certify that the Office of Internal Audit's work is being documented and performed in accordance with internal auditing standards. This review is conducted every five years. The Department indicated that the request for proposal is scheduled to be issued in April with the work being performed before December 2021. The revised request removes this expense as the Department anticipates this expense will now occur in FY 2022. *The revised recommendation assumes this expenditure in FY 2021.* **The Assembly provided \$0.1 million less from general revenues to reflect turnover savings and concurred with the remainder of the recommendation.**

Office of Internal Audit. The revised request includes \$0.2 million more than enacted from all sources for the Office of Internal Audit, which was consolidated in order to increase efficiency and decrease fraud and waste. The request includes \$0.1 million less from general revenues, offset by increases of \$47,114 from other funds and \$240,609 from federal funds, reflecting a new grant from the U.S. Department of Agriculture for audits of the Supplemental Nutrition Assistance Program. Salary and benefit expenditures are \$32,899 more than the enacted budget, which assumes savings of \$90,545 from all sources from 12 individuals who opted to participate in the workshare program. The savings are not reflected in the revised request but have been achieved. Accounting for this, the request is \$57,646 less than enacted based on updated benefit rates consistent with FY 2021 revised planning values and turnover savings. As of the pay period ending January 2, the Office has two vacancies.

The Governor recommended \$0.1 million more than requested, including \$0.1 million to restore the additional turnover savings assumed; it appears that one of the vacant positions has since been filled. It

also includes \$13,535 to reflect an updated assessed fringe benefit rate attributed to the voluntary retirement incentive program. **The Assembly concurred.**

Other Staffing. The revised request includes \$395,692 less from all sources for all other staffing in the Office of Management and Budget, including Office of the Director, Budget Office and Office of Regulatory Reform. The request reflects benefit rates consistent with FY 2021 revised planning values and it appears to align funding with the staffing authorization. It assumes staffing of 29.0 full-time equivalent positions for the aforementioned offices and as of the pay period ending January 2, there is one vacancy in the Office of Regulatory Reform. The enacted budget assumes savings of \$12,713 from two individuals who opted to participate in the workshare program, but the savings are not reflected in the revised request. Accounting for this, the request is \$408,405 less than enacted. The enacted budget also includes a shift of \$0.7 million of personnel expenses from general revenues to federal funds based on staff time responding directly to the COVID-19 emergency.

*The Governor recommended \$29,904 less from all sources than enacted, including \$47,080 less from federal funds, based on updated staff time responding directly to the COVID-19 emergency, and \$17,176 to reflect an updated assessed fringe benefit rate attributed to the voluntary retirement incentive program. The recommendation is \$0.4 million more than requested; as of the pay period ending March 13, there is one vacancy. **The Assembly concurred.***

Other Expenses. The revised request includes \$9,292 more from general revenues than enacted for software maintenance expenses related to the budgeting system. *The Governor recommended funding consistent with the enacted budget. **The Assembly concurred.***

Statewide Planning

Reappropriation - Complete Count Committee. The 2019 Assembly provided one-time general revenue funding of \$500,000 to support the Complete Count Committee, which was created by Executive Order 18-09. As part of the FY 2020 final budget, it included legislation requiring unexpended funds or unencumbered balances to be reappropriated to FY 2021. In August, the Governor reported the reappropriation of \$190,606 of unused funds to FY 2021, which is reflected in the FY 2021 budget. The revised request assumes \$606 less in expenditures and subsequently, the Department indicated that it anticipates spending \$152,000; through January, it appears \$115,214 has been spent. *The Governor recommended funding consistent with the enacted budget. **The Assembly concurred.***

Tuition Expenses. The Water Resources Board is responsible for paying the tuition costs for students living in the Big River Management Area who attend the Exeter-West Greenwich Regional School District; expenditures were \$14,940 in FY 2020 and \$17,738 in FY 2019. The request appears to have excluded the general revenues enacted amount of \$17,800 for tuition expenses, in error. It appears that the student moved out of the Big River Management Area; however, there is a delay in billing. The Department indicated that in the spring, it will be billed for the 2019/2020 school calendar year. *The Governor recommended funding consistent with the enacted budget. **The Assembly concurred.***

Water Resources Board. The revised request includes \$0.1 million less from general revenues than enacted to support the Water Resources Board. This includes savings of \$90,562 from salaries and benefits, to reflect previously overstated salaries and turnover savings for filling another position at a lower cost. The revised request includes increases of \$10,000 for maintenance of the Big River Management Area and \$10,400 for engineering and appraisal services. *The Governor recommended \$1,223 more than enacted to reflect an updated assessed fringe benefit rate attributed to the voluntary retirement incentive program. The recommendation also includes \$0.1 million from a new federal grant from the U.S. Geological Survey for a Water Use Data Research project in collaboration with the University of Rhode Island. **The Assembly concurred.***

Transportation Planning Grants. The revised request includes \$0.8 million less than the enacted budget of \$3.3 million from other funds passed through the Department of Transportation to the Division of Statewide Planning for transportation planning related projects. The Division of Statewide Planning indicated that the funds will be used for the implementation of the Unified Planning Work Program, which serves as the basis by which Federal Highway Administration and Federal Transit Administration urban transportation planning funds are spent. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Statewide Planning Staffing. The revised request includes \$284,594 less than enacted for salary and benefit expenses in the Division of Statewide Planning. This includes \$117,183 less from general revenues to reflect additional turnover savings for which the enacted budget included \$69,293. The revised request appears to align funding with the staffing authorization as the enacted budget includes funding for 25.0 full-time equivalent positions; however, the Governor's recommendation assumes authorization for filling 20.0 full-time equivalent positions. As of the pay period ending January 2, the division had 18.0 full-time equivalent positions filled. There are savings of \$64,616, including \$5,307 from general revenues available for FY 2021 based on eight individuals from the division who opted to participate in the workshare program that are not reflected in the revised request but have been achieved. *The Governor recommended \$9,872 more from all sources than enacted to reflect an updated assessed fringe benefit rate attributed to the voluntary retirement incentive program.* **The Assembly concurred.**

Other Expenses. The revised request includes \$29,377 less from all sources than enacted for all other expenses. General revenue expenses are essentially consistent with the enacted budget. The request includes \$16,375 more for lease expenses based on the division's share of the lease and electricity expenses. In FY 2020, the division relocated from the Department of Administration's building to the Foundry Building. It also includes \$8,151 for bargaining unit employee tuition reimbursements. This is offset by \$53,903 less for the creation of a mobility plan across state agencies. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Other Programs

Information Technology Investment Fund. Excluding expenditures for centralized services, the revised request includes \$9.9 million, or \$1.3 million more than enacted for expenses in the Information Technology Investment Fund, which was created for acquiring information technology improvements, including, but not limited to, hardware, software, and ongoing maintenance. It should be noted that the 2020 Assembly concurred with the Governor's requested budget amendment to reduce her original recommendation by \$1.0 million to \$8.5 million from this source, reflecting available resources. The revised budget request predates the enacted budget and does not include this change. Adjusting for this, it is \$0.3 million more, including \$0.1 million each for project expenses and maintenance.

It should be noted that the revised request assumes carry forward funds of \$2.1 million from FY 2020 and \$9.7 million in new receipts, primarily land sales for total resources of \$11.8 million. As of January, \$2.8 million has been collected, including \$1.2 million from the sale of surplus property. Subsequently, the Department indicated that it sold the Board of Elections' former facility for \$1.6 million and it signed a purchase and sale agreement for the Price Building at the Pastore Campus for \$6.3 million. Provided that the closing for the latter property occurs before the end of the fiscal year, revenues would exceed projections. *The Governor recommended \$2.3 million more than enacted, based on projects scheduled. Through March 23, \$4.7 million in revenues have been collected and expenditures totaled \$1.3 million.* **The Assembly concurred and transferred \$67.0 million to the Information Technology Investment Fund. This transfer is intended to provide sufficient resources to fully fund the state's share of the new Child Welfare Information System and the Enterprise Resource Planning System.**

Other Information Technology Expenses. The enacted budget includes \$114,000 from federal Victims of Crime Act funds for the Division of Information Technology to maintain the Internet Protocol, which is used to relay data. The revised request removes this expense from the Department of Administration's budget. The Department indicated that the expense should be included in the Office of the Attorney General's budget. It should be noted that the Attorney General's budget request does not include this expense. *The Governor concurred with the request; it does not appear that this expense is recommended in the Attorney General's budget.* **The Assembly concurred.**

Office of Library and Information Services. The revised request includes \$17,934 less than enacted from all sources for expenditures in the Office of Library and Information Services, which works to ensure that all residents will benefit from free and convenient access to library and information resources and services. This includes \$0.2 million from turnover savings; the enacted budget did not assume any. There are savings of \$18,290, including \$8,776 from general revenues available for FY 2021 based on two individuals who opted to participate in the workshare program that are not reflected in the revised request. The request also includes \$125,000, primarily from FY 2020 unspent federal funds to community libraries for various programs and projects. *The Governor recommended \$11,929 more than enacted from all sources to reflect an updated assessed fringe benefit rate attributed to the voluntary retirement incentive program. The recommendation does not include the additional turnover savings; as of March 13, the office had one position vacant.* **The Assembly concurred.**

Office of Accounts and Control (2.0 FTE). The Department requested \$0.2 million more from all sources than the enacted budget to support the Office of Accounts and Control. The enacted budget includes a shift of \$0.3 million of personnel expenses from general revenues to federal funds based on staff time responding directly to the COVID-19 emergency and \$13,108 from workshare savings from two individuals who opted to participate in the program not reflected in the request. The request includes \$0.3 million more for salaries and benefits to fund two additional interdepartmental project manager positions in the Office of Federal Grants Management, which brings staffing to 4.0 full-time equivalent positions. The Department has filled one of the new requested positions; the Office of Federal Grants Management is currently supporting the Pandemic Recovery Office, which is responsible for policy coordination and compliance for federal COVID-19 related stimulus funds. The request reduces operating expenses by \$0.1 million previously budgeted for contracted financial services, which is no longer needed as the office is filling new positions.

The Governor recommended \$277,333 less than enacted from all sources. It adds \$14,594 to reflect an updated assessed fringe benefit rate attributed to the voluntary retirement incentive program, offset by \$291,927 less from federal funds, based on actual staff time allocated to COVID-19 related activities. Expenses were \$64,480 as of March 23, and the enacted budget assumed \$347,447. It appears that some of the personnel costs for the Pandemic Recovery Office is being supported as part of Government Readiness. **The Assembly concurred.**

Office of Diversity, Equity and Opportunity. The revised request includes \$241,125 less than enacted from all sources, all but \$248 is from general revenues for staffing and operating costs for the Office of Diversity, Equity and Opportunity. This includes \$0.2 million less for salaries and benefits to primarily reflect turnover savings for which the enacted budget did not include any. As of the pay period ending January 2, the Office had two vacancies, including the associate director who was transferred to the Department of Labor and Training. The enacted budget assumes savings of \$34,464 from general revenues available for FY 2021 based on four individuals who opted to participate in the workshare program that are not reflected in the revised request. The request also includes \$51,794 less for operating expenses primarily for outreach advertising and training related activities. *The Governor recommended \$4,490 more from all sources than enacted to reflect an updated assessed fringe benefit rate attributed to the voluntary retirement incentive program.* **The Assembly provided \$250,000 less from general revenues to reflect turnover savings and concurred with the remainder of the recommendation.**

DCAMM - Staffing and Other Expenses. The revised request includes \$63,444 more from general revenues than enacted to support the Division of Capital Asset Management and Maintenance. This includes \$63,944 more for salaries and benefits, reflecting current staffing. As of the pay period ending January 2, all of the 13.0 full-time equivalent positions were filled. The request includes \$2,000 more for mileage reimbursement, offset by \$2,500 for staff training. These adjustments appear to align FY 2021 expenses with FY 2020 spending. *The Governor recommended \$7,527 more from general revenues than enacted to reflect an updated assessed fringe benefit rate attributed to the voluntary retirement incentive program.* **The Assembly concurred.**

Central Management. Excluding centralized services, the revised request includes \$2.3 million from general revenues to support the Division of Central Management. This is \$340,508 more than enacted for salaries and benefits for two positions that the Department filled, including a new senior management and methods analyst that the Department indicated will conduct policy and data research, legislative tracking, and oversight of internal communications and a position transferred from the Department of Environmental Management to the Department of Health; however, the cost as well as the staffing authorization is included in the Department of Administration. The enacted budget does not fund these positions. It assumes that these expenses will be covered by turnover savings elsewhere in the Department. There are savings of \$12,403 from general revenues available for FY 2021 based on two individuals who opted to participate in the workshare program that are not reflected in the revised request.

The Governor recommended \$144,535 more from all sources than enacted, including \$5,494 more from general revenues than enacted to reflect an updated assessed fringe benefit rate attributed to the voluntary retirement incentive program. The recommendation adds \$139,041 from federal funds for staff time allocated to the COVID-19 related activities. **The Assembly provided \$0.1 million less from general revenues based on projected expenditures for operating expenses.**

Other Salaries and Benefits (2.0 FTE). The revised request includes \$186,276 more from general revenues than enacted for all other salary and benefit expenditures for the Division of Legal Services and the Personnel Appeal Board. There are savings of \$10,584 from general revenues available for FY 2021 based on two individuals who opted to participate in the workshare program that are not reflected in the revised request. The request appears to include \$0.2 million more in the Division of Legal Services for two new senior legal positions. Subsequently, the Department indicated that it had not intended to request the new positions. It also includes \$14,511 more for updated staffing allocations for the executive secretary of the State Properties Committee in the Division of Capital Asset Management and Maintenance who also supports the Personnel Appeal Board. *The Governor recommended \$6,769 more from general revenues than enacted to reflect an updated assessed fringe benefit rate attributed to the voluntary retirement incentive program.* **The Assembly provided an additional \$0.1 million from general revenues based on projected staffing expenses.**

Tort Court Awards. The Department receives an annual appropriation of \$0.4 million from general revenues to pay for liability claims against any state department or state employee. The revised request includes \$0.1 million more than enacted; historical spending for this varies depending on court awarded settlements. Expenditures were \$479,945 in FY 2020, \$457,720 in FY 2019, \$389,925 in FY 2018 and \$1.2 million in FY 2017. *The Governor recommended \$0.1 million more than requested based on updated expenditures. It appears that \$606,601 has been spent; the recommended amount is \$6,601 below that. The Governor requested two amendments to increase these expenses by \$300,000. Projected expenditures include \$0.5 million for settlements and \$337,464 for legal expenses, which is \$212,519 more than FY 2020 and appears to include \$167,510 relating to the consent decree with the Department of Justice regarding job training and community services to individuals with developmental disabilities.* **The Assembly concurred and provided a total of \$900,000.**

Capital - Hospital Consolidation. The approved plan includes a project cost of \$32.9 million, including \$22.0 million from approved Certificates of Participation and \$10.9 million from Rhode Island Capital Plan funds to reorganize hospital operations for the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals. The revised request includes \$0.2 million from Rhode Island Capital Plan funds in error. The approved plan assumes use of \$12.0 million from approved Certificates of Participation in FY 2021; no expenditures from Rhode Island Capital Plan funds are assumed beyond FY 2020. *The Governor recommended funding consistent with the approved plan.* **The Assembly concurred.**

Capital - Convention Center Facility. The revised request includes \$6.6 million, or \$5.6 million more from Rhode Island Capital Plan funds than enacted for improvements to the Convention Center Facility. It should be noted that the 2020 Assembly concurred with the Governor's requested budget amendment shifting expenses of \$2.5 million from FY 2021 and FY 2022 to FY 2023 through FY 2025, as the facility is currently being used as a site hospital. The request predates the enacted budget and therefore does not assume these adjustments. However, the request is inconsistent with the capital budget request, which assumes \$2.0 million in FY 2021. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Capital - Pastore Center Non-Medical Buildings Asset Protection. The Department requested \$11.1 million from Rhode Island Capital Plan funds for major maintenance and capital repairs for multiple buildings at the Pastore Center. Work will focus on the following buildings: Benjamin Rush, Hazard, Louis Pasteur, Forand and Center General. This is \$8.7 million more than the enacted and is inconsistent with the capital budget request, which assumes expenditures of \$2.1 million for FY 2021. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Capital - Other Projects. The revised request includes \$24.4 million from Rhode Island Capital Plan funds for 32 approved projects. This is \$8.2 million more than enacted and is inconsistent with the capital budget request. *The Governor recommended \$16.1 million, which is \$0.2 million less than enacted. This includes the reappropriation of \$7,681 from FY 2020 for the Pastore Center Water Tanks and Pipes project and \$186,171 less for the IT Enterprise Operations Center, consistent with the Department's capital budget request.* **The Assembly provided \$0.3 million less based on projected expenditures for two projects. A detailed description of the projects is included in the Capital Budget section of this publication.**

Property Restoration and Replacement. The request includes the enacted amount of \$0.7 million from restricted insurance proceeds to restore damages to state-owned properties. Rhode Island General Laws authorizes the director of the Department to enter into agreements with insurance companies for comprehensive insurance coverage on state property to protect the state against loss from fire and other risks. At the end of FY 2020, the account had \$1.9 million in insurance proceeds. *The Governor recommended \$0.3 million more than enacted based on anticipated expenditures for restoration work on the Powers Building, which was vandalized during the summer.* **The Assembly concurred.**

Other Expenses. The request includes \$10,500 less from general revenues than enacted for all other expenses. This includes \$200 more for stenographic services, offset by \$10,700 less for subscriptions for legal research, based on historical spending patterns. The enacted budget includes \$24,700 for this and expenditures were \$5,789 in FY 2020, \$12,377 in FY 2019 and \$13,413 in FY 2018. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Internal Service Funds

The state uses internal service funds to reimburse one agency for services provided to another. For example, the Central Utilities account within the Department of Administration charges agencies for utilities expenses, such as electricity costs. In other cases the service provided is more administrative such as human

resources support. The funds to cover these expenditures are budgeted as an operating expenditure in the agency receiving the services. No funds are appropriated to the internal service fund.

Internal service funds lack the transparency of direct appropriations. They are supported by billings to agencies since no money is appropriated to the funds and the services appear as operating costs even though they often fund personnel expenses. This makes it difficult to exercise the same level of scrutiny as direct appropriations. The following descriptions cover those operations that include personnel expenses. The total full-time equivalent positions in the Department of Administration's budget associated with these operations is 413.5 positions. Section 11 of Article 1 of the enacted budget stipulates that no more than 417.0 of the authorized level would be for positions that support internal service fund programs. As of January 2, the Department had 388.5 filled positions supporting internal service fund programs. This is 28.5 positions below the cap.

It should be noted that the operations for information technology services, facilities management and human resources support a total \$108.1 million for FY 2021; however, the amount of resources assumed in agency budgets to support these operations total \$94.6 million, a difference of \$13.5 million. The Department indicated that the FY 2021 rates have been finalized; however, it does not factor in the impact for several information technology projects. It is likely that charges to agencies will increase to support the level of services that are budgeted. This will further impact billings for FY 2022 as requested internal service fund expenditures for the aforementioned services are projected to cost more.

Agency Budgets	FY 2020 Reported	FY 2021 Enacted	FY 2021 Rev. Req.	FY 2021 Gov. Rev.	FY 2021 Final
Information Technology	\$ 37.0	\$ 39.9	\$ 39.4	\$ 39.1	\$ 39.7
Facilities Management	38.1	39.8	43.0	39.9	39.6
Human Resources	12.3	13.3	12.3	12.3	12.5
Total Charges	\$ 87.3	\$ 93.0	\$ 94.6	\$ 91.3	\$ 91.8
<i>ISF Budget</i>					
Information Technology	\$ 38.8	\$ 49.5	\$ 52.4	\$ 49.6	\$ 44.7
Facilities Management	40.4	42.8	42.8	42.9	42.9
Human Resources	12.7	14.2	12.9	14.3	14.3
Total	\$ 91.9	\$ 106.6	\$ 108.1	\$ 106.8	\$ 101.8
Difference	\$ 4.5	\$ 13.6	\$ 13.5	\$ 15.4	\$ 10.0

\$ in millions

Information Technology (3.4 FTE). The Division of Information Technology provides centralized information technology services to state agencies. The request assumes expenditures of \$52.4 million and staffing of 180.0 full-time equivalent positions for FY 2021, 3.4 more than enacted. According to the Department, expenditures are broken into service categories to calculate a cost of service; from that, rates are developed. Some services include printing, storage, system support, server charges and disaster recovery. The request is \$2.9 million more than enacted. It includes \$26.7 million for salaries and benefits, which is \$0.7 million less than enacted, to primarily reflect turnover savings for which the enacted budget assumed \$0.5 million, which is equivalent to approximately four vacancies. As of January 2, the division had 13.0 full-time equivalent positions vacant. The request includes benefit rates consistent with FY 2021 revised planning values.

The request assumes operating expenditures of \$26.1 million. While this is \$3.6 million more than enacted, the amount in agency budgets to support them is \$13.0 million less. Adjusting for that, it appears to include approximately \$9 million of new project expenses, which is the potential costs to agencies if another source such as the Information Technology Investment Fund for these expenditures is not identified.

It should be noted that the fourth quarter report for FY 2020 showed a net positive balance of \$1.6 million. Through the first quarter of FY 2021, \$8.8 million was billed for services and expenditures were \$8.6 million. This increases the net positive balance to \$1.9 million. *The Governor recommended \$94,411 more than enacted to reflect an updated assessed fringe benefit rate attributed to the voluntary retirement incentive program. The recommendation is \$2.8 million less than requested; expenditures for several of the information technology projects requested are included as part of COVID Relief - Government Readiness, previously discussed.* **The Assembly provided \$4.9 million less for the federal grants management system; these expenses were also included in the FY 2022 recommended budget.**

Facilities Management. Facilities management provides services including property management, grounds keeping and janitorial services for state departments and agencies. It is responsible for 140 state buildings and six court buildings. Expenditures are based on projected costs for utilities, janitorial services, snow removal, repairs and personnel. For billing purposes, each building is assigned a rate, which reflects the cost per square foot for occupancy and agencies are billed based on the square footage it occupies in a facility. Consistent with the enacted budget, the request includes \$42.8 million for facilities management. It includes \$13.2 million for staffing of 105.5 full-time equivalent positions. This is \$0.2 million less than enacted, reflecting additional turnover savings, for which the enacted budget had assumed \$0.1 million and benefit rates consistent with FY 2021 planning values. As of January 2, there were 99.5 full-time equivalent positions filled, 6.0 fewer than requested.

The revised request includes \$31.0 million for operating expenses, \$0.2 million more than enacted and \$1.8 million more than FY 2020 expenditures. Utility expenses account for \$15.9 million or approximately 52 percent of operating expenses. Of this amount, \$2.4 million or \$0.3 million more is for sewer usage; reported expenditures were \$2.5 million in FY 2020 and \$2.3 million in FY 2019. The request includes \$3.0 million, or \$0.1 million less than enacted for operation of the Central Power Plant. The contract assumes two components; the direct labor paid, which is a fixed amount and consumables, which depends on repair costs. It also includes \$1.0 million for snow plowing and \$0.9 million for security services.

The request includes \$2.1 million for janitorial services, \$0.5 million more than enacted. It should be noted that the Administration entered into a new three-year contract for janitorial services, effective June 2019. The cost for the three-year contract is \$11.4 million; however, the administration indicated that it will not use all of the services that the contract assumed. FY 2020 was the first year of the contract and expenditures were \$2.5 million, for which the final budget had assumed \$2.0 million. The FY 2021 revised request assumes expenditures of \$2.1 million. It should be noted that the fourth quarter report for FY 2020 showed a net negative balance of \$1.9 million. Through the first quarter of FY 2021, \$9.7 million billed for services and expenditures were \$26,961 less. *The Governor recommended \$41,752 more than enacted and requested to reflect an updated assessed fringe benefit rate attributed to the voluntary retirement incentive program.* **The Assembly concurred.**

Human Resources. The division provides human resources services to nearly all state departments. Services include employee benefits, payroll, and labor relations. The FY 2021 revised request assumes expenditures of \$12.9 million, or \$1.3 million less than enacted primarily from salaries and benefits, reflective of FY 2020 expenditures. The request is \$0.2 million more than staff's FY 2021 projected costs and is \$0.4 million more than FY 2020 reported expenditures. The request assumes staffing of 88.0 full-time equivalent positions and as of January 2, the division had 85.0 positions filled. Agencies are billed based on the cost of filled positions. It includes \$2.2 million for operating expenses or \$0.4 million less than enacted for the division's share of internal service fund expenditures.

It should be noted that the fourth quarter report for FY 2020 showed a net positive balance of \$2.1 million. Through the first quarter of FY 2021, \$3.5 million was billed for services and expenditures were \$2.8 million. This increases the net positive balance to \$2.8 million. *The Governor recommended \$41,286 more*

than enacted to reflect an updated assessed fringe benefit rate attributed to the voluntary retirement incentive program. The recommendation is \$1.4 million more than requested. **The Assembly concurred.**

Assessed Fringe Benefits. The Assessed Fringe Benefit Fund provides funding for the state employee workers' compensation, severance pay, unemployment pay and employee assistance programs. The fund is supported from a biweekly assessment that is applied to the amount of salaries and wages paid from all accounts and funds. The Department projects FY 2021 expenditures of \$31.0 million or \$6.5 million less than enacted. The request excludes the enacted amount of \$6.5 million for severance, in error. As of the end of January, expenditures for severance total \$3.6 million and were \$6.7 million in FY 2020.

The request includes the enacted amount of \$25.6 million for the workers' compensation program, including \$19.0 million for benefits. It assumes staffing of 9.0 full-time equivalent positions, 0.9 less than enacted. As of the pay period ending January 2, there were 8.0 filled positions. *The Governor recommended \$13,245 more than enacted to reflect an updated assessed fringe benefit rate attributed to the voluntary retirement incentive program. The recommendation assumes the enacted amount of \$6.5 million for severance pay; this may need to be increased to accommodate employees opting to participate in the voluntary retirement incentive program. As of March 23, expenditures were \$5.4 million, which would leave \$1.0 million for the remainder of the fiscal year.* **The Assembly concurred with the Governor's requested amendment to increase these expenses by \$10.8 million for voluntary retirement incentive payout expenses.**

Central Mailroom. Central mail services provides for inter-agency mail delivery and processing of mail for most state agencies. The revised request includes \$6.7 million and staffing of 9.0 full-time equivalent positions, consistent with the authorized level. The request is \$136,883 more than enacted, reflective of agency volume and additional postage and metering. This includes \$33,887 more for salaries and benefits, reflecting the restoration of turnover savings. It also includes \$102,996 more for operating expenses, primarily software maintenance costs associated with the meter handling system. Agencies are billed based on mail processed on their behalf. *The Governor recommended \$3,319 more than enacted to reflect an updated assessed fringe benefit rate attributed to the voluntary retirement incentive program.* **The Assembly concurred.**

State Fleet. State fleet provides charges for the administration and fiscal management of state-owned vehicles, and operates several fuel depots throughout the state. The revised request assumes staffing of 6.0 full-time equivalent positions, one less than authorized reflecting actual filled positions. The Department projects expenditures of \$12.7 million, \$0.1 million less than enacted for salaries and benefits. Agencies are billed based on fuel used, maintenance services provided, insurance costs, and the number of vehicles owned. *The Governor recommended \$2,612 more than enacted to reflect an updated assessed fringe benefit rate attributed to the voluntary retirement incentive program.* **The Assembly concurred.**

Telecommunications. The Division of Information Technology's telecommunications manages all voice telephone line installations, service changes and billings statewide. It also provides direct services both internally to government and to the public. Agencies are billed based on the number of lines they have as well as requested maintenance. The revised request expenditures of \$5.2 million are \$1.7 million more than enacted to purchase equipment to upgrade telephone lines. It appears that Coronavirus Relief funds were used to make the purchase. The request also includes \$1.0 million for salary and benefit expenses for 8.0 full-time equivalent positions. This is \$19,966 more than enacted, reflecting the restoration of turnover savings; however, as of January 2, there was one position vacant which had been vacant since the beginning of the fiscal year. *The Governor recommended \$3,221 more than enacted to reflect an updated assessed fringe benefit rate attributed to the voluntary retirement incentive program. The recommendation is \$1.7 million less than requested; expenditures to upgrade telephone lines are included as part of COVID Relief - Government Readiness.* **The Assembly concurred.**

Department of Business Regulation

	FY 2020 Reported	FY 2021 Enacted	FY 2021 Revised	FY 2021 Final
Expenditures by Program				
Central Management	\$ 2,910,333	\$ 5,427,777	\$ 3,212,802	\$ 3,075,002
Banking Regulation	1,591,551	1,648,138	1,653,509	1,623,379
Securities Regulation	764,540	913,056	719,913	646,513
Insurance Regulation	5,432,057	5,882,354	5,879,377	5,430,677
Office of the Health Insurance Commissioner	2,493,508	2,335,493	2,516,568	2,471,068
Board of Accountancy	5,550	5,883	5,883	5,883
Commercial Licensing, Gaming & Athletics Licensing	1,693,980	1,951,417	2,091,803	1,892,203
Building, Design & Fire Professionals	7,861,071	8,176,923	11,222,347	8,708,623
Office of Cannabis Regulation	860,322	1,413,888	1,416,880	996,880
Total	\$ 23,612,912	\$ 27,754,929	\$ 28,719,082	\$ 24,850,228
Expenditures by Category				
Salaries and Benefits	\$ 17,788,966	\$ 18,588,944	\$ 21,289,192	\$ 18,911,756
Contracted Services	2,392,711	4,961,245	2,640,372	2,167,332
Subtotal	\$ 20,181,677	\$ 23,550,189	\$ 23,929,564	\$ 21,079,088
Other State Operations	2,834,662	3,981,002	4,390,780	3,486,302
Aid to Local Units of Government	-	-	-	-
Assistance, Grant, and Benefits	600	155,000	330,000	260,000
Capital	523,973	68,738	68,738	24,838
Operating Transfers	72,000	-	-	-
Total	\$ 23,612,912	\$ 27,754,929	\$ 28,719,082	\$ 24,850,228
Sources of Funds				
General Revenue	\$ 15,696,309	\$ 17,469,427	\$ 17,490,565	\$ 15,061,711
Federal Aid	2,180,156	3,242,464	4,172,593	4,017,593
Restricted Receipts	5,325,950	6,970,025	6,982,645	5,697,645
Other	410,497	73,013	73,279	73,279
Total	\$ 23,612,912	\$ 27,754,929	\$ 28,719,082	\$ 24,850,228
FTE Authorization	161.0	161.0	161.0	161.0

FY 2021 Revised Request. The Department of Business Regulation requested \$1.7 million less than enacted from all fund sources, including \$0.5 million more from general revenues, \$1.7 million less from federal funds, \$0.5 million less from restricted receipts, and \$6,987 less from other fund sources. The changes to general revenues and federal funds primarily reflect the exclusion of Coronavirus Relief funds provided in the enacted budget, including shifts of general revenue expenses within multiple programs. The request was submitted prior to passage of the budget. The request includes 162.6 full-time equivalent positions, 1.6 positions more than the authorized level. *The Governor recommended \$2.7 million more than requested, including \$0.4 million less from general revenues and included the authorized staffing level.*

The Assembly provided \$3.9 million less than recommended, including \$2.4 million less from general revenues, based on updated spending projections.

Staffing. The 2019 Assembly authorized 161.0 positions for FY 2020, including the removal of two unfunded positions from the Office of the Health Insurance Commissioner and two positions from the Division of Building, Design and Fire Professionals, offset by three new positions for the Office of Cannabis Regulation. The 2020 Assembly authorized staffing of 161.0 full-time equivalent positions, distributed consistent with the FY 2020 enacted budget. It excluded the proposed staffing shift that would have effectively reversed two of the Governor's prior budget initiatives to save state funds in the State Building Office, restored turnover assumed in the enacted budget, and eliminated new staffing expenditures.

The request reallocates a number of existing authorizations between divisions, but results in a net add of one new full-time equivalent position each for the state bomb squad and cannabis regulation, offset by a 0.4 position correction to the authorization for commercial licensing. The request continues to assume the use of \$0.2 million from Executive Office of Health and Human Services' federal funds for a position in the Office of the Health Insurance Commissioner.

The request shifts \$0.7 million from general revenues to federal funds for COVID-19 related expenses, but excludes a different shift of \$1.4 million also provided in the enacted budget. The FY 2021 revised request includes \$0.1 million more from all sources of funds, including \$0.2 million more from general revenues above the current service level for new staffing costs. *The Governor recommended the authorized staffing level. The recommendation maintains the staffing allocation for the State Building Office as enacted and includes a new position in Cannabis Regulation offset by an unidentified reduction.* **The Assembly maintained the enacted staffing authorization.**

Centralized and Other Facilities Services. The Department requested \$63,052 more from all funds, including \$39,499 more from general revenues for its share of centralized services provided through the Department of Administration. For human resources, the request includes \$28,610 more than enacted and \$48,616 more than spent in FY 2020. For information technology, the request is \$37,554 more than enacted, essentially consistent with the FY 2020 final appropriation which was overstated by \$0.8 million based on an erroneous end-of-year projection which excluded credits for payments from the first half of FY 2020. For facilities expenses, the request is \$3,112 less than enacted, including \$64,180 more from general revenues. This includes \$16,085 less than enacted from the Director's office offset by \$12,973 more for the Division of Building, Design and Fire Professionals. It includes \$135,070 from general revenues, which is \$80,265 more from general revenues and \$67,292 less from restricted receipts.

The enacted budget excludes \$135,070 from general revenues for Fire Marshal's Office facilities management expenses which had been budgeted but unspent over multiple years. The request restores that funding but removes \$122,097 from the State Building Office, including the restricted receipts. Based on updated billings for facilities management expenses, the enacted budget includes \$51,521 less than required from general revenues for the Director's office, the Fire Marshal has no anticipated bills; however, the State Building Office should be billed \$116,227, \$5,870 less than the enacted amount. *The Governor maintained the enacted level of funding.* **The Assembly concurred.**

Office of the Health Insurance Commissioner

Risk Bearing Oversight. The request includes \$20,000 from federal funds for consultant expenses to assess the extent of total cost of care contracting for oversight of Medicaid managed care organizations. The Office conducts these examinations for Medicaid entities pursuant to an agreement with the Executive Office of Health and Human Services. The Office requested legislation be submitted during the 2019 and 2020 legislative sessions to provide independent authority for these examinations. Neither was enacted.

The request also assumes the Executive Office will pay \$164,860 for related staffing. The agreement stipulates the Executive Office will allocate \$150,000 to the Office per fiscal year; the staffing expenses are in excess of the agreement. For FY 2020, the Office used \$5,000 from Utilization Review restricted receipts; and it appears another \$9,000 from general revenues was used to cover the gap. The Office subsequently reported the agreement is operationalized at \$450,000 over three years, with \$169,048 available based on actual spending. This spending is intended to appear in the Executive Office of Health and Human Services' budget, not the Office's. *The Governor excluded the \$20,000 requested.* **The Assembly concurred.**

State Flexibility Grant. The Office requested \$1,699 more from federal funds, primarily to adjust personnel costs for a position. This reflects the August 2020 closure of the federal State Flexibility grant; however, the Office's second quarter report notes it will be applying for a new federal State Flexibility grant to Stabilize Market Program Cycle II grant valued at \$667,255. The award announcement is anticipated for April 2021. *The Governor recommended funding essentially as requested.* **The Assembly concurred. As of May 2021, the Office reported that it had not received funding.**

Senior Policy Analyst. The Office requested \$74,887 from opioid stewardship funds for a new Senior Policy Analyst position to support the Office's behavioral health and opioid use treatment responsibilities prescribed in statute. This was included in the Governor's original FY 2021 recommendation, but the Assembly did not concur. The request repurposes the authorization for the position previously funded by the State Flexibility Grant. These statutes require cost-sharing for behavioral health services on par with primary care visits; coverage of policies and practices on par with other care; and behavioral service coverage enhancement to the fullest extent possible. By June 1, 2023, the Office is also required to report to the Assembly on the impact of these provisions and the effect on insurance premiums. The Office reported the position will engage in utilization review, interagency work, and determining compliance with state and federal laws. *The Governor did not concur.* **The Assembly concurred.**

OHIC - Other Personnel and Operations. The Office requested \$56,718 less than enacted, including \$44,804 less from general revenues and \$11,914 less from restricted receipts for all other expenses. The request for staffing is \$4,039 less than enacted, including a shift of \$9,372 from restricted receipts to general revenues. The request for other expenses includes \$18,986 less for contracted vendors and \$19,500 less for travel; the reductions are inadvertent. Adjusted for these items, the request is \$24,732 less than enacted, including \$12,818 less from general revenues. *The Governor recommended \$6,031 more than enacted for an increase to the assessed fringe benefit rate based on the voluntary retirement incentive program.* **Based on spending through the third quarter, the Assembly provided \$45,500 less than recommended. This includes \$35,500 less from general revenues, including \$24,500 less for staffing expenses.**

Building, Design, and Fire Professionals

Building Code Training and Cost-Benefit. The Department requested \$330,000 from general revenues for work relating to building code revisions. This includes \$300,000 to hire consultants to perform a cost-benefit analysis of the proposed building code to be submitted with the proposed regulation, updating the current code from the 2015 International Code Council standard to the 2018 standard. This analysis was previously conducted in house. The last analysis was published in November 2018. The Department reported the adoption of the 2015 code cycle proved that the cost-benefit analysis is complex, time-consuming and costly. It also included \$30,000 to train state and local building officials. *The Governor did not concur.* **The Assembly concurred.**

State Building Office Staffing and Operations. The Department requested \$0.2 million less from all sources of funds, including \$75,783 more from general revenues than enacted. The request is \$35,159 more than FY 2020 actual spending, including \$186,953 more from general revenues. The changes reflect restoring three positions previously associated with the Boards for Design Professionals back to general

revenues, offset by shifting a Chief of Inspections position to restricted receipts. This is consistent with the Governor's FY 2021 recommendation to shift the Boards positions; the inspection position was not explicitly referenced. Since the formation of the Division as part of the FY 2018 revised budget, there have been numerous and often conflicting proposals regarding staffing levels and use of restricted receipts from the Contractors' Registration and Licensing Board to support staff. This led to an over commitment of available resources in spite of clear evidence to the contrary. The request appears to resolve this with an increase in state general revenues rather than revisit recent choices on staffing upgrades and vacancies. The remainder of the request is \$5,000 less from restricted receipts for office equipment repairs. *The Governor maintained the staffing allocation as enacted and recommended \$9,657 more than enacted, including \$4,816 more from general revenues to reflect an increase to the assessed fringe benefit rate based on the voluntary retirement incentive program.* **Based on spending through the third quarter, the Assembly provided \$250,000 less than recommended, including \$50,000 less from general revenues and \$200,000 less from restricted receipts for staffing expenses.**

Fire Marshal Equipment and Training Grants. The request includes \$292,201 more than enacted from federal grant funds for equipment and training expenses. This includes the restoration of \$277,201 to reflect federal grants reimbursed by the Rhode Island Emergency Management Agency which do not appear as expenditures within the Department's budget and were purposely excluded from the enacted budget. Reimbursements by the Department often exceed the expenses incurred obscuring actual expenditures. *The Governor did not increase the funding.* **Based on spending through the third quarter, the Assembly reduced expenditures by \$0.2 million.**

Fleet Revolving Loan Fund Repayment. The request includes \$95,104 from general revenues to repay the state fleet revolving loan fund which was repaid in FY 2020. This was included inadvertently. *The Governor did not include the funding.* **The Assembly concurred.**

Fire Marshal Operations. The Department requested \$11,372 more than enacted from all funds, including \$53,855 more from general revenues for the operations of the state Fire Marshal's office. The enacted budget includes \$64,000 of general revenue operational savings. The request restores those savings offset by \$10,145 less for staff training. The savings restoration requested provides \$148,518 for expenses which the Office spent \$27,087 in FY 2020 and \$20,453 in FY 2019; the enacted budget includes \$84,518 for these expenses. The request also includes \$42,483 less from restricted Fire Training Academy proceeds, reportedly used to match federal grant awards, for which there were no payments for FY 2020. *The Governor maintained the enacted level of funding.* **Based on spending through the third quarter, the Assembly provided \$0.2 million less, including \$0.1 million less from general revenues.**

Bomb Squad (2.0 FTE). The Department requested \$3,720 more than enacted from general revenues to fund bomb squad staff. This assumes two new full-time equivalent positions to be hired in the fourth quarter. Based on its current staffing, the request appears to be overstated by \$117,280 as of the February 27, 2021 pay period. Additionally, the Department reported the intent was only to request a single new Bomb Technician I position. *The Governor did not concur.* **The Assembly concurred.**

Other Fire Professional Staffing. The request includes \$63,996 more than enacted from all sources for the remaining 33.0 authorized full-time equivalent positions. The request does not reflect the shift of \$1.4 million of existing staff expenses identified as eligible for Coronavirus Relief reimbursement included in the enacted budget subsequent to submission of the request. As of February 27, 2021, 30.0 positions were filled.

The Governor recommended \$0.3 million more than enacted, primarily from federal Coronavirus Relief funds for staffing to reflect the availability of funding for public safety staff. This includes \$8,973 more than enacted, including \$8,707 more from general revenues, for an increase to the assessed fringe benefit rate based on the voluntary retirement incentive program. The Department reported the federal staffing

increase should be offset by a general revenue reduction not reflected in the recommendation. Based on spending through the third quarter, the Assembly provided \$0.3 million less from general revenues.

Other

COVID Enforcement/Inspection. The enacted budget includes \$2.3 million, including \$1.7 million from general revenues and \$0.6 million from federal funds, to support contractors hired to conduct inspections of businesses throughout the state to ensure compliance with COVID-19 mandates. The request includes only \$20,000 from federal sources as it was submitted prior to passage of the budget. *The Governor recommended \$0.4 million more than enacted, primarily from federal Coronavirus Relief funds, for inspections and associated portable technology, including \$21,146 less from general revenues.* **Spending through the third quarter demonstrated that the federal funds authorization provided sufficient resources to cover all incurred expenses; the Assembly reduced general revenues by \$1.7 million.**

Cannabis Regulation Legal Counsel (1.0 FTE). The request adds \$0.1 million from restricted receipts to support a legal counsel position not requested or recommended for the licensing of medical marijuana and hemp. The Governor's FY 2021 recommended budget included a proposal to establish 13.0 new positions for the licensing of adult use marijuana for FY 2021, which did envision a new senior legal counsel. The legal counsel position authorized for the medical program in 2015 was vacated in 2017, and the Department converted it to an administrative officer position. The Department subsequently requested a new legal counsel in its FY 2019 and FY 2020 requests. The Assembly did not concur.

The Office of Cannabis Regulation's director position was vacated in February 2020 and the Department effectively backfilled that authorization when it transferred a legal counsel from Insurance Regulation to the Office in May 2020. *The Governor included the requested funding and added \$166 to reflect an increase to the assessed fringe benefit rate based on the voluntary retirement incentive program.* **The Assembly funded the position, but maintained the Office's authorization at 7.0 full-time equivalent positions.**

Office of Cannabis Regulation. The request includes \$0.4 million less than enacted from restricted receipts to support the regulation and oversight of the state's medical marijuana and hemp programs. The request for operating expenditures is \$250,000 less to align with the FY 2020 final appropriation. Actual spending was \$132,734 less than that appropriation.

The request for the Office's authorized 7.0 full-time equivalent positions is \$155,822 less than enacted to reflect turnover equivalent to 1.5 full-time equivalent positions. As noted previously, the Office of Cannabis Regulation's director position was vacated in February 2020; the authorization for that position was effectively filled by the newly requested legal counsel. One of the Office's two inspector positions was vacated during August 2020. The Office upgraded its director position from an Implementation Director of Policy and Programs to a Chief of Strategic Planning, Monitoring and Evaluation, and effectively backfilled the vacant inspector position with that upgraded position as of January 30, 2021. Adjusted for the legal counsel discussed separately and the estimated value of the positions filled, the staffing request appears to overfund its expenses by \$56,191. This is likely related to the Department also posting a new Economic and Policy Analyst I position in February 2021. *The Governor recommended \$0.3 million more than requested. This excludes the operating reduction requested, restores \$44,456 of turnover savings, and adds \$2,826 for an increase to the assessed fringe benefit rate based on the voluntary retirement incentive program. The recommendation is \$108,540 less than enacted.* **The Assembly provided \$0.4 million less than recommended. This includes \$50,000 less for staffing expenses.**

Other Staffing (-2.4 FTE). The request includes \$104,861 more from all sources of funds, including \$127,668 more from general revenues for the staffing costs of the remaining 81.6 full-time equivalent positions for the banking, securities, and insurance regulation, commercial licensing and central

management divisions. The request excludes \$83,949 of workshare savings, including \$79,808 from general revenues and \$4,141 from restricted receipts included in the enacted budget. Adjusted for that, the increase is \$20,912, of which \$47,860 is from general revenues for insurance regulation. The offsetting reduction is from commercial licensing restricted receipts to reflect a different distribution of cost allocations than assumed in the enacted budget. *The Governor recommended \$5,535 more than enacted, including \$24,464 more from general revenues to reflect an increase to the assessed fringe benefit rate based on the voluntary retirement incentive program.* **Based on spending through the third quarter, the Assembly provided \$0.3 million less, including \$0.2 million less from general revenues.**

Other Operations. The request includes \$36,910 more than enacted from all sources of funds, including \$8,155 more from general revenues for all other expenditures. From restricted receipts, this includes \$0.1 million more for actuary services for the Department, offset by \$55,542 less for those same services for the health insurance commissioner housed within the insurance division. It also adds \$30,000 for miscellaneous fees for commercial licensing offset by \$10,000 less for office expenses, and aligns expenses for real estate settlements with the final FY 2020 appropriation. *The Governor maintained the enacted level of funding.* **Based on spending through the third quarter, the Assembly provided \$0.6 million less than recommended. This includes \$0.1 million less from general revenues, and \$0.5 million less from restricted receipts, including \$0.4 million less for contracted actuarial services.**

Executive Office of Commerce

	FY 2020 Reported	FY 2021 Enacted	FY 2021 Revised	FY 2021 Final
Expenditures by Program				
Executive Office of Commerce	\$ 2,036,242	\$ 1,957,919	\$ 3,827,963	\$ 3,784,985
Housing & Community Dev.	11,224,150	34,511,418	41,690,218	41,548,270
Quasi-Public Appropriations	21,419,062	12,628,258	12,628,258	12,648,532
Economic Dev. Initiative Funds	1,841,217	165,200,000	57,900,000	72,900,000
Commerce Programs	1,200,000	1,200,000	1,200,000	1,200,000
Total	\$ 37,720,671	\$ 215,497,595	\$ 117,246,439	\$ 132,081,787
Expenditures by Category				
Salaries and Benefits	\$ 2,031,270	\$ 2,132,867	\$ 2,137,935	\$ 1,969,885
Contracted Services	-	-	6,149,165	6,149,165
Subtotal	\$ 2,031,270	\$ 2,132,867	\$ 8,287,100	\$ 8,119,050
Other State Operations	440,433	788,541	645,335	628,459
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	19,779,843	33,584,679	36,622,496	36,622,496
Capital	8,846	1,513,250	1,513,250	1,513,250
Capital Debt Service	-	-	-	-
Operating Transfers	15,460,279	177,478,258	70,178,258	85,198,532
Total	\$ 37,720,671	\$ 215,497,595	\$ 117,246,439	\$ 132,081,787
Sources of Funds				
General Revenue	\$ 17,781,117	\$ 40,293,523	\$ 39,922,765	\$ 54,798,786
Federal Aid	6,480,659	169,952,307	72,071,749	72,010,802
Restricted Receipts	4,160,177	4,741,765	4,741,925	4,741,925
Other	9,298,718	510,000	510,000	530,274
Total	\$ 37,720,671	\$ 215,497,595	\$ 117,246,439	\$ 132,081,787
FTE Authorization	14.0	14.0	14.0	14.0

FY 2021 Revised Request. The Executive Office of Commerce’s revised budget request, which was submitted prior to the FY 2021 budget enactment is \$175.8 million less than the enacted amount for FY 2021. This reflects the exclusion of Coronavirus Relief funds provided in the enacted budget. This includes \$22.2 million less from general revenues, \$162.6 million less from federal funds, \$2,357 less from restricted receipts, and \$8.9 million more from Rhode Island Capital Plan funds. The request includes three more positions than the authorized amount of 14.0 full-time equivalent positions. It appears two of the positions were requested inadvertently. *The Governor recommended \$77.6 million more than requested, including \$21.8 million more from general revenues. The recommendation is \$370,758 less from general revenues than enacted.*

The Assembly provided \$14.8 million more from general revenues than recommended. This primarily reflects \$15.0 million more for the Rebuild RI program, offset by turnover savings.

Centralized Services. The Executive Office requested \$179,510 less than enacted for its share of centralized services provided through the Department of Administration; all but \$500 of the reduction is

from general revenues. Of the general revenue savings, \$162,404 is from facilities management expenses. The enacted budget included an additional \$183,330 for facilities management expenses for FY 2021 based on updated billing rates for Harrington Hall. This request reduces the funding to FY 2020 final appropriation levels which used lower rates. The Executive Office and Budget Office confirmed this reduction was intended; however, a rationale for the reduction was not provided. In February, the Executive Office reported that updated billing rates for facilities management are anticipated to be \$38,631 more than enacted. *The Governor recommended funding as enacted.* **The Assembly concurred.**

Rebuild Rhode Island Tax Credit. The Executive Office's request excludes the \$22.5 million from general revenues enacted for FY 2021 to prefund the redemption of tax credits and sales and use tax exemptions. The 2019 Assembly raised the program cap from \$150 million to \$210 million and subjected the sales and use tax exemptions to that cap to be paid by the fund. It also established a project-specific cap of \$25.0 million for the project proposed for parcels 42 and P4 of the I-195 Redevelopment District, and excluded that project from the program cap. As of December 31, 2020, \$18.0 million has been disbursed. Based on updated testimony provided at the November 2020 Revenue Estimating Conference, total disbursements through FY 2021 are estimated at \$38.8 million.

The design of the program is to forward fund credits. Including the FY 2021 enacted appropriation, \$67.2 million has been set aside. The 2020 Assembly extended the program's sunset date from December 31, 2020, to June 30, 2021. The Executive Office's request results in a \$5.7 million deficit at the end of FY 2022. The Corporation may not enter into any agreement for funding or incentives after that date. *The Governor recommended \$22.5 million, consistent with the enacted level.* **The Assembly provided \$15.0 million more than recommended to restore resources recaptured during FY 2020 in response to budget constraints related to the pandemic.**

P-Tech Initiative. The Executive Office requested \$41,217 from general revenues for the High School, College, and Employer Partnerships program, which supports partnerships among high schools, the Community College of Rhode Island, other institutions of higher education, and employers to offer courses towards high school diplomas, internships, and associate degrees. The original FY 2020 budget included \$200,000; however, the 2020 Assembly reduced the final appropriation to \$41,217 as the only expense was an assessment to support current Commerce staffing. The request appears to continue that support. The 2020 Assembly extended the program's sunset date from December 31, 2020, to June 30, 2021, but excluded the appropriation based on existing resources. *The Governor did not recommend the requested funding. In February 2021, the Corporation approved \$0.2 million for a new program in Providence. It also disbursed the outstanding \$0.1 million due to the program at William M. Davies Career and Technical School.* **The Assembly concurred.**

Industry Cluster Grants. The Executive Office requested the enacted level of \$100,000 from general revenues for the Industry Cluster Grant program. The program is intended to develop geographic concentrations of industries to create a collective competitive advantage through concentrated knowledge and workforce capabilities with shared common supply chains, markets, and/or technological competencies. Three prior budgets have provided a total of \$1.4 million in support for the program; the 2020 Assembly eliminated the \$100,000 appropriation in its FY 2020 budget revisions as sufficient resources were available for known awards. The request reduces available resources to \$36,360 of uncommitted funding. *The Governor recommended funding as requested.* **The Assembly concurred.**

Small Business Assistance. The Executive Office requested \$500,000 from general revenues for the Small Business Assistance Program authorized by the 2015 Assembly. The Governor originally recommended \$750,000 for FY 2021, but the Assembly did not provide any funds. Combined with the Executive Office's request for FY 2022 for \$1.0 million, the two year total is \$1.5 million. Originally capitalized with \$5.5 million made available from debt restructuring, the program supports businesses with less than 200 employees that are having difficulty obtaining financing from traditional lending organizations. The 2019

Assembly appropriated an additional \$0.5 million. The Corporation has awarded essentially all of the funding to participating lenders; \$4.3 million has been disbursed to secure loans or provide technical assistance as of December 31, 2020. Some approved borrowers are in repayment, providing additional lending capital. *The Governor did not concur.* **The Assembly concurred.**

COVID Relief - Business Interruption Supports. The enacted budget includes \$55.8 million from federal funds intended to support businesses experiencing disruptions from the pandemic. The revised budget request, which was submitted prior to the FY 2021 budget enactment, excludes this funding. Prior to enactment, the Office of Management and Budget provided documents demonstrating the administration's intended level of commitments from federal Coronavirus Relief funds to support a variety of businesses experiencing disruptions related to the pandemic or the pause period announced in November 2020. This includes a grant program administered by the Division of Taxation. To be eligible, a business must be a locally-owned Rhode Island tax filer, been impacted by the pause period, and not have declared bankruptcy. Applicants are eligible for total reimbursement of losses from \$500 to \$50,000. Subsequently, the administration reported having spent \$46.1 million as of January 15, 2021. *The Governor's recommendation shifts this funding to where spending occurred. For these expenses, this includes the Department of Administration and Department of Revenue's Division of Taxation.* **The Assembly concurred.**

COVID Relief - Restore RI Grants. The enacted budget includes \$65.5 million from federal funds to reflect anticipated support for small businesses and non-profits during the Coronavirus pandemic. The revised budget request, which was submitted prior to the FY 2021 budget enactment, excludes this funding. The program provides financial support up to \$30,000 to restaurants and caterers, small businesses up to 50 employees, nonprofits, sole proprietors, child care businesses and businesses without employees or contractors. To be eligible, businesses must demonstrate at least a 30.0 percent revenue loss during at least one month due to COVID-19. Funding also supports program implementation. Subsequently, the administration reported having increased its anticipated commitments to \$76.0 million, but updated information shows \$76.4 million spent as of January 15, 2021. *The Governor's recommendation retains \$34.0 million for the Executive Office. This includes \$4.0 million for nonprofits and \$30.0 million for small businesses. The remaining funding is moved to the Department of Administration's budget.* **The Assembly concurred.**

COVID Relief - Hospitality, Arts, and Tourism. The enacted budget includes \$20.0 million from federal funds for a competitive grant program intended to prevent closure of arts, culture, hospitality and tourism businesses and institutions during the Coronavirus pandemic. The revised budget request, which was submitted prior to the FY 2021 budget enactment, excludes this funding. The Commerce Corporation began accepting applications the week of November 3, 2020, for the Hotel, Arts and Tourism grant program. Eligible businesses and nonprofit entities experiencing disruptions related to the pandemic could receive grants of up to \$1.0 million on a competitive basis to support the workforce and community engagement. Half of the grant allocation is intended to support engagement, service, and resiliency activities intended to spur economic activity, and create safe convening opportunities for increased access to arts and tourism activities. The remainder of the funding is intended as direct support for hotels, arts, culture, and tourism organizations. Subsequently, the administration reported having reduced its anticipated commitments to \$16.1 million. Updated information shows \$14.8 million spent as of January 15, 2021. *The Governor's recommendation shifts this funding to the Department of Administration's budget.* **The Assembly concurred.**

Executive Office

Deputy Secretary (1.0 FTE). The Executive Office requested \$121,768 from general revenues and 1.0 full-time equivalent position for a Deputy Secretary of Commerce position. For FY 2022, the request is for \$262,551. The Governor recommended this position for FY 2021 in conjunction with the housing policy

governance proposal to restructure the state's planning and policy for housing and development. The proposal eliminated the 28-member Housing Resources Commission and its related four member Coordinating Committee. In its place, a seven member coordinating council similar to the existing coordinating committee would be established, and that committee elevated to be the state's lead housing entity. The deputy secretary was intended to serve as the council's executive director. *The Governor did not concur for FY 2021, but included the position for FY 2022.* **The Assembly concurred.**

COVID Relief - RI Foundation Support. The enacted budget for the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals includes \$2.1 million from Coronavirus Relief funds to support programs that address mental health and domestic violence issues during the pandemic. Funding will support student assistance services, opioid outreach and distribution of naloxone, and counseling and advocacy for survivors of family violence. The Rhode Island Foundation is managing the process to award the funds. The Department of Behavioral Healthcare, Developmental Disabilities and Hospitals' revised request does not include the funding. *The Governor's recommendation includes \$1.3 million from Coronavirus Relief funds including \$1.1 million for domestic violence prevention and mental health services and \$150,000 for a food supports program. These initiatives are part of a Commerce Corporation contract for the Rhode Island Foundation to administer.* **The Assembly concurred.**

Other Staffing and Operations. The Executive Office requested \$4,962 less than enacted from all sources of funds for personnel expenditures and 4.4 full-time equivalent positions, one more position than authorized. It appears the additional staffing authorization was inadvertent. The request excludes a shift of \$0.3 million from general revenues to Coronavirus Relief federal funds for staffing expenditures provided in the enacted budget. The request was submitted prior to budget passage. The remainder of the request is consistent with the enacted amount, including a full year of rent, reported at \$76,377. FY 2020 actual spending is \$15,035 less, including \$70,423 for rent.

The Governor recommended \$0.6 million more than enacted, of which \$27,114 is from general revenues. For staffing expenses, this includes \$97,765 more for expenses paid through Coronavirus Relief federal funds, and \$2,114 more from general revenues for the assessed fringe benefit rate increase based on the voluntary retirement incentive program. It appears that the Coronavirus Relief funds increase represents a shift of expenses assumed to support the Office of Housing and Community Development in the enacted budget. It also includes \$0.5 million more, including \$25,000 from general revenues for the Executive Office's share of expenses for the state's informational COVID-19 website. **Based on spending through the third quarter, the Assembly provided \$42,978 less from general revenues, including \$38,462 of turnover savings.**

Housing and Community Development

COVID Relief - Rental Assistance. The enacted budget includes \$5.4 million from all funds, including \$0.3 million from general revenues for a rental assistance program established in May 2020. The general revenues are intended to support program operations after post-December 2020. The revised budget request, which was submitted prior to the FY 2021 budget enactment, excludes this funding. The Office of Housing and Community Development announced on May 3, 2020, it was establishing an emergency rental assistance program named Housing Help RI to provide emergency housing assistance to very low-income renters at immediate risk of homelessness. It utilized \$1.5 million from federal homelessness assistance grant funding. The program provided one-time grants up to \$5,000 for past due rent, late fees or relocation assistance paid directly to the property owner or operator. Rhode Island residents who rent or are in transient housing, with household income less than 50.0 percent of the area median income and meet specific criteria for being housing insecure were eligible.

On May 28, 2020, Governor Raimondo announced an additional \$5.0 million from the federal Coronavirus Relief funds for the program. This expansion was to provide \$1.6 million for households in the existing

applicant pool and \$3.4 million to expand on the program to serve the population at risk for eviction through the end of June. Because of COVID-19 related state court closures, Rhode Island ceased hearing eviction cases in mid-March. On June 1, the courts began hearing cases that were initiated prior to March 17. No COVID-related evictions were to be heard before July 1. The FY 2020 final budget anticipated expenses of \$2.5 million though none were incurred. The administration later reported increasing its intended program commitments to \$8.2 million. Updated information shows \$6.4 million spent as of January 31, 2021. The program is closed to new applicants.

*The Governor recommended \$1.5 million more than enacted from Coronavirus Relief federal funds which appears equivalent to actual expenditures and anticipated billings for the period prior to January 2021. This essentially reflected carry-over from homelessness assistance funds from FY 2020, but shifted the expenditures to a less restrictive source to ease program implementation. The Budget Office reported expenditures previously assumed to require general revenues are intended to be fully supported by federal funds. The Office reported that since this program has closed, individuals seeking assistance are referred to the new Rent and Utilities Assistance program, discussed separately. **The Assembly concurred.***

COVID Relief - Rent and Utilities Assistance. Subsequent to budget passage, the federal Coronavirus Response and Relief Supplemental Appropriations Act provides Rhode Island a minimum allocation of \$200.0 million for rental assistance and utilities expenses. States that have not obligated at least 65 percent of the allocation by September 30, 2021 will have funds recaptured. For Rhode Island, that threshold is \$130.0 million. Not less than 90.0 percent of funding must be used for financial assistance for rent, home utility costs, or other housing expenses incurred due to COVID-19; up to 10.0 percent may be used for supportive services including case management and other services. Applicants may apply for both rental and utility assistance or separately for either expense as of March 13, 2020. Payments are made directly to property owners or utility providers if possible. Income eligibility is limited to 80.0 percent of area median income, with a requirement to prioritize households with income under 50.0 percent of area median income or where a member has been unemployed for 90 days. Based on Housing and Urban Development rates for 2020, the most current data available, 50.0 percent of area median income for Rhode Island is \$31,450 to \$59,250 depending on family size and 80.0 percent area median income is \$50,300 to \$94,850 depending on family size.

Households within the income thresholds that rent are eligible, provided a member qualified for unemployment benefits, has a pandemic-related income reduction, and is at risk for homelessness or housing instability. Grants for households may be used for rent or utilities prospectively or in arrears for up to 12 months in three month increments; the state may provide up to an additional three months in cases of housing insecurity. Utility expenses include electricity, water, sewer, gas, oil, refuse removal, and internet service may be included based on parameters determined by the state to maximize the availability of rental assistance funds. Recipients of other federal housing support programs are ineligible for any expenses reimbursed by other federal assistance. *The Governor's recommendation funds this initiative through the Department of Administration, and includes \$80.0 million for FY 2021 and \$120.0 million for FY 2022. The program is administered by RI Housing. The program launched March 31, 2021.*

*On March 11, 2021, President Biden signed the American Rescue Plan Act into law which includes funding through September 2027 to continue to provide rent and utilities assistance. Rhode Island is anticipated to receive at least \$152.0 million over time including an initial payment of \$60.8 million. The act includes a recapture provision of unspent funding beginning March 1, 2022, and expands the use of funds to include affordable housing and eviction prevention services after October 1, 2022. **The Assembly concurred.***

COVID Relief - Landlord Incentives. The enacted budget includes \$500,000 from all funds, including \$100,000 from general revenues to provide property owners payments to make residential units available to individuals experiencing homelessness. The general revenues are intended to support program operations after December 30, 2020. The revised budget request, which was submitted prior to the FY 2021

budget enactment, excludes this funding. Governor Raimondo announced the program on June 12, 2020. The Office of Management and Budget reported the program was provided \$0.5 million from federal Coronavirus Relief funds to make a minimum of 50 units available through the end of the calendar year. This includes \$0.2 million for financial participation incentives and upgrades necessary for property occupancy, and \$0.1 million for local housing authorities to participate. The Office of Housing and Community Development subsequently reported that the program was approved for total funding of \$0.4 million; the last \$0.1 million would require resubmission for approval.

The program provides payments of \$2,000 for the first unit committed and \$500 for each unit committed thereafter, first and last month's rent, and up to \$2,000 for renovation and repair upgrades. The program is intended to establish permanent housing whereby participants pay 30 percent of their income, with housing vouchers paying the remaining amount directly to the property owner. The program provides screening and retention services to reduce resident churn in participating properties. Updated information shows \$200,060 was spent as of August 31, 2020. The program is closed to new applicants. *The Governor recommended \$0.3 million, \$0.2 million less than enacted. As of April 2021, expenditures remain at \$0.2 million. The Budget Office reported expenditures previously assumed to require general revenues are intended to be fully supported by federal funds.* **The Assembly concurred.**

COVID Relief - Eviction Diversion. The enacted budget includes \$7.3 million from federal funds for an eviction diversion initiative administered by the United Way intended to mediate settlement arrangements between tenants in arrears and property owners. The revised budget request, which was submitted prior to the FY 2021 budget enactment, excludes this funding. The administration announced the Safe Harbor Housing program on July 9, 2020. The program is an alternative to the traditional, court-based eviction process. Because of COVID-19 related state court closures, Rhode Island ceased hearing eviction cases in mid-March. On June 1, the courts began hearing cases that were initiated prior to March 17. No COVID-related evictions were to be heard before July 1.

The United Way paired property owner applicants with legal counsel. The landlords and tenants must enter an agreement with the United Way; payments are made directly to the property owners. The program was in coordination with the District Court. Subsequently, the administration reported having spent \$7.2 million as of January 31, 2021. The program is closed to new applicants. The federal Coronavirus Response and Relief Supplemental Appropriations Act extended the Centers for Disease Control and Prevention eviction moratorium from December 31, 2020 to January 31, 2021. *The Governor recommended funding as enacted.* **The Assembly concurred.**

COVID Relief - Navigation Assistance and Legal Services. The enacted budget includes \$150,000 from federal funds to provide grant support to nonprofits to help individuals navigate housing assistance applications and complete the application process successfully. The revised budget request, which was submitted prior to the FY 2021 budget enactment, excludes this funding. This is in addition to legal services funded through the Eviction Diversion program. The administration reported no program expenditures. The program is closed to new applicants. *The Governor recommended funding as enacted.* **The Assembly concurred.**

COVID Relief - Homelessness Quarantine and Isolation. The enacted budget for the Department of Administration includes \$12.9 million from all sources, of which \$2.6 million is from general revenues for expenses associated with quarantine and isolation, which includes temporary housing for those that cannot isolate in their homes. For FY 2021, it appears that \$1.5 million from federal funds has been spent through the end of January in the Executive Office. The revised request predates the enactment of the budget and does not assume these expenses.

The Governor recommended \$1.8 million for the Office's homelessness response expenses associated with temporary hotel sheltering to reduce the crowding at shelters, and quarantine and isolation. The

*recommended budget includes a total of \$27.3 million in both FY 2021 and FY 2022, with \$20.5 million included in the revised budget. Excluding the Executive Office's funding, the remaining \$18.7 million is included in the various agencies, including the Departments of Administration, Children, Youth and Families, Health, Human Services, Environmental Management and Behavioral Healthcare, Developmental Disabilities and Hospitals. **The Assembly concurred with the Executive Office's funding.***

Housing Opportunities for Persons with AIDS. The request is \$1.1 million less than enacted from federal funds for the administration of the federal Housing Opportunities for Persons with AIDS program. The requested funding reflects the FY 2020 final appropriation level. The CARES Act provided allocations to Rhode Island totaling \$0.6 million, including \$0.2 million to the City of Providence. The reduction appears to be inadvertent; the Office reported spending will likely exceed the enacted level. Housing Opportunities for Persons with AIDS is the only federal program dedicated to the housing needs of low-income people living with HIV and AIDS. These funds may also be used for various services including, assessment and case management, substance abuse and/or mental health treatment, nutritional services, job training and placement assistance. *The Governor recommended \$0.1 million more than enacted. **The Assembly concurred.***

Neighborhood Stabilization. The request is \$0.6 million less than enacted from federal funds for federal Neighborhood Stabilization Program eligible activities. The requested funding reflects the FY 2020 final appropriation level. The program provides emergency assistance to state and local governments to mitigate abandonment and blight by purchasing foreclosed or abandoned homes to rehabilitate, resell, or redevelop in order to stabilize neighborhoods and stem the decline of values of neighboring homes. The program is authorized under Title III of the Housing and Economic Recovery Act of 2008. *The Governor recommended funding as enacted. **The Assembly concurred.***

Disaster Recovery Grants. The request includes \$475,000 more than enacted from federal Community Development Block Grant Disaster Recovery funds. Requests in subsequent years had been declining, reflecting available funding as the grant exhausted its resources. The requested funding reflects the FY 2020 final appropriation level. The additional funding appears to be inadvertent; the Office reported spending is likely within the enacted level. *The Governor recommended funding as enacted. **The Assembly concurred.***

Community Development Block Grants. The Office requested \$6.6 million less than enacted from federal Community Development Block Grant funds. Cranston, East Providence, Pawtucket, Providence, Warwick and Woonsocket are entitlement communities which receive their Community Development Block Grants directly from U.S. Housing and Urban Development; the remaining 33 communities' grants are administered by the state. The requested funding reflects the FY 2020 final appropriation level; however, it appears consistent with the reported level of spending. *The Governor recommended \$2.5 million more than enacted to reflect additional support for community services provided in response to the pandemic. **The Assembly concurred.***

Homelessness Assistance Grants. The Office requested \$200,000 less than enacted from federal Emergency Shelter Grants and Title XX Shelter Transfer Grants. The Housing Resources Commission typically allocates funding to the private shelter system. The requested funding essentially reflects the FY 2020 appropriation level, excluding the rental assistance program referenced previously. The reduction appears to be inadvertent; the Office reported spending will likely exceed the enacted level. *The Governor recommended \$1.5 million more than enacted to provide additional support in response to the pandemic based on updated estimates. **The Assembly concurred.***

Lead Abatement and Housing Rental Subsidies. The Office requested \$12,905 more than enacted from restricted lead abatement and housing rental subsidy activities resources. The requested funding reflects

the FY 2020 final appropriation level. Funding is from a dedicated portion of the Real Estate Conveyance Tax. The November 2020 Revenue Estimating Conference estimated that the state would retain a total of \$15.4 million from the tax in FY 2021 and \$15.9 million for FY 2022, which should yield approximately \$5.1 million and \$5.3 million, respectively, to be distributed to the Housing Resources Commission. *The Governor recommended funding as enacted.* **The Assembly concurred.**

Housing and Community Development Staffing and Operations. The Office requested \$87,420 less than enacted from all sources of funds, including \$107,420 more from general revenues for all other Housing and Community Development program expenses. The request excludes \$7,373 of general revenue workshare savings and a \$0.1 million shift from general revenues to COVID relief federal funds for staffing provided in the enacted budget. Adjusted for those exclusions, the staffing changes include \$26,209 more from general revenues, \$80,097 less from federal funds, and assumes use of \$33,316 from Real Estate Conveyance Tax proceeds in lieu of grant awards. The request also removes the \$10,824 from general revenues to co-locate the Office with the Executive Office and Commerce Corporation which has already occurred.

The Governor recommended \$0.1 million less than enacted, including \$2,128 more from general revenues for the assessed fringe benefit rate increase based on the voluntary retirement incentive. It appears that the recommendation assumes the \$0.1 million from Coronavirus Relief federal funds provided for the Office of Housing and Community Development staff in the enacted budget is paid through the Executive Office. That shift is offset by approximately \$2,300 more for staffing from various federal grants. **The Assembly provided \$0.1 million less from general revenues, primarily reflecting turnover savings.**

Capital Projects. The request includes \$8.9 million more than enacted from Rhode Island Capital Plan funds. The request predates the enactment of the FY 2021 budget and differs from that in a number of ways because it only reflects the FY 2020 final appropriation level. *The Governor recommended funding as enacted.* **The Assembly provided \$20,274 to correct the intended state funding level from Rhode Island Capital Plan funds for the Quonset Development Corporation's Pier 2 project. A detailed description of the projects is included in the Capital Budget section of this publication.**

Department of Labor and Training

	FY 2020 Reported	FY 2021 Enacted	FY 2021 Revised	FY 2021 Final
Expenditures by Program				
Central Management	\$ 678,576	\$ 872,468	\$ 873,201	\$ 873,201
Governor's Workforce Board	21,465,289	63,035,898	55,324,512	45,000,677
Workforce Development Services	24,026,936	26,974,395	29,086,330	29,086,330
Workforce Regulation and Safety	3,155,087	3,103,811	3,112,975	3,112,975
Income Support	1,674,163,833	1,606,025,945	2,330,440,941	2,870,301,043
Injured Workers Services	9,325,541	11,960,047	11,978,160	11,978,160
Labor Relations Board	435,738	374,938	375,715	375,715
Total	\$ 1,733,251,000	\$ 1,712,347,502	\$ 2,431,191,834	\$ 2,960,728,101
Expenditures by Category				
Salaries and Benefits	\$ 41,838,606	\$ 54,803,600	\$ 55,854,729	\$ 59,603,102
Contracted Services	5,490,860	11,167,326	45,581,348	42,840,244
Subtotal	\$ 47,329,466	\$ 65,970,926	\$ 101,436,077	\$ 102,443,346
Other State Operations	10,989,199	10,852,544	11,111,411	13,040,409
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	1,662,000,036	1,618,380,037	2,301,504,226	2,828,104,226
Capital	283,623	179,734	175,859	175,859
Capital Debt Service	-	-	-	-
Operating Transfers	12,648,676	16,964,261	16,964,261	16,964,261
Total	\$ 1,733,251,000	\$ 1,712,347,502	\$ 2,431,191,834	\$ 2,960,728,101
Sources of Funds				
General Revenue	\$ 14,025,683	\$ 14,120,999	\$ 14,131,759	\$ 14,131,759
Federal Aid	1,052,872,108	1,044,634,941	1,763,492,740	2,284,429,007
Restricted Receipts	28,452,195	26,335,479	26,728,874	26,728,874
Other	637,901,014	627,256,083	626,838,461	635,438,461
Total	\$ 1,733,251,000	\$ 1,712,347,502	\$ 2,431,191,834	\$ 2,960,728,101
FTE Authorization	390.7	425.7	425.7	425.7
FTE Average	379.8			

FY 2021 Revised Request. The Department of Labor and Training requested \$1,620.3 million from all fund sources, which is \$92.1 million less than enacted, including \$8.2 million more from general revenues, \$83.5 million less from federal funds, \$0.7 million less from restricted receipts, and \$16.1 million less from other funds. The request includes 425.5 full-time equivalent positions, 0.2 positions less than the enacted authorization. *The Governor recommended \$718.8 million more than enacted from all sources, including \$10,760 more from general revenues, and the enacted level for staffing authorization. The significant adjustment is primarily from updated estimates of unemployment benefits. The Assembly provided \$529.5 million more than recommended from all sources, primarily for unemployment insurance benefits.*

Staffing. The Department requested \$46.7 million or \$8.1 million less than enacted from all sources for staffing costs. By source this includes \$0.6 million more from general revenues, \$3.5 million less from federal funds, \$3.5 million less from restricted receipts, and \$1.7 million less from other funds. The request

lowers full-time equivalent positions from the enacted budget by an unspecified 0.2 positions. It should be noted that the \$3.1 million of the restricted receipt decrease appears to be the result of an accounting decision by the Department where costs allocated to restricted receipt funds show as operating costs even if staffing is included in order to comply with the United States Department of Labor. Adjusting for that, the request is \$4.9 million less than enacted. The remaining decreases to federal funds, restricted receipts, and other funds total \$5.6 million and reflect a shift of work within the Department to assist with unemployment. The impacted programs include workforce development services, the temporary disability and caregivers insurance programs, and workers' compensation. Additionally, the enacted budget increased the full-time position authorization by 35.0 positions and associated funding for unemployment claims processing. Offsetting the decreases is an increase of \$0.6 million from general revenues. This includes \$0.1 million in restored workshare savings and \$0.4 million related to 4.0 new positions that were recommended by the Governor for FY 2021 but not approved by the Assembly. The Department's request removes the positions but not the funding.

*The Governor recommended \$1.1 million more than enacted from all sources, including \$10,760 more from general revenues, and staffing authorization consistent with the enacted level. This includes \$1.4 million from Coronavirus Relief funds for unemployment administration overtime, offset by other changes. **The Assembly provided an additional \$3.7 million from federal funds for staff expenditures as a result of the extension of federal unemployment insurance benefit programs.***

Back to Work Rhode Island. Back to Work Rhode Island is a new initiative created in response to the COVID-19 emergency which connects Rhode Islanders with job opportunities across the state providing resources and training. Functionally similar to Real Jobs Rhode Island, the program partners directly with businesses which provide training program ideas and in turn are funded by the Department. Partners include Amgen, Bank of America, Care New England, CVS Health, General Dynamics Electric Boat, IGT, Infosys, Laborers' International Union of North America, Lifespan, Microsoft, Raytheon Technologies, Salesforce, Service Employees International Union, and Twitter. Governor Raimondo announced the program on July 28, 2020 and noted the program will be funded with \$45.0 million from federal CARES Act funding. The enacted budget includes this funding; however, the Department's revised request was submitted prior to the enactment of the FY 2021 budget and excludes it.

*The Governor included expenditures of \$35.3 million for the program, \$9.7 million less than enacted. This primarily reflects a shift of \$8.9 million to the Office of Postsecondary Commissioner's budget to support a component of the Back to Work initiative at the Westerly Higher Education Center. Statewide total funding for the program is \$44.2 million. The recommendation also includes \$1.8 million from Federal Emergency Management Agency funds for workforce recruitment through the SkillsRI program. The Governor subsequently requested an amendment to lower workforce recruitment funding by \$0.8 million to \$1.0 million. **The Assembly concurred with the requested amendment and shifted \$9.5 million for the Back to Work program from FY 2021 to FY 2022 based on projected expenditures.***

COVID-19 Relief - Youth Summer Jobs. The administration allocated \$2.4 million from Coronavirus Relief funds for a youth summer job project in response to the coronavirus emergency. Through August 2020, the program created summer job programs designed to hire youth and young adults into jobs that contribute to COVID-19 recovery efforts. Young people were hired by various nonprofit organizations and municipalities throughout the state. This expense was inadvertently excluded from the enacted budget and the revised request also excluded it. *The Governor included \$2,350,000 from Coronavirus Relief funds for the program. **The Assembly concurred.***

Real Jobs Rhode Island. The Department requested \$7.3 million more than enacted from general revenues for the Real Jobs Rhode Island program. The program's functions are to place new employees in job openings, advance skills of employed people, and create a talent pipeline for businesses. Processes and programs offered through Real Jobs vary by participant and partnership. The increase is consistent with

the Governor's FY 2021 recommendation. The FY 2021 enacted budget reduces general revenue funding to the FY 2020 enacted level. From all sources, the request maintains a funding level similar to FY 2019 and FY 2020, which were also the first years of general revenue support. However, the revised request still exceeds support in either year by \$1.5 million and \$1.4 million, respectively. *The Governor recommended the enacted level of funding.* **The Assembly concurred.**

Year Up. The Department included a new request for \$250,000 from general revenues to support Year Up, an organization which provides Rhode Island-based programming to under-served young adults with a combination of hands-on skills development, academic coursework, internships, and wraparound support. The organization has received funding from the Governor's contingency fund, which is typically used for unexpected and non-recurring expenditures, in each of the last four years. This request is consistent with the Governor's FY 2021 recommended budget; however, the FY 2021 enacted budget excluded this new initiative. *The Governor did not recommend the funding, consistent with the enacted budget.* **The Assembly concurred.**

Governor's Workforce Board Staffing. Consistent with the enacted budget, the Department requested \$2.0 million from restricted receipts for staffing the Governor's Workforce Board. The Board receives funding from the Job Development Fund, a 0.21 percent assessment of the employer's payroll tax; this funding can be used for staff or grants and operations. The request is \$0.2 million less than actual FY 2020 spending. The Department indicated that some costs have been allocated to other areas of the Department's budget as a result of additional responsibilities taken on by the Board relating to the Workforce Innovation and Opportunity Act. *The Governor recommended \$6,699 more than requested reflecting an updated assessed fringe benefit rate based on the voluntary retirement incentive program.* **The Assembly concurred.**

Governor's Workforce Board Operations. Consistent with the enacted budget, the Department requested \$7.7 million from restricted receipts to support grants and the operations of the Governor's Workforce Board. The Board receives funding from the Job Development Fund, a 0.21 percent assessment of the employer's payroll tax; this funding can be used for staff or grants and operations. The balance is distributed to workforce development activities, including adult education, requested grant expenditures, and Real Jobs Rhode Island. The enacted budget and request reflect no carry-forward funding, a departure from prior years, as well as a lower collection for the Job Development Fund. *Based on a subsequent request by the Department, the Governor recommended \$0.2 million more from a foundation grant used to support the program.* **The Assembly concurred.**

Opportunities Industrialization Center. The Department included a new request for \$0.1 million from general revenues for the Opportunities Industrialization Center, a nonprofit organization which provides training, employment, minority business enterprise, and urban policy development services to underserved urban populations through collaboration with public and private sectors as well as community based organizations. This request is consistent with funding provided in prior years but as the center has closed, funding was excluded from the FY 2021 enacted budget. *The Governor did not recommend the funding.* **The Assembly concurred.**

Workforce Development Grants. The Department requested \$14.0 million or \$4.8 million more than enacted from federal funds for workforce development grants. These increases reflect unspent funds from FY 2020, mostly for Workforce Innovation and Opportunity Act programs to support employment initiatives oriented towards youth, adults and dislocated workers offset by a number of smaller decreases to other grants. These programs often account for most of the carry-forward funding. The Department repeatedly requests the total amount it anticipates having available, but spends significantly less than it requests. It often budgets entire grant awards to specific grantees, even though the grant is anticipated to span two or more fiscal years. *The Governor recommended \$0.1 million less than enacted reflecting the end of two grants.* **The Assembly concurred.**

Real Jobs Recovery Workforce Program. The Department requested \$0.2 million from new federal funds awarded to the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals for a recovery workforce program. The state was awarded a \$25.2 million federal State Opioid Response grant and a \$6.1 million supplemental grant for residential support, recovery and peer support activities in six state agencies. According to the grant application, funds in the Department of Labor and Training will provide workforce development services that are demand-driven, linked to its larger workforce development network, and maximize the opportunities for middle class employment. *The Governor recommended funding as requested. The Assembly concurred.*

Unemployment Administration. The Department requested \$27.2 million or \$6,849 more than enacted from all sources for the administration of the unemployment insurance program, including salaries and benefits. The request includes an accounting decision of the Department where costs allocated to restricted receipt funds show as operating costs even if staffing is included in order to comply with the United States Department of Labor. The request shifts \$3.0 million in this manner. The request is \$6.8 million more than actual spending during FY 2020. As part of federal legislation in response to the COVID-19 emergency, significant support has been provided to the Department for its administration of unemployment as well as the implementation and administration of new benefit programs created through federal legislation; \$7.2 million directly relates to the administration of these new programs.

It should also be noted that Executive Order 20-19, originally issued on April 9, 2020 and extended each month thereafter, allowed the Department to rehire retirees to assist with the increase in workload as a result of the COVID-19 emergency. Eleven retirees are included in the request with a total cost of \$0.3 million assuming the end of their service is December 31, 2020. The annual cost of these retirees would be \$0.6 million. *The Governor recommended \$248 more from general revenues from an updated assessed fringe benefit rate based on the voluntary retirement program. It also includes \$1.4 million from Coronavirus Relief funds for overtime expenses. The Assembly added \$13.3 million from federal funds reflecting the extension of federal unemployment benefits.*

Unemployment Benefits. The Department requested \$1,322.5 million or \$40.0 million less than enacted from federal and unemployment insurance funds for payment of benefits. The requested decrease reflects \$40.0 million included in the enacted budget to provide supplemental unemployment payments during the three week pause imposed in December 2020. The request was submitted in October and did not anticipate this program. The Administration released a report of spending on coronavirus relief programs that noted \$46.5 million had been spent as of January 19. The enacted budget assumes two weeks of payments; however, the pause was extended by one week. By source, the request includes \$907.4 million from federal funds and \$415.1 million from unemployment insurance funds. During FY 2020, the Department spent \$1,429.0 million on these benefits, including \$1,001.6 million from federal funds, as a result of the creation of federally funded benefit programs, including the expansion of unemployment benefits to those not traditionally eligible as well as the \$600 supplemental unemployment payment, and expansion of federal coverage for certain benefit programs.

The enacted budget includes additional funding to reflect spending on these programs through the first half of the year; however, additional federal action in December 2020 will lead to significantly more federal funding being provided to the state through the rest of the fiscal year. It should be noted that the state's unemployment trust fund balance as of March 21, 2021 is \$138.9 million, down from \$524.3 million at the beginning of the pandemic.

The Governor recommended \$722.9 million more than enacted from all sources, including \$723.4 million more from federal funds offset by \$0.5 million less from restricted receipts based on updated participation expectations. It should be noted that on March 11, 2021, President Biden signed the American Rescue Plan Act which extends the unemployment benefits outlined above through September 6, 2021. This extension will likely result in total expenditures above those included in the Governor's recommended budget. The

following table outlines the various benefit programs, their current expiration dates, and the amounts spent as of July 4, 2021. **The Assembly added \$526.6 million from all sources, including \$518.0 million from federal funds and \$8.6 million from restricted receipts, reflecting the extension of federal unemployment insurance programs.**

Unemployment Insurance Programs						
Covered Employment						
Benefits Program	Max. Weeks	Funding Source		Effective Method /Applicability	Expires	Amount*
		Normally	Federal Acts			
First Week	-	N/A	100% Federal	CARES Act, beginning April 4, 2020; extended by the Coronavirus Response and Relief Supplemental Appropriations Act and American Rescue Plan Act	September 6, 2021	\$ 29.4
Regular Benefits	26	100% Employer	100% Employer; 75% Federal for some	CARES Act, 50% federal funding for nonprofit & governmental entities only beginning March 13, 2020; extended by the Coronavirus Response and Relief Supplemental Appropriations Act and American Rescue Plan Act	September 6, 2021	\$ 374.3
Pandemic Emergency Unemployment Compensation	53	N/A	100% Federal	CARES Act, effective after exhaustion of regular benefits, before any extended benefits; extended by the Coronavirus Response and Relief Supplemental Appropriations Act and American Rescue Plan Act	September 6, 2021	\$ 226.9
Extended and High Extended Benefits	20	50% Federal; 50% Employer	100% Federal	Families First Act, extended triggered by 3-month average unemployment rate of 6.5%, high extended triggered by 3-month average of 8.0%, extended by the Coronavirus Response and Relief Supplemental Appropriations Act and American Rescue Plan Act	September 6, 2021	\$ 43.3
Non-Covered Employment						
Pandemic Unemployment Assistance	79	N/A	100% Federal	CARES Act, for unemployment as a direct result of COVID-19 beginning January 27, 2020. Covers those not traditionally covered, such as self-employed, independent contractors, and those with limited work histories, and others ineligible for state benefits; extended by the Coronavirus Response and Relief Supplemental Appropriations Act and American Rescue Plan Act	September 6, 2021	\$ 484.6
Both						
Emergency Increase in Benefits	-	N/A	100% Federal	CARES Act; reintroduced with a \$300 payment by the Coronavirus Response and Relief Supplemental Appropriations Act and American Rescue Plan Act	September 6, 2021	\$ 893.6

*in millions; as of July 4, 2021

Temporary Disability Insurance Benefits. The Department requested \$170.0 million or \$14.0 million less than enacted from the Temporary Disability Insurance Fund for benefit payments that protect eligible workers against wage loss resulting from a non-work related illness or injury. Requested benefits are \$22.0 million less than FY 2020 expenditures. The program experienced a spike in claims as a result of the COVID-19 emergency and expanded access from an emergency regulation effective in early March 2020. With expanded unemployment access from federal legislation, these claims returned to normal by the end of FY 2020, which the Department's request expects to continue. *The Governor recommended funding as enacted. The Assembly concurred.*

Temporary Caregiver Benefits. The Department requested \$14.0 million or \$1.1 million less enacted from the Temporary Disability Insurance Fund for benefits for the temporary caregiver insurance program. The program began on January 1, 2014, and allows eligible claimants up to four weeks of benefits to care for a seriously ill child, spouse, domestic partner, parent, parent-in-law or grandparent, or to bond with a newborn child, new adopted child or new foster care child. The request is \$2.7 million less than FY 2020 expenditures. As with temporary disability insurance, the program experienced a spike in claims as a result of the COVID-19 emergency and expanded access from an emergency regulation effective in early March. With expanded unemployment access from federal legislation, these claims returned to normal by the end of FY 2020, which the Department's request expects to continue. *The Governor recommended funding as enacted.* **The Assembly concurred.**

Temporary Disability and Caregiver Insurance Administration Staffing. The Department requested \$7.4 million or \$1.7 million less than enacted from the Temporary Disability Insurance Fund for staffing costs of the administration of the temporary disability and caregiver insurance programs. The enacted budget assumes a work sharing program between unemployment and these programs would be required as resources for unemployment were limited prior to the COVID-19 emergency. With additional federal support for unemployment administration and the large increase in the unemployment workload, staff has shifted to unemployment rendering the work sharing plan no longer necessary. *The Governor recommended \$31,257 more than enacted from an updated assessed fringe benefit rate based on the voluntary retirement program.* **The Assembly concurred.**

Temporary Disability and Caregiver Insurance Administration Operations. The Department requested \$3.3 million or \$0.8 million more than enacted for the operations of the temporary disability and caregiver insurance programs. The enacted budget is consistent with FY 2020 spending, but spending was \$0.4 million more than the final appropriation for FY 2020. As a result of the spike in claims from the COVID-19 emergency and expanded access from an emergency regulation effective in early March 2020, the Department had to perform additional maintenance and upgrades to its technology for these programs. The increase over the enacted budget represents these technology costs. *The Governor recommended funding as enacted.* **The Assembly concurred.**

Workers' Compensation Staffing. The Department requested \$5.1 million or \$0.3 million less than the enacted budget from workers' compensation restricted receipts for staffing costs of the workers' compensation program. For FY 2020, the Department spent \$0.2 million less than the final \$5.5 million appropriation. The request lowers the full-time equivalent position allocation for the program by 4.0 positions, approximately equivalent to the requested decrease. *The Governor recommended \$18,616 more than enacted from an updated assessed fringe benefit rate based on the voluntary retirement incentive program.* **The Assembly concurred.**

Workers' Compensation Operations. The Department requested \$5.4 million or \$0.3 million less than enacted from workers' compensation restricted receipts for benefits and operations of the workers' compensation program. For FY 2020, the Department spent \$3.7 million or \$3.0 million less than the final appropriation; however, \$1.9 million of this underspending was a result of the Uninsured Protection Fund. The final appropriation was based on projected availability; however, the Department noted that there were effectively no claims last year. The request provides \$0.9 million for this fund in FY 2021. Excluding this, the request provides \$0.8 million more than spent during FY 2020, mostly a result of operations at the Arrigan Center. These operations were effectively halted as a result of the coronavirus emergency for the last quarter of FY 2020. Adjusting FY 2020 Arrigan Center spending for four quarters matches the requested amount. *The Governor recommended the enacted level of funding.* **The Assembly concurred.**

Police and Fire Relief Funds. Consistent with the enacted budget, the Department requested \$3.8 million from general revenues for the Police and Fire Relief funds, which pay benefits to surviving spouses of deceased police and firefighters and education benefits for spouses and children of deceased or disabled

officers and firefighters, as well as disabled workers. The request provides \$0.1 million more than actual spending during FY 2020. *The Governor recommended \$341 more than requested from an updated assessed fringe benefit rate based on the voluntary retirement incentive program.* **The Assembly concurred.**

Workforce Regulation and Safety Staffing. The Department requested \$3.2 million or \$0.6 million more than enacted from general revenues for staffing costs of the workforce regulation and safety division, which includes the Workplace Fraud Unit. The request provides \$8,371 more than actual spending for FY 2020. The Governor's recommendation for FY 2021 included 4.0 new positions and \$0.4 million in funding to expand the Workplace Fraud Unit. However, the positions and the associated funding were not included in the FY 2021 enacted budget. The Department requested the funding, but not the positions. The Department has requested to fully fund the program's staff from general revenues for the last few fiscal years; Tardy and Interest funds have assisted with these costs in the past, including \$0.4 million in FY 2020. *The Governor recommended \$9,164 more than requested from an updated assessed fringe benefit rate based on the voluntary retirement incentive program.* **The Assembly concurred.**

Administrative Redesign. The Department requested \$0.1 million less than enacted from all sources for various contracted services related to redesigning financial management functions of the Department. The request mostly shifts \$0.1 million in costs from other funds to federal funds as well as eliminates \$0.1 million in restricted receipt funding. The Department spent \$0.8 million on this initiative in FY 2020. The Department noted that these services are now being used in income support which allows for federal funds to cover a greater burden of the costs. The costs for these contracts are allocated throughout the Department's programs including Workforce Development Services, Unemployment, and the Governor's Workforce Board. *The Governor recommended funding essentially as enacted.* **The Assembly concurred.**

Other Salaries and Benefits. The Department requested \$7.9 million, or \$3.5 million less than enacted, from all sources for salaries and benefits for all other programs including central management, the Labor Relations Board, and workforce development services. The increase to general revenues reflects FY 2020 spending. For federal funds, the request is closer to FY 2020 spending of \$8.5 million, which was \$2.6 million less than the final appropriation. As part of the FY 2020 closing, the Department indicated that a significant number of employees from workforce development services were shifted to assist with unemployment, which appears to carry into the revised request. *The Governor recommended \$0.3 million less than enacted from all sources, including \$1,007 more from general revenues. This reflects an updated assessed fringe benefit rate based on the voluntary retirement incentive program and the expiration of three federal grants.* **The Assembly concurred.**

Other Operations. The Department requested \$50 less than enacted from general revenues for all other expenses, including centralized services. This accounts for operational costs of central management, the Labor Relations Board, and the workforce regulation and safety program. Excluding one-time costs, the request reflects FY 2020 actual spending. The request also includes the enacted level of funding for centralized services, including \$1.0 million from general revenues, \$2.5 million from federal funds, \$1.1 million from restricted receipts, and \$1.3 million from other funds. *The Governor recommended funding as enacted.* **The Assembly concurred.**

Department of Revenue

	FY 2020 Reported	FY 2021 Enacted	FY 2021 Revised	FY 2021 Final
Expenditures by Program				
Office of Director	\$ 1,952,917	\$ 1,945,426	\$ 48,674,948	\$ 48,674,148
Office of Revenue Analysis	760,248	884,638	887,441	814,441
Lottery Division	268,244,566	434,567,292	434,666,384	434,666,384
Division of Municipal Finance	2,250,709	2,125,828	2,130,365	1,955,365
Taxation	30,975,366	35,481,031	35,765,815	35,034,806
Registry of Motor Vehicles	29,324,638	32,774,503	33,595,019	32,641,065
State Aid	150,260,079	198,153,911	198,153,911	198,038,409
Collections	654,032	790,223	792,634	639,636
Total	\$ 484,422,555	\$ 706,722,852	\$ 754,666,517	\$ 752,464,254
Expenditures by Category				
Salaries and Benefits	\$ 57,475,568	\$ 59,573,688	\$ 59,803,330	\$ 57,463,460
Contracted Services	4,050,210	9,290,931	9,340,931	7,808,107
Subtotal	\$ 61,525,778	\$ 68,864,619	\$ 69,144,261	\$ 65,271,567
Other State Operations	271,224,281	438,488,111	439,726,134	441,156,506
Aid to Local Units of Government	150,270,853	198,153,911	198,479,911	198,719,970
Assistance, Grants, and Benefits	1,199,293	954,983	47,054,983	47,054,983
Capital	139,739	228,530	228,530	228,530
Operating Transfers	62,611	32,698	32,698	32,698
Total	\$ 484,422,555	\$ 706,722,852	\$ 754,666,517	\$ 752,464,254
Sources of Funds				
General Revenue	\$ 210,230,634	\$ 127,228,613	\$ 127,372,076	\$ 126,522,076
Federal Aid	1,728,860	138,108,524	185,657,697	185,657,697
Restricted Receipts	3,159,192	5,559,629	5,763,943	4,411,680
Other	269,303,869	435,826,086	435,872,801	435,872,801
Total	\$ 484,422,555	\$ 706,722,852	\$ 754,666,517	\$ 752,464,254
FTE Authorization	602.5	602.5	602.5	602.5
FTE Average	555.7			

FY 2021 Revised Request. The Department of Revenue requested \$218.0 million less than enacted from all sources for FY 2021. This includes \$99.9 million more from general revenues, \$136.3 million less from federal funds, \$1.9 million less from restricted receipts, and \$179.7 million less from other sources, the majority of which are Lottery funds. The general revenue increase primarily reflects the restoration of funds the enacted budget assumes to be paid from Municipal COVID Relief federal funds. The request was submitted prior to passage of the budget.

The Governor recommended \$47.9 million more than enacted and \$266.0 million more than requested. The recommendation maintains the enacted fund source allocations and adds \$47.3 million from Coronavirus Relief funds. This includes \$0.5 million for facilities repairs for the Division of Taxation, \$0.8 million for staffing expenses, COVID-19 screening and support services and personal protective equipment, and reflects a shift of \$46.1 million for pandemic business support originally budgeted in the Executive

Office of Commerce. **The Assembly provided \$2.2 million less than recommended, including \$0.9 million less from general revenues. This includes adjustments among the divisions based on spending through the third quarter and other information.**

Centralized Services. The Department requested \$1.3 million less than the enacted amount for its share of centralized services provided by the Department of Administration, including \$1.2 million less from general revenues. The request is equal to the FY 2020 final appropriation, which was \$428,463 less than actual expenses based on a billing error and accrual of FY 2020 expenses not accounted for, which resulted in June being a double billed period. The Department reported agencies were instructed not to adjust the centralized service amounts in the requests; those adjustments will be made by the Budget Office. Based on updated billings for facilities expenses, the Division of Motor Vehicles is estimated to be billed \$1.7 million, or \$5,164 more than the enacted amount from general revenues. The Division of Lottery is estimated to be billed \$0.2 million, or \$254 more from lottery funds. *The Governor maintained the enacted level of funding.* **The Assembly concurred.**

Division of Municipal Finance

City of Central Falls Pensions. The Department requested \$0.3 million from general revenues, \$44,796 more than enacted, to reflect the state's liability to the city's pensioners impacted by its bankruptcy, consistent with Article 16 of 2019-H 5151, Substitute A, as amended. The state's liabilities decrease over time. The Department reported the amount requested was due to uncertainty with future placement of this expense. The appropriation is provided to the Division of Municipal Finance; however, consistent with Rhode Island General Law, Section 45-21-8, effective January 2020, the administration of the pension program was transferred to the Employees' Retirement System of Rhode Island. *The Governor maintained the enacted level of funding.* **The Assembly concurred.**

Lottery

Lottery Building Roof. The request includes \$170,200 more than enacted from lottery funds for the Lottery building roof repair project in error. The project was completed and paid in FY 2020. *The Governor included no funding.* **The Assembly concurred.**

Commission Payments. The Department requested \$179.6 million less than enacted from Lottery funds for commission payments which represents the May 2020 Revenue Estimating Conference estimate of activities. The appropriations act historically includes language authorizing the Lottery to pay winning prize funds and commission payments to the local casinos for the fiscal year. *The Governor maintained the enacted level of funding.* **The Assembly concurred.**

Staffing and Other Operations. The Department's request includes \$0.1 million less than enacted from Lottery funds for all other lottery related expenses. Staffing expenses decrease by \$181,747. Adjusted for \$19,128 of workshare savings assumed in the enacted budget, the request is \$200,875 less. This reflects additional turnover from the retirement of high-level employees. The request also adds \$82,616 for program supplies, equipment, and miscellaneous expenses, offset by \$21,958 less for fleet expenses. The Department reported the requested increases were inadvertent. *The Governor provided \$99,092 more than enacted. This includes \$56,000 from Coronavirus Relief federal funds for telework expenses and \$43,092 more from lottery funds to reflect an increase to the assessed fringe benefit rate based on the voluntary retirement incentive.* **The Assembly concurred.**

Taxation

Individual Mandate Collections. The enacted budget includes \$0.1 million from restricted receipts for the market stability and reinsurance initiative which imposes a shared responsibility payment penalty for

individuals who do not have health insurance coverage, with certain exemptions, effective on January 1, 2020. The Department originally assumed this initiative would be supported by 3.0 new full-time equivalent positions; a Data Analyst I, a Business Analyst and a Legal Counsel. The 2020 Assembly did not increase the staffing authorization; the analyst and legal positions were filled as of the February 29, 2020 pay period utilizing existing vacancies. The Department excluded this from its request as these expenses only appear in the HealthSource RI budget, but the staffing authorization remains in the Department of Revenue. *The Governor recommended funding as requested. The Assembly concurred.*

Taxation Staffing (-1.0 FTE). The Department requested \$0.7 million more than enacted, including \$0.8 million more from general revenues for all other staffing expenses. It includes \$25,716 less from unemployment insurance, \$64,513 less from job development funds, and \$67,864 less from temporary disability funds. The request, which predated the enacted budget, excludes \$0.8 million of savings from 134 people participating in the workshare program. Adjusted for that, the Department requested the enacted level of general revenues and \$0.2 million less from its other sources. As of the January 30, 2021 pay period, the division averaged 26.7 vacancies, of which 1.4 positions are from the employer tax section. The request includes a net reduction of one Chief Business Management Officer and includes a Senior Legal Counsel shifted from the Director's Office to align the expense with where the cost is incurred. *The Governor provided \$83,914 more than enacted to reflect an increase to the assessed fringe benefit rate based on the voluntary retirement incentive program, including \$71,928 more from general revenues. The Assembly provided \$1.3 million less based on spending through the third quarter.*

Legal Services. The request adds \$0.1 million from general revenues for outside legal counsel to assist the Division of Taxation with ongoing litigation involving the appropriate method for calculating depreciation under the state's Public Service Corporation Tax under Rhode Island General Law, Section 44-13-13. The Public Service Corporation Tax applies to the tangible personal property of telegraph, cable, telecommunications, and express corporations, used exclusively in conducting business for the corporation which is exempt from local taxation, but subject to taxation by the state. Tangible personal property includes lines, cables, ducts, pipes, machines and machinery, and equipment. The state passes the collections through to the local governments. The Department reported this amount was included as a placeholder reflecting the maximum possible anticipated expense. *The Governor did not concur. The Assembly provided \$0.2 million more based on spending through the third quarter.*

Contingency Contracts. The request included \$0.3 million more than enacted for contingency contract payments, totaling \$2.0 million. The Conferees of the November 2020 Revenue Estimating Conference adopted an estimate which assumes \$1.8 million of revenues offsetting this expense. The Department reported this increase is based on the anticipated slippage of collections from FY 2020, but is included as a maximum potential increase, and not in equivalence to increased revenue collections. The vendors have baseline metrics which must be met prior to any additional payments being made. The 2016 Assembly enacted 2016-H 7454 Substitute A, as amended, which authorized the Division of Taxation to contract with a third party for the review of tax data and collection of taxes, interest, penalties, or a reduction in claimed refunds. Contractors are prohibited from conducting field audits under this section, and contracts are to be paid on a contingency fee basis, for services rendered, as a percentage of the actual amount of revenues collected. The 2017 Assembly enacted legislation to allow the Division of Taxation to use a portion of the monies collected for support and maintenance of the Division's computer system, subject to the approval of the Director of the Office of Management and Budget. *The Governor maintained the enacted level of funding. The Assembly concurred.*

COVID Relief - Business Interruption Supports. The enacted budget includes \$55.8 million from federal funds in the budget of the Executive Office of Commerce intended to support businesses experiencing disruptions from the pandemic, including funding for a grant program administered by the Division of Taxation. Prior to enactment, the Office of Management and Budget provided documents demonstrating the administration's intended level of commitments to support businesses experiencing a pandemic related

disruption or the pause period announced in November 2020. To be eligible, businesses must be a locally-owned Rhode Island tax filer, been impacted by the pause period, and not have declared bankruptcy. Applicants are eligible for total reimbursement of losses from \$500 to \$50,000. Subsequently, the administration reported having spent \$46.1 million as of January 15, 2021. *The Governor recommended \$46.1 million be shifted to the Department of Revenue where the expenses occurred.* **The Assembly concurred.**

Pawtucket Economic Redevelopment. The FY 2021 enacted budget includes the statutory mechanism to allow for taxes collected pursuant to the tax incentive financing statute under Rhode Island General Law, Chapter 45-33.4 to be appropriated to the Downtown Pawtucket Redevelopment Economic Activity Fund to finance development projects in the existing economic development district, in accordance with the law passed in 2019. *The Governor recommended \$0.3 million from restricted receipts from the reallocated existing revenues within the district.*

The Governor subsequently requested an amendment to add an additional \$0.4 million from restricted receipts for disbursements related tax increment financing agreements with the Commerce Corporation under Rhode Island General Law, Chapter 42-64.21. **The Assembly concurred with the amended recommendation.**

Other Operations. The Department requested \$19,317 less from general revenues for its remaining expenses. The request includes \$19,000 less for records storage and \$317 less for its remaining expenses. The enacted amount reflects a 10.0 percent reduction for multistate tax auditing services, or \$15,240 of general revenue savings provided by the vendor due to the pandemic conditions. *The Governor maintained the enacted level of funding.* **The Assembly concurred.**

Division of Motor Vehicles

Federal CDL Grant. The Department requested \$0.3 million more than enacted from new federal commercial driver's license grant proceeds. This includes \$240,589 for staffing expenses and \$50,000 for programming. The Federal Motor Carriers Safety Administration grant is to facilitate the rapid recording and transmission of information between states regarding violations for states to take action against unsafe drivers who could pose a danger to the general public. This also allows states to ensure that each commercial driver has only one driver's license, and a complete and accurate driver's record. This includes reviewing error reports from the federal commercial driver's license information system to identify Rhode Island violations, withdrawals rejected by the system, and notifications sent from other jurisdictions. The programming expenses are required to implement new standards, business processes, data integrity checks, and reporting structures to increase the capability to prevent a commercial driver's license from being obtained fraudulently. *The Governor recommended \$856 more than requested to reflect an increase to the assessed fringe benefit rate based on the voluntary retirement incentive program.* **The Assembly concurred.**

Other Staffing (1.0 FTE). The request includes \$0.3 million more than enacted, including \$0.4 million more from general revenues, offset by \$85,174 less from federal child support resources. This includes allocating the staff previously funded through those federal sources to general revenues, restoration of turnover savings assumed in the enacted budget, and includes a new Chief of Program Development position at approximately \$140,502. The division had averaged 183.6 filled positions through the pay period ending January 30, 2021. Actual FY 2020 general revenue staff expenditures were \$0.6 million less for an average of 5.9 more filled positions for the same period. The reduction in federal resources reflects a change to the allowable use of funds which prohibits support of this position.

*The Governor included federal funding as requested and added \$57,262 more from general revenues to reflect an increase to the assessed fringe benefit rate based on the voluntary retirement incentive program. **The Assembly included \$0.7 million of turnover savings based on spending through the third quarter.***

Rhode Island Motor Vehicle System. The request excludes a \$1.7 million increase from restricted receipts contained in the enacted budget. The Governor's original FY 2021 recommendation double counted the level of restricted support and the enacted budget did not correct the error. The request corrects the amount for ongoing maintenance and operations support for the Rhode Island Motor Vehicle System, otherwise known as RIMS. *The Governor's budget maintains the enacted level, including the error. **The Assembly provided \$1.7 million less from restricted receipts to correct the error.***

Other Operations. The Department requested \$0.2 million less from general revenues and includes the enacted amount of \$14,763 from restricted receipts. The request includes \$284,058 less for printing credentials based on an estimated volume decrease and \$20,000 less for information technology hardware, offset by \$61,103 more for security services to maintain compliance with state-imposed COVID-19 regulations, \$26,702 more for printing and postage, and \$2,610 more for all other expenditures, including adjustments to reflect actual spending levels.

*The Governor recommended \$0.5 million more than enacted from Coronavirus Relief federal funds for actual expenditures and anticipated billings for day porter services through the James L. Maher Center, security and screener services, tent rental expenses and personal protective equipment. **The Assembly provided \$1.5 million more from general revenues based on spending through the third quarter. This includes \$0.6 million for programming, and \$0.2 million each for janitorial services, pandemic expenses including screeners, tents and personal protective equipment. It also provided \$150,000 to relocate the registry branch in Westerly.***

Local Aid

Motor Vehicles Excise Tax Program. The enacted budget assumes an aid distribution consistent with the January 2020 annual data update; the actual distribution reflects further updated data, consistent with current law. The enacted budget provides \$123.8 million, including \$86.0 million from Coronavirus Relief federal funds distributed using the formula under statute. This is \$11.2 million more than the current calculation; the additional support is intended as one-time support.

The request includes \$23.0 million less than enacted, including \$63.0 million more from general revenues for payments made to municipalities to phase out the motor vehicles excise tax. Compared to the enacted budget, the request adds general revenues and excludes one-time Municipal COVID Relief federal funds distributed through the motor vehicle excise tax phase-out program formula. The request predated the enacted budget. *The Governor recommended funding as enacted. **The Assembly concurred.***

Payment in Lieu of Taxes. The enacted budget includes \$50.7 million from all funds including \$31.5 million from Coronavirus Relief federal funds distributed pursuant to the Payment in Lieu of Taxes program formula which reimburses cities and towns for property taxes which would have been due on real property owned by nonprofit educational institutions, nonprofit hospitals, or any state-owned hospital, veterans' residential facility or correctional facility, which is exempt from taxation by state law. The request is \$4.6 million less than enacted. Compared to the enacted budget, the request adds \$26.9 million from general revenues and excludes Municipal COVID Relief federal funds. The request predated the enacted budget. *The Governor recommended funding as enacted. **The Assembly concurred.***

Distressed Communities. The enacted budget includes \$13.8 million from all funds including \$11.3 million from Coronavirus Relief federal funds distributed pursuant to the Distressed Communities formula. The request is \$1.4 million less than enacted, including \$9.8 million more from general revenues for the Distressed Communities Relief Fund which was established in 1990 to provide assistance to the

communities with the highest property tax burdens relative to the wealth of the taxpayers. Compared to the enacted budget, the request adds general revenues and excludes Municipal COVID Relief federal funds. The request predates the enacted budget. *The Governor recommended funding as enacted.* **The Assembly concurred.**

Municipal COVID Relief Fund. The enacted budget includes \$136.5 million from Coronavirus Relief federal funds and distributes those funds to communities based on three general aid programs at an enhanced level of support and a separate distribution of \$7.8 million based on the population of each municipality. The request excludes the \$7.8 million from COVID Relief federal funds for the population based distribution. The enacted budget provides \$25.0 million of additional resources above amounts expected after full funding. *The Governor recommended funding as enacted.* **The Assembly concurred.**

Other

Collections Staffing and Operations. The Department requested \$21,642 more than enacted from general revenues. The request excludes the workshare savings assumed in the enacted budget; adjusted for this the request is essentially the enacted amount. The request includes turnover savings of approximately 0.7 full-time equivalent positions; however, through the January 30, 2021 pay period, the Division averaged 1.7 vacancies. *The Governor recommended \$2,411 more than enacted to reflect an increase to the assessed fringe benefit rate based on the voluntary retirement incentive program.* **The Assembly provided \$0.2 million less based on spending through the third quarter.**

Other Staffing and Operations. The Department requested \$915 more than enacted from general revenues, for the Department's 26.0 remaining positions not discussed previously. The request reflects staffing changes which include \$933 more for the Office of Revenue Analysis and \$18 less for the Division of Municipal Finance. The request excludes \$31,085 of workshare savings assumed for the Division of Municipal Finance in the enacted budget. Adjusted for that, the request is \$30,170 less than enacted to reflect additional turnover savings within municipal finance. *The Governor recommended \$0.6 million more than enacted primarily from Coronavirus Relief federal funds for fire damage that occurred to the Division of Taxation. This also includes \$11,862 more from general revenues to reflect an increase to the assessed fringe benefit rate based on the voluntary retirement incentive program.* **The Assembly provided \$0.3 million less based on spending through the third quarter.**

Legislature

	FY 2020 Reported	FY 2021 Enacted	FY 2021 Revised	FY 2021 Final
Expenditures by Program				
General Assembly	\$ 7,236,632	\$ 6,373,767	\$ 7,146,893	\$ 7,146,893
Fiscal Advisory Staff	1,780,807	2,011,174	2,017,831	2,017,831
Legislative Council	4,199,938	4,921,429	4,937,061	4,937,061
Joint Comm. On Legislative Affairs	24,843,475	26,810,667	26,889,899	26,889,899
Office of the Auditor General	4,978,010	5,991,680	6,010,462	6,010,462
Special Legislative Commissions	7,573	13,900	13,900	13,900
Total	\$ 43,046,435	\$ 46,122,617	\$ 47,016,046	\$ 47,016,046
Expenditures by Category				
Salaries and Benefits	\$ 35,698,567	\$ 38,756,599	\$ 38,887,606	\$ 38,887,606
Contracted Services	559,287	700,100	700,100	700,100
Subtotal	\$ 36,257,854	\$ 39,456,699	\$ 39,587,706	\$ 39,587,706
Other State Operations	3,168,944	3,726,918	4,489,340	4,489,340
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	2,074,887	2,300,000	2,300,000	2,300,000
Capital	1,544,750	639,000	639,000	639,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 43,046,435	\$ 46,122,617	\$ 47,016,046	\$ 47,016,046
Sources of Funds				
General Revenue	\$ 41,474,794	\$ 44,283,435	\$ 44,408,645	\$ 44,408,645
Federal Aid	21,636	-	762,422	762,422
Restricted Receipts	1,550,005	1,839,182	1,844,979	1,844,979
Other	-	-	-	-
Total	\$ 43,046,435	\$ 46,122,617	\$ 47,016,046	\$ 47,016,046
FTE Authorization	298.5	298.5	298.5	298.5
FTE Average	263.9			

FY 2021 Revised Request. The Legislature's revised budget of \$47.2 million includes \$1.1 million from the \$2.3 million reappropriation and 298.5 full-time equivalent positions. It was submitted prior to the budget enactment.

*The Governor recommended \$0.9 million more than enacted, including \$131,007 to adjust the assessed fringe benefit rate based on the voluntary retirement incentive and \$0.8 million from federal Coronavirus Relief funds for expenses related to the Assembly meeting offsite during the emergency. **The Assembly concurred.***

Office of the Lieutenant Governor

	FY 2020 Reported	FY 2021 Enacted	FY 2021 Revised	FY 2021 Final
Expenditures by Category				
Salaries and Benefits	\$ 1,045,223	\$ 1,043,619	\$ 1,047,306	\$ 907,306
Contracted Services	47,326	32,535	32,535	32,535
Subtotal	\$ 1,092,549	\$ 1,076,154	\$ 1,079,841	\$ 939,841
Other State Operations	49,532	68,327	68,327	68,327
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	564	750	750	750
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 1,142,645	\$ 1,145,231	\$ 1,148,918	\$ 1,008,918
Sources of Funds				
General Revenue	\$ 1,142,645	\$ 1,145,231	\$ 1,148,918	\$ 1,008,918
Federal Aid	-	-	-	-
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 1,142,645	\$ 1,145,231	\$ 1,148,918	\$ 1,008,918
FTE Authorization	8.0	8.0	8.0	8.0
FTE Average	7.8			

FY 2021 Revised Request. The Office of the Lieutenant Governor requested \$16,871 more than enacted from general revenues for FY 2021. *The Governor recommended \$3,687 more than enacted from general revenues which is \$13,184 less than requested.* **The Assembly included \$140,000 less to reflect additional turnover savings resulting from the transition to a new administration.**

Legal Services. The Office's revised request includes \$1,475 more than enacted from general revenues for outside legal services for a total of \$34,010. The Office had a \$4,000 monthly retainer for general legal services and indicates its intent was to request total funding of \$48,000, which is the equivalent of an entire year of retainer costs. In FY 2020, the Office spent \$47,326 on legal services. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Salaries and Benefits. The Office's revised request includes \$17,445 more than enacted from general revenues for salaries and benefits for its 8.0 full-time authorized positions. The revised request does not reflect \$17,791 of savings in the enacted budget based on three individuals from the Office opting to participate in the WorkShare program. Adjusted for that, the request is essentially consistent with the enacted budget. *The Governor recommended \$3,687 more than enacted to reflect an increase to the assessed fringe benefit rate based on the voluntary retirement incentive program.* **The Assembly included \$140,000 less to reflect additional turnover savings resulting from the transition to a new administration.**

Centralized Services. The 2017 Assembly authorized the establishment of internal service funds for centralized services including information technology, capital asset management and maintenance, and

human resources to maximize available non-general revenue sources. Prior to this change, the costs for the staff and other expenses related to these services were budgeted in the Department of Administration. The state uses internal service funds to reimburse one agency for services provided to another. Agencies receiving these services are charged for the costs which in turn pay for the staff and expenses. The Office requested \$25,964 from general revenues which is \$2,049 less than enacted and closer to FY 2020 costs which were \$25,783. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Office of the Secretary of State

	FY 2020 Reported	FY 2021 Enacted	FY 2021 Revised	FY 2021 Final
Expenditures by Program				
Administration	\$ 3,435,395	\$ 4,013,532	\$ 4,024,048	\$ 4,024,048
Corporations	2,463,789	2,470,702	2,477,245	2,477,245
Elections and Civics	4,661,964	6,683,723	6,685,377	8,738,411
Office of Public Information	362,700	511,575	512,560	512,560
State Archives	602,345	702,913	704,126	704,126
State Library	712,735	716,227	717,998	717,998
Total	\$ 12,238,928	\$ 15,098,672	\$ 15,121,354	\$ 17,174,388
Expenditures by Category				
Salaries and Benefits	\$ 6,698,686	\$ 6,822,496	\$ 6,845,178	\$ 6,845,178
Contracted Services	968,421	436,837	436,837	1,336,837
Subtotal	\$ 7,667,107	\$ 7,259,333	\$ 7,282,015	\$ 8,182,015
Other State Operations	2,802,567	7,483,839	7,483,839	8,193,873
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	223,929	163,000	163,000	466,000
Capital	296,721	152,500	152,500	292,500
Capital Debt Service	1,248,604	-	-	-
Operating Transfers	-	40,000	40,000	40,000
Total	\$ 12,238,928	\$ 15,098,672	\$ 15,121,354	\$ 17,174,388
Sources of Funds				
General Revenue	\$ 9,305,239	\$ 12,289,333	\$ 12,310,802	\$ 12,310,802
Federal Aid	2,458,169	2,266,929	2,266,929	3,687,774
Restricted Receipts	475,520	542,410	543,623	1,175,812
Other	-	-	-	-
Total	\$ 12,238,928	\$ 15,098,672	\$ 15,121,354	\$ 17,174,388
FTE Authorization	59.0	59.0	59.0	59.0
FTE Average	57.6			

FY 2021 Revised Request. The Office of the Secretary of State requested revised FY 2021 expenditures of \$15.0 million, which is \$0.1 million less than the FY 2021 enacted budget. The request includes \$1.4 million less from general revenues, \$1.4 million more from federal funds, and \$0.1 million less from restricted receipts. The request includes 59.0 full-time equivalent positions, which is consistent with the enacted authorization. *The Governor recommended \$22,682 more than enacted mostly from general revenues and \$1.3 million more than requested. This reflects an updated assessed fringe benefit rate for salaries and benefits and maintains the enacted level of funding for all other items.* **The Assembly provided \$2.1 million more from federal funds and restricted receipts to reflect new awards.**

March 2021 Special Election. As it was submitted around the time the FY 2021 budget was passed, the Office's request excludes \$1.0 million from general revenues to conduct a predominantly mail ballot special election on March 2, 2021. The funding represents the estimated costs of printing and postage to conduct this type of election. The enacted budget added a total of \$1.5 million from general revenues to fund a mail

ballot centric special election for general obligation bond referenda in 2021; this includes \$1.0 million for the Office of the Secretary of State and \$0.5 million for the Board of Elections. Delay of the FY 2021 budget enactment meant the referenda could not appear on the November 2020 ballot. The amount assumes the election will be handled in the same manner as in June 2020 and November 2020, with a modified process to allow for the expansion of mail ballot use and assumes voter participation similar to the June 2020 election. *The Governor recommended funding as enacted.* **The Assembly concurred.**

Other Election Expenses. The Office requested \$0.4 million less from all sources for election expenses in FY 2021, excluding the upcoming election in March. FY 2021 includes a primary in September as well as a general election in November. In order to maintain social distancing, the elections in September and November were held as predominantly mail ballot elections, with all registered voters receiving mail ballot applications. Federal funding covered most of the substantial postage and printing costs. By source, the request is \$0.4 million less from general revenues and \$22,039 more from federal funds awarded through the CARES Act to conduct elections. The reduction includes \$0.2 million which had been requested and included in the enacted budget to upgrade modems and \$0.2 million for other miscellaneous election expenses. It appears that available federal funds were used instead, reflected in the increase to federal funds. *The Governor recommended funding as enacted.* **The Assembly concurred.**

Help America Vote Act Election Security Grant. The Office requested \$1.4 million more than enacted from the federal Help America Vote Act Election Security Grant. The Secretary of State, in conjunction with the Board of Elections, received \$3.0 million from the grant in FY 2019. Another \$3.2 million was awarded for FY 2021. Funding supports the upgrade of the central voter registration system, the implementation of cybersecurity and data recovery best practices, e-poll book resources, election administration grants for cities and towns, risk limiting audits, election day incident management software, mail ballot opening and scanning equipment, and polling place operational improvements. Guidance was issued from the Election Assistance Commission indicating the funding can be flexibly used to respond to the pandemic; however, the Commission notes that funding is specifically for federal elections and therefore unable to be used in lieu of general revenues for the March 2021 special election. Through FY 2020, the Office spent \$2.3 million of the total \$6.2 million. The FY 2021 revised and FY 2022 requests both include \$1.8 million. This would leave a balance of \$0.2 million for FY 2023. *The Governor recommended funding as enacted. The Governor subsequently requested an amendment to add \$1.4 million to be consistent with the request.* **The Assembly concurred with the amended recommendation.**

Salaries and Benefits. The Office requested \$0.2 million more than enacted from all sources to staff the Office in FY 2021. The request includes \$0.3 million more from general revenues offset by \$0.1 million less from restricted receipts. The 2020 Assembly provided funding in the FY 2021 enacted budget to reflect actual staffing costs through the first quarter, when the Office had only 1.0 full-time equivalent position vacant. The request maintains the turnover savings for the position but also shifts a total of 3.0 positions from restricted receipts as well as the Records Center fund, discussed later, to general revenues. As of the pay period ending January 16, 2021, the Office has 3.0 positions vacant; 2.0 positions more than assumed in the enacted budget indicating there will likely be savings beyond the request. Subsequent to the budget submission, the Office noted that these allocations were done in error. *The Governor recommended \$22,682 more than enacted mostly from general revenues to reflect an increase to the assessed fringe benefit rate based on the voluntary retirement incentive program.* **The Assembly concurred.**

Technology Projects. The Office requested \$0.2 million less than enacted from general revenues for various technology projects. This includes \$0.2 million more to upgrade and modernize the current corporations' database and online filing system offset by unspecified reductions to projects under the eGov information technology initiative. The Office notes that the current database was purchased in 2007 and requires updates as it is written in obsolete code language, specifically Microsoft Visual Basic 6. Microsoft ceased official support for the language in 2008. Offsetting the new request for \$0.2 million is a \$0.4 million decrease for other technology projects. For the second fiscal year, the revised request decreases

spending in this area in order to maintain staffing. The FY 2020 enacted budget included \$0.8 million for these projects; the Office's revised request for that year was also \$0.4 million less. Additionally, the Office did not provide information about the status of specific projects in the last two years, but noted that projects under the eGov umbrella include the redesign of the lobby tracker application, the open meeting user interface, and the Boards and Commissions database and webpage. Annual general revenue spending for this work averaged \$0.5 million from FY 2018 through FY 2020. *The Governor recommended funding as enacted.* **The Assembly concurred.**

State Archives. The Office requested \$26,774 more from all sources, mostly from general revenues, for the state archives. In the FY 2020 final budget, the Assembly authorized the Office to enter into a lease for a new archives location not to exceed 10 years at a cost of \$2.8 million. The previous leased location on Westminster Street in Providence had to be vacated so work could be done for the next tenant. The new location at 33 Broad Street in Providence is 11,234 square feet and includes more exhibition space, meeting space, and research space. The requested increase mostly reflects moving costs incurred in summer 2020 that were not included in the request for FY 2021; it also includes minor adjustments to costs associated with the new location. *The Governor recommended funding as enacted.* **The Assembly concurred.**

Records Center. The Office requested \$0.3 million less than enacted from other funds for the Records Center. The decrease is almost entirely from staffing. The enacted budget reflects funding 4.0 full-time equivalent positions; the request decreases this to 2.0 positions. Subsequently, the Office noted that these allocations were done in error. Records Center employees are housed at the State Archives facility. The Records Center is an internal service program that does not appear in the Appropriations Act. Its expenses are budgeted in user agencies that pay a portion of their operating costs for record storage and retrieval. *The Governor recommended funding as enacted.* **The Assembly concurred.**

Other Operations. The Office requested \$0.1 million less than enacted for other expenses, including centralized services. The request provides \$0.1 million more than actual FY 2020 spending which is partially skewed due to the pandemic, which specifically impacted the Office of Public Information. This program is the main area of decrease in the revised request as well. Regarding centralized services, the request is \$19,232 less than enacted reflecting \$25,852 less from general revenues offset by \$6,620 more from restricted receipts. The request is closer to FY 2020 actual charges but still exceeds them by \$2,536.

The 2017 Assembly authorized the establishment of internal service funds for centralized services including information technology, capital asset management and maintenance, and human resources to maximize available non-general revenue sources. Prior to this change, the costs for the staff and other expenses related to these services were budgeted in the Department of Administration. The state uses internal service funds to reimburse one agency for services provided to another. Agencies receiving these services are charged for the costs which in turn pay for the staff and expenses. *The Governor recommended funding as enacted.*

The Governor subsequently requested an amendment to add \$0.6 million from a new grant awarded by the non-profit Center for Election Innovation Research that was used to enhance voter education, information and outreach during the November 2020 election and the March 2 special election. **The Assembly concurred.**

Office of the General Treasurer

	FY 2020 Reported	FY 2021 Enacted	FY 2021 Revised	FY 2021 Final
Expenditures by Program				
General Treasurer	\$ 3,404,039	\$ 3,550,307	\$ 3,659,550	\$ 3,659,550
Unclaimed Property	24,669,659	25,763,925	25,768,675	31,168,675
Employees' Retirement System	10,759,911	13,052,673	13,076,659	13,076,659
Crime Victim Compensation	1,580,777	2,150,337	2,126,892	2,126,892
Subtotal	\$ 40,414,386	\$ 44,517,242	\$ 44,631,776	\$ 50,031,776
Expenditures by Category				
Salaries and Benefits	\$ 10,845,926	\$ 11,349,465	\$ 11,388,999	\$ 11,388,999
Contracted Services	4,270,421	5,456,594	5,456,594	5,456,594
Subtotal	\$ 15,116,347	\$ 16,806,059	\$ 16,845,593	\$ 16,845,593
Other State Operations	23,950,133	25,558,149	25,558,149	30,958,149
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	1,289,888	2,020,109	2,095,109	2,095,109
Capital	58,018	132,925	132,925	132,925
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 40,414,386	\$ 44,517,242	\$ 44,631,776	\$ 50,031,776
Sources of Funds				
General Revenue	\$ 2,965,895	\$ 2,986,194	\$ 2,993,826	\$ 3,428,826
Federal Aid	1,067,634	1,011,042	1,012,076	1,012,076
Restricted Receipts	35,806,669	39,879,582	39,883,782	44,848,782
Other	574,188	640,424	742,092	742,092
Total	\$ 40,414,386	\$ 44,517,242	\$ 44,631,776	\$ 50,031,776
FTE Authorization	89.0	89.0	89.0	89.0
FTE Average	85.2			

FY 2021 Revised Request. The Office requested \$0.6 million more than enacted for FY 2021, including \$0.6 million more from general revenues. *The Governor recommended \$0.1 million more than enacted and \$0.5 million less than requested, including \$0.6 million less than requested from general revenues. The Assembly added \$5.4 million from restricted receipts to adjust the unclaimed property transfer to the state to reflect the May Revenue Estimating Conference, added \$435,000 from general revenues and reduced restricted receipts by a like amount for crime victim compensation grants and concurred with the remainder of the recommendation.*

Frontline Heroes Fund. The 1997 Assembly established a tuition savings program and mandated the development of a prepaid tuition plan. It allows savers to make deposits that accrue interest for payments of tuition. Investments grow free from federal income taxes and distributions for qualified higher education expenses, such as tuition, fees, books, room and board, are federal income tax-free. Amounts up to two percent may be transferred annually to the administrative fund. The administrative fund, or CollegeBound Saver, can be used for administrative expenses and student financial assistance programs. These fees are currently used to fund the state's Rhode Island Last Dollar Scholarship and the dual enrollment program.

Revenues are derived from fees paid by non-Rhode Island participants. *The Governor recommended \$100,000 from the administrative fund to support a new program announced by the Office on March 3 to provide \$2,500 in a CollegeBound Saver account to any dependent child under the age of 25 of a frontline worker who died from COVID-19. It appears that at least 12 people qualify. The Assembly concurred.*

Crime Victim Compensation. The Office requested \$0.5 million less from all sources, including \$0.5 million more from general revenues for the crime victim compensation program. Claims at \$1.2 million are \$0.5 million less than enacted and \$0.2 million more than FY 2020 claims. The program pays claims from restricted receipts from fees collected by the state courts. Federal funds come from the Victims of Violent Crimes program and are drawn down on a reimbursement basis. The grant award is 60.0 percent of the court receipts disbursed for claims from the previous federal period. Receipts have been declining since FY 2013. At the same time receipts have been declining, the average claim amount and the number of claims has been increasing. Between FY 2015 and FY 2018, annual claims increased from 100 to 160 and the average claim grew by 90.6 percent from \$1,725 to \$3,288. This increase appears to be related to the 2016 legislation that increased the maximum relocation award from \$2,500 to \$5,000; testimony at the time was that expansion would have no state fiscal impact. *The Governor recommended \$23,445 less than enacted. This includes \$24,536 less from restricted receipts and \$1,091 more from general revenues to reflect an increase to the assessed fringe benefit rate based on the voluntary retirement incentive program. The Assembly added \$435,000 from general revenues in lieu of restricted receipts based on projected court receipts, which have been affected by Court closures.*

Unclaimed Property. The Office requested \$0.9 million more than enacted which includes \$1.3 million less for the transfer to the state, \$1.1 million more for claims, and \$1.1 million more in the amount of revenues set aside for future claims liability. Although this represents the agency's estimate, these expenditures will be based on the estimate adopted by the Revenue Estimating Conference that meets in November and May. *The Governor recommended funding consistent with the enacted budget. The Assembly added \$5.4 million from restricted receipts to adjust the transfer to the state to reflect the May Revenue Estimating Conference estimate of \$15.6 million.*

Other Salaries and Benefits. The Office requested \$0.2 million more than enacted for all other salaries and benefits including \$112,809 more from general revenues. The increase includes \$0.1 million of which approximately \$30,000 is from general revenues, is for staff upgrades for six positions that occurred at the beginning of FY 2020. The remaining increase is to restore recommended turnover savings. The revised request omits the \$9,751 of workshare savings, including \$5,226 from general revenues, in the enacted budget based on two individuals from the Office opting to participate in the program. Adjusted for that, the general revenue increase is \$107,583. *The Governor recommended \$37,979 more than enacted, including \$6,541 more from general revenues, to reflect an increase in the assessed fringe benefit rate based on the voluntary retirement incentive program. The Assembly concurred.*

Other Operations. The Office requested \$38,155 less than enacted from all sources for all other expenses, including \$34,050 more from general revenues. Of the general revenue increase, \$25,000 represents a new contract for information technology services support including identifying and mitigating risks related to cybersecurity, server/system support, application database support and a help desk. The Office reports that several projects were identified during FY 2020, and the Division of Information Technology suggested that contracting for these services would be more efficient than using Division staff. The Office does expect to allocate the majority of the \$25,000 to the Retirement System based on the nature of work planned.

The revised request is \$0.1 million less from all sources for centralized facilities management and information technology services, including \$4,472 less from general revenues. It is \$3,285 more than spent in FY 2020 for facilities management services and \$7,770 more than spent in FY 2020 for information technology services. *The Governor recommended funding consistent with the enacted budget. The Assembly concurred.*

Rhode Island Board of Elections

	FY 2020 Reported	FY 2021 Enacted	FY 2021 Revised	FY 2021 Final
Expenditures by Category				
Salaries and Benefits	\$ 1,503,286	\$ 2,129,284	\$ 2,134,300	\$ 1,634,300
Contracted Services	137,774	377,300	377,300	377,300
Subtotal	\$ 1,641,060	\$ 2,506,584	\$ 2,511,600	\$ 2,011,600
Other State Operations	792,513	1,458,337	1,458,337	1,458,337
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	(565)	-	-	-
Capital	109,330	8,000	8,000	8,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 2,542,338	\$ 3,972,921	\$ 3,977,937	\$ 3,477,937
Sources of Funds				
General Revenue	\$ 2,536,699	\$ 3,972,921	\$ 3,977,937	\$ 3,477,937
Federal Aid	5,639	-	-	-
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 2,542,338	\$ 3,972,921	\$ 3,977,937	\$ 3,477,937
FTE Authorization	13.0	13.0	13.0	13.0
FTE Average	12.0			

FY 2021 Revised Request. Adjusting for erroneous inclusions, the Board of Elections requested \$4.0 million from general revenues, consistent with the enacted budget. The Board requested the enacted authorization of 13.0 full-time equivalent positions. *The Governor recommended \$5,016 more than enacted to reflect an updated assessed fringe benefit rate.* **The Assembly provided \$0.5 million less from general revenues.**

March 2021 Special Election. Consistent with the enacted budget, the Board requested \$0.5 million from general revenues to conduct a predominantly mail ballot special election on March 2, 2021. This includes \$0.2 million for seasonal staff and \$0.3 million for voting machine delivery, postage, and other expenses associated with conducting an election. The enacted budget adds a total of \$1.5 million from general revenues to fund a mail ballot centric special election for general obligation bond referenda in 2021; this includes \$1.0 million for the Office of the Secretary of State and \$0.5 million for the Board of Elections. Delay of the FY 2021 budget enactment meant the referenda could not appear on the November 2020 ballot. The amount assumes the election will be handled in the same manner as in June 2020 and November 2020, with a modified process to allow for the expansion of mail ballot use and assumes voter participation similar to the June 2020 election. *The Governor recommended funding as requested.* **The Assembly provided \$250,000 less to reflect actual expenses for seasonal staffing.**

Other Election Expenses. The Board requested \$0.2 million less than enacted for election expenses in FY 2021 related to the November 2020 election. Subsequent to the budget submission, the Board indicated the request should match the enacted budget. Excluding costs for the special election discussed previously, the enacted budget includes \$0.4 million for these expenses which include two predominantly mail ballot

elections held in September 2020 and November 2020. Funding includes \$0.2 million for delivery of voting machines, \$0.1 million for printing and postage, and \$0.1 million for miscellaneous polling place expenses. *The Governor recommended funding as enacted.* **The Assembly concurred.**

Salaries and Benefits. Consistent with the enacted budget, the Board requested \$1.5 million from general revenues for salaries and benefits to fully fund 13.0 full-time equivalent positions during FY 2021. The enacted budget includes no turnover. As of the pay period ending January 16, 2021, the Board has 1.0 vacancy; the Board has maintained 1.0 vacancy since the beginning of the fiscal year. This indicates turnover savings are available but not included in the request. *The Governor recommended \$5,016 more than enacted to reflect an updated assessed fringe benefit rate based on the voluntary retirement incentive.* **The Assembly provided \$250,000 less to reflect turnover savings achieved by 2.0 vacancies held for most of the year.**

Other Operations. The Board requested \$0.3 million more than enacted for other operations including centralized services. Subsequent to the budget submission, the Board indicated that the request should match the enacted budget. The Board moved to a new location in FY 2020 and FY 2021 represents the first full fiscal year of occupancy. The request erroneously adjusted funding to reflect the prior year where the Board split time between a state-owned property and its current rented location. This mostly impacts centralized services provided through the Department of Administration as funding was added for facilities management which will not be charged to the Board. *The Governor recommended funding as enacted.* **The Assembly concurred.**

Rhode Island Ethics Commission

	FY 2020 Reported	FY 2021 Enacted	FY 2021 Revised	FY 2021 Final
Expenditures by Category				
Salaries and Benefits	\$ 1,554,893	\$ 1,580,649	\$ 1,586,390	\$ 1,586,390
Contracted Services	25,772	62,275	62,275	62,275
Subtotal	\$ 1,580,665	\$ 1,642,924	\$ 1,648,665	\$ 1,648,665
Other State Operations	214,270	248,451	248,451	248,451
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	8,433	8,826	8,826	8,826
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 1,803,368	\$ 1,900,201	\$ 1,905,942	\$ 1,905,942
Sources of Funds				
General Revenue	\$ 1,803,368	\$ 1,900,201	\$ 1,905,942	\$ 1,905,942
Federal Aid	-	-	-	-
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 1,803,368	\$ 1,900,201	\$ 1,905,942	\$ 1,905,942
FTE Authorization	12.0	12.0	12.0	12.0
FTE Average	12.0			

FY 2021 Revised Request. The Rhode Island Ethics Commission requested \$11,728 more from general revenues than enacted and staffing consistent with the authorized level. *The Governor recommended \$5,741 more than enacted to reflect an updated assessed fringe benefit rate.* **The Assembly concurred.**

Salaries and Benefits. The Commission requested \$10,558 more than enacted from general revenues for personnel expenditures for its 12.0 authorized full-time equivalent positions. The enacted budget includes savings of \$11,906 based on two individuals from the Commission opting to participate in the workshare program that is not reflected in the revised request per Budget Office instructions. Adjusted for this, the revised request is \$1,348 less than enacted reflecting updated planning values for retiree health benefits, as well as changes in medical benefit selections. As of the pay period ending January 2, 2021, the Commission had no vacancies. *The Governor recommended \$5,741 more than enacted to reflect an updated assessed fringe benefit rate, based on the voluntary retirement incentive.* **The Assembly concurred.**

Other Operations. The Commission requested \$1,170 more than enacted from general revenues for all other operating costs. This includes \$1,878 more for various operating expenses, including records center fees, subscriptions for legal resources, printing and general office supplies, offset by \$708 less for centralized information technology services. While the revised request for centralized services is nearly consistent with the enacted budget, it is \$2,297 more than spent in FY 2020. *The Governor recommended funding as enacted.* **The Assembly concurred.**

Office of the Governor

	FY 2020 Reported	FY 2021 Enacted	FY 2021 Revised	FY 2021 Final
Expenditures by Category				
Salaries and Benefits	\$ 6,077,403	\$ 5,886,458	\$ 5,907,928	\$ 5,907,928
Contracted Services	158,590	500	500	500
Subtotal	\$ 6,235,993	\$ 5,886,958	\$ 5,908,428	\$ 5,908,428
Other State Operations	364,059	404,957	404,957	404,957
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	150,000	150,000	150,000
Capital	5,892	17,100	17,100	17,100
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 6,605,944	\$ 6,459,015	\$ 6,480,485	\$ 6,480,485
Sources of Funds				
General Revenue	\$ 5,493,030	\$ 6,459,015	\$ 6,480,485	\$ 6,480,485
Federal Aid	1,112,914	-	-	-
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 6,605,944	\$ 6,459,015	\$ 6,480,485	\$ 6,480,485
FTE Authorization	45.0	45.0	45.0	45.0
FTE Average	39.3			

FY 2021 Revised Request. The Office of the Governor requested \$0.1 million more than enacted from general revenues and staffing consistent with the authorized level. *The Governor recommended \$21,470 more than enacted and authorization consistent with the enacted level.* **The Assembly concurred.**

Salaries and Benefits. Consistent with the Budget Office first quarter report, the Office requested \$141,510 more than enacted from general revenues for personal expenditures for its 45.0 authorized full-time equivalent positions. The enacted budget includes savings of \$21,142 based on four individuals from the Office opting to participate in the workshare program that is not reflected in the revised request per Budget Office instructions. Adjusting for this, the revised request is \$120,368 more than enacted, including \$108,706 more for wages and the remainder for benefit adjustments; based on an average salary cost of \$96,581 per position, this would restore funding for 1.1 full-time equivalent positions. As of the pay period ending January 2, 2021, the Office had 37.6 filled positions; the revised request would fund approximately 40 positions. *The Governor recommended \$21,470 more than enacted reflecting an updated assessed fringe benefit rate, based on the voluntary retirement incentive.* **The Assembly concurred.**

Other Operations. The Office requested \$31,228 less than enacted for all other operating expenses. Specifically, this reduces expenses for centralized information technology services; however, the Office's actual FY 2020 expenses were \$9,554 more than the revised request. All other expenses are consistent with the enacted budget. *The Governor recommended the enacted level of funding.* **The Assembly concurred.**

Rhode Island Commission for Human Rights

	FY 2020 Reported	FY 2021 Enacted	FY 2021 Revised	FY 2021 Final
Expenditures by Category				
Salaries and Benefits	\$ 1,484,411	\$ 1,531,548	\$ 1,536,712	\$ 1,536,712
Contracted Services	2,778	8,800	8,800	8,800
Subtotal	\$ 1,487,189	\$ 1,540,348	\$ 1,545,512	\$ 1,545,512
Other State Operations	274,452	329,024	329,024	329,024
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	6,767	-	-	-
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 1,768,408	\$ 1,869,372	\$ 1,874,536	\$ 1,874,536
Sources of Funds				
General Revenue	\$ 1,229,235	\$ 1,348,206	\$ 1,352,181	\$ 1,352,181
Federal Aid	539,173	521,166	522,355	522,355
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 1,768,408	\$ 1,869,372	\$ 1,874,536	\$ 1,874,536
FTE Authorization	14.5	14.5	14.5	14.5
FTE Average	13.2			

FY 2021 Revised Request. The Commission for Human Rights requested \$28,580 less than enacted, including \$1,897 less from general revenues and 14.0 full-time equivalent positions, 0.5 less than enacted. *The Governor recommended \$5,164 more than enacted and \$33,744 more than requested from all sources and maintains 14.5 authorized positions. The Assembly concurred.*

Federal Receipts. The enacted budget assumes available federal receipts to be spent in FY 2021 will be \$521,166. The Commission's revised budget includes expenses totaling \$494,483 which is \$26,683 less than enacted and reflects a decrease to the Commission's estimated caseload. The Commission spent \$534,716 in FY 2020. The Commission has had a carry-forward balance for the last five fiscal years. The Housing and Urban Development award has specific restrictions on what may be spent with those funds, where expenditures must directly concern the advancement of these cases. However, the Equal Employment Opportunity award does not have these restrictions, which makes expenditures from these funds more flexible. *The Governor recommended funding at the enacted level. The Assembly concurred.*

Salaries and Benefits. The Commission requested \$9,755 less from all sources than enacted for salaries and benefits for 14.0 full-time equivalent positions, including \$16,464 more from general revenues. This is 0.5 positions fewer than enacted and reflects a vacancy reduction for one position that has been vacant since 2009. This reflects a decrease in available federal receipts, based on the Commission's estimated caseload. It should be noted that through the January 16 pay period, the Commission has had 1.5 positions vacant. The enacted budget includes \$0.1 million of turnover savings to reflect this. The Commission expected to fill 1.0 position by the end of February. *The Governor recommended \$5,164 more than enacted*

*which reflects an updated assessed fringe benefit rate based on the voluntary retirement incentive program. The recommendation maintains the vacant 0.5 position. **The Assembly concurred.***

Other Operations. The Commission requested \$18,825 less than the enacted budget from all sources for other expenses, including \$18,361 less from general revenues. This reflects a reduction to rent, increased centralized services costs and aligns expenditures to FY 2020 spending for telecommunications, supplies, postage and training. *The Governor recommended funding at the enacted level. **The Assembly concurred.***

Public Utilities Commission

	FY 2020 Reported	FY 2021 Enacted	FY 2021 Revised	FY 2021 Final
Expenditures by Category				
Salaries and Benefits	\$ 6,609,619	\$ 7,062,082	\$ 7,156,336	\$ 7,156,336
Contracted Services	1,604,345	2,609,421	2,609,421	2,609,421
Subtotal	\$ 8,213,964	\$ 9,671,503	\$ 9,765,757	\$ 9,765,757
Other State Operations	1,284,920	1,666,890	1,666,890	1,666,890
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	72,751	410,000	410,000	410,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 9,571,635	\$ 11,748,393	\$ 11,842,647	\$ 11,842,647
Sources of Funds				
General Revenue	-	-	-	-
Federal Aid	200,099	175,174	245,166	245,166
Restricted Receipts	9,371,536	11,573,219	11,597,481	11,597,481
Other	-	-	-	-
Total	\$ 9,571,635	\$ 11,748,393	\$ 11,842,647	\$ 11,842,647
FTE Authorization	52.0	52.0	52.0	52.0
FTE Average	48.1			

FY 2021 Revised Request. The Public Utilities Commission requested \$135,820 more than enacted from federal funds and restricted receipts assessed to the regulated utilities. *The Governor recommended \$94,254 more than enacted from all sources.* **The Assembly concurred.**

Dual Party Phone Relay Service. The Commission requested \$51,585 less than enacted to manage the Dual Party Phone Relay Service. The enacted budget assumes total costs of operating this service is \$370,000 which was estimated based on the most expensive invoices that occurred in FY 2020. The Commission indicated invoices for relay services are lower than initially estimated. Rhode Island General Law, Section 39-1-42 establishes that the Commission must provide “an appropriate funding mechanism to recover the costs of providing this service from each residence and business telephone access line or trunk in the state.” Prior to January 2020, the Dual Party Phone Relay Service was an escrow account which did not typically appear in agency operating budgets. As part of the FY 2019 audited closing, the State Controller and Auditor General reclassified a number of escrow accounts as restricted receipts. This reflects reclassifying the Dual Party Phone Relay Service escrow account to a restricted receipt account.

The Commission is required to remit \$50,000 annually to the Department of Human Services and \$80,000 to the Rhode Island Commission for the Deaf and Hard of Hearing for telephone equipment and to continue the emergency and public communication access program. Additional expenditures include monthly recurring charges for relay management and captioning services. *The Governor recommended funding as enacted.* **The Assembly concurred.**

Engineering Specialist II (1.0 FTE). The Commission requested \$101,812 from restricted receipts assessed to the regulated utilities and authorization for 1.0 new full-time engineering specialist. This was included in the Governor's FY 2021 budget recommendation but the Assembly did not concur. The Commission asserted these positions are necessary to manage the engineering integrity of residential gas systems and to monitor the expanding distribution of energy throughout the state.

Engineers are responsible for the enforcement of Dig Safe laws and federal pipeline safety enforcement. Dig Safe is a not-for-profit clearinghouse that notifies participating utility companies of individuals' plans to dig on their property. Additionally, the engineers would be responsible for the enforcement of the state rules pertaining to the operation and maintenance of underground natural gas pipelines in Rhode Island. *The Governor did not recommend this position. The Assembly concurred.*

Public Utilities Analyst III (1.0 FTE). The Commission requested \$101,812 from restricted receipts assessed to the regulated utilities and authorization for 1.0 new full-time Public Utilities Analyst III position. This was included in the Governor's FY 2021 budget recommendation but the Assembly did not concur. The position would be responsible for monitoring power sector transformation initiatives that result in additional cost recovery mechanisms impacting consumer rates. Additionally, the position would be responsible for monitoring how ratepayer dollars are spent, and promoting the most cost effective way to spend ratepayer dollars. The Commission unsuccessfully requested the same position in its FY 2020 budget. *The Governor did not recommend this position. The Assembly concurred.*

Other Salaries and Benefits. The Commission requested \$22,230 less than enacted from all sources for salaries and benefits for the remaining 52.0 full-time equivalent positions. The revised request does not include \$76,217 of savings in the enacted budget based on 12 individuals from the Commission opting to participate in the workshare program. Adjusting for that, the request is \$98,447 less than enacted. This reflects additional turnover savings equivalent to one vacant position. The enacted budget includes turnover savings of \$0.2 million or 1.9 full-time equivalent positions. As of the January 16 pay period, the Commission has 3.0 vacant positions. In January, the Commission reorganized its staffing to accommodate hiring federal pipeline investigator positions; using vacancies to fill these positions. *The Governor recommended \$94,254 more than enacted from all sources including \$69,992 from increased federal grant funding for federal pipeline safety inspections and \$24,262 from restricted receipts for updated assessed fringe benefit rates based on the voluntary retirement incentive program. The Assembly concurred.*

Centralized Services. The Commission requested \$6,011 more than the enacted budget from restricted receipts for centralized information technology services provided through the Department of Administration which reflects the amount in the FY 2020 final enacted budget. In FY 2020, the Commission spent \$135,844 which is \$623 less than the Commission's revised request. *The Governor recommended funding as enacted. The Assembly concurred.*

Executive Office of Health and Human Services

	FY 2020 Reported	FY 2021 Enacted	FY 2021 Revised	FY 2021 Final
Expenditures by Program				
Central Management	\$ 183,493,751	\$ 181,426,383	\$ 217,178,394	\$ 216,633,467
Medical Assistance	2,420,283,494	2,802,217,407	2,817,024,963	2,770,197,000
Total	\$ 2,603,777,245	\$ 2,983,643,790	\$ 3,034,203,357	\$ 2,986,830,467
Expenditures by Category				
Salaries and Benefits	\$ 29,697,138	\$ 32,016,001	\$ 32,186,161	\$ 31,694,529
Contracted Services	85,535,885	106,851,262	134,508,900	134,844,713
Subtotal	\$ 115,233,023	\$ 138,867,263	\$ 166,695,061	\$ 166,539,242
Other State Operations	63,280,640	9,504,416	10,257,046	9,867,938
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	2,425,223,483	2,821,099,531	2,843,078,670	2,796,250,707
Capital	40,099	972,580	972,580	972,580
Capital Debt Service	-	-	-	-
Operating Transfers	-	13,200,000	13,200,000	13,200,000
Total	\$ 2,603,777,245	\$ 2,983,643,790	\$ 3,034,203,357	\$ 2,986,830,467
Sources of Funds				
General Revenue	\$ 896,330,861	\$ 974,945,186	\$ 945,814,563	\$ 922,210,492
Federal Aid	1,645,506,473	1,969,238,746	2,048,922,661	2,024,987,717
Restricted Receipts	61,939,910	39,459,858	39,466,133	39,632,258
Other	1	-	-	-
Total	\$ 2,603,777,245	\$ 2,983,643,790	\$ 3,034,203,357	\$ 2,986,830,467
FTE Authorization	186.0	192.0	192.0	192.0
FTE Average	177.4			

FY 2021 Revised Request. The Executive Office included \$307.6 million less from all sources for total expenses of \$2,676.0 million in its FY 2021 revised request. This includes \$292.1 million less from federal funds, \$14.8 million less from general revenues and \$0.3 million less from restricted receipts. The revised request was submitted in October and does not reflect either the revised caseload estimate adopted in November 2020 or the FY 2021 enacted budget passed in December 2020. The Executive Office requested 9.0 new full-time equivalent positions but no funding for them.

The Families First Coronavirus Response Act temporarily increases a state's Medicaid match rate by 6.2 percent for services provided from January 1, 2020 until the end of the public health emergency, which was at least through the third quarter of FY 2021. At the time the budget was adopted, the assumed rate was 60.03 percent. The FY 2021 enacted budget assumes general revenue savings of \$108.3 million across all of the state's health and human service agencies, including \$92.1 million taken in the caseload estimate for those three quarters. The public health emergency has been extended through the end of FY 2021, which would be additional general revenue savings of at least \$30 million in the Executive Office's budget for that final quarter.

The Governor recommended \$358.2 million more than requested, which includes \$14.1 million less from general revenues. The recommendation increases medical assistance expenses by \$13.7 million, including \$29.0 million less from general revenues, to reflect the increased match rate and impact of caseload restrictions from the extension of the public health emergency for the last quarter of FY 2021. The Governor also included staffing at the current authorized level. He subsequently requested amendments to correct an overstatement of federal Coronavirus Relief funds and adjust Unified Health Infrastructure Project expenses between agencies.

The Assembly provided \$2,986.8 million, including \$922.2 million from general revenues, \$2,025.0 million from federal funds and \$39.6 million from restricted receipts. This is \$47.4 million less than the Governor’s recommendation, including \$23.6 million less from general revenues, \$23.9 million less from federal funds and \$0.2 million more from restricted receipts. The Assembly updated appropriations based on the May caseload conference and concurred with the amendments.

COVID Related Programs. The CARES Act adopted in response to the crisis provided \$1,250.0 million to Rhode Island for coronavirus related expenditures incurred between March 1, 2020 and December 30, 2020, including responding directly to the emergency as well as second order effects. The administration used a portion of these funds to support eligible health care providers for health care related expenses or lost revenues that are attributable to coronavirus as well as new programs targeting reform, including long term care services and supports. There were also separate programs that provided funding directly from the federal government to Rhode Island health care providers, including hospitals, federally qualified health centers, nursing homes and primary care providers that totaled over \$310 million.

The FY 2021 enacted budget includes \$163.9 million across state agencies for hospitals, congregate care settings and other primary care providers. The table shows federal funds awarded to the community providers included in the Executive Office’s budget as well as the Department of Administration for the Hospital Assistance Partnership program; a description of each program follows. The expenses are excluded from the November caseload conference estimate and the October agency budget submission since passage of the budget occurred in December.

*The Governor adjusted the funding based on actual payments but also inadvertently showed the \$19.6 million for the resiliency funds twice, overstating expected available support. He subsequently requested an amendment to correct the double counting. **The Assembly concurred with the exception of reducing expenses related to nursing home isolation units by \$70,000 to reflect actual awards.***

Hospital Assistance Partnership Program. The state established this program to provide financial assistance to hospitals with the intent of maintaining a responsive hospital system. Funding came from Coronavirus Relief funds and included \$95.5 million for Phase 1 in FY 2020 and \$125.0 million for Phase 2 in FY 2021.

Phase 1 included a proportional distribution based on hospitals’ lost revenue and additional COVID-19 expenses, minus any total CARES Act funding directly received by the hospital. It was also conditional on acknowledgement of program goals and commitment to take action and progress. Funding included: \$39.2 million to the Care New England Network, \$21.1 million to Miriam Hospital, \$15.8 million to the CharterCare network, \$9.6 million to South County Hospital, \$6.1 million to Landmark Medical Center and \$3.6 million to Emma Pendleton Bradley Hospital.

Phase 2 will provide additional funding to address operating losses and with remaining resources will fund strategic activities that impact the hospital system. This may include: (1) the establishment or expansion of telehealth services, (2) the continued implementation of emergency preparedness and infection control strategies, (3) the re-engagement of patients in preventative healthcare services that reduce the disease burden and strain on the healthcare system during this public health emergency, as well as the disproportionate impact of COVID-19 on high-risk populations and (4) efforts to establish the infrastructure

required to participate in the Hospital Care Transitions Initiative a separate program aimed at transferring patients to home-based care as an alternative to nursing facility care during the public health emergency. *The Governor included \$125.1 million in the Department of Administration's budget. The Assembly concurred.*

Program	Department	FY 2021 Enacted	FY 2021 Gov. Rec.	FY 2021 Final
Hospital Assistance Partnership Program	DOA	\$ 125,000,000	\$ 125,091,500	\$ 125,091,500
Workforce Stabilization Fund	EOHHS	4,000,000	6,232,616	6,232,616
LTSS Resiliency Fund*		-	19,584,000	-
LTSS Resiliency Fund - Nursing Facility Transformation		9,000,000	9,000,000	9,000,000
LTSS Resiliency Fund - Nursing Home Supports		4,684,000	4,684,000	4,684,000
Nursing Home Isolation Units		-	250,000	180,000
LTSS Resiliency Fund - Home & Community Based Services		5,900,000	5,900,000	5,900,000
Community Based Providers		3,000,000	13,038,000	13,038,000
Early Intervention and Children's Services Provider Relief		5,000,000	5,000,000	5,000,000
Pediatric Primary Care Rate & Immunizations		6,100,000	6,021,404	6,021,404
Primary Care Providers - Focused Technical Assistance		1,100,000	-	-
Other COVID Related Expenses		111,743	3,245,740	3,245,740
Total			\$ 163,895,743	\$ 198,047,260

**Recommended budget inadvertently double counts the resiliency fund - additional funding shown, not available*

Workforce Stabilization Fund. Workforce stabilization funding was awarded in four phases. Payments totaling \$16.3 million were made from April through July for Phase 1 through Phase 3 for payments to frontline workers. The fourth phase in FY 2021 includes \$4.0 million from Coronavirus Relief funds to provide payroll support for frontline workers in congregate care settings earning under \$25 per hour. This includes those who work with seniors, people with developmental disabilities, individuals with mental health and substance abuse disorders, and young people in Department of Children, Youth and Families' congregate care facilities. *The Governor's recommendation includes \$6.2 million to reflect actual payments. The Assembly concurred.*

LTSS Resiliency Fund. The FY 2021 enacted budget includes \$19.6 million for three programs supporting long term care services; each is discussed separately. *The Governor recommended \$20.4 million more than enacted, inadvertently doubling the funding for the program. He subsequently requested an amendment to correct for it. The Assembly concurred with the amended recommendation.*

LTSS Resiliency Fund - Nursing Facility Transformation. The FY 2021 enacted budget includes \$9.0 million for a Nursing Facility Transformation Program as part of an overall \$25.0 million LTSS (Long Term Services and Supports) Resiliency Fund supported by Coronavirus Relief funds. The funding went to ten nursing facilities: eight received \$1.0 million and two received \$0.5 million. The funds can be used to reduce the number of licensed nursing home beds to let the facility diversify the use of vacant beds and build capacity to be able to provide services to more specialized populations. The Executive Office's revised request does not include the funding. *The Governor recommended funding at the enacted level. The Assembly concurred.*

LTSS Resiliency Fund - Nursing Home Supports. The FY 2021 enacted budget includes the \$4.7 million for a Nursing Home Supports Program distributed by the Executive Office as part of the Resiliency Fund. An \$800 per bed payment was made to nursing facilities for approximately 5,700 beds. The Executive

Office's revised request does not include the funding. *The Governor recommended funding as enacted.*
The Assembly concurred.

Nursing Home Isolation Units. Payments totaling \$250,000 from general revenues support response and recovery activities made for nursing home isolation units. The Executive Office's revised request does not include the funding. *The Governor's recommendation includes this funding.* **The Assembly provided \$180,000 reflecting payments made for the program which ended in March 2021.**

LTSS Resiliency Fund - Home & Community Based Services. The Executive Office distributed \$5.9 million through a Home and Community Based Services Investments Program as part of the Resiliency Fund. As noted, these funds were not part of its revised budget submission but included in the FY 2021 enacted budget. It awarded funding in three separate phases to expand access to community based services, supporting home health care workers, and provide behavioral healthcare training. *The Governor recommended funding at the enacted level.* **The Assembly concurred.**

Community-Based Providers. Payments totaling \$3.0 million from Coronavirus Relief funds were made to community based agencies providing services to adults with developmental disabilities. Funding through the Executive Office's budget was awarded to 40 agencies for payments to be made to direct support staff who make less than \$20 an hour. This includes a one-time total payment of \$1,200 for staff working 30 hours or more. For staff working between 15 and 21 hours, the payment is \$540 and \$750 between 22 and 29 hours a week. It should be noted that these are one-time grants and all other funding for the community based agencies is in the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals. The Executive Office's revised request does not include the funding.

After passage of the FY 2021 budget, the administration provided another \$10.0 million from Coronavirus Relief funds for the community-based providers to supplement the state's effort to help them respond to the public health emergency and addressing any business interruptions, including loss of revenue. The payments, which are not reflected in the table, can be used for payroll, rent or mortgage payments, equipment lease payments, personal protective equipment, cleaning supplies and other operating expenses. *The Governor recommended \$13.0 million for the payments.* **The Assembly concurred.**

Early Intervention and Children's Services Provider Relief. Payments totaling \$5.0 million from Coronavirus Relief funds were made to early intervention and children's service provider agencies that offer home based therapeutic services, personal assistance services and supports, applied behavior analysis, child and adolescent intensive treatment services, social groups for children with autism and CEDARR Family Centers. The one-time grants made to 22 providers offset revenue losses that resulted from an interruption of services related to the pandemic. The Executive Office's revised request does not include the funding. *The Governor recommended funding at the enacted level.* **The Assembly concurred.**

Pediatric Primary Care Rate & Immunizations. Payments totaling \$6.1 million from Coronavirus Relief funds were made to support pediatric primary care providers. There is \$3.1 million for financial relief payments to pediatric primary care providers meant to provide immediate cash flow to make up for lost revenue due to the COVID-19 emergency. Grant payments will be made to practices that provide primary care to children based on the number of children served by the practice and are contingent on provider efforts to bring children up to date with immunizations, lead screening, and the full range of well-child care. The remaining \$3.0 million supports 42 participating pediatric and family medicine practices that are involved in the incentive based model working to ensure that Medicaid covered children have access to essential primary care services. The Executive Office's revised request does not include the funding. *The Governor recommended funding essentially at the enacted level.* **The Assembly concurred.**

Primary Care Providers - Focused Technical Assistance. The initiative provided \$1.1 million from Coronavirus Relief funds to provide technical assistance to health care providers. This includes the use of

telemedicine services, financial and infrastructure support, with a focus on primary care providers and community health teams, to address the health care needs of those vulnerable populations and make sure that providers can continue to meet critical health care needs during the pandemic. The Executive Office’s revised request does not include the funding. *The Governor’s budget shifts \$0.9 million to the Department of Health and \$0.2 million to the Office of the Health Insurance Commissioner for this assistance.* **The Assembly concurred.**

COVID Related Staffing and Other Expenses. The enacted budget includes \$0.1 million from Coronavirus Relief funds to offset staffing costs in the Executive Office. The Office’s revised request does not include the funding. *The Governor recommended \$3.2 million from Coronavirus Relief funds for staffing time allocated toward the pandemic. Funding is also used for personal protective equipment, laptops and licenses to provide remote work capabilities in addition to some staff time allocated towards the pandemic.* **The Assembly concurred.**

Note to Reader. There is a separate Medicaid report in the Special Reports section of this publication with more extensive detail on Medicaid spending, benefits, programs, rules and comparisons.

Federal Poverty Guidelines. The federal poverty guidelines are used for purposes of determining financial eligibility for certain state and federal programs, including several programs in state agencies under the Executive Office of Health and Human Services. The 2021 guidelines are shown in the following table.

Percent of Federal Poverty Level Based on Annual Income								
Family Size	100%	133%	138%	150%	185%	200%	225%	250%
1	\$ 12,880	\$ 13,579	\$ 17,774	\$ 19,320	\$ 23,828	\$ 25,760	\$ 28,980	\$ 32,200
2	17,420	18,208	24,040	26,130	32,227	34,840	39,195	43,550
3	21,960	22,836	30,305	32,940	40,626	43,920	49,410	54,900
4	26,500	27,465	36,570	39,750	49,025	53,000	59,625	66,250
5	31,040	32,093	42,835	46,560	57,424	62,080	69,840	77,600
6	35,580	36,721	49,100	53,370	65,823	71,160	80,055	88,950
7	40,120	41,350	55,366	60,180	74,222	80,240	90,270	100,300
8	44,660	45,978	61,631	66,990	82,621	89,320	100,485	111,650

For families with more than 8 members, add \$4,540 for each additional member for the 100 percent calculation.

Medical Assistance

The Caseload Estimating Conference met on November 2, 2020 and based on current law, set the FY 2021 medical assistance expenditures at \$2,697.2 million, including \$938.0 million from general revenues, which is \$80.3 million less than the May conference estimate from all funds and \$129.8 million less from general revenues. The FY 2021 enacted budget, passed by the Assembly in December 2020, is \$6.7 million more than the adopted estimate. As noted, the Executive Office’s revised request was submitted prior to the caseload estimate so it reflects neither the adopted estimate nor the FY 2021 enacted budget passed in December 2020.

The Governor recommended \$2,717.5 million, including \$911.0 million from general revenues. The recommendation is \$13.7 million more than the enacted budget, including \$29.0 million less from general revenues to reflect another extension of the public health emergency that provides additional general revenue savings in the final quarter of FY 2021. The savings is offset by the expenses of delaying redeterminations during the period. **The Assembly provided \$2,690.3 million, including \$895.7 million from general revenues consistent with the May caseload conference estimate which also included a full year of savings from the enhanced Medicaid rate. This is \$27.2 million less than the Governor’s recommendation, including \$15.3 million less from general revenues.**

The table below itemizes medical assistance expenditures in FY 2019 and FY 2020, recommended by the Governor, adopted by the caseload estimators and enacted by the Assembly. Each category is discussed separately.

Medical Assistance	FY 2019 Spent	FY 2020 Spent	FY 2021 Enacted	FY 2021 Gov. Rec.	FY 2021 May CEC	FY 2021 Final
Hospitals						
Regular Payments	\$ 51.2	\$ 47.1	\$ 55.9	\$ 55.9	\$ 54.2	\$ 54.2
DSH Payments	138.5	142.1	142.3	142.3	142.3	142.3
Total	\$ 189.7	\$ 189.2	\$ 198.2	\$ 198.2	\$ 196.5	\$ 196.5
Long Term Care						
Nursing and Hospice Care	\$ 316.6	\$ 345.6	\$ 363.0	\$ 363.0	\$ 327.6	\$ 327.6
Home and Community Care	70.2	81.0	85.0	85.0	89.0	89.0
Total	\$ 386.8	\$ 426.6	\$ 448.0	\$ 448.0	\$ 416.6	\$ 416.6
Managed Care						
Rlte Care	\$ 647.3	\$ 626.1	\$ 761.6	\$ 765.5	\$ 772.7	\$ 772.7
Rlte Share	2.7	2.6	1.9	1.9	2.0	2.0
Fee For Service	59.5	64.0	31.7	31.7	28.1	28.1
Total	\$ 709.5	\$ 692.7	\$ 795.2	\$ 799.1	\$ 802.8	\$ 802.8
Rhody Health Partners	\$ 241.2	\$ 260.0	\$ 285.6	\$ 285.7	\$ 288.8	\$ 288.8
Medicaid Expansion	\$ 491.1	\$ 487.3	\$ 640.8	\$ 652.6	\$ 665.9	\$ 665.9
Rhody Health Options	\$ 202.9	\$ 133.8	\$ 132.6	\$ 132.6	\$ 127.4	\$ 127.4
Pharmacy	\$ (2.3)	\$ (2.6)	\$ (0.8)	\$ (0.8)	\$ (0.1)	\$ (0.1)
Pharmacy Part D Clawback	\$ 72.0	\$ 65.0	\$ 65.7	\$ 63.5	\$ 58.1	\$ 58.1
Other Medical Services	\$ 124.9	\$ 125.5	\$ 138.5	\$ 138.5	\$ 134.3	\$ 134.3
Federal Funds	\$ 1,461.3	\$ 1,495.7	\$ 1,753.9	\$ 1,796.6	\$ 1,784.6	\$ 1,784.6
General Revenues	945.6	871.6	940.0	911.0	895.7	895.7
Restricted Receipts	8.9	10.2	10.0	10.0	10.0	10.0
Total	\$ 2,415.8	\$ 2,377.4	\$ 2,703.9	\$ 2,717.5	\$ 2,690.3	\$ 2,690.3

\$ in millions

Hospitals

The November Caseload Estimating Conference estimate includes hospital expenses totaling \$194.3 million, \$88.8 million from general revenues. It includes \$48.0 million for direct medical services, \$7.9 million for supplemental hospitals payments and \$142.3 million for uncompensated care payments to community hospitals. The Executive Office's revised request reflects the current services level. The FY 2021 enacted budget is \$3.9 million more than the caseload estimate to reflect a corrected calculation of the supplemental hospital payment.

The Governor recommended expenses consistent with the enacted budget; general revenues were adjusted for the enhanced Medicaid rate. The Assembly provided \$196.5 million which is consistent with the May caseload estimate, and included \$78.1 million from general revenues and \$118.4 million from federal funds. This is \$1.7 million less than enacted, including \$10.1 million less from general revenues and \$8.3 million more from federal funds. The Assembly adjusted the source allocation of the Disproportionate Share Payments to hospitals to reflect recently passed federal legislation allowing states to take advantage of the enhanced Medicaid rate without lowering the total payment.

Hospitals. The November Caseload Estimating Conference estimate includes FY 2021 expenditures at \$52.0 million, including \$22.5 million from general revenues. The enacted budget is \$3.9 million above the conference estimate. It includes a higher upper payment limit reimbursement made to the community hospitals that totals \$7.9 million and \$2.2 million for general graduate medical education activities, based

on updated data. *The Governor recommended expenses consistent with the enacted budget; general revenues are adjusted for the enhanced Medicaid rate. The Assembly provided \$54.2 million, including \$21.1 million from general revenues, consistent with the May caseload conference. This is \$1.7 million less than enacted to reflect decreased utilization.*

Upper Payment Limit Reimbursements. The November caseload estimate includes \$4.6 million from all sources, of which \$1.5 million is from general revenues, to make the inpatient and outpatient upper payment limit reimbursements to the state’s community hospitals. The FY 2021 enacted budget corrects an error in the Executive Office’s testimony and includes an updated payment totaling \$7.9 million, including \$2.6 million from general revenues. *The Governor recommended funding consistent with the enacted budget. The Assembly concurred.*

Graduate Medical Education. The November caseload estimate and the enacted budget include \$1.0 million from general revenues matched by \$1.2 million from federal funds for graduate medical education activities at Lifespan. *The Governor recommended funding consistent with the enacted budget. The Assembly concurred.*

Disproportionate Share Payments to Hospitals. The November caseload estimate includes \$142.3 million for the Disproportionate Share payments for uncompensated care costs to the state’s community hospitals. This includes \$67.0 million from general revenues and matching federal funds and is included in the FY 2021 enacted budget.

Rhode Island’s calculation for the uncompensated care payments includes the costs incurred treating uninsured individuals and the Medicaid “shortfall” which represents the difference between payments made by the state for its Medicaid recipients (including managed care enrollees and fee-for-service patients) and what the hospital’s costs are for that treatment. Each hospital has its own set of costs for each procedure so there may be different charges for the same procedures among hospitals; however, the state pays the same rate for the same services for Medicaid-eligible individuals, regardless of which hospital provides the treatment. It should be noted that, as initially authorized, the enhanced Medicaid match rate did not apply to this payment. States receive a federal allotment that is capped and matched by state funds so this is a fixed amount of federal funds regardless of the Medicaid match rate.

The Governor recommended funding consistent with the enacted budget. The American Rescue Plan Act, which became law the same day the Governor submitted his budget, allows states to get the match savings without reducing the payment to the hospitals.

Community Hospitals Payments	FY 2021 Nov. CEC	FY 2021 Enacted	FY 2021 Gov. Rec.	FY 2021 May CEC	FY 2021 Final
State	\$ 66,952,637	\$ 66,952,637	\$ 66,952,637	\$ 66,290,193	\$ 57,004,543
Federal	75,348,398	75,348,398	75,348,398	76,010,842	85,296,492
Subtotal	\$ 142,301,035	\$ 142,301,035	\$ 142,301,035	\$ 142,301,035	\$ 142,301,035
Outpatient Upper Payment Limit					
State	\$ 2,144,558	\$ 2,578,288	\$ 2,578,289	\$ 2,442,790	\$ 2,442,790
Federal	2,497,844	5,342,494	5,342,494	5,477,993	5,477,993
Subtotal	\$ 4,642,402	\$ 7,920,782	\$ 7,920,783	\$ 7,920,783	\$ 7,920,783
Graduate Medical Education					
State	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Federal	1,200,000	1,200,000	1,158,257	1,158,257	1,158,258
Subtotal	\$ 2,200,000	\$ 2,200,000	\$ 2,158,257	\$ 2,158,257	\$ 2,158,258
Total	\$ 147,943,437	\$ 152,421,817	\$ 152,380,075	\$ 152,380,075	\$ 152,380,076

The Assembly included \$142.3 million, consistent with the May caseload conference estimate but also shifted \$9.3 million from general revenues to federal funds to recognize at least one year of available savings from the enhanced match.

Long Term Care

The November Caseload Estimating Conference estimate includes long term care expenses at \$448.0 million, of which \$186.1 million is from general revenues. This includes \$363.0 million for nursing facilities and hospice care and \$85.0 million for home and community care. The caseload estimate is \$7.3 million less than the May adopted estimate based on a reduction in the number of projected nursing home days. The FY 2021 enacted budget is consistent with the November estimate. When combined with Rhody Health Options, the enacted budget includes \$580.6 million, of which \$241.3 million is from general revenues for long term care services and supports.

The Governor recommended funding at the enacted level. The Assembly provided \$416.6 million from all sources, including \$166.6 million from general revenues and \$250.0 million from federal funds consistent with the May caseload estimate. Combined with Rhody Health Options, total support for long term care services is \$544.0 million, including \$217.6 million from general revenues in FY 2021.

Nursing Facilities and Hospice Care. The Caseload Estimating Conference estimate includes FY 2021 expenditures of \$363.0 million, of which \$150.8 million is from general revenues for the state's 84 nursing facilities. This is \$5.0 million less than the May 2020 estimate which primarily reflects a reduced need for advanced payments because of improvements in the processing of applications. It also includes an updated census and \$7.8 million for an effective rate increase of 2.89 percent, starting October 1, for FY 2021, reflecting current law.

The Governor recommended funding at the enacted level. The Assembly provided \$327.6 million, of which \$131.0 million is from general revenues, consistent with the May caseload estimate. This is \$35.4 million less than enacted and represents the most recent data on utilization of nursing facilities.

Home and Community Care. The November 2020 Caseload Estimating Conference estimate includes \$85.0 million for home and community care expenses, including \$35.3 million from general revenues in the FY 2021 estimate. This is \$2.3 million less than the May 2020 estimate based on decreased utilization. *The Governor recommended funding essentially at the enacted level. The Assembly provided \$89.0 million, including \$35.6 million from general revenues consistent with the May caseload conference estimate. This is \$4.0 million more than enacted, including \$1.8 million more from general revenues based on higher utilization.*

Managed Care

The Caseload Estimating Conference estimate includes managed care expenses of \$795.2 million, including \$311.5 million from general revenues and \$483.9 million from federal funds; the estimate reduces funding by \$28.7 million from all sources, including \$14.5 million from general revenues. The estimate includes RIt Care expenses at \$761.6 million, RIt Share at \$1.9 million and fee-for-service expenses at \$31.7 million; a discussion of each follows. The FY 2021 enacted budget is consistent with the conference estimate which is \$42.8 million less than the May caseload estimate which assumed a significant uptick in enrollment resulting from the public health emergency. *The Governor recommended \$3.9 million more than enacted, including \$3.7 million from the delay in redeterminations and \$0.2 million from shifting expenses from other medical services.*

The Assembly provided \$802.8 million, including \$303.4 million from general revenues consistent with the May caseload conference estimate. This is \$3.7 million more than the Governor's recommendation to reflect the monthly rates paid to the managed care plans that were not finalized until February 2021. This is \$371, or 1.1 percent higher than the enacted assumption of \$367. The Assembly also included a \$0.9 million state-only payment to Care New England based on testimony

from the Executive Office that there were outstanding claims related to neo-natal intensive care services that were not eligible for Medicaid reimbursement.

RIte Care. The Caseload Estimating Conference estimated RIte Care expenditures at \$761.6 million including \$280.0 million from general revenues and revisions to the caseload enrollment and demographics that influence program costs. The estimate assumes lower than anticipated enrollment and adjustments to capitated rates. The FY 2021 enacted budget is consistent with the November estimate which is \$37.3 million less than the May conference estimate based on adjustments to enrollment and monthly costs. *The Governor recommended \$3.7 million more than enacted from the delay in redeterminations and \$0.2 million more for other services.* **The Assembly provided \$772.7 million consistent with the May caseload conference estimate. This is \$7.2 million more the Governor’s recommendation.**

RIte Share. The Caseload Estimating Conference estimate and the enacted budget include RIte Share expenditures of \$1.9 million, including \$0.7 million from general revenues reflecting updated enrollment. This is \$0.5 million less than spent in FY 2020. The RIte Share program allows families who are eligible for medical assistance to remain on their employer based health insurance plan. The state pays the health care premiums and co-payments of RIte Share eligible participants if the coverage is similar to the cost and services offered through RIte Care. Until October 1, 2011, the state also paid the co-pays and deductibles for prescriptions and doctor’s visits when the charges exceeded the amount that the employer’s insurance would pay. *The Governor recommended funding at the enacted level.* **The Assembly provided \$2.0 million, or \$0.1 million more than recommended, consistent with the May caseload conference estimate.**

Fee-Based Managed Care. The Caseload Estimating Conference estimate and the FY 2021 enacted budget include fee-based managed care expenditures of \$31.7 million from all sources, of which \$13.2 million is general revenues. Fee-based managed care provides additional services to those in the contracted managed care system. *The Governor recommended funding at the enacted level.* **The Assembly provided \$28.1 million, or \$3.6 million less than recommended, consistent with the May caseload conference estimate.**

Rhody Health Partners

Rhody Health Partners. The Caseload Estimating Conference estimate includes expenditures of \$285.6 million from all sources, including \$119.6 million from general revenues for FY 2021 for the managed care program for adults with disabilities. The enacted budget is consistent with the conference estimate which is \$23.9 million less than the May caseload estimate. This assumes increased enrollment from the pandemic and adjusts those enrollment projections accordingly.

The Governor recommended \$0.1 million more than the enacted level from the delay in redeterminations. This includes \$6.1 million less from general revenues from the enhanced Medicaid rate. **The Assembly provided \$288.8 million, including \$116.3 million from general revenues, consistent with the May caseload estimate. This is \$3.1 million more than the Governor’s recommendation to reflect the monthly rates paid to the managed care plans that were not finalized until February 2021. This is \$1,644, or 1.5 percent higher than the enacted assumption of \$1,620.**

Medicaid Expansion

Medicaid Expansion for Certain Adults. The November caseload estimate increases spending by \$17.0 million for total funding of \$640.8 million to provide Medicaid coverage to adults between ages 19 to 64, without dependent children, with incomes at or below 138 percent of poverty. The enacted budget includes \$68.5 million from general revenues and \$572.3 million from federal funds. It is \$0.8 million more than the November 2020 caseload conference estimate for the increase to ambulance rates that already occurred but was excluded from the conference estimate.

The enacted budget assumes an approximate year-end average of 88,000 members compared to the May enrollment projection of 84,000 and the 75,000 assumed in the Governor's recommended FY 2021 budget. The estimate projects that enrollment will continue to grow through March 2021, and then will begin declining as the state resumes termination activity at the end of the public health emergency. Terminations are prohibited when the state is receiving the enhanced Medicaid match. *The Governor recommended \$12.1 million more than enacted from all sources that primarily reflects a delay in redeterminations.*

The Assembly provided \$665.9 million, including \$71.4 million from general revenues consistent with the May estimate. This is \$13.3 million more than the Governor's recommendation to reflect the monthly rates paid to the managed care plans that were not finalized until February 2021. This is \$581, or 1.1 percent higher than the enacted assumption of \$602.

Rhody Health Options

Rhody Health Options. The state has a managed care contract with Neighborhood Health Plan of Rhode Island to manage acute care and long-term care services for individuals eligible for both Medicare and Medicaid. The caseload conference estimate includes \$132.6 million from all sources, including \$55.2 million from general revenues for the Rhody Health Options program. The FY 2021 enacted budget reflects the caseload conference estimate which includes updated costs and enrollment and the current law rate increases for hospital and nursing facilities. *The Governor recommended funding consistent with the enacted level.*

The Assembly provided \$127.4 million, including \$51.0 million from general revenues consistent with the May caseload estimate. This is \$5.2 million less than the enacted budget reflecting fewer enrollees and a lower monthly cost per person.

Pharmacy

The November 2020 Caseload Estimating Conference estimate includes pharmacy expenses of \$64.9 million; this includes both direct pharmacy costs and the state's estimated Medicare Part D clawback payment. The FY 2021 enacted budget is consistent with the conference estimate. *The Governor recommended \$2.2 million less than the enacted budget because of the enhanced Medicaid rate.* **The Assembly provided \$58.0 million consistent with the May caseload conference estimate.**

Fee-for-Service. The Caseload Estimating Conference estimate includes a net savings of \$0.8 million for FY 2021 pharmacy expenses, which reflects fee-for-service pharmacy costs offset by federal rebates; the FY 2021 enacted budget is consistent with the conference estimate. *The Governor recommended funding consistent with the enacted budget because of the enhanced Medicaid rate.* **The Assembly included savings of \$0.1 million consistent with the May caseload conference estimate**

Medicare Drug Benefit - Part D Clawback. The Caseload Estimating Conference estimate includes the state payment for the Medicare Part D clawback provision at \$65.7 million. The FY 2021 enacted budget is consistent with the conference estimate which lowered the state payment by \$8.7 million for three quarters of the enhanced Medicaid rate. The plan provides coverage with a series of deductibles and co-payments based on the recipient's income level. For individuals enrolled in Medicaid as well as Medicare, commonly referred to as dual eligibles, the state paid a portion of their drug costs matched by the federal participation rate. The state no longer directly pays for the drug costs; however, the state does pay a portion of the savings to the federal government, or a clawback, which has been calculated based on a nationwide formula. The dual eligibles do not pay any annual deductible but do pay a \$1 co-payment for generic drugs or \$3 co-payment for brand names. *The Governor's recommendation recognizes \$2.2 million of additional savings from the enhanced Medicaid rate.* **The Assembly provided \$58.1 million consistent with the May caseload conference estimate.**

Other Medical Services

The November 2020 Caseload Estimating Conference estimate includes costs for other medical services, which include Part B Medicare premium payments for the dually eligible population and additional payments to dentists, physicians and other practitioners. Similar to the pharmacy payments, a portion of the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals' adults with developmental disabilities and behavioral health clients are eligible for other medical services.

The Caseload Estimating Conference estimate includes expenditures for other medical services at \$138.5 million, which includes \$44.7 million from general revenues, \$83.8 million from federal funds and \$10.0 million from restricted receipts. The FY 2021 enacted budget is \$1.9 million more than the caseload conference estimate to reflect maintaining ambulance rates at the FY 2020 level. The Executive Office has been paying the higher rates, which were adjusted as part of the FY 2020 budget, but it did not include the cost in its caseload estimate.

Payments include the federal Medicare premiums made on behalf of qualified Medicare recipients so that they are able to retain the federal benefit and not be solely reliant on Medicaid for medical coverage, which totals \$77.3 million from all sources; this payment is 55 percent of other medical services expenses. Other payments include rehabilitation services including physical and occupational therapy, dialysis, physician and optometry services, durable medical equipment and transportation services. *The Governor included \$0.3 million more than the conference estimate for the delay in redeterminations offset by shift in expenses to the RIte Care program that appears to an error.* **The Assembly provided \$134.3 million, including \$41.6 million from general revenues consistent with the May caseload conference estimate.**

Administration

Unified Health Infrastructure Project. Costs for the Unified Health Infrastructure Project are requested at \$76.0 million from all sources, including \$17.7 million from general revenues, \$54.5 million from federal funds, and \$4.8 million from restricted receipts in the budgets of the Executive Office, Department of Human Services and HealthSource RI. This is \$0.2 million more than enacted from all sources, including \$1.4 million more from general revenues, \$1.4 million less from federal funds, \$0.2 million from Deloitte Settlement funds and \$0.1 million more from HealthSource RI restricted receipts.

The state settled with Deloitte for its work on the infrastructure project and received \$50.0 million of which the state retained \$30.1 million. There is currently a \$0.7 million balance that can be used to offset general revenue expenses and the Executive Office includes \$0.2 million in its revised request, leaving \$0.6 million available to use.

The Executive Office's revised request is \$1.6 million more than enacted including \$1.3 million more from general revenues, \$0.1 million more from federal funds and \$0.2 million more from Deloitte Settlement funds. The revised request includes \$2.0 million more for contracted services, \$0.6 million less for salaries and benefits and \$0.2 million more to purchase new computers.

The Executive Office reported that it made system upgrades for the RIte Share program that totaled \$1.2 million, including \$0.1 million from general revenues. The Governor's FY 2021 recommended budget included \$600,000 from general revenues to make administrative changes related to the proposal for the RIte Share program, none of which was identified as specific changes to the RI Bridges eligibility system. The Assembly did not concur with the RIte Share program changes and removed the funding. The Executive Office reported that it now needs to make other updates to the RIte Share program that were not part of its FY 2021 request or FY 2021 Governor's recommendation.

The revised request includes \$48.6 million for contracted services, \$2.0 million more than enacted, including \$1.3 million more from general revenues. The revised request includes \$21.3 million for Deloitte, \$7.8 million for a contract with KPMG, and \$3.4 million for Knowledge Services for system support. It also includes \$3.9 million for a contract with the Faulkner Group and \$1.1 million for unidentified projects.

Unified Health Infrastructure Project/Contact Center	General Revenues	Federal Funds	Deloitte Settlement Funds	Other Restricted/IT Fund & HealthSource RI	Total
FY 2016 through FY 2020	\$ 43,229,481	\$ 257,588,573	\$ 49,262,860	\$ 10,408,287	\$ 360,489,201
FY 2021 Enacted					
EOHHS	\$ 9,591,685	\$ 41,118,584	\$ -	\$ -	\$ 50,710,269
DHS	6,179,260	14,624,414	-	-	20,803,674
HealthSource RI/Contact Center	526,160	-	-	4,592,582	5,118,742
Total	\$ 16,297,105	\$ 55,742,998	\$ -	\$ 4,592,582	\$ 76,632,685
FY 2021 Revised Recommendation					
EOHHS	\$ 9,593,556	\$ 42,284,451	\$ -	\$ -	\$ 51,878,007
DHS	6,104,707	14,526,624	-	-	20,631,331
HealthSource RI/Contact Center	526,160	-	-	4,593,022	5,119,182
Total	\$ 16,224,423	\$ 56,811,075	\$ -	\$ 4,593,022	\$ 77,628,520
FY 2021 Final					
EOHHS	\$ 10,725,757	\$ 41,059,828	\$ 166,125	\$ -	\$ 51,951,710
DHS	5,042,015	11,057,517	-	-	16,099,532
HealthSource RI/Contact Center	456,651	-	-	4,593,022	5,049,673
Total	\$ 16,224,423	\$ 52,117,345	\$ 166,125	\$ 4,593,022	\$ 73,100,915
Final to Revised Recommendation					
EOHHS	\$ 1,132,201	\$ (1,224,623)	\$ 166,125	\$ -	\$ 73,703
DHS	(1,062,692)	(3,469,107)	-	-	(4,531,799)
HealthSource RI/Contact Center	(69,509)	-	-	-	(69,509)
Total	\$ -	\$ (4,693,730)	\$ 166,125	\$ -	\$ (4,527,605)

The revised request also includes \$9.8 million for Automated Health Systems to operate the call center which is \$0.1 million more than enacted but \$0.4 million more from general revenues and \$0.3 million less from federal funds. The revised request includes \$1.0 million for system changes related to the coronavirus such as delayed redeterminations, including \$0.2 million from general revenues.

The request also includes \$3.5 million for salary and benefit expenses, \$0.6 million less than enacted. The revised request is \$0.6 million less from federal funds and \$0.1 million less from general revenues than enacted for salaries and benefits for a portion of 41 positions in the Executive Office, Department of Administration and Department of Human Services; this is six fewer than the enacted budget and at a lower portion of the total salary and benefit costs.

In July 2020, the state received approval for an updated project plan that totals \$681.7 million through federal fiscal year 2022. This includes \$519.7 million from federal funds and \$162.0 million from general revenues for design, development and implementation that totals \$398.6 million and \$283.1 million for maintenance and operations.

The Governor recommended \$1.2 million more than enacted, primarily from Coronavirus Relief funds for system updates related to the pandemic. The recommendation also includes \$14,918, including \$1,871 from general revenues for an increase to the assessed fringe benefit rate based on the voluntary retirement incentive program.

He subsequently requested an amendment to decrease expenditures by \$0.2 million, including \$1.1 million more from general revenues, \$1.5 million less from federal funds and \$0.2 million from the remaining Deloitte Settlement funds in the Executive Office's budget based on the most recent cost allocation that adjusted funding between agencies. The amendment reduced expenditures in the Department of Human

Services by \$4.5 million including \$1.1 million from general revenues and \$3.5 million from federal funds. The Assembly concurred with the amended recommendation.

Health Information Technology Projects. The revised request includes \$3.6 million more than enacted, including \$9,786 more from general revenues for total funding of \$13.8 million for health information technology projects. The revised request includes \$2.7 million, or \$1.8 million more than enacted, to implement an Electronic Death Records System in the Department of Health's Office of Vital Records. The changes also include \$0.8 million more to update current projects and \$0.5 million more as a state match to activities funded through the Health System Transformation Project. The revised request also adds \$0.1 million for a new contracted program manager and \$0.2 million more for projects. *The Governor recommended funding at the enacted level. The Assembly concurred.*

Department of Justice Consent Decree - Monitor/Coordinator. The Executive Office requested the enacted level of \$550,000 from all sources, including \$225,000 from general revenues, for costs related to the consent decree court monitor and coordinator. This includes \$450,000 for the monitor and \$100,000 for the coordinator.

The consent decree requires a court monitor and sets a maximum cost of \$300,000. The current contract totals \$282,500 leaving a balance of \$167,500 for work that has not been identified.

The consent decree coordinator contractor assists with communication and collaboration between the state agencies subject to the consent decree. The individual is required to convene monthly meetings, act as a liaison for the court monitor, conduct site visits, coordinate with the legal teams, and file reports with the court monitor. The agencies include the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals, Office of Rehabilitation Services through the Department of Human Services and the Department of Elementary and Secondary Education. The position was contracted through Knowledge Services and filled in March 2021. *The Governor recommended funding as requested. The Assembly reduced funding by \$258,000 based on third quarter projected spending.*

Financial Management Services. The Executive Office requested \$0.9 million more than enacted, including \$0.6 million more from general revenues for contracted financial management services, to bring total funding to \$4.8 million from all sources, including \$2.1 million from general revenues. It should be noted that the Executive Office's first quarter report, submitted weeks after this request, projects spending for contracted services at the enacted level so this increase appears to not be necessary. The second quarter report assumes the same. *The Governor recommended funding at the enacted level. The Assembly concurred.*

Medicaid Management Information System Replacement. The Executive Office's revised request includes \$1.4 million, of which \$47,887 is from general revenues to assist with a new Medicaid Management Information System technology replacement project. The enacted budget includes \$95,548 that the Governor reappropriated from FY 2020 in August 2020 for the project. The revised request adds \$1.3 million from all sources, including \$47,887 from general revenues to that amount. As of early March, the request for proposals had not been posted. *The Governor recommended funding at the enacted level. The Assembly concurred.*

Health System Transformation Program. The Executive Office requested \$14.7 million less than enacted for total funding of \$46.1 million from federal funds and restricted receipts for the program. This includes \$25.0 million for payments made to the six accountable entities along with the managed care plans; it appears the enacted budget overestimated this expense by \$15.0 million. It also included \$0.7 million more than enacted to partially fund 46 positions in the Executive Office, five positions in the Department of Health and a policy position in the Office of the Health Insurance Commissioner. The revised request includes \$0.7 million less for grants, and \$0.2 million more for contracted services.

Funding includes \$4.0 million for the Healthcare Workforce Transformation initiative in coordination with the three state institutions of higher education, and \$1.0 million for the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals for the Care Transformation Collaborative. The revised request also includes \$3.0 million for contracted evaluation, actuarial, customer satisfaction survey and other oversight services through Bailit Health Purchasing, Milliman, HCH Enterprises, National Opinion Research Center and Faulkner Consulting. *The Governor added \$9,583 for an increase to the assessed fringe benefit rate based on the voluntary retirement incentive program.* **The Assembly concurred.**

Electronic Health Records. The Executive Office's revised request includes \$1.7 million less than enacted from federal funds to support the electronic health records initiative at \$1.0 million. In July 2011, the Executive Office began the Electronic Health Records Incentive program where eligible medical providers and acute care hospitals with at least 30 percent and 10 percent of Medicaid patients in the prior calendar year, respectively, may be eligible for these incentive payments to adopt and upgrade certified health records technology. All incentive payments to providers and hospitals are paid with federal funds. *The Governor recommended funding at the enacted level.* **The Assembly concurred.**

Electronic Visit Verification. The Executive Office requested \$305,180 more from federal funds than enacted for total funding of \$630,898 for the electronic visit verification initiative. The enacted budget includes \$325,718, of which \$126,630 is from general revenues for a contract with Sandata that provides enhanced fraud, waste and abuse and improper payment surveillance detection capability. The contract was extended two years, until January 21, 2023. The enacted budget includes \$76,858 that was reappropriated from FY 2020 by the Governor in August 2020. *The Governor recommended funding at the enacted level.* **The Assembly concurred.**

Prescription Drug Monitoring Program. The Executive Office's revised request is \$1.1 million less than enacted primarily from federal funds to reflect updated expenses for the Prescription Drug Monitoring program. Total funding of \$1.4 million includes \$0.8 million for the Rhode Island Quality Institute for health information exchange activities and \$0.2 million for software licensing through Appris. This revised request also includes \$0.4 million to partially fund one position in the Executive Office and ten in the Department of Health. *The Governor added \$2,244 for an increase to the assessed fringe benefit rate based on the voluntary retirement incentive program.* **The Assembly concurred.**

Substance Use Disorder Provider Capacity Grant. The Executive Office's revised request includes \$0.5 million more than enacted, from the federal Substance Use Disorder Provider Capacity grant for total funding of \$1.8 million. This is a two-year award totaling \$3.1 million for the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals to take a comprehensive approach to increasing provider capacity and provide substance abuse use services to Medicaid beneficiaries with opioid use and other substance use disorders.

The revised request includes \$0.7 million, or \$0.5 million more than enacted for contracted services and includes \$0.3 million for a review of the behavioral healthcare system and \$0.1 million for a provider needs assessment and rate review. It also includes \$0.2 million awarded to the Substance Use and Mental Health Leadership Council for technical assistance support and \$0.1 million for a project manager. The revised request includes \$0.8 million for computers and \$6,610 for various office expenses. *The Governor recommended funding at the enacted level.* **The Assembly concurred.**

Preschool Development Grant. The Executive Office requested \$0.4 million less than enacted from the federal Preschool Development Grant for a public awareness campaign, research activities related to the barriers to access child care, and a survey to determine child care needs in the state. Total funding of \$1.5 million supports contracted information technology management and program evaluation services. The revised request also includes \$0.1 million for a portion of one position at the Department of Children, Youth

and Families. Coordinated by the Executive Office of Health and Human Services, the funds are used to expand access to high quality early childhood education and implement findings from the completed assessments. *The Governor recommended funding at the enacted level.* **The Assembly concurred.**

Early Intervention Services. The Executive Office's revised request includes \$1.2 million more than enacted for early intervention program costs totaling \$3.6 million. This includes \$3.4 million from federal funds and \$0.2 million from general revenues. Costs include \$1.7 million, or \$0.2 million more than enacted, for contracted services of which \$0.8 million is for the Rhode Island Parent Information Network to support parent consultants at ten provider sites, \$0.7 million goes to the Sherlock Center at Rhode Island College, and \$0.2 million is for support staff and other contracted administrative support.

Total costs also include \$1.8 million, or \$1.0 million more than enacted, for grants awarded to Meeting Street School, Community Care Alliance, Children's Friend and Service and Looking Upwards. The revised request includes one-time funding to support staff recruitment and retention, professional development and incentive awards. *The Governor recommended funding at the enacted level.* **The Assembly concurred.**

No Wrong Door Initiative. The Executive Office requested \$0.2 million less than enacted from Money Follows the Person federal funds for the No Wrong Door Initiative, for total funding of \$0.2 million. This is one-time funding and the Executive Office anticipates the project will be funded by several sources, including Medicaid and general revenues after FY 2021. The initiative includes the Aging and Disability Resource Center to assist Rhode Islanders and their families in making informed decisions regarding long-term care services and support options. *The Governor recommended funding at the enacted level.* **The Assembly concurred.**

Person Centered Planning Options Counseling. The Executive Office requested \$0.6 million more than enacted from Money Follows the Person federal funds for person centered planning options counseling. The Executive Office has new contracts with Rhode Island College, Thundermist Heath Center and Olneyville Housing Corporation to provide the services. The enacted budget appears to have assumed only \$0.1 million. *The Governor recommended funding at the enacted level.* **The Assembly concurred.**

HIV Treatment Services and Administration. The Executive Office's revised request includes \$0.6 million more than enacted for total funding of \$12.3 million for HIV services and administration expenses. The revised request reduces pharmacy costs by \$1.6 million to reflect projected expenses and increases community support by \$2.3 million reflecting available resources. For administrative expenses, the revised request lowers salary and benefit expenses by \$0.2 million to either fully or partially fund 35.0 positions and increases contracted support by \$0.1 million. *The Governor added \$168,650 for an increase to the assessed fringe benefit rate based on the voluntary retirement incentive program.* **The Assembly concurred.**

Adult Co-Pays Initiative. The Executive Office's revised request includes \$0.8 million, of which \$0.1 million is from general revenues, to make system changes to implement the adult co-payment initiative that was included in the Governor's FY 2021 recommendation. The Assembly did not concur with the initiative. The Executive Office's budget, submitted prior to passage of the FY 2021 enacted budget, retains the funding. *The Governor did not include the funding.* **The Assembly concurred.**

RIte Share Enhancements. The Executive Office's revised request includes \$400,000 from all sources, of which \$100,000 is from general revenues, for updates in the RI Bridges eligibility system for the RIte Share program. The Governor included \$600,000 from general revenues for significant program changes to RIte Share that were not accepted by the Assembly and funding was removed accordingly. The Executive Office's budget, submitted prior to passage of the FY 2021 enacted budget, includes \$300,000 from general

revenues for other general operational system changes related to the Rite Share program. *The Governor did not include the funding.* **The Assembly concurred.**

Clinical Evaluator. The Executive Office's revised request includes \$180,000, of which \$90,000 is from general revenues, to hire a full-time contracted clinician with experience in children's intellectual and developmental disabilities and behavioral health. The Governor recommended this initiative for FY 2021 but the Assembly did not concur. The Executive Office's budget, submitted prior to passage of the FY 2021 enacted budget, retains this initiative. *The Governor did not include the funding.* **The Assembly concurred.**

Other Salaries and Benefits. The Executive Office's revised request decreases salary and benefit expenses by \$0.8 million from all sources, but is \$0.5 million more than enacted from general revenues, for total funding of \$23.5 million, including \$12.5 million from general revenues. The enacted budget includes savings of \$166,180 based on 21 individuals from the Executive Office opting to participate in the workshare program that is not reflected in the revised request. The revised request excludes \$0.1 million from Coronavirus Relief funds included in the enacted budget to offset general revenue expenses. Adjusting for both, the revised request is \$1.0 million less than enacted, including \$0.3 million more from general revenues, reflecting a shift of costs to state sources. As of the pay period ending January 30, 2021, the Executive Office had 21 vacancies.

The revised request funds at least a portion of another 20 positions in the Departments of Health, Behavioral Healthcare, Developmental Disabilities, and Hospitals and Children, Youth and Families, totaling \$0.9 million. *The Governor recommended \$0.3 million less than enacted, including \$0.1 million more from general revenues.* **The Assembly concurred.**

Other Operations. The Executive Office requested \$0.5 million less than enacted, including \$0.3 million less from general revenues for centralized services and other expenses based on current year projected spending. *The Governor recommended funding at the enacted level.* **The Assembly concurred.**

Department of Children, Youth and Families

	FY 2020 Reported	FY 2021 Enacted	FY 2021 Revised	FY 2021 Final
Expenditures by Program				
Central Management	\$ 14,527,761	\$ 12,808,361	\$ 12,832,853	\$ 13,073,422
Child Welfare	200,976,931	206,995,721	208,282,982	209,954,571
Juvenile Corrections	21,635,964	22,416,172	22,289,212	22,302,884
Children's Behavioral Health	14,721,274	12,301,669	12,296,006	12,347,815
Higher Education Incentive Grants	200,000	200,000	200,000	200,000
Total	\$ 252,061,930	\$ 254,721,923	\$ 255,901,053	\$ 257,878,692
Expenditures by Category				
Salaries and Benefits	\$ 73,081,328	\$ 72,917,547	\$ 74,294,325	\$ 74,294,325
Contracted Services	6,512,106	6,101,524	7,688,663	7,309,218
Subtotal	\$ 79,593,434	\$ 79,019,071	\$ 81,982,988	\$ 81,603,543
Other State Operations	7,017,037	9,908,166	9,903,022	13,618,110
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	165,135,252	164,607,072	162,827,429	161,469,425
Capital	316,207	1,187,614	1,187,614	1,187,614
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 252,061,930	\$ 254,721,923	\$ 255,901,053	\$ 257,878,692
Sources of Funds				
General Revenue	\$ 170,737,346	\$ 170,860,311	\$ 169,068,174	\$ 169,273,174
Federal Aid	79,352,000	80,594,361	83,165,180	84,937,819
Restricted Receipts	1,868,198	2,079,637	2,480,085	2,480,085
Other	104,386	1,187,614	1,187,614	1,187,614
Total	\$ 252,061,930	\$ 254,721,923	\$ 255,901,053	\$ 257,878,692
FTE Authorization	621.5	617.5	617.5	617.5
FTE Average	584.4			

FY 2021 Revised Request. The Department of Children, Youth and Families requested \$3.3 million more than enacted from all sources, including \$11.6 million more from general revenues, \$6.9 million less from federal funds, \$0.1 million less from restricted receipts, and \$1.2 million less from Rhode Island Capital Plan funds. The revised request added 24.5 new positions that were requested by the Department as part of its FY 2021 budget, included in the Governor's recommendation but not approved by the Assembly. *The Governor recommended \$1.2 million more than enacted and \$2.0 million less than requested. General revenues are \$1.8 million less than enacted and \$13.2 million less than requested.*

*The Governor subsequently requested an amendment to include \$1.8 million from federal funds provided through the Consolidated Appropriations Act of 2021. **The Assembly concurred with the amended recommendation and provided \$0.2 million more from general revenues.***

Staffing. The Department requested \$75.8 million which is \$2.9 million more than enacted for 642.0 full-time equivalent positions, 24.5 more than authorized. The request added 6.0 positions to Central

Management, 5.0 to Children's Behavioral Health and 34.0 positions to Child Welfare and reduced the allocation for Juvenile Corrections by 20.5. All of the requested new positions were in the Governor's FY 2021 recommendation which the enacted budget did not include. The Department had 40.5 positions vacant when the budget was passed halfway through the fiscal year. The enacted budget also transferred 4.0 attorney positions from the Department to the Executive Office of Health and Human Services, consistent with the Governor's recommendation; the revised request retains those positions. As of the pay period ending January 30, 2021, there were 588.0 filled positions and 29.5 vacancies. *The Governor recommended \$1.4 million more than enacted which is equivalent to approximately 11 full-time equivalent positions. As of March 13, there were 69.0 vacant positions. The recommendation includes \$1.3 million less from general revenues, reflecting a shift to federal Coronavirus Relief funds.* **The Assembly concurred.**

Placements

The Department provides placement services for youth removed from their home. The Department offers foster care when appropriate, but places children into group homes when more extensive treatment and services are required. The Department manages some homes under its direct supervision while other placements are managed by private entities which are required to oversee service provisions as agreed upon through a contract. The Department also provides services funded through federal resources including Medicaid, Title IV-E, and Supplemental Security Income payments. Below are descriptions of each placement.

Congregate Care Placements. The Department provides residential services to approximately 390 children and youth under its care. This includes in-state group homes, assessment and stabilization centers, Bradley Hospital, independent and semi-independent living facilities, residential treatment centers and out-of-state placements if no appropriate in-state placement is available.

While the state has contracts with several providers within the same placement type, each provider has differing rates that vary based on services provided. For example, Groden Center and Boys Town New England both offer group home placements but vary in cost as Groden Center provides more extensive therapeutic treatments.

The request includes lower placement costs but a higher number of placements than assumed in the enacted budget. Through the first half of FY 2021, the Department averaged 389 congregate care placements which is 19 more than assumed in the request. In FY 2020, the Department estimated that 23 percent of all children in its care were unnecessarily placed in higher levels of care and indicated that the availability of home based placements had been the primary barrier to achieving a lower number of congregate care placements. The request assumes that additional lower level-of-need housing will become available through increased foster home recruitment and these youth will transition into these facilities, but no specific timeframe or plan to achieve these savings was provided. *The Governor included placement adjustments related to the emergency and extension to the enhanced Medicaid match rate.* **The Assembly's assumptions are consistent with the Department's third quarter report which reflect an updated placement distribution.**

Foster Care Placements. The Department provides home-based placements to between 1,500 and 1,700 children and youth under its care. The Department first tries to place a youth in a kinship home which is with a relative or close family friend. If no appropriate placement is available, the Department places the youth in a non-kinship home. Within each of these, there are therapeutic foster homes for youth with more intensive treatment needs and traditional foster homes. The recruitment of foster homes is done by the Department and contracted private agencies. Many of the private agency homes recruit therapeutic homes. While the Department seeks to place these youth in lower levels of care, a lack of traditional foster homes has resulted in some youth being in higher level-of-need placements unnecessarily.

Through the first half of FY 2021, the Department averaged 1,553 placements which is 147 fewer foster care placements than assumed in the request. In FY 2020, the Department averaged 1,568 foster care placements. It is assumed that as the Department enhances its concentration toward recruiting lower level-of-need placements, youth will transition into foster homes, but no timeframe or plan to move these youth has been provided. The Department is expecting a growth in foster care of approximately 80 youth, but no corresponding change in congregate care. The Department indicated that as restrictions are lifted from the COVID-19 emergency, such as complete reopening of schools, it expects an influx of foster care youth. The following table shows the different placements, agencies providing the services, approximate number receiving the services and changes between the years. *The Governor included placement adjustments related to the emergency and extension to the enhanced Medicaid match rate. The Assembly's assumptions are consistent with the Department's third quarter report which reflect an updated placement distribution.*

Placement	Description/Services	Population				FY 2022 Diff. from Rev. Req.
		FY 2021 Enacted	FY 2021 Rev. Req.	Diff. from Enacted	FY 2022 Request	
Congregate Care	Residential Based Placements	355.6	369.9	14.3	369.9	0.0
Assessment and Stabilization Centers	Trauma centers with counseling	10.8	8.6	(2.2)	8.6	0.0
Bradley	In-patient psychiatric care, long-term treatment	38.7	29.6	(9.1)	29.6	0.0
Group Homes	Less-intensive treatment plans, counseling	127.3	123.7	(3.6)	123.7	0.0
Independent Living	Unrestricted community access, live in own apartment	18.4	44.2	25.8	44.2	0.0
Residential Treatment Centers	Intensive treatment, behavior modification/treatment	71.7	74.5	2.8	74.5	0.0
Semi Independent Living	Semi-restricted community access, sleep-in staff	38.7	39.3	0.6	39.3	0.0
Out-of-State	Most troubled children care with specialized behavioral needs	50.0	50.0	0.0	50.0	0.0
Foster Care	Home Based Placements	1,663.8	1,614.0	(49.8)	1,694.7	80.7
Private Agency	Intensive, specialized needs with higher level of support services	481.8	529.5	47.7	544.9	15.4
Department	Low-need and able to live in homes	1,182.0	1,084.5	(97.5)	1,149.8	65.3
Total		2,019.4	1,983.9	(35.5)	2,064.6	80.7

Congregate Care. The Department requested \$1.6 million more than enacted, including \$0.4 million more from general revenues, for congregate care placements. The Department decreased its congregate care placements in response to the coronavirus emergency in the final quarter of FY 2020 with more youth being placed in home-based placements. Not only did this facilitate social distancing, group-based facilities were not accepting new youth. The Department reported it expected there to be an increase in group-based placements as these facilities began to reopen. The Department averaged 406 congregate care placements in the final quarter of FY 2020 and 389 in the first half of FY 2021. The revised request assumes more low level-of-need placements, partially offset by a lower number of higher level-of-need placements than the enacted budget. The revised request assumes a cost per youth in each congregate care placement similar to those assumed in the enacted budget with two exceptions. Out-of-state placements are approximately \$30,000 more per placement than the enacted assumptions to reflect FY 2020 costs. Assessment and stabilization placements are approximately \$60,000 more per placement than assumed in the enacted budget and approximately \$50,000 more per placement than FY 2020 actual costs. The Department indicated this increased cost reflects the inclusion of an emergency intake center created in response to the COVID-19 emergency. *The Governor recommended funding consistent with the enacted budget. The Assembly*

included total general revenue savings of \$1.4 million for placements in the Department including congregate care, consistent with the Department's third quarter report.

Female Residential Facilities. The Department requested \$5.2 million from all sources consistent with the enacted budget, including \$2.4 million from general revenues, for two new psychiatric residential facilities for female youth currently residing in out-of-state congregate care placements.

The Department issued a request for information in FY 2018 for the purpose of evaluating whether any vendors would be able to deliver the required level of service in-state. In the request for information, two state buildings were identified for use, but were later deemed non-feasible as they would require significant renovations. Typically, the Department issues a request for proposals to recruit providers. However, there were no vendors who submitted responses that could deliver services out of their own facilities. The Executive Office of Health and Human Services advised the Department to create a certification standard for this facility in order to be eligible for federal funding and to identify providers who meet these standards and become eligible candidates to become a psychiatric residential treatment facility. The Department is working with providers to develop cost estimates and ensure all requirements are being met. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Foster Care. The Department requested \$0.7 million more than enacted, including \$0.2 million less from general revenues for home based foster care placements. The enacted budget assumed a greater number of youth would move from higher level-of-need placements into foster care which has not occurred. Given the lack of traditional foster home availability, the Department has had to place youth in higher levels of care, including therapeutic foster homes and residential based settings which are costlier than traditional placements. There are 1,614 placements assumed in the request, which is 50 fewer foster care placements than assumed in the enacted budget. Through the first half of FY 2021, the Department has averaged 1,553 placements which is 61 fewer than assumed in the revised request. *The Governor recommended funding consistent with the enacted budget.* **The Assembly included total general revenue savings of \$1.4 million for placements including foster care, consistent with the Department's third quarter report.**

Frontline Staff (18.0 FTE). The Department's request includes \$1.8 million for 18.0 new frontline staff positions, consistent with the FY 2021 request and Governor's FY 2021 recommendation. The enacted budget did not include authorization for new positions; the Department had 40.5 positions vacant when the budget was passed. These positions include 4.0 child protective investigators, and 14.0 positions in the family services unit to help lower frontline staff workers caseloads. As of the pay period ending January 30, the Department had 417.0 filled frontline staff of the approximately 465.0 positions or 48.0 vacant positions.

The Department's second quarter report indicated its plan to hire 14.0 additional frontline staff beginning in March, including 10.0 additional social caseworkers and 4.0 child protective investigators. It estimated this would cost \$0.5 million to do so or \$1.3 million less than requested. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Contract Manager (1.0 FTE). The Department's request includes \$0.1 million for a contract manager position, consistent with the FY 2021 request and Governor's FY 2021 recommended budget. The enacted budget did not include authorization for new positions; the Department had 40.5 positions vacant when the budget was passed. The position would oversee all agency placement contracts. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Foster Care Home Studies. The Department requested \$19,000, which is \$0.3 million less than enacted from general revenues for foster care home studies. Home studies are used to evaluate the safety and preparation of the home to receive foster children. There are four providers who perform home study services including Community Care Alliance, Family Service of Rhode Island, Deveraux Foundation and

Children's Friends and Services. The Department decided that it will work toward conducting all of the home studies itself and no longer use external contractors. Through March, it did not appear the Department had incurred any costs for these studies. It indicated existing staff would be capable of conducting the home studies. *The Governor recommended funding consistent with the enacted budget.* **The Assembly included total general revenue savings of \$1.4 million for placements including home studies, consistent with the Department's third quarter report.**

COVID Relief Expenses. The enacted budget includes \$2.9 million for COVID-19 pandemic support, including isolation and intake placements for youth, as well as enhanced foster care support. The request was submitted before the FY 2021 budget was enacted and therefore excludes this funding. The FY 2020 budget included \$1.8 million from the Coronavirus Relief Fund for these expenses, of which the Department spent \$0.9 million. *The Governor recommended \$0.2 million more than enacted, including \$0.3 million more from general revenues, reflecting updated projections for these expenses.* **The Assembly concurred.**

Medicaid Match Rate Increase. On March 18, 2020, President Trump signed into law the Families First Coronavirus Response Act which temporarily increased a state's Medicaid match rate by 6.2 percent for services provided from January 1, 2020 until the end of the public health emergency. Rhode Island's Medicaid match rate is increased to 59.15 percent from 52.95 percent. The Department's request includes \$1.9 million more from general revenue than assumed in the enacted budget, as it only included one quarter of savings while the enacted budget assumes three quarters of savings. The public health emergency has been extended through the end of FY 2021 which would be an additional general revenue savings of at least \$1.0 million for that final quarter. *The Governor recommended \$75,357 more than enacted, reflecting updated reimbursable Medicaid eligible expenses, and shifted \$1.2 million from general revenues to federal funds to reflect the enhanced rate for the final quarter.* **The Assembly concurred.**

COVID Relief - Foster Youth Requirements. On December 27, 2020, President Trump signed into law a consolidated appropriations act for FY 2021 which included enhancements to support foster care youth. Under this act, the Department must allow re-entry of foster youth who aged out during the pandemic and a youth cannot be removed from foster care due to age. It is unclear how many youth may be affected by this requirement. According to *Federal Funds Information for States* estimates, Rhode Island will receive \$2.4 million to support these youth. Funding is provided through this act to the Department to support these youth, although cannot be used in place of Title IV-E funds which has a general revenue match requirement. The Budget Office's second quarter report projected general revenue funding of \$0.5 million would be required for the Title IV-E match. *The Governor included \$0.4 million from general revenues, reflecting the expected general revenue share of these costs. The federal funds were inadvertently excluded according to the Budget Office.*

The Governor subsequently requested an amendment to include \$1.8 million from federal funds. **The Assembly concurred with the amended recommendation.**

Voluntary Extension of Care Program. The Department requested \$0.3 million more for its Voluntary Extension of Care program, including \$0.4 million more from general revenues, and \$0.1 million less from federal funds, for rent and other services. The Department indicated that the general revenue share is increasing because eligible Title IV-E reimbursements are about half of what was expected in the enacted budget as the standards required for Title IV-E reimbursements require an income threshold that is not being met. The program lets individuals age 18 through 21 remain in state care with the Family Court retaining oversight. As of the beginning of December, there were 98 individuals involved in the program which is 22 more youth than the FY 2020 average of 76 individuals. The average monthly housing voucher is \$600.

Governor Raimondo renewed prior executive orders which authorized the extension of services for youth who would otherwise age out of the Voluntary Extension of Care program at age 21 through August 31,

2020. The enacted budget includes \$0.1 million for FY 2021 for the extension of services based on estimated costs; this is not reflected in the Department's request which predated enactment of the budget. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

18 to 21 Year Olds. Currently the state provides transitional services, including residential placements, for individuals aged 18 to 21 who have a developmental disability and/or a serious emotional disturbance and remain under the care of the Department. Those not meeting that criteria are closed to the Department on their 18th birthday and may receive services through the Voluntary Extension of Care program. There is an agreement between the Department and the Executive Office of Health and Human Services to leverage Medicaid for the services provided.

In previous years, the Department reported that it was unable to identify how many individuals in its custody meet the definition of developmentally disabled and/or severely, emotionally disturbed in order to remain on its caseload. Between the Departments of Children, Youth and Families and Behavioral Healthcare, Developmental Disabilities and Hospitals, individuals meeting this level-of-need are required to have a transition plan into the adult system and, in FY 2020, there were approximately 50 individuals, age 18 through 21, who met the criteria to receive services for developmentally disabled adults and had a plan. This does not include those who have a single diagnosis of severely, emotionally disturbed and are not also developmentally disabled. It appears that individuals remain on the Department's caseload who do not meet the statutory standard to do so. The Department estimated that it spent approximately \$22.2 million on this population, although it could not differentiate between those who are severely emotionally disturbed or developmentally disabled and those who do not have either of those conditions but remain on its caseload. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Child Care. The Department requested \$2,275 less than enacted from supplemental security income collections for child care expenses for children in foster care. The request includes the enacted amount of \$2.5 million from Temporary Assistance for Needy Families federal funds made available through the Department of Human Services. *The Governor recommended funding consistent with the enacted budget.*

The Governor subsequently requested an amendment to shift \$1.2 million of the Temporary Assistance for Needy Families to the home and community-based services program to align with federal eligibility rules. The shift is offset by a like amount general revenues shifted from the home and community-based services program. **The Assembly concurred with the amended recommendation.**

Adoption and Guardianship. The Department requested \$0.2 million less than enacted, including \$0.1 million less from general revenues, for adoption and guardianship expenses. This includes adoption subsidies, pre-adoption placements and both relative and non-relative guardianships. The funding reflects updated information on the expected number of placements and updated cost estimates based on FY 2020 costs. The Department indicated that it is working toward moving youth from foster homes and congregate care homes to permanent homes when appropriate. *The Governor recommended funding consistent with the enacted budget.* **The Assembly included total general revenue savings of \$1.4 million for placements including adoption and guardianship, consistent with the Department's third quarter report.**

Legal Staff (4.0 FTE). The Department requested \$0.1 million more than enacted from all sources for 4.0 new legal staff, consistent with the Governor's FY 2021 recommended budget, which according to the Department would more closely align the caseload per attorney with national best standards. As of December 2019, the average caseload per attorney was 392 to 1, while best practices suggest that such a caseload should range from 50 to 141. The enacted budget did not include authorization for new positions; the Department had 40.5 positions vacant when the budget was passed. According to the Department, attorneys would be able to meet with judges more frequently resulting in a more expedited permanent placement process. Legal staff funding for human service agencies are budgeted within the Executive

Office of Health and Human Services as required by statute. Consistent with the Governor's FY 2021 proposal, the enacted budget transferred 4.0 attorney positions from the Department's authorized staffing level to the Executive Office. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Home and Community Based Services. The Department requested \$0.1 million less than enacted from all sources, including \$0.4 million more from general revenues to reflect updated usage estimates for its youth and family support services. The increased share of general revenues reflects an expected decrease in the services attributable to federal funds based on FY 2020 experience, as only certain services qualify for Medicaid support. It is worth noting that in previous years, the Department often is able to attribute a greater share of these services to federal funds than it requests. These services include counseling, education programs, family support services preparation for reunification, family centered treatment, parent aides, and the Positive Parenting program. While the services primarily reflect foster care placements, they also include children in congregate care and other placements. *The Governor recommended funding consistent with the enacted budget.*

The Governor subsequently requested an amendment to shift \$1.2 million of general revenues to the child care program. This is offset by a like amount of the Temporary Assistance for Needy Families being shifted to the home and community-based services program to align with federal eligibility rules. **The Assembly concurred with the amended recommendation.**

Local Education Agency Reimbursement. The Department's request assumes collections of \$4.3 million, including \$3.0 million from general revenues, for education costs for children who receive education services in congregate care. This is \$2.3 million more from all funds, including \$1.5 million more from general revenues, than assumed in the enacted budget reflecting lower collections for current year billings. The percent assumed to be collected is typically based on the amount collected in previous years. Traditionally, the residential facilities have billed local education agencies directly for reimbursement for the education costs. However, the facilities have reported that disputes over residency have resulted in diminished collections. When a dispute occurs, the Department determines residency in coordination with the Department of Elementary and Secondary Education.

In order to enhance reimbursement collections from local education agencies to providers, the Department in FY 2020, began to pay the education costs to these facilities and sought to obtain reimbursement from the appropriate local education agency directly. Any costs not reimbursed would result in additional costs for the Department. The local education agencies must pay the special education rate per child to each of these facilities and if additional funding is required, the Department pays the remainder of those costs. It is worth noting that any funding that is not paid by the district is paid by the Department to the residential facility. In its second quarter report, the Department reported that it has been unable to invoice the local education agencies for reimbursements for education costs. At the time of the report, the Department was appealing a court finding that requires the Department to invoice based on the child's needs, rather than charging the special education rate which has historically been charged in accordance with Rhode Island General Law, Section 16-64-1.1. Similarly, at the time of the request, the Department of Elementary and Secondary Education had not published the updated special education rates which would likely impact collections. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Children's Rights Settlement. The Department requested \$0.1 million less than enacted from general revenues to reflect FY 2020 actual costs for a data validator that is required as a part of the state's settlement with Children's Rights. In May 2018, the case was settled in the Court of Appeals for the First Circuit. The Department entered into an agreement to fulfill mutually agreed upon commitments for improvement. The settlement included commitment areas the Department must address and report on. It appears as though the Department did not fulfill multiple commitments for two consecutive periods which means it must

conduct a workload study in consultation with the Child Advocate and the data validator. As of February 1, 2021, the study had not begun.

For each commitment, the Department is required to submit proof of compliance data to an independent data validator who will determine if the Department data is unbiased, reliable and statistically valid. Findings and assessments are then submitted to the Office of the Child Advocate who will determine whether or not the Department has fulfilled the agreed upon criteria. Upon completion of each assessment for two consecutive six month periods, the Department may file with the District Court of Rhode Island to exit from monitoring for that specific commitment. If the Department fails to comply with these requirements, the data validator and the Office of the Child Advocate will put forward a corrective action plan to help guide compliance. If such action fails, a second corrective action plan will be decided between the parties once again in court. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Higher Education Incentive Grants. The enacted budget includes \$376,820 for higher education support payments. This includes \$200,000 from general revenues for the statutorily mandated funding for the Higher Education Incentive Grant and \$176,820 from federal funds for Education and Training Vouchers. The Department requested total funding of \$400,000, which is \$45,047 more than the enacted budget, and represents resources accumulated from unspent Higher Education Incentive Grant funds from prior years. It is unclear why the request did not maintain the federal share of these funds, as funding is restored in its FY 2022 request. As of January 2020, the Department reported a surplus of \$0.8 million from unspent funding.

The Higher Education Incentive Grant is provided to former foster care youth who choose to attend the University of Rhode Island, Rhode Island College, or the Community College of Rhode Island. In order to qualify for these grants, a youth must have been in Department foster care on or after their 16th birthday and spent at least two years in foster care. General revenues have historically been paid to the Office of Postsecondary Commissioner during the fall, but in March 2021, it was reported the Department was making payments directly to the youth's education institution. Similar to the Higher Education Incentive Grant, the vouchers are an annual federal grant provided to states to fund youth who have aged out of the foster care system and are enrolled in college, university or vocational training programs. *The Governor recommended \$0.8 million, which is \$0.4 million more than enacted, including \$0.4 million from restricted receipts as requested, and maintained the general revenues and federal funds at the enacted level.* **The Assembly concurred.**

Other Placements and Services. The Department requested \$1.2 million less than enacted, including \$0.7 million less from general revenues, for all other placements and services based on FY 2020 spending. These costs include intensive supervision for youth and training for nursing and religious chaplains. These placements also include medical treatments provided to children, a first month rent payment when it is the last barrier to reunification, purchasing bus passes for parents when necessary, parent aide services including education (tutoring, SATs, unfunded summer school, etc.) among other costs that are not covered by any other source of payment. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Juvenile Corrections

Salaries and Benefits. The Department requested \$0.4 million more from all sources than enacted for staffing at the Rhode Island Training School. The request assumes turnover savings equal to 4.5 of its 144.0 requested positions. As of the pay period ending January 30, 2021, Juvenile Corrections had 137.0 filled positions and averaged 142.7 filled positions for FY 2021, or 1.3 vacant positions. The enacted budget includes \$2.4 million from Coronavirus Relief funds, offsetting a like amount of general revenues, for its COVID related staffing costs that were not included in its request which was submitted before the FY 2021

budget was enacted. The revised request also did not include \$15,092 of savings in the enacted budget based on Department staff opting to participate in the workshare program. Adjusted for that, the request is \$0.4 million more than enacted, reflecting a full year of funding for most of its authorized positions, as the request predated the enacted budget.

*The Governor recommended \$0.1 million less than enacted, reflecting turnover savings equivalent to approximately one position. He also shifted \$1.5 million from general revenues to the Coronavirus Relief Fund, reflecting additional eligible personnel expenses and included \$0.1 million more from general revenues reflecting an increase to the assessed fringe benefit rate based on the voluntary retirement incentive program. **The Assembly concurred.***

Education Services. The Department requested \$11,685 less than enacted, including \$28,776 less from general revenues, for education expenses at the Training School. The request is \$0.1 million more than spent in FY 2020. Educational services are provided to all residents of the Rhode Island Training School, both detained and adjudicated. Each teacher's class size is capped at twelve students. The services adhere to all Department of Elementary and Secondary Education regulations. Courses include academic, co-curricular and career/technical work. The Community College of Rhode Island offers on-site courses and vocational classes to post-secondary students. *The Governor recommended funding consistent with the enacted budget. **The Assembly included \$0.1 million less from general revenues based on projections in the Department's third quarter report.***

Institutional Support Services. The Department requested \$71,368 more than enacted from all sources including \$60,473 more from general revenues for institutional support services at the Training School which is consistent with the Governor's original recommendation. The Department has averaged 24 youth at the Training School through the first half of FY 2021 which is 16 fewer than the FY 2020 average of 40. These include legal costs, repairs and maintenance, food, non-prescription medicine and clothing expenses for juveniles. *The Governor recommended funding consistent with the enacted budget. **The Assembly concurred.***

Juvenile Probation and Parole. The Department requested \$35,038 less than enacted from general revenues for Juvenile Probation and Parole, primarily for temporary staff to assist with the management of its probation and parole population. The enacted budget includes \$354,084, consistent with the Governor's recommendation. The Department requested \$319,046 which is \$10,758 more than was spent in FY 2020. These services include the supervision of adolescents that are placed on probation by the Family Court. *The Governor recommended funding consistent with the enacted budget. **The Assembly concurred.***

Other Operations

Chief Human Service Business Officers (2.0 FTE). The Department requested \$0.2 million for 2.0 new Chief Human Service Business Officers, consistent with the Governor's FY 2021 recommended budget. These individuals would be responsible for fiscal and accounting management, including auditing services, purchasing, and budget preparation. The enacted budget did not include authorization for new positions; the Department had 40.5 positions vacant when the budget was passed. The request provides a full year of funding. *The Governor did not recommend staffing or funding. **The Assembly concurred.***

Other Salaries and Benefits. The Department requested \$0.2 million more than enacted from all sources, including \$2.9 million more from general revenues offset by \$2.7 million less from federal funds, for the remainder of the Department's staff. This assumes 18.5 vacancies. As of the pay period ending on January 30, 2021, the Department had 22.5 vacancies and averaged 40.3 vacancies. The revised request does not include \$0.2 million of savings, including \$0.1 million from general revenues, in the enacted budget from Department staff opting to participate in the workshare program. Adjusted for that, the request is approximately \$20,000 less than enacted, including \$2.7 million more from general revenues, reflecting an

updated cost allocation plan and a full year of funding for most of its authorized positions, as the request predated the enacted budget. *The Governor recommended \$0.2 million more than enacted, including \$0.1 million more from general revenues, reflecting an increase to the assessed fringe benefit rate based on the voluntary retirement incentive program.* **The Assembly concurred.**

Temporary Staff. The Department requested \$38,769 less than enacted from general revenues for temporary staff which is used to fill vacancies until permanent staff can be hired. These costs are typically tied to the number of vacancies being experienced by the Department. The Department spent \$0.4 million on these services in FY 2020. Average staffing through the first half of FY 2021 is 6.4 positions less than FY 2020. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Accreditation. Article 13 of 2019-H 5151, Substitute A, as amended, included language requiring the Department to initiate the process to become accredited by September 1, 2019 and submit an accreditation plan to the Governor, the Speaker of the House of Representatives, the President of the Senate, and several House and Senate Committee Chairs by October 1, 2020.

The report was submitted and in it, the Department proposed a 48 month plan for its accreditation. As part of that plan, the report noted that in year one the Department must conduct a self-study which includes a more formal and complete analysis of what it would take to come into compliance with the Council on Accreditation standards. It does not note the cost of the self-study in the accreditation plan, nor is any funding requested for it. *The Governor did not recommend funding.* **The Assembly concurred, but for FY 2022, it provided \$11.1 million and 91.0 total positions, based on the needs outlined in the Department's accreditation plan.**

Rental Property. The Department requested \$0.4 million more than enacted from all sources for its rented property including its headquarters at 101 Friendship Street and its various field offices throughout the state, consistent with FY 2020 actual costs. The enacted budget was based on the Governor's recommendation which did not properly reflect updated contract costs. *The Governor recommended funding consistent with the enacted budget.* **The Assembly included \$1.7 million more from general revenues based on projections in the Department's third quarter report.**

Vehicle Fleet. The Department included \$0.1 million more than enacted from general revenues for the use of 20 vehicles from the state fleet for frontline staff for emergency leased vehicles rented during protests which resulted in destruction of state owned vehicles. As of March 2021, the Department had a fleet of 100 vehicles for frontline staff which includes 20 vehicles privately leased through Vehicle Leasing Associates LLC, the cost for which is paid from general revenues and 80 state owned vehicles. The vehicles were leased beginning in July 2020 during protests which resulted in the torching and vandalizing of Department vehicles. The emergency leasing agreement expires at the end of FY 2021. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Adoption Well-Being Rhode Island. The Department requested \$6,809 less than enacted from federal funds for Adoption Well-Being Rhode Island to assist families to adopt children with a focus on children with special needs. The revised request reflects an updated award amount provided by the federal Administration for Children and Families which is a division of the federal Department of Health and Human Services. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Technology Purchases. The Department requested \$143,498 more than enacted, including \$43,561 more from general revenues and \$0.1 million more from other sources for computer supplies, software, and equipment for FY 2021. In FY 2020, the Department spent \$0.4 million on these purchases, including \$0.1 million from general revenues and \$0.3 million from federal funds. It appears these purchases were largely

in response to a large number of its staff working remotely in response to the COVID-19 emergency. The request brings total costs to \$181,629, which is still below pre-COVID emergency spending. In FY 2019, the Department spent \$224,967 which is \$43,338 more than requested. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Capital Projects. The Department's operating request excludes all Rhode Island Capital Plan funding, for which the enacted budget includes \$1.2 million. The Department reported this was inadvertent and intended to request funds consistent with the approved plan. The enacted budget includes \$0.7 million for the installation of generators at the training school and asset protection. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.**

Centralized Services. The Department requested \$0.6 million more than enacted for centralized services provided through the Department of Administration, including \$0.3 million more from general revenues for its share of facility management costs and \$0.3 million more from federal funds for information technology. The Department reported the request reflects an average of previous year's costs, adjusted to exclude the Benton Building which is now operated by the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals. Through March, the Department spent \$0.2 million on its share of facilities management and appears to need funding consistent with the enacted amount. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Other Operations. The Department requested \$0.1 million more than enacted, primarily from general revenues for all other expenses to reflect updated estimates. These costs include mobile phones for training social workers, computers, phones and other supplies. Other costs include miscellaneous fees, property maintenance, technology maintenance, insurance costs, out-of-state travel costs for visitation of children, and legal costs. *The Governor recommended \$16,676 less than enacted from federal funds for out-of-state travel costs.* **The Assembly included \$0.1 million less from general revenues based on projections in the Department's third quarter report, including \$0.2 million more from general revenues for insurance and phone costs, offset by \$0.3 million less for technology maintenance costs.**

Department of Health

	FY 2020 Reported	FY 2021 Enacted	FY 2021 Revised	FY 2021 Final
Expenditures by Program				
Central Management	\$ 15,368,826	\$ 15,597,771	\$ 27,253,251	\$ 27,253,251
Community Health and Equity	99,201,877	106,131,001	109,816,164	109,816,164
Environmental Health	12,984,312	13,584,282	13,973,267	13,973,267
Health Lab. & Medical Examiner	13,242,304	16,562,705	14,825,332	14,825,332
Customer Services	13,226,796	14,492,928	17,216,327	17,216,327
Policy, Info. & Communications	5,162,156	5,006,444	5,759,945	5,759,945
Preparedness, Response, Infectious Disease & Emergency Services	19,031,986	407,254,282	47,425,829	47,425,829
COVID-19	14,945,805	-	406,006,309	406,006,309
Total	\$ 193,164,062	\$ 578,629,413	\$ 642,276,424	\$ 642,276,424
Expenditures by Category				
Salaries and Benefits	\$ 61,048,357	\$ 60,650,175	\$ 73,480,026	\$ 73,480,026
Contracted Services	20,052,441	96,696,518	391,346,575	391,346,575
Subtotal	\$ 81,100,798	\$ 157,346,693	\$ 464,826,601	\$ 464,826,601
Other State Operations	68,680,017	368,849,865	122,723,386	122,723,386
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	41,537,070	49,345,938	54,123,627	54,123,627
Capital	1,846,177	3,086,917	602,810	602,810
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 193,164,062	\$ 578,629,413	\$ 642,276,424	\$ 642,276,424
Sources of Funds				
General Revenue	\$ 38,272,964	\$ 110,254,084	\$ 32,755,109	\$ 32,755,109
Federal Aid	112,011,425	420,361,529	547,305,034	547,305,034
Restricted Receipts	42,480,968	47,813,800	62,016,281	62,016,281
Other	398,705	200,000	200,000	200,000
Total	\$ 193,164,062	\$ 578,629,413	\$ 642,276,424	\$ 642,276,424
FTE Authorization	499.6	513.6	513.6	513.6
FTE Average	492.4			

FY 2021 Revised Request. The revised request includes expenditures of \$280.7 million from all sources for FY 2021. This is \$297.9 million less than enacted, including \$77.7 million less from general revenues. The revised request predates the enactment of the budget and does not include \$319.0 million for COVID-19 related expenses, of which \$86.8 million is from general revenues, which was provided to support expenses occurring after December 30, 2020. The enacted budget also includes a shift of \$7.9 million of personnel expenses from general revenues to federal funds based on staff time responding directly to the COVID-19 emergency. Adjusting for these expenses, the general revenue request is \$1.2 million more than enacted to fund three new initiatives: \$1.0 million for family home visiting programs, \$0.2 million for a Shellfish Docks Program and \$0.1 million to help the Department sustain its capacity to manage and maintain data systems. These initiatives were included in the Governor's FY 2021 recommended budget;

however, the Assembly did not adopt any new initiatives for FY 2021. The request includes staffing of 555.6 full-time equivalent positions, 42.0 more than authorized.

*The Governor recommended expenditures of \$642.3 million from all sources, including \$32.8 million from general revenues. The recommendation is \$63.6 million more than enacted, including \$77.5 million less general revenues, offset by increases of \$14.2 million from restricted receipts and \$126.9 million from federal funds; additional federal funds for COVID-related expenses have become available since the budget was adopted. The Governor recommended staffing consistent with the enacted authorization. **The Assembly concurred.***

Staffing. The Department requested revised expenditures of \$65.8 million from all sources for salaries and benefits for 555.6 full-time equivalent positions, 42.0 more than authorized. This is \$5.2 million more than enacted to primarily reflect funding for the additional positions. The request includes \$7.3 million more from general revenues, it should be noted that the enacted budget includes a shift of \$7.9 million of personnel expenses from general revenues to federal funds based on staff time responding directly to the COVID-19 emergency. Adjusting for this, the general revenue request is \$0.5 million less than enacted. The request includes \$0.1 million less for updated benefit rates, consistent with FY 2021 revised planning values. It assumes \$1.3 million in turnover savings, which is \$0.1 million less than enacted; the enacted turnover savings is equivalent to 11 vacancies. Through the end of February, the average filled positions totaled 502.5, or 11.1 less than enacted.

The staffing authorization increases by 42.0 full-time equivalent positions, which the Department indicated are to support health and safety programs, for which vacancies were repurposed to pandemic duties, or are new positions supported by various federal grants. It should be noted that the Department filled various positions over the year to respond to the pandemic. The 2020 Assembly increased the Department’s staffing authorization by 15.0 full-time equivalent positions, based on an amendment the Governor requested to add pandemic response staff. The following table reflects the staffing patterns assumed at the time of the budget submission; however, it does not accurately reflect current staffing because of the Department’s practice of shifting staff depending on the needs of the individual programs available sources, timing of federal grants and general revenue funding availability. This makes it difficult to determine which positions are new.

Programs	FY 2020 Final	FY 2021 Enacted	FY 2021 Rev. Req.	FY 2021 Revised	FY 2021 Final
Central Management	36.0	35.0	51.0	35.0	35.0
Community Health and Equity	90.0	90.0	97.0	90.0	90.0
Environmental Health	85.0	85.0	92.0	85.0	85.0
Health Lab. & Medical Examiners	94.0	94.0	100.0	94.0	94.0
Customer Services	89.0	89.0	96.0	89.0	89.0
Policy, Information & Communications	55.6	55.6	66.6	55.6	55.6
Preparedness, Response, Infectious Disease & Emergency Services	50.0	65.0	52.0	65.0	65.0
COVID-19	-	-	1.0	-	-
Total	499.6	513.6	555.6	513.6	513.6

The Governor recommended the enacted staffing authorization. The recommendation includes \$73.5 million from all sources for salary and benefit expenses. This is \$12.8 million more than enacted and \$7.8 million more than requested, even though the recommendation does not fund new positions. It is also \$12.4 million more than FY 2020 expenses when the Department’s average filled positions were 492.4. Through the end of March, average filled positions totaled 503.2. The recommendation adds \$3.0 million from federal funds to reflect updated staff time allocated to COVID-19 related activities; no corresponding reductions were made to other sources, thereby overstating salary and benefit expenses. It also appears to include additional salary and benefit expenses associated with testing, contact tracing, and other initiatives,

without taking into account that the majority of authorized positions are funded. As of the pay period ending March 13, the Department had 4.2 positions vacant. The recommendation includes \$0.4 million from all sources, including \$77,888 from general revenues to reflect an updated assessed fringe benefit rate attributed to the voluntary retirement incentive program. **The Assembly concurred.**

Indirect Cost Recovery. The Department uses its indirect cost recovery restricted receipts to offset costs associated with administering federally funded programs. Revenues for the indirect cost recovery account are based on the expenditure of certain federal grants and exclude some expenditures such as assistance and grants. A portion of the Department's federal grants allow a percent cost recovery charge on the actual amount expended. At the end of FY 2020, the Department reported a surplus of \$2.9 million, or \$1.4 million more than the final budget assumed; receipts were \$0.7 million more and expenditures were \$0.7 million less than budgeted. Based on requested expenditures and receipts of \$16.6 million, the Department projects a surplus of \$11.5 million at the end of FY 2021. This increase in resources is largely attributed to charges on new federal stimulus funds.

The revised request assumes expenditures of \$8.1 million, \$0.6 million more than enacted. It includes \$0.5 million more for staffing; expenditures for centralized services are \$253,749 less and other operating expenses are \$318,518 more.

The Governor recommended total expenditures of \$18.9 million, which is \$11.3 million more than enacted. The Governor also included legislation in Article 1 of 2021-H 6121 requiring the Director of the Office of Management and Budget to approve expenditures that the indirect cost recoveries are derived from stimulus grants. The recommendation does not fund the new requested positions and adds \$11.3 million, including \$0.8 million for clerical and \$7.5 million for unspecified expenditures. The Department is in the process of formulating a budget to specify these expenses. It indicated that the funds will be used for projects, such as opioid prevention, workforce development and information technology projects. It subsequently indicated that \$465,762 of the \$7.5 million is for a statewide federal grants management system; the FY 2022 recommended budget also assumes use of \$1.6 million for the grants system. It should be noted that the Department of Administration's budget also includes \$2.0 million from federal Coronavirus Relief funds in FY 2021 for the system, bringing expenditures to \$4.0 million; it is unclear if that is the total project cost.

The recommendation also includes \$3.0 million for COVID-19 related financial and management services. This includes \$0.6 million for a contract with HCH Enterprises to provide financial and procurement services and \$2.4 million for a contract with Alvarez and Marsal for services provided in support of the statewide testing.

The Assembly concurred. It also adopted legislation in Article 2 of 2021-H 6122, Substitute A, as amended, authorizing an assessment on federal funds received in order to support the Office of Federal Grants Management. It also authorized the State Controller to apply an additional assessment on the recent federal stimulus awards not to exceed 1.0 percent of the total awards. These funds will be used to finance the planning oversight, compliance and reporting and costs of planning, development, and implementation of a grants management information technology system. The additional assessment does not apply to Medicaid funds, or funds received for higher education, and sunsets on December 31, 2026.

Centralized Services. The revised request for centralized services provided by the Department of Administration is \$147,328 less than enacted, including \$69,431 more from federal funds and \$216,759 less from restricted receipts. This includes \$57,299 less for human resources and appears to be consistent with the rate charge of \$1,527.99 per filled position. It includes the enacted amount of \$2.3 million for facilities management; however, this is \$0.1 million less than charges included in the final billing rate. Expenditures for information technology services are \$90,029 less. Through the second quarter of the fiscal

year, the Department had incurred expenses totaling \$3.0 million, which would leave \$2.6 million for the second half of the fiscal year. This suggests that expenditures in the revised request are slightly understated. *The Governor recommended \$12,501 more from federal funds than enacted for information technology services. Actual expenditures through March totaled \$4.2 million. **The Assembly concurred.***

Opioid Overdose Prevention Programs. Excluding expenses for centralized services, the revised request includes \$0.8 million more than enacted from all sources for various opioid overdose prevention programs. This includes \$0.1 million from FY 2020 unspent funds from three foundation grants that the Department received for an opioid overdose prevention campaign to deter opioid use among youth and young adults. The request includes \$0.2 million from federal funds and new expenditures of \$0.5 million from the Opioid Stewardship Fund, of which \$0.1 million will be used to fund a supervising accountant position, who will be responsible for developing a cost allocation plan on the amount to charge distributors, wholesalers, and manufacturers of opioids. The position will also be responsible for reviewing revenues and developing memorandums of understanding with other state agencies for approved projects. It includes \$0.2 million in grants to community-based agencies to address the opioid epidemic and to address fatal overdose outcomes, and \$0.1 million for operating expenses.

*The Governor recommended \$0.4 million less than requested, primarily from the Opioid Stewardship Fund but added \$48,527 from a new federal Centers for Disease Control and Prevention grant to investigate the patterns of prescription opioid pain relievers and whether prescribing it is a risk factor for heroin overdose. **The Assembly concurred.***

COVID-19

On March 6, 2020, President Trump signed into law the Coronavirus Preparedness and Response Supplemental Appropriations Act. On March 13, 2020, President Trump declared that a nationwide emergency exists as a result of COVID-19 beginning on January 20, 2020. The Families First Coronavirus Response Act and Coronavirus Aid, Relief, and Economic Security (CARES) Act were signed into law by the President on March 18 and 27, 2020, respectively. A fourth act, the Paycheck Protection Program and Health Care Enhancement Act, was signed by the President on April 24, 2020. The Department of Health, through the Centers for Disease Control and Prevention, received approximately \$102 million from these four federal acts.

The FY 2021 enacted budget includes a total of \$395.9 million from all sources in the Department of Health's budget for COVID-19 related expenses, including testing and contact tracing. This assumes use of \$76.9 million from the Paycheck Protection Program and Health Care Enhancement Act which the Department received and \$86.8 million from general revenues for expenses expected to occur after December 30 when the Coronavirus Relief funds was originally expected to expire. Subsequent to enactment of the budget, the Department received another \$70.5 million grant from the Coronavirus Response and Relief Supplemental Appropriations Act, including \$61.0 million for testing and \$9.6 million for vaccine preparedness. This brings total funding to \$172.4 million. Additionally, the act extends the date by which state and local governments are able to make expenditures from the Coronavirus Relief Fund from December 30, 2020 to December 31, 2021. It appears that some of this new federal grant could be used to offset some of the general revenue expenses.

*The Governor's recommended budgets include \$153.6 million for COVID-19 related expenses from these grants. This includes \$145.2 million for FY 2021 and \$8.4 million for FY 2022. The remainder of \$18.8 million is for indirect cost recovery charges on these grants, which are budgeted for expenditures separately as noted. The Governor's budget excludes most of the \$86.8 million general revenue appropriation. **The Assembly concurred.***

CDC Funding	\$ 172,404,786
Testing	\$ 94,891,274
Contact Tracing	29,744,948
Surge	2,525,000
Vaccine Campaign	9,794,980
Community Mitigation	4,505,011
Public Health Response	11,136,948
Government Readiness	690,918
Human Services Relief	270,000
FY 2021 & FY 2022 Gov. Rec.	\$ 153,559,079
Balance/ICR/Other	\$ 18,845,707

COVID Relief - Testing. The Paycheck Protection Program and Health Care Enhancement Act provides \$11.0 billion for testing capacity for states, local entities, territories, and tribal organizations. Funds will go to existing grant recipients for Epidemiology and Laboratory Capacity for Prevention and Control of Emerging Infectious Diseases. Some of the requirements for the grant award include: a plan for testing a minimum two percent of the state’s population each month, and how that will be increased by Fall 2020; a list of established and proposed laboratories that will be conducting tests; and plans for testing at non-traditional sites. The Department was awarded \$86.7 million for the state testing component. The enacted budget includes \$264.2 million from all sources for testing, including \$60.5 million from general revenues for laboratory contracts, supplies, site equipment, and staffing. The request predates the enactment of the budget and excludes \$210.0 million for these expenses, all but the \$54.2 million assumed from the Paycheck Protection Program and Health Care Enhancement Act grant funds.

On December 27, 2020, President Trump signed the Coronavirus Response and Relief Supplemental Appropriations Act, which provided additional funding to the Centers for Disease Control and Prevention to prepare for, promote, distribute, administer, monitor, and track coronavirus vaccines to ensure broad-based distribution and vaccine coverage; Rhode Island’s share is \$70.5 million, including \$61.0 million for testing and \$9.6 million for vaccine preparedness. It appears that some of this new federal grant could be used to offset some of the general revenue expenses. In January 2021, the administration provided an updated expenditure plan, which indicates that an additional \$21.4 million, for a total of \$75.6 million, of the federal funds would be supported by one of the Centers for Disease Control and Prevention grants that the Department received in lieu of Coronavirus Relief funds.

*The Governor recommended a total of \$364.7 million from federal funds, including \$277.2 million in FY 2021. The revised recommendation is \$13.0 million more than enacted and it excludes the \$60.5 million from general revenues because of available federal funds. Expenditures were \$72.2 million in the first half of the fiscal year and \$204.9 million of expenses are projected for the remaining two quarters. **The Assembly concurred.***

COVID Relief - Contact Tracing. The enacted budget includes \$46.3 million from all sources, of which \$11.5 million is from general revenues for contact tracing and case investigation. These expenses include contracted staffing from ADIL and Guidesoft, retired nurses and epidemiology services from Brown University. This also includes space for staff to work, call center infrastructure, and a staffing vendor to provide services in the event of a surge. The enacted budget assumes use of \$16.9 million from the \$86.7 million from grant funds approved by Congress in April 2020.

In January 2021, the administration provided an updated expenditure plan assuming an additional \$15.6 million, for a total of \$32.5 million, would be supported by one of the Centers for Disease Control and Prevention grants that the Department received in lieu of using Coronavirus Relief funds.

*The Governor recommended a total of \$97.0 million from all sources, including \$63.1 million in FY 2021. This is \$0.1 million less than enacted and it assumes use of only \$0.2 million from general revenues because of available federal funds. Expenditures were \$21.0 million in the first half of the fiscal year and \$42.1 million of expenses are projected for the second. **The Assembly concurred.***

COVID Relief - New Medical Examiners Facility. The request includes the enacted amount of \$3.4 million from federal funds to purchase a 20,280 square foot building in Cumberland to house operations for the Office of State Medical Examiners. The Department obtained approval from the Centers for Disease Control and Prevention to use \$2.5 million from a federal grant to purchase the building and to use \$0.9 million for vehicles and equipment. The building was purchased in November 2020. According to the Department of Administration, phase I, which included additional decedent capacity to address the COVID-19 surge was completed and some personnel from the office moved in December. *The Governor recommended \$49,946 less than enacted, based on actual expenditures. **The Assembly concurred.***

COVID Relief - Surge Hospital Operations and Deconstruction. The enacted budget includes \$53.1 million from all sources in the Department of Administration's budget for surge hospital operations and deconstruction related to COVID-19. This includes \$11.4 million from general revenues to cover expenses for the second half of the fiscal year for which there was expected to be no other federal support. A total of three alternate site hospitals were constructed in Providence, Cranston, and North Kingstown to handle an influx of COVID-19 positive patients. Information obtained from the transparency portal shows expenditures of \$40.0 million through the end of January; \$26.1 million was spent in FY 2020. The revised request predates the enactment of the budget and does not include these expenses.

*The Governor recommended a total of \$67.9 million over two years, which is \$11.4 million more than the enacted budget had assumed. This includes \$3.2 million less from general revenues, offset by \$11.6 million more federal funds. Of the \$51.7 million recommended for FY 2021, \$19.7 million is included in the Department of Health's budget, including \$8.2 million from general revenues for two contracts with Rhode Island Hospital and Kent Hospital for which expenses are assumed in the second half of the fiscal year. The administration indicated that Coronavirus Relief funds were fully allocated. It further noted that these are not Federal Emergency Management Agency eligible expenses and are not eligible under any of the federal grants from the Centers for Disease Control and Prevention. The revised budget also includes \$30.2 million in the Department of Administration's budget. Through the first half of the fiscal year, \$27.3 million from federal funds has been spent, including \$8.4 million for lease expenses, \$2.0 million for cleaning services and \$2.3 million for security and screening services. **The Assembly concurred.***

COVID Relief - Vaccine Campaign. The enacted budget includes \$37.5 million from all sources, including \$12.5 million from general revenues for the distribution of a vaccine, including personnel to administer it, storage, supplies and outreach. The actual cost of the vaccine will be paid by the federal government. The request predates the enactment of the budget and does not include these expenses. On December 27, President Trump signed the Coronavirus Response and Relief Supplemental Appropriations Act, which provided an additional \$8.8 billion to the Centers for Disease Control and Prevention to prepare for, promote, distribute, administer, monitor, and track coronavirus vaccines to ensure broad-based distribution and vaccine coverage. Rhode Island's share of that appropriation is \$70.5 million, including \$9.6 million for vaccine preparedness. It appears that some of this new federal grant could be used to offset some of the general revenue expenses.

*The Governor recommended a total of \$59.8 million, including \$35.6 million in FY 2021. The total recommendation is \$22.3 million more than the enacted budget had assumed; however, the revised budget is \$2.9 million less than enacted. It includes \$12.4 million less from general revenues and \$9.6 million more from federal funds, reflecting use of available funds. Through December 30, expenses totaled \$3.2 million. **The Assembly concurred.***

COVID Relief - Community Mitigation. The enacted budget includes \$4.2 million from federal Coronavirus Relief funds to support Health Equity Zones and COVID-19 mitigation efforts. A total of 10 Health Equity Zones were created throughout the state in 2015. The zones are geographical areas designed to achieve health equity by eliminating health disparities to promote healthy communities. They are currently located in Providence, Pawtucket, Central Falls, West Warwick, Woonsocket, Bristol and Newport. It should be noted that in January 2021, the administration provided an updated expenditure plan that assumes these expenditures would be covered by one of the Centers for Disease Control and Prevention grants that the Department received in lieu of using Coronavirus Relief funds. The request predates the enactment of the budget and does not include this expenditure.

*The Governor recommended \$16.3 million from federal funds and \$4,361 from general revenues to support Health Equity Zones and mitigation efforts; federal funds consist of \$1.9 million from the Federal Emergency Management Agency, \$3.3 million from the Coronavirus Relief Fund, \$11.1 million from the Centers for Disease Control and Prevention grants. The recommendation includes \$9.8 million for FY 2021, which is \$5.6 million more than enacted. The recommendation includes \$5.4 million to support Health Equity Zones, \$3.0 million for high density communities and \$1.4 million for other community outreach. Through the first half of the fiscal year, \$4.1 million has been spent; leaving \$5.7 million for the remainder of the fiscal year. **The Assembly concurred.***

COVID Relief - Public Health Response. The revised request assumes expenditures of \$2.4 million for which the enacted budget includes a total of \$23.4 million, including \$2.3 million from general revenues to support the state's response to the public health pandemic. This includes \$10.6 million for technical enablement and development related expenses, including the CrushCovid RI App, the Salesforce software which is used to coordinate the tracking of demographic data, personnel costs for contractors providing support and information technology expenses; \$12.4 million for communication campaigns, project management, interpreters for press conferences and translation services, and \$0.4 million for consultant support. *The Governor's recommendation includes total expenditures of \$29.7 million, including \$24.3 million in the Department of Health's budget, which is \$0.9 million more than enacted. Through the first two quarters of the fiscal year, expenses total \$10.7 million, leaving \$13.5 million for the second half. The revised budget also includes \$5.5 million in the Executive Office of Health and Human Services and the Department of Administration's budgets for legal and other expenses. **The Assembly concurred.***

COVID Relief - Other Expenses. The enacted budget includes \$39.0 million from all sources, including \$4.4 million from general revenues in the Department of Administration's budget, of which \$26.1 million is for expenses associated with government readiness related to COVID-19 response services, including screening, janitorial and reconfiguration of lobby and cubicle areas in the state. It also includes \$12.9 million for quarantine and isolation, which includes temporary housing for those that cannot isolate in their homes. The Department's request predates the enactment of the budget and does not assume these expenses. *The Governor recommended \$7.3 million from all sources, including \$0.7 million from general revenues for food expenses assumed in the second half of the fiscal year. The recommendation includes \$1.6 million for individual support, \$1.3 million for medical supplies, \$2.0 million for expenses categorized as government readiness but appears to be budgeted as salaries and benefits. It also includes \$2.2 million to support medical providers. **The Assembly concurred.***

Preparedness, Response, Infectious Disease & Emergency Services

Hospital Preparedness and Public Health Emergency Response. The revised request includes \$10.6 million more from federal funds than enacted for hospital preparedness and public health emergency response activities. This reflects additional federal funds that the Department received from the Centers for Disease Control and Prevention as part of the CARES Act. The funds can be used to expand capacity for testing, improve morbidity and mortality surveillance, infection control, and implement appropriate containment measures. Funds can also be used to improve information systems and enhance collaboration

among public health departments. The request includes \$3.1 million for medical supplies, \$1.0 million to adjust indirect cost recovery charges, \$2.3 million in grants to various hospitals and healthcare facilities to plan for emergency evacuation, fatality management, and patient decontamination, \$3.3 million for contact tracing and \$0.8 million for salaries and benefits of staff time dedicated to COVID-19 related activities. *The Governor recommended \$0.1 million more from federal funds than enacted to reflect an updated assessed fringe benefit rate attributed to the voluntary retirement incentive program.* **The Assembly concurred.**

Other Expenses. The revised request includes \$1.4 million more from all sources than enacted, including \$0.5 million from general revenues for all other expenses. This includes \$0.9 million more for salaries and benefits, including \$0.5 million more from general revenues. This reflects updated staffing allocations and benefit rates, consistent with FY 2021 revised planning values. The enacted budget includes a shift of \$0.5 million of personnel expenses from general revenues to federal funds based on staff time responding directly to the COVID-19 emergency. Adjusting for this, the request from general revenues is consistent with the enacted budget. *The Governor recommended \$40,117 more than enacted from all sources to reflect an updated assessed fringe benefit rate attributed to the voluntary retirement incentive program.* **The Assembly concurred.**

Central Management

Salaries and Benefits. The revised request includes \$6.0 million from all sources, or \$0.5 million more than enacted for salaries and benefits in Central Management. This includes \$30,715 more from general revenues, \$0.1 million less from federal funds and \$0.6 million more from restricted receipts. The enacted budget includes a shift of \$40,343 of personnel expenses from general revenues to federal funds based on staff time responding directly to the COVID-19 emergency. Adjusted for this, the request is \$9,628 less than enacted from general revenues. The request includes \$0.6 million from indirect cost recovery restricted receipts to fund 4.0 full-time equivalent positions. This includes a supervising accountant position that the Department is in the process of hiring; filling an associate director of health; one chief of community officer to improve coordination with the focus on health equity and a strategic and business development manager. The Department indicated that these positions are part of a reorganization. All other salary and benefit expenditures are \$0.1 million less, reflecting the Department's updated staffing allocations and benefit rates consistent with FY 2021 revised planning values.

The Governor recommended \$320,929 more than enacted from all sources, including \$301,297 from federal funds based on actual staff time spent on COVID-19 related activities; no corresponding reductions were made to other sources. This overstates salary and benefit expenses. The recommendation also includes \$19,632 to reflect an updated assessed fringe benefit rate attributed to the voluntary retirement incentive program for which associated savings are assumed in the FY 2022 recommended budget. **The Assembly concurred.**

Other Expenses. The revised request includes \$0.6 million more than enacted; all but \$5,504 is from federal and restricted receipts for all other expenses in Central Management. This includes \$149,411 more from federal funds for the Girls Empowering Mentoring Support program, which provides year-round mentoring and academic support, and leadership development to girls who attend certain middle schools in the state. It also includes \$0.1 million for clerical services associated with performing an inventory of health care providers in the state and \$0.3 million for various expenses.

The Governor recommended \$11.3 million more than enacted from its indirect cost recovery restricted receipts. The Governor included a provision in Article 1 of 2021-H 6121 requiring the Director of the Office of Management and Budget to approve expenditures that the indirect cost recoveries on federal grants are derived from stimulus grants. The Department is in the process of formulating a budget to specify these expenses. It indicated that the funds will be used for projects, such as opioid prevention,

workforce development and information technology projects. It also included \$0.8 million for clerical services, and \$3.0 million for financial and management services. **The Assembly concurred.**

Community Health and Equity

Maternal, Infant, and Early Childhood Home Visiting. The Department requested \$0.4 million more from the Maternal, Infant and Early Childhood Home Visiting Program, which provides families with resources and services such as preventive health and prenatal practices, promoting positive parenting techniques, and finding employment and child care solutions. The request includes \$0.6 million less from federal funds, offset by \$1.0 million more from general revenues, including \$378,000 to provide families with resources and services such as preventive health and prenatal care. The Department indicated that it receives approximately 200 referrals per month to see pregnant women and it anticipates an increase. The additional funds would allow it to provide services to approximately half. It also includes \$650,000 to support family home visiting; the Department indicated that the additional funding would allow it to receive federal matching funds. The FY 2021 recommended budget included funding for these initiatives. In July 2020, Governor Raimondo requested an amendment to include legislation to seek Medicaid match for the programs. The Assembly adopted a current service budget that did not include this expansion.

*The Governor recommended \$0.8 million less than enacted from all sources, all but \$1,399 is from federal funds, reflecting updated anticipated awards and available carry-forward funds. The revised budget does not include funding to expand the programs in the current year. The Governor recommended funding in FY 2022 and included legislation in Article 12 of 2021-H 6122, seeking Medicaid approval for federal match. **The Assembly concurred.***

Immunization Programs. The Department requested \$2.4 million more from federal funds and restricted receipts than enacted for immunization programs, based on vaccine purchasing projections. This includes \$2.2 million for a new Hepatitis B vaccine. It also includes \$0.5 million from a federal CARES Act grant to enhance flu vaccination efforts. Program expenditures are \$0.3 million less than enacted, including \$0.1 million less for salary and benefit expenses, reflecting updated staffing allocations to other programs and benefit rates consistent with FY 2021 revised planning values. The request also includes staffing authorization for a community program liaison position, who will serve as a quality assurance specialist to ensure that federal requirements of the program are met. *The Governor recommended \$1.0 million more than enacted; including the requested \$0.5 million from the CARES Act grant and additional funding for planning and preparing for administration of COVID-19 vaccines. **The Assembly concurred.***

WIC Nutrition Assistance. The revised request includes \$0.9 million less from federal funds than enacted for the Women, Infants, and Children nutrition assistance program, which provides supplemental foods, nutrition education and information, referral and coordination services for eligible women and children under the age of five who are at risk of poor health and development because of inadequate nutrition, health care or both. The reduction is based on a decrease in utilization. Salary and benefit expenses are \$0.1 million more than enacted to fund a supervising accountant position who would be responsible for the daily financial functions of the program. The request of \$22.4 million is \$0.6 million more than FY 2020 expenses. *The Governor recommended \$5,131 more from federal funds than enacted to reflect an updated assessed fringe benefit rate attributed to the voluntary retirement incentive program. **The Assembly concurred.***

Prescription Drug Overdose Prevention. The revised request includes \$1.5 million more from federal funds than the enacted amount of \$4.4 million for prescription drug overdose prevention activities. This includes \$1.0 million more for community-based organizations for various programs, including peer-to-peer technical support and trainings. The request includes \$1.0 million more for salaries and benefits, of which \$0.6 million is for 4.0 new full-time equivalent positions. The positions consist of 1.0 health policy analyst, 2.0 senior public health promotion specialists who will facilitate coordination of communications

activities across divisions, and 1.0 public health epidemiologist who will monitor prescribing of opioid medications and other drugs. It also includes \$0.5 million for other staff time allocated to these activities. Other expenditures are \$0.5 million less, primarily from unspecified operating expenses. *The Governor recommended \$6,084 more from federal funds than enacted to reflect an updated assessed fringe benefit rate attributed to the voluntary retirement incentive program.* **The Assembly concurred.**

Home Asthma Response Program. The Department administers a Home Asthma Response program, which is designed to reduce emergency department visits and hospitalization. The program seeks to improve asthma outcomes for high risk pediatric asthma patients in the state. Services are provided by community health centers that provide home visits to find, manage and fix asthma triggers in the home. The program also teaches individuals how to properly use inhalers and other medication.

The revised request includes \$183,027 more than enacted for asthma response related expenses, including \$18,783 less from federal funds, offset by the carry-forward of FY 2020 unspent restricted receipts from the Volkswagen Settlement. The state will receive a total of \$18.5 million, \$14.4 million of which will be used for projects to reduce diesel emissions from vehicles and to install electric vehicle infrastructure. The remaining \$4.1 million in settlement funds were awarded to the Office of the Attorney General and will be spent on “environmentally beneficial projects” as directed by that office. The Department entered into a memorandum of understanding with the Attorney General to provide the Department with \$0.3 million to fund the program; \$68,190 was spent in FY 2020. *The Governor recommended \$19,731 more than requested; it includes the increase from restricted Volkswagen Settlement funds and not reducing the requested federal fund expenses. The recommendation includes \$904 to reflect an updated assessed fringe benefit rate attributed to the voluntary retirement incentive program.* **The Assembly concurred.**

Other Salaries and Benefits. The request includes \$0.2 million less from all sources for all other salary and benefit expenses in the Division of Community Health and Equity, which provides leadership, planning and infrastructure for the Department’s efforts to eliminate health disparities, and to reduce, prevent and control chronic diseases, disabilities and risk factors. This includes \$117,935 more from general revenues and \$298,343 less from federal and restricted sources. The enacted budget includes a shift of \$120,065 of personnel expenses from general revenues to federal funds based on staff time responding directly to the COVID-19 emergency not reflected in the request. Adjusted for this, the general revenue request is \$2,130 more than enacted. The request reflects updated staffing allocations and benefit rates consistent with FY 2021 revised planning values.

The Governor recommended \$1.2 million more than enacted from all sources, including \$0.6 million more from federal funds based on actual staff time spent on COVID-19 related activities and \$0.7 million more from various federal grants. The recommendation also reflects an updated assessed fringe benefit rate attributed to the voluntary retirement incentive program. **The Assembly concurred.**

Other Expenses. The revised request includes \$1.5 million more from all sources than enacted for all other expenses. This includes \$0.7 million to control chronic diseases and disabilities, such as diabetes and cancer screening, \$0.4 million for perinatal and early childhood services, including newborn screening and \$1.0 million for health promotion and wellness programs, including smoking cessation. It also includes \$0.5 million less from a U.S. Department of Health and Human Services’ grant to provide services to expectant and parenting teens. *The Governor recommended \$1.6 million more than enacted, or \$0.1 million more than requested, reflecting updated anticipated awards and available carry-forward funds.* **The Assembly concurred.**

Environmental Health

Shellfish Dockside Program. The revised request includes expenditures of \$0.4 million from all sources, including \$188,174 from general revenues to coordinate a dockside sampling and testing program. The

Department performs testing of plankton and shellfish for domoic acid to protect public health as well as the health of the shellfish industry by determining when it is necessary to stop harvesting shellfish. As part of the FY 2021 recommended budget, the Governor proposed legislation to impose licensing fees on marine shellfish processors; the fees would be established through rules and regulations. The fees would be based on estimated expenditures for the program and would be deposited as general revenues to support the program. The Assembly enacted a current service budget that did not include this initiative.

The request includes \$118,988 from general revenues for half a year's funding for 2.0 new full-time equivalent positions, consisting of a senior environmental health food specialist and a public health epidemiologist to support the program. It also includes \$220,000 from federal funds to purchase laboratory equipment and \$69,186 for operating expenses associated with providing sampling, laboratory testing and monitoring. The Department indicated that the lab must be certified before it can conduct any test. *The Governor did not recommend this in the current year. The FY 2022 recommended budget includes legislation in Article 10 of 2021-H 6122 to authorize this.* **The Assembly concurred with the proposal for FY 2022 and adopted legislation in Article 7 of 2021-H 6122, Substitute A, as amended.**

Other Food Protection Program Expenses. The revised request includes \$61,231 less from all sources than enacted, including \$2.4 million more from general revenues for the Office of Food Protection. The enacted budget includes a shift of \$2.4 million of personnel expenses from general revenues to federal funds based on staff time responding directly to the COVID-19 emergency not reflected in the request. Adjusted for this, the general revenue request is \$6,760 less than enacted. The office is responsible for licensing and regulating more than 7,300 "farm to table" food establishments including restaurants, caterers, food markets, bakeries, food processors, dairy producers, bottlers, and bottle beverage plants. The office also conducts inspections and investigates food related disease outbreaks and complaints.

Salary and benefit expenses are \$0.1 million less than enacted, reflecting updated staffing allocations and benefit rates, consistent with FY 2021 revised planning values. Operating expenses are \$40,340 more, including \$30,000 for cell phones for staff conducting inspections. This appears to be consistent with historical spending; reported expenditures were \$29,255 for FY 2020 and \$33,332 for FY 2019. *The Governor recommended \$33,260 more from all sources than enacted to reflect an updated assessed fringe benefit rate attributed to the voluntary retirement incentive program.* **The Assembly concurred.**

Blood Lead Poisoning Prevention. The revised request includes \$0.7 million more from federal funds and restricted receipts for blood lead poisoning prevention activities. In 2019, the Department entered into a memorandum of understanding with the Housing Resources Commission, whereby the Department took on responsibility for enforcing the lead mitigation rules in exchange for annual funding from the Commission. The Commission allocated up to \$1.2 million to the Department over three years. It should be noted that as part of the FY 2018 recommended budget, the Governor proposed legislation to centralize lead poisoning prevention activities under the Department of Health. The legislation would have allowed the Department to be responsible for adopting rules and regulations to certify lead safe compliance for all residential units and permitting of lead inspectors. It would require the Department to maintain a registry of lead safe certificates. The Assembly did not concur with the proposal. It appears that the memorandum of understanding includes essentially the same elements in the proposal that the Assembly rejected.

The revised request includes \$0.4 million to fund 3.0 new full-time equivalent positions, including two industrial hygienists to conduct field inspections and a chief implementation aide. Other expenditures are \$0.1 million more for inspection services and \$0.2 million for information technology support. Current law requires a system to track cases of lead poisoning to ensure that they receive timely and appropriate medical treatment.

The Governor recommended \$210,610 less from federal funds than requested, reflecting updated anticipated awards and available carry-forward funds. This includes \$0.1 million more from a federal

*Environmental Protection Agency award to assist educational agencies in testing for lead contamination in drinking water at schools and \$0.3 million less from the Childhood Lead Poisoning Prevention Program. **The Assembly concurred.***

Water Protection Programs. The revised request includes \$0.2 million less than enacted from all sources, including \$163,882 more from general revenues to fund water quality programs. The enacted budget includes a shift of \$160,000 of personnel expenses from general revenues to federal funds based on staff time responding directly to the COVID-19 emergency not reflected in the request. Adjusted for this, the general revenue request is \$3,882 more than enacted. The programs are responsible for enforcing the provisions of the Safe Drinking Water Act and several state laws relating to safe drinking water and regulating nearly 500 public water systems. Salary and benefit expenditures are \$0.3 million less than enacted, including \$0.2 million in additional turnover savings and \$0.1 million less for updated benefit rates, consistent with FY 2021 revised planning values. Operating expenses are \$78,183 more, of which \$72,195 is for technical training courses including operator certification exam preparation courses and guidance.

*The Governor recommended \$646,209 less than enacted, including \$645,115 less from federal funds based on actual staff time spent on COVID-19 related activities through the first half of the year; however, no other adjustments were made to other sources to reflect this and causes salary and benefit expenses to be overstated. The recommendation also reflects an updated assessed fringe benefit rate attributed to the voluntary retirement incentive program for which associated savings are assumed in the FY 2022 recommended budget. **The Assembly concurred.***

Environmental Hazards Reduction. The request includes \$431,262 from a new federal grant, which will be used to evaluate and respond to human exposure to hazardous substances in the environment. Rhode Island is one of 28 states that received funding from this three-year grant. Of the requested amount, \$360,962 will be used to support 3.0 full-time equivalent positions and staff time allocated to these activities. The request also includes \$70,300 for operating expenses, of which \$50,000 is to adjust indirect cost recovery charges. *The Governor recommended funding as requested and assumes that this will be implemented with existing staff. The recommendation also adds \$1,220 to reflect an updated assessed fringe benefit rate attributed to the voluntary retirement incentive program. **The Assembly concurred.***

Other Expenses. The revised request includes \$164,969 more from all sources than enacted, including \$202,753 more from general revenues for all other expenses in the Division of Environmental Health, which is responsible for all licensure and regulatory activities relating to environmental health, as well as activities relating to healthy homes. The enacted budget includes a shift of \$269,400 of personnel expenses from general revenues to federal funds based on staff time responding directly to the COVID-19 emergency. Adjusting for this, the general revenue request is \$66,647 more than enacted. Salary and benefit expenditures are \$21,030 more, reflecting updated staffing allocations and benefit rates consistent with FY 2021 revised planning values. Other expenses are \$0.2 million more, including \$65,100 for information technology support and \$90,000 to adjust indirect cost recovery charges.

*The Governor recommended \$67,170 more than enacted from all sources, including \$58,000 from a flexible federal Environmental Protection Agency grant to help the Department address its environmental priorities. The recommendation also includes \$9,170 for an updated assessed fringe benefit rate increase attributed to the voluntary retirement incentive program. **The Assembly concurred.***

Health Laboratories and Medical Examiners

Office of State Medical Examiners. The revised request includes \$2,429 more from all sources than enacted for the Office of State Medical Examiners. This includes \$1.3 million more from general revenues. The enacted budget includes a shift of \$1.3 million of personnel expenses from general revenues to federal

funds based on staff time responding directly to the COVID-19 emergency not reflected in the request. Adjusted for that, the general revenue request is \$671 less than enacted. The request includes \$0.1 million less for salaries and benefits, reflecting turnover savings and updated benefit rates consistent with FY 2021 revised planning values. This is offset by \$44,548 more for clerical services and \$69,389 more for contracted medical examiners, for a total of \$213,389. Expenditures were \$273,839 in FY 2020, \$260,755 in FY 2019 and \$213,451 in FY 2018. The request removes the enacted amount of \$26,800 from general revenues for the office to replace one of its two trucks. This expense will be funded with federal funds, discussed previously. *The Governor recommended \$8,589 more general revenues than enacted to reflect an updated assessed fringe benefit rate attributed to the voluntary retirement incentive program.* **The Assembly concurred.**

Health Laboratories - Other Expenses. The revised request includes \$0.5 million more from all sources, including \$1.1 million more from general revenues than enacted for the Health Laboratories program. The enacted budget includes a shift of \$1.3 million of personnel expenses from general revenues to federal funds based on staff time responding directly to the COVID-19 emergency not reflected in the request. Adjusted for that, the general revenue request is \$163,118 less than enacted. Salary and benefit expenditures are \$240,076 more, to primarily include funding for a clinical laboratory scientist and information aide positions. The request restores \$0.1 million of turnover savings and includes benefit rates consistent with FY 2021 revised planning values. It also includes \$229,530 more for operating expenses, of which \$136,367 is for medical supplies such as test kits, chemicals, reagents and glassware, and \$76,203 is to adjust indirect cost recovery charges.

The Governor recommended \$0.9 million more from all sources than enacted for salaries and benefits based on actual staff time spent on COVID-19 related activities; however, no corresponding reductions were made to other sources, causing salary and benefit expenses to be overstated. The recommendation also reflects an updated assessed fringe benefit rate attributed to the voluntary retirement incentive program. **The Assembly concurred.**

Capital - Health Lab and Medical Examiners Equipment. The request includes \$0.4 million, or \$0.2 million more than enacted from Rhode Island Capital Plan funds to replace medical equipment in the Biological, Forensic and Environmental Sciences laboratories. The request predates the enactment of the budget and does not reflect a budget amendment requested in October 2020 to shift \$0.2 million from FY 2021 to FY 2022, based on available resources. The Department indicated that some of its current equipment is beyond its 10 to 12 year useful life and is no longer being supported by the manufacturers. *The Governor recommended funding consistent with the approved plan.* **The Assembly concurred.**

Customer Services

McKinsey Opioid Settlement. In February 2021, the Attorney General announced a multi-state settlement with McKinsey and Company for its work on behalf of opioid manufacturers that contributed to the opioid crisis. The company has agreed to pay \$478 million to 47 states, the District of Columbia and five territories in the first year, then four annual payments of \$23.0 million. The share for each state was determined by a formula and Rhode Island will receive a total of \$2.6 million. The Attorney General stated that it will work with other state agencies, public health experts and other entities to put a framework in place to ensure the funds are used solely to address the impact of the opioid epidemic. Funds will be used for treatment, rescue, recovery, and prevention programs. *The request predates the settlement and does not assume these expenses. The Governor included \$2.1 million in FY 2021 and \$0.5 million in FY 2022.* **The Assembly concurred.**

Office of Vital Records. The revised request includes \$80,647 more than enacted from all sources, including \$31,908 less from general revenues for the Office of Vital Records. Salary and benefit expenditures are \$41,626 less, reflecting updated benefit rates. It also includes \$130,000 more for clerical

services for which the enacted budget includes \$145,000, for a total of \$275,000. Expenditures for clerical services are driven by turnover in the office; reported expenses were \$140,100 for FY 2020, \$117,465 for FY 2019 and \$81,094 for FY 2018. The Department also noted that as positions are reassigned to COVID-19 related duties, additional temporary staffing will be needed. *The Governor recommended \$5,383 more than enacted to reflect an updated assessed fringe benefit rate attributed to the voluntary retirement incentive program.* **The Assembly concurred.**

Medical Marijuana Licensing Program. The revised request includes \$71,959 less from restricted receipts than enacted for costs associated with the Medical Marijuana Licensing program. This includes \$70,419 less for salaries and benefits, based on turnover savings, for which the enacted budget did not assume any, and updated staffing allocations. Operating expenses are \$1,540 less, including \$2,450 more for software maintenance expenses associated with the medical marijuana regulation system. Current law requires the transfer of any remaining balances from medical marijuana receipts collected by the Departments of Business Regulation and Health to state general revenues. The Department is projecting a surplus balance of \$34,204. *The Governor recommended \$2,129 more than enacted to reflect an updated assessed fringe benefit rate attributed to the voluntary retirement incentive program.* **The Assembly concurred.**

Nursing Home Inspection and Survey. The Center of Health Facilities Regulation is responsible for ensuring that approximately 2,400 state licenses and federally Medicare/Medicaid certified health care facilities, health service agencies, assisted living residences and adult day care programs meet the applicable health and safety, and quality standards and regulations of state and federal law. The request includes \$0.2 million from a federal grant provided through the CARES Act to conduct surveys or complaint investigations of nursing homes, including \$47,749 for partial funding of a nursing care evaluator position and \$0.1 million for program expenses, such as mileage reimbursement. *The Governor did not recommend funding.* **The Assembly concurred.**

Other Facilities Regulation Expenses. The revised request includes \$450,971 more from all sources, including \$517,660 more from general revenues for all other expenses for the Center of Health Facilities Regulation. The enacted budget includes a shift of \$557,112 of personnel expenses from general revenues to federal funds based on staff time responding directly to the COVID-19 emergency not reflected in the request. Adjusting for this, the request from general revenues is \$39,452 less than enacted. The request includes \$444,413 for salaries and benefits, of which \$382,912 is for 3.0 new full-time equivalent positions to conduct inspections and investigate complaints. The positions include two nursing care evaluators and one supervising radiological health specialist. The request includes \$6,558 more for operating expenses, including postage and office supplies. *The Governor recommended \$17,755 more from all sources than enacted to reflect an updated assessed fringe benefit rate attributed to the voluntary retirement incentive program.* **The Assembly concurred.**

Health Professional and Other Expenses. The revised request includes \$346,172 less from all sources than enacted, including \$1.4 million more from general revenues for all other expenses in the Division of Customer Services, including the Center of Health Professional Boards and Licensing, which is responsible for certifying, licensing, and disciplining health care professionals, as well as, identifying professional standards to ensure the highest quality health care in the state. The enacted budget includes a shift of \$1.3 million of personnel expenses from general revenues to federal funds based on staff time responding directly to the COVID-19 emergency not reflected in the request. Adjusting for this, the request from general revenues is \$71,360 more than enacted. Salary and benefit expenditures are \$0.6 million less than enacted, reflecting updated staffing allocations and benefit rates.

Operating expenses are \$236,858 more, including \$0.1 million for software maintenance expenses of various systems used by more than 100,000 health professionals for license and renewals, and \$0.1 million

for clerical services. The Department indicated that because several positions were reassigned to COVID-19 related duties, additional temporary staffing will be needed.

*The Governor recommended \$0.6 million more than enacted from all sources, including \$23,085 to reflect an updated assessed fringe benefit rate attributed to the voluntary retirement incentive program. It also includes an additional \$535,047 from federal funds based on actual staff time spent on COVID-19 related activities; no corresponding reductions were made to other sources, thereby overstating salary and benefit expenses. **The Assembly concurred.***

Policy, Information and Communications

Requests for Public Health Data. The Department included new expenditures of \$109,725 from general revenues relating to requests for public health data for half a year; annualized expenses would be \$219,450. The Department's Center for Health Data Analysis manages health datasets and systems. These data are currently used to monitor health status and trends in natality, morbidity and mortality. With the exception of hospital discharge data, the Department does not currently charge a fee for data requests. As part of the FY 2021 recommended budget, the Governor proposed legislation allowing the Department, through rules and regulation, to charge a new fee for data requests. The legislation requires that approximately 50 percent of revenues be appropriated to the Department to sustain its capacity to manage and maintain data systems to meet demands. The Assembly enacted a current service budget that did not include this new initiative. *The Governor did not recommend this expense in the current year. The recommended budget includes legislation in Article 6 of 2021-H 6122 to authorize this program in FY 2022. **The Assembly did not concur with this proposal.***

Other Expenses. The Department included \$75,412 less from all sources than enacted for remaining expenses in the division, which includes the Centers for Public Health Communications, Legislative and Regulation Affairs, and the Office of the Associate Director, which provides policy redirection and operational oversight and coordination. This includes \$91,567 more from general revenues, offset by \$166,979 less from federal and restricted sources. The enacted budget includes a shift of \$91,567 of personnel expenses from general revenues to federal funds based on staff time responding directly to the COVID-19 emergency. Adjusting for this, the general revenue request is consistent with the enacted budget. This includes \$0.3 million less for salaries and benefits, reflecting updated staffing allocations and benefit rates, consistent with FY 2021 revised planning values.

Operating expenses are \$225,724 more, including \$297,735 from federal funds to support law enforcement and other entities for the development of an overdose mapping application program. It also includes \$25,000 less for the health professional loan repayment program, which pays a portion of an eligible health care professional's student loan if the participant agrees to work for two years in a health professional shortage area.

*The Governor recommended \$0.7 million more than enacted from all sources, including \$12,768 to reflect an updated assessed fringe benefit rate attributed to the voluntary retirement incentive program. It also includes an additional \$0.7 million from federal funds based on actual staff time allocated to COVID-19 related activities. It appears that no corresponding reductions were made to other sources, causing salary and benefit expenses to be overstated. **The Assembly concurred.***

Department of Human Services

	FY 2020 Reported	FY 2021 Enacted	FY 2021 Revised	FY 2021 Final
Expenditures by Program				
Central Management	\$ 9,746,064	\$ 14,235,972	\$ 14,348,489	\$ 14,348,489
Child Support Enforcement	14,484,837	14,358,425	15,001,751	15,001,751
Individual and Family Support	135,719,344	159,868,143	196,559,450	193,233,819
Office of Veterans Services	44,108,283	44,094,389	46,959,515	44,618,812
Health Care Eligibility	18,985,275	19,782,662	19,830,411	16,725,716
Supplemental Security Income	18,829,191	18,558,000	18,558,000	18,484,616
Rhode Island Works	88,945,199	84,792,786	84,381,200	71,258,568
Other Programs	282,872,824	297,081,284	283,089,284	283,001,268
Office of Healthy Aging	19,468,948	34,123,932	32,316,603	31,195,107
Total	\$ 633,159,965	\$ 686,895,593	\$ 711,044,703	\$ 687,868,146
Expenditures by Category				
Salaries and Benefits	\$ 101,303,329	\$ 105,939,169	\$ 106,562,124	\$ 103,501,566
Contracted Services	29,056,746	37,376,496	40,435,496	36,411,690
Subtotal	\$ 130,360,075	\$ 143,315,665	\$ 146,997,620	\$ 139,913,256
Other State Operations	35,450,180	29,912,122	34,268,399	35,740,538
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	463,483,177	507,819,121	523,833,381	506,695,867
Capital	639,140	1,164,605	1,261,223	1,261,174
Capital Debt Service	-	-	-	-
Operating Transfers	3,227,393	4,684,080	4,684,080	4,257,311
Total	\$ 633,159,965	\$ 686,895,593	\$ 711,044,703	\$ 687,868,146
Sources of Funds				
General Revenue	\$ 87,201,151	\$ 105,775,008	\$ 104,980,469	\$ 101,640,562
Federal Aid	512,997,294	571,091,566	594,806,155	575,396,274
Restricted Receipts	28,661,605	5,532,159	6,664,601	6,664,601
Other	4,299,915	4,496,860	4,593,478	4,166,709
Total	\$ 633,159,965	\$ 686,895,593	\$ 711,044,703	\$ 687,868,146
FTE Authorization	1,038.1	1,038.1	1,038.1	1,038.1
FTE Average	939.9			

FY 2021 Revised Request. The Department of Human Services, including the Office of Veterans Services and the Office of Healthy Aging, requested \$4.5 million less from all sources of funds for FY 2021, including \$16.1 million more from general revenues. The Department requested authorization for 1,037.1 full-time equivalent positions, 1.0 less than enacted and consistent with its original FY 2021 request.

The Governor recommended \$24.1 million more than enacted from all sources, primarily from federal funds and including \$0.8 million less from general revenues, and staffing consistent with the enacted level. From federal funds, the recommendation includes \$20.2 million for direct support to child care providers and \$1.9 million from additional Coronavirus Relief funds for three initiatives to support Rhode Island

residents impacted by the COVID-19 emergency, as well additional funding for operating expenses at the Rhode Island Veterans' Home resulting from the public health emergency.

The Assembly provided \$23.2 million less than recommended from all sources, primarily reflecting caseload savings and revisions to several federal grant awards based on projected expenditures. It concurred with the recommended staffing authorization.

Federal Poverty Guidelines. The federal poverty guidelines are used for the purpose of determining financial eligibility for certain state and federal programs, including several programs in state agencies under the Executive Office of Health and Human Services. The 2021 guidelines are as follows.

Percent of Federal Poverty Level Based on Annual Income								
Family Size	100%	133%	138%	150%	180%	185%	225%	250%
1	\$ 12,880	\$ 17,130	\$ 17,774	\$ 19,320	\$ 23,184	\$ 23,828	\$ 28,980	\$ 32,200
2	17,420	23,169	24,040	26,130	31,356	32,227	39,195	43,550
3	21,960	29,207	30,305	32,940	39,528	40,626	49,410	54,900
4	26,500	35,245	36,570	39,750	47,700	49,025	59,625	66,250
5	31,040	41,283	42,835	46,560	55,872	57,424	69,840	77,600
6	35,580	47,321	49,100	53,370	64,044	65,823	80,055	88,950
7	40,120	53,360	55,366	60,180	72,216	74,222	90,270	100,300
8	44,660	59,398	61,631	66,990	80,388	82,621	100,485	111,650

For families with more than 8 members, add \$4,540 for each additional member for the 100 percent calculation.

Staffing. Consistent with its original FY 2021 request, the Department's revised request includes authorization for 1,037.1 full-time equivalent positions for FY 2021. This is 1.0 position less than enacted, reflecting the transfer of a legal position to the Executive Office of Health and Human Services. The Governor included this transfer in her FY 2021 budget recommendation; the Assembly did not concur.

The revised request provides funding for 950.7 positions, leaving 86.3 positions unfunded. As of January 15, 2021, the Department has 930.0 filled positions and is averaging 929.9 filled positions in FY 2021. The Department averaged 939.2 filled positions in FY 2020, 914.9 in FY 2019, and 873.4 in FY 2018. The number of filled positions had been slowly increasing from a low of 781.2 in November 2011, though it declined in FY 2017 with the implementation of the Unified Health Infrastructure Project, which was initially assumed to reduce the number of staff needed and has since resulted in a staffing increase. *The Governor recommended the enacted level of staffing. The Assembly concurred.*

Cash Assistance Programs

The Caseload Estimating Conference estimate includes \$105.4 million from all sources, including \$28.4 million from general revenues for cash assistance programs, including Rhode Island Works, child care, state only supplemental security income program payments and general public assistance bridge program benefits. The caseload estimate is \$9.0 million less than the May 2020 estimate, including \$1.2 million less from general revenues. The Department's request reflects the May 2020 adopted estimate and adjusts expenditures for initiatives included in the Governor's FY 2021 recommended budget. Because of the extended delay in enacting the FY 2021 budget, the caseload estimates from November 2020 were used. The Department's request, however, was submitted in October.

The Governor recommended caseload expenses consistent with the enacted budget and included \$1.2 million from Coronavirus Relief funds for one-time payments to Rhode Island Works participants in December, \$0.3 million less than enacted. The Assembly provided \$90.5 million from all sources, including \$27.6 million from general revenues, consistent with the May caseload estimate.

The following table itemizes cash assistance expenditures adopted by the caseload estimators, enacted by the 2020 Assembly, revised recommendation by the Governor, and enacted by the 2021 Assembly, along with comparable data for FY 2020 and FY 2019. Each category is discussed separately.

Cash Assistance	FY 2019 Actual	FY 2020 Actual	FY 2021 Nov. CEC	FY 2021 Enacted	FY 2021 Gov. Rev.	FY 2021 Final
Rhode Island Works						
Persons	9,321	9,050	7,200	7,200	7,200	6,000
Monthly Cost per Person	\$ 187.74	\$ 182.48	\$ 183.00	\$ 200.86	\$ 197.19	\$ 182.93
Total Costs/Federal Funds	\$ 23.1	\$ 21.7	\$ 17.8	\$ 19.3	\$ 19.0	\$ 14.7
Child Care						
Subsidies	9,099	8,724	6,900	6,900	6,900	5,725
Annual Cost per Subsidy	\$ 7,678	\$ 7,705	\$ 9,645	\$ 9,645	\$ 9,645	\$ 9,882
General Revenue	\$ 9.9	\$ 9.4	\$ 9.0	\$ 9.0	\$ 9.0	\$ 8.4
Federal Funds	60.0	57.8	57.6	57.6	57.6	48.2
Total Costs	\$ 69.9	\$ 67.2	\$ 66.6	\$ 66.6	\$ 66.6	\$ 56.6
SSI						
Persons	33,806	33,983	33,500	33,500	33,500	33,237
Monthly Cost per Person	\$ 46.88	\$ 46.10	\$ 46.00	\$ 46.00	\$ 46.00	\$ 46.18
Total Costs/General Revenues	\$ 19.1	\$ 18.8	\$ 18.6	\$ 18.6	\$ 18.6	\$ 18.5
SSI Transition/Bridge						
Persons	159	103	88	88	88	62
Monthly Cost per Person	\$ 144.84	\$ 160.00	\$ 160.00	\$ 160.00	\$ 160.00	\$ 176.00
Total Costs/General Revenues	\$ 0.9	\$ 0.9	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.7
General Revenue	\$ 29.8	\$ 29.1	\$ 28.4	\$ 28.4	\$ 28.4	\$ 27.6
Federal Funds	83.1	79.5	75.4	76.9	76.6	62.9
Total Cash Assistance	\$ 113.0	\$ 108.6	\$ 103.8	\$ 105.4	\$ 105.1	\$ 90.5

\$ in millions

Rhode Island Works. The November Caseload Estimating Conference estimate includes program expenditures of \$19.3 million entirely from federal funds. The estimate lowered the monthly caseload by 2,190 cases to a level of 7,200 and the monthly cost per person increases by \$14.81. The enacted budget includes \$1.5 million from Coronavirus Relief funds for a one-time emergency payment made to participants in December 2020. Adjusted for this, the cost per case increases by \$0.50 to \$183.50. The estimated program expenditures are \$5.1 million less than the May 2020 estimate, reflecting decreases in both the number of persons and participation in the transportation benefit. The estimate also includes \$0.3 million for the clothing allowance for school children reflecting a policy change to increase the amount from \$30 to \$100 per child. The Department's request reflects the estimate adopted at the May 2020 caseload conference adjusted for the increased clothing allowance.

*The Governor recommended caseload expenses consistent with the enacted budget and included \$1.2 million from Coronavirus Relief funds for one-time payments to Rhode Island Works participants in December, \$0.3 million less than enacted, which is included in the table above. **Consistent with the May estimate, the Assembly reduced expenditures by \$3.1 million reflecting a reduction in the number of people by 1,200 and the average monthly cost per case by \$0.57. As a result of a decline in participation, the transportation benefit and supportive services were also reduced by \$0.4 million and \$0.1 million, respectively.***

Child Care. The November Caseload Estimating Conference estimate includes child care expenditures of \$66.6 million, of which \$9.0 million is from general revenues. This is \$4.5 million less than the May 2020 estimate, including \$0.3 million less from general revenues. The estimate decreases child care subsidies by 2,332 for a monthly level of 6,900 and increases the annual cost by \$1,945 to \$9,645 for FY 2021. The

significant increase in annual cost reflects enhanced reimbursement rates provided in response to the coronavirus emergency, while the number of subsidies is impacted by declines in participation and eligibility.

A family is eligible for child care assistance either through the Rhode Island Works program (if they qualify for Works they are automatically eligible for child care assistance) or if they qualify as low income, which is at or below 180 percent of poverty. However, families that become eligible, remain eligible until the family income exceeds 225 percent of poverty.

The 2018 Assembly enacted legislation to increase rates paid for subsidized infant, toddler, and pre-school age child care from an average of the 2002 and 2004 market rate surveys to a tiered reimbursement system based on the state's quality rating system. The rate change applies to licensed child care centers only, as family care providers received separate rate increases. The 2019 Assembly subsequently enacted legislation establishing tiered reimbursement for family based providers for infants and toddlers only. Reimbursements are based on the rating the provider has achieved in the state's quality rating system. Those providers with higher rankings will receive additional funding compared to those in the lower tiers.

The Department's revised request reflects the estimate adopted at the May 2020 caseload conference and includes \$1.9 million from general revenues based on the Governor's FY 2021 proposal to increase rates paid to some infant, toddler, and preschool age providers. The rates would align reimbursements for the lowest performing providers to the 25th percentile of the 2018 market rate survey and the highest performing providers to the 75th percentile of that survey. While the proposal was not adopted by the 2020 Assembly, the caseload estimate and enacted budget assume the enhanced rates will continue for the remainder of the fiscal year. The temporary rates were most recently extended through February 23, 2021. The enhanced rates provide reimbursement consistent with the 90th percentile of the market rate survey for top tier providers and consistent with the 75th percentile for all other providers. *The Governor recommended the enacted level of funding. Through executive orders, the Governor has regularly extended the enhanced child care rates, most recently through July 9, 2021.*

Consistent with the May estimate, the Assembly reduced funding by \$10.0 million, including \$0.6 million from general revenues, reflecting a reduction in the number of subsidies by 1,175 to 5,725 and an increase to the cost per subsidy by \$237 to \$9,882.

Supplemental Security Income Payments. The November Caseload Estimating Conference estimate includes FY 2021 direct supplemental security income expenditures of \$18.6 million from general revenues, or \$0.7 million less than the May 2020 estimate. The caseload increases by 1,000 persons to a monthly level of 33,500. Estimators decreased the monthly cost per person by \$0.40 to \$46.00. The estimate also includes transaction fees of \$66,000, \$4,000 less than the recommended budget. The Department requested funding consistent with the estimate adopted at the May 2020 caseload conference. *The Governor recommended the enacted level of funding, which is consistent with November estimate.* **Consistent with the May estimate, the Assembly reduced funding by \$0.1 million reflecting a decrease in the number of people by 263 to 33,237 and an increase to the monthly by \$0.18 for an average monthly cost of \$46.18.**

Assisted Living State Supplemental Payment. The Department requested revised expenditures of \$0.4 million from general revenues for additional state supplemental payments of \$206 per month to individuals who receive the state supplemental security income payment and reside in a state licensed assisted living facility that is not eligible to receive Medicaid. The 2014 Assembly expanded the payment to individuals residing in an assisted living facility that was financed by Rhode Island Housing prior to January 1, 2006, beginning on October 1, 2014. The request is consistent with the FY 2020 final appropriation. Based on caseload testimony, program expenses are projected to decline to \$0.2 million. *The Governor recommended funding as enacted.* **The Assembly concurred.**

Supplemental Security Income Transition/Bridge Program. The November Caseload Estimating Conference estimates expenditures for the supplemental security income transition/bridge program at \$0.8 million, entirely from general revenues. The estimate includes \$0.2 million for cash payments and \$0.7 million for burials. The estimate assumes 88 persons per month, or 17 fewer than the recommended budget, and increases the monthly cost per person by \$10.00 to \$160.00. The estimate is \$0.1 million less than the May 2020 estimate. The Department's request includes \$959,000 from general revenues, consistent with the May 2020 conference estimate. This program is designed for individuals who maintain an active application for the supplemental security income program. *The Governor recommended the enacted level of funding, which is consistent with November estimate.* **Consistent with the May estimate, the Assembly provided \$0.1 million less reflecting a 26 person reduction to 62 and an increase in the monthly cost per person by \$16.00 to \$176.00.**

Hardship Payments. The Department's revised request inadvertently excludes the enacted amount of \$90,000 from general revenues for hardship contingency payments, which provide temporary support to individuals who do not qualify for the supplemental security income or Rhode Island Works programs. Payments have been declining annually; in FY 2020 the Department spent \$22,900, meanwhile it spent \$28,704 in FY 2019, \$53,400 in FY 2018, \$55,242 in FY 2017, and \$70,000 in FY 2016. In the five-year period from FY 2016 through FY 2020, expenses declined 67.3 percent. It has indicated that the rules and criteria for the program are strict and applicants often do not want to fill out the paperwork for the \$100 payment, especially since the applicants must reapply each month in which they request the payment. *The Governor recommended the enacted level of funding.* **The Assembly concurred.**

Other Programs

Eligibility Programs Administration. The Department requested \$3.4 million less than enacted from all sources, including \$0.2 million more from general revenues, for personnel and operating expenses associated with administering the eligibility programs. This includes administration of Rhode Island Works, the child care assistance program, and the Supplemental Nutrition Assistance Program, as well as expenses associated with the Unified Health Infrastructure Project. *The Governor recommended \$0.2 million more than enacted from all sources for staffing expenses, reflecting an updated assessed fringe benefit rate as a result of the voluntary retirement incentive program. He subsequently requested an amendment to reduce expenditures for the Unified Health Infrastructure Project by \$4.5 million, including \$1.1 million from general revenues, and increase for the eligibility programs by \$1.8 million from general revenues, based on third quarter projections.* **The Assembly concurred with the amended recommendation.**

Staffing. The Department requested \$0.6 million less than enacted from all sources, including \$0.2 million more from general revenues for staffing expenses. Staff time is typically allocated to specific programs based on the amount of time spent on each; funding for portions of 322 eligibility staff and operating costs are included in Unified Health Infrastructure Project expenses in order to receive an enhanced Medicaid match rate for staff. The enhanced Medicaid match rate is 75.0 percent, or 25.0 percent more than the regular match rate of 50.0 percent. The increase in general revenues reflects workshare savings included in the enacted budget, but excluded from the revised request per Budget Office instructions. Adjusted for workshare savings, the general revenue request is consistent with the enacted budget; as the revised request predated the enactment of the budget, the Assembly provided general revenue funding as requested. This is offset by reductions in federal funds, consistent with the Department's cost allocation methodology.

The Governor recommended \$0.2 million more than enacted from all sources, including \$69,964 from general revenues, reflecting an updated assessed fringe benefit rate as a result of the voluntary retirement incentive program. He subsequently requested an amendment to reduce expenditures by \$3.6 million, including \$1.6 million from general revenues for staff expenses, including \$2.6 million related to the

*Unified Health Infrastructure Project and shifts \$0.6 million of general revenues to the Executive Office. **The Assembly concurred with the amended recommendation.***

Rent for Satellite Offices. The Department requested \$1.3 million less than enacted from federal funds for rent of office space. This reflects the Department's inability to use federal funds for some expenses as rent must be distributed in a manner consistent with its cost allocation methodology. However, as the revised request predated the enacted budget, the Assembly provided general revenue funding consistent with the revised request and first quarter report. *The Governor recommended funding as enacted. **The Assembly concurred.***

Other Expenses. The Department requested \$1.5 million less than enacted from federal funds for all other operating expenses including the Unified Health Infrastructure Project. Expenses for the project are shared among the Department, the Executive Office of Health and Human Services and HealthSource RI. The Executive Office oversees all non-personnel expenses, including contracted services. The request reflects the Department's share of anticipated expenses. *The Governor recommended funding as enacted. He subsequently requested an amendment to reduce expenditures by \$40, 228 from all sources, of which \$1.9 million, including \$0.5 million from general revenues is for expenses related to the Unified Health Infrastructure Project and shifted the general revenues to the Executive Office. **The Assembly concurred.***

Rhode Island Works Pilot. The Department requested \$0.4 million less than enacted from federal Temporary Assistance for Needy Families block grant funds for on-the-job training programs, job search and placement services, disability assessments and services, and overall service delivery redesign. The request reflects actual expenditures, which have declined annually as participants utilize job training programs throughout the state and receive wrap around services through the traditional RI Works program. *The Governor recommended funding as requested. **The Assembly concurred.***

Child Care Quality Earmarks. The Department requested \$0.6 million more than enacted from federal Child Care Development Block Grant funds designated for improving the quality of the state's child care assistance program. The request reflects anticipated expenses based on the actual FY 2020 experience and available discretionary block grant funding. The additional funds have been used to provide technical assistance and professional development to child care providers, including a cohort-based model at the Community College of Rhode Island and regarding regulatory changes in response to the coronavirus. *The Governor recommended funding as enacted. **The Assembly concurred.***

Emergency Assistance for Child Care Providers. The Department requested the enacted amount of \$5.0 million from federal funds for grants to family and center based child care providers as a result of increased regulations during the coronavirus emergency. The administration approved the distribution of grants to be used for necessary improvements or enhancements needed to ensure the safety of students and staff, as well as comply with enhanced regulations. Based on testimony from the November Caseload Estimating Conference, it appears \$5.2 million has been awarded, \$154,381 more than requested or approved by the administration. The initiative is supported from additional Child Care and Development block grant funds awarded through the CARES Act.

*The Governor recommended \$20.2 million more than requested. This includes the enacted level of \$5.0 million for capital support to child care providers; however, the recommendation assumes \$3.3 million will be funded from Coronavirus Relief funds and the remainder from Child Care and Development block grant funds. The remaining block grant funds will be used to fund background checks and other provider supports. The recommendation includes \$18.8 million from funds authorized under the Coronavirus Response and Relief Act for direct grants to child care providers impacted by the public health emergency. **The Assembly concurred.***

Child Support Enforcement - Lien Network. The Department requested \$0.6 million more than enacted from restricted receipts for the Lien Network operated by the Child Support Enforcement program. Consistent with the Governor's requested FY 2021 budget amendment, the enacted budget includes \$3.5 million for the network. The Lien Network is a consortium of states to collect overdue child support for which Rhode Island holds the contract. The program has existed for more than a decade with funds previously deposited into an escrow account. The Auditor General and State Controller converted the escrow account into a restricted receipt account which will now appear in the Department's budget. Funds deposited into the account reflect fees collected for and paid to the vendor. *The Governor recommended funding as requested.* **The Assembly concurred.**

Child Support Enforcement - Other Expenses. The Department requested \$1.1 million more than enacted from all sources, including \$55,380 from general revenues, for expenditures related to child support enforcement. This includes \$0.3 million more from all sources, including the additional general revenues requested, for personnel expenditures, reflecting workshare savings included in the enacted budget. Adjusting for this, the request is \$0.9 million more than enacted from federal funds primarily for information technology expenses related to maintaining InRhodes, its case management system, and other software agreements, as well as rent. *The Governor recommended \$19,326 more than enacted from all sources, including \$6,834 from general revenues for personnel expenditures, reflecting an updated assessed fringe benefit rate as a result of the voluntary retirement incentive program.* **The Assembly concurred.**

COVID Relief - Community Action Program Agencies. In December 2020, the administration authorized the use of \$175,000 from federal Coronavirus Relief funds to be distributed to the state's Community Action Program agencies. Funds were used to provide relief for basic needs to eligible low-income households, those living below 200 percent of the federal poverty level, in Rhode Island. Relief was provided in the form of food commodities, personal protective equipment, gift cards to purchase cleaning supplies, diapers and personal care items, and other supplies to meet basic needs. *The Governor included \$175,000 from federal Coronavirus Relief funds to account for the expense.* **The Assembly concurred.**

COVID Relief - Individuals in Quarantine and Isolation. In December 2020, with approval from the administration, the Department entered into a contract with USIO, Inc. for the purchase of prepaid debit cards. Debit cards were distributed by the Department of Health to qualifying individuals that it directed to quarantine and/or isolate as a result of COVID-19. To be eligible, a case investigation team member must complete an interview of the individual and determine that they have no other source of income. Individuals must also provide proof of Rhode Island residency, attest that their household earns less than \$40,000 annually, and attest that they need replacement income, groceries, or supplies. The administration allocated \$1.3 million of federal Coronavirus Relief funds to purchase and distribute the debit cards, as well as for associated mailing expenses. *The Governor included \$1.3 million from Coronavirus Relief funds to account for the expense.* **The Assembly concurred.**

COVID Relief - Summer Programming. As the revised request predated the enacted budget, it excludes \$133,800 from Coronavirus Relief funds appropriated for the development and enforcement of summer program regulations. *The Governor recommended funding as enacted.* **The Assembly concurred.**

COVID Relief - RI Community Food Bank. As the revised request predated the enacted budget, it excludes \$670,000 from Coronavirus Relief funds appropriated for the Rhode Island Community Food Bank. Including the base appropriation of \$175,000 from general revenues, total FY 2021 funding for the Food Bank is \$845,000. *The Governor recommended funding as enacted.* **The Assembly concurred.**

COVID - Supplemental Nutrition Assistance Program. As the revised request predated the enacted budget, it excludes \$14.0 million from Coronavirus Relief funds for the Supplemental Nutrition Assistance

Program. Funds were used to provide a one-time emergency payment of \$600 to participating households in December 2020 in response to the coronavirus emergency. *The Governor recommended \$0.4 million more than enacted reflecting actual payments made in December.* **The Assembly concurred.**

Supplemental Nutrition Assistance Program - Supportive Programs. The Department requested \$0.8 million more than enacted from federal funds for training and education programs associated with the Supplemental Nutrition Assistance Program. The revised request reflects the carry-forward of unspent funds as programs were impacted by the coronavirus emergency. *The Governor recommended the enacted level of funding.* **The Assembly concurred.**

LIHEAP and Weatherization Assistance Programs. The Department requested \$1.2 million less from federal sources for benefits and operating expenses related to the low income home energy assistance and weatherization assistance programs. This reflects a reduction in available carry-forward from prior year awards. Consistent with the enacted budget, the request includes \$5.9 million of funds authorized under the CARES Act in response to the coronavirus emergency. The low income home energy assistance program provides funds to assist Rhode Island's low income households to meet the increasing costs of home energy and to reduce the severity of an energy related crisis. The program currently assists approximately 37,000 low income households and grants range from \$300 to \$450 monthly depending on income level. The weatherization assistance program provides cost effective, energy efficient weatherization improvements. It also provides low-income individuals, particularly elderly, persons with disabilities, families with children, high residential energy users, and households with a high energy burden, with weatherization improvements to lower utility costs. *The Governor recommended \$2,597 more than enacted for personnel expenditures, reflecting an updated assessed fringe benefit rate as a result of the voluntary retirement incentive program.* **The Assembly shifted \$3.3 million from CARES Act funding to FY 2022 based on projected expenses.**

Vocational Rehabilitation Services. The Department requested \$0.1 million more than enacted from all sources, including from \$28,751 from general revenues. Adjusted for \$135,002 from all sources of workshare savings included in the enacted budget but not the revised request, the request is \$30,256 more than enacted from federal funds for various office operating expenses. The Office of Rehabilitation Services is charged with empowering Rhode Islanders with disabilities who voluntarily wish to obtain and maintain employment, economic self-sufficiency, independence and full integration into society. The Office provides resources and services to residents with disabilities through three program areas: vocation rehabilitation services, services for the blind and visually impaired, and disability determination services. *The Governor recommended \$29,117 more than enacted from all sources, including \$6,260 from general revenues, for personnel expenditures, reflecting an updated assessed fringe benefit rate as a result of the voluntary retirement incentive program.* **The Assembly concurred.**

Medicaid Rehabilitative Services. The Department requested \$0.1 million more than enacted from all sources, including \$54,980 more from general revenues, for three programs managed by the Office of Rehabilitation Services that provide services eligible for federal matching funds under provisions of the Medicaid waiver. The services include social services for the blind, personal care attendants, and home modifications; these services are aimed at helping an individual maintain independence. The revised request excludes general revenue savings assumed in the enacted budget from a temporary 6.2 percent increase in the federal match on medical expenses. The increase was authorized in response to the coronavirus pandemic and will expire at the end of the fiscal quarter in which the public health emergency ends. The enacted budget assumes savings for three quarters of FY 2021; however, as the national emergency has been extended, an additional \$17,352 of general revenue savings is available. *The Governor recommended total funding as enacted but shifted \$13,851 from general revenues to federal funds reflecting savings from the enhanced federal match.* **The Assembly concurred.**

Services for the Blind and Visually Impaired. The Department requested \$0.1 million more than enacted from all sources of funds, including \$46,636 from general revenues. Adjusted for workshare savings included in the enacted budget, the request is \$15,550 more than enacted from federal funds for operating expenses, including temporary contracted services; however, based on actual expenses for the last two fiscal years, this may be overstated. *The Governor recommended \$3,165 more than enacted from general revenues for personnel expenditures, reflecting an updated assessed fringe benefit rate as a result of the voluntary retirement incentive program.* **The Assembly concurred.**

Domestic Violence Prevention Activities. The Department requested \$59,430 more than enacted from federal funds for domestic violence prevention activities. The request reflects carryforward of unspent prior year funding. The request also includes the enacted amount of \$0.1 million from federal funds authorized under the CARES Act for family violence prevention activities. Funding is contracted through the RI Coalition Against Domestic Violence and distributed to domestic violence shelters in the state. *The Governor recommended the enacted level of funding.* **The Assembly concurred.**

Community Services Block Grant. The Department requested \$0.4 million more than enacted for expenses related to the community services block grant, which is primarily used to provide direct grants to the state's nine community action agencies. This reflects available carryforward from prior year grant awards. The enacted budget also includes \$4.1 million from federal funds authorized through the CARES Act. The funds were also included in the final FY 2020 appropriation but not spent prior to the end of the fiscal year. *The Governor recommended funding essentially as enacted.* **The Assembly concurred.**

Preschool Development Grant. The Department requested \$0.3 million more from federal preschool development funds. In December 2018, the Department was awarded a \$4.2 million grant from the Administration for Children and Families Office of Child Care designed to support development, planning, and coordination of the state's early childhood system, specifically from birth to age five. Funding was used for a facilities assessment to identify space that could be used to expand the state's prekindergarten program, a family needs assessment, a funding stream analysis, as well as technical assistance and professional development for providers. In December 2019, the state was awarded a supplemental three-year, \$26.8 million grant to improve the state's early childhood system based on assessments funded from the first award. It is working with the Departments of Health, Elementary and Secondary Education, Children, Youth and Families, and Executive Office of Health and Human Services on this initiative, each of which also share in the grant funding. *The Governor recommended \$481 more than enacted for personnel expenditures, reflecting an updated assessed fringe benefit rate as a result of the voluntary retirement incentive program.* **The Assembly concurred.**

Other Staffing. The Department requested \$46,720 more than enacted from all sources, including \$5,010 from general revenues for all other staffing expenses in central management and individual and family support programs. This reflects the value of workshare savings included in the enacted budget, but excluded from the revised request based on Budget Office instructions. *The Governor recommended \$0.1 million more than enacted from all sources, including \$2,532 more from general revenues. This includes \$51,589 for Coronavirus Relief funds for staff time responding to the public health emergency, which were identified after enactment of the FY 2021 budget. Remaining funds reflect an updated assessed fringe benefit rate as a result of the voluntary retirement incentive program.* **The Assembly concurred.**

Centralized Services. The Department inadvertently requested \$218,268 more than enacted for its share of centralized services provided by the Department of Administration, including \$16,938 from general revenues. This includes the enacted level for human resources, \$50,620 for facilities management, and \$167,648 for information technology charges. *The Governor recommended the enacted level of funding.* **The Assembly concurred.**

Capital. The Department requested \$0.3 million more than enacted from all sources for capital projects. This includes \$0.2 million from federal funds for a new information management system for the Office of Rehabilitative Services. The request also includes \$51,618 more from Rhode Island Capital Plan funds for the ongoing construction and renovation of statewide vending facilities, which is not consistent with the approved plan. The enacted budget includes a total of \$68,382 for FY 2021, reflecting the reappropriation of unspent funds from FY 2020, and shifted the annual appropriation of \$165,000 from FY 2021 to FY 2022. *The Governor recommended the requested level of funding from Rhode Island Capital Plan funds but excluded requested federal funds. This is inconsistent with the capital budget recommendation which includes funding consistent with the request.* **The Assembly included the requested federal funds for the new information management system as the project had begun. A detailed description of the projects is included in the Capital Budget section of this publication.**

Indirect Cost Recoveries. The Department requested use of \$0.5 million from indirect cost restricted receipts collected on eligible federal grants. Funds will be used to offset operating expenditures throughout the agency, though specific expenditures were not identified at the time of the budget submission. It should be noted that the Assembly shifted general revenue expenditures in both the enacted and final FY 2020 budgets to available indirect cost recovery restricted receipts; however, this fund source was not used for any expenses. Use of the funds for the revised FY 2021 budget would offset expenditures that would otherwise be charged to general revenues. *The Governor included funding as requested.* **The Assembly concurred.**

Other Grants. The Department requested \$0.5 million more than enacted from all other federal awards distributed as grants to community providers. This includes carry-forward of unspent funds as well as adjustments to actual grant awards for nearly a dozen sources of federal funding, including for the emergency food assistance and refugee assistance programs, among others. *The Governor recommended \$128,000 more than enacted from federal funds for administration of the Emergency Food Assistance Program. These funds are passed through to the Rhode Island Community Food Bank, which administers the program.* **The Assembly concurred.**

Other Operations. The Department requested \$0.2 million more than enacted, primarily from federal funds, for all other operating expenses. The revised request reduces funding for various operating expenses based on actual FY 2019 and FY 2020 spending and shifts funds to contracted accounting and financial services. No funds have been included for these expenses in prior requests, though the Department has incurred them annually. *The Governor recommended the enacted level of funding.* **The Assembly concurred.**

Office of Veterans Services

Veterans' Home. The Office requested total funding consistent with the enacted budget for personnel and operating expenses at the Rhode Island Veterans' Home. As the request predated enactment of the FY 2021 budget, it excludes \$12.0 million of federal Coronavirus Relief funds used for eligible personnel expenditures in lieu of general revenues.

The Governor recommended \$2.9 million more than enacted, primarily from Federal Emergency Management Agency reimbursements for operating expenses resulting from the public health emergency, including janitorial and medical expenses. It also includes \$0.2 million from Coronavirus Relief funds for staffing expenses, primarily overtime. The recommendation did not reduce funding from general revenues in lieu of new federal funds. The Governor subsequently requested an amendment to reduce general revenue funding by \$2.3 million as a result of the available funds. **The Assembly concurred with the amended recommendation.**

RI Serves. The Office requested \$153,000 from general revenues for RI Serves, a coordinated care and case management system used to connect veterans applying for assistance with programs through a community provider network. The project was launched using Information Technology Investment funds in FY 2019. Governor Raimondo included \$153,000 from general revenues in her FY 2020 and FY 2021 recommendations to support the program; the Assembly did not concur. The program was subsequently funded from information technology funds for FY 2020 and has been supported within existing resources for the first half of FY 2021. *The Governor did not recommend the funding.* **The Assembly concurred.**

Other Operations. The Office requested \$0.1 million more than enacted from general revenues for all other expenses, including \$40,000 to replace a cemetery vehicle that no longer functions. It should be noted that the Office attempted to purchase a vehicle through the state's fleet revolving loan fund but was not successful. *The Governor recommended \$5,114 more than enacted for personnel expenditures, reflecting an updated assessed fringe benefit rate as a result of the voluntary retirement incentive program.* **The Assembly concurred.**

Capital Projects. The Office requested \$3.0 million less than enacted from all sources for projects at the Rhode Island Veterans' Memorial Cemetery in Exeter and Veterans' Home in Bristol. This includes \$0.1 million more from Rhode Island Capital Plan funds for asset protection projects at the Veterans' Home and \$3.1 million less from federal funds for projects at the Veterans' Cemetery. The enacted budget excluded asset protection funding for FY 2021, reflecting the Governor's requested budget amendment. *The Governor recommended the enacted level of funding.* **The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of the publication.**

Office of Healthy Aging

Volunteer Guardianship Program. The Office requested \$1,000 more than enacted from general revenues for operating expenses supporting the volunteer program which provides guardianship services to low-income, older, at-risk persons residing throughout the state who have been identified by a referral source as being in need of advocacy services; guardianships under this program do not involve decision-making regarding the property or finances of the person. The request appears to be overstated as the Department underspent the final FY 2020 appropriation by \$16,398 and its revised request is \$17,398 more than spent in FY 2020. *The Governor recommended the enacted level of funding.* **The Assembly concurred.**

Home and Community Care Services. The Office requested \$0.5 million more than enacted from all sources for home care and adult day care services, including \$0.3 million from general revenues. The program currently subsidizes in-home and adult day care programs for non-Medicaid eligible individuals with incomes up to 200 percent of the federal poverty level. The revised request excludes general revenue savings assumed in the enacted budget from a temporary 6.2 percent increase in the federal match on medical expenses. The increase was authorized in response to the coronavirus pandemic and will expire at the end of the fiscal quarter in which the public health emergency ends. The enacted budget assumes savings for three quarters of FY 2021; however, as the national emergency has been extended, an additional \$0.1 million of general revenue savings is available.

The Governor recommended \$1.9 million less than enacted from all sources, including \$0.9 million less from general revenues. This primarily reflects a reduction in projected participation, consistent with the Department's second quarter report, and includes general revenue savings from a continuation in the enhanced federal match rate. **The Assembly concurred.**

Paratransit Services for the Elderly. The Department requested \$26,714 more than enacted from all sources, including \$17,691 more from general revenues for elderly transportation services. The revised request excludes general revenue savings assumed in the enacted budget from a temporary 6.2 percent

increase in the federal match on medical expenses. The increase was authorized in response to the coronavirus pandemic and will expire at the end of the fiscal quarter in which the public health emergency ends. The enacted budget assumes savings for three quarters of FY 2021; however, as the national emergency has been extended, an additional \$5,754 of general revenue savings is available. The revised request also includes the enacted amount of \$4.4 million from gas tax proceeds despite a decline in collections. In FY 2020, a total of \$4.2 million was deposited into the Intermodal Surface Transportation Fund, \$252,502 less than requested. *The Governor recommended \$0.1 million less than enacted from all sources, including \$33,582 less from general revenues. This primarily reflects a reduction in projected participation and includes general revenue savings from a continuation in the enhanced federal match rate.* **Based on projected gas tax yields, the Assembly reduced funding by 0.4 million.**

Elderly Nutrition Programs. The Office requested \$0.7 million more than enacted for elderly nutrition programs, primarily reflecting carry-forward of unspent funds for congregate meal sites from FY 2020. In response to the coronavirus emergency, many congregate meal sites were closed or significantly impacted, meanwhile the use of home-delivered meals increased. The revised request includes the enacted amount of \$2.2 million from federal elderly nutrition funds authorized under the CARES Act. Funds can be used for congregate and home-delivered meals. *The Governor recommended \$0.5 million less from federal funds authorized under the CARES Act, which appears to be in error. As of April 6, 2021, nearly all of the \$2.2 million included in the enacted budget has been spent.* **The Assembly provided \$1.1 million more than recommended based on projected expenditures.**

COVID Relief. The Office excluded \$0.2 million from Coronavirus Relief funds included in the enacted budget, including \$126,451 distributed to Meals on Wheels and \$55,000 used to distribute boxes of food and personal care items. The revised request includes the enacted level of \$1.3 million from federal funds also authorized under the CARES Act for various programs including the state ombudsman, family caregivers including the respite program, and for supportive services, such as health education, counseling, housing services, transportation, elder abuse prevention and response activities, and in-home services, among others. *The Governor recommended \$100,000 more than enacted from new Federal Emergency Management Agency funds. This appears to be an error, as the Office has not requested such reimbursement though the end of March and does not expect to incur eligible expenses.* **The Assembly included the enacted level of funding only.**

Aging and Disability Resource Center. The Office excluded the enacted amount of \$15,792 from Coronavirus Relief funds for the Aging and Disability Resource Center. Total enacted funding for the center is \$0.2 million, most of which is from a direct grant award authorized under the CARES Act. *The Governor recommended \$0.1 million more than requested from a new federal grant for the center. The recommendation did not include the enacted amount from Coronavirus Relief funds, which was spent by September 2020; this appears to be an error.* **The Assembly restored the Coronavirus Relief funds that had been excluded in error.**

Long Term Care Ombudsman. The Office requested the enacted amount of \$0.3 million from all sources for the Long Term Care Ombudsman. This includes \$0.1 million each from general revenues, federal Title VII funds, and CARES Act funding. The Long Term Care Ombudsman, Alliance for Better Long Term Care, advocates on behalf of residents of nursing homes, assisted living residences and certain other facilities, as well as recipients of home care services and it fulfills the state's responsibility contained in Rhode Island General Law, Chapter 42-66.7. The ombudsman program identifies, investigates, and resolves complaints raised by the aforementioned parties. *The Governor recommended \$50,000 more than requested from federal funds. Including funding for FY 2022, the recommendation appears to overstate the total amount of newly available funds.* **The Assembly provided \$30,000 less for FY 2021 based on actual grant awards.**

Respite Care. The Office requested the enacted level of \$0.7 million from all sources, including \$325,000 from general revenues for the Diocese of Providence to support the respite care program. The Diocese of Providence's CareBreaks program assists caregivers taking care of family members with disabilities of any age. Some volunteers may be available but, if needed, CareBreaks may also help to pay part of the cost for respite provided by approved agencies. The program is also supported by Catholic Charities and federal grants. *The Governor recommended \$0.2 million more than requested from federal funds.* **The Assembly shifted \$0.4 million from FY 2021 to FY 2022 based on anticipated expenditures.**

Salaries and Benefits. The Office requested \$73,017 more than enacted, primarily from general revenues. The enacted budget includes savings of \$49,475 from all sources, including \$19,729 from general revenues, from staff participation in the workshare program which is not reflected in the revised request. Adjusted for this, the request is \$23,542 more than enacted, including \$50,525 from general revenues. The request for additional general revenues largely reflects a shift of expenditures from indirect cost recovery restricted receipts, reflecting an anticipated decline in collections. Based on an average salary of \$76,740, the revised request fully funds 29.2 of it 31.0 authorized full-time equivalent positions. *The Governor recommended \$12,643 more than enacted from all sources, including \$6,019 from general revenues, reflecting an updated assessed fringe benefit rate as a result of the voluntary retirement incentive program.* **The Assembly concurred.**

Other Grants. The Office requested \$0.5 million more than enacted from all sources for assistance and grants provided to local organizations providing health, nutrition, companion, and other supportive services to the state's elderly. This includes \$84,789 more from general revenues for the state match of Medicaid administration expenses and in-home services for the elderly, as well as \$20,000 more for a state match to the Senior Companion Program. This is offset by a reduction in operating expenses from the match elsewhere in the budget; the grant requires state spending of \$65,000 and the revised request reflects a shift in eligible expenses. *The Governor recommended \$0.2 million more than enacted from federal funds authorized under the CARES Act for supportive services.* **The Assembly shifted \$0.8 million from federal funds from FY 2021 to FY 2022 based on anticipated expenditures.**

Other Operations. The Office requested \$0.1 million less than enacted from all sources for all other operating expenditures within the Office of Healthy Aging, including \$3,184 more from general revenues. The revised request adjusts various operating expenses based on actual FY 2020 spending. *The Governor recommended funding as enacted.* **The Assembly concurred.**

Dept. of Behavioral Healthcare, Developmental Disabilities & Hospitals

	FY 2020 Reported	FY 2021 Enacted	FY 2021 Revised	FY 2021 Final
Expenditures by Program				
Central Management	\$ 5,274,300	\$ 5,576,121	\$ 5,642,580	\$ 5,642,580
Services for the Dev. Disabled	285,534,033	304,018,597	304,495,170	304,495,170
Hosp. & Comm. System Support	3,065,508	3,439,082	3,149,278	3,149,278
Hospital & Comm. Rehab. Services	124,425,564	129,920,263	136,210,466	135,253,016
Behavioral Healthcare Services	38,729,792	43,127,612	54,333,168	54,433,168
Total	\$ 457,029,197	\$ 486,081,675	\$ 503,830,662	\$ 502,973,212
Expenditures by Category				
Salaries and Benefits	\$ 131,127,375	\$ 133,564,006	\$ 139,073,595	\$ 139,073,595
Contracted Services	6,286,556	9,356,831	11,013,980	11,013,980
Subtotal	\$ 137,413,931	\$ 142,920,837	\$ 150,087,575	\$ 150,087,575
Other State Operations	34,622,965	27,481,451	32,733,776	32,833,776
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	281,081,971	314,877,603	320,205,716	319,248,266
Capital	186,544	801,784	803,595	803,595
Capital Debt Service	-	-	-	-
Operating Transfers	3,723,786	-	-	-
Total	\$ 457,029,197	\$ 486,081,675	\$ 503,830,662	\$ 502,973,212
Sources of Funds				
General Revenue	\$ 243,500,368	\$ 248,855,733	\$ 249,527,573	\$ 257,979,000
Federal Aid	211,720,000	233,118,777	250,420,758	241,011,881
Restricted Receipts	1,520,210	3,707,165	3,482,331	3,582,331
Other	288,619	400,000	400,000	400,000
Total	\$ 457,029,197	\$ 486,081,675	\$ 503,830,662	\$ 502,973,212
FTE Authorization	1,189.4	1,188.4	1,188.4	1,188.4
FTE Average	1,119.9			

FY 2021 Revised Request. The Department requested \$39.5 million less than enacted, including \$37.3 million less from federal funds, \$1.6 million less from restricted receipts, \$0.1 million less from Rhode Island Capital Plan funds and \$0.5 million less from general revenues. The enacted budget includes savings of \$0.8 million from all sources, including \$0.7 million from general revenues based on 116 individuals from the Department opting to participate in the workshare program that is not reflected in the revised request per Budget Office instructions. Adjusted for this, the revised request is \$1.2 million less than enacted from general revenues.

The Department's revised request includes 1,189.4 full-time equivalent positions, one more than the authorized level. The enacted budget transferred a legal position to the Executive Office of Health and Human Services but with passage of the FY 2021 budget made after the submission, the Department's revised request includes it.

The Families First Coronavirus Response Act temporarily increases a state's Medicaid match rate by 6.2 percent for services provided from January 1, 2020 until the end of the public health emergency which was through the third quarter of FY 2021. At the time the budget was adopted, this rate was 60.03 percent. The FY 2021 enacted budget assumes general revenue savings of \$108.3 million across all of the state's health and human service agencies, including \$12.3 million taken in the Department's budget for those three quarters. The public health emergency has been extended through the end of FY 2021 which would result in an additional general revenue savings of at least \$4.0 million in the Department's budget for that final quarter.

*The Governor recommended \$17.7 million more than enacted, \$0.7 million more from general revenues. This includes \$4.1 million more from general revenues for the fourth quarter from the enhanced Medicaid rate. He requested several amendments that impact Medicaid funding at Eleanor Slater Hospital and restricted receipts. **The Assembly provided \$8.5 million more from general revenues, \$9.4 million less from federal Medicaid funds and \$0.1 million more from restricted receipts.***

COVID Related Programs. The CARES Act adopted in response to the crisis provided \$1,250.0 million to Rhode Island for related expenditures incurred between March 1, 2020 and December 30, 2020, including responding directly to the emergency as well as second order effects. The administration used a portion of these funds to support eligible health care providers for health care related expenses or lost revenues that are attributable to coronavirus as well as new programs targeting reform, including long term care services and supports. There were also separate programs that provided funding directly from the federal government to Rhode Island health care providers, including hospitals, federally qualified health centers, nursing homes and primary care providers that totaled over \$310 million.

The FY 2021 enacted budget includes \$171.8 million across state agencies for hospitals, congregate care settings and other primary care providers. The table shows federal funds awarded to the community providers included in the Executive Office of Health and Human Services' budget as well as the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals and the Department of Administration for the Hospital Assistance Partnership program; a description of each program follows. The expenses are excluded from the October agency budget submission since passage of the budget occurred in December.

Programs	Department	FY 2021 Enacted	FY 2021 Gov. Rec.	FY 2021 Final
Hospital Assistance Partnership Program	DOA	\$ 125,000,000	\$ 125,091,500	\$ 125,091,500
Workforce Stabilization Fund	EOHHS	4,000,000	6,232,616	6,232,616
LTSS Resiliency Fund*		-	19,584,000	-
LTSS Resiliency Fund - Nursing Facility Transformation		9,000,000	9,000,000	9,000,000
LTSS Resiliency Fund - Nursing Home Supports		4,684,000	4,684,000	4,684,000
Nursing Home Isolation Units		-	250,000	180,000
LTSS Resiliency Fund - Home & Community Based Services		5,900,000	5,900,000	5,900,000
Community Based Providers		3,000,000	13,038,000	13,038,000
Early Intervention and Children's Services Provider Relief		5,000,000	5,000,000	5,000,000
Pediatric Primary Care Rate & Immunizations		6,100,000	6,021,404	6,021,404
Primary Care Providers - Focused Technical Assistance		1,100,000	-	-
COVID Related-Hospital Expenses		BHDDH	4,900,823	4,900,823
Naloxone	-		826,045	826,045
Mental Health & Domestic Violence Prevention Programs	2,100,000		Moved to EOC	
Substance Abuse Provider Relief Grant	1,000,000		1,000,000	1,000,000
Total		\$ 171,784,823	\$ 201,528,388	\$ 181,874,388

*Governor's recommended budget inadvertently double counts the resiliency fund - additional funding shown, not available

The initiatives that support the Department's current programs are described below. Funding for the Workforce Stabilization Fund and Community Based Providers program are included in the budget of Executive Office of Health and Human Services.

Work Stabilization Fund. The funding was awarded in four phases. Payments for frontline workers totaling \$16.2 million were made from April through July for phase 1 through phase 3. The fourth phase in FY 2021 includes \$4.0 million from Coronavirus Relief funds to provide payroll support for frontline workers in congregate care settings earning under \$25 per hour. This includes those who work with seniors, people with developmental disabilities, individuals with mental health and substance abuse disorders, and young people in Department of Children, Youth and Families' congregate care facilities. *The Governor recommended \$6.2 million in the Executive Office's budget. **The Assembly concurred.***

Community-Based Providers. Payments totaling \$3.0 million from Coronavirus Relief funds were made to community-based agencies providing services to adults with developmental disabilities. Funding through the Executive Office's budget was awarded to 40 agencies for payments to be made to direct support staff who make less than \$20 an hour. This includes a one-time total payment of \$1,200 for staff working 30 hours or more. For staff working between 15 and 21 hours, the payment is \$540 and \$750 between 22 and 29 hours a week. It should be noted that these are one-time grants and all other funding for the community-based agencies is in the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals' budget.

After passage of the FY 2021 budget, the administration provided another \$10.0 million from Coronavirus Relief funds for the community-based providers to supplement the state's effort to help them respond to the public health emergency and addressing any business interruptions, including loss of revenue. The payments, which are not reflected in the table, can be used for payroll, rent or mortgage payments, equipment lease payment, personal protective equipment, cleaning supplies and other operating expenses. *The Governor recommended \$13.0 million for the payments. **The Assembly concurred.***

COVID Related - Hospital Expenses. The federal CARES Act adopted in response to the crisis provided \$1,250.0 million to Rhode Island for expenditures related to COVID-19 incurred between March 1, 2020 and December 30, 2020. Allowable expenses include those incurred responding directly to the emergency as well as to "second-order" effects, such as providing economic support to those suffering from employment or business interruptions. Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency are allowable expenses as are those to facilitate compliance-related public health measures. The enacted budget includes \$4.9 million from Coronavirus Relief funds to offset general revenue expenses at Eleanor Slater Hospital. *The Governor recommended funding essentially as enacted. **The Assembly concurred.***

COVID Relief - Quarantine and Isolation Facilities. The federal CARES Act adopted in response to the crisis provided \$1,250.0 million to Rhode Island for expenditures related to COVID-19 incurred between March 1, 2020 and December 30, 2020. Allowable expenses include those incurred responding directly to the emergency as well as to "second-order" effects, such as providing economic support to those suffering from employment or business interruptions. Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency are allowable expenses as are those to facilitate compliance-related public health measures. The enacted budget provided \$12.9 million in the Department of Administration's budget, including \$2.6 million from general revenues to cover quarantine and isolation expenses to be incurred in the second half of the fiscal year for which there is no other federal support. The budget also assumes some of these expenses in the Departments of Human Services and Children, Youth and Families' budgets but none assumed for Behavioral Healthcare, Developmental Disabilities and Hospitals related to individuals with developmental disabilities. The Department's request did not include

any funding. *The Governor recommended \$375,000 from Coronavirus Relief funds.* **The Assembly concurred.**

COVID Relief Funds - Naloxone. The Department's revised request does not include \$0.8 million from Coronavirus Relief funds spent to purchase and store naloxone kits for distribution to community organizations. *The Governor's recommendation includes the funding.* **The Assembly concurred.**

COVID Relief Funds - Student Assistance Program. The Department's revised request does not include federal relief funds for Project Success which provides services to adolescents that address mental health issues that might arise resulting from the pandemic. Funding will assist with addressing the inability to access behavioral healthcare services at school. *The Governor's recommendation includes \$91,929 from federal funds.* **The Assembly concurred.**

Mental Health & Domestic Violence Prevention Programs. The initiative includes \$2.1 million from Coronavirus Relief funds to support programs that address mental health and domestic violence issues during the pandemic. Funding will support student assistance services, opioid outreach and distribution of naloxone, and counseling and advocacy for survivors of family violence. The Rhode Island Foundation is managing the process to award the funds. The Department's revised request does not include the funding.

The Governor's recommendation includes \$1.3 million from Coronavirus Relief funds in the Executive Office of Commerce. This includes \$1.1 million for domestic violence prevention and mental health services and \$150,000 for a food support program. These initiatives are part of a Commerce Corporation contract for the Rhode Island Foundation to administer. **The Assembly concurred.**

Substance Abuse Provider Relief Grant. The initiative includes \$1.0 million from Coronavirus Relief funds to be used to support substance abuse prevention programs that expand community-based treatment services potentially reducing inpatient hospitalizations during the pandemic. The Department's revised request does not include the funding. *The Governor recommended funding at the enacted level.* **The Assembly concurred.**

Division of Developmental Disabilities

Developmental Disabilities Programs. The Department's revised request includes \$275.3 million from all sources, of which \$120.8 million is from general revenues for programs to support adults with developmental disabilities, excluding centralized services, discussed separately. This is \$25.2 million less from all sources, including \$2.7 million less from general revenues, \$22.7 million less from federal Medicaid funds, \$17,777 less from restricted receipts and \$0.2 million more from Rhode Island Capital Plan funds.

The decrease in federal funds includes \$15.0 million less for the health home/case management services initiative that the Department did not implement. The enacted budget includes \$19.8 million from all sources, of which \$2.0 million is from general revenues for the 90 percent match for case management services, which are still provided but at the regular match rate. Therefore, the \$2.0 million from general revenues is now matched by \$2.8 million from federal Medicaid funds.

The request also funds contracts and activities that satisfy the requirement of the consent decree the state entered into with the Department of Justice regarding individuals whose day activities were at sheltered workshops. The court monitor is paid from the Executive Office of Health and Human Services' budget. Also included in the revised request is funding for the Person Centered Supported Employment Performance Program and authorizations for additional services.

The following table breaks down division expenses for developmentally disabled adults who receive residential, community-based and home services through the state-run system and/or the privately operated system. *The Governor recommended \$300.9 million from all sources, including \$119.5 million from general revenues. This is \$0.5 million more than enacted from all sources and \$4.0 million less from general revenues to reflect the enhanced Medicaid match rate in the fourth quarter. The Assembly concurred.*

Developmental Disabilities Services							
Program/Component	Individuals*	FY 2021 Rev. Req.		FY 2021 Gov. Rec.		FY 2021 Final	
		Gen. Rev.	All Funds	Gen. Rev.	All Funds	Gen. Rev.	All Funds
Privately Operated System - Residential and Day	3,809	\$ 96.9	\$ 233.1	\$ 100.7	\$ 260.2	\$ 100.7	\$ 260.2
Health Home/Case Management	n/a	-	-	-	-	-	-
Person Centered Supported Employment Performance Program	??	2.5	2.5	3.0	3.0	3.0	3.0
Medicaid CNOM - Day Programs	5	0.03	0.1	0.04	0.1	0.04	0.1
RICLAS (state-run) - Residential	116	14.7	28.4	10.7	27.4	10.7	27.4
Case Management Only	484	<i>not separately available - included below</i>					
Other State Only Services & Administrative Expenses	0	6.7	10.9	5.0	9.7	5.0	9.7
FEMA: DD Facilities	0	-	-	-	0.4	-	0.4
Thresholds/Access to Independence Programs	n/a	-	0.3	-	0.1	-	0.1
Total	4,414	\$ 120.8	\$ 275.3	\$ 119.5	\$ 300.9	\$ 119.5	\$ 300.9

*Enrollment as of January 2021/\$ in millions

Medical Benefits/Rhody Health Options. Individuals receiving residential and other community-based services receive medical benefits through the Executive Office of Health and Human Services. Individuals who are not eligible for Medicare are enrolled in Rhody Health Partners, the state’s managed care plan for disabled individuals and those receiving services through Medicaid expansion. Those who are eligible for both Medicare and Medicaid, referred to as “dual eligibles”, have the opportunity to enroll in Rhody Health Options, the state’s integrated care initiative to provide services through a managed care plan and potentially lowering medical costs for the more expensive dual eligible population. Those who opt not to enroll in managed care will continue to receive direct medical benefits through a fee-for-service reimbursement system.

Of the 3,800 program participants, the November 2020 caseload estimate and the enacted budget assumes that approximately 1,400 individuals are enrolled in the Rhody Health Options for costs totaling \$14.6 million, another 950 in Rhody Health Partners totaling \$17.3 million and the remaining 1,500 in fee-for service are in the Executive Office of Health and Human Services’ budget. *The Governor recommended funding at the enacted level. The Assembly included \$18.8 million for individuals enrolled in Rhody Health Partners, \$13.5 million for those enrolled in Rhody Health Options based on updated rates consistent with the May conference estimate which also assumes enrollment of 1,500 in the fee-for-services program.*

Privately Operated System. The Department requested \$233.1 million from all sources, including \$96.9 million from general revenues for programs operated through community-based agencies providing residential and day programming services to approximately 3,800 adults with developmental disabilities. The revised request is \$27.0 million less than enacted, including \$7.9 million less from general revenues for programs provided through the community agencies. As noted, the revised request excludes Medicaid funds for the health home initiative and, excluding those funds, the revised request is \$12.0 million less than enacted and \$7.9 million less from federal funds. The revised request is also \$10.7 million less than spent in FY 2020.

In response to the pandemic, the Department provided \$10.0 million in retainer payments for the community based agencies that lost revenue from the inability to provide and bill for community based activities. The Department also temporarily increased rates by ten percent for another \$3.0 million. The Department's revised request used caseload information from actual services provided and did not take into consideration that the retainer payments and the temporary rate increase were made in place of what would have been expenses for services under normal circumstances and this results in the reduction to the enacted budget for services.

In October 2020, the Department began to allow individuals full access to their authorizations for the second through the final quarter of FY 2021 instead of on a quarterly basis as required in state law. The Department reported that authorizations total \$299.8 million for FY 2021, which is \$66.7 million more than included in the revised request.

In addition to the payments made through the Department's budget, community based providers also had access to \$3.0 million of Coronavirus Relief funds to increase payments to its direct care workers through the Executive Office of Health and Human Services' budget. Another \$10.0 million from Coronavirus Relief funds was made available in December 2020 to address issues identified by the court monitor around wages and retaining a workforce to meet the requirements of the consent decree; this funding is not included in the FY 2021 budget since the funding award was made after it passed.

It should be noted that the community based agencies provides day program activities to 44 of the 116 individuals residing in the state-run facility. The providers are: AccessPoint RI, Blackstone Valley, The Cove, Frank Olean Center, the Fogarty Center, J. Arthur Trudeau Memorial Center, Kaleidoscope Family Solutions of RI, Living Innovations, Looking Upwards, Perspectives and Seven Hills.

The revised request assumes the use of \$2.5 million from general revenues which is \$0.5 million less than enacted to make payments to the community-based providers who are participating in the person centered supported employment performance program as part of the state's consent decree; this is discussed separately. *The Governor recommended total funding essentially as enacted, but shifted \$4.1 million from general revenues to federal funds to reflect the enhanced Medicaid match rate.* **The Assembly concurred.**

Person Centered Supported Employment Performance Program. The Department's revised request includes \$2.5 million from general revenues, which is \$0.5 million less than enacted for the person centered supported employment performance program. This reflects the contracts that the Department has with Looking Upwards, Perspectives and Seven Hills and Work Incorporated.

Payments are made to community-based providers who are participating in the person centered supported employment performance program as part of the state's consent decree. This includes certification payments, supplemental authorization and payments for meeting benchmarks in the consent decree. This is a state-only program and the Department reported that it cannot receive Medicaid matching funds because it had not finalized an internal agreement with the Executive Office of Health and Human Services in order to do so. *The Governor recommended the enacted level of \$3.0 million from general revenues.* **The Assembly concurred.**

Transportation Services. The Department requested \$1.0 million more from general revenues for a contract with the Rhode Island Public Transit Authority to provide transportation services to developmentally disabled adults receiving services in the community based programs. The contract expired on October 30, 2020 and was extended until March 31, 2021. The enacted budget includes \$1.7 million from general revenues matched by Medicaid. This is in addition to the \$14.2 million for transportation expenses that is part of the individual budget authorizations previously discussed.

The Department pays for two trips in the course of a day for individual attending community based programs and that expense is matched by Medicaid as part of a person's benefit package. The Department entered into a separate contract with the Authority to provide transportation services above that. The Executive Office of Health and Human Services has reported that transportation services to this population can be matched by Medicaid, but it appears that the Authority is not an approved Medicaid provider. The Department reported that the Authority is in a unique position because it is a quasi-public agency, but it has not provided any additional information as to why it is not considered a Medicaid provider. *The Governor recommended funding at the enacted level of \$1.7 million.* **The Assembly concurred.**

State Only Placements/Services. The Department requested \$1.5 million from general revenues for eight entities, including three in Massachusetts, that are providing residential and other community based services to adults with developmental disabilities. The Department paid the expenses from general revenues only in FY 2020 because the three providers were not Rhode Island Medicaid certified providers. For FY 2021, the Department reported that the situation has been rectified and the three Massachusetts providers are Medicaid certified making it unnecessary to use only state funds for these services.

The Department reported there are also five in-state providers for which the services are state only and are not matched by Medicaid but it is unclear why there are state only services for this population. *The Governor recommended funding consistent with the enacted level.* **The Assembly concurred.**

Other Medicaid Funded Day Services. The Department's revised request includes \$70,000 from all sources, including \$31,724 from general revenues, for day programs through the Medicaid global waiver for services provided to four individuals who are not otherwise eligible for Medicaid. This is \$19,496 less than enacted, including \$12,824 less from general revenues. *The Governor recommended total funding as enacted and included general revenue savings of \$1,387 from the enhanced Medicaid match rate.* **The Assembly concurred.**

All Other Staffing and Operations. The Department requested \$1.3 million less than enacted for other operations, including \$0.7 million less from general revenues. The enacted budget includes savings of \$0.1 million from division staff opting to participate in the workshare program that is not reflected in the revised request per Budget Office instructions. Adjusted for this, the revised request is \$1.5 million less than enacted, including \$0.9 million less from general revenues.

Total funding of \$9.3 million, including \$5.0 million from general revenues, supports other administrative costs in the division as well as state funded services to individuals who are not Medicaid eligible or for services that are not eligible for Medicaid reimbursement. This includes \$6.0 million, of which \$3.2 million is from general revenues, to support 53.0 positions. Adjusting for workshare savings, this is \$1.2 million less from all sources, including \$0.5 million less from general revenues, to reflect updated salary and benefit expenses. This is \$0.6 million less than spent in FY 2020. The revised request updates expenses for an approved cost allocation plan which is updated on a quarterly basis.

The request also includes \$0.1 million less than enacted, including \$0.4 million less from general revenues, for contracted services that total \$0.7 million, including \$0.3 million for Advocates in Action. The revised request also includes the amounts of \$0.1 million for family subsidies and \$0.4 million for other various operating expenses.

The Governor recommended \$23,127 more than enacted, including \$12,348 from general revenues and \$1.3 million more than requested, including \$0.8 million from general revenues. The recommendation reflects an increase to the assessed fringe benefit rate based on the voluntary retirement incentive program and does not reflect the revisions related to the cost allocation plan. **The Assembly concurred.**

Rhode Island Community Living and Supports Program (RICLAS). There are 23 state-run group homes and apartments in two complexes that have the capacity to provide residential services to 167 clients. The Department has established a policy that clients would be admitted into the state-run system in emergency situations only. As of January 2021, there were 116 clients in the state-run facilities. Of that amount, 44 attend day programs operated by ten private providers including: AccessPoint, Blackstone Valley, The Cove Center, Frank Olean Center, Fogarty Center, J. Arthur Memorial Center, Kaleidoscope Family Solutions, Looking Upwards, Perspectives and Seven Hills.

The revised request to operate the 24-hour system is \$2.3 million less than enacted, including \$2.8 million more from general revenues. The enacted budget includes savings of \$0.1 million from general revenues from division staff opting to participate in the workshare program that is not reflected in the revised request. Adjusted for this, the revised request is \$2.9 million more than enacted from general revenues. However, the revised request overfunds general revenues and underfunds expenses reimbursed by Medicaid because it erroneously funded 15 vacant positions using only general revenues. Based on a new cost allocation plan, the revised request shifted expenses from central management and hospital community support divisions to this program. It also excludes Medicaid funding for expenses for 14 individuals living in two apartment complexes instead of treating it as state-only expenses; this is discussed separately.

*The Governor's recommendation adds \$70,543, including \$20,196 more from general revenues than enacted to reflect an increase to the assessed fringe benefit rate based on the voluntary retirement incentive program. The recommendation does not shift expenses based on the cost allocation plan. **The Assembly concurred.***

RICLAS Apartments. There are currently 14 developmentally disabled individuals living in two apartment complexes that the Department determined that it could not get a Medicaid match for the services provided to them because the individuals did not live in a group home. Since these individuals are part of the Division's 116-person caseload, the request uses the annual cost per person of approximately \$250,000 for each individuals in the state-run system, regardless of the services provided by staff. The revised request includes \$2.2 million more from all sources, including \$1.3 million from general revenues, assuming this is primarily a state only expenses. The Department has since reported that it can bill Medicaid making the general revenue increase unnecessary. *The Governor's recommendation includes the enacted level of funding. **The Assembly concurred.***

Division of Behavioral Healthcare Services

The state provides behavioral health services including Medicaid funded mental health and substance abuse services to individuals through the Executive Office of Health and Human Services and Department of Behavioral Healthcare, Developmental Disabilities and Hospitals provides additional services through federal resources primarily the Substance Abuse, Mental Health and Social Services block grants.

The 2014 Assembly transferred Medicaid funded behavioral healthcare services from the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals to the Executive Office of Health and Human Services to align direct medical benefits with mental health and substance abuse services for disabled individuals. The Medicaid expansion opportunity through the Affordable Care Act that the state accepted allowed the Department's behavioral healthcare clients who received a limited benefit to have full access to Medicaid through the Executive Office of Health and Human Services' budget. With the transfer of the Medicaid funds to the Executive Office, the state now pays for Medicaid funded services and is able to provide direct care and behavioral healthcare benefits through one agency with coordination through the managed care plans.

The November 2020 Caseload Estimate and the FY 2021 enacted budget include \$640.8 million to provide Medicaid coverage to adults between ages 19 to 64, without dependent children, with incomes at or below

138 percent of poverty and assumed an average of 88,000 members. *The Governor included \$652.6 million. The Assembly provided \$745.4 million, consistent with the May Caseload Conference estimate.*

CARES Act - Behavioral Healthcare Services. The Department requested \$1.3 million from federal funds to reflect an award from the Substance Abuse and Mental Health Services Administration as part of the CARES Act. This provides flexible funding to address mental health and substance use disorders, as well as to provide resources and support to youth and to those who are homeless. *The Governor recommended funding as requested. The Assembly concurred.*

COVID Relief Funds - Mental Health & Domestic Violence Prevention Programs. The Department's revised request, submitted prior to passage of the FY 2021 enacted budget, does not include \$2.1 million from Coronavirus Relief funds to support programs that address mental health and domestic violence issues during the pandemic. Funding will support student assistance services, opioid outreach and distribution of naloxone, and counseling and advocacy for survivors of family violence. The Rhode Island Foundation is managing the process to award the funds in FY 2021.

The Governor's recommendation includes \$1.3 million from Coronavirus Relief funds in the Executive Office of Commerce. This includes \$1.1 million for domestic violence prevention and mental health services and \$150,000 for a food support program. These initiatives are part of a Commerce Corporation contract for the Rhode Island Foundation to administer. The Assembly concurred.

COVID Relief Funds - Substance Abuse Provider Relief Grant. The Department's revised request, submitted prior to passage of the FY 2021 enacted budget, does not include \$1.0 million from Coronavirus Relief funds to be used to support substance abuse prevention programs that expand community-based treatment services potentially reducing inpatient hospitalizations during the pandemic. *The Governor's recommendation includes the funding. The Assembly concurred.*

Crisis Counseling Immediate Services Program. The Department requested \$0.2 million from a newly awarded federal grant through the Rhode Island Emergency Management Agency to provide crisis counseling services for survivors of COVID-19. *The Governor recommended \$0.9 million, which is \$0.7 million more than requested, to reflect the actual award. The Assembly concurred.*

COVID Relief Funds - Naloxone. The Department's revised request does not include \$0.8 million from Coronavirus Relief funds to purchase and store naloxone kits for distribution to community organizations. *The Governor's recommendation includes the funding. The Assembly concurred.*

COVID Relief Funds - Student Assistance Program. The enacted budget includes \$39.4 million from Coronavirus Relief funds appropriated for several initiatives related to reopening elementary and secondary schools in the Department of Elementary and Secondary Education. In response to the coronavirus pandemic, the Department contracted with the District Management Group to support the development of state-level guidance to school districts, review and guide school district plans, and provide technical assistance to identified urban districts. Then, on November 13, the Department of Administration reported that an additional \$39.0 million had been allocated for kindergarten through grade 12 reopening initiatives, including the distribution of air purifiers to local education agencies, the recruitment and training of additional substitute teachers, and to provide additional support to at-risk students.

The Department's revised request excludes the use of federal relief funds for its student assistance program, Project Success, which provides services to adolescents to address mental health issues. *The Governor's recommendation includes \$91,929 from Coronavirus Relief funds to hire, train and place eight new student assistance counselors in Providence middle and high schools through the remainder of the school year. It should be noted that the FY 2022 recommendation includes \$0.6 million from the Governor's Emergency Education Relief funds for this program. The Assembly concurred.*

Suicide Prevention Grant. The Department was recently awarded funding through the National Suicide Prevention Lifeline for a 9-8-8 planning grant available to state mental health, behavioral health and public health agencies. The grants will assist with implementing a new, national, three-digit number for mental health crisis and suicide response, or 9-8-8. The Department did not include it in its request. *The Governor recommended \$65,000 in the revised and FY 2022 budgets and included Section 6 of Article 2 of 2021-H 6122 to establish the restricted receipt account. He subsequently requested an amended to increase his recommend by \$100,000.* **The Assembly concurred and included Section 7 of 2021-H 6122 Substitute A, as amended, to create the restricted receipt account.**

State Opioid Response Grant. The revised request includes \$0.6 million more than enacted to reflect a supplemental award for total funding of \$12.4 million from the federal State Opioid Response Grant. This includes \$12.0 million for community support activities and \$0.4 million for administrative expenses. The Department also included \$5.7 million for FY 2022. FY 2019 expenses totaled \$2.1 million and \$16.7 million was spent in FY 2020.

The state was awarded a \$25.2 million federal State Opioid Response grant and a \$6.1 million supplemental grant. The Department received federal approval of its plan that includes 26 separate activities to address the opioid crisis. This includes residential support, recovery and peer support and also involves other state agencies including the State Police, the Departments of Health, Children, Youth and Families, Corrections and Labor and Training.

The Department included funding for a media campaign, discussed separately. *The Governor recommended \$7.7 million more than requested based on projected spending.* **The Assembly concurred.**

State Opioid Response Education and Awareness Campaign. The Department's revised request includes \$0.3 million more than enacted for a total of \$0.8 million from federal State Opioid Response funds for an education and awareness campaign. This includes the Rhode Island Broadcasters Association's mental health awareness campaign called "It's Okay Not to Be Okay." *The Governor recommended funding as requested.* **The Assembly concurred.**

Rhode Island Early Diversion Program. The Department requested \$0.3 million from federal funds for the early diversion program to initiate a direct transfer approach for law enforcement to divert individuals affected by mental health or co-occurring substance use disorders from arrest to services. A law enforcement liaison will be contracted to work with police departments so that individuals can be transported to the Behavioral Health Link (BH Link) assessment and triage center or request on-site assistance. The center provides short term crisis stabilization services and makes connections to treatment and recovery services. The Rhode Island Early Diversion statewide project intends to serve 100 individuals in the first year, 200 each year annually, to get to a total of 900 individuals affected by mental illness or co-occurring substance use disorders with a priority to veterans over the five-year project period. *The Governor recommended funding as requested.* **The Assembly concurred.**

Opioid Stewardship Fund. The Department's revised request includes \$0.5 million, or \$1.3 million less than enacted, from Opioid Stewardship funds to reflect projected spending in the current year, which includes purchasing Narcan kits. The Department assumed it had access to only \$0.5 million from the funds for its program. It is currently in the process of reviewing its options to spend the remaining funds.

The administration's plan for use of the funds included: expanding core housing programs, including recovery housing and vouchers for people with a history of substance use disorder and at risk of returning to use; support for inpatient residential treatment programs to address the shortage of in-state, non-hospital residential treatment programs, particularly for youth. *The Governor recommended funding at the enacted level.* **The Assembly concurred.**

Strategic Prevention Framework Grant - Partnership for Success. The revised request is \$0.4 million less than enacted for a total funding of \$2.1 million from the Strategic Prevention Framework State Incentive grant to support activities that deliver and sustain effective substance abuse and/or mental health services. Funding supports programs that prevent the onset and reduce the progression of substance abuse, including childhood and underage drinking and reduce substance abuse-related problems in communities and building prevention capacity and infrastructure at the state and community levels. The revised request includes \$1.8 million for community programs and \$0.4 million for evaluation activities. *The Governor recommended funding at the enacted level.* **The Assembly concurred.**

Promoting Integration of Primary and Behavioral Health Care Grant. The revised request is \$0.9 million more than enacted to reflect carry forward funding to bring the total to \$2.7 million from the federal Promoting Integration of Primary and Behavioral Healthcare grant. Funding is available until December 31, 2023. The grant is intended to: promote full integration and collaboration in clinical practice between primary and behavioral healthcare, support the improvement of integrated care models for primary care and behavioral healthcare to improve the overall wellness and physical health status of adults with a serious mental illness or children with a serious emotional disturbance, and promote and offer integrated care services related to screening, diagnosis, prevention, and treatment of mental and substance use disorders, and co-occurring physical health conditions and chronic diseases. A portion of the funding, \$1.8 million, will go to Community Care Alliance and Gateway Healthcare; each will receive \$0.9 million. *The Governor recommended funding at the enacted level.* **The Assembly concurred.**

Screening, Brief Intervention and Referral to Treatment Grant. The revised request is \$0.1 million less than enacted, for total funding of \$1.7 million for the fourth year of a five-year federal Screening, Brief Intervention and Referral to Treatment (SBIRT) grant to pre-screen Rhode Islanders for use of tobacco, alcohol, marijuana and other drugs with treatment being delivered to individuals in primary care and health centers, emergency departments, and at the Department of Corrections.

The Care Transformation Collaborative implements the initiative in primary care, emergency departments, the Department of Corrections, and in the community. This will be in collaboration with the State Innovation Model to include Community Health Teams and will screen 3,000 people in high risk settings each year. *The Governor recommended funding at the enacted level.* **The Assembly concurred.**

Social Services Block Grant - Mental Health Treatment Services. The Department requested \$0.1 million less than enacted for total funding of \$1.0 million from federal social services block grant funds to support mental health services. This includes \$0.9 million for clinical services previously supported by the Medicaid funded limited benefit for certain services primarily through the community mental health centers. *The Governor recommended funding at the enacted level.* **The Assembly concurred.**

Transformation Transfer Initiative. The Department's revised request is \$50,000 less than enacted for total funding of \$150,000 to create a central bed registry for residential facilities. The contract ended September 1, 2019. The anticipated system will be able to support matching client needs to the most suitable service provider and provide data to simplify the process and make it easier for individuals to access services. *The Governor recommended funding at the enacted level.* **The Assembly concurred.**

Healthy Transitions Grant. The Department requested \$0.8 million more from federal Healthy Transition grant funds; this is from unspent FY 2020 funding and closes out the grant. Funding was awarded to the Community Care Alliance and Thrive Behavioral Health for services not covered by Medicaid. *The Governor recommended funding as requested.* **The Assembly concurred.**

Centers of Excellence - Medication Assisted Treatment Grant. The Department's revised request is \$0.1 million more than enacted for total funding of \$0.6 million from a federal medication assisted treatment grant. The revised request closes out the grant. Funding includes \$0.5 million awarded to the four Centers

of Excellence: Journey to Health, Hope and Healing, Community Care Alliance, Lifespan and CODAC. There will also be an evaluation for the program and some temporary staffing expenses. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Staffing and Other Operations. The Department's revised request includes \$0.3 million less from all sources, including \$0.6 million less from general revenues, for all other division expenses. This includes 43.0 full-time equivalent positions. The staffing costs are \$0.3 million less than enacted, including \$0.6 million from general revenues. The enacted budget includes savings of \$66,280, including \$46,047 from general revenues from division staff opting to participate in the workshare program that is not reflected in the revised request. Adjusted for this, the revised request is \$0.2 million less from all sources and \$0.6 million less from general revenues. The revised request shifts expenses to the Division of Developmental Disabilities state-run program based on the new cost allocation plan, discussed separately. Other expenses are \$0.2 million more to adjust for current year spending for the remaining federal grants supporting community based activities and operating expenses.

The Governor recommended \$0.7 million more than requested, including \$0.6 million more from general revenues. The recommendation does not reflect the cost allocation plan and includes \$38,256 of which \$6,830 is from general revenues to reflect an increase to the assessed fringe benefit rate based on the voluntary retirement incentive program. **The Assembly concurred.**

Eleanor Slater Hospital

Operations. The Department's revised request includes \$106.9 million, of which \$105.8 million is from general revenues, \$1.1 million from Medicaid funds and \$9,750 from restricted receipts for hospital operations at both the Cranston campus and Zambarano unit in Burrillville. This is \$11.8 million less than enacted, including \$13.8 million less from federal funds, \$2.0 million more from general revenues and \$9,750 from restricted receipts. The enacted budget includes savings of \$0.2 million from general revenues from hospital staff opting to participate in the workshare program that is not reflected in the revised request. Adjusted for this, the revised request is \$1.8 million more than enacted from general revenues and \$11.6 million less from all sources of funds.

Federal funding in the enacted budget includes \$10.0 million from Medicaid funds and \$4.9 million from Coronavirus Relief funds to offset what has become general revenue expenses given the billing compliance issues that led to the loss of most of the federal support. The revised request excludes these funds but does include \$2.2 million from all sources, including \$1.1 million from general revenues and \$1.1 million from Medicaid for contracted services provided by Alvarez and Marsal as the Department transitions the operations at the hospital. In March 2020, the Executive Office of Health and Human Services began a process to submit a state plan amendment to the Centers for Medicare and Medicaid Services to allow the Department to bill Medicaid for services provided at the hospital for the non-forensic patients. The state received federal approval in late March 2021.

The revised request reduces overall operating expenses to reflect the current practice of identifying and transferring hospital patients to other appropriate, community based settings. *The Governor recommended \$5.2 million more than enacted for projected hospital expenses. The recommendation is \$3.5 million more from general revenues to reduce a portion of the Medicaid funds that was assumed in the enacted budget from approval of the state plan amendment that was still pending. There is also an increase to the assessed fringe benefit rate based on the voluntary retirement incentive program.*

Subsequent to his recommendation, the Governor requested several amendments to adjust Medicaid funding at the state hospital while continued billing issues are resolved. The recommended budget assumed the state would remain in compliance, as it was reported to be in December 2020, with the required ratio of medical to psychiatric to avoid designation as an Institute for Mental Disease and the related

disqualification from most Medicaid billing. On March 25, 2021, the federal government approved the pending Medicaid billing proposal retroactive to April 2020. On April 12, 2021, the Governor requested an amendment that added \$5.3 million from Medicaid funds.

*Soon thereafter, in May 2021, the Department reported that recent reviews of patient medical records resulted in changes to previously reported diagnoses that moved the facility back out of compliance on its patient mix putting the Medicaid billing back in jeopardy. During the review, it was also reported that expenses related to patients who are either under age 22 or 65 or older continue to be eligible for Medicaid match even if the state is out of compliance. This exception allows the state to realize \$2.2 million in federal Medicaid funds. In response to this uncertainty, the Governor requested an amendment on June 6 to lower the Medicaid funding to \$2.2 million. **The Assembly provided \$134.9 million, including \$127.9 million from general revenues, \$2.2 million from Medicaid and \$4.9 million from Coronavirus Relief funds. The Assembly shifted \$9.4 million in expenses to general revenues to account for the loss of federal funds.***

Hospital Licensing Fee. The 2019 Assembly passed legislation to establish a 5.0 percent hospital license fee based on 2018 revenues which includes a \$5.7 million payment for the state hospital, including \$2.6 million from general revenues. The Department requested the enacted level of \$5.7 million from general revenues. *The Governor included Section 5 of Article 6 of 2021-H 6122 to increase the fee to 6.0 percent based on 2018 revenues and included \$6.8 million to make the payment. **The Assembly included Section 4 of Article 6 of 2021-H 6122, Substitute A, as amended, to retain the 5.0 percent license fee using updated 2019 revenues for a payment totaling \$5.9 million, which is \$1.0 million less than the Governor recommended.***

Other Administrative Programs

RICLAS Privatization Plan. The revised request includes \$0.9 million from general revenues for Alvarez and Marsal to complete a plan to privatize the state-run system for adults with developmental disabilities. As of March 2021, the work has not started. The Governor's FY 2021 recommended budget included a plan to privatize the system but the Assembly did not concur. *The Governor did not recommend this request; no payments have been made as of April 2021. **The Assembly concurred.***

Departmental Audits. The revised request includes \$0.4 million from all sources, including \$0.2 million from general revenues to conduct a comprehensive audit of the department's programs. The Department hired RSM US to do this. The four-month contract started on November 1, 2020 and has been extended until May 31, 2021.

The work involves a review of Medicare cost reports and will focus on accurate Medicare reporting and any implications on Medicaid reimbursement and other revenues sources. It should be noted that the revised request assumes no availability of Medicaid or Medicare funding. RSM will also perform chart reviews, audit hospital process, policies and procedures that are relevant to clinical documentation and universal billing at the hospital. This appears to be work that has already been done by another contractor Mannat, Phelps and Phillips.

RSM will also evaluate the Department's process to manage its federal grants and will do a review of seven grants that the Department included in its annual report. It is unclear if this work overlaps with the work completed by the Public Consulting Group on the cost allocation plan, discussed below. Both appear to review the Department's federal grants with the cost allocation plan to be used to identify which Division expenses can be applied to the federal grants. *The Governor's recommendation does not expressly add funding for this request. **The Assembly concurred.***

Cost Allocation Plan. The Department requested \$0.4 million from all sources, including \$0.2 million from general revenues for its portion of the contract that the Executive Office of Health and Human Services has with Public Consulting Group for its cost allocation plan. The Department recently started participating in the process to identify administrative expenses that can be paid from other funds, including Medicaid. It should be noted that FY 2020 audited expenses include general revenue administrative savings from completing the Department's cost allocation plan. Any savings for FY 2021 are not included in the enacted budget or the revised budget request, as noted separately. *The Governor did not recommend this request.* **The Assembly concurred.**

Computer Replacement. The Department's revised request includes \$0.5 million from general revenues to replace computers, software and make other repairs; however, it has not provided its plan for the replacement. *The Governor did not recommend this request.* **The Assembly concurred.**

Legal Position. The revised request includes \$142,311 from general revenues for a legal position. The FY 2021 enacted budget passed in December transferred it to the Executive Office of Health and Human Services. *The Governor did not recommend this request.* **The Assembly concurred.**

Other Salaries and Benefits. The revised request includes \$1.5 million less from all sources than enacted, including \$0.1 million less from general revenues for other salaries and benefits for total funding of \$6.5 million. This includes 38.0 full-time equivalent positions in central management and another 39.0 positions in hospital and community support. The enacted budget includes savings of \$0.3 million from general revenues from the divisions' staff opting to participate in the workshare program that is not reflected in the revised request. Adjusted for this, the revised request is \$1.2 million less from all sources, including \$0.2 million less from general revenues. This is not an actual reduction but a shift of expenses to the Division of Developmental Disabilities state-run program based on a new cost allocation plan that is updated quarterly.

The Governor recommended \$0.4 million less than enacted, including \$22,153 more from general revenues and included an increase to the assessed fringe benefit rate based on the voluntary retirement incentive program. The recommendation does not reflect the revisions related to the cost allocation plan. **The Assembly concurred.**

Centralized Services. The Department requested \$12.3 million in its revised budget for its share of centralized services provided by the Department of Administration, which is \$1.1 million less than the enacted budget almost entirely from general revenues. The total is consistent with FY 2020 billings; however, final expenses were \$12.3 million from general revenues and \$816 from federal funds. *The Governor recommended funding at the enacted level.* **The Assembly concurred.**

Other Operations. The Department requested \$76,739 less than enacted from all sources, including \$22,618 more from general revenues for total funding of \$202,532, including \$85,541 from general revenues, for other operations in the two programs. This includes upgrades to telephone and internet connections in the newly renovated Barry and Simpson halls. *The Governor recommended \$0.1 million more from federal funds.* **The Assembly concurred.**

Capital Projects. The Department requested \$300,000 from Rhode Island Capital Plan funds, or \$0.1 million less than enacted for the residential development project in the Division of Developmental Disabilities. The revised request excludes the \$300,000 in the capital budget request for hospital equipment that was included in the capital plan. *The Governor recommended funding at the enacted level.* **The Assembly concurred.**

Office of the Child Advocate

	FY 2020 Reported	FY 2021 Enacted	FY 2021 Revised	FY 2021 Final
Expenditures by Category				
Salaries and Benefits	\$ 908,544	\$ 1,098,548	\$ 1,102,385	\$ 1,102,385
Contracted Services	2,405	4,000	4,000	4,000
Subtotal	\$ 910,949	\$ 1,102,548	\$ 1,106,385	\$ 1,106,385
Other State Operations	117,425	111,055	111,055	111,055
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	17,785	17,785	17,785
Capital	-	2,000	2,000	2,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 1,028,374	\$ 1,233,388	\$ 1,237,225	\$ 1,237,225
Sources of Funds				
General Revenue	\$ 865,115	\$ 1,005,223	\$ 1,008,314	\$ 1,008,314
Federal Aid	163,259	228,165	228,911	228,911
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 1,028,374	\$ 1,233,388	\$ 1,237,225	\$ 1,237,225
FTE Authorization	10.0	10.0	10.0	10.0
FTE Average	8.0			

FY 2021 Revised Request. The Office of the Child Advocate requested \$0.2 million less than enacted for FY 2021, including \$14,740 less from general revenues and \$0.2 million from federal funds. *The Governor recommended \$3,837 more than enacted and \$172,464 more than requested. General revenues are \$3,091 more than enacted and \$17,831 more than requested.* **The Assembly concurred.**

Salaries and Benefits. The Office requested \$172,706 less than enacted for salaries and benefits, including \$18,819 less from general revenues. The request was intended to provide funding for eight positions and leave the remaining two positions vacant for FY 2021. The revised request did not include \$14,648 of savings, including \$12,819 from general revenues, in the enacted budget based on three individuals from the Office opting to participate in the WorkShare program. Adjusted for that, the request is \$158,058 less than enacted, including \$6,051 less from general revenues. *The Governor recommended \$3,837 more than enacted, including \$3,091 from general revenues to reflect an increase to the assessed fringe benefit rate based on the voluntary retirement incentive program.* **The Assembly concurred.**

Other Operating Expenses. The Office requested \$4,079 more than enacted from general revenues for all other expenses. This includes a \$13,600 reduction based on FY 2020 expenses. The largest reductions are related to travel, including attending out-of-state conferences, which is likely to continue to be impacted by the COVID-19 emergency, as well as for other expenses such as stenographic services. The Office also requested \$17,679 more than enacted from general revenues for centralized information technology services, based on FY 2020 costs, most of which relates to support services. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Commission on the Deaf and Hard of Hearing

	FY 2020 Reported	FY 2021 Enacted	FY 2021 Revised	FY 2021 Final
Expenditures by Category				
Salaries and Benefits	\$ 454,475	\$ 485,663	\$ 487,353	\$ 510,353
Contracted Services	144,007	80,000	80,000	80,000
Subtotal	\$ 598,482	\$ 565,663	\$ 567,353	\$ 590,353
Other State Operations	70,277	51,607	51,607	88,607
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	5,238	33,000	33,000	33,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 673,997	\$ 650,270	\$ 651,960	\$ 711,960
Sources of Funds				
General Revenue	\$ 496,573	\$ 507,816	\$ 509,463	\$ 569,463
Federal Aid	46,057	-	-	-
Restricted Receipts	131,367	142,454	142,497	142,497
Other	-	-	-	-
Total	\$ 673,997	\$ 650,270	\$ 651,960	\$ 711,960
FTE Authorization	4.0	4.0	4.0	4.0
FTE Average	3.7			

FY 2021 Revised Request. The Commission’s revised request is \$201,651 and 1.0 full-time equivalent position more than enacted. This includes \$181,788 more from general revenues to fund several new initiatives, including a new administrative officer position. *The Governor recommended \$1,690 more than enacted from all sources, including \$1,647 more from general revenues to reflect a statewide adjustment. The Assembly provided \$60,000 more from general revenues, based on projected expenditures.*

New Administrative Officer (1.0 FTE). The Commission requested \$68,258 from general revenues to fund a new administrative officer position to provide interpreter referral services. The request assumes that the position would be filled in September 2020; the Commission did not include this position in its original FY 2021 budget request. The Commission indicated that over an eight-month period, it received 696 requests for interpreter services and it was able to provide services to 82.0 percent of those requests and therefore it received many complaints. The FY 2022 request includes \$93,544 for annualized funding. *The Governor did not recommend funding this position; however, the FY 2022 recommended budget includes \$31,200 from general revenues to hire a part-time contractor to assist with interpreter referral services. The Assembly concurred.*

Centralized Services. The revised request for centralized services provided by the Department of Administration is \$98 more from all sources than enacted, including \$684 more from general revenues for centralized information technology services. The request of \$21,334 is \$2,283 less than FY 2020 spent and expenditures through the second quarter totaled \$14,518. *The Governor recommended funding consistent with the enacted budget. The Assembly provided an additional \$37,000 from general revenues for expenses associated with updating the Commission’s website.*

New COVID-19 Coordinator. The revised request includes \$30,000 from general revenues to support a contracted coordinator to perform COVID-19 public communications related functions to the deaf and hard of hearing community. *The Governor did not recommend funding.* **The Assembly concurred.**

Computer Aided Real Time Translation and Interpreter Services. The revised request includes \$5,883 more than enacted for Computer Aided Real Time Translation and Interpreter Services. This includes \$27,635 more from general revenues and \$21,752 less from restricted receipts. This restricted receipt account is funded with \$80,000 annually from the Dual Party Phone Relay surcharge of \$0.09 on all landlines. The Commission obtains interpreter services in order to provide full communication accessibility to both the Commission staff and the public. The enacted budget includes \$50,000 and through December 29, the Commission spent \$25,054. Expenditures were \$59,682 in FY 2020, \$48,181 in FY 2019 and \$45,811 in FY 2018. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Community Project Coordinator and Other Services. The Commission requested \$75,723 more from all sources than enacted for a community project coordinator and other services. This includes new expenditures of \$40,000 from general revenues for part-time staff support to help develop outreach materials, organize documents for state archives, conduct inventories and other projects that the Commission may need. It also includes \$65,723 or \$35,723 more than enacted from restricted receipts for a contracted part-time community project coordinator, to assist the director of operations in installing communication assistive devices within state-owned walk-in facilities. Through the second quarter of the fiscal year, the Commission spent \$12,708 from the \$30,000 provided in the enacted budget. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Other Expenses. The revised request includes \$21,689 more from all sources including \$15,211 from general revenues, for all other expenses. This includes \$16,000 for training on how to use the database system to screen interpreters. It should be noted that \$8,000 was included as part of the FY 2020 final budget; however, the Commission did not incur any expenses as a result of the pandemic.

The request includes \$484,852 for salaries and benefits, which is \$789 less than enacted, reflecting updated benefit rates. Based on all filled positions, it appears that the request is understated by \$20,424 and is \$30,377 less than FY 2020 expenses, adjusted for overtime expenses that were paid with federal Coronavirus Relief funds. *The Governor recommended \$1,690 more than enacted from all sources, including \$1,647 more from general revenues to reflect an updated assessed fringe benefit rate attributed to the voluntary retirement incentive program for which associated savings are included in the FY 2022 recommended budget. The recommendation does not appear to correct the underfunding of personnel expenses.* **The Assembly provided an additional \$23,000 from general revenues to properly fund these expenses.**

Governor's Commission on Disabilities

	FY 2020 Reported	FY 2021 Enacted	FY 2021 Revised	FY 2021 Final
Expenditures by Category				
Salaries and Benefits	\$ 416,737	\$ 412,223	\$ 413,701	\$ 413,701
Contracted Services	66,863	144,218	144,218	144,218
Subtotal	\$ 483,600	\$ 556,441	\$ 557,919	\$ 557,919
Other State Operations	47,793	78,744	78,744	78,744
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	943,821	944,986	944,986	944,986
Capital	-	-	-	-
Capital Debt Service	-	-	-	-
Operating Transfers	-	3,000	3,000	3,000
Total	\$ 1,475,214	\$ 1,583,171	\$ 1,584,649	\$ 1,584,649
Sources of Funds				
General Revenue	\$ 996,865	\$ 1,072,008	\$ 1,073,478	\$ 1,073,478
Federal Aid	458,709	400,000	400,000	400,000
Restricted Receipts	19,640	111,163	111,171	111,171
Other	-	-	-	-
Total	\$ 1,475,214	\$ 1,583,171	\$ 1,584,649	\$ 1,584,649
FTE Authorization	4.0	4.0	4.0	4.0
FTE Average	4.0			

FY 2021 Revised Request. The revised request is \$14,705 less from all sources than enacted. It includes increases of \$11,826 from general revenues and \$3,002 from restricted receipts, offset by \$29,533 less from federal funds. *The Governor recommended \$1,478 more from all sources than enacted, including \$1,470 more from general revenues.* **The Assembly concurred.**

Salaries and Benefits. The revised request includes \$17,082 more than enacted from all sources for salaries and benefits, of which \$19,238 is from general revenues. The enacted budget includes savings of \$18,917 from general revenues based on three individuals who opted to participate in the workshare program. The savings are not reflected in the revised request but have been achieved. All other adjustments total \$1,835 less to reflect updated benefit rates consistent with FY 2021 revised planning values. *The Governor recommended \$1,478 more from all sources than enacted, including \$1,470 more from general revenues to reflect an updated assessed fringe benefit rate attributed to the voluntary retirement incentive program for which associated savings are assumed in the FY 2022 recommended budget.* **The Assembly concurred.**

Centralized Services. The revised request reduces centralized services expenditures by \$16,486 for human resources and information technology support. Subsequently, the Commission indicated that the reduction was requested in error. It had intended to include expenses consistent with the enacted budget of \$28,682; expenditures through the second quarter totaled \$9,502. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Other Expenses. The Commission requested \$15,301 less from all sources than enacted for all other expenses. This includes an increase of \$9,074 from general revenues, of which \$11,556 will provide direct

grants as part of the Statewide Independent Living Program. This reflects the Statewide Independent Living Council's plan to use the state's 10.0 percent matching funds for grants in lieu of operating expenses; operating expenses would be paid with federal funds. The Commission indicated that the Council submitted a plan to the U.S. Department of Health and Human Services to allow the funds to be used in such a manner. The plan was rejected and it was recommended that the Council "extensively revise" it. The revised plan was approved in November and it covers federal FY 2021 through FY 2023. The request also includes \$9,000 for training mediators on the Americans with Disabilities Act. The Commission indicated that most of its complaint mediation volunteers have retired. These increases are offset by \$56,930 less for habilitative services. The request also includes adjustments for interpreter services and travel expenses. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Office of the Mental Health Advocate

	FY 2020 Reported	FY 2021 Enacted	FY 2021 Revised	FY 2021 Final
Expenditures by Category				
Salaries and Benefits	\$ 552,870	\$ 563,631	\$ 565,581	\$ 565,581
Contracted Services	423	2,200	2,200	2,200
Subtotal	\$ 553,293	\$ 565,831	\$ 567,781	\$ 567,781
Other State Operations	65,105	64,151	64,151	64,151
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	2,525	1,000	1,000	1,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 620,923	\$ 630,982	\$ 632,932	\$ 632,932
Sources of Funds				
General Revenue	\$ 620,923	\$ 630,982	\$ 632,932	\$ 632,932
Federal Aid	-	-	-	-
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 620,923	\$ 630,982	\$ 632,932	\$ 632,932
FTE Authorization	4.0	4.0	4.0	4.0
FTE Average	4.0			

FY 2021 Revised Request. The Office of the Mental Health Advocate requested \$4,679 more than enacted from general revenues. *The Governor recommended \$1,950 more than enacted.* **The Assembly concurred.**

Operations. The Office requested \$4,679 more than enacted from general revenues which includes \$7,746 more for centralized information technology and facility services to reflect FY 2020 billings offset by \$2,145 less for other operating expenses and \$922 less for updated salary and benefit expenses. *The Governor recommended \$1,950 more than enacted to reflect an increase to the assessed fringe benefit rate based on the voluntary retirement incentive program.* **The Assembly concurred.**

Department of Elementary and Secondary Education

	FY 2020 Reported	FY 2021 Enacted	FY 2021 Revised	FY 2021 Final
Expenditures by Program				
State Aid	\$ 974,765,132	\$ 1,063,486,208	\$ 1,066,368,593	\$ 1,066,304,908
School Housing Aid	79,664,216	80,000,000	80,000,000	80,000,000
Teachers' Retirement	112,916,232	118,375,402	118,375,402	118,375,402
RI School for the Deaf	7,793,510	8,046,695	7,890,954	7,990,954
Central Falls School District	41,976,650	46,997,789	46,997,789	46,997,789
Davies Career & Technical School	19,170,038	20,716,909	20,569,883	20,196,383
Met. Career & Tech. School	9,591,007	9,971,191	9,971,191	9,971,191
Administration	214,657,964	317,585,597	331,896,230	322,587,587
Total	\$ 1,460,534,749	\$ 1,665,179,791	\$ 1,682,070,042	\$ 1,672,424,214
Expenditures by Category				
Salaries and Benefits	\$ 41,145,751	\$ 44,085,072	\$ 43,057,069	\$ 43,157,069
Contracted Services	41,943,291	99,375,374	82,042,920	72,734,277
Subtotal	\$ 83,089,042	\$ 143,460,446	\$ 125,099,989	\$ 115,891,346
Other State Operations	7,417,773	8,502,440	12,226,417	12,226,417
Aid to Local Units of Government	1,338,361,377	1,458,736,537	1,460,032,498	1,459,968,813
Assistance, Grants, and Benefits	29,939,475	51,618,963	82,382,633	82,382,633
Capital	855,884	1,761,405	1,243,505	870,005
Capital Debt Service	-	-	-	-
Operating Transfers	871,198	1,100,000	1,085,000	1,085,000
Total	\$ 1,460,534,749	\$ 1,665,179,791	\$ 1,682,070,042	\$ 1,672,424,214
Sources of Funds				
General Revenue	\$ 1,194,967,211	\$ 1,282,515,073	\$ 1,282,395,978	\$ 1,282,432,293
Federal Aid	232,287,195	337,775,978	352,445,204	342,546,561
Restricted Receipts	32,132,769	42,879,740	45,794,860	46,384,860
Other	1,147,574	2,009,000	1,434,000	1,060,500
Total	\$ 1,460,534,749	\$ 1,665,179,791	\$ 1,682,070,042	\$ 1,672,424,214
FTE Authorization				
Administration	139.1	139.1	139.1	139.1
Davies	126.0	126.0	126.0	126.0
School for the Deaf	60.0	60.0	60.0	60.0
Total Authorized Positions	325.1	325.1	325.1	325.1

FY 2021 Revised Request. The Council on Elementary and Secondary Education requested \$84.5 million less than enacted from all sources of funds, including \$3.4 million more from general revenues. The general revenue changes primarily reflect funding for new administrative staff and additional funding for the Central Falls School District and Rhode Island School for the Deaf. The staffing request includes 328.1 full-time equivalent positions, three more positions than enacted. As of the pay period ending February 13, 2021, the Department had 29.1 positions vacant. *The Governor recommended \$16.9 million more than enacted from all sources, including \$0.1 million less from general revenues, and the enacted staffing level.*

The Assembly provided \$9.6 million less than recommended, primarily from federal funds to reflect anticipated expenditures, and maintained the enacted staffing level.

Education Aid. The Council requested \$946.3 million for state aid to local school districts, excluding the Central Falls School District and the Met School. The request is \$2 less than enacted due to rounding in the calculation of aid. FY 2021 is the tenth year of the education funding formula adopted by the 2010 Assembly and includes a per pupil core instruction amount of \$10,310. *The Governor recommended funding as enacted. The Assembly concurred.*

Education Stabilization Funds to Districts. The CARES Act appropriated \$13.2 billion for emergency relief for elementary and secondary schools. Funds were awarded to states in proportion to the distribution of Title I-A formula grants. Rhode Island received \$46.4 million. Consistent with federal requirements, 90.0 percent or \$41.7 million was distributed to local education agencies, including charter schools, also in the same proportion as Title I-A funds. To receive the funding, the state was required to fund elementary and secondary education in FY 2020 and FY 2021 in a manner consistent with average spending in FY 2017, FY 2018 and FY 2019. It met the maintenance of effort requirement in both years. Funding was distributed through the funding formula in FY 2020 in lieu of general revenues. The remaining federal funds were set aside for other use by the Department and is noted separately in this analysis.

Under the Coronavirus Response and Relief Supplemental Appropriations Act adopted in December 2020, an additional \$54.9 billion was appropriated for emergency relief for elementary and secondary schools. Of this amount, Rhode Island will receive \$184.8 million, of which at least 90.0 percent must be distributed to local education agencies in the same manner as the original funding. In order to receive funding, the state must again meet maintenance of effort requirements outlined in the federal legislation. Unlike the CARES Act, this legislation requires that the proportion of state funding for elementary and secondary education, compared to all state funding, in FY 2022 be consistent with the average proportion of spending in FY 2017, FY 2018, and FY 2019.

The Governor's budget did not include the additional education stabilization funds authorized in December. On March 11, President Biden signed the American Rescue Plan Act, which includes more funds to be distributed to states in the same manner as both prior bills; however, it includes additional requirements regarding maintenance of effort and maintenance of equity. The law also requires that at least 90.0 percent of the award be distributed directly to local education agencies. Local education agencies must also use at least 20.0 percent of the new funds to address learning loss. The Assembly included a total of \$539.8 million for aid to districts for FY 2022, reflecting funding from both acts.

Education Stabilization Funds - Governor's Fund. The March 2020 CARES Act appropriated \$3.0 billion for emergency relief to local education agencies, higher education institutions, and other education related entities within the state. The use of funds is determined by the Governor of each state. Of this amount, Rhode Island received \$8.7 million. The state received an additional \$11.0 million through the Coronavirus Response and Relief Supplemental Appropriations Act, of which \$3.8 million is flexible and \$7.1 million must be distributed to private schools. In total, the state received \$19.7 million, of which \$12.5 million is flexible. No funds were appropriated in the FY 2020 final or FY 2021 enacted budgets as the Governor had not determined the use of funds prior to enactment.

In a memo to state directors, Governor Raimondo announced the distribution of \$12.5 million of flexible education stabilization funds. The Governor decided that \$0.9 million will be used to increase student access to mental health professionals, including through the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals, \$2.5 million to expand prekindergarten which will be used in FY 2022, \$5.3 million to expand access to the Community College in a manner similar to the Promise program, and \$3.9 million for the Office of Postsecondary Commissioner. The Office will use funds to: improve access to higher education and education training opportunities, support innovation of ongoing

operations of those institutions of higher education that have been most impacted by COVID-19, and to protect education related jobs and increase the quality of child care programming. Reportedly, the Governor has not yet determined the distribution of the remaining \$7.1 million for private schools.

*The Governor included \$2.5 million for FY 2022, consistent with Governor Raimondo's announcement. On March 11, President Biden signed the American Rescue Plan Act, which includes an additional \$2.8 billion to be distributed to the Governor for aid to non-public schools only. The federal Department of Education has not yet announced state allocations. **The Assembly included a total of \$13.4 million for private schools for FY 2022, reflecting funding from both acts.***

COVID Relief - Aid to Districts. As the Council's request predates the enacted budget, it excludes \$44.1 million from Coronavirus Relief funds shown in the FY 2021 budget for local education agencies. The \$50.0 million was first appropriated in the final FY 2020 budget to be distributed in proportion to federal Title I-A funds in FY 2019. The distribution of funds was delayed until FY 2021 and the Assembly included the funds again in the enacted budget. Because funding was reduced for any local education agencies that participated in the federal Paycheck Protection Program by the amount of those funds received, the \$44.1 million reflects the required reduction. *The Governor recommended funding as enacted. **The Assembly concurred.***

Group Home Aid. The Council requested the enacted level of \$3.0 million from general revenues to fund beds for communities hosting group homes. Current law requires the count of beds that are open as of December 31 for the budget year's aid, meaning if additional beds open, a supplemental appropriation is required. According to data provided by the Department of Children, Youth and Families, nine new beds were open as of December 31 which will require a supplemental appropriation of \$153,000. *The Governor recommended funding as enacted, which excludes the required \$153,000 of supplemental aid. He subsequently requested an amendment to add the funds. **The Assembly concurred with the amended recommendation.***

Textbook Reimbursement. The Council requested the enacted level of \$240,000 from general revenues for the textbook loan program. The state currently reimburses districts for the cost of providing textbooks to non-public school students in the areas of English/language arts and history/social studies in kindergarten through 12th grade. In FY 2020, final program expenditures were \$56,251. *The Governor recommended funding as requested. **Based on actual program expenses, the Assembly reduced funding by \$216,685.***

Central Falls School District. The Council requested \$0.4 million less than enacted from all sources, including \$1.5 million more from general revenues to support the Central Falls School District for FY 2021. The enacted budget includes \$1.9 million from federal Coronavirus Relief funds appropriated in the final FY 2020 budget, but not distributed until FY 2021. As the request predates the enacted budget, it excludes these funds. Adjusted for this, the revised request is \$1.4 million more than enacted to reflect an increase in stabilization funds. This is consistent with the Council's original FY 2021 request; however, the Governor's recommended budget excludes the additional funds. The Department's second quarter report suggests additional funds are not necessary. *The Governor recommended funding as enacted. **The Assembly concurred.***

Metropolitan Career and Technical School. The Council's request excludes \$0.4 million from Coronavirus Relief funds for the Met School included in the enacted budget because the request predated the enacted budget. The funds were originally appropriated in the final FY 2020 budget; however, due to a delay, the funds were not distributed until FY 2021. *The Governor recommended funding as enacted. **The Assembly concurred.***

Early Childhood Categorical Funding. The Council requested the enacted amount of \$14.9 million from general revenues for early childhood categorical funding as part of the education funding formula.

Beginning in FY 2020, the Department piloted a new “braided” formula model, whereby new classrooms were opened with some seats funded by federal Head Start grants and others by state funds. By leveraging Head Start funds, the program expanded to a total of 78 classrooms and 1,420 students in FY 2020. This is an increase of 340 seats over FY 2019, 223 of which were funded completely from general revenues and the remainder were funded from both state and federal sources. With the addition of \$3.0 million from new, but time-limited, preschool development federal funds, the program is supporting 1,768 students across 96 classrooms in FY 2021. This is an increase of 366 seats and 19 classrooms over FY 2020. As noted earlier, Governor Raimondo set aside \$2.5 million from education stabilization funds to expand the state prekindergarten program, which will be used in FY 2022. *The Governor recommended funding as requested.* **The Assembly concurred.**

School Resource Officer Support. The Council requested the enacted level of \$325,000 from general revenues for the school resource officer category of education aid. The 2018 Assembly established a voluntary pilot program for a new category of education aid to support new school resource officers for a period of three years beginning in FY 2019. Funding is used to reimburse school districts or municipalities one-half of the total cost of employing new officers at middle or high schools for districts that choose to do so. Staffing levels that exceed one officer per school with less than 1,200 students and two officers per school with 1,200 or more students are not eligible for reimbursement. Through December 2020, reimbursement requests total \$310,790 for seven school resource officers. *The Governor recommended funding as requested.* **The Assembly concurred.**

New Mental Health Professional Support. The Council requested \$1.6 million from new Opioid Stewardship funds, which is consistent with the Governor’s recommended FY 2021 budget to expand aid for one year to new mental health professionals in schools, including school counselors, student assistance counselors, social workers, and psychologists. The Assembly did not concur with the expansion; however, it did include \$590,000 from Opioid Stewardship funds to support other mental and behavioral health training in schools, noted separately. *The Governor did not recommend the funding.* **The Assembly concurred.**

School Housing Aid. The Council requested \$80.0 million from general revenues for school housing aid. This includes \$79.0 million for the traditional program and \$1.0 million for the School Building Authority Capital Fund. Compared to the enacted budget, the request shifts \$161,496 from the traditional program to the capital fund based on actual housing aid distributions. Current law requires that the difference between the annual housing aid appropriation and actual aid go to the fund, therefore funding for capital projects may be revised to reflect actual aid distribution.

On the November 2018 ballot, voters approved \$250.0 million from general obligation bonds to be used to support the traditional housing aid program, which triggered temporary incentives for new construction and renovation projects. Districts may be eligible for share ratio increases of up to 20.0 percent for projects that address health and safety deficiencies, specific subject areas, replacing facilities, and consolidating facilities.

Future expenses for the traditional program are expected to increase beyond the annual appropriation of \$80.0 million as more districts pursue school housing projects at the temporarily enhanced reimbursement rate. *The Governor recommended funding as enacted.* **The Assembly concurred.**

School Housing Aid Administration (2.0 FTE). The Council requested \$0.2 million more from restricted receipts for administration of the school construction program. The increase reflects funding and authorization for 2.0 new full-time equivalent positions, including a clerk secretary and a school construction finance specialist. The enacted budget assumes a total of four positions to support the program funded from restricted receipts to be collected from the Rhode Island Health and Educational Building Corporation, which would increase to six positions under the request. Receipts are drawn from fee revenue

and the Corporation's reserve funding, which is a finite resource and may not be a viable long-term funding source for this program. The revised request is consistent with the Governor's FY 2021 recommendation; however, that was not adopted by the Assembly. *The Governor excluded funding and authorization for the new positions. He included \$2,706 more for current staff reflecting an updated assessed fringe benefit rate based on the voluntary retirement incentive program.* **The Assembly concurred.**

Teacher Retirement. The Council requested \$0.3 million more than enacted to fund the state's share of the employer contribution for teacher retirement costs for FY 2021, based on a 2.5 percent increase to teacher wages. The Department's revised FY 2021 request reflects higher than anticipated actual wages in FY 2020 for teachers; actual teacher retirement expenses in FY 2020 were \$0.5 million more than the final budget. However, the Department's second quarter report includes the enacted level of funding based on more updated data, indicating that additional general revenues may not be necessary. *The Governor recommended funding as enacted.* **The Assembly concurred.**

Education Telecommunication Access Fund. The Council requested \$77,765 more than enacted from restricted receipts for the education telecommunications access fund for total funding of \$1.5 million, reflecting projected program spending. *The Governor recommended \$544 more than requested based on a subsequent request from the Department.* **The Assembly concurred.**

Statewide Student Transportation. The Council requested \$2.8 million more than enacted from restricted receipts for the statewide student transportation system. Restricted receipts are collected from districts for transportation expenditures, less transportation categorical funds. The request reflects increased costs based on its most recent contract with system vendors, as well as anticipated utilization by local education agencies for out-of-district transportation for students attending charter schools, vocational schools, and special education programs. In FY 2020, the Department spent \$3.9 million less than the final appropriation largely reflecting the impact of the coronavirus emergency on in-person learning and school closures. *The Governor recommended funding as requested.* **The Assembly concurred.**

Providence Public School District Oversight. The Council's request did not include funding for assistance with oversight of the Providence Public School District. In May 2019, the Commissioner of Elementary and Secondary Education first announced the state's intent to temporarily invoke its authority over the school district under the Paul W. Crowley Rhode Island Student Investment Initiative, also referred to as the Crowley Act. This was finalized in October 2019. While the city will remain financially responsible for the school district, the Department will review and improve teaching and operating practices, including teacher professional development, curriculum, hiring, and janitorial contracts, among others.

It should be noted that the Council's original FY 2021 budget request included \$75,000 from general revenues for contracted legal services related to the Department's oversight of the school district; however, the Governor did not recommend the funding. While the Department is supporting the implementation of the district's Turnaround Action Plan, it reported that no staff are assigned specifically to this effort, and it had not incurred related expenses. Rather, leadership and staff from various program areas support the district when needed, such as with English language instruction support or realigning its capital plan. *Consistent with the request, the Governor did not include funding for oversight of the Providence Public School District.* **The Assembly concurred.**

State Assessments. The Council requested \$0.3 million more than enacted from general revenues for state testing. This includes \$115,000 from new general revenues to fund World-Class Instructional Design and Assessment ACCESS testing. These assessments are used to place and evaluate English language learners. The Department reported that the number of English language learner students in Rhode Island has increased annually, and it anticipates administering 16,977 tests in FY 2021, a 22.4 percent increase over the 13,870 tests administered in FY 2019.

The request also includes \$140,000 more from general revenues for annual state testing. The coronavirus emergency led to cancelling of spring 2020 testing and high school juniors were not able to participate in the state-funded SAT. In order to allow those students the opportunity to take the test for free, the state provided the test in October. It used federal state assessment funds for this test, resulting in a need for general revenues for spring 2021 testing expenses. *Based on updated estimates for testing expenditures, the Governor did not recommend the funding.* **The Assembly concurred.**

Literacy/Dyslexia Training and Support. The Council requested the enacted level of \$250,000 from general revenues for literacy and dyslexia training and support. Funding is used to implement the Department's science of reading and dyslexia action plan, including \$0.1 million for personnel expenses. This also includes funding to strengthen literacy screenings, coordinate statewide training of educators in the Orton-Gillingham method, and to provide additional resources to support improved literacy practices. *The Governor recommended funding as requested.* **The Assembly concurred.**

Early Childhood Education (1.0 FTE). The Council requested \$0.1 million from general revenues and authorization for a new education specialist to support the state's early childhood education or prekindergarten program. The position would provide technical assistance, assist with early childhood programming, make site visits, and provide continuous support and monitoring to the field. The request is consistent with the Governor's FY 2021 recommended budget, but the Assembly did not concur. *The Governor did not recommend the funding or staffing authorization.* **The Assembly concurred.**

High-Quality Curriculum Support (2.0 FTE). The Council requested \$0.3 million from general revenues and authorization for 2.0 new full-time equivalent positions to expand access to high-quality curriculum. One position would define high quality professional learning, assist local education agencies in establishing high quality professional learning structures, and other related best practices. The second position would be a social studies specialist to review current regulations, identify high quality curriculum, and support school districts in implementing that curriculum. The request is consistent with the Governor's recommended FY 2021 budget; however, the Assembly did not concur. *The Governor did not recommend the funding or staffing authorization.* **The Assembly concurred.**

Prepare RI Fellow (1.0 FTE). The Council requested \$0.1 million from general revenues and authorization for 1.0 full-time equivalent position to replace a fellowship that was supported by a New Skills for Youth grant that expired in FY 2020. The Department was first awarded \$0.1 million in 2016 to launch its Prepare RI initiative and subsequently awarded \$2.0 million for three years to support career pathways, promote work-based learning, and professional development. The position would expand career and technical education programs and work-based learning in schools. The Department previously included funding for the fellowships in its FY 2019, FY 2020, and FY 2021 requests, but were not funded. *The Governor did not recommend the funding or staffing authorization.* **The Assembly concurred.**

COVID Relief - Education Stabilization Discretionary Funds. The enacted budget includes \$4.6 million from education stabilization funds carried forward from FY 2020. Through the federal CARES Act, the state received \$46.4 million of education stabilization funds for elementary and secondary education. Of this, 90.0 percent or \$41.7 million was distributed directly to local education agencies, and the Department retained the remaining funds to be distributed at its discretion. The final FY 2020 appropriation included the \$4.6 million of discretionary funds, which were not spent prior to the end of the fiscal year. The Council's request inadvertently excludes these funds. The Department spent \$0.7 million through February 1, 2021, to support summer learning opportunities and reported that it will distribute the remaining funds to those local education agencies most impacted by the coronavirus. *The Governor recommended the enacted level of funding.* **The Assembly concurred.**

COVID Relief - Rethink K-12 Education Grant. Consistent with the enacted budget, the Council requested \$0.6 million from new federal funds awarded in response to the coronavirus emergency. The

federal CARES Act authorized the use of \$180.7 million, or 1.0 percent of total federal education stabilization funds, to be competitively awarded through the Education Stabilization Fund - Rethink K-12 Education Models Grant. Rhode Island was one of 11 states selected for this three-year grant, receiving a total of \$10.9 million. Funds are limited in use to the establishment and expansion of virtual learning and course access programs. *The Governor recommended \$10.3 million more than requested, reflecting the total available grant award. However, the Department anticipated spending \$1.0 million for FY 2021.* **Consistent with projected spending, the Assembly reduced expenditures by \$9.9 million for FY 2021 and shifted \$6.3 million to FY 2022. Remaining funds will be available for use in FY 2023.**

COVID Relief - Summer Education Programming. The enacted budget includes \$7.2 million from federal Coronavirus Relief funds appropriated for summer education programs and in-person services for children and youth through four separate initiatives. As the revised request predates the enacted budget, it excludes this funding. Based on a November 12, 2020 report, a total of \$9.6 million was estimated to be used to support the initiatives, including \$7.2 million for the Department of Elementary and Secondary Education. This includes \$2.5 million for grants to municipal and non-profit summer camps to assist with increased operating costs from providing in-person services, \$3.7 million for the Summer Academy for Interactive Learning (SAIL) which offered online summer courses, and \$1.0 million for grants to urban communities to provide summer learning activities. Additionally, \$2.4 million was reportedly allocated for a summer job program for youth and young adults through the Department of Labor and Training. *The Governor recommended \$1.0 million less than enacted based on actual expenditures.* **The Assembly concurred.**

COVID Relief - K-12 Reopening Initiatives. The enacted budget included \$39.4 million from Coronavirus Relief funds appropriated for several initiatives related to reopening elementary and secondary schools. As the revised request predates the enacted budget, it excludes this funding. In response to the coronavirus pandemic, the Department contracted with the District Management Group to support the development of state-level guidance to school districts, review and guide school district plans, and provide technical assistance to identified urban districts. The \$0.4 million contract also included training for Department staff to continue this work after the contract ended. Then, on November 13, the Department of Administration reported that an additional \$39.0 million had been allocated for kindergarten through grade 12 reopening initiatives, including the distribution of air purifiers to local education agencies, the recruitment and training of additional substitute teachers, and to provide additional support to at-risk students. *The Governor recommended \$2.2 million less than enacted based on updated estimates. This includes \$25.0 million specifically for reopening expenses in the Providence Public School District and \$12.2 million for all other districts.* **The Assembly concurred.**

Vision Services. The enacted budget includes authorization to spend \$0.7 million from federal special education funds for the RI Vision Services provided through the Paul V. Sherlock Center on Disabilities at Rhode Island College. The program provides teaching and consultation services to children who are blind or visually impaired, their families and educational staff within the school environment. The request includes the enacted amount. Subsequent to the budget submission, the Department reported that the contract to provide vision services will be solicited through a competitive bidding process. The selected vendor or vendors will provide services with local school districts in the state. The Department confirmed that this funding will continue to be used to support student vision services. *The Governor recommended funding as requested.* **The Assembly concurred.**

Special Education Grants. The Council requested authorization to spend \$0.7 million more than enacted from federal special education funds to reflect the availability of carry-forward funds from prior years. The funds are distributed to school districts and provide administrative support. Most of the funds must be distributed to local education agencies serving children directly. Federal funds are combined with state and local funds to provide children with disabilities free, appropriate public education, including special

education and related services. *The Governor recommended \$21,476 less than requested to reflect available funding.* **The Assembly concurred.**

Title I Grants. The Council requested authorization to spend \$0.1 million less than enacted from federal Title I funds, reflecting a reduction to available carry-forward funds. Title I funds are passed through to local schools, where they are used to provide extra help to low-achieving students. Title I fund distributions to states are calculated through four distinct formulas based upon different levels of poverty; however, funds are allocated to districts as one amount. *The Governor recommended funding essentially as requested.* **The Assembly concurred.**

Vocational Education Grants. The Council requested authorization to spend \$0.6 million from vocational education grants. Funds are used to improve vocational education programs statewide. The revised request includes \$0.4 million from a grant to support science, technology, engineering and mathematics apprenticeships for high school students, \$0.1 million more than enacted. Beginning in the fall of 2019, participating students will spend half of their instructional time working on the job while also enrolled in credit-bearing coursework through the Community College of Rhode Island. While most funding is passed through to the Community College, approximately 20 percent is used by the Department to provide professional development and outreach. *The Governor recommended \$0.3 million more than requested to reflect available funding.* **The Assembly concurred.**

School Mental Health. The enacted budget includes \$3.1 million from all sources for mental health programs in schools, including \$590,000 from Opioid Stewardship funds. The Assembly provided new Opioid Stewardship funds in the enacted budget to support mental and behavioral health training, curricula, and other materials for educators. As the request predates the enacted budget, it excludes these funds, but adds \$0.2 million from federal grants designated to address adolescent health and school climate. The additional federal funds reflects carryforward of prior year funding. In FY 2019, the Department was awarded two five-year federal grants to address student mental health. The first, for \$9.0 million, supports adolescent health and academic achievement, specifically regarding mental health issues. Funding is used to promote mental health awareness among schools and communities and improve connections to services for school-age youth and their families. The second, for \$2.5 million, supports districts in expanding programs that address student social, emotional and behavioral needs. Participating schools conduct needs assessments and develop plans that are tailored to their student population. Grant partners then provide professional development and training to educators to expand and connect intervention efforts. *The Governor recommended \$14,288 less than requested from federal funds to reflect available funds. The recommendation also inadvertently excludes the enacted amount of Opioid Stewardship funds; however, he subsequently requested an amendment to restore the funds.* **The Assembly concurred with the amended recommendation.**

ServeRI. The Council requested \$0.6 million more than enacted from federal funds for the ServeRI program, based on awards for program sites. In 2018, the Rhode Island Service Alliance transferred the program to the Department of Elementary and Secondary Education. The program was established by the 1994 Assembly to administer the federally funded AmeriCorps program, including AmeriCorps Vista and City Year. The enacted budget includes funding for staffing and operating costs, as well as grants to participating member sites. *The Governor recommended \$0.2 million less than requested based on available funding.* **The Assembly concurred.**

Investing in Innovation Grant. The Council requested \$1.2 million from new federal funds awarded by the U.S. Department of Education. The investing in innovation program competitively awards funding annually to applicants with a record of improving student achievement and attainment in order to expand innovative practices that improve student achievement, close achievement gaps, decrease dropout rates, increase high school graduation rates, or increase college enrollment and completion rates. *The Governor recommended funding as requested.* **The Assembly concurred.**

Literacy Development Grant. The Council requested \$2.0 million more than enacted from federal funds to strengthen literacy programs. The Department received a five-year, \$20 million Comprehensive Literacy State Development grant from the U.S. Department of Education. Funding will primarily support communities and local education agencies in strengthening literacy development and instruction for children from birth through grade 12. Most funding will be distributed as grants for districts to develop and implement comprehensive literacy instruction, including professional development. Districts and community-based organizations will also be eligible for grants to engage families and support literacy at home. *The Governor recommended funding as requested.* **The Assembly concurred.**

Dell Foundation Grant. The Council requested \$250,000 from a new grant award from the Dell Foundation being used to launch a statewide educational access portal, called EnrollRI. The portal will act as a “one-stop shop” for families and students to access educational and other opportunities to meet students’ individual education goals. It will include informational tools and application resources for all advanced coursework network programs, charter schools, and career and technical education programs. It can also be translated into seven different languages. Additional resources are expected to be added annually. *The Governor recommended funding as requested.* **The Assembly concurred.**

Other Salaries and Benefits. The Council requested \$0.7 million less than enacted, primarily from federal funds for all other salaries and benefits for the Department’s other 133.1 administrative positions. The decrease in federal funds reflects changes to several grant awards. The request also excludes savings of \$0.2 million, including \$0.1 million from general revenues, from staff participation in the workshare program.

The Governor recommended \$0.2 million more than requested from all sources, including \$0.1 million less from general revenues. From all sources, this includes \$0.1 million from an updated assessed fringe benefit rate based on the voluntary retirement incentive program and reduces federal funded expenses by less than the requested amount. The recommendation also shifts \$184,000 from general revenues to Coronavirus Relief funds for time spent by six staff responding to the coronavirus emergency, including in the emergency operations center, which were identified after the budget was enacted. **The Assembly concurred.**

Other Grants and Programming. The Council requested \$1.6 million more than enacted, primarily from federal funds, for all other expenses, including \$143,000 from general revenues. From general revenues, the revised request adds \$38,000 for contracted legal services, primarily for residency determinations for the Department of Children, Youth and Families and shifts \$75,000 for software licensing and maintenance fees previously supported from other sources that are no longer available. The request adds \$30,000 from general revenues for all other operating expenses; however, the request is \$0.2 million more than actual FY 2019 and FY 2020 expenses. The remainder of the revised request reflects changes to nearly two dozen grant awards, including updates to available funding and expiration of some sources.

The Governor recommended \$1.1 million more than requested from all sources but included the enacted level of general revenues. This includes multiple adjustments to federal grants based on information provided by the Department and \$0.3 million from restricted receipts from two new foundation awards, including from the Gates Foundation. **The Assembly concurred.**

Met School Capital. The Council requested the enacted level of \$250,000 from Rhode Island Capital Plan funds for asset protection projects at the Metropolitan Career and Technical School. This is consistent with the capital request. *The Governor recommended funding as requested.* **The Assembly concurred.** **A detailed description of the project is included in the Capital Budget section of this publication.**

Davies Career and Technical School

Funding Formula. The Council requested \$0.3 million less than enacted, including \$44,188 more from general revenues for the tenth year of the funding formula. As the request predates the enacted budget, it excludes \$0.3 million from Coronavirus Relief funds, which were originally appropriated in FY 2020 but carried forward into FY 2021. From general revenues, the request reflects \$44,138 from workshare savings included in the enacted budget. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Other Operations (-4.0 FTE). The Council requested \$0.6 million more than enacted from all sources of funding outside of the funding formula. This includes \$0.3 million more from federal funds, \$0.2 million more from restricted receipts, and \$0.1 million from P-Tech funds. From restricted receipts, this reflects an increase in career and technical education categorical funds that were awarded in prior years. These funds had historically been deposited into an escrow account, but that was converted to a restricted receipt account in FY 2021 based on a recommendation from the State Controller and Auditor General.

The revised request reduces staffing for the school by 4.0 full-time equivalent positions reflecting the phase-out of its cosmetology program, which has experienced a decline in enrollment, along with other position reductions due to restructuring. In partnership with the YMCA, the school will open a new childcare program in FY 2022. The new program is expected to have no more than two teachers based on anticipated enrollment. *The Governor recommended \$0.2 million less than requested from all sources, including \$61,450 less from federal funds and \$0.2 million less from career and technical education restricted receipts.* *The Governor recommended staffing consistent with the authorized level.* **The Assembly concurred.**

Capital. The Council's request includes \$0.3 million from Rhode Island Capital Plan funds for capital projects at the Davies Career and Technical School. This is \$0.9 million less than enacted as it excludes \$0.5 million of new funding to begin a major renovation project and reduces funding for its heating, air ventilation and cooling repair project by \$0.4 million. *The Governor recommended shifting \$0.5 million to FY 2022 for one project and included the enacted level of funding for all others.* **The Assembly shifted \$0.4 million for the HVAC project from FY 2021 to FY 2024. A detailed description of the projects is included in the Capital Budget section of this publication.**

Rhode Island School for the Deaf

Restricted Receipts. The Council requested \$0.5 million from restricted receipts for the School for the Deaf, including \$57,500 collected from school breakfast and lunch, \$5,000 from renting its athletic field and gymnasium, and \$399,433 from tuition collected for some students. Compared to the enacted budget, the revised request assumes \$12,404 less from restricted receipts, primarily from lower than anticipated rent expenses. The School collects tuition for all out-of-state students and those in-state students receiving services beyond the first of four levels of service. As of February 2021, enrollment totaled 81 students, of which four are out-of-state. Of the 77 in-state students, 48.1 percent receive services at a Level 1 and no tuition is collected. *The Governor recommended the enacted level from restricted receipts.* **The Assembly concurred.**

Speech Language Pathologist (1.0 FTE). Consistent with its FY 2021 request, the Council requested \$0.1 million from general revenues and authorization for a new, full-time equivalent speech pathologist for the School for the Deaf. The School employs two speech pathologists and contracts with a temporary services provider for another. Between the fall of 2015 and the winter of 2020, enrollment at the School has increased 30.6 percent, from 62 in 2015 to 81 as of February 2021. Each student at the School has an Individualized Education Plan, which requires speech pathology, though the level of required services varies by student. The additional position would both address rising caseloads and ensure students receive

all services required by their education plans. It should be noted that in the fall of 2020, the School repurposed a teacher position, which became vacant upon a retirement, to hire the new speech pathologist. *The Governor did not recommend the funding or staffing authorization.* **The Assembly concurred.**

Other Salaries and Benefits. The Council requested \$0.8 million more than enacted from all sources for the School for the Deaf, including \$0.4 million more from general revenues for the salaries and benefits for the School's 60.0 full-time equivalent positions. The revised request largely reflects restoration of turnover savings, as all positions are filled, and negotiated wage increases for teaching staff. The additional federal funds and restricted receipts are made available from reductions to other operating expenses, noted separately. Based on actual payroll expenses through the second quarter, the revised request appears to be overstated by \$0.2 million from general revenues. *The Governor recommended \$19,259 more than enacted from general revenues reflecting an updated assessed fringe benefit rate based on the voluntary retirement incentive program. This is \$0.7 million less than requested from all sources including \$0.4 million less from general revenues; however, based on expenses through the pay period ending March 27, 2021, the recommendation appears to be understated by \$0.5 million.* **Based on actual expenses through May, the Assembly provided an additional \$100,000 from general revenues.**

Other Operations. The Council requested \$0.3 million less than enacted from all sources for all other operating expenses at the School for the Deaf, including \$8,514 more from general revenues. The revised request primarily reflects additional funding for supplies and building maintenance, offset by less expenses for staff training, as well as other changes. The School spent \$1.0 million from all sources for operating expenses in FY 2020, \$0.2 million less than the revised request. It should be noted the request excludes \$31,692 from Coronavirus Relief funds originally appropriated in FY 2020, but carried forward in the enacted budget. The funds may be used for expenses, such as cleaning supplies, incurred as a result of the coronavirus emergency. *The Governor recommended the enacted level of funding.* **The Assembly concurred.**

Capital. The Council requested \$109,000 from Rhode Island Capital Plan funds for asset protection projects at the Rhode Island School for the Deaf. This excludes \$200,000 for new security enhancements included in the enacted budget. The capital budget request includes the new funds in FY 2022, but the School reported that it will pursue the project in the current year. *The Governor recommended \$25,000 more than requested and combined both projects under asset protection.* **The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.**

Public Higher Education

	FY 2020 Reported	FY 2021 Enacted	FY 2021 Revised	FY 2021 Final
Expenditures by Program				
Office of Postsecondary Comm.	\$ 35,380,676	\$ 40,845,050	\$ 50,629,157	\$ 48,495,293
University of Rhode Island	823,284,260	861,698,584	847,698,584	865,138,989
Rhode Island College	184,784,139	202,851,064	198,851,064	198,851,064
Community College of RI	164,059,572	169,378,742	164,742,742	163,852,742
Total	\$ 1,207,508,647	\$ 1,274,773,440	\$ 1,261,921,547	\$ 1,276,338,088
Expenditures by Category				
Salaries and Benefits	\$ 529,197,436	\$ 576,951,696	\$ 576,989,893	\$ 576,989,893
Contracted Services	28,519,041	32,075,781	40,846,020	40,846,020
Subtotal	\$ 557,716,477	\$ 609,027,477	\$ 617,835,913	\$ 617,835,913
Other State Operations	208,208,550	253,814,856	231,014,327	231,014,327
Aid to Local Units of Government	3,447,918	-	-	-
Assistance, Grants, and Benefits	314,974,011	322,477,309	323,253,509	340,560,050
Capital	51,100,016	17,504,324	17,868,324	14,978,324
Capital Debt Service	72,061,675	71,949,474	71,949,474	71,949,474
Operating Transfers	-	-	-	-
Total	\$ 1,207,508,647	\$ 1,274,773,440	\$ 1,261,921,547	\$ 1,276,338,088
Sources of Funds				
General Revenue	\$ 231,444,861	\$ 237,951,191	\$ 238,008,109	\$ 237,874,245
Federal Aid	23,932,059	31,353,488	18,073,747	35,514,152
Restricted Receipts	1,679,827	2,962,936	2,966,504	2,966,504
Other	950,451,900	1,002,505,825	1,002,873,187	999,983,187
Total	\$ 1,207,508,647	\$ 1,274,773,440	\$ 1,261,921,547	\$ 1,276,338,088
Uses of Funds				
Unrestricted Use Funds	\$ 718,858,806	\$ 765,670,944	\$ 765,731,224	\$ 765,597,360
Restricted Use Funds	488,649,841	509,102,496	496,190,323	510,740,728
Total	\$ 1,207,508,647	\$ 1,274,773,440	\$ 1,261,921,547	\$ 1,276,338,088
FTE Authorization	3,860.5	3,860.5	3,860.5	3,860.5
<i>Limited to Third Party Funds</i>	523.8	523.8	523.8	523.8
Total Authorized Positions	4,384.3	4,384.3	4,384.3	4,384.3
FTE Average	4,065.8			

FY 2021 Revised Request. The 2019 Assembly created a 17 member Board of Trustees for the University of Rhode Island effective February 1, 2020. Authority for a variety of functions transferred from the Council on Postsecondary Education to the new Board, and the University is removed from the authority of the Commissioner of Postsecondary Education. It preserves all of the General Assembly's current authority over the University. The budget is still presented with the other entities.

The governing bodies' revised request is \$80.1 million less than enacted, including \$1.6 million more from general revenues. It also includes \$24.8 million less from tuition and fee revenues, \$4.0 million less from

other unrestricted sources, and \$52.8 million less from restricted sources. The request includes 1.0 new full-time equivalent position for the Northern Rhode Island Education Center.

The Governor recommended \$12.9 million less than enacted from all sources, which is \$67.2 million more than requested. General revenues are \$3,168 more than enacted to reflect a higher assessed fringe benefit rate based on the voluntary retirement incentive program and \$53,750 more for newly identified COVID-19 related expenses deemed not eligible to be paid from available federal sources. The Governor recommended staffing authorization at the enacted level.

The Assembly added \$17.4 million from federal relief from the Coronavirus Response and Relief Supplemental Appropriations Act for the University, included \$0.1 million less from general revenues for the Promise program based on final enrollment, shifted \$2.9 million from Rhode Island Capital Plan funds from FY 2021 to later years based on revised project schedules, and concurred with the remainder of the recommendation.

Unrestricted Source Expenditures

The unrestricted budget consists of those funds that can be used for any legitimate purpose. Those purposes fall within the education and general operations of the institutions. They include state general revenue appropriations, tuition and general fees, and sponsored research overhead. The unrestricted budget is similar to the general revenue budget of other agencies and departments. The FY 2021 unrestricted revised budget includes spending of \$738.5 million. This is \$27.2 million less than enacted and includes \$1.6 million more from general revenues.

*The Governor recommended \$765.7 million from unrestricted sources, which is \$6,530 more than enacted and \$27.2 million more than requested. General revenues are \$3,168 more than enacted to reflect a higher assessed fringe benefit rate based on the voluntary retirement incentive program. **The Assembly reduced expenditures for Promise scholarships by \$0.1 million based on the May update from the Community College and concurred with the remainder of the recommendation.***

Rhode Island Promise. The 2017 Assembly established a Rhode Island Promise Scholarship program to provide two years of free tuition and mandatory fees at the Community College of Rhode Island for qualifying Rhode Island students. The program is intended to be a “last dollar scholarship,” meaning that after a student exhausts all other sources of student aid the program covers the remainder of their tuition bill. Other non-mandatory fees are not covered by this program. Recipients are required to maintain a 2.5 grade point average, must be enrolled full-time, and must commit to remaining in Rhode Island after graduation. The program is being implemented for four cohorts of students beginning in FY 2018 with the last cohort entering in the fall of 2020. The 2020 Assembly extended the sunset by one year to include the high school graduating class of 2021. The Council requested \$0.4 million less than the \$7.2 million enacted for FY 2021 and the amount reported to fund the third and fourth cohort reported in November 2020. It appears this reduction was requested in error. *The Governor recommended funding at the enacted level.* **The Assembly reduced expenditures by \$0.1 million based on the May update from the Community College. This provides \$7.1 million for FY 2021.**

Best Buddies. The Office requested \$25,000 less from general revenues for the Best Buddies program. The mission of the organization is to establish a global volunteer movement that creates opportunities for one-to-one friendships, integrated employment and leadership development for people with intellectual and developmental disabilities. The Office indicated that it requested this reduction from the \$75,000 in the enacted budget as part of a strategy to reduce general revenue funded expenses. *The Governor recommended funding at the enacted level.* **The Assembly concurred.**

College Crusade Support. The Office requested \$100,000 less than enacted from general revenues to support the College Crusade. The College Crusade of Rhode Island is a nonprofit organization founded in 1989 to reduce high school dropout rates and increase educational and career success for low-income urban youth. The Office indicated that it requested this reduction from the \$355,000 in the enacted budget as part of a strategy to reduce general revenue funded expenses. *The Governor recommended funding at the enacted level.* **The Assembly concurred.**

Nursing Education Center. The Nursing Education Center provides a centralized nursing program for students enrolled at the University of Rhode Island or Rhode Island College. Staffing and operating expenses are shared between the two institutions, with funding and staffing authorizations reflected in the Office of Postsecondary Commissioner's budget. The Office requested \$0.6 million less than enacted, mostly to reflect turnover savings from holding positions vacant. As of the pay period ending January 16, 2021, the Center had five of its 10.0 authorized positions filled. *The Governor recommended \$3,362 more than enacted to reflect an increase to the assessed fringe benefit rate based on the voluntary retirement incentive.* **The Assembly concurred.**

Other Office Operations. The Office requested \$54,569 less from general revenues for other expenses, nearly half of which is for parking and operating expenses for the Shepard Building. The Shepard Building's primary use is as the Providence Campus of the University of Rhode Island. It also houses the Department of Elementary and Secondary Education. Over the years, as state funding has declined and the Office has been instructed to submit budget requests with reductions, it has occasionally reduced its support for the Shepard Building, which does not actually reduce costs, it just shifts them to the University.

The revised request does not include the general revenue savings of \$10,037 in the enacted budget from workshare savings. Adjusted for that, the revised request includes \$2,712 less for salaries and benefits. The revised request also includes a decrease of \$10,037 for centralized information technology charges, which is \$4,726 less than FY 2020 charges.

The Governor recommended \$3,168 more than enacted from general revenues to reflect an increase in the assessed fringe benefit rate based on the voluntary retirement incentive. The Governor also added \$53,750 from general revenues for newly identified COVID-19 related expenses deemed not eligible to be paid from available federal sources, including a touchless entry system at the Nursing Education Center and cleaning, sanitizing products and equipment for hybrid learning at the Westerly Education Center and the Nursing Education Center. **The Assembly concurred.**

University of Rhode Island. The University requested \$1.4 million or 0.3 percent less from unrestricted sources than enacted. This includes \$0.9 million or 0.3 percent more than enacted from tuition and fees to revise expected revenues, \$0.2 million more from general revenues, and \$2.5 million less from other University sources. Additional sources include earned interest, athletics, and revenue from University centers. The University indicated that it does not need the additional general revenues because its budget request predates the enactment of the FY 2021 budget.

The revised FY 2021 enrollment of 14,747 is 174 less than the enrollment assumed in the enacted budget, and includes 204 fewer in-state students and 30 more out-of-state students. The percent of out-of-state students would be 50.1 percent in FY 2021 up from 49.5 percent for FY 2020 and 48.9 percent for FY 2019. Out-of-state tuition at \$30,496 is more than double the \$12,922 paid by in-state students. The increase in out-of-state students is not sufficient to negate the impact of the tuition loss from lower in-state students and the University indicated it will have to use \$6.5 million of its \$20.7 million uncommitted fund balance if enrollment numbers do not hold. The FY 2021 enacted budget did provide \$5.7 million more than the Governor recommended to reflect a general revenue reduction of \$5.5 million offset by the addition of \$11.2 million in federal funding authorized by the CARES Act to assist institutions of higher education.

The majority of the revision, \$5.1 million, is from maintaining vacancies at the University offset by \$3.5 million more for unrestricted student aid. It should be noted that there are workshare savings of \$0.4 million in FY 2021 based on 87 individuals that opted to participate in the program. The FY 2021 enacted budget made no adjustment to capture these savings allowing the schools to use them to offset revenue losses. *The Governor recommended funding at the enacted level.* **The Assembly concurred.**

Rhode Island College. The College's revised unrestricted budget request is for \$128.9 million, \$21.8 million less than enacted. This includes \$21.2 million or 23.8 percent less from tuition and fees, and \$1.2 million less from other unrestricted sources. General revenue support for debt service is \$0.6 million more than the enacted budget. The impact of the COVID-19 emergency on enrollment at the College was significant. Enrollment for FY 2021 is 6.5 percent lower than FY 2020 enrollment and 8.7 percent lower than FY 2019. The FY 2021 enacted budget includes \$4.0 million from federal Coronavirus Relief funds to help mitigate the impact of lower tuition revenue and additional expenses related to the COVID-19 emergency.

To accommodate the lower tuition and fee revenues, the revised request includes \$9.0 million in salaries and benefits savings by laying off 68.5 full-time equivalent positions and keeping 58.5 vacant positions open. Additionally the College negotiated with its bargaining units in the summer to defer the planned 2.5 percent cost-of-living adjustment for July 1, 2020 until July 1, 2021. The College also implemented administrative pay reductions for senior leadership ranging from 5.0 percent to 10.0 percent. The revised allocation includes \$8.9 million less for student aid consistent with lower enrollments, \$4.5 million less for operating expenses and \$0.6 million more for debt service. In addition to freezing travel, overtime, and planned new investments, each vice president was assigned a reduction savings target for his or her division.

It should be noted that there are workshare savings of \$0.4 million in FY 2021 based on 94 individuals that opted to participate in the program. The FY 2021 enacted budget made no adjustment to capture these savings allowing the schools to use them to offset revenue losses. *The Governor recommended funding at the enacted level.* **The Assembly concurred.**

Community College of Rhode Island. The Community College requested \$2.9 million or 2.4 percent less than enacted from unrestricted sources. This includes \$1.3 million more from general revenues, \$3.9 million or 6.6 percent less than enacted from tuition and fees, and \$0.3 million less from other unrestricted sources. The FY 2021 enacted budget includes \$5.0 million from federal Coronavirus Relief funds to help mitigate the impact of lower tuition revenue and additional expenses related to the COVID-19 emergency.

The Community College indicated that it does not need the additional general revenues because its budget request predates the enactment of the FY 2021 budget.

The revised enrollment projection assumes 8,592 full-time equivalent students, 543 or 5.9 percent fewer than the enacted budget assumed. It is 473 or 5.2 percent less than FY 2020 enrollment and 307 or 3.4 percent less than FY 2019 enrollment. The reduction to other unrestricted sources aligns expected revenues with those reported for FY 2020. The revised allocation includes \$3.2 million less than enacted for salaries and benefits offset by \$0.3 million more for other operating expenses. To accommodate the lower tuition and fee revenues, the Community College instituted layoffs, froze pay increases that were due on July 1, 2020, and implemented pay reductions for vice presidents, associate vice presidents, and the president. At the beginning of March 2021, the President announced that it would retroactively reinstate the salary increases and resume hiring critical positions including a chief information officer, academic deans, student advisors, payroll staff and information technology staff.

It should be noted that there are workshare savings of \$0.3 million in FY 2021 based on 60 individuals that opted to participate in the program. The FY 2021 enacted budget made no adjustment to capture these

savings allowing the schools to use them to offset revenue losses. *The Governor recommended funding at the enacted level.* **The Assembly concurred.**

Restricted Source Expenditures

The restricted budget is composed of what are generally thought of as restricted receipt funds or enterprise funds. They include residence hall funds, dining funds and any other funds whose sources are limited to use for certain purposes. Federal funds are considered restricted use. The governing bodies request \$456.3 million in restricted use expenditures. This is \$52.8 million less than enacted. *The Governor recommended \$12.9 million less than enacted and \$39.9 million more than requested.* **The Assembly added \$17.4 million from federal relief from the Coronavirus Response and Relief Supplemental Appropriations Act for the University and shifted \$2.9 million from Rhode Island Capital Plan funds from FY 2021 to later years based on revised project schedules.**

Higher Education Fund - General. The Coronavirus Response and Relief Supplemental Appropriations Act includes an additional \$21.2 billion for emergency relief for higher education not reflected in the institutions' requests. *Federal Funds Information for States* indicates that Rhode Island institutions will receive \$103.0 million. It shows public institutions will receive \$52.9 million of which \$14.3 million must be used for student aid; private institutions will receive \$50.1 million. By institution the allocations are \$17.4 million for the University of Rhode Island, \$12.6 million for Rhode Island College, and \$22.9 million for the Community College of Rhode Island not reflected in the institutions' requests. *The Governor's budget does not include funding from these sources pending guidance on the use of funds from the United States Department of Education.* **The Assembly added \$17.4 million for the University based on information that these funds have been spent.**

Governor's Emergency Education Relief. The CARES Act and the Coronavirus Response and Relief Supplemental Appropriations Act contain a combined \$20.0 million from Governor's Emergency Education Relief funds, of which \$12.5 million is flexible. Governor Raimondo indicated in January 2021 that \$0.9 million will be used to increase student access to mental health professionals including through the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals, \$2.5 million to expand prekindergarten, \$5.3 million to expand access to free tuition at the Community College, and \$3.9 million for the Office of Postsecondary Commissioner. The Office will use funds to: improve access to higher education and education training opportunities, support innovation of ongoing operations of those institutions of higher education that have been most impacted by COVID-19, and to protect education related jobs and increase the quality of child care programming. *The Governor's revised recommendation includes \$0.8 million for the Office of Postsecondary Education for FY 2021. The remaining \$3.8 million is recommended for FY 2022.* **The Assembly concurred.**

Back to Work RI. Back to Work Rhode Island is an initiative created in response to the COVID-19 pandemic which connects Rhode Islanders with job opportunities across the state providing resources and training. The program is administered by the Governor's Workforce Board and partners directly with businesses including Amgen, Bank of America, Care New England, CVS Health, General Dynamics Electric Boat, IGT, Infosys, Laborers' International Union of North America, Lifespan, Microsoft, Raytheon Technologies, Salesforce, Service Employees International Union and Twitter. Governor Raimondo announced the program on July 28, 2020. The enacted budget includes \$45.0 million in the Department of Labor and Training. *The Governor recommended \$8.9 million from Coronavirus Relief funds in the Office of Postsecondary Commissioner's budget to support a component of the Back to Work initiative at the Westerly Higher Education Center. The Governor's revised budget also includes \$35.3 million in the Department of Labor and Training for a statewide total of \$44.2 million.* **The Assembly concurred.**

Operations (1.0 FTE). The revised restricted budget includes \$57.0 million less than enacted from restricted sources for general operating expenditures including \$9.8 million less for salaries and benefits, \$2.5 million less for contracted services, and \$44.7 million less for operations. Of the decrease, \$21.1 million reflects Coronavirus Relief funds included in the FY 2021 budget enacted subsequent to the revised request submission. Another \$25.5 million relates to auxiliary enterprises that experienced a decrease in use related to the COVID-19 emergency such as student dining, residence halls, bookstore, and student union services.

The revised budget does include a request for 1.0 new full-time equivalent position and \$0.1 million from restricted receipts for the Northern Rhode Island Education Center. The Governor's FY 2021 recommendation included \$0.1 million from restricted receipts and authorization for a new operations and facilities manager. This was not approved by the Assembly because delays in securing a location means the Center will not be open during FY 2021. The 2020 Assembly did authorize a lease for the Center in Woonsocket which is expected to open July 1, 2021.

*The Governor recommended that the \$23.0 million in the enacted budget from Coronavirus Relief funds to assist with qualifying expenses at the three institutions be shown in the Department of Administration's budget and recommended other expenses at the enacted level. He also recommended staffing at the enacted level. **The Assembly concurred.***

Student Aid. The revised budget includes a \$3.7 million increase for restricted source student aid. Almost the entire increase is from federal higher education stabilization funding under the CARES Act. As part of the Coronavirus Aid, Relief, and Economic Security Act Higher Education Relief Fund, the three public higher education institutions, the Community College of Rhode Island, Rhode Island College, and the University of Rhode Island, are to receive \$29.5 million in federal aid for student aid and institutional needs. The final FY 2020 budget included \$14.3 million from this source for student aid of which \$6.9 million was spent. The revised allocation includes \$5.9 million from this source for FY 2021. *The Governor recommended funding consistent with the enacted level. **The Assembly concurred.***

Capital Improvements. The revised budget includes a \$0.7 million increase, including \$1.2 million less from Rhode Island Capital Plan funds for restricted source capital expenditures. *The Governor recommended \$0.4 million more than enacted and \$0.3 million less than requested. **The Assembly shifted \$2.9 million from Rhode Island Capital Plan funds from FY 2021 to later years for two projects based on revised project schedules. A detailed description of the projects is included in the Capital Budget section of this publication.***

Debt Service. The revised budget decreases restricted use debt service costs by \$0.3 million. This reflects a \$0.6 million decrease for the University's Health Services and Alton Jones Facility offset by a \$0.3 million increase for the University's parking authority. *The Governor recommended funding consistent with the enacted level. **The Assembly concurred.***

Rhode Island State Council on the Arts

	FY 2020 Reported	FY 2021 Enacted	FY 2021 Revised	FY 2021 Final
Expenditures by Category				
Salaries and Benefits	\$ 937,725	\$ 944,811	\$ 1,077,977	\$ 1,077,977
Contracted Services	81,471	47,500	47,500	74,004
Subtotal	\$ 1,019,196	\$ 992,311	\$ 1,125,477	\$ 1,151,981
Other State Operations	153,618	242,659	242,659	223,926
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	1,943,860	1,623,582	2,623,582	2,623,582
Capital	222,617	590,000	590,000	232,229
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 3,339,291	\$ 3,448,552	\$ 4,581,718	\$ 4,231,718
Sources of Funds				
General Revenue	\$ 2,002,855	\$ 2,002,026	\$ 2,004,658	\$ 2,004,658
Federal Aid	1,038,635	828,776	1,959,310	1,959,310
Restricted Receipts	43,320	15,000	15,000	5,000
Other	254,481	602,750	602,750	262,750
Total	\$ 3,339,291	\$ 3,448,552	\$ 4,581,718	\$ 4,231,718
FTE Authorization	8.6	8.6	8.6	8.6
FTE Average				

FY 2021 Revised Request. The Rhode Island Council on the Arts requested \$3.8 million, \$0.3 million more than enacted from all sources, including \$0.1 million more from general revenues, \$0.3 million more from federal funds, \$30,000 more from restricted receipts and \$0.1 million less from Percent for Arts funds. The request includes the authorized level of 8.6 full-time equivalent positions; however, the Governor requested an amendment on September 21, 2020 to increase the Council’s FY 2021 authorization by 1.0 full-time equivalent position. It appears that increase was inadvertently excluded.

The Council posted the position requested in the Governor’s amendment in early September and filled it in late November before the Assembly enacted the FY 2021 budget. As there have been no vacancies to accommodate this position, the Council is in excess of its authorized staffing level, and as of mid-January is in violation of Section 11 of Article 1 of 2020-H 7171, Substitute A. *The Governor’s recommendation is \$0.8 million more than requested, including \$0.1 million less from general revenues, and includes the enacted staffing level.*

The Assembly provided \$350,000 less than recommended, including \$340,000 less from Percent for Art funds, and \$10,000 less from restricted receipts.

Senior Administrative Aide. The Council’s request removes \$25,000 from federal funds provided in the enacted budget for a marketing consultant to assist the Council two days a week to increase the Council’s visibility with the state’s art community through strategic targeting, messaging, and social media including the development of materials and ensuring its communications are responsive to its community. Subsequent to the Coronavirus pandemic, the CARES Act provided the Council a supplemental National

Endowment for the Arts grant award. The Council reported that it intended to use a \$50,000 administrative allocation from that award for a new communications and outreach position in lieu of the consultant. The Governor requested an amendment to add 1.0 full-time equivalent position. The position was posted from September 2, 2020 through September 23, 2020 despite the Council's legal authorization being filled at 8.6 full-time equivalent positions. The Council filled the position for the December 5, 2020 pay period, prior to the passage of the FY 2021 budget. The Assembly did not authorize the position. The revised request does not reflect the additional staff or funding, but the exclusion appears to be an error.

*The Governor recommended \$129,863 from federal funds for staffing expenses. Subsequent to submission of the budget, the Budget Office reported approximately \$48,000 was intended for staffing; the remaining funding was intended as additional federal grant support. The recommendation does not increase the staffing authorization. **The Assembly provided the funding but did not increase the authorization.***

Coronavirus Relief Fund Grants. The Council was provided an allocation of \$1.0 million from the Coronavirus Relief Fund in mid-December to be distributed by December 30, 2020; the allocation was provided after submission of the request, and essentially after the budget was enacted. The Council made grants available to individual artists, and arts and cultural organizations for documented losses related to the COVID-19 pandemic. The Council reported \$0.7 million awarded as of December 21, 2020; this includes \$118,830 for participants in its Expansion Arts program, \$228,660 for arts and culture organizations including professional arts education associations, and \$331,380 for the Council's Investments in Arts and Culture organizations. *The Governor's recommendation includes the \$1.0 million from federal Coronavirus Relief funds. **The Assembly concurred.***

National Endowment for the Arts Grants. The Council requested \$355,000 more than enacted from federal National Endowment for the Arts funds for grant support for individuals and organizations to help support the arts and encourage artists to continue to make the arts visible in the community. The amount requested appears to reflect CARES Act funding provided to the Council in the final FY 2020 appropriation. The Council was provided the supplemental award totaling \$424,300 within the CARES Act; the Assembly authorized \$355,000 to account for its estimated COVID-19 expenses, of which \$294,437 was spent during FY 2020. The Council is estimated to have federal resources totaling \$440,549 available, including FY 2020 carryover of \$310,993 from its original National Endowment for the Arts award, and \$129,556 from remaining CARES Act proceeds. *The Governor recommended funding as enacted. Subsequently, the Budget Office reported approximately \$81,000 from federal funds provided for staffing was intended as grant support. **The Assembly concurred.***

New Grant Initiatives. The Council requested \$60,000 from general revenues to support two programs. This includes a young adult arts workforce development program developed by the Council and various local partners, previously supported by federal funds and a new program aimed at developing diversity, equity and inclusion among the state's non-profits arts and cultural organizations. The program is based on a joint initiative between the Council and the Rhode Island Foundation. The Council reported these were included inadvertently; the requests are intended for FY 2022. *The Governor did not concur. **The Assembly concurred.***

Restricted Grants. The Council requested \$30,000 more than enacted from restricted receipts for its ArtPlace America grant. In April 2019, the Council received funding to support its Arts and Healthcare Network program over two years. During FY 2020, the Council spent \$39,125. The Council reported only \$10,875 is available from the grant to support its Rhode Island State Arts and Health Plan; subsequently the Council also reported that ArtPlace America has closed. *The Governor recommended funding as enacted. **The Assembly removed the funding based on the Council's third quarter report which did not include any spending in the current year.***

Percent for Art Program. The Council requested \$0.1 million less than enacted for the Percent for Art program for public art projects at various new state-owned facilities. During the 2020 legislative session the Council reported its five active projects are anticipated to close in FY 2021. Two projects at Rhode Island College are currently inactive pending approval of a new master plan. The Garrahy parking garage project is anticipated to pay out over a three-year period. *The Governor recommended funding as enacted. The Assembly provided \$0.3 million less based on spending through the third quarter.*

Film Commission. The request includes \$56,701 more than enacted from general revenues to support 2.6 full-time equivalent positions and operations. The enacted budget includes one-time workshare savings of \$13,189 from general revenues for staff of the Film Commission; adjusted for this, the staffing request is \$43,297 more than enacted. The adjusted request is \$36,354 more than actual FY 2020 spending. The additional funding appears to support its 0.6 full-time equivalent position as a whole position. It appears that funding was added erroneously. It also adds \$215 above the enacted amount for its remaining expenses. *The Governor recommended \$1,148 more than enacted for the assessed fringe benefit rate increase based on the voluntary retirement incentive. The Assembly concurred.*

Other Staffing and Operations. The Council requested \$84,351 less than enacted for all other expenses, of which \$1,018 is from general revenues. The staffing request is \$898 more than enacted to support the Council's remaining 6.0 full-time equivalent positions, of which \$1,131 is from general revenues. The enacted budget includes one-time general revenue workshare savings of \$1,746 from Council staff; adjusted for this the staffing request is \$615 less from general revenues.

For all other expenses, the request includes \$60,249 less than enacted of which \$2,149 is from general revenues primarily from reducing telecommunication expenses. It also includes \$591 less for the Council's share of centralized services provided by the Department of Administration, or \$3,238 less than actual FY 2020 expenditures, essentially all from information technology expenses. The federal funds request removes \$28,700 for travel, \$15,000 for panelist stipends, \$9,100 to participate in trade industry events, and \$5,300 for other operating changes based on historical expenditures. *The Governor recommended \$2,155 more than enacted, including \$1,484 from general revenues for the assessed fringe benefit rate increase based on the voluntary retirement incentive. The Assembly concurred.*

Rhode Island Atomic Energy Commission

	FY 2020 Reported	FY 2021 Enacted	FY 2021 Revised	FY 2021 Final
Expenditures by Category				
Salaries and Benefits	\$ 1,138,047	\$ 1,163,957	\$ 1,168,190	\$ 1,168,190
Contracted Services	110	-	-	-
Subtotal	\$ 1,138,157	\$ 1,163,957	\$ 1,168,190	\$ 1,168,190
Other State Operations	121,657	198,900	667,964	667,964
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	-	-	-	-
Capital	50,096	153,000	153,000	153,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 1,309,910	\$ 1,515,857	\$ 1,989,154	\$ 1,989,154
Sources of Funds				
General Revenue	\$ 1,002,739	\$ 1,059,645	\$ 1,063,124	\$ 1,063,124
Federal Aid	-	7,936	477,000	477,000
Restricted Receipts	(23,599)	99,000	99,000	99,000
Other	330,770	349,276	350,030	350,030
Total	\$ 1,309,910	\$ 1,515,857	\$ 1,989,154	\$ 1,989,154
FTE Authorization	8.6	8.6	8.6	8.6
FTE Average	8.5			

FY 2021 Revised Request. The Rhode Island Atomic Energy Commission requested \$0.1 million less than enacted from all sources, including \$1,185 more from general revenues, \$7,936 less from federal funds, \$73,964 less from restricted receipts, and \$26,375 more from University of Rhode Island Sponsored Research funds. *The Governor recommended \$0.5 million more than requested including \$2,294 more from general revenues.* **The Assembly concurred.**

Reactor Fee Receipts. The Commission charges reactor fees for commercial utilization of the reactor based on the organizational status of the requesting agency and the amount of reactor time requested. Reactor fees were historically deposited as general revenues. The 2018 Assembly created a restricted receipt account for the reactor fee revenues to be used for the maintenance of the Commission's equipment. The current balance of the account is \$33,250. The enacted budget assumes \$99,000; the Commission's revised request lowers this by \$73,964 to reflect expected commercial utilization of the reactor. *The Governor recommended funding at the enacted level.* **The Assembly concurred.**

Centralized Services. The 2017 Assembly authorized the establishment of internal service funds for centralized services including information technology, capital asset management and maintenance, and human resources to maximize available non-general revenue sources. Prior to this change, the costs for the staff and other expenses related to these services were budgeted in the Department of Administration. The state uses internal service funds to reimburse one agency for services provided to another. Agencies receiving these services are charged for the costs which in turn pay for the staff and expenses. The Commission requests \$9,558 with \$4,558 from general revenues and \$5,000 from University of Rhode Island sponsored research funds. This is \$545 more than enacted but equal to actual charges during FY

2020. However, the FY 2020 charges were only from general revenues; the Commission's request to split the fund sources is new. *The Governor recommended funding at the enacted level.* **The Assembly concurred.**

Federal Grants. The enacted budget includes \$7,936 from federal funds to cover student project costs. These funds have been carried forward for the last couple of years as students in the past have been able to get alternate funds for their projects. The Commission's request excludes this funding, expecting alternate fund sources to make this funding unnecessary. However, the Commission inadvertently excludes a new \$0.5 million federal grant from the Department of Energy from its request. This funding will support upgrades to reactor control instrumentation, set to commence in October 2020; the Commission indicates delays will extend the project beyond September 2021, the original end date. *The Governor's recommendation includes the \$0.5 million grant.* **The Assembly concurred.**

Staffing and Operations. The Commission's revised request includes \$27,015 more than enacted from all sources for staffing and operational costs. This includes \$5,640 more from general revenues and \$21,375 more from University research funds. For operational costs, the request is \$421 less than enacted and essentially consistent with actual spending for FY 2020. For staffing costs, the request is \$27,436 more than enacted mostly as a result of overstated University research funds; general revenues are also overstated and \$1,436 more than enacted. The request does not include the \$4,922 general revenue savings realized from the workshare program that was included in the enacted budget. *The Governor recommended \$4,233 more than enacted, including \$3,479 from general revenues, to reflect an increase to the assessed fringe benefit rate based on the voluntary retirement incentive program.* **The Assembly concurred.**

Historical Preservation and Heritage Commission

	FY 2020 Reported	FY 2021 Enacted	FY 2021 Revised	FY 2021 Final
Expenditures by Category				
Salaries and Benefits	\$ 1,690,669	\$ 1,751,870	\$ 1,754,996	\$ 1,654,996
Contracted Services	300	-	-	-
Subtotal	\$ 1,690,969	\$ 1,751,870	\$ 1,754,996	\$ 1,654,996
Other State Operations	332,962	415,678	415,678	365,678
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	120,297	507,203	608,772	520,869
Capital	1,213	1,000	1,000	1,000
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 2,145,441	\$ 2,675,751	\$ 2,780,446	\$ 2,542,543
Sources of Funds				
General Revenue	\$ 1,351,213	\$ 1,562,984	\$ 1,564,237	\$ 1,414,237
Federal Aid	642,863	544,043	647,118	559,215
Restricted Receipts	20,073	422,100	422,100	422,100
Other	131,292	146,624	146,991	146,991
Total	\$ 2,145,441	\$ 2,675,751	\$ 2,780,446	\$ 2,542,543
FTE Authorization	15.6	15.6	15.6	15.6
FTE Average	15.1			

FY 2021 Revised Request. The Commission requested \$100,469 more than enacted from all sources including \$62,297 less from general revenues. *The Governor recommended \$104,695 more than enacted, including \$1,253 from general revenues.* **The Assembly provided \$0.2 million less from all sources.**

Department of Transportation Project Review. The Commission requested \$11 more than enacted for personnel and operating expenditures from Department of Transportation reimbursements related to project review. Reimbursements are used to fund one full-time position that conducts project review, costing approximately \$90,000. The Commission also uses approximately \$40,000 to pay for staff that occasionally help on these projects budgeted as an operating expense. Because these positions are already budgeted elsewhere, the request may overstate the total amount needed for salaries and benefits. The Department spent \$131,292 for salaries and benefits in FY 2020. *The Governor recommended \$367 more than enacted to reflect increased assessed fringe benefits based on the voluntary retirement incentive program.* **The Assembly made technical corrections to salaries and benefits correcting the error in the request and the Governor’s recommendation; total funding remains unchanged.**

Other Salaries and Benefits. The Commission requested \$20,025 more than enacted from all sources for the remaining 14.6 full-time equivalent positions, including \$109,114 less from general revenues and \$129,139 more from federal funds. The request does not include \$54,478 of savings in the enacted budget based on nine individuals from the Commission opting to participate in the workshare program. Adjusting for this, the request is \$34,453 less than enacted from all sources including \$144,159 less from general revenues. This shift to federal funds reflects a higher federal grant for FY 2021. The other funds reduction reflects turnover savings achieved by one vacancy through December. The Commission indicated that this

position should be filled by the beginning of March. It should be noted that the Commission is expecting more federal funds than initially budgeted, potentially making more general revenues available. *The Governor recommended \$2,759 more than enacted from all sources, including \$1,253 from general revenues to reflect an increased assessed fringe benefit rate based on the voluntary retirement incentive program.* **The Assembly provided \$150,000 less from general revenues to reflect overstated personnel costs included in the Governor's budget and the request.**

Survey and Planning. The Commission requested \$13,666 more than enacted from the U.S. National Park Service Historical Preservation Act Grant for certified local grants to carry out historic preservation activities. This reflects an updated federal award which will be spent on smaller grants to municipalities. *The Governor recommended \$69,953 more than requested which inadvertently overstated available funding based on estimated receipts.* **The Assembly provided funding consistent with the request.**

Centralized Services. The Commission requested \$26,175 more than enacted from general revenues for centralized information technology services provided through the Department of Administration. This is the amount budgeted in the FY 2020 final budget; the Commission spent \$24,445 less. *The Governor recommended funding at the enacted level.* **The Assembly concurred.**

Other Operations. The Commission requested \$40,592 more from all sources than enacted including \$20,642 more from general revenues. This includes \$17,950 more from federal National Maritime Heritage grant funds, which were inadvertently included. The increase to general revenues reflects \$11,000 more for internet and cell phone services incorrectly budgeted to almost twice the amount spent in FY 2020 and an additional \$7,142 for office supplies and to continue upgrading computer equipment consistent with the Department of Administration's Division of Information Technology's recommendations. *The Governor recommended funding consistent with the Commission's request from federal National Maritime Heritage grant funds, maintaining the error in the request and keeps all other expenditures at the enacted level.* **The Assembly excluded the overstated federal funding.**

Office of the Attorney General

	FY 2020 Reported	FY 2021 Enacted	FY 2021 Revised	FY 2021 Final
Expenditures by Program				
Criminal	\$ 21,450,336	\$ 20,885,090	\$ 20,952,207	\$ 20,981,207
Civil	5,902,113	6,812,514	6,938,993	6,848,993
Bureau of Criminal Identification	3,357,493	1,814,266	3,985,290	3,116,136
General	3,935,700	4,284,284	4,297,987	4,197,987
Total	\$ 34,645,642	\$ 33,796,154	\$ 36,174,477	\$ 35,144,323
Expenditures by Category				
Salaries and Benefits	\$ 27,504,464	\$ 28,235,130	\$ 28,334,519	\$ 28,334,519
Contracted Services	2,414,219	1,420,269	2,616,545	2,701,545
Subtotal	\$ 29,918,683	\$ 29,655,399	\$ 30,951,064	\$ 31,036,064
Other State Operations	2,680,950	3,344,664	3,351,185	3,290,185
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	166,667	166,667	273,910	273,910
Capital	1,879,342	629,424	1,598,318	544,164
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 34,645,642	\$ 33,796,154	\$ 36,174,477	\$ 35,144,323
Sources of Funds				
General Revenue	\$ 28,045,698	\$ 29,581,867	\$ 29,673,840	\$ 29,498,840
Federal Aid	4,215,592	2,890,200	3,871,220	3,116,066
Restricted Receipts	2,365,551	1,146,296	2,451,626	2,451,626
Other	18,801	177,791	177,791	77,791
Total	\$ 34,645,642	\$ 33,796,154	\$ 36,174,477	\$ 35,144,323
FTE Authorization	239.1	239.1	239.1	239.1
FTE Average	234.9			

FY 2021 Revised Request. The Office of the Attorney General requested \$2.2 million more than enacted from all sources, including \$0.1 million more from general revenues, \$1.0 million more from federal funds, \$1.2 million more from restricted receipts and \$0.1 million less from Rhode Island Capital Plan funds. *The Governor recommended \$128,610 more than requested, including \$17,602 less from general revenues.* **The Assembly provided \$1.0 million less from all sources, including \$0.2 million less from general revenues.**

Fingerprint Checks. The Office's revised request includes \$1.2 million from restricted receipts for payments to be made to Gemalto to operate the automatic fingerprint identification system. As part of the FY 2019 audited closing, the State Controller and Auditor General reclassified a number of escrow accounts as restricted receipts including this one. The revised request includes the maintenance fee of \$0.5 million and payments made to the Federal Bureau of Investigation for fingerprint analysis. *The Governor recommended funding as requested.* **The Assembly concurred.**

Foreclosure Assistance. On April 5, 2012, the Office of the Attorney General was awarded \$8.5 million as a party to a major national mortgage settlement on behalf of the state. The funds were deposited into an escrow account to be used solely for mortgage foreclosure related issues and/or consumer education, outreach, training or related consumer issues. The Office worked with Rhode Island Housing to develop the Rhode Island Foreclosure Protection Program to prevent or reduce the number of initiated foreclosures in the state by providing mortgage and foreclosure prevention assistance for homeowners. As part of the FY 2019 audited closing, the State Controller and Auditor General reclassified a number of escrow accounts as restricted receipts including this one. Neither the FY 2021 enacted budget nor the revised request include any funding from this settlement. *The Governor included \$107,243 to award the balance of the settlement funds.* **The Assembly concurred.**

New Federal Grants. The Department was recently awarded three new federal grants totaling \$1.0 million that are not reflected in the budget request. This includes \$450,000 from a three-year Victim Liaison grant and a Department of Justice grant to enhance violent crime prosecution strategies that total \$340,000 and is available through September 30, 2022. There is also \$264,444 to improve disposition reporting in the state's computerized criminal history record system. *The Governor's recommendation includes the total value of the grants, which are expected to be used over multiple fiscal years.* **The Assembly reduced funding by \$0.8 million to reflect current year planned spending and shifted \$0.6 million to FY 2022.**

Computer Upgrades. The Office requested \$0.4 million more from all sources, primarily federal funds, to upgrade the Office's computer hardware, including servers and storage. This is part of an ongoing project. *The Governor did not recommend the request but did include \$0.3 million for FY 2022 and assumed the project will continue into FY 2023.* **The Assembly concurred.**

Salaries and Benefits. The Office requested \$94,435 more than enacted from general revenues for personnel expenditures for its 239.1 authorized full-time equivalent positions. The enacted budget includes savings of \$94,435 based on 18 individuals from the Office opting to participate in the workshare program that is not reflected in the revised request. Adjusted for this, the revised request is consistent with the enacted budget. The enacted budget assumes keeping four positions vacant and as of the pay period ending January 16, 2021, there are six vacancies. *The Governor recommended \$99,389 more than enacted, including \$91,973 from general revenues, to reflect an increase to the assessed fringe benefit rate based on the voluntary retirement incentive program.* **The Assembly concurred.**

Capital Improvements. The Office's revised request includes \$0.5 million more than enacted from Google Settlement funds to support capital improvement projects that were extended into FY 2021. Since FY 2013, Google Settlement funds have supported expansion efforts along with major renovation and improvement projects, including construction of the new building at Howard Avenue, acquisition of 180 South Main Street, major renovations of the Licht Judicial Complex and Main Street locations, and technology enhancements for operating systems within each division. The revised request also includes \$0.1 million less from Rhode Island Capital Plan funds for asset protection projects. *The Governor recommended funding at the enacted level.* **The Assembly provided \$100,000 less from Rhode Island Capital Plan funds for asset protection projects to reflect projected spending.**

Other Expenses. The Office requested \$44,550 more than enacted from all sources, including \$16,390 more from general revenues for adjustments to all other operating expenses. This includes subscriptions, contracted services, janitorial services and internet services. *The Governor recommended \$6,521 more than enacted from federal funds for updated insurance expenses and audit fees.* **The Assembly provided \$0.2 million less than recommended from general revenues to reflect spending in the Office's third quarter report that projected lower spending on computers, travel, contracted services, office supplies and equipment.**

Department of Corrections

	FY 2020 Reported	FY 2021 Enacted	FY 2021 Revised	FY 2021 Final
Expenditures by Program				
Central Management	\$ 15,838,864	\$ 16,966,875	\$ 17,851,190	\$ 17,851,190
Parole Board	1,389,454	1,509,356	1,613,802	1,613,802
Custody and Security	146,820,033	146,667,954	141,805,657	141,629,237
Institutional Support	39,140,573	31,880,280	33,404,412	33,369,495
Institutional Based Rehab/Pop	9,334,516	13,357,593	14,565,367	14,570,536
Healthcare Services	27,836,177	26,337,032	28,284,929	27,792,758
Community Corrections	17,341,839	18,020,656	17,519,543	17,519,543
	\$ 257,701,456	\$ 254,739,746	\$ 255,044,900	\$ 254,346,561
Expenditures by Category				
Salaries and Benefits	\$ 195,420,888	\$ 196,483,612	\$ 195,223,141	\$ 195,223,141
Contracted Services	13,884,014	16,110,566	16,534,074	16,433,497
Subtotal	\$ 209,304,902	\$ 212,594,178	\$ 211,757,215	\$ 211,656,638
Other State Operations	31,060,036	29,665,837	30,807,954	30,210,192
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	1,465,567	2,241,546	2,241,546	2,241,546
Capital	15,870,951	10,238,185	10,238,185	10,238,185
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 257,701,456	\$ 254,739,746	\$ 255,044,900	\$ 254,346,561
Sources of Funds				
General Revenue	\$ 185,063,804	\$ 163,246,644	\$ 118,452,253	\$ 110,852,822
Federal Aid	53,025,583	80,641,212	125,725,675	132,626,767
Restricted Receipts	3,466,877	960,082	975,164	975,164
Other	16,263,192	9,891,808	9,891,808	9,891,808
Total	\$ 257,819,456	\$ 254,739,746	\$ 255,044,900	\$ 254,346,561
FTE Authorization	1,411.0	1,411.0	1,411.0	1,411.0
FTE Average	1,343.9			
Prison Population	2,544	2,267	2,267	2,155

FY 2021 Revised Request. The Department requested \$2.6 million less than enacted for FY 2021 from all sources of funds, including \$75.4 million more from general revenues, \$79.0 million less from federal funds, \$0.1 million more from restricted receipts and \$1.0 million more from Rhode Island Capital Plan funds. The Department's FY 2021 revised request is based on a population of 2,267, consistent with the enacted budget. The revised request includes 13.0 more positions than authorized. *The Governor recommended \$0.3 million more than enacted and \$1.4 million more than requested. General revenues are \$44.8 million less than enacted, which primarily represents a further shift to federal funds.*

The Governor subsequently requested an amendment shifting an additional \$6.9 million from general revenues to available federal Coronavirus Relief funds. The Assembly concurred with the amended recommendation and included \$0.7 million less from general revenues to reflect a lower inmate population.

Staffing. The Department requested \$2.7 million less than enacted for 1,424.0 full-time equivalent positions. This is 13.0 more than enacted and includes 1.0 new position in Central Management, 5.0 new positions for Healthcare Services, 6.0 new positions in Institutional Based Rehabilitation and 1.0 new position in its internal service program. As of the pay period ending January 2, 2021, there were 1,347.0 filled positions and 64.0 vacancies. Excluding the new positions, the Department’s request assumes an average of 1,333.2 positions filled or 77.8 vacancies. Through the final pay period of January, the Department has averaged 1,323.1 positions filled per pay period or approximately 10 less than assumed in the request. By fund source, this includes \$76.8 million more from general revenues, offset by \$79.5 million less from federal funds. The enacted budget includes a shift of \$78.6 million from general revenues to Coronavirus Relief funds. The request was submitted before the FY 2021 budget was enacted. *The Governor recommended \$1.3 million less than enacted which represents additional turnover savings equivalent to approximately 10 positions. As of March 13, there were 69.0 vacant positions. By fund source, the recommendation includes \$45.1 million less from general revenues, reflecting \$44.7 million being shifted to newly available federal Coronavirus Relief funds.* **The Assembly concurred.**

Population. The FY 2021 revised request is based on a population 2,267, consistent with the enacted budget. The Department contracts with a firm to prepare population estimates. The House Fiscal Staff uses a simple model using trend data which, based on population information through December, suggests the population will be 82 less than assumed in the request. The following table depicts the recent history of budgeted and actual prison population from FY 2011 through the FY 2021 revised request. The average population for the first half of FY 2021 is 2,183. *The Governor concurred.* **The Assembly assumed a population of 2,155, consistent with the Department’s third quarter report and 112 less than recommended.**

History	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Request	3,709	3,416	3,231	3,152	3,170	3,292	3,260	3,059	2,865	2,762	2,671
Governor	3,643	3,416	3,231	3,152	3,170	3,292	3,200	3,059	2,865	2,691	2,549
Enacted	3,450	3,239	3,194	3,152	3,170	3,292	3,200	3,000	2,849	2,671	2,267
Revised Request	3,350	3,264	3,146	3,192	3,239	3,206	3,058	2,853	2,760	2,671	2,267
Governor Revised	3,350	3,265	3,146	3,192	3,239	3,182	2,999	2,853	2,730	2,671	2,267
Final	3,273	3,192	3,146	3,192	3,239	3,183	2,999	2,837	2,730	2,633	2,155
Actual	3,273	3,191	3,160	3,214	3,183	3,068	2,958	2,784	2,665	2,544	2,144

Institutional Corrections - Per Diem Expenditures

Population: Per Diem Expenditures - Healthcare. Consistent with the enacted budget, the Department requested \$8.9 million for population related medical expenditures that are calculated on a per diem basis. These expenses include items such as inpatient and outpatient care, doctor and dental costs, and medical testing. The Department continues to experience increasing medical costs. According to the federal Centers for Medicare and Medicaid Services, healthcare costs are expected to grow at an average annual rate of 5.4 percent between 2019 and 2028. For comparison, the Department expected its average inmate medical costs of \$3,528 in FY 2020 to increase in FY 2021 to \$3,945 per inmate or an annual increase of 11.9 percent. However, the FY 2022 request assumes a cost of \$3,886 per inmate which is 1.5 percent less than assumed in the revised request. The Department bases per diem projections on the most recent updated population information, contract costs and prior year spending. It is worth noting the increase is largely for contracted medical costs, from what the Department indicated are updated contracted healthcare costs. These medical costs had decreased or remained consistent over the past three fiscal years; the FY 2018 cost per inmate was \$1,731, FY 2019 was \$1,703, and FY 2020 was \$1,703. The Department’s request assumes costs of \$2,207 which is \$504 more per inmate than the FY 2020 cost. *The Governor recommended funding as requested.* **The Assembly included \$0.2 million less to reflect a lower inmate population which is consistent with the Department’s third quarter report.**

Population: Per Diem Expenditures - All Other Expenses. Consistent with the enacted budget, the Department requested \$5.1 million from general revenues for all non-medical population related

expenditures that are calculated on a per diem basis. These expenses include items such as food, inmate clothing and linens, and janitorial supplies. The FY 2021 request assumes an average cost of \$2,237 per inmate which is \$6 less than the FY 2020 average cost per inmate of \$2,243 for these expenses. *The Governor recommended funding as requested.* **The Assembly included \$0.5 million less to reflect a lower inmate population, consistent with the Department's third quarter report.**

Laboratory Testing Services. Consistent with the enacted budget, the Department requested \$227,253 for lab testing services provided by East Side Clinical Laboratory. Laboratory testing services were previously conducted at Eleanor Slater Hospital at no cost to the Department. The Department began contracting with East Side Lab in FY 2017, as it was not satisfied with the services being delivered through Eleanor Slater Hospital and the lack of a medical records interface that is compatible with the Department's medical records system. The revised request is \$9,895 less than FY 2020 actual costs. *The Governor recommended funding as requested.* **The Assembly concurred.**

Hepatitis C Treatment. Consistent with the enacted budget, the Department's FY 2021 revised request includes \$2.3 million to treat an average of 30 people a month with Hepatitis C for 12 months. As the treatment regimen lasts for several weeks, this equates to \$19,331 per inmate for 120 inmates. The Department began treating all inmates with curative medication for Hepatitis C based on changes in the Executive Office of Health and Human Services interpretation of Medicaid standards in July 2018 which the Department follows. The FY 2020 budget included \$2.3 million with the same assumptions. Actual FY 2020 expenditures were only \$0.4 million for treatment of 24 inmates at an average cost of \$17,300 per inmate which is similar to FY 2019 per inmate treatment costs. This suggests there may be additional savings from budgeted amounts for FY 2021. *The Governor recommended funding as requested.* **The Assembly concurred.**

Reduced Offsite Care - Healthcare Staff. The Department requested \$0.4 million more than enacted to expand the Department's in-house medical capabilities which is similar to the proposal included in the Governor's FY 2021 recommendation, but not approved by the Assembly. The Department has limited in-house medical capabilities resulting in patients being sent to external hospitals with correctional officer escorts. The request includes \$0.6 million and 4.0 new positions for FY 2021, including two health program administrators, one hospital case manager, and one data analyst II. It appears that the Department intended to request only \$113,364 for FY 2021, assuming these positions would begin in March, and intended to assume no per diem savings. Annualized, these positions are expected to cost \$0.5 million which would be offset by \$0.6 million in overtime savings from reduced correctional officer escorts to hospitals and \$165,000 in per diem savings, for total savings of \$0.3 million. *The Governor recommended funding at the enacted level, but did include funding for these positions for FY 2022.* **The Assembly concurred.**

Institutional Corrections - Other

COVID Related Expenses. On March 13, 2020, President Trump declared that an emergency exists nationwide as a result of COVID-19 beginning on January 20, 2020. Rhode Island also qualifies for at least a 75 percent reimbursement of certain expenses from the related federal disaster declaration granted. Additionally, the federal CARES Act adopted in response to the crisis provided \$1,250.0 million to Rhode Island for expenditures related to COVID-19 incurred between March 1, 2020 and December 30, 2020. Allowable expenses include those incurred responding directly to the emergency as well as to "second-order" effects, such as providing economic support to those suffering from employment or business interruptions. Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency are allowable expenses as are those to facilitate compliance related public health measures. For FY 2020, the Assembly provided \$1.2 million for cleaning services and personnel protective equipment, of which the Department spent \$0.6 million. No funding was provided in the Department's FY 2021 enacted budget or the FY 2021 revised request.

*The Governor recommended \$1.5 million, including \$0.3 million from general revenues, for janitorial services, temporary medical services, and personal protective equipment. **The Assembly concurred.***

Healthcare Utilization Review. The Department's request excludes the enacted funding of \$46,000 from general revenues to conduct a multi-year review to monitor its state physicians and healthcare contractors to assess whether or not hospital trips are valid and if all medical needs of inmates are being met. At the time of its request, the Department indicated it does not intend to conduct this review in FY 2021 or FY 2022. *The Governor recommended funding consistent with the enacted budget. **The Assembly concurred.***

New Vehicles. The Department requested \$128,804 from general revenues to purchase four new vehicles to replace vehicles that reportedly no longer sufficiently fulfill its needs. In FY 2018, the Department purchased several vehicles totaling \$0.5 million from general revenues despite no funding being allocated for such an expense. In FY 2019, the Department purchased two vehicles for \$0.2 million despite no funding being approved for these expenses. The Department also placed an order during FY 2020, but the order was not filled because there was no appropriation to support it. It is worth noting that the state typically purchases vehicles through the State Fleet Replacement Revolving Loan Fund which are paid back by the Department acquiring the vehicle over a three year period. *The Governor did not recommend funding. **The Assembly concurred.***

Litter Crews. The Department included correctional overtime savings of \$0.2 million from general revenues from the reduction of the use of litter crews by the Department of Transportation. Since the COVID-19 emergency began, the Department of Transportation has not requested the use of these crews and reportedly is doing the litter crew work with its own staff. *The Governor did not recommend these savings. **The Assembly concurred.***

Salaries and Benefits. The Department requested \$4.5 million less than enacted, including \$73.2 million more from general revenues for other institutional corrections staffing expenses. The revised request does not include \$0.2 million of one-time savings in the enacted budget based on individuals opting to participate in the workshare program. Additionally, the request does not reflect that \$77.7 million of general revenue staffing costs that were shifted in the enacted budget to Coronavirus Relief funds, as the request was submitted before the FY 2021 budget was enacted. Adjusted for these items, the request includes \$4.7 million less than enacted from general revenues, including \$7.1 million in turnover savings, offset by \$2.7 million more in overtime costs.

The enacted budget includes funding for one correctional officer class. The revised request assumes correctional officer Class 83 begins at the end of October 2020, filling 64 correctional officer vacancies, and assumes Class 84 begins in the final pay period of June. Class 83 graduated two weeks later than presumed in the request because some training personnel and trainees tested positive for COVID-19, resulting in delays. *The Governor recommended \$1.7 million less than enacted which represents turnover savings equivalent to approximately 13 positions. The recommendation includes \$46.1 million less from general revenues, which reflects \$44.4 million being shifted from general revenues to federal Coronavirus Relief funds. This is \$2.8 million more than requested, including \$119.2 million less from general revenues. The recommendation also assumes \$187,250 more than enacted from general revenues to reflect an increase to the assessed fringe benefit rate based on the voluntary retirement incentive program.*

*The Governor subsequently requested an amendment shifting an additional \$6.9 million from general revenues to available federal Coronavirus Relief funds. **The Assembly concurred with the amended recommendation.***

State Criminal Alien Assistance Program. The Department requested \$0.8 million less than enacted from federal funds for its award from the State Criminal Alien Assistance Program, offset by a like amount of general revenues. These federal funds provide support for costs of incarcerating undocumented

criminals, with at least one felony or two misdemeanor convictions for violations of state or local law for at least four consecutive days. The Department indicated that it does not anticipate receiving an award for FY 2021, as it had not received its application, which typically arrives in the fall at the time of the budget request submission. The Department's second quarter report maintained no funding is expected in the current fiscal year. *The Governor recommended funding as requested.* **The Assembly concurred.**

Discharge Planning (7.0 FTE). The Department's request is \$0.1 million less than enacted for discharge planning services, and reflected providing the services in-house rather than through a vendor. The enacted budget provides \$0.3 million for contracted service delivery for half of FY 2021. Discharge planning provides services to prevent recidivism including residence, employment or qualifying for entitlement programs. Services were previously provided by three different vendors, but were consolidated into a single provider contract in FY 2019. The vendor continued to experience high levels of turnover resulting in service delivery issues. Consistent with a proposal included in the Governor's FY 2021 recommendation, the Department proposed to hire staff to deliver these services in-house. The Department has existing staff deliver minimal discharge services until full-time staff begin.

The revised request includes \$0.2 million for staff, assuming 4.0 positions begin in January 2021 and 3.0 in March 2021. These costs are offset by excluding \$0.3 million included in the enacted budget for half a year of contracted service delivery. As discharge services include enrolling inmates in Medicaid, the Department indicated these positions are eligible for Medicaid match and is in the process of drafting a proposal for a vendor to track eligible Medicaid expenses within the Department. The Department assumed Medicaid match for these positions will begin in FY 2022. *The Governor recommended funding consistent with the enacted budget, but did include funding and authorization for new positions for FY 2022.* **The Assembly concurred.**

Medication Assisted Treatment. The Department requested \$0.6 million less than enacted, including \$0.7 million less from general revenues and \$0.1 million more from federal funds, for its medication-assisted treatment program for opioid users based on FY 2020 expenses. Consistent with the enacted budget, the revised request includes \$0.8 million from restricted receipts from opioid stewardship funds to include treatment from the first day of commitment for inmates whose sentence is not long enough to support traditional treatment. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Mental Health Services. The Department requested \$0.7 million less than enacted from general revenues for mental health services for inmates, consistent with federal guidance. This reflects anticipated usage of therapists, clinicians and other mental health support services which are largely delivered in the correctional facilities by external vendors. Facility access was restricted by the COVID-19 emergency in FY 2020 and the request appears to expect a continued impact in FY 2021. The Department contracts with several mental health providers with the largest being Lifespan. The Department spent \$1.4 million in FY 2020 which is less than the \$2.9 million spent in both FY 2018 and FY 2019, largely due to the COVID-19 emergency. *The Governor recommended the enacted level of funding.* **The Assembly concurred.**

Inmate Apprenticeship, Training and Employment (2.0 FTE). The Department requested \$52,116 for 2.0 positions, beginning in March, to establish a workforce development program through the Real Jobs Rhode Island program. One position manages the program and the other collaborates with the Department of Labor and Training to help former inmates and connect vendors and former inmates to improve access to employment. This would replace the license plate program as license plate production is no longer deemed a best practice in correctional programming. The proposal is that the Department continue to produce specialty plates using its current equipment, but that 3M will take over the full license plate reissuance and production beyond that. This is consistent with a proposal in the Governor's FY 2021 recommendation that was not approved by the Assembly. *The Governor did not recommend funding or authorization for new positions, but did include that for FY 2022.* **The Assembly concurred.**

Temporary Staff. The Department requested \$0.1 million more from general revenues for temporary staff to offset vacancies in institutional corrections until positions can be filled. The Department assumed a greater amount of turnover than the enacted budget as the Department fills vacant, essential positions with temporary staff positions until a full time employee begins. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Nursing Pool Contract. The Department requested \$5,000 less than enacted from general revenues for contracted nursing pools which are used to cover necessary shifts when state employees refuse overtime. The revised request is \$6,064 more than spent in FY 2020. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Education Contracts. The Department requested \$5,000 less than enacted from general revenues for classes provided through the Community College of Rhode Island for inmates who demonstrate good behavior. The revised request is \$427 less than spent in FY 2020. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Education and Development Grants. The Department requested \$74,872 more from federal and private education and development grants than enacted based on updated information on award amounts and available carry forward funds from FY 2020. These grants are used to provide academic opportunities for inmates to prepare them for reentry into society. This includes special education grants which are administered by the Department of Elementary and Secondary Education. *The Governor recommended \$15,000 more than enacted to include funding from a Transcending Through Education Foundation grant, but not the remainder of the requested changes.* **The Assembly concurred.**

Building Maintenance. The Department included \$0.8 million more than enacted from general revenues for building maintenance bringing repair costs to \$3.2 million, consistent with recent experience. Any repair costs that are under \$50,000 are ineligible for Rhode Island Capital Plan funds and must be covered through the operating budget. However, agencies are expected to make repairs, typically through their asset protection projects, to mitigate these costs. In FY 2019, the Department spent \$2.5 million from general revenues on these expenses, which increased by \$0.7 million in FY 2020 to \$3.1 million. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Other Institutional Corrections Operations. The Department requested \$0.2 million more than enacted for all other institutional corrections expenses, including \$0.2 million more from general revenues for utilities, drug testing, and supplies. The increase in federal funds includes \$26,363 from the National Vest Partnership Act to buy puncture proof vests. *The Governor's recommendation includes funding as requested from the National Vest Partnership Act, but maintained general revenue funding consistent with the enacted budget.* **The Assembly concurred.**

Other Programs

Correctional Officer Class 83. The Department requested \$0.6 million more than enacted from general revenues for costs related to training correctional officer Class 83 which graduated and began work in the first week of November 2020. Initially, Class 83 was expected to graduate in June 2020 and begin work immediately, but was delayed from COVID-19 related issues. The request reflects the shift of training funds from FY 2020 to FY 2021. It also includes \$0.1 million more for stipends for correctional officers undergoing training because of positive COVID-19 tests from its recruits and training officers which resulted in a three week extension of training. During the delay, the trainees continued to receive their \$500 stipends. Subsequent to submitting its budget request, the class was suspended for two weeks from another outbreak. Trainees are given stipends while undergoing training and the delay is expected to cost approximately \$80,000 more from general revenues, not reflected in the request. *The recommendation is*

\$6,223 more than enacted from general revenues to reflect an increase to the assessed fringe benefit rate based on the voluntary retirement incentive program. **The Assembly concurred.**

Correctional Officer Class 84. The Department requested funding of \$1.2 million consistent with the enacted budget for the training of 40 correctional officers in Class 84. The request assumed training begins in March 2021 and Class 84 begins work in the final pay period of June 2021. The revised request assumed that all 40 recruits will begin in June. If there are fewer positions available, these officers will fill positions as they become vacant. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Cognitive Behavioral Therapy. The Department requested \$53,810 less than enacted from general revenues for its cognitive behavioral therapy program. The Department indicated that the savings reflect the actual cost of its service contract which is lower than assumed in the enacted budget. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Other Salaries and Benefits. The Department requested \$0.6 million more than enacted, including \$1.5 million from general revenues, for all other staffing expenses primarily to restore turnover savings. The revised request does not include \$0.5 million of one-time savings from individuals opting to participate in the workshare program. Additionally, the request does not include \$0.9 million of general revenue staffing costs that were shifted in the enacted budget to Coronavirus Relief funds, as the request was submitted before the FY 2021 budget was enacted. Adjusted for these items, the request is \$0.1 million more from general revenues than enacted. The revised request assumed filling additional probation and parole positions to reflect its current probation and parole workload.

The Governor recommended \$0.4 million more than enacted, including \$0.1 million more from general revenues, reflecting \$0.4 million being shifted from general revenues to Coronavirus Relief funds. This is \$0.2 million less than requested, including \$1.4 million less from general revenues. The recommendation also assumes \$0.1 million more than enacted from general revenues to reflect an increase to the assessed fringe benefit rate based on the voluntary retirement incentive program. **The Assembly concurred.**

Temporary Staff. The Department requested \$26,970 less than enacted from general revenues for temporary staff. The savings are from the Parole Board program, as it is completely staffed and there is no need for temporary positions. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Legal Services. The Department requested \$0.2 million from general revenues for legal services, most of which is for expert witnesses expenses related to ongoing lawsuits. The Department is a defendant in several pending federal lawsuits challenging the housing of seriously and persistently mentally ill individuals in a restrictive housing setting. Restrictive housing refers to placement of an individual in a cell for 22 hours a day or more. In its capital request, the Department requested \$5.0 million from Rhode Island Capital Plan funds for FY 2023 to create a transitional care unit within the High Security facility. This unit would house between 75 and 100 inmates. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Case Management System Maintenance. The Department included \$0.1 million less than enacted for maintenance of its case management system, reflecting updated cost estimates based on delays with getting the system online. The system is required in Rhode Island General Law, Section 42-56-7(h), which mandates the development of an automated case management system for probation and parole officers. The request assumed the system would come online at the start of the second quarter. However, as of the beginning of March, the system has not come online and the Department expects that in the fourth quarter. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Computer and Database Maintenance. The Department requested \$68,519 more than enacted from general revenues for computers, software and database maintenance based on updated scheduling for repairs and replacements for FY 2021. As of November 10, 2020, the Department had 897 computers and replaces approximately 50 annually. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Victim Services Grants. The Department requested \$5,228 less than enacted from federal funds to support existing victim services programs based on its most recent award information. These formula driven grants are awarded by the Department of Justice and given to states to provide direct services to crime victims. *The Governor recommended \$20,915 less than enacted, reflecting the requested exclusion of Violence Against Woman Act grant funds, but maintained funding as enacted for the remainder of the grants.* **The Assembly concurred.**

Justice Reinvestment Initiative Grant. The Department requested \$0.2 million more than enacted from federal funds from a grant award for its role in the Justice Reinvestment Initiative, the goal of which is to assist in the development of evidence-based practices. The additional funds are from unspent funds awarded in FY 2020 from the Department of Justice via the Council of State Governments. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Tracking System Oversight. The Department requested \$0.1 million from federal funds for overtime costs for staff who verify case data. This grant funding is used for oversight and data collection on individuals with backgrounds involving stalking and domestic violence and individuals ineligible to hold positions of responsibility involving children, elderly or disabled individuals. The Department subsequently indicated that it intended to request only \$26,443 or \$74,667 less. *The Governor recommended funding as requested.* **The Assembly concurred.**

Parking. The enacted budget includes \$54,000 for parking costs based on shifting debt service expenses related to the Garrahy Garage to user agency budgets. The request predated the budget enactment and did not include this expense. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Capital Projects. The Department requested \$1.0 million more than enacted from Rhode Island Capital Plan funds for its capital projects scheduled for FY 2021 to reflect updated asset protection project costs. *The Governor recommended funding consistent with the approved plan.* **The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.**

Centralized Services. The Department's request is \$0.7 million less than enacted for centralized services provided through the Department of Administration to reflect the FY 2020 experience. This includes \$0.1 million more for centralized information technology services, \$0.7 million less for facilities management, and \$0.1 million less for human resources. In FY 2020, the Department spent \$13.5 million which is \$8,124 less than requested for FY 2021. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Other Operations. The Department requested \$0.1 million more than enacted from all sources for all other expenses, including \$64,656 from general revenues. This includes adjustments for furniture that is replaced as needed including new desks, office chairs, and dining tables. Adjustments to federal funds reflect awards for family support provided for the reunification of inmates and their families, based on its most recent federal award information. *The Governor recommended \$23,734 less than enacted from federal funds, reflecting requested funding for one grant, but maintained general revenue funding consistent with the enacted budget.* **The Assembly concurred.**

Judicial Department

	FY 2020 Reported	FY 2021 Enacted	FY 2021 Revised	FY 2021 Final
Expenditures by Program				
Supreme Court	\$ 37,960,795	\$ 35,049,057	\$ 36,123,409	\$ 36,123,409
Defense of Indigent Persons	4,513,639	5,079,035	5,079,035	4,137,249
Commission on Judicial Tenure & Discipline	121,904	154,779	155,231	155,231
Superior Court	23,549,205	23,761,893	23,861,121	23,621,127
Family Court	25,485,719	26,041,057	26,225,642	26,281,136
District Court	14,143,448	14,200,491	14,385,348	14,367,637
Traffic Tribunal	8,858,948	8,966,306	8,994,491	8,978,219
Workers' Compensation Court	8,099,250	8,874,787	8,901,431	8,901,431
Total	\$ 122,732,908	\$ 122,127,405	\$ 123,725,708	\$ 122,565,439
Expenditures by Category				
Salaries and Benefits	\$ 90,591,275	\$ 91,375,694	\$ 91,788,366	\$ 91,788,366
Contracted Services	1,982,262	2,205,988	2,221,893	2,221,893
Subtotal	\$ 92,573,537	\$ 93,581,682	\$ 94,010,259	\$ 94,010,259
Other State Operations	12,519,308	13,648,287	14,754,529	14,656,199
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	10,330,905	11,104,983	11,208,833	10,146,894
Capital	7,309,158	3,792,453	3,752,087	3,752,087
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 122,732,908	\$ 122,127,405	\$ 123,725,708	\$ 122,565,439
Sources of Funds				
General Revenue	\$ 101,864,401	\$ 103,483,394	\$ 103,771,550	\$ 102,511,550
Federal Aid	4,277,600	3,456,888	3,819,563	3,919,294
Restricted Receipts	11,296,697	12,863,388	13,851,226	13,851,226
Other	5,294,210	2,323,735	2,283,369	2,283,369
Total	\$ 122,732,908	\$ 122,127,405	\$ 123,725,708	\$ 122,565,439
FTE Authorization	726.3	726.3	726.3	726.3
FTE Average	685.3			

FY 2021 Revised Request. The Judiciary requested \$0.9 million more than enacted, including \$1.2 million more from general revenues. *The Governor recommended \$1.6 million more than enacted and \$0.6 million more than requested. General revenues are \$0.3 million more than enacted and \$0.9 million less than requested. The Assembly reduced general revenues by \$1.3 million based on the Judiciary's third quarter report, added \$0.1 million from federal funds for a new State Court Improvement grant, and concurred with the remainder of the recommendation.*

Indigent Defense. The Judiciary requested \$93,603 less than enacted from general revenues for indigent defense services. This program assigns private attorneys to clients that the Office of the Public Defender is unable to provide legal representation services to because of conflicts of interest based on updated

estimates of need. These expenditures have been steadily increasing over the years; FY 2016 expenses were \$3.9 million, \$4.0 million was spent in FY 2017, \$4.1 million was spent for FY 2018, \$4.6 million was spent in FY 2019, and \$4.5 million is reported spent for FY 2020. The revised request would provide \$5.1 million for FY 2021. *The Governor recommended funding consistent with the enacted budget. The Assembly provided \$0.9 million less, consistent with the Judiciary's third quarter report.*

Court Technology. The Judiciary requested shifting \$0.2 million from general revenues to indirect cost recovery restricted receipts for its court computer technology expenses including the new case management system. Based on FY 2020 expenditures and the FY 2021 enacted budget, it appears that there is over \$2.0 million available in indirect cost recovery funds. *The Governor recommended an additional \$0.9 million from indirect cost recovery restricted receipts. This adjustment is based on a request made by the Judiciary subsequent to its request to use these funds for COVID-19 related expenses not approved by the governance committee for the use of Coronavirus Relief funds. General revenues are recommended at the enacted level. The Assembly concurred.*

Salaries and Benefits. The Judiciary requested \$1.6 million more than enacted, including \$1.5 million more from general revenues for salaries and benefits. The revised request excludes the workshare savings of \$1.1 million, including \$0.9 million from general revenues, in the enacted budget based on 183 individuals from the Judiciary opting to participate in the program. Adjusted for that, the increase is \$0.5 million, including \$0.6 million from general revenues. This would allow the Judiciary to fill approximately 12 vacant positions. As of the February 13 pay period, the Judiciary had 57.9 vacant positions. The revised request is \$2.4 million more than spent in FY 2020 when there was an average of 41.0 vacant positions and the Judiciary has averaged 54.0 vacancies since July 1. *The Governor recommended \$0.3 million more than enacted, primarily from general revenues, to reflect an increase to the assessed fringe benefit rate based on the voluntary retirement incentive program. The Assembly concurred.*

Capital Projects. The Department requested \$0.3 million less than enacted from Rhode Island Capital Plan funds for its capital projects for FY 2021. *The Governor recommended \$0.3 million more than enacted and \$0.6 million more than requested. The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.*

Other Operations. The Judiciary requested \$0.3 million less from all sources, including \$9,391 less from general revenues, for all other expenses, mostly reflecting revisions to federal grants. The largest revision is a \$0.5 million reduction in the federal child support enforcement grant for two reasons. The first is a reduction in the indirect cost rate allowed to be charged to the grant and the second is that the implementation of the Judiciary's case management system has created a more efficient process for the child support calendar which resulted in fewer costs being allocated to the grant. The request also includes \$1,408 less from general revenues for its share of centralized information technology services, which is \$10,388 more than spent in FY 2020. *The Governor recommended \$0.1 million more than enacted to reflect revisions to several federal grants; general revenues are at the enacted level.*

The Governor subsequently requested an amendment to add \$0.1 million from a new State Court Improvement federal grant received in response to the COVID-19 emergency. Funding may be used to make technology investments for remote hearings as well as training for judges, attorneys, and caseworkers on participating in remote hearings.

The Assembly concurred and also provided \$0.2 million less from general revenues for juror fees and expenses based on capacity and social distancing restrictions related to the COVID-19 pandemic and \$0.1 million less from general revenues for retirement costs for judges and magistrates hired before 1990 who are not part of the state employees' retirement system.

Military Staff

	FY 2020 Reported	FY 2021 Enacted	FY 2021 Revised	FY 2021 Final
Expenditures by Category				
Salaries and Benefits	\$ 11,849,401	\$ 15,172,282	\$ 9,730,194	\$ 9,301,194
Contracted Services	2,256,768	2,315,023	2,365,023	2,367,981
Subtotal	\$ 14,106,169	\$ 17,487,305	\$ 12,095,217	\$ 11,669,175
Other State Operations	6,312,894	18,914,815	18,916,265	19,110,772
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	298,270	297,300	297,300	439,335
Capital	10,659,875	9,462,800	9,462,800	9,463,300
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 31,377,208	\$ 46,162,220	\$ 40,771,582	\$ 40,682,582
Sources of Funds				
General Revenue	\$ 6,717,016	\$ 3,275,354	\$ 3,280,158	\$ 3,191,158
Federal Aid	21,188,647	40,291,970	34,896,528	34,896,528
Restricted Receipts	52,320	55,000	55,000	55,000
Other	3,419,225	2,539,896	2,539,896	2,539,896
Total	\$ 31,377,208	\$ 46,162,220	\$ 40,771,582	\$ 40,682,582
FTE Authorization	92.0	92.0	92.0	92.0
FTE Average	80.7			

FY 2021 Revised Request. The Military Staff requested \$5.9 million less from all sources than enacted for FY 2021. The request includes \$0.1 million less from general revenues, \$5.2 million less from federal funds, and \$0.6 million less from Rhode Island Capital Plan funds. *The Governor recommended \$5.4 million less than enacted and \$0.6 million more than requested. General revenues are \$4,804 more than enacted and \$129,869 more than requested. The Assembly included \$0.1 million less from general revenues than the Governor’s revised recommendation.*

Firefighters. The Military Staff requested \$5,300 less than enacted, including \$80,791 less from general revenues offset by \$75,491 more from federal funds for the Rhode Island National Guard firefighters program. Firefighter costs are paid from federal funds, except for those who have an injured on duty status in which case the state is responsible for the cost of those individuals. The fund shift assumes that one position on injured on duty status will return to active service. As of the February 26 pay period, there is one firefighter with an injured on duty status. The revised request assumed all 30.0 firefighter positions are filled throughout FY 2021. *The Governor recommended \$11,234 more than enacted. This includes \$1,221 more from general revenues and \$10,013 more from federal funds to reflect an increase to the assessed fringe benefit rate based on the voluntary retirement incentive program. The Assembly included \$0.3 million less from general revenues, consistent with the Military Staff’s third quarter report.*

Airport Agreement. The Military Staff requested \$51,429 more than enacted from all sources, including \$12,857 more from general revenues, for its agreement with the Airport Corporation for use of the Quonset State Airport. The last agreement expired in September 2017, and the two sides reached a new agreement in August 2019. The increase reflects the actual cost of the contract for FY 2021 which was understated in the enacted budget. There is a 180-day notice built into the contract’s termination clause if the Military

Staff seeks to renegotiate or leave the contract. From October 2018 through September 2027, the Military Staff must pay annually for use and its portion of shared costs such as snow removal, removing disabled government aircrafts and standard wear and tear. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Other Salaries and Benefits. The Military Staff requested \$0.2 million less than enacted from all sources, including \$102 less from general revenues, for the remaining 62.0 full-time equivalent positions. The Military Staff's request assumed an average of 2.4 vacancies for FY 2021 while the enacted budget assumed full staffing. As of the February 26 pay period, the Military Staff, had 9.0 vacant positions. The revised request does not include \$16,835 of savings, of which \$12,562 is from general revenues, in the enacted budget from two individuals who participated in the workshare program. Adjusted for that, the request is \$0.2 million less than enacted, including \$12,664 less from general revenues. *The Governor recommended \$18,598 more than enacted. This includes \$3,583 more from general revenues and \$15,015 more from federal funds to reflect an increase to the assessed fringe benefit rate based on the voluntary retirement incentive program.* **The Assembly included \$0.2 million less from general revenues, consistent with the Military Staff's third quarter report.**

Utilities. The Military Staff requested \$54,272 more than enacted for utility costs for FY 2021, largely to reflect FY 2020 costs and incorporating two new buildings that opened in FY 2021. The two new buildings are the joint force headquarters and the flight simulator building which results in projected increased utility cost of \$0.6 million more than FY 2020. Costs related to these two buildings are 25 percent state funded and 75 percent federally funded. *The Governor recommended funding consistent with the enacted budget.* **The Assembly included \$0.2 million more from general revenues, consistent with the Military Staff's third quarter report.**

Security Services. The Military Staff requested \$0.1 million less than enacted from federal funds for security services at all of its locations. The Military Staff indicated that this reflects the actual cost of its security contract which was signed after the Governor's FY 2021 recommendation upon which the enacted budget was based. Federal regulations require levels of security, including protection from active shooters. Security costs are entirely federally funded. This is \$0.1 million less than FY 2020 spending. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Counterdrug Asset Forfeiture. The Military Staff requested \$2,050 more than enacted from federal funds to construct a new counterdrug facility at Camp Fogarty in East Greenwich. The funds are part of the state's overall Google settlement. This 15,000 square foot training facility will be used by the Rhode Island National Guard Counterdrug program. The project was delayed in FY 2020 because of the COVID-19 emergency. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Cybersecurity and Activations. The Military Staff requested \$62,255 less than enacted from general revenues for the Rhode Island National Guard to participate in the Governor's Cybersecurity Commission working groups and for activation for emergency responses during storms and power outages. The National Guard is prohibited from using federal funds for such state activities. The funding also supports the activation of National Guard troops to provide support to civil authorities during both emergency and non-emergency events. The request was submitted before the FY 2021 budget was enacted and therefore excludes the \$60,000 provided for activation in response to the 2020 election. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

COVID-19 National Guard Activation. Beginning in August 2020, the federal government required the state to be responsible for a portion of the National Guard state activation costs related to the COVID-19 emergency which had previously been paid exclusively by the federal government. The request was submitted before the FY 2021 budget was enacted and therefore excludes the state share of \$5.5 million for

activation in response to the COVID emergency. It appears that through a memorandum issued by President Biden in January, costs in the second half of FY 2021 for COVID activation will be paid exclusively by the federal government and would not pass through the state budget. The Military Staff subsequently indicated it expected President Biden's federal reimbursement order to retroactively cover the first half of FY 2021 costs as well, so the state share included in the enacted budget would no longer be necessary. *The Governor's recommendation includes \$28,080 which was the amount estimated that the state would be responsible for based on January information. In March, however, the Military Staff indicated it no longer requires any Coronavirus Relief funds, as all costs should be covered under the presidential federal reimbursement order.* **The Assembly concurred.**

Centralized Services. The Military Staff requested \$11,756 more than enacted for its share of centralized services, including \$18,356 more from general revenues for information technology services and human resources, partially offset by \$6,600 less from federal funds for human resources. This is \$33,452 more than FY 2020 costs, including \$18,356 more from general revenues. The increase is largely related to a number of personnel needing to establish state email addresses as most personnel have federal Department of Defense emails which have resulted in communication issues with non-defense personnel. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Capital Projects. The Military Staff requested \$0.2 million less than enacted from all sources, including \$0.6 million less from Rhode Island Capital Plan funds for its capital projects. Between FY 2021 and FY 2026, there are eight approved projects. *The Governor recommended funding consistent with the approved plan.* **The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.**

Other Expenses. The Military Staff requested \$9,572 more than enacted, including \$41,260 less from general revenues, for all other expenses for the National Guard. These items include out-of-state travel costs, janitorial services, furniture, maintenance temporary staff, and office supplies. *The Governor recommended \$51,450 more than enacted from federal funds, including \$50,000 more for temporary staff and \$1,450 for out-of-state travel which were inadvertently excluded in the request.* **The Assembly included \$0.1 million more from general revenues for janitorial services, furniture, and maintenance expenses, consistent with the Military Staff's third quarter report.**

Rhode Island Emergency Management Agency

	FY 2020 Reported	FY 2021 Enacted	FY 2021 Revised	FY 2021 Final
Expenditures by Category				
Salaries and Benefits	\$ 3,856,700	\$ 3,993,821	\$ 4,837,791	\$ 4,837,791
Contracted Services	276,600	347,531	425,713	425,713
Subtotal	\$ 4,133,300	\$ 4,341,352	\$ 5,263,504	\$ 5,263,504
Other State Operations	65,481,837	36,173,940	43,426,589	43,726,589
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	3,355,422	3,222,255	9,560,411	9,560,411
Capital	3,969,829	1,529,414	1,534,664	1,534,664
Capital Debt Service	1,994,414	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 78,934,802	\$ 45,266,961	\$ 59,785,168	\$ 60,085,168
Sources of Funds				
General Revenue	\$ 66,323,909	\$ 2,713,353	\$ 2,415,075	\$ 2,715,075
Federal Aid	10,927,305	40,506,062	55,321,489	55,321,489
Restricted Receipts	189,174	553,132	554,190	554,190
Other	1,494,414	1,494,414	1,494,414	1,494,414
Total	\$ 78,934,802	\$ 45,266,961	\$ 59,785,168	\$ 60,085,168
FTE Authorization	32.0	32.0	32.0	32.0
FTE Average	29.5			

FY 2021 Revised Request. The Rhode Island Emergency Management Agency requested \$23.0 million less than enacted, including \$0.7 million more from general revenues, \$23.5 million less from federal funds, and \$0.1 million less from restricted receipts. The Agency also requested 8.0 additional positions related to its response capability. *The Governor recommended \$14.5 million more than enacted and \$37.5 million more than requested. General revenues are \$0.3 million less than enacted and \$1.0 million less than requested. The Assembly added \$0.3 million from general revenues to meet the state match requirement to receive emergency management performance grant federal funding.*

COVID Related Expenses. Under current federal law, the Stafford Act authorizes the President to provide federal assistance when the magnitude of an incident exceeds a government’s capabilities to respond or recover. On March 13, 2020, the President declared that an emergency exists nationwide as a result of COVID-19 beginning on January 20, 2020. The Stafford Act constitutes the statutory authority for most federal disaster response activities as they pertain to Federal Emergency Management Agency programs. Under this declaration, Rhode Island qualified for reimbursement of 75 percent of certain expenses. The enacted budget includes \$32.0 million from federal funds to account for these expenses in addition to \$0.3 million from general revenues for expenses expected to occur after December 30 when the Coronavirus Relief funds approved in the CARES Act expire. The Agency’s request excludes the \$32.3 million based on instructions that predated the budget enactment.

The Governor recommended \$6.0 million more than enacted from Federal Emergency Management Agency public assistance program funding largely based on spending through the first half of FY 2021. The recommendation excludes general revenues included in the enacted budget, as federal funds became

available for use in the second half of FY 2021. The Governor also included \$2.8 million within the Department of Health for medical supplies and the Department of Administration for lease expenses to store supplies, including \$1.3 million and \$1.5 million, respectively.

The Budget Office subsequently indicated that \$0.3 million from general revenues would be required as a match for federal funding. **The Assembly concurred and provided \$0.3 million more from general revenues.**

Response Personnel (8.0 FTE). The Agency requested \$0.3 million from all sources, including \$0.2 million from general revenues, for 8.0 new positions assuming a March 2021 start date. The Agency reported that the COVID epidemic put a strain on the Agency's response capabilities and these additional positions would help alleviate the strain caused by the pandemic and in future emergencies. The annualized cost included in the FY 2022 request is \$0.8 million, including \$0.4 million from general revenues.

Four of the positions would assist with meeting federal and state reporting requirements and would allow more time for staff to explore additional grant funding opportunities. This includes a fiscal management officer, an assistant chief of planning, a chief implementation aide, and an implementation aide. Two of the positions would work in its operations center. This includes a supervising geographic information system specialist who would conduct geographic information system mapping, and a chief public affairs officer. The remaining two positions would assist with the warehouse established to store personal protective equipment supplies in response to the COVID emergency, which would allow current staff serving in the warehouse to return to their normal duties. This includes a warehouse worker and a programming services officer. *The Governor did not recommend funding or authorization for the new positions.* **The Assembly concurred.**

Other Salaries and Benefits. The Agency requested \$0.1 million less than enacted, including \$1.1 million more from general revenues, offset by \$1.0 million less from federal funds and \$0.2 million less from restricted receipts for salaries and benefits of its 32.0 positions. The request includes savings from vacancies that occurred during the first quarter. The Agency indicated that the work its staff has done in response to the COVID-19 emergency does not qualify for reimbursement under existing federal grants, and the request attributes those costs to general revenues. The Agency subsequently indicates a share of these staffing costs will likely be reimbursable with federal emergency management agency funds, although this is not assumed in the request. At the end of January, all positions were filled.

The Governor recommended \$0.8 million more than enacted. This includes \$0.8 million more from federal funds to reflect personnel costs attributable to federal Coronavirus Relief funds and the Federal Emergency Management Agency public assistance program. This also includes \$16,161 more from all sources, including \$3,593 more from general revenues, to reflect an increase to the assessed fringe benefit rate based on the voluntary retirement incentive program. **The Assembly concurred.**

Statewide Communications Network. The Agency requested \$0.3 million less than enacted from general revenues for operating expenses such as mobile service, utilities, and equipment repairs for the Rhode Island Statewide Communications Network. This is to be consistent with the FY 2020 final enacted budget, but is still \$18,747 less than actual FY 2020 costs. The request would not fund the updated contract. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Ingestion Pathways Training Exercise. The Agency's Radiological Emergency Preparedness program monitors the state for Ingestion Pathway Contamination, which is fallout that affects agriculture or livestock if there is a radiation release. The Agency requested new expenditures of \$80,000 from restricted receipts to perform a full-scale ingestion pathways training exercise, which would simulate responses to a potential nuclear disaster compromising the food supply. A full-scale exercise has real-time active situations and participants, and federal law requires one at least every five years. This exercise was originally scheduled

for FY 2020, but was delayed because of the COVID-19 emergency. Funding is requested for both FY 2021 and FY 2022 pending a decision on which year staffing capacity issues will allow for it. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Centralized Services. The Agency requested \$141,899 more for centralized services provided through the Department of Administration, including \$146,597 for information technology and \$4,968 less for human resources. The enacted budget includes \$48,743 from general revenues for human resources and \$301,384 for information technology services. The Agency indicates that the COVID-19 emergency has required the purchase and use of additional laptops, phones and other technology for emergency personnel, testing sites and vaccination sites which results in higher projected costs. *The Governor recommended \$114,727 more than enacted from federal funds to reflect updated spending through the end of February. Recommended general revenue funding is consistent with the enacted budget.* **The Assembly concurred.**

Capital Projects. Consistent with the enacted budget, the Agency requested \$1.5 million from Rhode Island Capital Plan funds for its Rhode Island Statewide Communications Network project. The Agency did not submit a capital budget request. *The Governor recommended funding consistent with the approved plan.* **The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.**

Prior Natural Disaster Relief. The Agency requested \$7.0 million more than enacted from federal funds for reimbursements to entities in the state that have applied for federal disaster relief. The increase reflected actual reimbursements to be made in FY 2021 to entities affected by Hurricane Sandy, Tropical Storm Irene, the 2010 floods, and the blizzards of 2012, 2013 and 2015. The Agency noted that several of these grants are currently pending review by the Federal Emergency Management Agency, and that it takes several years to close out such grants. *The Governor recommended \$5.0 million more than enacted and \$2.0 million less than requested.* **The Assembly concurred.**

Emergency Operations and Performance Grants. The Agency requested \$0.6 million more than enacted from federal emergency operations and performance grants to reflect the actual award by the Federal Emergency Management Agency. The funding, which is primarily passed through to local emergency management agencies, is used for construction and renovation of a state or local government's principal emergency management operations center and to provide support for emergency operations necessary to ensure continuity of government and operations in major disasters. The enacted budget was an estimate, based on previous experience. *The Governor recommended \$0.1 million more than enacted and \$0.5 million less than requested.* **The Assembly concurred.**

Homeland Security Grants. The Agency requested \$1.2 million more than enacted from federal funds for homeland security related upgrades throughout the state. The increase reflected the actual award by the Federal Emergency Management Agency. The enacted budget was an estimate, based on previous experience. *The Governor recommended \$2.0 million more than enacted and \$0.9 million more than requested.* **The Assembly concurred.**

Other Federal Grants. The Agency requested \$0.4 million more than enacted from other federal funds to reflect revised grant awards and expenditures. The request includes changes to multiple grants to reflect funds carried forward from previous years, as well as updated expenditure plans. The major increases relate to the Port Security Grant Program for communications systems. *The Governor recommended \$0.3 million more than enacted and \$21,856 less than requested.* **The Assembly concurred.**

Other Operations. The Agency requested \$8,691 less from general revenues for all other expenditures. This includes minor adjustments to operating costs, such as building maintenance, janitorial services, and utilities largely to reflect FY 2020 expenses. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Department of Public Safety

	FY 2020 Reported	FY 2021 Enacted	FY 2021 Revised	FY 2021 Final
Expenditures by Program				
Central Management	\$ 13,165,565	\$ 11,077,166	\$ 12,673,970	\$ 12,673,970
E-911	6,711,718	7,563,080	7,155,864	7,155,864
Capitol Police	5,016,395	5,045,401	5,118,970	5,118,970
Sheriffs	20,719,133	21,306,619	21,466,004	21,466,004
Municipal Police Training Academy	539,614	816,943	729,319	729,319
State Police	85,293,683	88,081,523	86,763,081	87,080,556
Total	\$ 131,446,108	\$ 133,890,732	\$ 133,907,208	\$ 134,224,683
Expenditures by Category				
Salaries and Benefits	\$ 102,318,890	\$ 105,627,412	\$ 104,183,684	\$ 104,183,684
Contracted Services	1,007,675	1,688,150	1,595,063	1,595,063
Subtotal	\$ 103,326,565	\$ 107,315,562	\$ 105,778,747	\$ 105,778,747
Other State Operations	11,344,311	14,608,337	14,572,303	14,572,303
Aid to Local Units of Government	105,160	-	-	-
Assistance, Grants, and Benefits	11,582,382	9,016,980	10,606,305	10,606,305
Capital	5,087,690	2,949,853	2,949,853	3,267,328
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 131,446,108	\$ 133,890,732	\$ 133,907,208	\$ 134,224,683
Sources of Funds				
General Revenue	\$ 77,870,719	\$ 67,430,637	\$ 45,525,632	\$ 45,525,632
Federal Aid	42,974,385	56,571,413	77,587,874	77,587,874
Restricted Receipts	5,965,022	5,670,229	5,675,249	5,675,249
Other	4,635,982	4,218,453	5,118,453	5,435,928
Total	\$ 131,446,108	\$ 133,890,732	\$ 133,907,208	\$ 134,224,683
FTE Authorization	593.6	593.6	593.6	593.6
FTE Average	577.3			

FY 2021 Revised Request. The Department's revised request includes \$2.9 million more than enacted from all sources including \$35.5 million more from general revenues, \$36.9 million less from federal funds, \$3.1 million more from restricted receipts, and \$1.1 million more from other funds. The request does not reflect changes to coronavirus related personnel expenditures. Adjusting for those, it is \$1.7 million less from general revenues, \$3.5 million more from federal funds and \$0.4 million more from restricted receipts.

The Governor recommended \$16,476 more than enacted from all sources, including \$21.9 million less from general revenues, which reflects shifting personnel costs to federal Coronavirus Relief funds and additional turnover savings, offset by assessed fringe benefit rate adjustments. The Assembly provided \$0.3 million more from other funds.

Staffing. The Department requested 593.6 full-time equivalent positions, consistent with the enacted authorization. As of January 16, the Department had 565.6 filled positions, or 28.0 vacant positions. The

federal CARES Act adopted in response to the public health crisis provided \$1,250.0 million to Rhode Island for related expenditures incurred between March 1, 2020 and December 30, 2020. Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency are allowable expenses as are those to facilitate compliance with COVID-19 related public health measures. The enacted budget includes \$40.0 million in personnel expenses from federal Coronavirus Relief funds and includes a like amount in savings from general revenues and restricted receipts. Because it was submitted before enactment of the FY 2021 budget, the Department’s revised request does not reflect these changes.

Below is a table showing the federal share of personnel costs and associated general revenue savings by division in the enacted budget. The Coronavirus Response and Relief Supplemental Appropriations Act extended the time to make expenditures from the Coronavirus Relief Fund from December 30, 2020 to December 31, 2021. Additional personnel costs would likely be able to be shifted to federal funds.

Division	General Revenues	Federal Funds	Restricted Receipts	Total
E-911	\$ -	\$ 2,763,814	\$ (2,763,814)	\$ -
Sheriffs	(8,403,575)	8,403,575	-	-
Capitol Police	(2,607,741)	2,607,741	-	-
State Police	(26,218,931)	26,218,931	-	-
Total	\$ (37,230,247)	\$ 39,994,061	\$ (2,763,814)	\$ -

The request includes \$103.4 million from all sources for salaries and benefits including \$90.8 million from general revenues. This is \$2.2 million less than enacted from all sources. Adjusting for general revenue costs shifted to Coronavirus Relief funds in the enacted budget, it is \$2.5 million less from general revenues. This reflects turnover savings from vacancies predominantly within the Division of Sheriffs and the Division of State Police, savings from changes to retiree health benefits and shifting personnel costs to other sources of funds. Based on the average cost per position, this reflects filling 577.1 full-time equivalent positions, or maintaining 16.5 vacancies for FY 2021.

The revised request does not include \$77,157 of one-time savings in the enacted budget, including \$49,971 from general revenues based on 14 individuals from the Department opting to participate in the workshare program. Adjusting for that, the request is \$2.1 million less from all sources including \$2.5 million less from general revenues.

*The Governor recommended \$104.2 million from all sources which is \$1.4 million less than enacted and \$0.8 million more than requested. Based on the average cost per position, this reflects maintaining 12.2 vacant positions. As of March 13, there were 31.0 vacancies. The recommendation adds \$159,245 for updated assessed fringe benefit rates based on the voluntary retirement incentive program. The recommendation also shifts \$20.0 million of personnel costs from general revenues to federal Coronavirus Relief funds. **The Assembly concurred.***

Centralized Services. The Department requested \$1.7 million or \$0.2 million more from all sources than enacted for centralized services provided through the Department of Administration. This increase mostly reflects the Department’s estimate for FY 2021 billings and expenditures. The request is \$0.2 million more than spent in FY 2020. *The Governor recommended funding at the enacted level. **The Assembly concurred.***

Central Management

Salaries and Benefits. The Department requested \$48,023 more than enacted from all sources including \$27,589 more from general revenues for 13.0 full-time equivalent positions. This reflects updated estimates

based on filled positions. *The Governor recommended \$7,379 more than enacted to reflect updated assessed fringe benefit rates based on the voluntary retirement incentive program.* **The Assembly concurred.**

Crime Victim Assistance. The Department requested \$1.6 million more than enacted from federal Crime Victim Assistance funds to grant awards to programs that support direct services to victims of violent crime. Programs must provide free services to victims of federal, state, and local crimes while fostering community efforts to aid crime victims. This reflects \$1.0 million of unspent funding from FY 2020 already awarded to participants and an updated federal grant award. *The Governor recommended funding as requested.* **The Assembly concurred.**

Crime Reporting Database. The Department requested \$0.1 million more than enacted from federal grant funds to develop a uniform database that can be used by state and local agencies to view arrest records based on updated federal grant funding. This will make Rhode Island compliant with the Federal Bureau of Investigation technology requirements. The current system for municipalities and the state is outdated and does not easily allow sharing arrest records among agencies and with the public. This project was supposed to begin in FY 2020 but the pandemic caused delays in purchasing. *The Governor recommended funding at the enacted level.* **The Assembly concurred.**

Other Operations. The Department requested \$0.2 million more from all sources than enacted including \$375 less from general revenues. This reflects updated federal grant awards and one new federal grant. It should be noted that in FY 2020, the Department spent \$1.1 million less than authorized from its federal grants because of delays in purchasing and sub-grantees failing to submit timely requests for reimbursement. *The Governor recommended \$34,451 more than enacted which reflects funding for only the new federal grant. The recommendation funds all other expenditures, including all other federal grants, at the enacted level.* **The Assembly concurred.**

E-911

Salaries and Benefits. The Department requested \$0.1 million less than enacted from restricted receipts assessed to all wired, wireless, and prepaid phone lines for salaries and benefits of 50.6 full-time equivalent positions. This reflects turnover savings equivalent to 1.0 full-time vacancy until the end of December. As of the pay-period ending on January 16, the Department had 2.0 vacancies. *The Governor recommended \$0.4 million less than enacted from federal Coronavirus Relief funds and \$0.3 million less than requested. This assumes 4.0 vacant positions for FY 2021. As of the March 13 pay period, the Department had 6.0 vacant positions.*

The Governor subsequently requested an amendment to shift \$1.9 million of personnel costs from Coronavirus Relief funds to restricted receipts. This was an attempt to offset projected overspending of Coronavirus Relief funds budgeted with the State Police. **The Assembly concurred with the Governor's original recommendation as additional State Police vacancies eliminated the need for more funding.**

Technology Upgrades. The 2018 Assembly provided an additional \$0.7 million from general revenues for the division to perform technology upgrades. Funds were used for a statewide assessment of needs to implement Next Generation 911 and Text-to-911. It was assumed that these upgrades were part of a larger three year plan. The Department requested \$0.3 million more than enacted from fees assessed to wired and wireless telecommunications to continue upgrading technology, including purchasing new technology to be compatible with 911 emergency medical dispatch software. Other planned projects include updating pictometry data and geographic information system data, purchasing additional software, and restructuring hardware and software for increased cyber security. *The Governor recommended funding at the enacted level.* **The Assembly concurred.**

Sheriffs

Salaries and Benefits. The Department requested \$0.4 million less than enacted from all sources, including \$8.0 million more from general revenues for 181.0 authorized full-time equivalent positions to reflect additional turnover savings from vacancies. As of the pay period ending January 16, there are 12 vacancies. The Department started a training academy in October, expecting to fill all of the vacant positions within the first pay period of December. It appears seven positions were filled. As of January 29, the Department had ten individuals receiving injured on duty benefits.

*The Governor recommended \$0.2 million more than enacted from all sources apparently inadvertently. The recommendation shifts an additional \$6.5 million of personnel costs from general revenues to federal Coronavirus Relief funds. It should be noted the Department's second quarter report identifies \$1.1 million in additional turnover savings based on vacancies not included in the recommendation. As of the March 13 pay period, the Department had 12 vacancies. **The Assembly concurred.***

New Vehicles. The Department requested \$0.1 million less than enacted from general revenues for new vehicles. The Department purchased ten new vehicles in FY 2020 without authorization through the state fleet revolving loan fund. Only one vehicle was delivered in FY 2020 and the Department used general revenues to pay for that purchase. For the remaining nine vehicles, purchase and delivery was not made until FY 2021. The three-year repayment period to the revolving loan fund will now begin in FY 2022 with the first payment of \$117,183. *The Governor recommended funding at the enacted level. **The Assembly concurred.***

State Fleet. The Department requested \$5,000 more than the enacted budget from general revenues for fuel, maintenance and repairs of its fleet to reflect the estimated increased cost of fuel. The Department spent \$254,841 in FY 2020, \$270,559 in FY 2019 and \$249,649 in FY 2018. This request is approximately \$5,000 more than FY 2019 expenditures. *The Governor recommended funding at the enacted level. **The Assembly concurred.***

Other Operations. The Department requested \$0.4 million more from general revenues for all other operations. This includes \$0.1 million more for office space billed by the Judiciary and parking at the Convention Center, and \$0.3 million for uniforms and equipment for the new recruits graduating from the training academy in December. It should be noted that the enacted budget includes \$0.2 million from general revenues for the division to purchase safety equipment, including tasers and ballistic vests. *The Governor recommended funding at the enacted level. **The Assembly concurred.***

Capitol Police

Salaries and Benefits. The Department requested \$0.1 million less than enacted from all sources to reflect additional turnover savings from vacancies. The change is \$2.6 million more from general revenue and \$2.6 million less from federal funds because the request does not contain the cost shift to federal funds assumed in the enacted budget. The enacted budget fully funds 38.0 full-time equivalent positions. There are also 13.0 full-time equivalent positions funded through internal service funds.

*The Governor recommended \$0.1 million more than enacted from all sources and \$0.2 million more than requested. As of the March 13 pay period, there were 50.0 filled full-time positions. The recommendation shifts an additional \$1.2 million from general revenues to federal Coronavirus Relief funds. **The Assembly concurred.***

New Vehicles. The Department requested \$7,419 more from general revenues than enacted for additional state fleet maintenance. According to the Department, all debt payments on purchases made through the State Fleet Replacement Revolving Loan fund have been completed. The increased costs reflect the

estimated need for gas and maintenance. *The Governor recommended funding at the enacted level. The Assembly concurred.*

Other Operations. The Department requested \$0.1 million more than enacted from general revenues to replace radios that are outdated, which is overstated because the enacted budget includes \$0.1 million to replace radios in FY 2021. The FY 2020 final budget included \$0.7 million to purchase radios as the first year of a six year replacement plan in the Divisions of Sheriffs, Capitol Police and State Police. The Department already spent the enacted authorization for radios for all three divisions at a cost of \$0.7 million. *The Governor recommended funding at the enacted level. The Assembly concurred.*

Municipal Police Training Academy

Personnel and Operating. The Department requested \$0.1 million less than enacted from all sources, including \$540 more from general revenues. This reflects the loss of a federal grant that had previously been used to purchase highway signs and safety equipment. *The Governor recommended \$473 more than requested from all sources which reflects updated assessed fringe benefits based on the voluntary retirement incentive program. The Assembly concurred.*

State Police

58th Training Academy. In its FY 2021 request, the Department included \$1.6 million from all sources to conduct a new 25 person training class. Initially, it planned to conduct the training academy from February 14, 2021 through July 30, 2021. The expense to hire the new troopers would occur in the FY 2022 budget. The Governor, in her FY 2021 budget recommendation, included \$0.4 million less from general revenues than requested, reflecting a start date in June 2021. The enacted budget does not include funding based on the Department's revised request submitted in October 2021, which shows a new class would begin in September 2021, or FY 2022. However, the Department's revised request inadvertently retains the funding. *The Governor recommended \$52,370 from federal forfeiture funding to begin advertising the new State Police Training Academy. The Assembly concurred.*

Other Salaries and Benefits. The Department requested \$2.2 million less than enacted from all sources including \$23.8 million more from general revenues to reflect additional turnover savings from vacancies, changes to retirement health benefits and shifting \$0.7 million of personnel costs from general revenues to reimbursements for enforcement and patrol at construction sites. The request funds 290.0 full-time equivalent positions. As of the pay period ending January 16, the Department had 10.0 vacant full-time positions. The Department reported 49 state police members are eligible for retirement and two must retire this year. Another 17 will be required to retire by June 2022 and 30 will be required to retire in 2026.

The request includes \$1.0 million less from all funds for retiree health benefits based on estimates that the retiree health employer rate for state police will drop from 29.65 percent to 26.87 percent because of the repeal of the federal tax on high cost health insurance known as the "Cadillac Tax."

The Department's request includes \$0.6 million less from federal funds which reflects an expired federal grant and one new grant. It also shifts \$0.7 million from general revenues to reimbursements for enforcement and patrol at construction sites. According to the Department, the FY 2020 winter season was milder than in previous years and construction never stopped. The pandemic allowed the Department to put troopers at more construction patrols while there was diminished travel on the highways. The Department's second quarter report indicated that it expects a higher volume of details to continue through the winter and increase further into the peak construction time.

The Governor recommended \$1.2 million less than enacted from all sources and \$0.9 million more than requested, funding 292.7 full-time equivalent positions, or 2.7 positions more than requested. This reflects

an additional \$0.2 million from Road Construction Reimbursements funds based on reported spending in the Department's second quarter report. The recommendation shifts an additional \$14.2 million from general revenues to federal Coronavirus Relief funds and keeps all but one new federal grant at the enacted level. As of the March 13 pay period, the Department had 285.0 filled positions, or 11.0 vacancies.

*In April, the Governor requested an amendment adding \$0.5 million from federal Coronavirus Relief funds to reflect payroll expenses incurred in the first half of the year. In June, the Governor also requested an amendment adding \$1.9 million from federal Coronavirus Relief funds to reflect estimated overspending reported in the third quarter. **The Assembly provided \$74.0 million from all sources, consistent with the Governor's original recommended budget. Additional vacancies caused more turnover savings offsetting the amounts noted in the amendments.***

Highway Safety Task Force. The Department requested \$0.5 million more than enacted from federal National Highway Traffic Safety Administration grant funds for alcohol impaired driving enforcement and prevention efforts. This reflects unspent funding in FY 2020 and an updated grant award. In FY 2020, the Department planned to spend \$0.3 million to advertise the new enforcement program but that was delayed because of the pandemic and statewide shutdown. *The Governor recommended \$2,680 more than enacted to reflect an increased assessed fringe benefits rate based on the voluntary retirement incentive program. **The Assembly concurred.***

COVID Response. Rhode Island qualifies for at least a 75 percent reimbursement of certain expenses from the federal disaster declaration granted because of the COVID-19 pandemic. Additionally, the federal CARES Act adopted in response to the crisis provided \$1,250.0 million to Rhode Island for related expenditures incurred between March 1, 2020 and December 30, 2020. The Coronavirus Response and Relief Supplemental Appropriations Act extended the time to make expenditures from the Coronavirus Relief Fund from December 30, 2020 to December 31, 2021. Although the enacted budget and the request includes no funding, as of January 29, \$64,384 has been spent on cleaning supplies and personal protective equipment. *The Governor's budget does not include any funding specifically for these expenses. **The Assembly concurred.***

HOPE Initiative. The Department requested \$0.6 million more than enacted from federal funds to continue the Heroin Opioid Prevention Effort (HOPE) Initiative. In 2018, the Department launched a new initiative aimed at preventing opioid addiction and overdose. The request reflects unspent funding from FY 2020 and updated federal grant awards. It should be noted the Department's FY 2022 request has no funding because the program is ending. *The Governor recommended \$0.1 million less than enacted, which reflects removing two expired federal grants and keeping all other expenditures at the enacted level. **The Assembly concurred.***

Legal Services. The Department requested \$69,000 more from general revenues than enacted for legal services. The request reflects the cost of additional expert witnesses, arbitrators, and other specialists. The Department indicated that costs differ from year to year; however, the request appears to be overstated based on historical expenditures for these services. The enacted budget includes \$112,000. The Department spent \$71,900 in FY 2020, \$6,252 in FY 2019, \$56,822 in FY 2018, and \$14,842 in FY 2017. *The Governor recommended funding at the enacted level. **The Assembly concurred.***

Capital Projects. The Department requested \$0.4 million more from Rhode Island Capital Plan funds than enacted. This reflects \$0.3 million more for the Headquarters Roof Replacement project contingent on the outcome of some disputed costs. This also includes \$0.1 million for architectural and engineering services for renovating an Administrative Support Building. *The Governor recommended funding as enacted. **The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.***

SORNA Database and Operations. The Department requested \$0.1 million more from federal Sex Offender Registration and Notification Act grant funds than enacted to create a sex offender tracking database. This is part of a coordinated effort among state agencies such as the Rhode Island Attorney General's Office, the State Police, and local experts. This reflects hiring two contractors to help train on the new database. *The Governor recommended funding at the enacted level.* **The Assembly concurred.**

Utilities, Insurance and Internet. The Department requested \$17,425 less than enacted from general revenues for utilities and overhead costs. This reflects small adjustments based on FY 2020 expenditures. *The Governor recommended funding at the enacted level.* **The Assembly concurred.**

State Fleet. The Department requested \$6,600 more than enacted from general revenues for state fleet expenses, and reflects the estimated increased cost of fuel and maintenance. The Department's expenditures are funded from general revenues and reimbursements from the Department of Transportation for road reconstruction details and for enforcement and inspection of oversized vehicles. *The Governor recommended funding at the enacted level.*

In May, the Governor requested an amendment adding \$0.3 million from Road Construction Reimbursement Receipts for the Department to purchase eight vehicles. Over the past three years, the Department accrued a balance on these funds making this one-time purchase possible. **The Assembly concurred with the amendment.**

Other Operations. The Department requested \$0.3 million more than enacted from all sources for all other expenses, including \$0.1 million more from general revenues. The request reflects updated federal grant awards, additional trainings for the Commission on Accreditation for Law Enforcement Agencies certifications that were stalled because of the statewide shutdown from the coronavirus pandemic and for grants to municipalities for its participation in federal forfeiture cases involving drug arrests and gambling violations. *The Governor recommended funding at the enacted level.* **The Assembly concurred.**

Office of the Public Defender

	FY 2020 Reported	FY 2021 Enacted	FY 2021 Revised	FY 2021 Final
Expenditures by Category				
Salaries and Benefits	\$ 10,985,275	\$ 11,271,348	\$ 11,309,996	\$ 11,252,996
Contracted Services	97,946	226,378	226,378	143,378
Subtotal	\$ 11,083,221	\$ 11,497,726	\$ 11,536,374	\$ 11,396,374
Other State Operations	1,034,767	1,153,897	1,264,747	1,264,747
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	9,279	45,000	45,000	45,000
Capital	83,805	59,695	59,695	59,695
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 12,211,072	\$ 12,756,318	\$ 12,905,816	\$ 12,765,816
Sources of Funds				
General Revenue	\$ 12,112,369	\$ 12,680,653	\$ 12,719,301	\$ 12,579,301
Federal Aid	98,703	75,665	186,515	186,515
Restricted Receipts	-	-	-	-
Other	-	-	-	-
Total	\$ 12,211,072	\$ 12,756,318	\$ 12,905,816	\$ 12,765,816
FTE Authorization	96.0	96.0	96.0	96.0
FTE Average	92.8			

FY 2021 Revised Request. The Office of the Public Defender included \$360,118 more than enacted, primarily from general revenues. The Office also requests 99.0 full-time equivalent positions, 3.0 more than the enacted authorization. *The Governor recommended \$149,498 more than enacted, including \$38,648 more from general revenues and does not include the new positions. The Assembly provided \$140,000 less from general revenues.*

New Assistant Public Defenders (3.0 FTE). The Office requested \$0.3 million from general revenues for three new assistant public defender positions in its revised request as part of an ongoing effort to relieve the caseload burden at the agency. The positions were included in the Governor's FY 2021 budget recommendation but the Assembly did not concur. *The Governor did not include the new positions. The Assembly concurred.*

Other Salaries and Benefits. The Office requested \$32,958 more than enacted from general revenues for salaries and benefits for the remaining 96.0 positions. The enacted budget includes savings of \$216,540 based on 39 individuals from the Office opting to participate in the workshare program that is not reflected in the revised request. Adjusted for this, the revised request is \$183,582 more than enacted primarily restoring savings taken in the enacted budget from keeping positions vacant. The 2020 Assembly provided funding in the FY 2021 enacted budget to reflect actual staffing costs through the first quarter, when the Office had four positions vacant. As of pay period ending January 30, the Office had five vacant positions, and the revised request assumes two vacancies. *The Governor recommended \$38,648 more than enacted to reflect an increase to the assessed fringe benefit rate based on the voluntary retirement incentive*

program. The Assembly provided \$57,000 less than recommended to reflect turnover savings projected in the Office's third quarter report.

Parking. The enacted budget assumes savings of \$23,400 from staff being able to park at the new Garrahy Garage in addition to traditional parking at the Providence Performance Arts Center, which is more expensive. The revised request restores \$3,039 of this. It also does not include \$58,200 from general revenues for Garrahy expenses provided in the enacted budget that had previously been included in the Department of Administration's budget. *The Governor's recommendation is consistent with the enacted budget. The Assembly concurred.*

COVID Related Expenses. The Office's request includes \$33,000 from Coronavirus Relief funds to buy cleaning supplies, personal protective equipment, plexiglass dividers and laptop computers. Funding was not included in the enacted budget; FY 2020 expenses were \$71,214. *The Governor did not recommend the requested funding but did include \$110,850 from relief funds for technology to access the court system remotely. The Assembly concurred.*

Federal Grants. The Office requested \$26,330 more from federal funds that were not spent in FY 2020 including \$20,000 from the John R. Justice Incentive Grant for student loan repayments. It also includes \$6,330 from the Edward Byrne Memorial Justice Assistance Grant which is available to states and local government units for various criminal justice purposes. The Office utilizes the funding for a contracted social worker to assist with the assessment and evaluation of adult clients and placement into social service community programs. *The Governor's recommendation is consistent with the enacted budget. The Assembly concurred.*

Other Operating Expenses. The Office requested \$24,439 less from general revenues for all other operating expenses. This is \$0.2 million more than spent in FY 2020 including \$0.1 million more for interpreters, transcriptions and outside legal experts. For all other operating expenses, the Office requested \$0.1 million more than spent in FY 2020 for postage, furniture, computers and other office supplies. *The Governor's recommendation is consistent with the enacted budget. Based on the Office's third quarter report which includes savings for legal experts and translators as a result of impact of the public health emergency on the Judiciary's trial calendar, the Assembly reduced general revenue expenses by \$83,000.*

Department of Environmental Management

	FY 2020 Reported	FY 2021 Enacted	FY 2021 Revised	FY 2021 Final
Expenditure by Program				
Office of the Director	\$ 10,793,357	\$ 11,113,744	\$ 11,787,593	\$ 11,787,593
Bureau of Natural Resources	47,110,561	67,051,920	66,765,074	64,363,982
Bureau of Environmental Protection	26,407,206	31,120,502	31,194,467	31,194,467
Subtotal	\$ 84,311,124	\$ 109,286,166	\$ 109,747,134	\$ 107,346,042
Expenditures by Category				
Salaries and Benefits	\$ 51,031,967	\$ 52,447,895	\$ 50,689,413	\$ 52,288,321
Contracted Services	6,128,528	7,523,308	7,989,345	7,989,345
Subtotal	\$ 57,160,495	\$ 59,971,203	\$ 58,678,758	\$ 60,277,666
Other State Operations	15,478,441	19,608,170	21,079,875	21,079,875
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	4,107,518	6,472,374	7,111,082	7,111,082
Capital	7,564,670	23,184,419	22,827,419	18,827,419
Capital Debt Service	-	-	-	-
Operating Transfers	-	50,000	50,000	50,000
Total	\$ 84,311,124	\$ 109,286,166	\$ 109,747,134	\$ 107,346,042
Sources of Funds				
General Revenue	\$ 42,861,538	\$ 42,769,969	\$ 42,611,952	\$ 42,611,952
Federal Aid	22,563,433	35,511,001	34,957,093	36,556,001
Restricted Receipts	12,439,640	16,559,204	18,081,895	18,081,895
Other	6,446,513	14,445,992	14,096,194	10,096,194
Total	\$ 84,311,124	\$ 109,286,166	\$ 109,747,134	\$ 107,346,042
FTE Authorization	394.0	394.0	394.0	394.0
FTE Average	389.2			

FY 2021 Revised Request. The Department's revised request is \$7.0 million less than enacted from all sources, including \$2.1 million more from general revenues, \$4.5 million less from federal funds, \$0.3 million less from restricted receipts, and \$4.3 million more from other funds.

The Governor recommended \$0.5 million more from all sources than enacted including \$0.2 million less from general revenues. This is \$7.4 million more from all sources than requested, including \$2.3 million more from general revenues. The Assembly provided \$2.4 million less from Rhode Island Capital Plan funds and federal Coronavirus Relief funds.

Staffing. The Department requested \$0.5 million more than enacted from all sources for 394.0 full-time equivalent positions. The enacted budget includes \$1.2 million of turnover savings which is equivalent to 9.0 vacant positions and was based on vacancies at the beginning of the fiscal year.

The revised request does not include the \$642,876 of savings, including \$445,936, from general revenues in the enacted budget based on 92 individuals from the Department opting to participate in the workshare program. Adjusting for that, the request is \$0.2 million less than enacted, including \$711 less from general

revenues. *The Governor recommended \$1.8 million less than enacted from all sources; however, the intent was to provide funding at the enacted level adjusted for increased assessed fringe benefit rates based on the voluntary retirement incentive program. **The Assembly provided \$1.6 million more from federal funds.***

COVID Relief - Staffing. The federal CARES Act adopted in response to the crisis provided \$1,250.0 million to Rhode Island for related expenditures incurred between March 1, 2020 and December 30, 2020. Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency are allowable expenses as are those to facilitate compliance with COVID-19 related public health measures. The enacted budget includes \$1.6 million in personnel expenses from federal Coronavirus Relief funds and includes a like amount in savings from general revenues. The request excludes the savings and adjusting for this, the request for salaries and benefits is \$0.2 million less than enacted from all sources including \$711 less from general revenues. *The Governor's recommendation did not include this funding, an omission that appears to be inadvertent. Since the Governor's budget accounts for use of the entire \$1,250.0 million, this would have to come from other state or federal fund sources, which have not been identified.*

*In April, the Governor requested an amendment correcting this exclusion. The amendment contains several changes to other uses of Coronavirus Relief funds to account for this. **The Assembly concurred.***

COVID Relief - Government Readiness. The enacted budget includes \$2.3 million from all sources including \$0.3 million from general revenues for coronavirus response activities, including purchasing computers for working remotely, cleaning supplies, roadside signs for parks, and personal protective equipment. Most of the support is from Coronavirus Relief funds provided to Rhode Island for expenditures incurred related to COVID-19 between March 1, 2020 and December 30, 2020. Allowable expenses include those responding directly to the emergency as well as to "second-order" effects, such as providing economic support to those suffering from employment or business interruptions. The request was submitted prior to enactment of the budget and excludes this funding. *The Governor recommended total funding of \$2.3 million from all sources, including \$0.3 million more than enacted from federal Coronavirus Relief funds. **The Assembly concurred.***

COVID Relief - Individual Support. The enacted budget includes \$12.9 million from all sources in the Department of Administration's budget, of which \$2.6 million is from general revenues for expenses associated with quarantine and isolation, which includes temporary housing for those that cannot isolate in their homes. For FY 2021, it appears that \$3.2 million from federal funds has been spent through the end of January. The enacted budget and revised request for the Department of Environmental Management do not reflect these expenses. *The Governor recommended \$0.2 million from federal Coronavirus Relief funds. **The Assembly concurred.***

Centralized Services. The Department requested \$2.8 million from all sources for centralized services provided through the Department of Administration, including \$45,000 for facilities management, \$2.0 million for information technology services, and \$0.8 million for human resources. This is \$0.1 million more than enacted and reflects the FY 2020 final enacted budget; the Department spent \$3.0 million in FY 2020, which is \$0.2 million more than the request. *The Governor recommended funding at the enacted level. **The Assembly concurred.***

Office of the Director

Salaries and Benefits. The Department requested \$7,692 less than enacted from all sources for salaries and benefits in the Office of the Director, including \$0.1 million less from general revenues. This reflects shifting personnel costs to indirect cost recovery restricted receipts. Pursuant to Rhode Island General Law,

Section 35-4-23.1, funds recovered from federal grants are designated for specific purposes through the annual budget process. This is a flexible fund source that can be used in lieu of general revenues. *The Governor recommended \$19,133 more than enacted from all sources, including \$8,837 from general revenues. This reflects updated assessed fringe benefit rates based on the voluntary retirement incentive program. The Assembly concurred.*

Bays, Rivers, and Watersheds Fund. The Department requested \$0.1 million less than enacted from the Bays, Rivers, and Watershed restricted receipts for efforts relating to watershed and marine monitoring, water pollution abatement, and climate change. This reflects a joint project with the U.S. Department of Interior and the University of Rhode Island being delayed. The fund is derived from fees collected for the disposal of septage from a \$1 per hundred gallons charge on septage disposal in the state. The Department spent \$317,052 in FY 2020; the FY 2021 revised request is \$275,000. *The Governor recommended funding at the enacted level. The Assembly concurred.*

Regional Greenhouse Gas Initiative. The Department requested \$0.2 million more than enacted from restricted receipts to administer the Regional Greenhouse Gas Initiative funds available from FY 2020 that will be used to award additional grants. Expenses have steadily increased since FY 2018 when the Department spent \$0.2 million. The Department spent \$0.3 million in FY 2019 and \$0.6 million in FY 2020. *The Governor recommended funding at the enacted level. The Assembly concurred.*

One Stop Reporting. The Department requested \$148,504 more than enacted from federal One Stop Reporting grant funds that had been planned for updating its database management system during FY 2020 but was delayed to FY 2021. These funds are awarded to foster better environmental management and decision making through increased access to environmental information. The Department was awarded these funds in FY 2018 with a performance period of three years, ending in FY 2021. *The Governor recommended funding as requested. The Assembly concurred.*

Commerce Corporation Grant for Director of Food Strategy. The Department requested \$50,000 from general revenues to help the Commerce Corporation pay for the salary and benefits of a new Director of Food Strategy. The salary of this position is approximately \$63,000. This position has not been filled as of the January 16, 2021 pay period. This is a partnership between the Department of Health and the Commerce Corporation. The Department of Health has committed \$13,380 for this position. A similar position was previously filled at the Department a few years ago and was funded through donations. Once that funding was no longer available the position was abolished. *The Governor did not recommend funding in the Department's budget, however did recommend \$69,060 from general revenues budgeted in the Executive Office of Commerce in its FY 2022 budget. The Assembly concurred.*

Other Operations. The Department requested \$11,172 more from all sources than enacted for all other expenditures. This includes \$20,137 more from general revenues which reflects aligning costs to FY 2020 spending for utilities and office supplies. Restricted receipt reductions reflect lower costs for supplies and office equipment matching FY 2020 expenses. *The Governor recommended funding at the enacted level. The Assembly concurred.*

Bureau of Environmental Protection

Salaries and Benefits. The Department requested \$0.1 million more than enacted from all sources for salaries and benefits, including \$0.2 million more from general revenues. As noted previously, the Department's request does not include savings achieved by 92 individuals opting to participate in the workshare program of which 71 work in the Bureau of Environmental Protection. Adjusting for this, the request would be \$0.1 million less than enacted which reflects additional turnover savings achieved by vacancies. *The Governor recommended removing federal Water Pollution Control grants to be consistent with the request and \$64,951 more than enacted from all sources including \$41,881 from general revenues*

for increased assessed fringe benefit rates based on the voluntary retirement incentive program. **The Assembly concurred.**

Federal Grants. The Department requested \$0.3 million more than enacted from its remaining federal funds to reflect current awards and three new awards. The Department has typically requested all of its available funding only to significantly underspend. The FY 2020 final budget included \$5.2 million and the Department spent \$2.4 million. The enacted budget contains \$5.0 million for these programs. *The Governor recommended \$0.1 million more than enacted which reflects the new federal grants.* **The Assembly concurred.**

Rose Hill Landfill. The Department requested \$20,000 less from general revenues than enacted for maintenance and monitoring activities at the state's superfund site located at the former Rose Hill Landfill in South Kingstown. This reflects FY 2020 expenditures, and the Department noted the unpredictable nature of landfill gases, makes it difficult to predict annual maintenance costs. *The Governor recommended funding at the enacted level.* **The Assembly concurred.**

Oil Spill Prevention, Administration and Response Fund. The Department requested \$69,125 less than enacted from the Oil Spill Prevention, Administration and Response Fund restricted receipts, which are derived from a \$0.05 per barrel fee on petroleum products received at marine terminals in Rhode Island. This is an attempt to align the budget with anticipated expenses. The funding is used to promptly respond to, contain and remediate oil spills, maintain a state of emergency response readiness through responder training and equipment acquisition, and pay emergency loans to workers affected by a spill as well as damage compensation for legitimate claims that cannot otherwise be compensated by responsible parties or the federal government. *The Governor recommended funding at the enacted level.* **The Assembly concurred.**

Environmental Trust. The Department requested \$0.1 million more than enacted from Environmental Trust restricted receipts and reflects the estimated balance of these funds. Each Bureau of the Department has an environmental trust account typically used for one-time revenues such as donations or grants. These accounts are authorized in Rhode Island General Law, Section 42-17.1-2. Subsequent to the budget submission, the Department requested an additional \$0.1 million which reflects delayed payments on expenditures made in FY 2020. *The Governor recommended \$0.3 million more than enacted based on a request made by the Department subsequent to its budget submission.* **The Assembly concurred.**

Volkswagen Settlement. The Department requested \$49,482 less from Volkswagen Settlement funds than enacted based on FY 2020 spending. In 2018, Volkswagen agreed to settle allegations that it violated the federal Clean Air Act by selling vehicles that emit air pollution over the legal limit, and by cheating on federal emission tests to hide the excess pollution. As part of the settlement, states were eligible to receive funds to pay part of the cost of projects to reduce diesel emissions from vehicles, to install electric vehicle infrastructure, and conduct other "environmentally beneficial projects;" the state received a total of \$18.5 million. The total award to the Department for its mitigation plan was \$14.4 million to be used during a ten-year period, and to be included in different years' budgets. The remaining \$4.1 million in settlement funds were awarded to the Office of the Attorney General to be spent on "environmentally beneficial projects" as directed by the attorney general.

The Department may use up to 15.0 percent of the funds it was awarded from the settlement for program administration, including personnel costs, construction of associated facilities for the electric vehicles, and training. The Department was also awarded \$0.4 million from the Attorney General's Office for two hazardous waste projects, a fish project, a solar project, and a technology project. The request reflects expenditures from these awards and no expenditures from the settlement for administrative costs. *The Governor recommended funding at the enacted level.* **The Assembly concurred.**

Other Operations. The Department requested \$152,329 less than enacted from all sources for all other expenditures, including \$43,792 more from general revenues. This reflects hiring engineering and design contractors to provide aerial photography of wetlands and to conduct a workshop on proposed wetland regulations. *The Governor recommended funding at the enacted level.* **The Assembly concurred.**

Bureau of Natural Resources

Parks and Recreation Salaries and Benefits. The Department requested \$0.1 million more than enacted from general revenues for the Division of Parks and Recreation's salaries and benefits. The Department estimated that additional vacancies would occur throughout the year that it will not be able to fill immediately. The request reflects increased overtime costs that will exceed any turnover savings achieved through vacancies. As of the pay period ending on January 16, the Department had all positions filled. *The Governor recommended \$16,682 more than enacted to reflect increased assessed fringe benefit rates based on the voluntary retirement incentive program.* **The Assembly concurred.**

Parks and Recreation Seasonal Staff. The Department requested \$0.2 million more from general revenues for the division's seasonal staff. This reflects properly funding employer payroll tax costs that were underfunded in the enacted budget, based on the Department's FY 2021 request. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Parks and Recreation Operations. The Department requested \$0.1 million less from general revenues than enacted. This reflects a reduction to the division's building maintenance budget to an amount lower than spent in FY 2020. This appears to offset increasing costs for parks and recreation's personnel costs. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Burlingame Campground Reservation Fees. The Division collects daily and overnight usage fees for campsites at five state campgrounds. For the Burlingame campground, there are two vendors the Department uses to collect fees and manage online reservations. Collections are deposited into an escrow account to pay for the vendors and then the remaining revenues are deposited into the general fund. This is the only facility that utilizes this accounting method. Expenditures from escrow accounts are not typically accounted for in agency budgets. However, this account does not meet the standard for an escrow account. *The Governor recommended converting the escrow account into a restricted receipt account, and included \$1.1 million to pay for the vendor, and assumed any unspent funds will be deposited as general revenues, consistent with current practice.* **The Assembly concurred.**

Other Salaries and Benefits. The Department requested \$0.1 million less than enacted from all sources for all other salaries and benefits which reflects additional turnover savings from vacancies. As of the January 16 pay period, the Department has 3.0 vacancies. *The Governor recommended \$25,833 more than enacted from general revenues for increased assessed fringe benefit rates based on the voluntary retirement incentive program.* **The Assembly concurred.**

WWII State Park Transition to Woonsocket. The state made a five-year commitment to fund the maintenance and operation of the World War II State Park while transitioning control to Woonsocket. The Department made its final payment to Woonsocket in FY 2020. The Department's request inadvertently includes \$250,000 from general revenues for the park. *The Governor excluded the funding, consistent with the enacted budget.* **The Assembly concurred.**

Law Enforcement Operations. The Department requested \$24,743 more from general revenues than enacted to hire municipal police to help with extra enforcement details at parks. The Department reported that the environmental police division has experienced higher turnover in the last year and is expecting more retirements. There is still staffing savings that help offset this cost. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

State Fleet. The Department requested \$24,581 more than enacted for state fleet costs, including gas and maintenance which reflects the Department anticipating higher maintenance costs for its aging vehicles. By source, it includes \$65,992 more from general revenues and reflects shifting expenses from restricted receipt boating fees that are declining. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Host Beach Payments to Communities. The Department requested \$10,859 less than enacted for the anticipated payments to host beach communities. This reflects an estimate because the request was submitted prior to the beach parking vendor's final calculations of daily passes. The Department collects fees for daily and seasonal parking at seven facilities across the state and reimburses the four host communities of Charlestown, Westerly, Narragansett, and South Kingstown 27 percent of all daily parking fees collected from Memorial Day to Labor Day. The enacted budget assumed payments based on \$1.8 million in receipts; actual receipts were \$1.9 million. Receipts collected in 2018 were \$1.4 million. *The Governor recommended funding consistent with the enacted budget.* **The Assembly concurred.**

Capital Projects. The Department requested \$4.2 million less than enacted from Rhode Island Capital Plan funds and Department of Transportation reimbursements for ten capital projects. The Department's request does not include the \$6.0 million added to the FY 2021 budget to repair structural damage at the Galilee Piers and does not reflect reappropriated amounts from unspent balances from FY 2020. *The Governor recommended \$0.4 million less than enacted.* **The Assembly shifted \$4.0 million from FY 2021 to FY 2022 for the Galilee Piers project. A detailed description of the projects is included in the Capital Budget section of this publication.**

Other Federal Grants. The Department requested \$1.6 million less than the \$16.0 million included in the enacted budget to reflect current and six new federal awards. It should be noted, the Department typically requests all of its available funding only to significantly underspend. In FY 2020, the Department spent \$7.4 million from all of its federal grants, which is \$9.0 million less than budgeted. *The Governor recommended \$0.4 million more than enacted which reflects only the new federal grants requested.* **The Assembly concurred.**

Other Operations. The Department requested \$0.1 million more than enacted from all sources for all other expenditures, including \$0.1 million more from general revenues. This reflects the estimated increase in utilities costs, insurance, hiring additional contracted fish and wildlife specialists and for updating computer equipment. Subsequent to the budget request, the Department requested \$0.1 million more from restricted receipts which reflects purchasing Fish and Wildlife vehicles in FY 2020 but delivery and payment was not made until FY 2021. *The Governor recommended \$0.1 million more than enacted, based on a request made by the Department.* **The Assembly concurred.**

Coastal Resources Management Council

	FY 2020 Reported	FY 2021 Enacted	FY 2021 Revised	FY 2021 Final
Expenditures by Category				
Salaries and Benefits	\$ 3,895,804	\$ 3,626,097	\$ 3,638,626	\$ 3,558,626
Contracted Services	655,173	200,770	200,770	160,770
Subtotal	\$ 4,550,977	\$ 3,826,867	\$ 3,839,396	\$ 3,719,396
Other State Operations	154,105	361,971	361,971	361,971
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	846,683	881,823	136,310	136,310
Capital	65,918	134,151	879,664	879,664
Capital Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
Total	\$ 5,617,683	\$ 5,204,812	\$ 5,217,341	\$ 5,097,341
Sources of Funds				
General Revenue	\$ 2,831,187	\$ 2,580,300	\$ 2,588,632	\$ 2,468,632
Federal Aid	1,982,308	2,283,202	2,287,399	2,287,399
Restricted Receipts	265,189	250,000	250,000	250,000
Other	538,999	91,310	91,310	91,310
Total	\$ 5,617,683	\$ 5,204,812	\$ 5,217,341	\$ 5,097,341
FTE Authorization	30.0	30.0	30.0	30.0
FTE Average	30.0			

FY 2021 Revised Request. The Coastal Resources Management Council requested \$6.5 million from all sources, which is \$1.3 million more than the enacted budget, including \$0.3 million more from general revenues, \$0.5 million more from federal funds, and \$0.5 million more from Rhode Island Capital Plan funds. The Council requested 31.0 full-time equivalent positions, which is 1.0 position more than authorized. *The Governor recommended \$12,259 more than enacted and \$1.3 million less than requested. The Assembly provided \$0.1 million less from general revenues based on planned expenditures.*

Supervising Environmental Scientist (1.0 FTE). The Council requested \$52,920 from general revenues for 1.0 new supervising environmental scientist full-time equivalent position for FY 2021. The supervising environmental scientist would aid in the enforcement of the Council’s management program and issue notices of violation as well as cease and desist orders for the enforcement section. The Council noted that annual issuances of violation notices have already been surpassed as of October. The request assumes that the position would be filled for half of the fiscal year. The Council had unsuccessfully requested this position in the last six budget cycles. *The Governor did not recommend this position. The Assembly concurred.*

Other Salaries and Benefits. The Council requested \$0.2 million more than enacted from all sources to fund its 30.0 other full-time equivalent authorized positions. By source, this is \$0.2 million more from general revenues and \$24,923 less from federal funds. The enacted budget includes turnover savings from holding positions vacant; the request restores the savings. However, the Council averaged 27.1 filled positions through December 2020. The request overstates actual need assuming similar staffing through the rest of the year.

The enacted budget also assumed savings of \$32,782, including \$25,388 from general revenues based on four individuals from the Office opting to participate in the workshare program that are not reflected in the revised request but have been achieved. *The Governor recommended \$12,529 more than enacted, including \$8,332 more from general revenues. This reflects an updated assessed fringe benefit rate based on the voluntary retirement incentive program. The recommendation is \$0.2 million less than requested and reflects keeping all other costs at the enacted level.* **The Assembly provided \$80,000 less from general revenues to reflect additional turnover savings.**

Legal Services. The Council requested \$20,000 more than enacted from general revenues for legal services. This would provide \$126,000 which was the final appropriation for FY 2020 but actual expenses were \$28,865 lower, a common trend for these services. The Council noted during FY 2020 that additional legal expenses were possible as a result of wind energy projects; however, those did not occur. *The Governor recommended funding at the enacted level.* **The Assembly provided \$40,000 less from general revenues to reflect actual spending.**

Special Area Management Plan. The Council requested \$0.4 million more than enacted from federal funds to potentially partner with the University of Rhode Island for a special area management plan. Special area management plans are resource management plans and implementation programs developed as part of the Coastal Resources Management Program to manage specific geographic areas, such as urban waterfronts, watersheds of particular concern, or a specific resource of concern. Funding is from the National Oceanic and Atmospheric Administration. The final FY 2020 budget included \$0.3 million which went unspent; the FY 2019 budget also included an unspent \$0.2 million for this purpose. The Council indicated that there are some projects with the University in development, but nothing is final yet. *The Governor recommended funding at the enacted level.* **The Assembly concurred.**

Centralized Services. The Council requested \$20,853 from all sources for centralized services provided through the Department of Administration, including \$18,853 from general revenues and \$2,000 from federal funds. This is \$1,268 more than enacted and \$1,620 more than was charged in FY 2020. *The Governor recommended funding at the enacted level.* **The Assembly concurred.**

Capital Projects. The Council's request, which was submitted before the FY 2021 budget was enacted, includes \$0.5 million more than enacted from Rhode Island Capital Plan funds for capital projects. The Council subsequently indicated that \$0.5 million approved for the Coastal Storm Risk Study could be shifted to FY 2022 and the Assembly did so. *The Governor recommended funding at the enacted level.* **The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.**

Other Operations. The Council requested \$0.1 million more enacted from federal funds for other expenses. The funding is awarded to the Council from the National Oceanic and Atmospheric Administration as part of the Coastal Zone Management Act. The Council uses these funds mainly to support its daily operations but usually includes any prior year carry forward in current year revisions. The request provides \$0.1 million more than FY 2020 spending which reflects an investment in information technology equipment. *The Governor recommended funding at the enacted level.* **The Assembly concurred.**

Department of Transportation

	FY 2020 Reported	FY 2021 Enacted	FY 2021 Revised	FY 2021 Final
Expenditures by Program				
Central Management	\$ 12,870,103	\$ 17,586,869	\$ 22,163,182	\$ 22,163,182
Management and Budget	824,351	4,774,747	5,038,761	5,038,761
Infrastructure Program	595,019,113	584,981,387	664,085,105	657,323,100
Total	\$ 608,713,567	\$ 607,343,003	\$ 691,287,048	\$ 684,525,043
Expenditures by Category				
Salaries and Benefits	\$ 72,053,909	\$ 88,454,353	\$ 93,004,765	\$ 86,969,134
Contracted Services	57,186,613	51,433,363	67,682,207	67,682,207
Subtotal	\$ 129,240,522	\$ 139,887,716	\$ 160,686,972	\$ 154,651,341
Other State Operations	85,022,654	51,914,448	78,533,038	78,533,038
Aid to Local Units of Government	-	-	-	-
Assistance, Grants, and Benefits	9,919,011	16,493,297	15,949,073	15,949,073
Capital	205,169,630	251,733,772	287,862,998	287,862,998
Capital Debt Service	341,303	315,050	315,050	315,050
Operating Transfers	179,020,447	146,998,720	147,939,917	147,213,543
Total	\$ 608,713,567	\$ 607,343,003	\$ 691,287,048	\$ 684,525,043
Sources of Funds				
General Revenue	\$ -	\$ -	\$ -	\$ -
Federal Aid	317,509,121	339,392,203	409,131,461	404,131,461
Restricted Receipts	4,648,260	2,711,328	2,585,689	2,585,689
Other	286,556,186	265,239,472	279,569,898	277,807,893
Total	\$ 608,713,567	\$ 607,343,003	\$ 691,287,048	\$ 684,525,043
FTE Authorization	755.0	755.0	755.0	755.0
FTE Average	733.3			

FY 2021 Revised Request. The revised request includes \$94.9 million more from all sources than enacted. This includes \$0.1 million less from restricted receipts, offset by increases of \$24.5 million from federal funds and \$70.5 million from other funds, of which \$30.7 million is from Rhode Island Capital Plan funds. The request includes the authorized level of 755.0 full-time equivalent positions. As of the pay period ending January 31, the Department had 40.0 full-time equivalent positions vacant.

The Governor recommended \$83.9 million more from all sources than enacted and the authorized level of staffing. This is \$10.9 million less than requested, including \$45.2 million more from federal funds and \$56.1 million less from other funds. The recommendation includes the authorized level of staffing. As of the pay period ending March 13, the Department had 50.0 full-time equivalent positions vacant. The Assembly included \$684.5 million from all sources or \$6.8 million less than the revised budget, including \$1.9 million less to reflect a downward revision to the gasoline tax yield estimate and \$5.0 million less from federal funds from additional turnover savings.

Fund Sources

The Department receives funding through four major sources: federal funds, gasoline tax proceeds, Rhode Island Capital Plan funds and transportation related fees collected by the Division of Motor Vehicles. This analysis will explain the individual fund sources as well as expenditures from these sources. The following table illustrates the fund sources for FY 2021.

Source	FY 2020 Reported	FY 2021 Enacted	FY 2021 Revised	FY 2021 Final
Federal Highway Admin. Funds	\$ 217,594,442	\$ 211,225,593	\$ 206,706,085	\$ 201,706,085
Other Federal Funds	100,773,146	128,166,610	202,425,376	202,425,376
Toll Revenue	(55,349)	46,946,000	41,615,000	41,615,000
Gasoline Tax*	98,566,047	95,370,899	105,221,181	103,365,115
Land Sale Revenue	3,815,990	1,780,000	9,973,625	9,973,625
Interstate 195 Land Sales	-	1,500,000	1,500,000	1,500,000
Rhode Island Capital Plan Funds	37,419,970	2,932,910	2,813,440	2,813,440
Restricted Receipts	4,648,260	2,711,328	2,585,689	2,585,689
Motor Vehicle Fees	145,951,061	116,659,663	118,396,652	118,490,713
General Obligation Bonds**	-	[71,700,000]	-	-
Other Funds	-	50,000	50,000	50,000
Total	\$ 608,713,567	\$ 607,343,003	\$ 691,287,048	\$ 684,525,043

*Excludes gas tax debt service for DOT, RIPTA & costs for centralized services & consolidated initiatives in DOA

**Bond proceeds are not reflected in the Department's budget but are included for illustrative purposes

Federal Funds - Highway Administration. On December 4, 2015, President Obama signed into law the Fixing America's Surface Transportation (FAST) Act for \$305 billion for five years. Under this authorization, the state received an average of \$231 million annually from the Federal Highway Administration. This is approximately \$21 million more through federal fiscal year 2021 than the Department previously received. These federal funds are apportioned to states according to authorizations contained in federal law. The Department's annual allotment of funds is based on existing and prior year contracts for projects, anticipated new construction, design and engineering costs, and other planning activities such as traffic studies. These funds appear in both the Department's capital and operating budgets. In the Department's capital plan, funds appear in the project labeled Highway Improvement Program.

The Highway Improvement Program represents those highway and intermodal projects that utilize federal funds administered by the Federal Highway Administration. The program utilizes state funds for matching purposes in the form of proceeds from general obligation bonds. Federal funds earmarked for the Department's transit projects administered by the Federal Transit Administration are not included under this project but are included in the Fixed Guideway (Commuter Rail) Project. Rhode Island Public Transit Authority projects using transit funds are included in the Authority's capital budget submission. The Highway Improvement Program is directed towards implementing the Department's capital program as identified in the Transportation Improvement Program. This is adopted by the State Planning Council and approved by the Governor and establishes priorities for planning, design, and project implementation.

Annually, the Department will propose changes to the plan, to make sure that projects are appropriately coordinated and that communities and constituents can have annual input. A plan was adopted on December 14, 2017. A total of ten amendments were added to it; these changes were minor in nature and were classified as administrative. On January 25, 2019, the Department requested major revisions to the adopted plan, classified as Amendment #11. The amendment would "significantly redistribute funding to projects to cover increased construction costs, funding reductions, and align the program with Bridge and Pavement asset management priorities." Subsequently, the Department was awarded a \$70 million federal discretionary grant and on February 21, it submitted a request rescinding proposed changes included in the amendment. As such, two public hearings that were scheduled for the end of February to accept public comments on the proposed amendment were cancelled.

On July 23, 2019, the Department proposed amendments to the Transportation Improvement Program. Solicitations for input were due on August 22 and two public hearings were held on August 13 and August 15. Among the proposed changes was the use of the \$70 million federal grant that the Department received. Of this amount, \$54.5 million is for the Henderson Bridge project. The amendment removed funding of \$120.0 million from Rhode Island Capital Plan funds for paving projects that the Department had programmed but was never recommended by the Governor nor approved by the Assembly. It added \$200.0 million of Grant Anticipation Revenue Vehicle (GARVEE) bonds that the 2019 Assembly approved for the Interstate 95 Viaduct project. It also reflected funding for the Pell Bridge Ramps Realignment project of \$20.0 million and \$2.8 million for preliminary engineering and environmental assessment for an Amtrak stop at T.F. Green Airport. Amtrak has three stops in the state: Providence, Kingston, and Westerly. All proposed changes were approved and adopted by the State Planning Council on August 29, 2019. Since the adoption of the plan, ten amendments have been adopted to the plan: eight were classified as administrative adjustments and two were considered minor amendments.

On December 27, 2020, President Trump signed into law a \$1.4 billion omnibus appropriations act for federal FY 2021. It includes \$86.7 billion for transportation, which is \$553.0 million above the federal FY 2020 allocation. The Department's portion of the additional amount is \$63.2 million; a 20.0 percent state match for use of these funds is required. The Department indicated that the additional funds will be used for ongoing projects. The request predated passage of the act and therefore did not assume use of these funds. The following table illustrates the proportion of funding allotted to each program area in the FY 2021 budget. It excludes salary and benefit costs.

Program Area	FY 2021 Final	Share of Total
Administrative Program	\$ 6,127,441	3.3%
Bike/Pedestrian Program	5,605,192	3.0%
Bridge Program	25,797,811	13.8%
CMAQ Program	5,585,099	3.0%
Highway Program	15,776,394	8.5%
Interstate Program	10,252,204	5.5%
GARVEE Projects	28,129,703	15.1%
Federal Highway Earmark Projects	18,650,778	10.0%
Pavement Management Program	17,516,375	9.4%
Traffic Safety Program	19,809,297	10.6%
Transit	27,976,168	15.0%
Other Programs	5,281,322	2.8%
Total	\$ 186,507,784	100%

Other Federal Funds. This source is the federal funds the Department receives outside its annual allotment for highway improvement projects. A majority of this funding comes from the National Highway Transportation Safety Administration and is used to fund safety activities such as enforcement, traffic studies, signage and research. Other federal funding comes from the Federal Transit Authority. The request includes \$157.3 million from these funds, which is \$29.1 million more than enacted, reflecting increases received for discretionary grants for several projects. *The Governor recommended \$45.1 million more from federal funds than requested, to primarily reflect use of federal stimulus from the consolidated appropriations act enacted in December 2020. The Assembly concurred.*

Toll Revenue. The Department refers to its ten-year capital and operating plans as RhodeWorks. It is a comprehensive initiative with one component aimed at accelerating the replacement and reconstruction of state bridges with the goal of reducing the percentage of deficient bridges. The Assembly adopted the RhodeWorks legislation in 2016-H 7409, Substitute A, as amended, that the Governor signed into law on February 11, 2016. The legislation authorizes tolling on large commercial vehicles. Pursuant to the

legislation, the total amount of tolls imposed upon the same individual large commercial truck for making a border-to-border trip through Interstate 95 Connecticut to Interstate 95 Massachusetts is not to exceed \$20. The daily maximum amount collected upon the same individual large commercial truck shall not exceed \$40. Tolls will be collected along six major highway corridors at 14 locations. The Department contracted with Kapsch TrafficCom to design, build, operate, and maintain the electronic tolling system for ten years. The total cost of the contract is \$68.9 million, including \$41.8 million for construction of the gantries and associated hardware and software, and \$27.1 million over 10 years for operation and maintenance.

The FY 2021 enacted budget assumes receipts of \$44.4 million from 13 gantries. Through the end of January, all but one gantry is operational and two are not collecting revenues, including the Viaduct (location 5) and the Washington Bridge (location 10). The revised request assumes \$34.5 million in revenues, \$9.9 million less than enacted reflecting a delay from the two gantries. The Department indicated that the remaining two gantries should be operational in the beginning of FY 2022. *The Governor concurred. The Assembly concurred.*

Land Sale Revenue. Sales of department-owned land can be used to purchase land and equipment, or to offset operating costs throughout the Department, including personnel expenses. Funding is being used to upgrade the Department's materials testing facility in Providence. At the end of FY 2020, the Department had \$10.2 million in available receipts. The revised request assumes the enacted amount of \$2.5 million from new land sale receipts. *The Governor concurred. The Assembly concurred.*

Interstate 195 Land Sales. Consistent with the enacted budget, the Department assumes use of \$1.5 million in FY 2021 from the sale of land made available through the relocation of Interstate 195. The Department sold the land made available from the relocation to finance a portion of project expenses. The 2011 Assembly enacted 2011-H 5994, Substitute A, as amended, which provided that after the appraisal of the parcels, they would be purchased by the Economic Development Corporation through the issuance of bonds. The payment of the bond proceeds to the Department allowed it to complete the relocation project, while the Corporation can sell the parcels at its own pace. The principal amount for the bonds is \$38.4 million, which was originally amortized over a ten-year period, with a balloon payment of \$32.0 million due in FY 2023; however, the FY 2020 budget indicated the balloon payment was to be amortized for an additional ten years. *The Governor concurred. The Assembly concurred.*

Rhode Island Capital Plan Funds. These funds are appropriated according to the Department's capital budget request and appear as other funds in the operating budget. Funds are used for projects such as storage and maintenance facilities, as well as upgrades to department-owned property, such as roof repairs or fire alarm installation. Beginning in FY 2013, approximately \$20 million from this source was included to be used as a portion of the state match for federal highway funds. The FY 2021 enacted budget includes \$2.9 million for all projects, consistent with the Governor's requested amendments in October, revising project costs to align projects with available resources. The request predated the enactment of the budget and is \$30.7 million more than enacted. *The Governor recommended \$2.8 million, \$0.1 million less than enacted, to reflect a shift in expenditures for the Warwick Bus Hub to FY 2022. The Assembly concurred.*

Restricted Receipts. This source includes funds the Department receives when it performs work for municipalities and other entities which are used to fund personnel costs for employees who perform work on the projects and track usage fees for the Rhode Island Public Rail Corporation. The 2020 Assembly adopted legislation allowing the Budget Officer to convert any escrow liability account to a restricted receipt account, upon the directive of the Controller with the consent of the Auditor General for FY 2021 only. These sources contributed \$8.4 million to the Department; the revised request assumes use of \$2.6 million, which is \$0.1 million less than enacted. *The Governor concurred. The Assembly concurred.*

Motor Vehicle Fees. The revised request includes \$127.0 million of transportation related fees and surcharges collected by the Division of Motor Vehicles and transferred to the Department. This is \$10.3 million more than enacted, reflecting use of prior years' surplus balances. Fiscal year 2014 was the first year of the phased-in vehicle surcharge fees, including a \$10 surcharge on biennial vehicle registrations, a \$5 surcharge on annual vehicle registrations and a \$10 surcharge on operator licenses, purchased on a five-year basis. The following table summarizes the incremental fee increases.

Fiscal Year	Biennial Registration Fee	Annual Registration Fee	License Fee
2013	\$ 60.00	\$ 30.00	\$ 30.00
2014	\$ 70.00	\$ 35.00	\$ 40.00
2015	\$ 80.00	\$ 40.00	\$ 50.00
2016	\$ 90.00	\$ 45.00	\$ 60.00

The biennial registration surcharge increased in \$10 increments to a total of \$30, the annual registration surcharge increased in \$5 increments to a total of \$15, and the license surcharge increased in \$10 increments to a total of \$30 beginning in FY 2014 and ending in FY 2016. These fees are transferred to the Department for use as a portion of the state match for federal funds. The table below shows actual revenue derived from the surcharges through FY 2020 and projected for FY 2021.

Fiscal Year	Biennial Registrations	Annual Registrations	Licenses	Total
2014	\$ 3,817,669	\$ 791,140	\$ 1,260,140	\$ 5,868,949
2015	\$ 7,611,636	\$ 1,989,693	\$ 3,098,765	\$ 12,700,094
2016	\$ 10,557,994	\$ 3,905,012	\$ 6,978,578	\$ 21,441,584
2017	\$ 10,653,395	\$ 3,940,297	\$ 4,773,270	\$ 19,366,962
2018	\$ 10,380,521	\$ 3,839,371	\$ 4,957,571	\$ 19,177,463
2019	\$ 10,632,930	\$ 3,932,728	\$ 5,131,315	\$ 19,696,973
2020	\$ 10,249,974	\$ 3,791,086	\$ 5,140,119	\$ 19,181,179
2021	\$ 10,408,951	\$ 3,849,886	\$ 5,219,842	\$ 19,478,679

In addition to the surcharges, portions of other fees collected by the Division of Motor Vehicles are dedicated to the Department. The Assembly included Article 21 of 2014-H 7133, Substitute A, as amended, which allocates new revenue sources, as well as transferring existing sources currently deposited into general revenues, into the Highway Maintenance Account for the Department to use for costs related to maintenance and repairs of highways, roads and bridges.

Those sources were an increase in the vehicle emission inspection fee from \$39 to \$55, the transfer of rental car surcharges, and the addition of a \$25 surcharge for good driving dismissals. The legislation also established a schedule to transfer the majority of all other transportation related fees currently collected by the Division of Motor Vehicles to the Highway Maintenance Account. The inspection fee, the good driver dismissal surcharge and car rental surcharges were transferred as of FY 2015, and the remaining revenues were to be transferred incrementally beginning with 25.0 percent in FY 2016 and 75.0 percent in FY 2017, with all of the funds being transferred in FY 2018.

The 2017 Assembly amended the distribution of the Highway Maintenance Account to require transfers of 50.0 percent for FY 2017 and 80.0 percent for FY 2018. It also amended the disposition of the Highway Maintenance Account to provide the Authority with an additional \$5.0 million in each FY 2018 and FY 2019. This is in addition to the share of 5.0 percent that the Authority received. The 2018 Assembly concurred with the Governor's proposal to further alter the transfer from 80.0 percent to 60.0 percent for FY 2018. All funds collected in FY 2019 and after would be transferred to the account.

The Governor proposed legislation in Article 8 of 2019-H 5151 to provide the Authority with an additional \$5.0 million from the Department’s share of the Highway Maintenance Account for FY 2020. The legislation also proposed that the Department reimburse the Division of Motor Vehicles for costs of certain employees involved in the collection of fees going into the account. The Assembly concurred with the recommendation to use a portion of highway maintenance funds to offset the cost of collections by retaining 5.0 percent of total resources rather than allowing for administrative discretion. The Assembly also adopted legislation to permanently provide the Authority with an additional \$5.0 million annually.

The following table shows the source and the total including surcharges explained previously.

Source	FY 2020 Reported	FY 2021 Enacted	FY 2021 Revised	FY 2021 Final
Inspection Sticker Increase	\$ 12,432,988	\$ 12,432,988	\$ 12,432,988	\$ 12,432,988
Title Fees	9,427,072	9,474,438	9,474,438	10,115,121
Rental Car Surcharge	4,081,934	3,917,339	3,917,339	2,903,371
Good Driving Surcharge	542,849	542,849	542,849	542,849
License and Registration Transfer	51,912,499	51,064,469	51,064,469	52,717,662
Surcharges	19,181,179	18,867,840	18,867,840	19,478,679
Total	\$ 97,578,521	\$ 96,299,923	\$ 96,299,923	\$ 98,190,670
5.0 Percent for Collection Cost	(4,878,926)	(4,900,000)	(4,900,000)	(4,909,534)
Total	\$ 92,699,595	\$ 91,399,923	\$ 91,399,923	\$ 93,281,136

Does not include carry-forward funds

The revised request assumes revenues of \$98.4 million. This is \$2.1 million more than enacted, reflecting updated collection; it is \$0.8 million more than FY 2020 receipts.

The revised budget assumes revenues consistent with the enacted budget. The Governor also proposed legislation in Section 7 of Article 2 of 2021-H 6122, allowing “federal coronavirus relief funds” to be counted toward the fixed \$5.0 million minimum allocation of highway maintenance funds dedicated to the Rhode Island Public Transit Authority to help support the free fare program for low income seniors and persons with disabilities. The Department of Transportation received \$13.3 million from federal CARES Act funds for operational expenses of transit projects to be used from January 20, 2020 until expended. The Governor’s FY 2021 revised and FY 2022 recommended budgets assume shifting \$7.1 million of these funds to the Authority, which would make \$7.1 million of additional funding available to the Department for state match on capital projects. The Authority’s share of the CARES Act federal transit fund allocation was \$91.2 million. Subsequently, the Department revised the assumption on the total that would be made available for state match. The Department assumed \$3.4 million for FY 2021 and \$1.4 million for FY 2022.

The Assembly concurred.

General Obligation Bond Proceeds. The state had utilized general obligation bonds to provide a match totaling \$40.0 million for federal funds in addition to the match used for GARVEE projects, which is provided by the Motor Fuel Tax Revenue Bonds. The voters approved \$80.0 million in November 2006, 2008 and 2010 to provide \$40.0 million each year, with funding programmed through FY 2014. General obligation bond debt service is paid with gasoline tax revenue and the Motor Fuel Tax Revenue Bonds’ debt service is paid by \$0.02 cents of the gasoline tax. Increasing amounts of motor vehicle fees and Rhode Island Capital Plan funds are being used as the state match in lieu of bonding; no new bonds had been authorized since 2010. The 2011 Assembly replaced borrowing with pay-go sources.

In July 2020, the Governor requested an amendment to add \$30.0 million of new general obligation bonds for voter approval to account for match shortfalls related to gas tax collections. The Assembly provided \$71.7 million of general obligation bonds for voter approval for the Department to use as state match. These funds would be used to make up for additional shortfalls in state match related to a decline in gasoline tax and other sources resulting from the current crisis. *The capital budget assumes use of \$40.0 million in FY*

2022 and \$31.7 million in FY 2023 from the newly approved general obligation bonds. **The Assembly concurred.**

Other Funds. These funds are derived from the sale of department-owned surplus property and equipment, proceeds from the state infrastructure bank and proceeds derived from the sale of outdoor advertising at the Department’s maintenance facilities. The revised request assumes the enacted amount of \$226,000 from these sources; \$50,000 is budgeted for FY 2021. *The Governor concurred.* **The Assembly concurred.**

Gasoline Tax Proceeds. The distribution of proceeds derived from the gasoline tax remained the same from FY 2009 through FY 2015. However, as previously noted, FY 2016 was the first year the gasoline tax increased as a result of inflation; it increased by one cent to 34 cents and again to 35 cents for FY 2020. The distribution of the gasoline tax is illustrated in the following table.

Entity	FY 2020 Reported	FY 2021 Enacted	FY 2021 Revised	FY 2021 Final
Department of Transportation	20.25	20.25	20.25	20.25
Rhode Island Public Transit Authority	9.75	9.75	9.75	9.75
Turnpike and Bridge Authority	3.5	3.5	3.5	3.5
Elderly Transportation	1.0	1.0	1.0	1.0
Underground Storage Tank Fund	0.5	0.5	0.5	0.5
Total (in cents)	35.0	35.0	35.0	35.0

The following table shows how the New England states rank.

<i>As of 07/01/2020</i>	Tax - Cents Per Gallon	
	<i>Gas</i>	<i>Diesel</i>
Rhode Island ¹	35.0	35.0
Connecticut	35.8	44.6
Maine	30.0	31.2
Massachusetts ²	26.5	26.5
New Hampshire	23.8	23.8
Vermont	30.2	32.0
New England Average	30.2	32.2
U.S. Average	36.4	37.5

Source: American Petroleum Institute includes state surcharges

¹Increased 1 cpg on 7/1/19

²Increased 3 cpg 7/1/13, indexed to inflation; 11/14 referendum repealed index

Department of Transportation Gasoline Tax. Section 31-36-7 of the Rhode Island General Laws sets the gasoline tax at 32 cents per gallon, indexed to the Consumer Price Index every other year, rounded to the nearest cent, effective July 1, 2014. Additionally, Section 46-12.9-11 of the Rhode Island General Laws establishes a one-cent environmental protection regulatory fee, half of which is deposited in the Intermodal Surface Transportation Fund. The disposition of proceeds is outlined in Section 31-36-20 of the General Laws. Upon receipt, all gasoline tax proceeds are deposited into the Intermodal Surface Transportation Fund from which statutory transfers are made to the Department, the Rhode Island Public Transit Authority, the Rhode Island Turnpike and Bridge Authority, and the Department of Human Services for the elderly/disabled transportation program. The request assumes a per penny yield of \$3.975 million, the per penny yield used in the FY 2020 final enacted budget. This is \$80,628 less than the FY 2021 enacted estimate. It should be noted that the actual per penny yield in FY 2020 was \$160,310 higher the amount assumed. Based on information from the Division of Taxation, year-to-date collections are 11.4 percent lower than the prior year’s collection. *The revised budget assumes the enacted yield of \$4.056 million per*

penny. The enacted budget assumes a per penny yield of \$4.002 million, or \$53,799 less than the revised budget.

The following table shows available gasoline tax proceeds and other non-federal funds included in the FY 2021 budget.

Non Federal Sources	FY 2020 Reported	FY 2021 Enacted	FY 2021 Revised	FY 2021 Final
<i>Gas Tax Yield per Cent</i>	4.135	4.056	4.056	4.002
<i>RIDOT Cents</i>	20.25	20.25	20.25	20.25
<i>RIPTA Cents</i>	9.75	9.75	9.75	9.75
<i>Turnpike and Bridge Authority Cents</i>	3.50	3.50	3.50	3.50
Transportation Revenues				
Balance Forward	\$ 99,036,541	\$ 69,954,022	\$ 67,468,421	\$ 67,468,421
Gas Tax	138,528,865	135,859,518	135,859,518	134,057,252
Motor Vehicles Fees, Surcharges & Transfer	92,699,595	91,399,923	96,299,924	98,190,670
Toll Revenue	16,699,392	44,375,000	34,500,000	34,500,000
Surplus Property & Outdoor Advertising	206,648	226,000	226,000	226,000
Restricted Receipts	4,369,523	2,925,399	8,370,103	8,370,103
Interstate 195 Land Sales	-	1,500,000	1,500,000	1,500,000
Land Sales	2,895,680	2,500,000	2,500,000	2,500,000
Rhode Island Capital Plan Funds	37,419,970	2,932,910	2,813,440	2,813,440
Total Revenues	\$ 391,856,214	\$ 351,672,772	\$ 349,537,406	\$ 349,625,885
Transportation Expenses				
Winter Maintenance	\$ 12,028,834	\$ 16,285,176	\$ -	\$ -
Vehicles & Maintenance	11,988,873	9,901,856	10,122,782	10,122,782
General Maintenance	35,683,317	39,911,909	22,064,912	22,064,912
Pay-go/Capital & Other	139,459,202	117,257,350	163,240,925	162,205,294
GARVEE Bond Debt Service	8,270,380	8,111,016	8,111,016	8,003,418
G.O. Debt Service*	33,024,126	36,353,581	36,353,581	36,353,581
State Match - Gas Tax	2,710,175	4,226,560	2,547,641	2,547,641
Internal Service Funds Transparency*	1,017,688	1,522,957	1,522,957	1,522,957
Restricted Receipts	4,648,260	2,711,328	2,585,689	2,585,689
Interstate 195 Land Sales	-	1,500,000	1,500,000	1,500,000
Land Sales	3,815,990	1,780,000	9,311,732	9,311,732
Surplus Property & Outdoor Advertising	-	50,000	50,000	50,000
Equipment Replacement	1,337,448	-	-	-
Facilities	3,631,176	2,932,910	2,813,440	2,813,440
RIPTA - Gas Tax	40,295,053	39,518,421	39,518,421	38,993,881
RIPTA - Highway Maintenance Account	12,004,106	9,569,996	6,094,751	6,188,812
Turnpike and Bridge Authority	14,473,165	14,194,278	14,194,278	14,005,981
Total Expenditures	\$ 324,387,793	\$ 305,827,338	\$ 320,032,125	\$ 318,270,120
Surplus/Deficit	\$ 67,468,421	\$ 45,845,434	\$ 29,505,281	\$ 31,355,765

*Shown in the Department of Administration's budget

Coronavirus Response and Relief Supplemental Appropriations Act. On December 27, 2020, the President signed into law a consolidated appropriations act for federal FY 2021 that contains \$10.0 billion for Highway Infrastructure Programs. Uses of these funds appear to be flexible and no state match is required. Eligible uses include preventative maintenance, operations, personnel, contractors, debt service payments and coverage for revenue losses. The act appears to be silent on when reimbursable expenditures begin; however, funds must be used by September 30, 2024. The Department indicated that it is waiting further guidance from the Federal Highway Administration. The Department's portion of the funds will be \$54.3 million and the revised budget request does include these funds. As noted earlier, the omnibus appropriations for federal FY 2021 provided an additional \$63.2 million to the Department; these funds do

require a 20.0 percent state match. It appears that the net impact of these two acts to the Department is approximately \$42 million, which accounts for state match needs.

*The revised budget uses \$36.0 million from the \$54.3 million grant. This includes \$15.0 million for maintenance projects, \$16.0 million for winter maintenance and \$5.0 million for road and bridge projects. The FY 2022 recommended budget assumes use of the remaining \$18.0 million. **The Assembly concurred.***

Centralized Services. The revised request includes \$0.9 million more than enacted for the Department's share of centralized services provided by the Department of Administration. This includes \$72,168 more for facilities management for a total of \$1.2 million. This amount is consistent with projected agency charges. The request includes \$1.3 million, or \$1.0 million less than enacted for human resources support. This appears to be consistent with the rate charge of \$1,527.99 per filled position. As of January, expenditures were \$0.6 million, which would leave \$0.7 million for the remainder of the fiscal year. The request includes \$5.7 million for information technology services, or \$1.8 million more than enacted. This appears to be overstated as actual expenditures from FY 2018 through FY 2020 averaged \$2.9 million. Expenditures for the first seven months of FY 2021 have averaged \$265,000, which indicates annual expenses would be \$3.2 million. The request for information technology services is \$2.5 million above that. *The Governor recommended \$1.9 million less than requested, all but \$11,627 is for information technology services, which is closer to but still exceeds FY 2020 expenses. **The Assembly concurred.***

Salaries and Benefits. The revised request includes \$4.1 million more than enacted from federal funds and gasoline tax proceeds for salary and benefit expenses for the authorized level of 755.0 full-time equivalent positions. It assumes \$1.4 million in turnover savings, which is \$3.2 million more than the amount assumed in the enacted budget. The requested turnover savings is equivalent to 12.0 vacancies; the enacted budget assumes turnover savings equivalent to 39.0 positions. As of the pay period ending January 30, the Department had 40.0 full-time equivalent positions vacant. The enacted budget also assumes savings of \$0.9 million from federal funds and gasoline tax proceeds based on 126 individuals who opted to participate in the workshare program that are not overtly reflected in the revised request but have been achieved.

*The Governor recommended \$0.3 million more than requested from all sources to reflect an updated statewide benefit rate increase attributed to the voluntary retirement incentive program, which the administration implemented during FY 2021. According to information provided by the administration, there are approximately 100 employees in the Department that are eligible to participate in the program and through May 20, 32 individuals opted to receive the incentive. As of the pay period ending June 5, there were 77.0 full-time equivalent positions vacant. **The Assembly included \$6.0 million in additional turnover savings, including \$1.0 million from gas tax funds and \$5.0 million from federal funds.***

GARVEE Debt Service. At the request of the Department, separate legislation was submitted in 2019-H 5883 on March 21, 2019, authorizing the issuance of \$200.0 million through the GARVEE Program to fund construction costs for the Interstate 95 Northbound Providence Viaduct project. The 2019 Assembly authorized the debt in Article 6 of 2019-H 5151, Substitute A, as amended. The issuance occurred in May 2020 and the first four years will require interest only payments. The revised request inadvertently excludes the \$8.0 million payment and adjusts gasoline tax expenses by \$0.4 million from the dedicated \$0.02 cents for Motor Fuel Tax Revenue Bonds for match of previously approved GARVEE projects. The Department assumes a per penny yield of \$3.975 million; however, budgeted expenditures use a per penny yield of \$4.258 million. *The Governor recommended funding consistent with the enacted budget, which properly funds the debt service expense. **The Assembly provided \$73.5 million from all sources, \$0.1 million less than the revised budget, to reflect a downward revision of the gasoline tax yield estimate.***

Residual GARVEE Proceeds. The 2003 Assembly adopted legislation authorizing the Department to finance five capital projects in the amount of \$709.6 million through the issuance of bonds for the following

projects: I-195 Relocation, Sakonnet River Bridge, Washington Bridge, Freight Rail Improvement and Route 403. The state used \$0.02 cents of the gasoline tax proceeds as match. The 2016 Assembly adopted legislation allowing the Department to refinance these bonds. In the process of issuing the 2020 GARVEE bonds, the Department was notified of an account that had residual gasoline tax proceeds of \$7.1 million. The revised request assumes use of these funds as one-time resources for state match for the Interstate 95 Viaduct project. *The Governor recommended funding as requested.* **The Assembly concurred.**

Washington Bridge Repairs. In November 2019, the Department received a \$25.0 million federal discretionary grant toward a \$71.3 million project to rehabilitate the Washington Bridge. The bridge was built in 1969 and carries approximately 70,000 vehicles per day along I-195 between Providence and East Providence. The project includes replacement of the westbound section of the bridge, realigning ramps and adding more lanes to reduce congestion. The request assumes use of \$8.0 million in FY 2021, \$10.0 million in FY 2022 and the remaining \$7.0 million in FY 2023. The approved Transportation Improvement Plan assumes a 2024 project completion date. *The Governor recommended funding as requested.* **The Assembly concurred.**

Pell Ramps Realignment. In December 2018, the Department was awarded a \$20.0 million federal discretionary grant to reconfigure the Pell Bridge Interchange. The request includes use of \$9.2 million in FY 2021, \$6.6 million more than enacted. The remaining project expenses are assumed in FY 2022 and FY 2023. The grant funds will allow the Department to accelerate the project, which is estimated at \$66.1 million. The project includes two phases; phase one includes reconstruction of J.T. Connell Highway and traffic signal improvements, this is scheduled to be completed in December 2021. Phase two includes the reconstruction of roadways and ramps. The Department indicated that design for the second phase is complete and the project is in the process of being advertised; construction will start this year and the project is slated to be completed in July 2024. *The Governor recommended funding as requested.* **The Assembly concurred.**

Other Federal Discretionary Grant Projects. From time to time, federal discretionary grants become available. These funds are awarded on a competitive basis and a state match is required for their uses. The Department notes that in the last five years, it was able to secure approximately \$250 million of federal discretionary funds. These grant funds are for specific projects and are above the Department's annual federal funds allotment. The discretionary grants allow the Department to advance and/or to enhance a project by adding traffic improvement, transit features or security measures. The revised request includes \$20.0 million from federal discretionary funds, \$10.0 million each for the Route 37 Corridor and the Interstate 95 Viaduct. This is \$8.4 million more than enacted. The grant amount for these two projects totals \$101.6 million and the Department's capital budget request includes these funds through FY 2025. *The Governor recommended funding as requested.* **The Assembly concurred.**

Pawtucket/Central Falls Train Station. The revised request assumes use of \$1.4 million from a federal discretionary grant received to build a new commuter rail station on the Pawtucket/Central Falls border. This is \$5.0 million less than enacted, based on projected expenditures. The total project cost is \$50.7 million. The project's infrastructure will include three platforms, a pedestrian overpass, bus drop-off access, pedestrian access and parking. The station is intended to be served by the Massachusetts Bay Transportation Authority along its Providence line, connecting Pawtucket/Central Falls to Providence and Boston. The project is scheduled to be completed in FY 2022. *The Governor concurred.* **The Assembly concurred.**

Capital - Other Highway Improvement Projects. The revised request includes \$346.7 million from all sources, or \$56.8 million more than enacted for all other capital projects listed in the Highway Improvement Program, including bridge replacement, paving, Reconstruction of the Route 6/10 Interchange, and others. The request includes \$193.9 million from federal funds, or \$0.5 million less than enacted. It also includes \$5.3 million less from toll revenues, offset by increases of \$40.0 million from gasoline tax and highway

maintenance funds, and \$30.0 million from Rhode Island Capital Plan funds. The 2020 Assembly provided \$71.7 million of general obligation bonds for voter approval for the Department to use as state match in lieu of Rhode Island Capital Plan funds, reflecting the availability of the fund. The bond proceeds would also be used to make up for other shortfalls in state match related to a decline in gas tax and other sources resulting from the current crisis. *The Governor concurred, with the exception of providing the additional Rhode Island Capital Plan funds. This is consistent with the approved plan. The Assembly concurred.*

CARES Act Transit Funds. The CARES Act provides \$25.0 billion for Transit Infrastructure grants to help transit agencies prevent, prepare and respond to COVID-19. The Department will receive \$13.3 million; funds were allocated through existing formula grant programs and are available for use from January 20, 2020 until expended. The funds can be used for operational expenses of transit projects and there is no matching requirement. The Department indicated that the majority of these funds will be used to substitute highway maintenance funds provided to the Rhode Island Public Transit Authority for the free fare program for low income seniors and persons with disabilities to free up highway maintenance funds to be used for state match. This is an allowable expense per guidance the Department received. The amount of the highway maintenance funds transferred to the Authority is contained in the General Laws. The Department indicated that it will request legislation to allow the substitution of these funds for the free fare program in lieu of transferring the highway maintenance funds to the Authority to pay for the expense. The revised request assumes expenditures of \$6.8 million. It appears that \$1.7 million was spent in FY 2020 on the ferry shuttle and other transit projects.

The Governor recommended total expenditures as requested and proposed legislation in Article 2 of 2021-H 6122 to allow “federal coronavirus relief funds” to be counted toward the fixed \$5.0 million minimum allocation of highway maintenance funds dedicated to the Rhode Island Public Transit Authority. Of the \$6.8 million recommended, \$3.5 million would go to the Rhode Island Public Transit Authority. The remaining \$3.3 million would be used on transit related projects. The Assembly concurred.

Public Transit Authority. Currently, the Rhode Island Public Transit Authority receives 9.75 cents of the 35-cent gas tax. The funds are transferred to the Authority but reflected in the Department of Transportation’s budget as a grant to the Authority in order to account for the gas tax in the state’s accounting structure, since the Authority is a quasi-public corporation. The Authority also receives its share of funding from the Highway Maintenance Account, which is based on 5.0 percent of all fines and fees collected into the account. The 2019 Assembly adopted legislation to permanently provide the Authority with an additional \$5.0 million from the highway maintenance funds to cover its debt payment and for the free fare program for low income seniors and persons with disabilities. The revised request assumes \$51.1 million, including \$9.7 million from highway maintenance funds to the Authority. This is \$2.0 million more than enacted, including \$103,541 more from highway maintenance funds and \$1.9 million more from gasoline tax proceeds. The Department’s revenue estimate assumes a per penny yield of \$3.975 million; however, budgeted expenditures use a per penny yield of \$4.258 million.

The Governor recommended total funding consistent with the enacted budget; however, this assumes \$3.5 million for the free fare program for low income seniors and persons with disabilities would be funded from CARES Act funds the Department received, as noted above. The Assembly provided \$48.7 million to the Authority, \$0.4 million less than the revised budget. This includes \$0.5 million less to reflect a downward revision to the gasoline tax yield estimate and \$0.1 million more for the Authority’s share of the Highway Maintenance Account based on updated estimates.

RIPTA Bus Purchases. The approved plan includes a total of \$25.2 million, including \$3.1 million in FY 2021 from the Department of Transportation’s current share of the Highway Maintenance Account for continued match for the Authority to purchase buses. The Authority’s FY 2022 through FY 2026 capital budget assumes use of \$6.1 million from this source for FY 2021 and FY 2022; however, the match from FY 2023 through FY 2026 of \$17.3 million would be from the Department of Transportation. The

Department's request does not assume this expense. The Department expressed its difficulty securing additional match as gasoline tax receipts and highway maintenance funds have decreased since the pandemic started and additional discretionary grant funds also require a state match. It appears that the Department provided the Authority with \$3.8 million in FY 2020, \$655,943 more than the amount assumed in the FY 2020 final enacted budget.

It should be noted that the CARES Act includes funding for Transit Infrastructure grants to help transit agencies prevent, prepare and respond to COVID-19; the Authority will receive \$91.2 million. The funds are available for use from January 20, 2020 until expended. The Authority has spent a total of \$20.0 million, including \$10.9 million in FY 2020 and \$9.2 million in the first half FY 2021. *The Governor concurred with the request. The capital budget assumes that the Department would fund these expenses from FY 2023 through FY 2026 and includes a total of \$13.6 million for these expenses.* **The Assembly concurred.**

Turnpike and Bridge Authority. The request includes \$14.9 million or \$0.7 million more than enacted from gasoline tax revenue to be transferred to the Rhode Island Turnpike and Bridge Authority for operations related to the four bridges under its purview: Newport Pell, Sakonnet River, Mount Hope, and Jamestown. Funding was provided by the 2014 Assembly in lieu of placing a toll on the newly constructed Sakonnet River Bridge. The funding is generated from 3.5 cents of the gasoline tax previously dedicated to the Department, which is able to make the transfer based on additional fund sources made available for infrastructure. The Department's revenue estimate assumes a per penny yield of \$3.975 million; however, budgeted expenditures use a per penny yield of \$4.258 million. *The Governor recommended funding consistent with the enacted budget.* **The Assembly provided \$14.0 million or \$0.2 million less than the revised budget to reflect a downward revision of the gasoline tax yield estimate.**

Winter Maintenance Operations. Excluding salaries and benefits, the Department requested \$12.5 million from gasoline tax proceeds for operating expenses related to the winter maintenance program for FY 2021. Funding is used to pay for vendor contracts, as well as to purchase salt, sand and liquid de-icers. The request is \$0.4 million less than enacted and \$2.4 million more than FY 2020 expenditures. The average annual cost for winter maintenance operations from FY 2016 through FY 2020 is \$15.4 million. *The Governor recommended \$1.5 million more than requested for a total of \$14.0 million, based on projected expenditures. The recommendation funds these expenses with federal stimulus funds from the consolidated appropriations act, enacted in December 2020.* **The Assembly concurred.**

Vehicles/Equipment and Maintenance. The revised request includes \$9.5 million from all sources to purchase heavy trucks, sweepers, loaders, backhoes and tractors to replace the Maintenance Division's existing fleet. This is \$0.1 million less than enacted, including \$35,788 from FY 2020 unspent Rhode Island Capital Plan funds. It should be noted that in October, the Governor requested an amendment excluding the reappropriation of these funds based on the availability of Rhode Island Capital Plan funds. All other expenses are \$121,489 less than enacted to adjust expenditures for fleet overhead and vehicle maintenance to reflect the FY 2020 experience. *The Governor recommended \$35,788 less than requested.* **The Assembly concurred.**

Congestion Mitigation and Air Quality Projects. The Department requested \$8.6 million from federal congestion mitigation air quality grant funds. This is \$0.3 million less than enacted, reflecting updated spending projections. These funds are used to support transit operations, such as parking garages and train stations. Funds are also used for programs to help meet the requirements of the federal Clean Air Act and to assist the state in improving air quality through congestion relief and lowering emissions. Though the request is less than enacted, it is \$3.1 million more than the average spent in FY 2018 through FY 2020; the Department historically overstates its ability to spend these funds. *The Governor concurred.* **The Assembly concurred.**

Third Party Project Reimbursements. The Department receives funds when it performs work for municipalities and other entities which are used to fund personnel costs for employees who perform work on the projects. The revised request assumes expenditures of \$2.3 million or \$15,250 more than enacted for capital expenses. *The Governor recommended funding as requested.* **The Assembly concurred.**

RI Public Rail Corporation. The RI Public Rail Corporation, a quasi-public state agency, was created and established for the purpose of enhancing and preserving the viability of commuter rail operations in the state. It provides indemnity for rail service operating within the state; the state is fully responsible for reimbursing all costs associated with the purchase of insurance coverage. The 2020 Assembly adopted legislation allowing the State Budget Officer to classify track usage fees as restricted receipts for FY 2021 only and provided \$165,000 in expenditures. These receipts were previously classified as an escrow liability. The Department requested \$222,659 or \$57,659 more than enacted, based on FY 2020 expenses, which were \$220,259. *The Governor recommended funding as requested.* **The Assembly concurred.**

National Highway Safety Grants. Excluding salaries and benefits, the revised request includes \$2.7 million more than enacted from the National Highway Transportation Safety Administration for FY 2021. This includes \$0.6 million for media buys for various campaigns and \$2.1 million in grants to municipalities and other entities. Grant funds are used to encourage safety on highways and provide funding for programs to lower amounts of impaired driving, risk reduction and increase seatbelt use. Historically, the Department overestimates its ability to spend these funds. The revised request of \$12.2 million is \$6.5 million more than FY 2020 expenses. *The Governor recommended funding as requested.* **The Assembly concurred.**

RhodeWorks Legal Services. The Department requested \$0.5 million more than enacted from gasoline tax proceeds for legal expenses relating to the tolling program for which the enacted budget includes \$1.6 million, bringing expenditures to \$2.1 million. In July 2018, the Rhode Island Trucking Association along with the American Trucking Associations, Cumberland Farms Inc., M&M Transport Services Inc. and New England Motor Freight filed a lawsuit against the state, challenging the constitutionality of the tolling program. The state is being represented by Adler, Pollock and Sheehan. Expenditures were \$0.8 million in FY 2019 and \$0.9 million in FY 2020. Expenses through January 2021 totaled \$2.1 million. *The Governor recommended \$3.0 million more than requested for a total of \$5.1 million. Through March 17, expenditures total \$2.7 million; leaving \$2.4 million for the remainder of the fiscal year.* **The Assembly concurred.**

IT Projects and Support. The 2015 Assembly enacted legislation in Article 15 of 2015-H 5900, Substitute A, as amended, requiring the Department to be organized in accordance with a project management-based program and utilize an asset management system in order to manage the delivery of projects from conception to completion. The Department requested \$0.9 million more than enacted from gasoline tax proceeds for ongoing information technology support and projects, including e-Construction and upgrading the Performance and Registration Information Systems to allow the automation of prompt payment. *The Governor concurred.* **The Assembly concurred.**

Other Maintenance Division Expenses. The revised request includes \$13.1 million from gasoline tax proceeds for all other expenses for the Division of Maintenance. This includes activities such as trash and debris removal, landscaping, sand removal, and graffiti removal. The request is \$3.3 million less than enacted based on prior year's spending. Reported expenses were \$11.2 million and the request is \$1.9 million above that. Based on available gasoline tax proceeds, the revised request removes \$2.5 million budgeted for a pre-fabricated building to store equipment and \$750,000 for renting maintenance equipment. *The Governor recommended \$15.0 million more than requested.* **The Assembly concurred.**

Capital - Other Projects. The Department requested \$12.7 million or \$8.2 million more than enacted, for all other capital projects. This includes \$0.7 million more from Rhode Island Capital Plan funds for eight

ongoing projects; four of these projects are under the purview of the Rhode Island Public Transit Authority. It also includes \$7.6 million more for projects funded with land sale receipts, including the Department's materials testing facility in Providence, Broad Street Regeneration and others.

*The Governor recommended \$0.8 million less than requested; it does not include the additional Rhode Island Capital Plan funds and shifts \$120,000 for the Warwick Bus Hub project to FY 2022 based on a project delay. **The Assembly concurred. A detailed description of the projects is included in the Capital Budget section of this publication.***

COVID Relief - Government Readiness. The administration identified expenses of \$40.7 million associated with government readiness related to COVID-19 response services, including screening, janitorial and reconfiguration of lobby and cubicle areas in the state. The enacted budget assumes these expenses in the Department of Administration's budget. It appears that \$0.3 million of the \$0.5 million appropriated in FY 2020 was spent for operating expenses, including cleaning supplies and for staff time spent on setting up for COVID-related activities at rest areas, testing areas, and other locations. The Department's revised request did not assume expenditures for this. *The Governor recommended \$1.0 million from federal Coronavirus Relief funds to fund these expenses in FY 2021. **The Assembly concurred.***

Other Expenses. The Department requested \$0.8 million more from gasoline tax proceeds than enacted for all other operating expenses. It includes \$0.5 million in operating transfers to the Division of Statewide Planning for staff time dedicated to transportation planning projects. This expense is included in the Department of Administration's budget and by including it in the Department of Transportation double counts the expense. Subsequently, the Department indicated that the expense was included in error. This includes \$0.3 million for the removal and disposal of an existing machine and installation of equipment for testing steel reinforcing bar. *The Governor recommended \$0.3 million more than enacted, \$0.5 million less than requested to remove the expense included in error. **The Assembly concurred.***